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APRIL 2011 #41

UTAH

**DECLARES U.S.
GOLD & SILVER
COINS
LEGAL TENDER**

**BULLIONVAULT
\$1,000,000,000**

**CAN U.S.
STATES COIN
THEIR OWN
MONEY?**

Bernard
von
NotHaus



CONVICTED

"Attempts to undermine the legitimate currency of this country are simply a unique form of domestic terrorism,"
- Anne M. Tompkins, U.S. Attorney for the Western District of North Carolina.

DGC Magazine is committed to expanding the legal use of digital gold currency around the world. Slowly, legally and ethically we are trying to move digital gold currency and sound money forward into everyday business.

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Department of Justice Press Release For Immediate Release
March 18, 2011 United States Attorney's Office
Western District of North Carolina

Defendant Convicted of Minting His Own Currency

STATESVILLE, NC—Bernard von NotHaus, 67, was convicted today by a federal jury of making, possessing, and selling his own coins, announced Anne M. Tompkins, U.S. Attorney for the Western District of North Carolina. Following an eight-day trial and less than two hours of deliberation, von NotHaus, the founder and monetary architect of a currency known as the Liberty Dollar, was found guilty by a jury in Statesville, North Carolina, of making coins resembling and similar to United States coins; of issuing, passing, selling, and possessing Liberty Dollar coins; of issuing and passing Liberty Dollar coins intended for use as current money; and of conspiracy against the United States. The guilty verdict concluded an investigation which began in 2005 and involved the minting of Liberty Dollar coins with a current value of approximately \$7 million. Joining the U.S. Attorney Anne M. Tompkins in making today's announcement are Edward J. Montooth, Acting Special Agent in Charge of the FBI, Charlotte Division; Russell F. Nelson, Special Agent in Charge of the United States Secret Service, Charlotte Division; and Sheriff Van Duncan of the Buncombe County Sheriff's Office.

According to the evidence introduced during the trial, von NotHaus was the founder of an organization called the National Organization for the Repeal of the Federal Reserve and Internal Revenue Code, commonly known as NORFED and also known as Liberty Services. Von NotHaus was the president of NORFED and the executive director of Liberty Dollar Services, Inc. until on or about September 30, 2008.

Von NotHaus designed the Liberty Dollar currency in 1998 and the Liberty coins were marked with the dollar sign (\$); the words dollar, USA, Liberty, Trust in God (instead of In God We Trust); and other features associated with legitimate U.S. coinage. Since 1998, NORFED has been issuing, disseminating, and placing into circulation the Liberty Dollar in all its forms throughout the United States and Puerto Rico. NORFED's purpose was to mix Liberty Dollars into the current money of the United States. NORFED intended for the Liberty Dollar to be used as current money in order to limit reliance on, and to compete with, United States currency.

In coordination with the Department of Justice, on September 14, 2006, the United States Mint issued a press release and warning to American citizens that the Liberty Dollar was "not legal tender." The U.S. Mint press release and public service announcement stated that the Department of Justice had determined that the use of Liberty Dollars as circulating money was a federal crime.

Article I, section 8, clause 5 of the United States Constitution delegates to Congress the power to coin money and to regulate the value thereof. This power was delegated to Congress in order to establish and preserve a uniform standard of value and to insure a singular monetary system for all purchases and debts in the United States, public and private. Along with the power to coin money, Congress has the concurrent power to restrain the circulation of money which is not issued under its own authority in order to protect and preserve the constitutional currency for the benefit of all citizens of the nation. It is a violation of federal law for individuals, such as von NotHaus, or organizations, such as NORFED, to create private coin or currency systems to compete with the official coinage and currency of the United States.

to be continued on pg. 7

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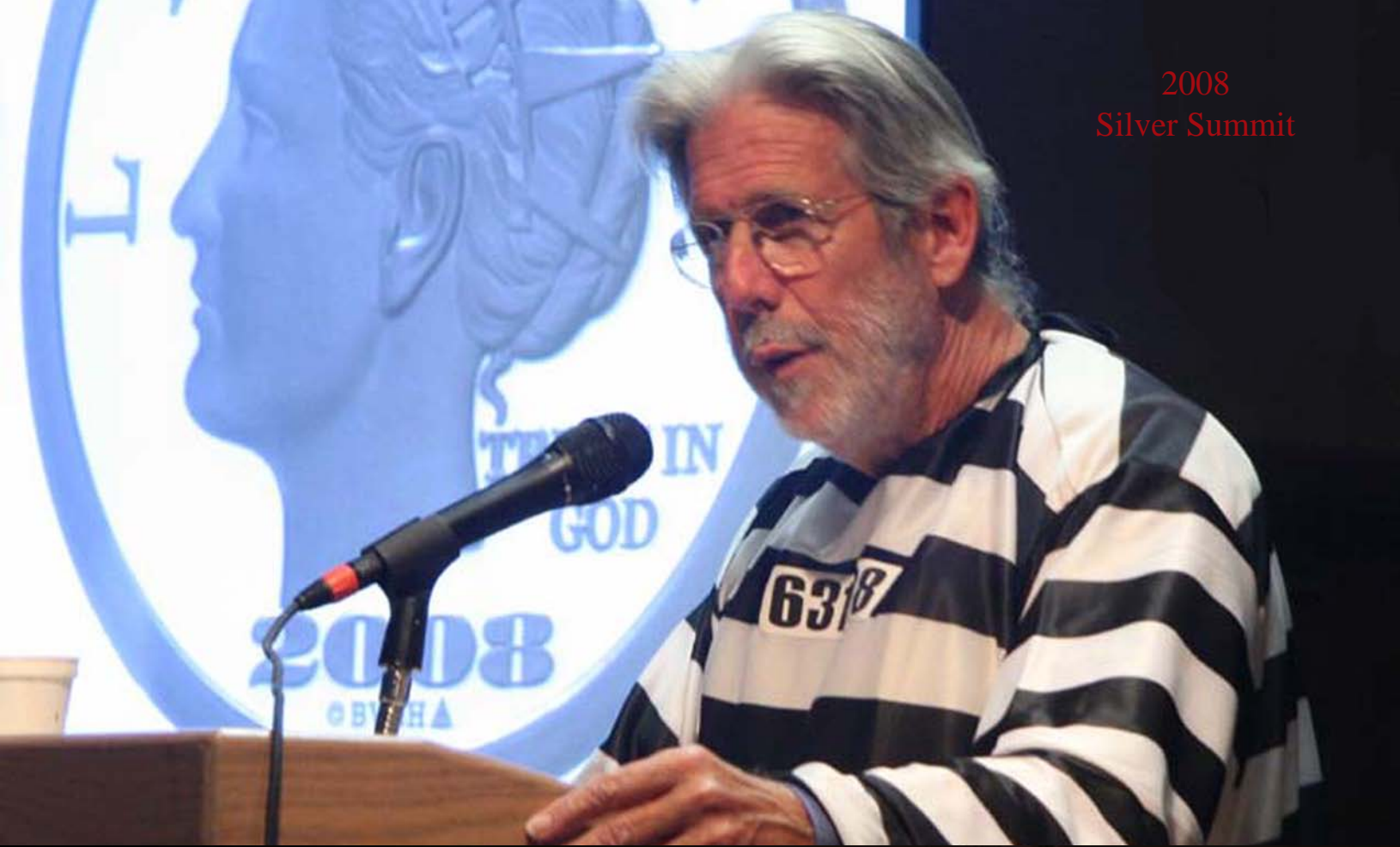
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2008
Silver Summit



2008 New Hampshire
Liberty Forum



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Defendant Convicted of Minting His Own Currency - continued

Von NotHaus, who remains free on bond, faces a sentence of up to 15 years' imprisonment on count two of the indictment and a fine of not more than \$250,000. Von NotHaus faces a prison sentence of five years and fines of \$250,000 on both counts one and three. In addition, the United States is seeking the forfeiture of approximately 16,000 pounds of Liberty Dollar coins and precious metals, currently valued at nearly \$7 million. The forfeiture trial, which began today before United States District Court Judge Richard Voorhees, will resume on April 4, 2011 in the federal courthouse in Statesville. Judge Voorhees has not yet set a date for the sentencing of von NotHaus.

“Attempts to undermine the legitimate currency of this country are simply a unique form of domestic terrorism,” U.S. Attorney Tompkins said in announcing the verdict. “While these forms of anti-government activities do not involve violence, they are every bit as insidious and represent a clear and present danger to the economic stability of this country,” she added. “We are determined to meet these threats through infiltration, disruption, and dismantling of organizations which seek to challenge the legitimacy of our democratic form of government.”

The case was investigated by the FBI, Buncombe County Sheriff's Department, and the U.S. Secret Service, in cooperation with and invaluable assistance of the United States Mint. The case was prosecuted by Assistant United States Attorneys Jill Westmoreland Rose and Craig D. Randall, and the forfeiture trial is being prosecuted by Assistant United States Attorneys Tom Ascik and Ben Bain Creed.

Photos: Bernard was always doing fun wise cracking stunts to get people's attention. At the 2008 New Hampshire Liberty Forum, he gave a keynote address in a pirate uniform. It is part of his personality and it works. In 2008 he put on this striped prison outfit and gave a speech during the Silver Summit at the Best Western Coeur d'Alene Inn.

ANGLO FAR-EAST CUSTODIAL COMPANY SELECTED AS PRECIOUS METALS AGENT FOR NEW LUXEMBOURG-REGULATED PHYSICAL GOLD FUND

LUXEMBOURG, March 21, 2011 /PRNewswire/ -- Anglo Far-East Custodial Company (AFECC) has joined ABN Amro, Las Bovedas Corporation SARL, and Luxembourg Fund Partners to launch a new physical gold fund regulated by the CSSF.

Under the Terms of Agreement, AFECC will provide all background logistics of acquisition, transport, auditing, safe storage and liquidation of the physical gold bars backing the Fund.

The Precious Metals Fund – LFP Prime SICAV SIF S.A. (Physical Gold Fund) won regulatory approval on March 15, 2011, and is listed under ISIN LU0596820836 for Class A and LU0596823269 for Class I shares.

“We are thrilled to be the Precious Metals Agent for this revolutionary new Fund,” said Anglo Far-East's Founding Director Philip Judge. “We recognized the need for funds and institutions that wanted to back their offerings with physical precious metals in purely allocated bar form. This custodial governance model eliminates counterparty risk like you may have from the way other products have been structured in the past. Because of our experience and expertise in this area, AFECC is in the ideal position to provide the needed support to the Fund.”

“This Fund's physical asset holding provides the lowest storage and insurance risk profile for a Gold Fund. Due to its structure, with this Fund the metal is not held or vaulted by an entity that may have positions in financial markets or OTC Derivative risks,” commented AFECC's Treasury Director Simon Heapes. “This gives the benefit of guarding the Fund against a systemic domino effect in the economy which has become a concern for many investors in recent times. This unique custodial governance system was designed to closely reflect the time proven system Anglo Far-East has developed and successfully used for nearly two decades now that we refer to as the Chain of Integrity.”

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THIS IS NOT A SOLICITATION TO BUY OR SELL
SECURITIES.

The Bill is located on page 50 in this issue.

The State of Utah Recognizes Gold and Silver U.S. Coins As Legal Tender

On March 25th, Utah became the first U.S. state in recent times to officially permit gold and silver coins to be used as legal tender

With Gov. Gary Herbert's signature on it, HB 317 substitute bill became law last week on March 25th, 2011. The bill recognizes gold and silver coins as legal tender and exempts the exchange of coins from certain types of state tax liability. The new law does not force anyone to use or accept precious metal coins but rather offers this option.

By removing punitive state taxes on individuals and businesses using precious metal U.S. minted coins this bill takes a nice step towards real currency competition . Since the worth of precious metal coins is much higher than the face amount, those circulating the currency can ignore the 'stamped' face value on the coin and transact using the market value of the metal. Federal taxes still apply.

The law also orders the Revenue & Taxation committee to study the possibility of adopting another form of legal tender in Utah. Recommendations from the study will be offered for the 2012 legislative session.



Bullionvault Passes the One Billion Dollar Level

LONDON, Mar 01, 2011 (Dow Jones Commodities News via Comtex) -- Gold holdings at online gold dealer BullionVault are now valued at over \$1 billion, up 49% from a year earlier, the company said Tuesday.

The steep increase is a reflection of "continued demand" for gold as a store of wealth, BullionVault said.

"Despite a recent dip in prices below their all time high of \$1,430 a troy ounce in early December, our \$1 billion milestone indicates that demand for the traditional inflation hedge remains strong due to the ongoing threat of currency devaluation," said Adrian Ash, head of research at BullionVault.

By volume, BullionVault customers now own more than 22 metric tons of physical gold, the equivalent to total gold holdings in Morocco and 4.5 tons more than in Sri Lanka. The dealer's silver holdings now stand at more than 150 tons.

BullionVault has over 21,000 customers in 97 countries, with an average holding of \$48,000.

-By Francesca Freeman, Dow Jones Newswires; +44 (0)20 7842 9412; francesca.freeman@dow-jones.com

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Volume 11 Issue 41 April 2011
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At home, across the world
Cover story: Stories of the East. The South
Special: Our Year-end in Review
News: The night is a promise
Look at the new urban developments
Woods: Earth that reimagined
The water crisis in the Middle East grows

NOW ANYBODY CAN BE A “UNIQUE TERRORIST”

Dear Fellow Americans:

I just met with my chief defense attorney, Aaron Michel, who is very concerned with the government’s effort to mislead the people, just as they misled the jury. He pointed out that the gov is now trying to brand all local non-government currencies as illegal and anybody who expresses opposition to the current US monetary policy as a “unique terrorist” who represents “a clear and present danger to the economic stability of this country.”

The alarming statement in the Department of Justice press release by U.S. Attorney Anna Tompkins should concern every American. Tompkins said: “Attempts to undermine the legitimate currency of this country are simply a unique form of domestic terrorism. While these forms of anti-government activities do not involve violence, they are every bit as insidious and represent a clear and present danger to the economic stability of this country. We are determined to meet these threats through infiltration, disruption, and dismantling of organizations which seek to challenge the legitimacy of our democratic form of government.”

Seth Lipsky’s article in The New York Sun regarding a “Unique form of Terrorism” confirms that the gov can tailor terrorism to any definition they want or need for any occasion. Lipsky’s article should only be the beginning of a much larger public outcry.

It is clear that the government is trying to grossly expand its power to control the people’s basic rights of freedom of speech, expression and action regarding their money and monetary policy. For example the Department of Justice press release added this statement, “... and to insure a singular monetary system for all purchases and debts in the United States, public and private” to their quote of Article 1, section 8 clause 5 of the US Constitution, when no such law or even idea, exists outside of the hyperbole of the DOJ.


We live in a very dangerous time of mounting price inflation, social unrest and expanding wars all based on an undisciplined monetary system run by madmen.

Please take action. Write an article, your Congressman, Senator, Attorney General, Letter to the Editor of your local newspaper and encourage your email list to do the same.

There is an urgent need for a massive outcry and I urge you to speak out and encourage others, who support the principles of a free market, to also speak out. Silence in the face of tyranny is consent.

Thank you for your support to return American to value.

Sincerely,


Bernard von NotHaus
Monetary Architect

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Montana House rejects linking state coffers to gold

Story Published: March 30, 2011 KULR8 News, Billings, Montana
<http://www.kulr8.com/news/state/118869479.html>

HELENA, Mont. (AP) — The Montana House has rejected a plan to link state coffers to electronic payments of gold.

Republican Rep. Bob Wagner of Harrison says the Montana state government should trade with some taxpayers and contractors in units of gold.

Supporters say the new currency exchange would be "separate and parallel" to the traditional exchange of federal notes.

Democrats opposing the bill ridiculed it. They say a new currency and a local militia are components of a plan backed by people who would like to see Montana secede.

The bill failed Tuesday 52-48.

Supporters argue the measure has nothing to do with secession and say the federal currency is doomed without sound backing.

They believe states can help push the system back to a gold standard by unilaterally trading in gold.

GoldMoney completes "GoldMoney Standard" testing

29 March 2011 – GoldMoney, one of the world's largest providers of physical bullion for investors, has completed testing of all the gold bars stored for customers in London, Zurich and Hong Kong. This marks the advent of the GoldMoney Standard, which now offers every customer added safety assurances.

Since October 2010, GoldMoney has utilised ultrasound technology to check the quality of customers' precious metals for the GoldMoney Standard. If the scan shows that the bullion bar might contain foreign material, at GoldMoney's expense the bar is melted down, assessed and recast. Only ten of the 1,377 stored gold bars failed the ultrasound test and were recast. Therefore, with the GoldMoney Standard, the company has once again taken the lead in establishing the highest quality standards for customers.

Geoff Turk, CEO of GoldMoney, said: "GoldMoney is an innovative company whose objective is to offer the best service to its customers. The quality of the precious metals bought by and stored for our customers is a top priority. By introducing this ultrasound test, we have included yet another independent check to make sure our chain of integrity is efficient and safe. We value the trust our customers place in us, and are therefore pleased to add these new security measures in the GoldMoney Standard to ensure we meet our customers' high expectations."

FINCEN IS ALL OVER THE PLACE

On page 22 of our October 2010 issue we discussed FinCEN's proposed move to track all cross border transactions over \$1000. This high profile proposal is not likely to be finalized anytime soon. It seems that Jamal El Hindi, the associate director for FinCEN's Regulatory Policy and Programs Division, told visitors to the Florida International Bankers Association AML conference it does not currently have the IT infrastructure to move forward on that upgrade

In a separate article Brett Wolf of Complinet disclosed that the Treasury Department's Financial Crimes Enforcement Network intends to implement "cost-cutting measures"(budget cuts) and drop employees with positions that facilitate state and local law enforcers' access to important BSA data. It's called "Project Gateway" and it is currently providing state law enforcement agencies and banking departments with direct access to the federal repositories of Suspicious Activity Reports (SARs), Currency Transaction Reports (CTRs) and other important tools in the battle to combat all sorts of crime. Amazingly, the amount saved is a tiny \$1,351,000. That is less than the cost of one Tomahawk cruise missile. These cuts could cripple state and local investigations which depend on the input from transactions monitored using the anti-money laundering Bank Secrecy Act. Reportedly, this data is often used in fighting drug trafficking, fraud and terrorism finance cases.

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Anonymous money needs an anonymous exchange

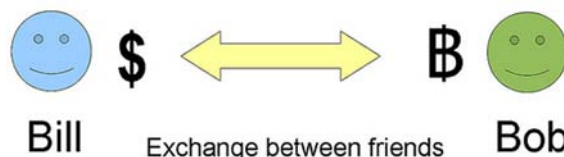
By Doctor Nefario

Bitcoin Weekly Monday, February 14, 2011

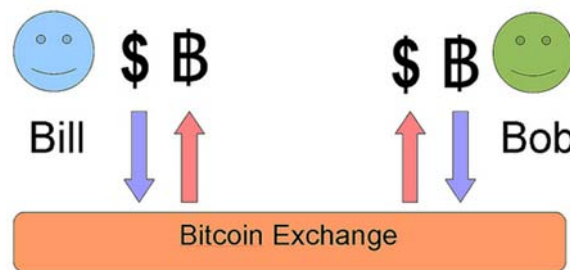
<http://whiterockcottage.com/open/index.php?q=article/anonymous-money-needs-anonymous-exchange>

One of the choke points in the bitcoin economy is the exchange market. Prior to bitcoins increase in popularity, to get a hold of some you could mine, run the bitcoin program and generate some coins. Due to the influx of new people to the economy and technological improvement mining difficulty has risen to a point that even my own dual core machine would take two years to generate 50 bitcoin. To a large extent this is the result of miners moving to high powered graphics cards, GPU's which are much more efficient than regular CPU's. However the number of "professional" for profit miners has increased significantly as the exchange value of bitcoins has risen.

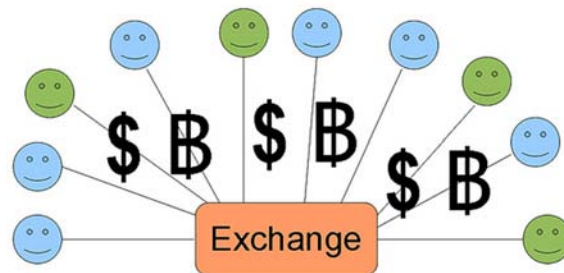
Now, unless you're ready to fork out thousands building a custom made mining rig, your only option to get a hold of some sweet btc is to buy it, or trade for it. As a result the function played in the economy of the exchanges is crucial. Almost everything coming into the economy or leaving it, must go through the exchanges. Before the exchanges were formalized, bitcoin traders were often known to each other, friends you could say, and would trade bitcoins for cash as described in the diagram below. [right]



This is how things worked in the early days, Where friends with a dollar could buy BTC10,000. Sadly, or happily those days have gone, now you no longer need to know someone in the know or someone who's got BTC to sell. Now there is a place, where all may freely gather and do their dirty bitcoin business. These are the exchanges, and you can see how they work, below. [right]

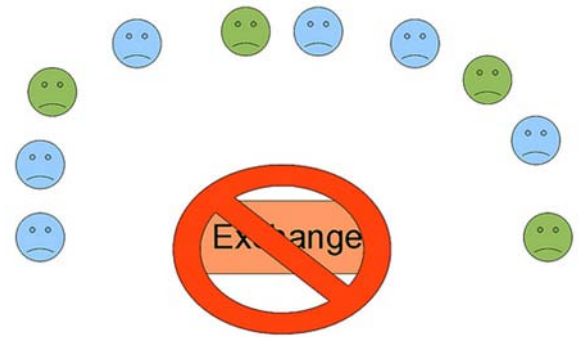


You can clearly see that nowday's people go to the exchange if they want to swap their precious bitcoins for paper money. The way it usually works is the exchange has a bank account, that cash can be transferred into. When you transfer your cash to the exchange they add it to your account. You can now swap your paper notes(or the numbers representing them) for bitcoins and vice versa. When you're all done and you want out, the exchange will transfer your cash to your own bank account. This process happens for everyone that uses the exchange: it looks something like the diagram below. There are some other combinations of this method using Linden Reserve(as bitcoin-central does), however this is essentially the same as Linden Reserve's bank account is replacing that of the exchange owners. It is for all intents and purposes the same.[right]



That peachy colored blob with "exchange" written in it represent the exchange owners bank account. With cash being transferred in & out from other users, and bitcoins being sent in or out(although the bitcoins don't go to the bank account), again by other exchange users. Everything hinges around that one bank

account; without it, the whole exchange and all its users cannot conduct their trade. [right]



This system is by far the easiest to set up and operate, however there are a number of issues with operating an exchange out of your personal bank account. The main one being that in many (if not most) countries it is illegal: there are countless rules, requirements and regulations to operating a money exchange. With the exceptions of the few bitcoin exchanges that are setting up in a legitimate manner this leaves the exchanges vulnerable to being shut down: their centralized nature with many users with funds in the account and using it. The effect of a shutdown would be a heavy blow to the bitcoin community, not to mention the users directly effected by the loss of their funds. If one of the major exchanges such as MTGOX or Bitcoin-Central or a number of others were to be shut down colossal damage would be done. It might not cause the price of bitcoins to collapse (after recently hitting parity with the dollar) but it would certainly cause a significant drop.

If the exchanges are the lifeblood of the bitcoin economy, then running them out of personal bank accounts is like living life with a razor blade to your throat, all it takes is a little slip or nick and the damage is done.

A solution is needed to avoid a blood letting, one approach is to take the legitimizing route. Register a business, follow all the laws, rules and regulations required to operate this business. It's a good approach and it says a lot about the efforts of members of the bitcoin community who are doing this. There is another way.

Anonymous exchanges.

With the above model, the identity of anyone who uses the exchange can easily be discovered. It's in the exchanges records, and if you've had money transferred in or out it's in the banks records. For certain the identity of the exchange owner/operator is easily know, they're the person who owns the bank account!

Because it is such an easy target, and the effect of shutting down an exchange is multiplied by its popularity the real danger is not to the customer, but to the exchange. It's the exchange that gets targeted, it's the exchange that gets shut down. Yes, the users who have cash in the exchange lose that, but they lose it because it's the exchange that law enforcement goes after, not the exchange users. So it is clear from looking at this situation that it is the exchange that needs protection; it is the exchange that needs anonymity from its users (after all, if the users don't know who the exchange is then who does?).

What I am going to describe is a method, a protocol that would allow an exchange, that is trusted by its users and customers to run its operations in total secrecy and anonymity.

The cutout

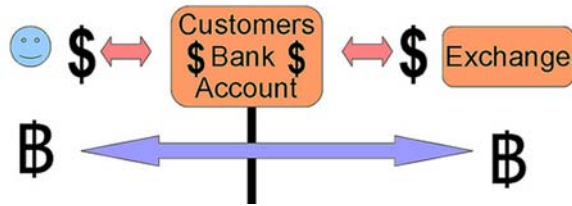
We need to look to the world of espionage for the piece that will allow us to do this, and that is the cutout. In order for our exchange to do business with his customers while keeping his identity secret he needs a cutout.

This can be provided to us in the form of a bank account, provided by the customer. These days account owners can both deposit and withdraw funds to their account using ATM's. Automatic deposits and withdrawals. Removing the need for the account owner to actually go in person to a bank branch to make cash deposits or withdrawals. This is a key component to our scheme. It should be noted that the customer would open an account specifically for this, and nothing else.

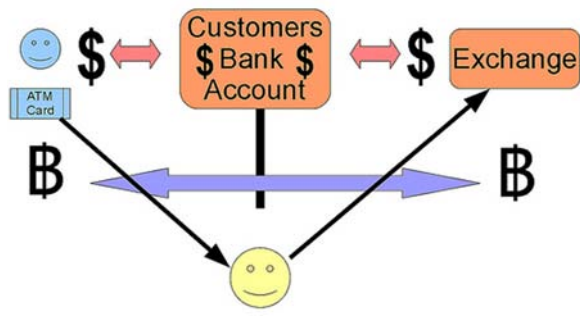
Cards

To use a bank account as a cutout, the customer sends a copy of their ATM card to the exchange (obviously a

middle man would need to be used to accomplish this). Once the exchange has the ATM card the customer can now send money to the exchange. All that needs to be done is deposit the money to the account. Inform the exchange of the deposit and the PIN number for the withdrawal and the exchange operator can then withdraw cash from the account. This would be kept by the exchange operator, who would add the amount to the customers exchange account. The customer can now buy bitcoin. Once the customer wants to cash out they simply inform the exchange operator. He will then, using the ATM card deposit cash into the cutoff account, allowing the customer to withdraw at will(they should do this immediately). The diagram below describes this process.

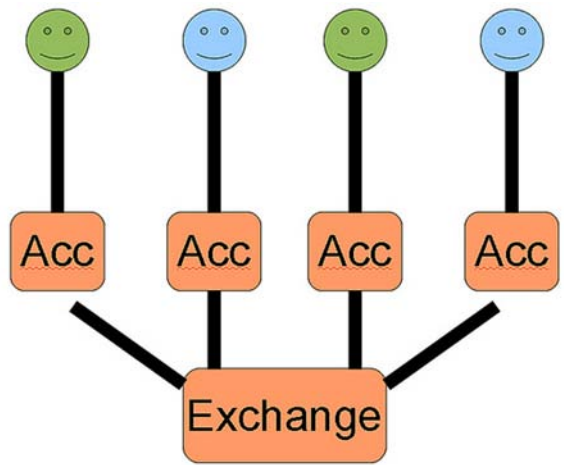


If we include our trusted third party(trusted by the exchange operator) the above diagram would look like this.



Once the cutout account is set up the process of depositing or withdrawing funds from the exchange would be secure, convenient, and even faster than using normal banking transfer methods, but most importantly it would protect the exchange and it's operators. The above process could scale to many accounts, possibly hundreds as not all customers would be depositing or withdrawing funds every day.

If the exchange was successful enough the operator would have to employ runners, trusted people to go to ATM's and make numerous withdrawals or deposits. He could have a clearing period, that is at the end of each trading day (say 5pm) the runners would go to different ATM's and make deposits and withdrawals in bulk. It would not be until after the end of the next trading day that cash deposits or withdrawals would be settled.

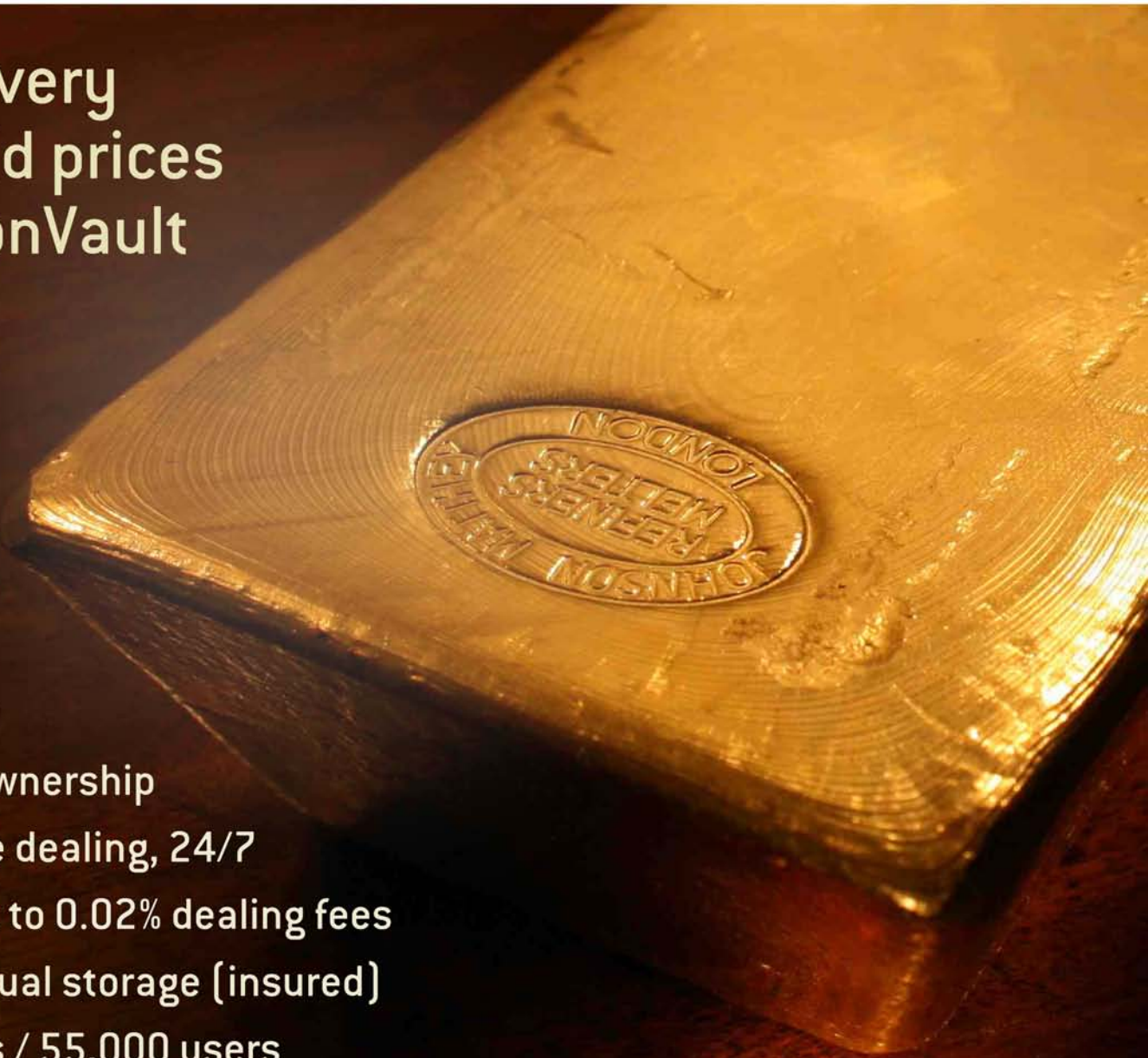


What of the risk of the exchange being shut down? As long as the middleman, the trusted third party that the exchange operator uses to receive the customers ATM card when their account is opened does not reveal or does not know the identity of the operator all is well. The greatest risk then is then for the owner of the account, should the authorities attempt to shut down the exchange they would only be able to target single account's which in many cases would be difficult, if not impossible. In the event of a single account being shut down, only that account owner is effected, with the rest of the exchange users remaining unharmed.

[this chart on page 18]

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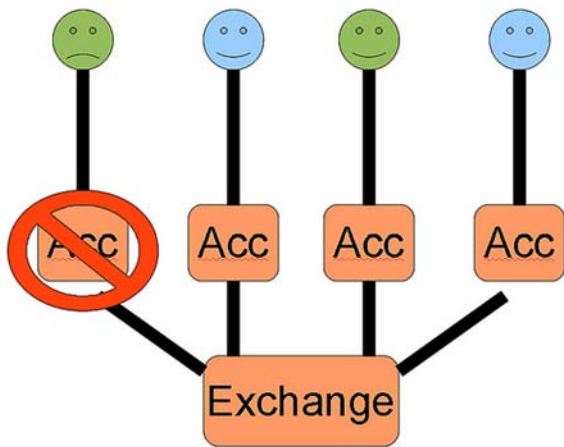
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Operating issues

There are some issues and details that need to be discussed to ensure the safe operation of the exchange.

When depositing or withdrawing from ATM's the runners/operators face must be concealed as they have cameras. The ATM's used must constantly be changed, they must essentially be random otherwise the operators can be caught. This is for in-country only, running this service across an international border is very likely to get the account shutdown. The exchange operator must be highly reputed and trusted. The exchange operator must be able to find either a highly trusted third person or one they can remain anonymous to.

H.R. 1098: FREE COMPETITION IN CURRENCY ACT OF 2011

Congressman Ron Paul [R-TX] has introduced the Free Competition in Currency Act of 2011, H.R. 1098, in the United States House of Representatives on March 15, 2011.

This bill was created in the 112th Congress, in 2011-2012. To repeal the legal tender laws, to prohibit taxation on certain coins and bullion, and to repeal superfluous sections related to coinage. March 15, 2011 the bill was referred to House Judiciary

JAMES O'DELL OF MORGAN GOLD: In a bold move, Dr. Paul is seeking to end all taxes charged by federal, state and local governments on coins and bullion. If the Free Competition in Currency Act passes, it would eliminate capital gains taxes on Gold and Silver coins as well as sales taxes charged by state and local governments on coin and bullion transactions. H.R. 1098 would also repeal current "legal tender" laws that are seen by Congressman Paul as unconstitutional. These laws dictate that United States government produced currency must be accepted for most types of monetary transactions. A repeal of the law would mean that Gold or Silver bullion could be used in place of the U.S. currency. "The prospect of American citizens turning away from the dollar towards alternate currencies will provide the necessary impetus to the U.S. government to regain control of the dollar and halt its downward spiral," said Representative Ron Paul while introducing the bill.

<http://www.morgangold.com/news/20110329-new-bill-to-end-taxes-on-gold-and-silver-bullion.html>

DAVID L. GANZ OF NUMISMATIC NEWS: It goes on to provide that "no state may assess any tax or fee on any currency, or any other monetary instrument, which is used in the transaction of interstate commerce or commerce with a foreign country, and which is subject to the enjoyment of legal tender status under article I, section 10 of the United States Constitution."

This provision would go into effect on Dec. 31, 2011 if the bill passes before then. The legislative initiative then mounts an assault on counterfeiting provisions of the U.S. Code by striking sections 486 (relating to uttering coins of gold, silver, or other metal) and 489 (making or possessing likeness of coins).

If adopted, the bill also would have a Special Rule Concerning Retroactive Effect – Any prosecution under the sections stricken by subsection (a) shall abate upon the taking effect of this section. Any previous conviction under those sections shall be null and void.

This would presumably include Bernard von NotHaus, who was convicted March 18 of a section 486 violation by a North Carolina jury after a lengthy prosecution and trial.

<http://www.numismaster.com/ta/numis/Article.jsp?ad=article&ArticleId=18951>

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Why the Banksters Hate Islam

And everything Old World.

by Tony Cartalucci

<http://landdestroyer.blogspot.com/>

Of course, all aspects of the Old World are slated for elimination, as ancient values, be they of Christianity, Judaism, Buddhism, or even regional secular traditions, all pose a direct threat to the Anglo-American unipolar world government. Their world government is one of interdependence between the nation-states, who in turn are enslaved by servile dependence on “global institutions,” most notably those involving a world-wide monetary system. Any tradition or value system that promotes independence, sovereignty, knowledge, and self-reliance represents a brick wall standing in the way of the corroding effects of the globalist agenda.

Eastern traditions and Islam in particular, however, have proven themselves most resilient. Islamic communities from the Middle East to Southeast Asia still exist, their local markets still thrive even in the presence of nearby Western consumerist troughs like Tesco of England. As technology progresses, these communities augment their commerce to compete fiercer yet with the Ponzi-scheme economy of the West. Throughout Asia along side these traditional, tightly knit Islamic communities, coexist Asian black-markets or the “underground economy.” Together these form the closest model of real “free market” economics you can find. These are markets that not only progress at break-neck speed, but the amount of competition and the informed consumer base demanded by this otherwise unregulated economic activity, do the best job of “distributing” wealth and commodities at the lowest price possible.

While common sense drives the Asian black-markets, the Islamic communities are driven by something much deeper, derived from the Qu’ran. A particular lecturer on the Islamic world verses the international monetary system encapsulates these precepts best in a YouTube video series titled “Islam & the International Monetary System.” If you are able to move past superficial details, ideological differences, and labels, and focus on the underlining message of Imran Hosein, Muslim or not, you will walk away enlightened. You will not only be enlightened as to why the globalists fear and despise the Old World, and Islam in particular, but you will understand the possible solution to subverting the globalists’ depraved system with one that is as applicable for the American patriot as much as it is for the Indonesian Muslim.

Imran Hosein’s ultimate solution to the problem of international monetary predation is the construction of Islamic villages that are self-reliant and maintain their monetary sovereignty through using sound money locally based on Islamic law. These could just as easily be “Liberty Villages” in the United States where farmers and tradesmen come together and conduct commerce with sound money with intrinsic value.

It has been said many times before, independence is freedom, freedom is independence. It appears that the message of Ron Paul and genuine Libertarians is more than just an American message, it is a universal message, shared not just by secular or Christian Westerners, but also described in the texts of Islam of which there are over a billion adherents worldwide.

It would be highly beneficial for those who seek true freedom and the undermining of the global world order, to exhibit mutual respect for their secular, Christian, Judeo, and Islamic brothers and sisters, and meet each other in the middle on these fundamental issues of sovereignty, because if there is anything the globalists fear and detest more than Old World tradition and faith, it is the prospect of all Old World traditions and faiths meeting together and joining battle against the globocratic elite.

Below is the first of 11 videos. The entire playlist can be found here.

<http://www.youtube.com/watch?v=f6iFFs0l3fs&playnext=1&list=PL0819CE057E54DBCB>



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James Turk to speak at Committee for Monetary Research & Education Spring Dinner in New York

2011-MAR-30

From the GoldMoney Dealing Desk --

GoldMoney Foundation Director James Turk will be speaking at the Committee for Monetary Research & Education's annual spring dinner meeting in New York on Thursday, May 12. The evening promises to be an intellectually stimulating one, with James Grant (of GRANT'S Interest Observer Fame), Edwin Vieira, author of *Pieces of Eight: The Monetary Powers and Disabilities of the United States Constitution* – which can be ordered from the GoldMoney Foundation – Daniel Oliver Jr, Victor Sperandio, Leonard Liggio and Bob Hoye also speaking.

America's Committee for Monetary Research & Education (CMRE) is an organisation engaged in the intellectual battle for sound money. For over thirty-five years it has sought to educate people on monetary and market issues, providing analysis of stock, bond and currency markets as well as incisive commentary on the banking sector.

James will be speaking in favour of the notion that human freedom rests on money being redeemable into gold, with particular reference to the monetary philosophy of Howard Buffett – father of billionaire investor Warren Buffett.

Buffett senior served as a United States congressman for four terms in the late 1940s and early 1950s, representing Omaha, Nebraska as a Republican. In contrast to his son (who has disparaged gold) Howard Buffett saw the gold standard as being inexorably linked to human freedom. As he outlined in a now famous speech from 1948, titled "Human Freedom Rests on Gold Redeemable Money", gold is the standard of liberty, while fiat currencies remain the prerogative of overbearing governments and tyrants.

Some of Howard Buffett's speech remarks might cause a wry smile. Oh for the days when government budgets were measured in billions rather than trillions! As another Midwestern Republican, Senator Everett Dirksen, was said to have remarked about the Federal budget in the 1960s: "a billion here, a billion there and pretty soon you're talking real money."

Dirksen didn't know the half of it. Today, the US government's total official debt stands at over 14 trillion dollars. But as Richard W Fisher, President of the Federal Reserve Bank of Dallas, pointed out in a 2008 speech (still available for viewing on the Dallas Fed's website) unfunded Federal liabilities such as social security (pensions) and Medicare (health care for the elderly) are close to \$100 trillion.

And all of this, of course, ignores the horrific fiscal condition of states like California, New York and Illinois – all struggling with crushing debts, continuous budget deficits and mammoth unfunded liabilities. Meanwhile, the Fed and other central banks around the world print trillions of dollars, pounds, euros and yen in an effort to keep interest rates low, banks solvent, and (though officially unstated) to inflate away the massive debts they have accumulated and to impose a soft-form of wage cuts on their people.

Howard Buffett's generation of fiscal conservatives will certainly have turned in their graves. It is crucial that kindred spirits of his, such as those who work for the CMRE, honour his legacy, and continue the battle for hard money. Now more than ever, gold prices are telling us that the emperors of the world are wearing no clothes.

This event will be held on Thursday May 12 at The Union League Club, 38 E. 37th Street, New York City



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Russian e-Money News

FOR IMMEDIATE RELEASE

Moscow, Russia, 21 March 2011. The Electronic Money Association, which unites Russia's leading e-money players such as i-Free, WebMoney, Yandex.Dengi, QIWI and the national industry associations NAUMIR (the National Association of Microfinance Market Participants) and NAUET (National Association of E-commerce Market Participants), hosted a news conference in Moscow to showcase key figures for the Russian e-money market, analytical estimates and an overview of the most significant industry highlights.

Russia's e-money market is steadily on the rise. Users put (\$ 2,46 billion) RUR70 billion in their e-purses in 2010, compared to (\$1,4 billion) RUR40 billion in 2009, and the number of active e-money users rose 50% to 30 million last year.

In an important legislative milestone, the National Duma started debates on the draft National Payment System law last year, and the Federal Act On Microfinance Services and Microfinance Organizations was signed into law, which put the Finance Ministry in control of some previously unregulated credit markets.

The government markedly stepped up support for electronic payment systems, giving its backing to the Universal Electronic Card project. A part of the E-Card's functionality will be actualized through the medium of electronic payments. And it will be easier to pay fees to various government agencies.

Russia has recently witnessed a real breakthrough in NFC (Near Field Communication) technology. The banks and mobile providers now offer public transit payment options with NFC cards or mobile phones. As a premier developer of NFC solutions in Russia, i-Free has begun the piloting of School Online, a project entirely based on NFC.

Along with NFC, mobile commerce is also going places. The subscribers of Russia's top three mobile providers, MTS, MegaFon and Beeline, now have the option to make micropayments with their mobile phones.

Russian banks seem much more willing to do business with e-money operators. Alfa-Bank, Sberbank and a few other major banks have linked up with WebMoney, QIWI or Yandex.Dengi, so now their customers can use credit cards to put money in their e-purses or have their e-money providers integrated into their online banking software and ATM menus. Online money cards, offered through e-money systems, are also a growing business in Russia.

Another important trend is that the two biggest social networks in Russia, VKontakte and Odnoklassniki, have launched e-money options tied to their users' profiles.

As Russia's e-market continues to thrive, payment systems now look more attractive as business assets. Some of the industry highlights in 2010 were the purchase of a stake in QIWI Ltd. by Japan's Mitsui&Co and the IPO of Mail.ru Group, which is a shareholder in the e-money systems QIWI and Dengi.Mail.ru.

"Our association has contributed meaningfully to regulation, acting as a consolidated lobbyist for the

Anybody Seen Our Gold?



The gold reserves of the United States have not been fully and independently audited for half a century. Now there is proof that those gold reserves and those of other Western nations are being used for the surreptitious manipulation of the international currency, commodity, equity, and bond markets. The objective of this manipulation is to conceal the mismanagement of the U.S. dollar so that it might retain its function as the world's reserve currency. But to suppress the price of gold is to disable the barometer of the international financial system so that all markets may be more easily manipulated. This manipulation has been a primary cause of the catastrophic excesses in the markets that now threaten the whole world. Surreptitious market manipulation by government is leading the world to disaster. We want to expose it and stop it.

Who are we?

We're the Gold Anti-Trust Action Committee Inc., a non-profit, federally tax-exempt civil rights and educational organization formed by people who recognize the necessity of free markets in the monetary metals. For information about GATA, visit <http://www.GATA.org>

GOLD ANTI-TRUST ACTION COMMITTEE INC.

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marketplace vis-à-vis lawmakers and regulators,” said Viktor Dostov, who chairs the Electronic Money Association. “We work very closely with FATF and the Russian Financial Monitoring Agency to fight money laundering and the financing of terrorism. Our regular market analyses and active media relations were crucial for the shaping of a favorable sentiment about the industry and for its greater transparency.”

Here you can find presentation “E-Money 2010: Results, Events and Trends” prepared by Victor Dostov, the Chairman of the E-Money Association

The Electronic Money Association, founded in 2009, unites the foremost e-money players and trade associations. The Association’s mission is to promote e-money in Russia as a universally accessible financial service.

In its vision, the Association proposes to advance the e-money market through better laws, putting market players in touch with other businesses and government agencies, popularizing the services purchased with e-money, making the market more transparent, and developing and following the benchmarks of best practice.

For the time being, the central task of the Association is to contribute to the drafting of the laws and regulations for Russia’s e-money market, and to watch the marketplace closely in both qualitative and quantitative terms.

The Association was created on the initiative of i-Free, WebMoney, Yandex.Dengi and QIWI, joined by the national trade associations NAUMIR and NAUET. The Association professes openness and equal opportunity for all members.

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Gold, silver currency bill dies for lack of motion

On March 10, 2011 Idaho Reps. Phil Hart, R-Athol, and Lenore Barrett, R-Challis, and a group of North Idaho residents tried to introduce a “sound money” bill in the House State Affairs committee regarding gold and silver currency.

Tom Dillon of Sandpoint, chairman of the Legislative District 1 Republican Central Committee and a member of the Idaho Sound Money Task Force, told the panel, “The evidence is overwhelming that the federal reserve system has failed in its duties to stabilize the economy. ... It is an emergency situation.” He said the “current debasement of our currency ... is a disgrace to our American heritage. ... A penny saved is no longer a penny earned.” With the proposed bill, he said, “Idaho will become the monetary anchor in a stormy sea of financial chaos.”

The proposed bill died for lack of a motion, and wasn’t introduced.

Source:
<http://www.spokesman.com/blogs/boise/2011/mar/10/gold-silver-currency-bill-dies-lack-motion/>

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CAN U.S. STATES COIN THEIR OWN MONEY?

(WOULDN'T DIGITAL GOLD CURRENCY BE EASIER AND LEGAL?)

In 2003 the State of Nevada took a very close look at coining its own silver money. That effort included the following proposed legislation which never made its way into the law books.

We can assume that one of the reasons the legislation did not make it was a negative recommendation from the State of Nevada Legislative Council Bureau. <http://www.leg.state.nv.us/Division/LCB/>

We have included the actual letter dated April 4, 2003 from the Bureau listing reasons why they believed the issuance of a State of Nevada legal tender silver coin would be illegal. A photo copy of the letter can be found on the next few pages. But first, here is the failed Nevada legislation from 2003.

A.B. 532 ASSEMBLY BILL NO. 532—COMMITTEE ON CONSTITUTIONAL AMENDMENTS

MARCH 24, 2003

Referred to Committee on Constitutional Amendments

SUMMARY—Directs issuance of Nevada silver coins.(BDR 31-1297)

AN ACT relating to state financial administration; directing the issuance of Nevada silver coins; providing that such coins are legal tender for all debts in this state; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 353 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

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Sec. 2. The Legislature finds that:

1. The State of Nevada, at the time of its admission to the United States, was a sovereign entity on equal footing with the 13 sovereignties that formed the compact known as the Constitution of the United States.

2. In ratifying and approving the Constitution of the United States, Nevada agreed to delegate certain of her sovereign powers to three agencies of government, all in the form provided by the Constitution.

3. Among the powers delegated by Nevada was the sovereign power to issue money. That power was delegated by Nevada and its sister states to the Congress of the United States in Section 8 of Article I of the Constitution of the United States, on condition that the Congress would issue all money.

4. Nevada also, in Section 10 of Article I of the Constitution of the United States, agreed not to issue its own money. This agreement was also conditioned upon the Congress discharging its obligation to issue money as the agent of Nevada and its sister states.

5. The purported delegation by the Congress of the power to issue money to the Federal Reserve Bank, a privately owned corporation, is a violation of the terms of the Constitution of the United States.

6. The failure of the Congress to discharge its obligation to issue all of the money pursuant to Section 8 of Article I of the Constitution of the United States absolves the State of Nevada from its constitutional obligation not to issue money.

Sec. 3. 1. The State of Nevada shall issue into circulation coins of the State of Nevada in the face amount of \$50,000,000. The coins must contain 1 ounce of fine silver, must be alloyed to 90 percent fineness and must bear The Great Seal of the State of Nevada on one side and the words "Contains One Troy Ounce Fine Silver," "Twenty Dollars," "Nevada Legal Tender" and the year of issue on the other side. The coins so issued are legal tender for all debts, public and private, in this state.

2. Except as otherwise provided in this section, when the coins authorized by subsection 1 are received into the State Treasury, they must be reissued. The coins must not be held as a reserve except as the Legislature otherwise directs.

3. If the number of coins subject to the control of the State Treasurer diminishes to 500,000, the State of Nevada shall make successive issues of coins in accordance with subsection 1 in the face amount of \$50,000,000, unless the total face value of the coins already issued is \$500,000,000, in which case the State of Nevada shall issue no further coins without prior approval of the Legislature.

4. If the Legislature of the State of Nevada determines that the Congress of the United States is fulfilling its constitutional obligation to issue money by:

(a) Requiring the Federal Reserve Bank to retire its circulating notes; and

(b) Causing the issuance of sufficient notes of the United States and other currency to meet the needs of the commerce of the United States and of Nevada, the State Treasurer shall retire the coins authorized by this section as they are received into the State Treasury.

Sec. 4. This act becomes effective upon passage and approval.

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

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401 S. CARSON STREET
CARSON CITY, NEVADA 89701-4747
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April 4, 2003

Assemblyman John J. Mortenson
Assembly Chambers

Dear Assemblyman Mortenson:

As Chairman of the Assembly Committee on Constitutional Amendments, you have requested and introduced a bill, Assembly Bill No. 532 (A.B. 532), which will, if enacted, require the State of Nevada to issue coins of the State of Nevada into circulation. Further, A.B. 532, will, if enacted, declare such coins to be legal tender for all debts, public and private, in this state. The legislative findings set forth in A.B. 532 recognize that, pursuant to the United States Constitution, Congress has the power to coin money and regulate its value while the states are prohibited from coining money. *See* U.S. Const. art. I §§ 8 and 10. However, the legislative findings in A.B. 532 assert that the State of Nevada is absolved from its constitutional obligation not to issue money because Congress delegated its power to coin money and issue currency to the Federal Reserve System, and this delegation of power was and is unconstitutional. Below we will discuss the relevant constitutional provisions and the validity of the delegation of authority at issue.

DISCUSSION

The United States Constitution expressly authorizes the Federal Government to coin and regulate money. *See* U.S. Const. art. I § 8 (“[The Congress shall have the power] To coin Money [and] regulate the Value thereof . . .”). Further, the United States Constitution expressly prohibits the states from coining money. *See* U.S. Const. art. I § 10 (“No state shall . . . coin Money . . .”). In interpreting these provisions, the United States Supreme Court has long held that:

The Constitution ‘was designed to provide the same currency, having a uniform legal value in all the States.’ It was for that reason that the power to regulate the value of money was conferred upon the federal government, while the same power, as well as the power to emit bills

of credit, was withdrawn from the states. The states cannot declare what shall be money, or regulate its value. Whatever power there is over the currency is vested in the Congress.

Norman v. Baltimore & O. R. Co., 55 S. Ct. 407, 414 (1934) (quoting Knox v. Lee, 79 U.S. 457, 545 (1870)). Accordingly, the power to provide a uniform currency is vested solely in the Federal Government and prohibited to the states.

Since the question was presented in the early 1800's, the United States Supreme Court has held that Congress has the authority to delegate its power to coin and regulate money. See M'Culloch v. Maryland, 17 U.S. 316 (1819). More recently, the Ninth Circuit Court of Appeals reaffirmed the state of the law with regard to this question when the Ninth Circuit Court of Appeals upheld Congress's delegation of authority to the Federal Reserve System to issue circulating notes pursuant to the provisions of 12 U.S.C. § 411 of the Federal Reserve Act. Milam v. U.S., 524 F.2d 629, 630 (9th Cir. 1974). According to the Ninth Circuit Court of Appeals:

Congress is authorized to establish a national currency, either in coin or in paper, and to make that currency lawful money for all purposes, as regards the national government or private individuals. . . . The power so precisely described . . . has been delegated to the Federal Reserve System under the provisions of 12 U.S.C. § 411. Appellant's challenge to the validity of this legislation is meritless.

Id. (quotations and citations omitted); See also Walton v. Keim, 694 P.2d 1287, 1289 (Colo. App. 1984).

CONCLUSION

Based on the authorities provided in this letter, it is the opinion of this office that the power to coin money is vested solely with Congress and that Congress has lawfully delegated this power to the Federal Reserve System. Thus, it is the opinion of this office that the provisions of A.B. 532 are not constitutionally defensible because those provisions would require the State of Nevada to coin money in violation of sections 8 and 10 of article I of the Constitution of the United States.

The leadership of both houses has asked to be informed when a bill is introduced which, if enacted, is likely to be held unconstitutional. As A.B. 532 has been introduced, the Majority Leader of the Senate and the Speaker of the Assembly will be notified of the constitutional issues discussed in this letter.

If you have any questions regarding this matter, please do not hesitate to contact this office.

Assemblyman Mortenson
April 4, 2003
Page 3

Very truly yours,

Brenda J. Erdoes
Legislative Counsel

By *Ann Iverson*
Ann Iverson
Senior Deputy Legislative Counsel

By *Rene Yeckley*
R. Rene Yeckley
Principal Deputy Legislative Counsel

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From Shane Coley's Sound Money Cafe

<http://blog.soundmoneycafe.com/>

Sound Money Cafe is a place to learn about the basics of monetary policy and how money directly affects you as you work, retire, save and spend. The process of inflation quite literally causes theft, pillaging, robbery... It pays you to understand the truth about money and the truth is actually simple. Every fifth grader should be able to explain what money is and how money works. If a fifth grader can understand, you can too.

My Testimony - HB3 Constitutional Tender Act

Coverdell Legislative Office Building (CLOB)

18 Capitol Square SW Atlanta, GA 30334

Monday, March 7 · 9:00am - 12:00pm

Good morning. My name is Shane Coley. I have studied history and economics extensively. I was raised in the cattle business, I can operate or rebuild heavy equipment and I am a professional software architect. I am self-employed. I was recently a candidate for state Senate in the 47th District where I carried my home county. My positions here today match my positions during the campaign.

The laws of Georgia are created and modified by our state legislature. The legislature is made up of individuals, like you, who analyze legislation in the context of your personal belief system, which makes your belief system very important to Georgians.

The majority of the banking and finance committee members publicly claim to be Christian. Therefore, I will talk about some of the general constraints or limits of the Christian belief system, and then about secular belief regarding theft or stealing.

In at least nine places the Bible tells us about differing weights and differing measures. In at least four places the Bible says that differing weights and differing measures are an abomination to God. A Christian must not ignore this.

Here is an example of differing measure: Suppose I were in the market buying wheat and I had a basket marked one bushel, but the basket was secretly larger than one bushel. My oversized basket would enable me to steal part of your wheat.

Differing weights and differing measures deceptively cause theft, which is a violation of the Eighth Commandment, "You shall not steal".

Since 1971, the only way to create a new US dollar is to record an entry in a ledger of the Federal Reserve System, or in a ledger of your local bank. Producers have to work years for new Dollars that the bank creates instantly with the stroke of a key.

When new US dollars are created in this way, there is no new wealth created, but the purchasing power

of all previously existing dollars is decreased. This is an example of using differing measures to steal labor and property from producers.

This is clearly, undeniably, objectively a form of theft. To support fiat or fractional money is to support theft.

Some claim that our money system makes us wealthy. This is false. Wealth is the result of production.

Many of us notice that People depend on Production. People eat food and use things. Food and things must be produced. Government Produces nothing and wastes much. Since people depend on production and government interferes with production, there is no way that government has any solutions for us. We must remember that every promise made by a government official has to be kept by a producer. There is no other way.

It is impossible to confiscate a loss. Only profits or capital from past production can be confiscated. It is logically impossible for the creation of new US Dollars to make us wealthy. If I had time, I would prove that creating costless money will first make us poorer and eventually crush our free society.

The reality is that the creation of costless money can only lead to the destruction of a free society.

For those who are not constrained by the Christian belief system, if you oppose theft then you must oppose creating new US dollars from nothing.

Please listen carefully to the following quote from an old banker.

“The few who understand the system, will either be so interested in its profits, or so dependent on its favors that there will be no opposition from that class. The great body of people, mentally incapable of comprehending the tremendous advantages will bear its burden without complaint.”

To the Christians and those who oppose stealing: I respectfully ask that you vote **for** the Constitutional Tender Act as a small step toward eliminating differing weights and differing measures and theft from our monetary system.

And finally, let's recall a bit of what John Maynard Keynes wrote in 1919: *“while [creating costless money] impoverishes many, it actually enriches some”* and also *“[Inflation] engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose.”*

To those members who hold stock in banks or have otherwise profited from the banking business: Since our loss is your gain, I respectfully ask that you recuse yourself from this vote and from the vote on the final bill.

<http://blog.soundmoneycafe.com/2011/03/my-testimony-hb3-constitutional-tender.html>



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Gold and Honey*

Open letter to Thomas Hoenig, President, Federal Reserve Bank of Kansas City

Dear President Hoenig,

On January 5, 2011, you were quoted on *abc NEWS* as saying that “the gold standard is a very legitimate monetary system”. The quotation went on: “We are not going to have fewer crises necessarily. You will have a longer period of price stability or price level stability, but I don’t know that you will have lower unemployment, and I don’t know that you will have fewer bank failures.”

As a student of the gold standard for the past 50 years I welcome your statement. I would be happy to open my files and archives if the Research Department of the Federal Reserve Bank of Kansas City (that, as far as one can tell, has so far not been interested in gold standard research) invited me. My files may have the answer to some of your queries.

(1) You are right, the gold standard is a necessary but not a sufficient condition for achieving lower unemployment. A necessary and sufficient condition would assume that Adam Smith’s Real Bills doctrine is also rehabilitated along with the gold standard. The bill market is the clearing house, without which the gold standard cannot survive. The explanation why it collapsed in the years 1931-35 is that, when the victorious Entente powers decided to restore the gold standard after World War I, they also decided *not to restore* real bill financing of world trade or world-wide real bill circulation. Thus the gold standard which Britain reestablished in 1925 lacked a vital organ: a clearing house. The Entente wanted bilateral (to the exclusion of multilateral) trade for fear of German supremacy in exports. This decision was a great setback for world trade. In effect, it meant a return to barter. The consequence was: beggaring-thy-neighbor, trade war, the destruction of the *wage fund*, and massive unemployment world-wide.

(2) As pointed out by the German economist Heinrich Rittershausen in his 1930 book *Arbeitslosigkeit und Kapitalbildung* (Unemployment and capital accumulation), before World War I ‘structural unemployment’ was unknown. Part of the ‘float’ of maturing real bills was earmarked for payment of wages to workers producing consumer goods. This float was what Rittershausen called the “wage fund”, out of which wages could be paid up to three months in advance, well before the underlying consumer goods were paid for by the ultimate, gold-paying consumer. This wage fund was destroyed by the “Guns of August” in 1914 at the start of hostilities. The destruction of the wage fund went unnoticed because the production of war materiel absorbed all slack labor. After the war, a great inflation inflicted on the world by the Fed created not only the T-bond bubble (that burst in 1921), the Florida real estate bubble (that burst in 1925), and the stock market bubble (that burst in 1929), but it also financed a hugely bloated production of consumer goods.

* The German word ‘Honig’ means ‘honey’ in English.

Only after the stock market bubble burst did it become clear that there was no wage fund out of which the workers producing consumer goods could be paid. The workers had to be laid off and the factories had to be closed. Thus did the prohibition on real bills circulation cause the collapse of the gold standard and the Great Depression.

My research suggests that if after World War II *both* the gold standard and real bill circulation had been rehabilitated, there would have been no serial currency turmoils and no Great Financial Crisis. The gold standard and real bills go together like hand and glove.

(3) The purpose of the gold standard is not to stabilize prices or the price level, which is neither possible nor desirable. *Its purpose is to stabilize the interest-rate structure*, which it can do very efficiently, as history shows. There was no bond speculation under the gold standard. Speculation was confined to agricultural commodities, the supply of which is governed by nature rather than bureaucrats in the Treasury and the Central Bank. Changes in commodity prices or in the price level under the gold standard were mild. They reflected changes in marginal productivity, not speculative fever. Virtually all crises after the collapse of the gold standard in the 1930’s were caused by volatile changes in interest rates due to bond speculation.

(4) *Gold is the ultimate extinguisher of debt*. The reason is that gold enters the asset column in the balance

sheet of banks but, unlike every other asset, it has no corresponding entry in the liability column of the balance sheet of someone else. Gold survives any consolidation of balance sheets. Other assets are wiped out when the balance sheets of debtor and creditor are consolidated, as in default and repossession.

(5) No runaway debt or derivatives tower can develop under a gold standard. Such cancerous growths have occurred in the 21st century because, in the absence of a gold standard, the economy is lacking an ultimate extinguisher of debt. Total debt can only grow. It can *never* contract through normal debt retirement.

(6) Bank failures are a consequence of unbridled escalation of debt. The gold standard acts as a restraining force on banks with a propensity to expand credit even after further expansion becomes detrimental to their capital. Widespread bank failures that presently hit the economy are an indication of destruction of bank capital. Banks were happy to put their capital in jeopardy during the boom as their cash flow from fees was plentiful. However, cash flow is no substitute for capital. When the boom was over, cash flow stopped, but bank capital was gone.

Under the gold standard banks know better. They cannot expand credit with impunity beyond safe capital ratios. If a bank does, it deserves to fail and should not be bailed out.

We can indeed return to a gold standard by going back to Constitutional money. This means opening the U.S. Mint to unlimited free coinage of gold and silver. We can return to financing production and trade in goods demanded most urgently by the consumer through real bills, if the Federal Reserve Banks go back to the legal provisions of the F.R. Act of 1913. That Act confined F.R. credit to real bills arising out of the production and distribution of consumer goods, to the exclusion of anticipation and accommodation bills as well as government debt. The solution to the present crisis will be found in the strict observance of the monetary provisions of the Constitution, and enforcement of the law governing Federal Reserve credit.

Antal E. Fekete, New Austrian School of Economics.



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FBAR TIP

The IRS and FinCEN have taken the following actions to allow taxpayers to more easily resolve failures to file for prior years and to comply with filing obligations for 2010 and future years:

2011 Voluntary Disclosure Initiative

Following the success of its 2009 voluntary disclosure initiative that ended on October 15, 2009, the IRS announced a 2011 voluntary disclosure initiative available through August 31, 2011. This initiative is substantially similar to the 2009 program, except that the penalty generally has increased from 20 percent to 25 percent of the highest account balance for the reporting period.

Taxpayers with undisclosed foreign accounts can resolve the issue by paying a one-time penalty based on the highest account balance between 2003 and 2010, and filing an FBAR for each year. The general 25 percent penalty is reduced to 12.5 percent or 5 percent in certain situations. Participating taxpayers must ensure that all income from the foreign bank account in the years 2003 to 2010 has been properly reported and, if necessary, file amended income tax returns and pay applicable income tax, penalties and interest. Taxpayers currently under examination by the IRS or investigation by the IRS criminal investigation division, even if the matter is unrelated to a foreign bank account, may not participate in the initiative.

The 2011 initiative contains the same safe harbor as the 2009 program for taxpayers that paid all income tax on income earned from their undisclosed foreign accounts, but simply failed to file an FBAR. These taxpayers can avoid any penalty by filing an FBAR for each applicable year and attaching a statement explaining why the reports are filed late. An FBAR for 2009 or earlier must be filed by August 31, 2011. The due date for the 2010 FBAR, however, remains June 30, 2011. Because this safe harbor generally applies only to taxpayers that originally paid tax due for income from a foreign bank account, it will not apply, for example, to taxpayers that filed amended income tax returns after the announcement of the 2009 voluntary disclosure initiative and made a so-called "quiet" disclosure of unfiled FBARs, but did not pay any FBAR penalty

This is part of a recent article by Eric Kodesch for Lexology entitled, Relief recently provided for foreign bank account reporting (FBAR).

For more information reach Eric Kodesch through <http://www.stoel.com/index.aspx>

Treasury Form TD F 90-22.1 is separate from tax returns. FBARs are due each June 30 for the preceding year. On your tax return check the "yes" box on Schedule B that you have a foreign account.

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Adyen Expands Global Footprint by Adding Local Payment Options Across Four Continents

Leading global Internet payment provider now offers local payment methods supported in Europe, Latin America and Asia

San Francisco, CA (PRWEB) March 1, 2011

Adyen, one of the fastest growing providers of next-generation Internet payment solutions, has today announced that its innovative payment platform now accepts local payment methods across four continents.

In the past nine months, Adyen has expanded its global reach by adding a variety of new payment methods to its platform in Canada (Interac Online), Latin America (with local cards like Hipercard, Aura and cash-based payment methods like Boleto Bancario, PagoFacil and Servipag), Russia (**Webmoney** and Yandex) and China (with market leaders Alipay and Tenpay).

Realizing the impressive growth momentum of the emerging markets in Asia and Latin America, Adyen was quick to respond and open these markets to its merchants. Adyen approaches differing local requirements proactively, and is now one of the few global payment service providers to have direct relationships with local acquiring banks, worldwide.

“Adyen has been instrumental in rolling out our service in over 30 countries thus far,” said Daniel Glasner, Groupon Germany Managing Director. “We have been adding new countries every few weeks and needed a partner that is able to react quickly to the advancing requirements that we have ... the Adyen solution enables our customers to be flexible in paying, by adapting to local requirements, which in turn increases our profits and customer retention.”

Adyen continues to focus on further developing its global coverage, with e-commerce growth rates ranging from 40-percent in Brazil, to 90-percent in China; these emerging markets are very important growth areas for Adyen's international customer base.

“The payment culture across the world is diverse, and poses multiple challenges for merchants who seek to expand their business internationally,” said Roelant Prins, Chief Commercial Officer, Adyen. “In combination with shorter expiration dates, longer settlement periods and difficult reporting, handling the payments in these emerging countries is further complicated. At Adyen we see it as our role to help our merchants succeed by having the most appropriate approach to each local market.”

About Adyen

Adyen is the leading provider of global Internet payment and e-commerce solutions for mid, large and enterprise e-commerce merchants. Adyen's revolutionary Internet payment solution enables merchants to significantly increase online conversion by optimising the online payment process. This “one-stop” solution can be implemented within days and connects companies to global customers through a growing offering of payment methods. To learn more, please go to <http://www.adyen.com>

“Adyen has been instrumental in rolling out our service in over 30 countries thus far,” said Daniel Glasner, Groupon Germany Managing Director.

If George III Had Internet Surveillance:

Thomas Jefferson

Died July 3, 1776

After-action report:

The Office of Colonial Security had monitored suspicious transmissions between one Thomas Jefferson, who is described as studious and secretive, and at least a dozen other radical extremists, over a period of months. Finally, on July the second, they agreed together to execute their plan. Acting selflessly to preserve our way of life, agents of the Colonial Security Administration risked their lives storming the homes of the traitors and arrested them. However, the author of their extremist manifesto, Jefferson, after apparently setting his home afire with oil lamps, died in the resulting conflagration. All known copies of the manifesto were destroyed in the above-mentioned actions.

*Privacy is a
tragic thing
to lose.*



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asknet Adds Brazil's Boleto Bancario to Its International eCommerce Shopping Cart Payment Options

asknet, a leading provider of global eCommerce solutions that increase sales and expand markets for software and digital media companies, announced today it now offers Boleto Bancário to its customers as an online payment option in Brazil. The most recent addition to the growing list of payment solutions offered by asknet allows merchants to expand their ecommerce presence in international markets with popular local payment options that regional purchasers know and trust. Brazil has the largest internet population in Latin America and is ranked 9th across the globe. Boleto Bancário is a credit transfer service that is accepted by most major brands and accounts for approximately 20 percent of all online transactions in the country. The option enables customers to make convenient and secure payments without the use of a credit card and offers sellers an irreversible risk-free form of payment. Once payment is made, asknet receives real-time confirmation and products can be delivered.

"Think global but act local, if you want to sell effectively and grow revenue in other countries," said Michael Scheib, CEO of asknet. "Customers are always ready to buy with familiar and known services and brands -- payment options are no exception. Publishers and merchants that want to maximize global revenue need to have a local presence, product, website, shopping cart and a familiar payment process and options. Adding Boleto Bancário to asknet's growing portfolio of local payment options enables asknet merchants to more effectively sell products in a way the local consumer is comfortable with, which leads to increased online sales particularly in BRIC countries where potential for expansion opportunities are prevalent."

While established markets are saturated, the BRIC countries, Brazil, Russia, India and China, have great economic potential with 40% of the world's population and are among the biggest and fastest growing emerging markets. Brazil alone was experiencing impressive internet user growth rates of 23% in 2008.

asknet's global eCommerce platform enables businesses to access these and other international markets with 31 shop languages, 40 billing currencies, 38 payment options and 12 customer service languages. Customers can extend their global reach without compromising local customs and preferences with fully localized carts for countries including Russia and China with localized customer service and billing currency in Russian rubles and WebMoney, one of the most common secure payment systems in Russia, as well as Alipay, the leading online payment method in China. In addition, asknet localizes registration pages for regional standards and offers customer service by native speakers in all time zones.

asknet's extensive localized e-shop portfolio provides international online buyers with an easy, satisfying online shopping experience, leading to higher conversions, sales and retention rates, and lower abandonment issues. Within a short timeframe, global eCommerce can be deployed to generate sales from virtually all countries in the world.

For software and digital media companies, the secure and scalable global platform offered by asknet transcends international obstacles and allows for successful marketing and selling of digital products worldwide. The proprietary Vendor Interaction Process (VIP) quickly and easily provides solutions tailored to meet each user's needs and the extensive sales and eMarketing capabilities enable flawless execution across the full range of eCommerce services, from order management and local payment options to worldwide customer service.

For more information on how asknet can accelerate your online digital media downloads internationally, please visit <http://www.asknet.com>

1 CURRENCY AMENDMENTS
2 2011 GENERAL SESSION
3 STATE OF UTAH
4 Chief Sponsor: Brad J. Galvez
5 Senate Sponsor: Scott K. Jenkins

6 Cosponsors:	Gregory H. Hughes	Jeremy A. Peterson
7 Johnny Anderson	Ken Ivory	Holly J. Richardson
8 Roger E. Barrus	Michael T. Morley	Stephen E. Sandstrom
9 Bradley M. Daw	Michael E. Noel	Ryan D. Wilcox
10 John Dougall	Curtis Oda	Carl Wimmer
11 Gage Froerer	Patrick Painter	Bill Wright
12 Keith Grover	Lee B. Perry	

13
14 **LONG TITLE**

15 **General Description:**

16 This bill recognizes gold and silver coins that are issued by the federal government as
17 legal tender in the state and exempts the exchange of the coins from certain types of
18 state tax liability.

19 **Highlighted Provisions:**

20 This bill:

21 < provides definitions;

22 < recognizes gold and silver coins issued by the federal government to be legal tender
23 in the state;

24 < does not compel a person to tender or accept gold and silver coin;

25 < provides that the exchange of gold and silver coins for another form of legal tender
26 does not create any individual income or sales tax liability;

27 < requires the Revenue and Taxation Interim Committee to:

28 - study the possibility of establishing an alternative form of legal tender;

29 - recommend whether an alternative form of legal tender should be established;

30 and

31 - prepare any recommended legislation for the 2012 General Session; and

32 < enacts an uncodified severability clause.

33 **Money Appropriated in this Bill:**

34 None

35 **Other Special Clauses:**

36 None

37 **Utah Code Sections Affected:**

38 AMENDS:

39 **59-10-1002.2**, as renumbered and amended by Laws of Utah 2008, Chapter 389

40 ENACTS:

41 **59-1-1501**, Utah Code Annotated 1953

42 **59-1-1502**, Utah Code Annotated 1953

43 **59-1-1503**, Utah Code Annotated 1953

44 **59-1-1504**, Utah Code Annotated 1953

45 **59-10-1025**, Utah Code Annotated 1953

46 **Uncodified Material Affected:**

47 ENACTS UNCODIFIED MATERIAL

48

49 *Be it enacted by the Legislature of the state of Utah:*

50 Section 1. Section **59-1-1501** is enacted to read:

51 **Part 15. Legal Tender Act**

52 **59-1-1501. Title.**

53 This part is known as the “Legal Tender Act.”

54 Section 2. Section **59-1-1502** is enacted to read:

55 **59-1-1502. Gold and silver coin.**

56 (1) Gold and silver coin issued by the federal government is legal tender in the state.

57 (2) A person may not compel any other person to tender or accept gold and silver coin
58 that is issued by the federal government.

59 Section 3. Section **59-1-1503** is enacted to read:

60 **59-1-1503. Nonrefundable credit -- Sales tax exemption.**

61 (1) There is a nonrefundable credit established for any capital gains incurred from the
62 exchange of gold and silver coin issued by the federal government for another form of legal
63 tender as provided in Section 59-10-1025.

64 (2) The exchange of gold and silver coin issued by the federal government for another
65 form of legal tender is exempt from sales and use taxes as provided in Subsection
66 59-12-104(50).

67 Section 4. Section **59-1-1504** is enacted to read:

68 59-1-1504. Revenue and Taxation Interim Committee study.

69 The Revenue and Taxation Interim Committee shall during the 2011 interim:

70 (1) study the possibility of establishing an alternative form of legal tender for the
71 payment of debts, public charges, taxes, and dues within the state;

72 (2) recommend whether legislation should be drafted to establish an alternative form of
73 legal tender; and

74 (3) prepare any legislation that the Revenue and Taxation Interim Committee

75 recommends in accordance with Subsection (2) for consideration by the Legislature during the
76 2012 General Session.

77 Section 5. Section **59-10-1002.2** is amended to read:

78 **59-10-1002.2. Apportionment of tax credits.**

79 (1) A nonresident individual or a part-year resident individual that claims a tax credit
80 in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1021, 59-10-1022,
81 59-10-1023, ~~or~~ 59-10-1024, or 59-10-1025 may only claim an apportioned amount of the tax
82 credit equal to:

83 (a) for a nonresident individual, the product of:

84 (i) the state income tax percentage for the nonresident individual; and

85 (ii) the amount of the tax credit that the nonresident individual would have been
86 allowed to claim but for the apportionment requirements of this section; or

87 (b) for a part-year resident individual, the product of:

88 (i) the state income tax percentage for the part-year resident individual; and

89 (ii) the amount of the tax credit that the part-year resident individual would have been
90 allowed to claim but for the apportionment requirements of this section.

91 (2) A nonresident estate or trust that claims a tax credit in accordance with Section
92 59-10-1017, 59-10-1020, 59-10-1022, ~~or~~ 59-10-1024, or 59-10-1025 may only claim an
93 apportioned amount of the tax credit equal to the product of:

94 (a) the state income tax percentage for the nonresident estate or trust; and

95 (b) the amount of the tax credit that the nonresident estate or trust would have been
96 allowed to claim but for the apportionment requirements of this section.

97 Section 6. Section **59-10-1025** is enacted to read:

98 **59-10-1025. Nonrefundable tax credit for capital gain transactions on the**
99 **exchange of gold and silver coin for another form of legal tender.**

100 (1) As used in this section:

101 (a) “Capital gain transaction” means a transaction that results in a:

102 (i) short-term capital gain; or

103 (ii) long-term capital gain.

104 (b) “Long-term capital gain” is as defined in Section 1222, Internal Revenue Code.

105 (c) “Short-term capital gain” is as defined in Section 1222, Internal Revenue Code.

106 (2) Except as provided in Section 59-10-1002.2, for taxable years beginning on or after

107 January 1, 2012, a claimant, estate, or trust may claim a nonrefundable tax credit equal to the
108 product of:
109 (a) to the extent a capital gain is not offset by a capital loss under Chapter 1,
110 Subchapter P, Capital Gains and Losses, Internal Revenue Code, the total amount of the
111 claimant's, estate's, or trust's short-term capital gain or long-term capital gain on a capital gain
112 transaction from an exchange made on or after January 1, 2012, of gold or silver coin issued by
113 the federal government for another form of legal tender; and
114 (b) 5%.
115 (3) A claimant, estate, or trust may not carry forward or carry back a tax credit under
116 this section.
117 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
118 commission may make rules to implement this section.
119 **Section 7. Severability clause.**
120 If any section of this bill or the application of any section of this bill to any person or
121 circumstance is held invalid by a final decision of a court of competent jurisdiction, the
122 remainder of this bill shall be given effect without the invalid section or application. The
123 provisions of this bill are severable.

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“We should have listened and learned more about sound money.”



**Welcome to America. Who is against sound money?
Just about everyone you meet!**

Opening commentary from Mark Herpel editor DGCmagazine

These are public comments taken from <http://tpmdc.talkingpointsmemo.com/2011/01/at-least-10-states-have-introduced-gold-coins-as-currency-bills.php>

I was reading an article by Jillian Rayfield on TPM, Jan 5, 2011 entitled, “At Least 10 States Have Introduced Gold Coins-As-Currency Bills” and since DGCmagazine published an entire issue on the topic a month ago and personally I have spent the last 6-7 years trying to convince anyone who will listen that digital gold(sound money) is a better way to do business....I thought I’d share this ripe commentary with all DGCmagazine readers. The bulk of the arguments shown here, are ANTI gold and pro federal reserve paper money. Why? I don’t know. It’s hard to conceive why anyone would enjoy being cheated out of their life saving and enslaved by an omnipresent kabal of greedy bankers. Our friend Professor William “Bill” Greene responds to many of these unusual and childish comments. Bill has a very clear understanding of the Constitution and how it relates to State’s rights. His commentary and his insight are excellent. Not everyone will agree with sound money, but some will and it is that group (including myself) which hopes to change things for the better. Thank you to Bill for your detailed comments and information. Keep up your fine work.

Frankly, all of the “off-the-wall” comments shown here are not new to the sound money, constitutional tender or digital gold movements. Due to a serious lack of understanding about US money, almost all Americans along with the US main stream media say about the same thing regarding the Federal Reserve and fiat currency. Most of the repetitive incorrect points that we have all heard in years past are all listed below in this discussion. It is shocking, how Americans are being cheated, lied to and fleeced by the Federal Reserve and the Federal government. Walk into a Starbucks anywhere in America and ask some basic questions to the patrons about the Federal Reserve and how money is created and you will draw more than one blank stare. Ask them, “who owns gold?” and get a lot of smiles.(no one) Americans relay too much on the main steam lying media. The arguments below are proof of this fact. It’s shocking, sad and incredible what is about to happen to the United States and the U.S. dollar. Nobody seems to realize it.

Here is the actual article and comments. It’s amazing how many negative comments are presented here but this a regular event for article comments which appear in popular publications such as Forbes and the Wall St. Journal. All I can say in response to these comments is...”You do what you feel is right, we’ll do what we know is right and I’ll be back in one year to have this discussion again” Please note that some paragraph returns have been omitted to save space but these are the exact words, even the misspelled ones. Here is the article in red followed by the exact comments.

Legislators in at least ten states have introduced bills in the past few years to allow state commerce to be conducted with gold and silver.

As we reported, Georgia state Rep. Bobby Franklin (R) recently reintroduced legislation to force his state to conduct all monetary transactions with U.S. gold or silver coins -- including the payment of taxes.

The Georgia bill has a long way to go before become law -- but it’s by no means the only state that’s considering a future in gold. Lawmakers in Montana, Missouri, Colorado, Idaho, Indiana, New Hampshire, South Carolina, Utah, and Washington have proposed legislation, mostly in 2009, to include gold and silver in its accepted currency forms.

Constitutionaltender.com, a site dedicated to tracking and promoting these bills, explains:

The United States Constitution declares, in Article I, Section 10, “No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts”. But, in fact, EVERY state in the United States of America DOES make some other “Thing” besides gold and silver coin a “Tender in Payment of Debts” -- some “Thing” called “Federal Reserve Notes.” Thus the need for the “Constitutional Tender Act” -- a bill template that can be introduced in every state legislature in the nation, returning each of them to adherence to the United States Constitution’s actual legal tender provisions. The site’s Facebook page says all donations to the group go to RightMarch, a conservative 501(c)(4) that describes its goal as to “counter the well-financed antics of radical left-wing groups like MoveOn.org, by appealing to the grassroots “silent majority” to take action.” RightMarch is run by Bill Greene, who ran for Congress in Georgia in 2008.

This idea of using gold and silver as currency has recently enjoyed a bit of a renaissance -- Fox Business’ Stuart Varney and Andrew Napolitano, for example, recently debated whether the country should return to using gold as everyday currency. Gold vending machines had already been operating in some European countries and the United Arab Emirates before one recently opened in a Florida mall. And, of course, there’s Glenn Beck’s consistent touting of the gold seller Goldline on his radio show.

COMMENTS

r-manhammer - If I were a religious person, I would fall on my knees every hour on the hour praying that one of those collections of imbeciles will have enough stupid to pass the bill. I would do my heart good to see one of the Stupid States collapse their economy through untreatable moronitude.

GivenUp in reply to r-manhammer - Half the time i'm tempted to agree with this sort of thing and the other half the time it occurs to me that we would be consigning a large number of people to suffering because of a few morons. That said, maybe it needs to happen before people realize how stupid it is.

al2o3cr in reply to r-manhammer - Only if we get a fence up around their state first - otherwise, we'll just have teh stoopid spilling out into neighboring states.

ComradeAnon - I've never seen so many signs saying its time to sell gold.

miles120 - Gold will be the next commodity bubble.

tinsk in reply to miles120 - It already is.

molly_nyc - Of all the schmucks who proposed this legislation, how many do you suppose spend their early evenings drooling over Glenn Beck?

Adrian Browne - The New Dark Ages, 2011 - ?

CityGuy in reply to Adrian Browne - The Idiocracy is here!

agag - The United States Constitution declares, in Article I, Section 10, "No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts". But, in fact, EVERY state in the United States of America DOES make some other "Thing" besides gold and silver coin a "Tender in Payment of Debts" -- some "Thing" called "Federal Reserve Notes." No state made federal reserve notes a legal tender. The federal government made federal reserve notes a legal tender. If states want to make their own legal tenders, usable in their states, that's fine, as long as it's gold or silver. But the Constitution puts no such restriction on the federal government.

Bill Greene in reply to agag - To "make something a tender" is not the same thing as "making Federal Reserve Notes legal tender". When you "make a tender" to pay a debt you owe or someone owes you, you are offering something to someone in order for that debt to be paid. (Think of when someone "tenders" their resignation - they're not having the government declare their resignation letter to be money, they're presenting it in order to sever ties with their company.) So, when a State makes some "Thing" a "tender" in payment of debt, they are offering that "Thing" to use in order for that debt to be paid. So when Article I, Section 10 says, "No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts", its language is VERY clear: No State shall offer ANYTHING ELSE as a way to pay debts owed to or by the State EXCEPT gold or silver coins. When a State sends a tax bill denominated in Federal Reserve Note dollars, they are offering FRNs as the things to use in order for that debt to be paid; when a State issues a contract denominated in Federal Reserve Note dollars, they are offering FRNs as the things to use in order for their debt in that contract to be paid. THEREFORE, that State is in violation of Article I, Section 10; and this bill in Georgia would rectify that violation. And no, States cannot "make their own legal tenders, usable in their states," at least not in the sense of the federal government forcing everyone to use something as money for everything whether it has actual value or not (like FRNs). Whether the federal government actually has the power to declare legal tender laws is still debatable, but this bill has nothing to do with that issue; it simply brings the State back into compliance with the U.S. Constitution.

NCSteve 3.0 in reply to Bill Greene -Unless and until you become a Supreme Court justice and can persuade four others to agree with you, the Constitution does not mean whatever you want it to mean just because some deranged media personality told you so (be it Glenn Beck, Ron Paul or some Rand-soaked science fiction writer). In textual context, "tender" in this clause is used as a NOUN, not a verb. "To tender" is to give someone a legal instrument of some kind. In noun form, in the context of this clause, "tender" means "money issued by a government." If you followed the Constitutional convention/read your Federalist papers/put down the libertarian koolaid, the "Specie Clause" places limits on the states' ability to make up their own currencies, a right given (elsewhere) to the federal government. It was written in to the Constitution to prevent states from issuing their own paper money because if they could, they could undermine interstate commerce by trying to use currency manipulation to get a leg up on other states, much as China is doing to the United States. One of the many problems they were trying to fix by trashing the Articles of Confederation and moving powers from the states to the federal government was that states were trying to do just that and, predictably, it was only hurting everyone because it was based on economically ignorant parochialism. The point of limiting the power of the states to issue their own money to gold and silver coin was to make it pointless for states to do it in terms of trying to get an edge on other states. Not that I expect actual history and actual definitions to make the slightest impression on minds in the grip of Paultardism.

Bill Greene in reply to NCSteve 3.0 - In the context of THIS clause, “tender” has NEVER meant “money issued by a government” -- remember, Article I Section 10 ALSO says that “No State shall... coin Money; emit Bills of Credit”, so the State government CANNOT issue money. Note that the “specie clause” is not the clause which “places limits on the states’ ability to make up their own currencies, a right given (elsewhere) to the federal government” -- those clauses come BEFORE this one. THIS one says, “No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts,” which is quite plain language that they can’t “make an offer” (look, there’s your noun!) to give or accept any THING except gold or silver as payment of debts to or from them. Once more: That means (a) a State can make something a “tender” (which means they can “offer as payment”) and (b) the ONLY thing they can do that with is gold and silver coins. If they use anything else - like, say, Federal Reserve Notes - they are in violation of the US Constitution. Which is what this bill is attempting to correct. So please, read the Constitution’s actual words. Don’t give some imaginary power to States that the Constitution specifically forbids.

fargo116 - LOL...This is just another effort by the Professional Deadbeats to try and get out of paying their tax bill. The reasoning is as follows: “If we can’t get it, how can we pay our taxes?” Just imagine the screaming by these Goobers if they have to pay their property tax bill with gold coins that have \$1 stamped on them when gold has risen 170% one year and dropped 180% the next. Can you imagine all the lawsuits that’ll come from THIS proposed gargoyle? Rednecks who fancy themselves ‘constitutional scholars’ are already bitching about having to pay in Federal Reserve Notes and that’s NOW. Back in ‘84, there was a bozo in Louisiana who bid \$2.80 in silver dimes for a piece of property and then screamed his bid should take precedence over \$80,000+ FRN bids because his was the only one in ‘lawful money according to the U.S. Constitution.’ Geez. They’ve lost in court over and over and over (Check out US v. Rifen, Forel v. Wilson and Nixon v. Philpott if you don’t believe me. Especially the last one.) Now they want to change the rules so that we all all as dumb as they are.

Bill Greene in reply to fargo116 - If silver and gold are used as money, then why would it be any different than when we use FRNs (except our money will finally keep its spending power)? If one of your “Professional Deadbeats” tries to get out of paying his or her tax bill now, by saying “I can’t get enough Federal Reserve Notes,” what is done now? That’s what will be done under this bill. It would be best if you’d read the bill in order to comment on it knowledgeably. Something like a property tax bill would be issued to be paid in gold or silver, in a specific weight, not based on the face value of the coins. And it’s technically not gold or silver that’s “rising or dropping” in value -- it’s Federal Reserve Notes. Gold and silver have retained their value fairly consistently over the centuries; what you could buy with an ounce of gold 2000 years ago, you can buy with an ounce of gold (that is, its equivalent value in another currency like FRNs) today. But what you could buy with \$1.00 in Federal Reserve Notes 100 years ago, will now only buy 5¢ worth of stuff. And this bill deals only with the State’s compliance with the Constitution, not the federal government’s. Article I, Section 10 is very clear about what the State can and cannot use as money; and that has never been taken to any court as an issue. U.S. v. Rifen, Wilson v. United States (I assume that’s what you meant by “Forel v. Wilson”) deal with the issue of paying federal income taxes. And perhaps you should post a link to “Nixon v. Philpott” since you say that one especially deals this issue.

fargo116 in reply to Bill Greene - That sounds really really nice and fierce, Bill, but the fact of the matter is that this bill is supported by Professional Deadbeats who think it’s a way to get out of paying what they owe. They like the idea of being able to use stuff we pay for for free. The bill is classic Republicanism: Fixing something that isn’t broken.

Bill Greene in reply to fargo116 - I see. What is your proof that this bill is “supported by Professional Deadbeats who think it’s a way to get out of paying what they owe”? I don’t see it. As for fixing something that isn’t broken: If a State is in violation of the U.S. Constitution, that’s something that’s broken. This bill fixes it.

fargo116 in reply to Bill Greene - Fixes it, eh? How does ‘fixing’ something that’s not a problem work? What’s my proof? Bill, the professional deadbeats have screamed that federal reserve notes are unconstitutional for YEARS. The last one I recall was a real howler. They actually tried to claim in court -- with a straight face -- that FRN’s are not income. Seriously. Check out Milam v. US back in 1974, or if you don’t like that one, maybe U.S. v. Rifen in 1978 or maybe United States v. Anderson the same year or maybe United States v. Daly in 1973. Now are you saying they don’t believe that anymore? Oh please. These clowns are INFAMOUS for their sheer stubbornness. If you ARE saying that, no wonder the voters in the Georgia 10th rejected you in your 2008 congressional run faster than a bald guy in a singles bar.

Bill Greene in reply to fargo116 - That’s all nice, fargo, but it still doesn’t answer my question. I don’t care if “professional deadbeats have screamed that federal reserve notes are unconstitutional for years” -- this bill has nothing to do with that issue, which is a FEDERAL issue. This is dealing with a STATE issue. Milam v. US, U.S. v. Rifen, United States v. Anderson, and United States v. Daly all have ZERO to do with what this bill addresses. This issue has *never* come before a US court. If a State is in violation of the U.S. Constitution, that’s a problem. This bill fixes that problem.

tinsk - How on earth does one use a commodity effectively as a static value currency? My taxes are \$1400 this year. I buy 1 ounce of gold (costing me \$1500 valued at \$1400) and on the day I pay my taxes, gold mid-market rate is \$1200 per ounce. That means I need to now go out and buy \$200 more in gold (costing me about \$210) to pay my taxes. Therefore, my \$1400 tax bill cost me about \$1700. Face value gold coins? That won't work. As soon as the melt price exceeds the face value, people will be melting them down or not accepted at face value when the melt price deflates to less than face value. It's just dumb.

Bill Greene in reply to tinsk - It would be best if you'd read the bill in order to comment on it knowledgeably. Something like a property tax bill would be issued to be paid in gold or silver, in a specific weight, not based on the face value of the coins. You wouldn't get a tax bill of \$1400; it's more likely you'd get a tax bill of 0.9897 ounces of gold, or maybe 57.0245 ounces of silver. Would you have that? Probably, since you'd already be buying things at the store using your bank accounts denominated in gold or silver, because stores are offering goods payable in gold or silver, since they need gold and silver to pay their State taxes, and when you see that the price of goods in gold or silver is staying steady while the price of goods in FRNs is skyrocketing, which makes you want to exchange your money to get more value... It all works together. Read the bill.

NCSteve 3.0 in reply to Bill Greene - And, once again, you seem to think that the words in the Constitution mean whatever you want them to mean. The Specie Clause says "Gold and Silver Coin" not "Gold and Silver Bullion." A "coin" is not just a hunk of bullion that the state has stamped into a round shape rather than a square shape. It is a piece of metal bearing a face value that is guaranteed by the issuing government regardless of the melt price. And gold and silver coins with a fixed value only work when every single government on the face of the earth uses a bimetallic (not just gold) standard that arbitrarily fixes the price of gold and silver in their currency units and their value in relation to each other in a fixed ratio. And what is this obsession with inflation you guys have, anyway? You spend all your time, in good times and bad, obsessively worrying about, clutching your "intrinsically valuable" bits of metal, convinced that it has to happen sooner or later it notwithstanding the fact that a) we haven't had a bout of serious inflation since the early 80s and, b) the independent Federal Reserve you guys hate and fear so much squashed it out quite handily merely by running up interest rates and provoking a recession. It's like the mere hint of a possibility that, at some point in the future, anyone other than our Great and Beneficent Galtian Overlords might manage to get ahead convinces you guys that hyperinflation must be right around the corner because that's the only way the useless parasitic drones could possibly do it.

Bill Greene in reply to NCSteve 3.0 - Actually, Steve, you're wrong again. What a "coin" can be is determined by Title 18 of the United States Code, section 486, which gives to the government a coinage monopoly. Nowhere is it stated or claimed that the face value stamped onto a U.S. Minted coin is "guaranteed by the issuing government" in any fashion. IF IT WAS THE CASE, then there would be a big problem: Gold Eagles and Silver Eagles are official U.S. Mint legal tender, and their stamped face values are WAY below the "melt price" of their metal content. Surely you're not saying that the U.S. government has a fixed guarantee that an ounce of gold is worth FIFTY DOLLARS, are you? Gold and silver coins most certainly do NOT have to have some arbitrary "fixed value" to work; in fact, when that has been tried in history, it has caused the money to FAIL (one of the things that gave Nixon the excuse to pull us out of Bretton Woods in 1971, in fact). The value of money is "fixed" every day by the MARKET, whether that money is Dollars, Marks, Yen, Francs, Gold, or Silver. At any time, you can have your "currency" converted to another "currency", and the exchange value is NOT determined by the government. Take a look at <http://www.mataf.net/en/curren...> and you'll see what I'm talking about. There is NO "fixed ratio" between currencies, so why should there be a "fixed ratio" between FRNs and gold and silver? How goofy. Finally, there is no "obsession with inflation" in relation to this bill. This bill does one thing: brings the State back into compliance with the U.S. Constitution. Has there been inflation? Of course there has; the Fed's inflation has decreased the value of the Dollar by over 95% since it was created. Is there inflation now? Of course there is; the Fed has inflated our currency by over a trillion dollars in the last few years. Will there be inflation in the future? Of course there will be; it's what the Fed DOES. But again, you can go argue with the gold bugs about all that; this bill is to bring the State back into compliance with the US Constitution. Period.

norecovery in reply to NCSteve 3.0 - "... we haven't had a bout of serious inflation since the early 80s" Really? Maybe you should give your butler the day off and try going out shopping for yourself. If you do, you'll notice how the prices of milk, coffee, sugar, corn, wheat, cotton, crude oil, natural gas, soybeans, live cattle, cocoa, wool, orange juice, rubber, lumber and wool (to name just a few) HAVE ALL SHOT UP year over year. Not to mention the costs of health coverage, utilities and taxes. All this in an economic climate that has seen stagnant wages for the entire past decade. Also, INFLATION is the reverse side of the coin for DEVALUATION, which is in and of itself a separate, HIDDEN tax. The U.S. dollar has already lost 97% of its purchasing power vis-a-vis 1913. The U.S. government only fools itself (and perhaps unwary observers such as yourself) when it doctors its stats & numbers and then tries to pass them off as REAL data.

fargo116 in reply to Bill Greene - Why should he, Bill? Any bill that says the state can tell us what is legal tender and what isn't is

unconstitutional right there. No matter how much you whine. It's one of the reasons we passed the Constitution in the first place. Hey, tell us again how gold and silver don't rise or drop in value because I'd sure like to explain that to my financial planner. I'll bet Nelson Bunker Hunt would LOVE to have it explained to him how he couldn't have lost millions when he tried to corner the silver market in the mid 70s and then the price fell from \$50 an ounce to below \$11/oz. on Silver Thursday.

Bill Greene in reply to fargo116 - Is that right, fargo? Hmm... what if a bill said, "This State can make Gold and Silver Coins a Tender"? According to what you just said, that's "unconstitutional right there". Except... OOOOPS... that comes from the CONSTITUTION ITSELF. Article I, Section 10: "No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts". Once more: That means (a) a State CAN make something a "tender" (which means they can "make something an offer as payment") and (b) the ONLY thing they can do that with is gold and silver coins. If they use anything else - like, say, Federal Reserve Notes - they are in violation of the US Constitution. Which is what this bill is attempting to correct. So please, read the Constitution's actual words. Don't take away a power belonging to States that the Constitution specifically gives them. And I never said gold and silver "don't rise or drop in value" - I said they *retain* their value over thousands of years. Can the "price" of a currency rise or drop, RELATIVE TO other currencies? Of course it can - it happens to gold, silver, Dollars, Pounds, Lira, you name it. Can people speculate on the prices of currencies? Of course they can - that's how George Soros made his billions, and how Nelson Bunker Hunt lost his. Does that mean the dollar retains its value over the long haul? Well, it doesn't - the Fed has driven its value down by over 95% since 1913, when the Fed was created. Does that mean gold and silver retain their value over the long haul? Well, it does - you could buy a nice expensive outfit with matching belt and shoes with an ounce of gold 2000 years ago, and you could buy a nice expensive outfit with matching belt and shoes with an ounce of gold today. But what you could buy with 5¢ in 1913 will cost you \$1 today.

CityGuy in reply to Bill Greene - "Gold.... Plants crave it Bill!" (Well humans with the intelligence of plants and a stake in Goldline perhaps.)

Scot Celley - These moves are the latest to return to the alleged-Good Ol' Days, i.e., back in the time of the Articles of Confederation. Happy times, weren't they?

Bill Greene in reply to Scot Celley - Actually, it more of a return to the "Good Ol' Days" of the U.S. Constitution - it's based on Article I, Section 10. "Happy" times or not, that's the document we're required to obey in this country.

DoremusJessup20 in reply to Bill Greene - Bill, would you please explain what problem you're trying to solve with this return to gold and silver?

Bill Greene in reply to DoremusJessup20 - Sure thing, Jessup.

The US Constitution, in Article I, Section 10, states, "No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts". The State of Georgia (like the other States) cannot make something a "tender" (which means they cannot "make something an offer as payment") for any debts, which would include debts owed by and to the State. However, the State of Georgia (like the other States) HAS made some other "Thing" an offer as payment - they have by law declared that they will accept, and pay out, Federal Reserve Notes for any debts owed by or to them. Therefore, the State of Georgia (like the other States) is in violation of Article I, Section 10 of the US Constitution. This bill is attempting to correct that in Georgia (and can be implemented in any other State that wishes to).

DoremusJessup20 in reply to Bill Greene - I'll play along for the sake of argument, let's skip all the legalese and say we've returned to the gold standard. Again, I ask, what problem are you trying to solve?

Bill Greene in reply to DoremusJessup20 - Jessup, it depends on what you mean by "returned to the gold standard". Do you mean what was called the "gold standard" up through the 1930s, when printed US money could be taken to any federal bank and redeemed for actual gold? Do you mean what was called the "gold standard" up through 1971, when no one could do that any more, but foreign nations could still trade dollars they owned for gold at a fixed price of \$35/ounce (which Nixon ended, taking us completely off of what could even pretend to be a "gold standard")? Or do you mean using actual gold and silver (or their electronic representations in bank transfers) as currency, which this bill would return States to doing? That's not usually called a "gold standard," but if that's what you mean, then again, as I stated above, the State of Georgia (like the other States) is in violation of Article I, Section 10 of the US Constitution. This bill is attempting to correct that in Georgia (and can be implemented in any other State that wishes to).

DoremusJessup20 in reply to Bill Greene - I assumed from your comments that you're concerned about inflation and as such you ultimately wanted to peg the dollar to gold pre '71 style. Now, however, I'm afraid we're onto a whole new crazy idea and I'm

still having a hard time understanding what problem you're trying to solve?

Bill Greene in reply to DoremusJessup20 - I *am* concerned about worsening inflation, but again, this bill isn't about solving that problem (although it would, of course) -- this bill is about solving the problem of States being out of compliance with the U.S. Constitution. Let's say the State of Georgia decided to start handing out hereditary titles of count, countess, duke, duchess, baron, or baroness, which came with certain privileges and were passed down to all descendants. Would this be a problem? Indeed it would: Article I, Section 10 declares, "No State shall... grant any Title of Nobility." If these Titles of Nobility were simply accepted as common practice among the people of Georgia, would this be a problem? Yes, it still would: Article I, Section 10 declares, "No State shall... grant any Title of Nobility." If the State legislature passed a law bringing Georgia back into compliance with the Constitution by declaring that the State could no longer grant such Titles, would this be a problem? Of course not - that would be the *right* thing to do, under the Constitution. Now, let's say the State of Georgia decided to start declaring that pieces of paper with pictures of dead presidents on them could be used in any offer to pay any debts owed by or to the State. Would this be a problem? Indeed it would: Article I, Section 10 declares, "No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts". If using these pieces of paper were simply accepted as common practice among the people of Georgia, would this be a problem? Yes, it still would: Article I, Section 10 declares, "No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts". If the State legislature passed a law bringing Georgia back into compliance with the Constitution by declaring that the State could no longer use such paper, but had to use gold and silver coins instead, would this be a problem? Of course not - that would be the *right* thing to do, under the Constitution. I hope this help you to understand it better.

fargo116 - Maybe he thinks it'll create lots and lots of jobs. Bill's next task: Get the underutilized Third Amendment on top in the courts. He'll get that done no matter how many jobless people he has to walk over to do it.

Bill Greene in reply to fargo116 - I don't see any States quartering Soldiers in houses without the consent of the Owners. I do, however, see every State making some other "Thing" besides gold and silver coin a Tender in payment of debts. So let's fix that one.

mkeyes - 110 U.S. 421 'THE LEGAL-TENDER CASES.' JULLIARD v. GREENMAN. March 3, 1884

[Omitted because of size, to read, put on a pot of coffee and follow this link: <http://tpmdc.talkingpointsmemo.com/2011/01/at-least-10-states-have-introduced-gold-coins-as-currency-bills.php#comment-124457662>]

Bill Greene in reply to mkeyes - It's very nice that you posted that huge quote from Julliard. Unfortunately, Julliard had absolutely NOTHING to do with this issue. As you can see from your extensive quote from the case, it had nothing to do with whether a State is required to use only gold or silver coins. It had to do with whether Congress could make its paper currency a legal tender for the payment of private debt - as stated, "The power of issuing bills of credit, and making them at the discretion of the legislature, a tender in payment of private debts." As one of the famous "Legal Tender Cases" after the War, it is well known for its reach. And, well, it doesn't reach to this issue. As can be clearly seen, the Julliard ruling established that Congress could declare their paper currency to be "legal tender". It clearly did NOT establish that Congress could pass a law contradicting the plain words of the Constitution, that "No State shall... make any Thing but gold and silver Coin a Tender in Payment of Debts". It would be just the same as if some law were passed that says that States must "coin Money" - such a law would obviously be prohibited by Article I, Section 10 ("No State shall... coin Money"), meaning the law itself would be unconstitutional as it has bearing on the State.

DoremusJessup20 - Those people imbued with the conservative spirit find the world we live in unfamiliar and unsettling. They have a tendency to mythologize the past and spend their time pining for the glory days. That's why they're always trying to get "back" to something; back to the constitution, back to basics etc. Ron Paul and his revolutionaries have turned this into a cult, they have *faith* that this will solve our problems. This is the reason we can't get anything done in this country. We're a future oriented society, our government and institutions need to look ahead to make detailed plans that will affect the next generation. Instead of spending our time trying to wrap our heads around a 21st century economy that includes credit default swaps and collateralized debt obligations we waste it trying to convince cult members to come back to reality.

ckitze - Why does anyone care what form of money people pay their taxes in? Federal Reserve Notes are monopoly money issued by a monopoly for the benefit of the PRIVATE BANK that issues them. It's an irrefutable fact the purchasing power of a dollar went down about 95% since this bank took over issuing OUR money. Here's another irrefutable fact: The Fed created trillions worth of essentially free credit for international banks in the 2008 financial crisis -- many of the recipients of this largesse were the owners of the Fed. How many taxpayers got this deal? Why is everyone here so supportive of a private bank issuing our country's money and collecting interest from the taxpayers for doing absolutely nothing? I think Bill's point is to give people an alternate form of payment and end the monopoly. No one's trying to dodge paying their taxes.

fargo116 - "No one's trying to dodge paying their taxes." Oh yes they are. Professional deadbeat have been trying to dodge paying their taxes for years. The 'Federal Reserve Notes are not legal tender' is just one of their bellows. They've tried others:

- A 'direct tax' argument
- The 16th Amendment was never properly ratified
- Forcing people to disclose their income is a violation of the 5th Amendment
- Forcing people to pay income tax is slavery.
- Forcing people to pay income tax is a violation of the 4th Amendment

Bill's 'point' is on the top of his head. "It's an irrefutable fact the purchasing power of a dollar went down about 95% since this bank took over issuing OUR money." Inflation's an "irrefutable fact" too. "Why is everyone here so supportive of a private bank issuing our country's money and collecting interest from the taxpayers for doing absolutely nothing?"

Two reasons:

1. Because our economic system's already been screwed up enough by Republicans.
2. The Fed isn't a private bank, as much as you scream it is. For example, the Fed returns any interest to the Treasury. In fact, it returns about 97% of it's income to the treasury. How come you never mention that simple fact? Could it be that you don't know it? What 'private bank' does that? What other 'irrefutable facts' you wanna claim?

fargo116 - Gee, Bill's sure gotten vewy, vewy qwiet. I wonder if he's huntring wabbits.

Bill Greene in reply to fargo116 - No, Bill has a life outside of this blog. I think some people must not...

ckitze - Thanks for agreeing with my points, Fargo. You agreed that the dollar went down 95% in value since the Fed started creating our money. You are correct, Inflation is irrefutable and it robs savers of the value of their money. The elderly are the biggest victims of this scam. When hyperinflation hits and the middle class disappears into poverty, you might change your mind about the goodness of "inflation". Why would you support a bank that's been swindling people for almost 100 years "because our economic system's already been screwed up enough by Republicans."? Stealing is stealing and both major parties have been helping rob the citizens. The Fed is indeed a private bank, as this court case demonstrated (Lewis v. United States, 680 F.2d 1239 (1982)):

"the court ruled that the Federal Reserve Banks are "independent, privately owned and locally controlled corporations", and there is not sufficient "federal government control over 'detailed physical performance' and 'day to day operation'" of the Federal Reserve Bank for it to be considered a federal agency."

Under the law, member banks are paid a 6% dividend on their capital investment in the bank -- it doesn't all go to Uncle Sam. What public bank creates trillions of dollars and lends it for almost zero interest with no collateral to.....themselves, the private bank owners? Huh?

fargo116 in reply to ckitze - 1. "You agreed that the dollar went down 95% in value since the Fed started creating our money."

Really? Gee, show all of us just where I did that. I thought I just said inflation was a fact.

2. "You are correct, Inflation is irrefutable and it robs savers of the value of their money. The elderly are the biggest victims of this scam. When hyperinflation hits and the middle class disappears into poverty, you might change your mind about the goodness of "inflation"."

Where did I say this?

3. "Why would you support a bank that's been swindling people for almost 100 years "because our economic system's already been screwed up enough by Republicans."? Stealing is stealing and both major parties have been helping rob the citizens."

Actually, the Fed hasn't been swindling people. It never has. Maybe you'd like to point out examples to the contrary?

Oh now the bad economy is EVERYBODY'S fault? Not just Republicans. LOL....Riiiiight.

4. The Fed is indeed a private bank, as this court case demonstrated (Lewis v. United States, 680 F.2d 1239 (1982)):

"the court ruled that the Federal Reserve Banks are "independent, privately owned and locally controlled corporations", and there is not sufficient "federal government control over 'detailed physical performance' and 'day to day operation'" of the Federal Reserve Bank for it to be considered a federal agency." Gosh, that really sounds like you settled the point in your favor, doesn't it?

Except you didn't. You are making the same so-called 'mistake' that TONS of conspiracy theorists before you have made when they quote this case. What is that 'mistake?' Well, you snip out something. Wanna tell all of us what that is? Or should I? Ok, it's these words: "within meaning of the Federal Tort Claims Act." Yeah, you clowns leave that out all the time. Wanna know why it's important or do you already know? Maybe you'd like to tell everyone? No? Gee, why am I not surprised? Okay, I will. The case ckitze is citing is about a guy who got hit by a van that belonged to one of the Federal Reserve Banks. He wanted to sue them under the Federal Tort Claims Act The district court said it was not a federal insrtumentality as far as the FTCA goes. In other words, Lewis was suing them under the wrong law. It doesn't mean the Fed doesn't have control over monetary policy. It does. It simply isn't a private bank, no matter how much the likes of ckitze want it to be.

4. Under the law, member banks are paid a 6% dividend on their capital investment in the bank -- it doesn't all go to Uncle Sam. Oh, now it doesn't ALL go to Uncle Sam, eh? Ckitze would begrudge banks their operating expenses. Does he want them to work for free? Know what he's crying about? About ONE percent of the Fed's take.

5. What public bank creates trillions of dollars and lends it for almost zero interest with no collateral to.....themselves, the private bank owners?

Maybe ckitze would like to supply us with an example of them doing this?

Chuck Pearson - Watch these before they are removed. They paint a pretty clear picture.

http://www.youtube.com/watch?v=ExBE651_vOY

<http://www.youtube.com/watch?v=kx7HDTDDopA&feature=related>

A Gold and Silver backed currency is the only currency a country should have RIP JFK

norecovery - If precious metals once again becomes the currency of the realm, it had damned well better be a TWO WAY STREET, where gold & silver is not ONLY accepted as payment for goods & services, but ALSO used to PAY out salaries and other obligations. I would REFUSE to spend my valuable metals in exchange for receiving WORTHLESS dollars/toilet paper. In fact, I'd probably refuse to spend my precious metals anyway because they constitute the financial reserve that will enable me to LEAVE this Thirdworld Shithole & start a new life somewhere else when the U.S. inevitably COLLAPSES.

dvdmcbrd01 - Unbelievable what I am hearing here. Anyone who defends fiat/federal reserve notes against real commodities is just not paying attention at all. FEDERAL RESERVE NOTES, not even US notes as they used to be. You are sheep and are destined to be ruined. If you are not already wealthy beyond belief you will be ruined. And of course you will blame conservatives because I have yet to meet a liberal who is not a "victim" of people who work hard and want to keep their money instead of letting it be taken from them thru inflation and a government who is obsessed with buying votes thru entitlement programs. Why does the US government not want to return to a gold standard? It would force fiscal discipline and responsibility which would not allow them to print ungodly and unlimited amounts of money to pay off the Wealthy Elite (banksters) who buy their elections and bribe the noncontributors to society to vote for them instead of the evil conservatives who want all to earn their money instead of just getting it handed to them. I am a self made wealthy person (and have done so in spite of a government who takes more of my profit than I do) who has done more for people in need than any liberal I know. I have a disabled daughter and have never had or asked or will ask for help from the government in my life. Inflation and wage stagnation have destroyed the working class and when someone wants to try something different you accuse them of being afraid of the future? The government has overspent and overcommitted in order to stay in power (both sides). I believe there is no conservative party and the courage it would take to have and be a truly conservative country does not exist anymore in the spoiled country. Buy gold/Buy silver/have faith. The truth will be seen soon enough and for those that chose not to use their eyes, well, see ya!

scottaedan in reply to dvdmcbrd01 - dvdmcbrd01 - we are probably wasting our time. These people will be flipping burgers or digging ditches soon enough. I wonder if these morons noticed that Volcker resigned from his position with the Obama Admin last week. He was the last hope of avoiding apocalyptic type disaster and he just took his toys and went home. For the record, Volcker administered the tough medicine it took to tackle inflation back in the day. He was the man we needed. That can't be good sign. I can only take that as proof that the banksters are winning the fight. I don't know what it will take to get people to notice what is happening. Watching corporate media certainly won't do the trick. Politician left or right are slaves to the same master. The banksters who control the money supply of ANY nation own the politicians and law makers. Wake up people!!! "We must not let our rulers load us with perpetual debt. We must make our selection between economy and liberty or profusion and servitude. If we run into such debts as that we must be taxed in our meat in our drink, in our necessities and comforts, in our labors and in our amusements, for our callings and our creeds...our people.. must come to labor sixteen hours in the twenty-four, give earnings of fifteen of these to the government for their debts and daily expenses; and the sixteenth being insufficient to afford us bread, we must live.. We have not time to think, no means of calling the mis-managers to account, but be glad to obtain subsistence by hiring ourselves to rivet their chains on the necks of our fellow sufferers. Our landholders, too...retaining indeed the title and stewardship of estates called theirs, but held really in trust for the treasury, must...be contented with penury, obscurity and exile.. private fortunes are destroyed by public as well as by private extravagance. This is the tendency of all human governments. A departure from principle becomes a precedent for a second; that second for a third; and so on, till the bulk of society is reduced to mere automatons of misery, to have no sensibilities left but for sinning and suffering... And the fore horse of this frightful team is public debt. Taxation follows that, and in its train wretchedness and oppression." Thomas Jefferson

justinbaldwin - Well for what it's worth, here's how a Brit sees it on the other side of the pond.

1. The idea of returning to gold and silver coins/payment is a non-starter, whatever the constitution says. There isn't enough gold (which is why gold is precious) and silver is needed for industry. Sure it might work for a while, but coins get lost, worn away, and the blind lobby sure wouldn't like the minuscule size of coins needed if gold revalued to account for a \$53tr global economy, or even a \$13tr US one. Adopting a gold based money supply would immediately bankrupt many people, companies, states, federal

government, and just about every other nation on earth.

2. The fractional reserve system can only function as long as the money supply increases (real productivity and velocity aside) When people stop taking out new debts, the government steps in and does the inflating instead. Inflation is no different to counterfeiting, it robs purchasing-power. Inflation (of the money supply) is a way of spending today but delaying the consequent tax rise, it is therefore anti-democratic in that it hoodwinks the electorate. Inflation leads to the destruction of liberty. Hitler wasn't voted into power to remove Germany's liberty, he was voted in to restore it. Inflation, boom and collapse had robbed them of an alternative, and the Germans sought a saviour, a Caesar, and that's what they got a seizer of power. Worse, the whole system requires perpetual growth, which at just 3.5% per annum means a doubling time of 20 years. Anyone who thinks that the world can double its consumption of energy and resources every twenty odd years to accommodate fractional reserve banks and the repayment of our debt money supply is insane. So we have a choice.

1. keep printing (led by America) and keep consuming, keep enjoying and destroying at the speed of light, and hope that consumerism in a finite world is infinite.
2. allow a deflationary recession (depression) to clear out the bad investments.
3. rethink the entire global financial system and return it to the truth and honesty of a more restrictive money supply, which would create far greater stability in the world.

America will never choose the second or third option because the constant counterfeiting of FRNs allows 4% of the world's population to enjoy 24% of her wealth. 'The American way of life is not up for debate' Dick Cheney. (We British do our damn best to keep up with you, followed by the Europeans, and now the Chinese and the Japanese and soon the Indians, and the Indonesians etc etc etc.) There will either be a print and die hyperinflation or a peak oil induced deflation. Someone must always go broke, the goldsmith's impossible contract cannot be avoided because banks do not provide the interest free money for us to pay their interest, we must stiff each other for that. (America stiffes the Chinese with paper, the Chinese stiff the Americans with a currency peg.) It is the resolute refusal of anyone to admit their bad investments and the thirty-year bailout of those people that has got us to this point of almost no return. Personally I am not very hopeful for the future, but it is heartening to see that in America there is still a fire burning in the hearts of Libertarians. America is the biggest economy on earth, that promised to safeguard the world from counterfeiting, now she is the leading counterfeiter. It is very much in the whole world's interest that America sorts out her currency and returns to some sort of fiscal sanity, or the SWHTF. Humans have two great abilities, a memory to draw upon and use as a basis for predicting the future, and the capacity to cooperate with each other. Fractional reserve banking with its easy access to credit and pain of repayment impairs both those functions. Unfortunately, America has been taken over by fractional reserve bankers. That is not good for the rest of us.

surferonice in reply to justinbaldwin - Well I was going to reply to this. BUT. The world is on a gold and silver and any other coin metal measured in value according to indicated reserves of supply above ground and in Bullion form capable of being melted down and stamped as money in weight measured against supply of each. BUT it is a fractional % of supply of paper. A very small fraction. And that fraction is what causes resource depletion because it can be changed with a digital signature at anytime by the controlling authorities at their whim because of or in agreement with their population. As the third world countries become more modern and prosperous it is a major major threat to resources being used now to support existing infrastructures. No person born in the seventies can comprehend the change that happened when Nixon refused to pay the French in gold. Nixon had no choice. He had to end the war in Vietnam. Same thing is happening today. You have to end the war on terror. Doesn't mean anything if you look out 50 years from now. Right now your destroying your kids future by paying for war with no results. The only reason the WW2 folks brag about winning WW2 is they destroyed enough of the world's populations and resources without killing off their own resources temporarily. But as you can tell by now it doesn't matter because something is wrong somewhere in this picture. Or at least something is going to be changed rather soon dramatically for the worse I suspect. WW3 could very well bring an absolute isolation of each nation. Which spells World wide depression. Which means like always nobody gets all what they want and most get exactly what they don't want. But some will survive and very well and they will not be inclined to make themselves available for chit chat. I wonder why?

scottaedan in reply to justinbaldwin - When the USD and the Euro collapse this decade (and they will) the world is not going to accept another fiat currency that isn't at least partially backed by physical metals. Whatever country adopts this first will win. It doesn't mean people will be carrying around gold and silver as money. It means we go back to what made the USD strong in the first place. Every dollar printed was as good as gold. Now we may have to settle for 10% backed by gold and silver, and other resources if necessary. Hitler said no to the Jews gold to back their currency and they ascended from the depression faster than any other country in Europe by using credits issued by the government, back by resources and services from their government. The farmer got x amount of credits for his milk, the shoe maker got x amount of credits for his shoes, etc. My interpretation of history is that is the real reason the USA got involved in a war we initially wanted nothing to do with. Our money suppliers / the Federal Reserve forced us into it. Can you imagine how different the world would be if Hitler kept succeeding with a monetary system that didn't rely on a central bank? As sick as the man was...he was on the right track there, but it will never happen so the

next best thing is a currency at least partially backed by metals. It's outrageous the Federal Reserve can print money at will and force us to pay the interest on monopoly money in the form of taxes. When the average idiot in America finally wraps their head around this there will be anarchy. All that our founding fathers from the Old World risked their lives for is gone, and it all started in 1913 when the FRB was enacted. It wasn't just a coincidence we descended into the first Great Depression shortly thereafter. That was the first experiment with flooding our economy with money and then pulling the rug. Our economy hasn't been free since. Americans only delude themselves into thinking it is. There will always be theft in the form of inflation (the most lethal form of taxation around) until some standard is created to stop central banks and governments from robbing their citizens.

Misanthropological - They do know gold also fails the "what is money" argument, right? If you think about it, paper will be more beneficial as you can burn it for temporary warmth or to assist in building fires. Also, how did these people get elected because the last time I checked only crows and 4 year olds valued shiny things.

scottaedan in reply to Misanthropological - The only way gold fails the money test is when governments debase the gold content, such as the Roman Empire, which is why they failed. A currency debasement ALWAYS precedes the demise of an empire. You completely misunderstand the point of a gold standard. You need something, anything that has a constant supply around the world to back up a currency, otherwise crooked central bankers just start the process all over again. Think about it. What if you or I had the ability to print money at will and force people to pay interest on that fake money, which we could increase or decrease at will. Central banks increase the money supply, let business flourish, retract the money supply and then steal people's real assets for the monopoly money they created. Look, it's late in the game and judging from this comment you've got a lot to figure out. I don't know if you live in the USA or not, but look what's going on here. We are due for another recession in 2011-13, as they occur every 4-6 years. What shall we do this time? Raise the debt ceiling to the moon and keep printing money if people are dumb enough to buy our debt? We are going to default in some capacity, whether we debase and hyper inflate, or we simply don't pay our creditors. Either way, whether we hand our creditors worthless confetti or simply don't pay them the end game is the same. At that point in time you're going to be wishing to God you had something shiny to look at.

danman1213 - New Coins from each states .Sounds good to me. That what the Confederate states did durring the war of Northern aggression .History dose repeat it self...

scottaedan - How can you fools believe gold is a bubble when there are still more sellers of gold than buyers, aside from central banks? BTW...you honestly think central banks around the globe are hoarding gold because of that nut, Glenn Beck? Is it possible central banks around the globe understand more than you? These comments prove you people have absolutely no understanding of how commodities work. Commodities don't go up in price, the currency you use to purchase them is going down in value. When gold and silver have adjusted for TRUE inflation and a large percentage of the populous owns it, then let's start talking about a bubble. 3-6% of the US population owns physical. Everything ends in a bubble. By that point in time all of you will be shitting down both legs when you see the price of it. The REAL bubble right now is the US dollar. The only reason you people think it's strong is because it's being compared to other worthless currencies. Even so, you're going to see a massive sell off of the USD very soon people. What do you think will happen to the price of gold then? In 1980, we had the tools to get us out of the recession. Those tools are long gone. Consumption is 80% of our economy. Service sector jobs aren't going to make the dollar strong again. We went from the largest creditor nation to the largest debtor nation on the globe by far. It's more smoke and mirrors. If you believe QE2 was the end of the currency debasement you deserve what's coming. The Fed's are lying when their lips are moving.

billpete - Fascinating thread. My take on money and the constitution. At the time, the writers of the constitution were dealing with money, as opposed to fiat currency. If one doesn't understand the difference between money and fiat currency (dollars, pounds yuan, euro's etc) then they will miss the wealth of knowledge and insight contained in the previous posts. So to prevent States from passing something off as money (like a promise to redeem a piece of paper for something of real value) States were limited to issuing, and accepting, only "real" money, ie gold or silver, which had a fixed price and ratio, for all debts, payments etc.. This was necessary to bind the States into a federation (USA) that could trade and function internally and externally in an orderly fashion. The Nation, of course established a "fix" for gold and silver to what was called a "dollar", and it was crucial that the whole nation, including the separate states, have equivalent mediums of exchange. I think the founders understood that debasement of a sound dollar could destroy the wealth and health of our nation and it's citizens. Most leaders of that time were well-read (unlike today) and surely were familiar with the results of currency debasement of the Roman Empire (they lowered the gold content in order finance war, and provide for the excesses of the rich and powerful) So, thanks to our educated forefathers, we have an opening via the constitution, to return to a real money exchange system, based on the 2,500 year old gold standard. This could be spearheaded by a state or states, providing an alternate but co-existent with the present system (FRN) that could allow states citizens to save, trade,accumulate wealth, etc. without exposing ourselves to the inevitable road to ruin that fiat currencies will take us as they inflate to the ultimate end: Zero.

chris.m.leawood - @Bill Greene Thank you for your clear and concise comments on the working of gold and silver. It was the first time I think I understood it crystal clear.

moulthd - The American experience. I would like to share with you my family story. I am however reluctant to provide our names as this is a public site. This message is taken from family writings I do not claim to be a constitutional scholar. I will refer to my grandmothers book which chronicled our family a copy was given to The National Society Of The Daughters of the American Revolution in November 1909. My mother retains the original manuscript and letters as well our family Bible dating back to the dark ages in England . We were there in New York upon the arrival of the red coats you will remember one of my relatives statements “ I regret that I have one life to loose for my country” - My family was both foot solders and officers and were present at all the battles with George Washington. We gave our lives and subjected our family members to suffering. What is so event in the writings is not only the belief in God but adherence to his laws and guidance , that the fight for freedom was one of personal responsibility to benefit not only ones self but also our fallow man. This was at least in my family the core reason to fight . And to this new formation of governance I will refer to letters commenting on Alexander Hamilton’s out line of his purposed “federalism” . My family was in opposition to this , as was believed this federalism would be open to abuse of power as well corruption it would also make possible for a ruling class to evolve ,they were willing to raise up arms again to fight this ! It was only after amendment that they went along. I would like to offer what I have witness in my life time . I believe this to be self evident to a reasonable mind that can read. This government of the United States has turned to be that which my family and many others fought against. The fact is this government has metastasized over an extend period of time through legislation and appointment. The common person of this nation is ruled by the state the only freedom we have is that which the state will allow. The true power of this nation lies within its government and not its people . This corruption effects all aspects of the people a vast amount who do not realize it .Among many other tools used by the tyrants is fiat currency. Any financial instrument that can be created by the hand of man is subject to his will. As it has taken the tyrants some forty years to destroy this one, the looming world currency which will have gold as a component will not happen over night . It is event that the American people will be forced to suffer once again by the tyrants only this time it will be prolonged and the suffering great as the actwesesants of sovereignty is required for this eventuality.

jtinkel1 - Just following along here.....It seems to Me the Question is around the “Integrity of Money”. It appears that for some-time now, that this integrity has been severely damaged. People are not Stupid!!! That Being said: It is pretty Clear to Me that our Forefathers understood to some larger degree what was in the hearts of Man. Men cannot be trusted!! The Gold Can! It cannot be manipulated to serve desires and forces that are pretty much unseen but now are coming into full view! And to Me those things look to be very EVIL!! Yes The “E”word! So in order to contain the Evil there needs to be a way to make things “Transparent” and brought into Accountability...That is my story and I’m going to stick with it!!! Look for me on the Rock Pile!!!!

moulthd - jtinkel1- ; Transparency from government will not be forth coming with out force, one only need to watch actions for truth , the key is actions nothing else. As to accountability , actions will bring consequence thus accountability , evil begets evil this is the natural eventuality. In short the signs of default by this country are real but until that time is reached we will suffer inflation the likes of which dire. Look around what are the world powers doing . What is Russia acquiring what is China acquiring ? Then look at the good old USA what is it acquiring and why ? You will answer your own questions.

Julie Mitchell Carlton - What I read in almost every post is that people believe in the olden days, which really sucked as well. I couldn’t give 2 craps what the actual article says in the Constitution cause last I checked our government doesn’t actually follow the rules. Just like every church has it’s own adaptation of the original meaning of the text in their religious books. The author of the Constitution himself stated that is should be re-written about every 20 years to adapt to the means of that generation. There is no “going back”. There is only forward and unfortunately that forward is only going to be a less and less transparent government because that’s what they want and our lazy people are sheep. Only 25% of our citizens ever vote on anything. So, with only a minority of this country even giving a crap to get off their couches and actually care about what any of this means, you are all wasting your breath. You wanna go old school? Let’s start trading our stuff instead of using coin. Coin is a form of control, which the people of this world have lost to government. So if you think for one second that your words are making a dent, then I hahaha at your defense. Find something better to argue about, like why the government makes grocery stores throw all their leftover baked goods in the dumpster instead of feeding the poor.

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