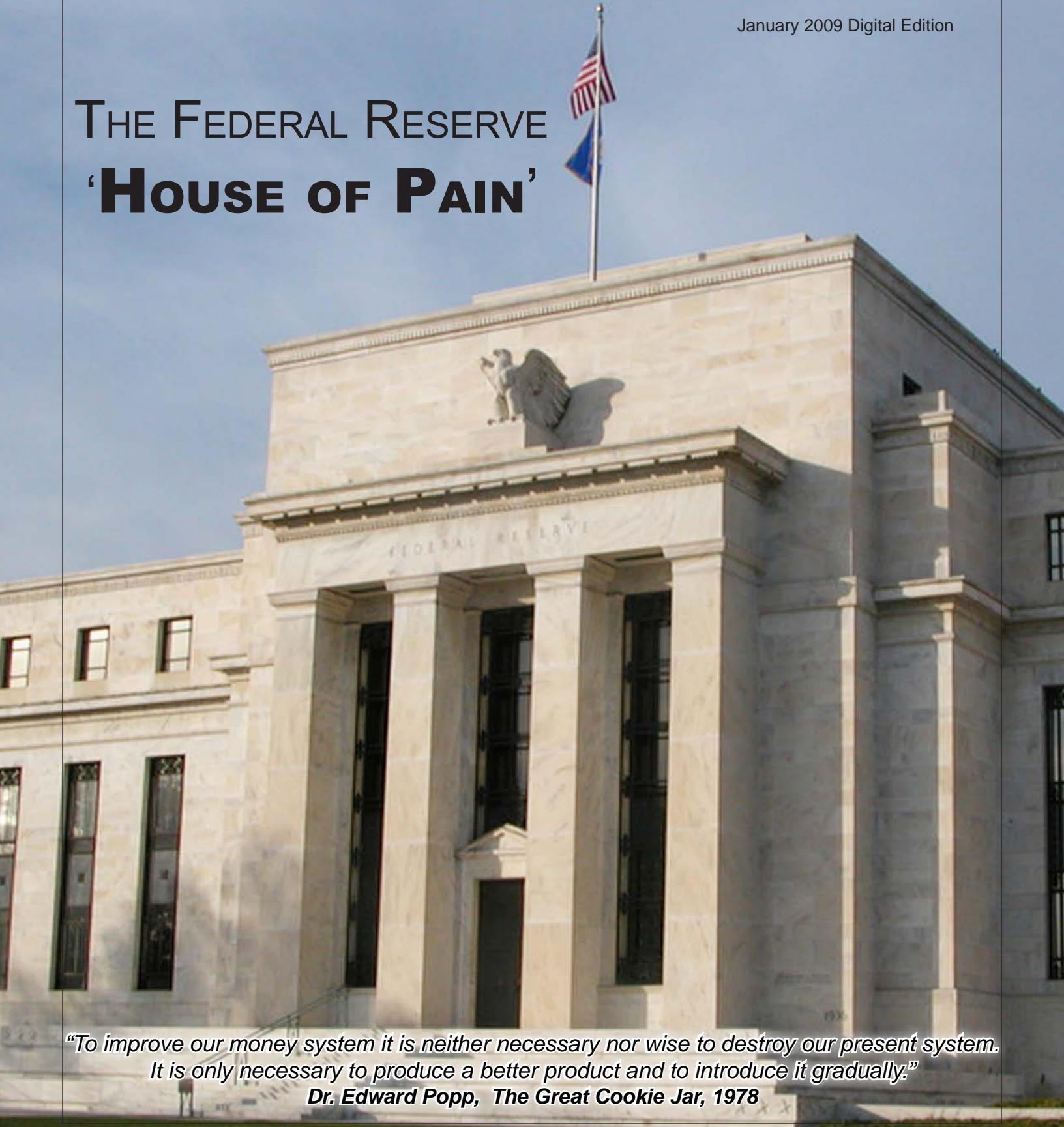


DGC Magazine

“Paper is poverty....it is only the ghost of money, and not money itself.” - Thomas Jefferson 1788

January 2009 Digital Edition

THE FEDERAL RESERVE **‘HOUSE OF PAIN’**



“To improve our money system it is neither necessary nor wise to destroy our present system. It is only necessary to produce a better product and to introduce it gradually.”

Dr. Edward Popp, The Great Cookie Jar, 1978

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COVER

FEDERAL RESERVE BANK, WASHINGTON, DC

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:

Lewis v. United States, 680 F.2d 1239 (1982)

"...banks are listed neither as "wholly owned" government corporations nor as "mixed ownership" corporations; federal reserve banks receive no appropriated funds from Congress and the banks are empowered to sue and be sued in their own names. . . ."

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DGC Magazine is published online 12 times a year. Subscriptions are currently free. Ads are free to industry participants.

2008

DGC YEAR IN REVIEW

What a year! The U.S. credit markets completely froze halting business, well known Investment banking houses closed or were acquired and once again Dr. Ron Paul was not elected President.

The big news this year was the announcement that the e-gold® team had pled guilty but avoided prison time. In March, the price of gold topped \$1000 USD per ounce. E-bullion was closed by the government, while owner James Fayed was arrested and his former wife Pamela Fayed was murdered.

Many people are happy that 2008 is finally over and all of us welcome 2009 with open arms. Here are some notable moments from the past year.

JANUARY

In early January, the e-gold® payment system went live with a French language version of their web site.



The original European e-gold exchange agent, IceGold closed the business due to new AML regulations in Estonia.

During January Liberty Reserve got slammed by DDoS attacks.

MARCH

The price of gold rose above \$1000 USD per ounce for the first time in recorded history.

In March the number of WebMoney registrations passed 5 million and the company launched another new project named "Keeper Embedded" a billing platform for any social network including blogs, online gaming communities and web 2.0 social projects.

DGC Magazine issued the first of many special issues on 'Community Currency' <http://www.dgcmagazine.com/index.php?q=node/6>



GoldMoney announced that their company now offers a new and tax efficient way for U.S. customers to hold gold & silver in their pension and retirement accounts. GoldMoney has teamed up with a well known US financial company and now permits the buying of digital gold in Individual Retirement Accounts.

APRIL

April was a busy month for WebMoney Transfer. The company won the National E-Finance Innovations Award 2008. WebMoney Keeper Mobile, an application for mobile devices, was selected as the best e-commerce software application and product of the Year 2008. In addition to this award, WebMoney co-sponsored with VISA the Annual Digital Money Forum in London.



GoldMoney announced a new foreign exchange service which allows customers to conveniently switch between any of the four currencies in a customer segregated funds accounts.



MAY

May 26th Canada's FINTRAC adopted new regulations that affect all Canadian DGC agents.

JULY

In July Pamela Goudie Fayed, one of the founders of Goldfinger/e-bullion was murdered in Southern California.

Liberty Reserve added a gold backed ewallet to their line up.

The e-gold team, pled guilty thus settling their legal case with the US government.

July 21, 2008 the Acting Assistant Attorney General Matthew Friedrich for the Criminal Division and U.S. Attorney for the District of Columbia Jeffrey A. Taylor have announced that three principal directors and owners of e-gold payment system pleaded guilty to conspiracy to engage in money laundering and conspiracy to operate an unlicensed money transmitting business.

AUGUST

Late in August, the sole manufacturer of South African Krugerrands ran out of the iconic bullion coins after an 'unusually large' order from a buyer in Switzerland left their shelves empty. Within a day the sales had resumed.

e-Dinar's by Dr. Zeno Dahinden, contributed an excellent article to DGC Magazine entitled, "The True Nature of Money".

<http://www.dgcmagazine.com/blog/?p=1019>

e-bullion disappeared from existence along with an estimated \$24 million in gold bullion and bank accounts. Many former clients are still very unhappy. Ian Lamont at The Standard, followed the events with a series of articles and comments.

<http://www.thestandard.com/news/2008/08/06/e-bullion-still-down-routine-maintenance>

Trubanc made its first official appearance. Trubanc is an anonymous, digitally-signed vault and trading system. (<http://trubanc.com>)

In August, WebMoney Transfer announced they were restricting all agents from automatically exchanging Webmoney digital units into other digital currency.

August brought with it a +1 increase in the number of 400oz bars held in the Pecunix vault and the company announced they are now making some serious changes.



Due to the current upheaval in the DGC industry, Pecunix is making changes to its current business model. We have already shut down the PXI automation interface, and will be making further changes soon. These changes do not indicate that Pecunix is in difficulties, but rather that we are moving with the times to ensure that Pecunix remains a leader in the industry and a safe reliable place for our customers to store their gold.

c-gold passed the 100,000 transaction mark. Today, the c-gold holdings page now shows over 48 kilos in the vault. Congratulations!

e-bullion's James Fayed was arrested on charges of operating an unlicensed money transfer business but was held without bail.

SEPTEMBER

e-gold® engaged KPMG to assist in the development of an AML program.

e-gold also announced major enhancements to their Customer Identification Program.

e-gold account Users are now required to include a Personal Tax Identification Number (PTID) for the point of contact for any e-gold account they control in order to make outgoing Spends. For United States residents the PTID must be either their Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN). Residents of other countries will need to provide their tax identifying number applicable to their country.

Webmoney Transfer passed 6 million customer accounts.



Cashcard's Steve Renner charged with tax evasion.

Also in September, the U.S. Mint temporarily suspended the sales of 1oz. American Buffalo 24-karat gold coins because of a lack of inventory.

Jose Luis Moya, an employee of James Fayed, was arrested and charged in connection with Pamela's murder. Later in the month, James Michael Fayed was also charged with the murder of his wife.

Allegedly, James Fayed paid Moya \$25,000.00 to arrange the murder of his wife. The complaint also lists the involvement of at least one additional co-conspirator who is not yet in police custody.

OCTOBER

e-gold announced major updates including U.S. State Licensing and Customer Identification



e-gold Ltd. is continuing to develop and deploy urgently needed system enhancements in order to achieve compliance with applicable U.S. laws and regulatory requirements. e-gold has registered with FinCEN as a money transmitting business, and is working with various U.S. state authorities to obtain licensing as a money transmitting business where required.

NOVEMBER

In November, new figures from the World Gold Council (WGC) showed that during the third quarter of 2008 investment demand for gold rose 56% to 382.1 tonnes as investors fled stocks into precious metals safe haven.

BullionVault announced that the company's year end turnover was up five-fold over the previous year. 2008 showed a total of £236m (US\$345mil.) Congratulations to Paul Tustain and the BullionVault team.



On November 21st, WebMoney Transfer celebrated 3653 days in business. That is 10 years of successful operation! Happy Anniversary to e-commerce giant Webmoney Transfer.

In late November the e-gold team went before a federal judge for sentencing, and thankfully, she decided not to impose any prison sentences on ANY of the of e-Gold team.

Despite the U.S. Government's massive effort over half a decade to convict and imprison the operators of e-gold Ltd., Douglas Jackson, Reid Jackson and Barry Downey all received combinations of probation, community service and fines. The judge stated that Dr. Jackson had suffered enough.



The positive rumors of a new Digital Gold called iGolder proved to be true. Their web site is online

now for beta testing but no actual transactions can be done. This is a very exciting and promising new digital gold currency.

<http://www.igolder.com/>

DECEMBER

Dirk Smillie wrote a Forbes Magazine story in December detailing Goldfinger, James Fayed and e-bullion. He said, "James Fayed was a smart, early player in the digital gold currency business. Today he's in jail, indicted for murder—and likely to be charged with laundering \$1 billion or so."

<http://www.forbes.com/finance/forbes/2008/1208/154.html>



On December 18th WebMoney announced the launch of new electronic money system in Europe - www.webmoney.eu This new system was created and operates in accordance with existing tough European financial regulations. The new financial instruments named WM Notes are a digital surrogate of coins and banknotes.

WM Note Issuers & Dealers

WM Notes are issued and redeemed by independent credit institutions that are regulated by national financial authorities. WM Notes can be purchased and redeemed at Issuer's point of sale. Issuers are obligated to redeem WM Notes at par value. WM Notes can be purchased, redeemed, or exchanged for WM Notes of other Issuers at independent WM Note Dealers.

December 22nd Crowne Gold officially - voluntarily closed their business.

In December, DGC Magazine celebrated one full year of publication.

###



GoldMoney

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worth its weight in gold.

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GoldMoney

GOLDMONEY INTRODUCES AUTOMATED CAP VERIFICATION

by Trace Mayer, J.D.

I received an update from GoldMoney about the implementation of an automated system for verification in accordance with their Customer Acceptance Policy. This process is operational for UK and US customers only. As GoldMoney is a registered and regulated money service business under Jersey law they stringently follow and often exceed the minimum required standards for Know Your Client and Anti-Money Laundering regulations.

The new automated process uses the Equifax system which is what many banks use when opening a new bank account. This will reduce the need for sending paper documents which are required to be notarized. This will make setting up a free GoldMoney holding much more convenient with the entire process taking approximately 15-20 minutes. This is greatly improved from the old process of finding a notary and mailing the documents which could take several weeks.

GoldMoney recently reintroduced a funds collection account with a domestic US bank. This is much more convenient and cheaper than sending an international wire transfer to the Jersey bank. After an account is CAP-verified with the new automated system then you can wire money to the domestic account. Funds are usually available to purchase metal within 24 hours. While holding national currencies you will earn interest; not that the rates are very high which is probably driving additional gold buying. Why hold national currencies with such low yields when you can just as easily hold a metal that is much harder to produce?

If you wire large amounts, as one of my readers did a couple weeks ago and purchased the bullion around \$780, you will most likely be contacted by GoldMoney as they determine the source of funds in accordance with required regulations and law. Removing funds from the holding is equally fast and easy with funds usually arriving in your domestic bank account within 24 hours.

If there are any GoldMoney customers I would greatly appreciate your comments either on this article or, preferably, on the GoldMoney page. While I have only heard of good experiences with them should anyone have a bad experience please let me know and I will

see what I can do. With holdings free to set up and get CAP verified what are you waiting for? Click on the banner and you will also receive 6 months of storage fees waived. <http://www.runtogold.com/2008/12/goldmoney-introduces-automated-cap-verification/>

HABBO INTRODUCES DUAL CURRENCY ECONOMY

Users Can Now Buy Virtual Goods with Credits or Rent Virtual Effects with 'Pixels'

December 10, 2008 -- Habbo (www.habbo.com), the world's largest virtual world for teenagers, announced today a dual economy in its online community. From now on, Habbo users will be rewarded for spending time on the site with 'pixels', a currency that allows them to purchase discounted virtual goods or rent a diverse range of special effects for their avatars and virtual rooms.

The 'pixel' economy complements the existing credit system. Previously, Habbos could exchange real money for credits in order to buy items, such as virtual furniture (furni), clothes and accessories. Now, pixels and credits can be used together to purchase special items.

The pixel economy and effects will be constantly developed based on user feedback.

The easiest way to earn pixels in Habbo is by logging in regularly - the longer you stay online the more you secure. Habbos also receive pixels by completing 'Achievements' (in-world tasks) and by joining Habbo Club (a subscription-based members club).

"Habbo has always encouraged users to express their own creativity. Credits allow users to buy innovative and exciting clothing, furni and accessories to personalize their virtual experience," said Teemu Huuhtanen, executive vice president, Marketing and Business Development, Sulake Corporation and president, North America, Sulake Inc. "Now pixels let Habbos rent new accessories and effects, to create a constantly changing and engaging virtual environment. I really look forward to seeing how this experience is adopted by the users."

There are currently Habbo communities in 32 countries on six continents. To date, more than 117 million Habbo characters have been created globally and 10 million unique users worldwide visit Habbo each month.

THE AMERICAN DELUSION AND ECONOMIC FANTASIAS

by Stacey Harris

“How can you prove whether at this moment we are sleeping, and all our thoughts are a dream; or whether we are awake, and talking to one another in the waking state?” - Plato

At what point did our American dream become the American delusion? To Hesiod, the 7th BCE poet, dreams were not a something you would wish to dwell in. Dreams were born of the dark side: *And Night bare hateful Doom and black Fate and Death, and she bare Sleep and the tribe of Dreams. (Theogony)*. However Homer, Hesiod's contemporary, distinguished two types of dreams:

Dreams surely are difficult, confusing, and not everything in them is brought to pass for mankind. For fleeting dreams have two gates: one is fashioned of horn and one of ivory. Those which pass through the one of sawn ivory are deceptive, bringing tidings which come to nought, but those which issue from the one of polished horn bring true results when a mortal sees them. - Homer, The Odyssey

I think that in the case of the economy, the current state of our nation, Hesiod's understanding of the dream would apply well. There is nothing about the economy that has accomplished true results, if the desired results had been prosperity which is, for all intents and purposes, the condition of owning and trading things of *true value*. Unfortunately, what we did have was the illusion of prosperity for the past twenty or so years, and this illusion was founded upon the insane idea that debt and the junk dollar, rather than real assets such as gold or other precious metals, can have any true value whatsoever:

In the absence of the gold standard, there is no way to protect savings from confiscation through inflation. ... This is the shabby secret of the welfare statists' tirades against gold. Deficit spending is simply a scheme for the confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights. If one grasps this, one has no difficulty in understanding the statists' antagonism toward the gold standard. - Alan Greenspan

In fact, I will go so far as to say that to the degree

to which we have bought into false prosperity is the same degree to which we have lost the sense for our own value and our own identity. In both cases, we have become slaves to the state and its apparatus: the media, the financial and corporate cabals. But don't feel bad. We were not the only ones gullible enough to believe the thieves who claimed the fiat dollar was good. The rest of the world was convinced or wanted to appear convinced that it was good as well:

President Nixon officially announces the end of the gold standard system of monetary policy for international exchange of gold deposits in an evening address to the country. Nixon's move to sever the link between the dollar's value and gold reserves effectively ends the Breton Woods system of monetary exchange and changes the dollar to a "floating" currency whose value is to be determined largely by market influences. ... The dollar becomes a fiat currency, causing a brief international panic before other countries follow suit and also allow their currencies to "float." - New York Times, 8/16/1971, pp. 1

On a two day tour of Europe stopping in London and Paris to meet with finance ministers, Undersecretary of the Treasury for Monetary Affairs Paul A. Volcker meets with the finance ministers of both Britain and France to reassure their governments that the end of the gold standard is in the best interests of both governments and maintain that the United States is in no position to prevent other governments from "floating" their currencies. - New York Times, 8/18/1971

So they all float like little Tinkerbells. Putting the dream aside for moment, the reality is that our government is in massive debt, to the tune of 7,000,000,000,000 dollars. Meanwhile, no one even really knows how much gold the Fed has. They will not release that information. But again, no one seems to care. When the government announced that big number the other day, the American people continued to stare straight ahead like a deer in the headlights. Not much of a peep out of anyone. Truly amazing. Could the silence be because we have gotten so used to big figures, big money being passed around like water, that we are no longer disturbed by owning such huge debt with no assets to back it up? Seems like having debt is like having herpes. Many have it, it is manageable.



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Who cares? There are drugs to solve the discomfort. And just like we have made it a virtue to take drugs for diseases that could have been avoided, we have also made it a virtue to spend what we don't have for things for things that we don't need. All of this could have been avoided if it weren't for the fact that we abandoned true money for fraudulent paper junk, and weren't teaching ourselves and our children that money and power is better than individual achievement, hard work, and true rewards. In other words, we believe that free stuff and luxurious living is better than freedom:

If ye love wealth better than liberty, the tranquility of servitude better than the animating contest of freedom, go home from us in peace. We ask not your counsels or your arms. Crouch down and lick the hands which feed you. May your chains set lightly upon you, and may posterity forget that you were our countrymen. - Samuel Adams

So after the government finishes at the printing presses due to lack of trees, the value of the dollar will be less than that of Charmin. If I had to choose, I'd put my money on Charmin any day. (<http://seekingalpha.com/article/108965-the-american-crisis-and-the-case-for-an-inflationary-depression>) You think I am kidding? Fiat money doesn't work. It never has. For example, the denarius of Ancient Rome, was first minted in 211 B.C. Over time, as various Emperors found they need to spend on public works, but didn't have the money for it, the amount of silver in a denarius began to decrease. And it kept on decreasing until the denarius become absolute junk, unworthy of purchasing anything. Coincidentally, with the collapse of the denarius, came anarchy. The Roman's tried creating new coinage, but all of them were also eventually debased.

So why are we doing it? Well, there are a whole hosts of reasons, but one of them is that someone is making a profit at the expense of the taxpaying citizens. The American taxpayer has been swindled by outrageous inflation (which is a hidden tax) and the false idea that debt is something that is to be encouraged. The nature of our situation can be seen if one takes a look at what many ancient thinkers thought about debt. For them, debt was not just an economic status, it was a condition of slavery. Philo, the 5th century Jewish philosopher, said the following in regard to debtors and creditors:

Now lending money on interest is a blameworthy action, for a person, who borrows is not living on

a superabundance of means, but is obviously in need, and he is compelled to pay the interest as well as the capital, he must necessarily be in the utmost straits. And while he thinks he is being benefited by the loan, he is actually like senseless animals suffering further damage from the bait which is set before him...(De specialibus legibus 74)

...you [the usurer] who have lain in wait for the misfortunes of others and regarded their ill-luck as your own good luck. Such a person may learn not to make a trade of other people's misfortunes and enrich himself in improper ways. (De specialibus legibus 76-78)

Regardless of whether or not you believe usury is evil or whether or not American lending is usury, the conversation about our economic realities is worth having, particularly in a nation that has obviously borrowed not out of need, but has chosen to sink into debt because of want. We have become so immersed in dreaming and unreality that we cannot any longer easily determine the difference between what we need and what we want; what we are able to get and we are not; where our freedom ends and slavery begins. Perhaps the one good thing that will come of complete and utter economic meltdown will be the awakening of the American people to who we are.

But not so fast. The government doesn't want you to be awake. Instead of allowing the economy to collapse as it should and providing the guidance and leadership for the American people to get back on their feet again and rebuild, Obama and his administration are going to make sure that they dispose of the old dream and give you a new one. (<http://www.bloomberg.com/apps/news?pid=20601087&sid=aBcPiaRqqffg&refer=worldwide>) This time, the dream is going to be of some knight in shining armor come to rescue the little people, sweeping us away on his array of white horses and placing us in our own castles free of charge, with room service perhaps. That is what liberals and tyrants do. They manufacture and sell dreams, just like they manufacture and sell fake bank notes.

President-elect Barack Obama said he'll make the "single largest new investment" in roads, bridges and public buildings since the Eisenhower Administration to lift the sagging economy and create jobs.

Obama, in his weekly radio speech today, said his plan to create or preserve 2.5 million jobs will also include making public buildings more energy efficient, repairing schools and modernizing health care with electronic medical records.

"We won't just throw money at the problem," he said. "We'll measure progress by the reforms we make and the results we achieve -- by the jobs we create, by the energy we save, by whether America is more competitive in the world." - Bloomberg.com

<http://www.bloomberg.com/apps/news?pid=20601087&sid=aBcPiaRqqffg&refer=worldwide>

It is a sad fact of human beings that when they are hungry, afraid and confused, they will give up everything they have in order to find the safety they crave. That which we will give up will not be money and it will not be food. We won't have much of those. What we will give up is our freedom itself and, even more, our children's freedom.

As I see it, the only true salvation for the American Dream, and not the American Nightmare, is the conservative movement. The conservative movement is not a peddler of dreams, but a wake up call to reality; but only for those who want to be awake. Do you want to be awake?

I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country; corporations have been enthroned, an era of corruption in High Places will follow, and the Money Power of the Country will endeavor to prolong its reign by working upon the prejudices of the People, until the wealth is aggregated in a few hands, and the Republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of war. - Abraham Lincoln

Let's prove that Abe's dream isn't ours.

Stacey Harris received her degrees in Ancient Philosophy and Classical Studies at Boston University and New York University, respectively. She has been spending the last ten years working in the technology sector and is currently a Software Development Engineer. She regularly writes for her conservative blog, <http://www.thegadflyblog.com>

WEBMONEY TURNOVER TRIPLES IN UKRAINE

THE TURNOVER OF THE WEBMONEY PAYMENTS SYSTEM IN UKRAINE THIS YEAR TRIPLED AGAINST 2007.

This increase was announced by the press service of the Ukrainian Guarantee Agency company which representing the legal interests of the WebMoney Transfer payments system in Ukraine.

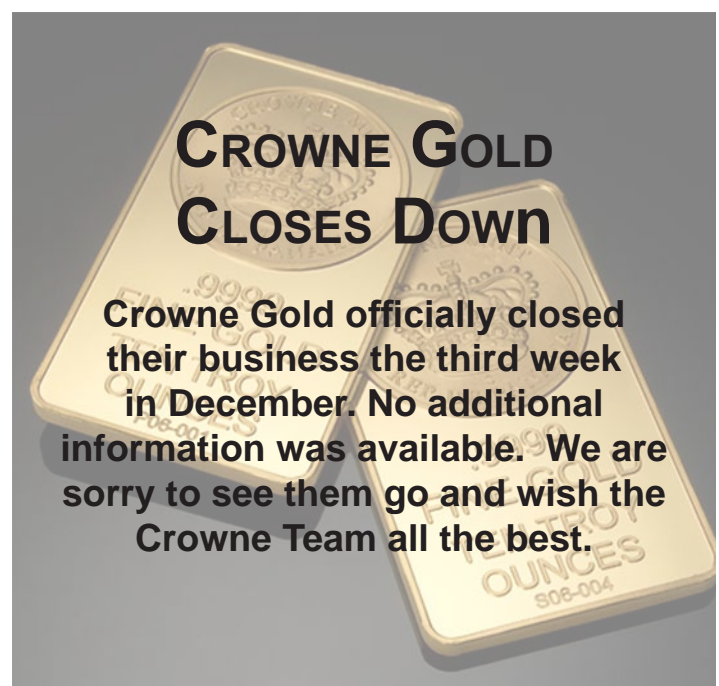
Ukraine has minimum a dozen of internet payment systems, the most popular are WebMoney, Yandex. Money and UkrMoney. These services use digital currency transferred across the Internet which is a virtual substitute for money.

With a registered account, the system user will receive his personal electronic purse numbers and may fund a purse through a mail or bank transfer, via an automatic cash terminal or locally buying a top-up card.

The number of Ukrainian users of the WebMoney system has already grown by 41% to 1.3 million since the beginning of the year. At the moment the system involves over 500 Ukrainian resources taking internet payments, including mobile operators, providers, Internet portals, shops, companies providing IP-telephony and hosting services.

Source:

<http://www.nrcu.gov.ua/index.php?id=148&listid=81589>





WebMoney Keeper Mobile - Stay Paid. Be Mobile.

WEBMONEY.EU OFFERS A NEW EUROPEAN E-MONEY SOLUTION

WebMoney.EU allows for instantaneous and secure electronic money transactions... "this expansion or new e-money will benefit.... merchants who trade online and any user who works and spends funds online."

Once again WebMoney is on the cutting edge of digital finance. The company announced last week a successful launch of their new European electronic money system. This new digital product, offered through www.webmoney.eu, provides an advanced e-money transfer system which operates in accordance with strict European legislation. The new service delivers secure & convenient solutions for electronic money payments across all of Europe.

Offering much more than any standard online payment system, WebMoney.EU is composed of a wide network of interdependent businesses. Included are e-money issuers, merchants, dealers, and entrepreneurs all operating under the regulatory framework of EU Member States. WebMoney.EU services provide payment logistical support, accounting, and processing for their network members.

By using the WebMoney Transfer™ technology, WebMoney.EU ensures that all consumers, merchants, and Issuers are supplied with advanced software along with the business and legal tools needed for instantaneous e-money transactions. WebMoney.EU also employs a sophisticated encryption technology which provides users with a safe environment for online shopping and business.

WebMoney.EU operates as an electronic version of money known as 'e-money' which is stored in digital WM Notes. E-money is an electronic surrogate of cash. WM Notes can be used to shop online plus instantly transfer money to associates, friends & family.

WM Notes are very simple to use, cost-effective, and extremely reliable. Any note can be split once or multiple times. This division creates multiple smaller

notes and the allocated value can be anything adding up to the previous total amount. Multiple smaller notes can also be merged into larger ones.

Operating through European regulations & standards, WebMoney.EU allows all European Union electronic money institutions, regardless of their size or capital, to issue and service e-money. WebMoney.EU accurately ensures that while engaged in daily e-commerce, all users of e-money (bearers) can quickly verify the authenticity of a WM Note at any time.

Using both mobile and Internet communications Webmoney.EU enables business merchants regardless of industry or market share, to accept electronic money as a secure form of payment. All transactions are immediate and non-reversible.

For merchants, WebMoney.EU offers outstanding software solutions. The package includes a simple-to-use Trade Interface which allows Internet commerce merchants to accept small sized cashless payments, provides for accurate cash flow accounting and makes completed transactions simple by providing for an easy exchange of WM Notes into regular money. The list of benefits for merchants includes:

- No charge back
- No set-up fees
- No monthly fees
- Low transaction fees (2% per transaction)
- Selection of Issuer is subject to merchant's preference

All of the tools and software which are needed to set up an online business are provided to each new business account at no cost. WM Notes open many new possibilities for consumers, businesses, and e-money issuers.

THE FIRST WM E-MONEY ISSUER

WM Notes are stored online and can be controlled by users via access codes. The first WM e-money Issuer is already up and running from Latvia. ELMI "Digital Money", SIA (Latvia) offers WM Notes for e-money denominated in Latvian Lats - LVL.LV1. Users can fund their WM Keeper wallets with LVL.LV1 using e-currency exchange services at EXCHANGE.LV. E-money operator, SIA "Digimoney" (Latvia), allows :

- Users access to the the extensive global

PROTECT AGAINST INFLATION USE GOLD & SILVER



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hold Gold Dinar and Silver Dirhams in your hands



www.e-dinar.com

- network of WebMoney
- Electronic money institutions and banks (issuers) to issue and service their own e-money
- Merchants to sell goods and services in exchange for electronic money
- Dealers to sell and distribute electronic money.

For licensed financial institutions and banks, WebMoney.EU offers software solutions for the proper issuing, servicing, and the accounting of e-money. All WebMoney.EU products are issued within the applicable regulations and guidelines of EU Member States.

Using this software, Issuers can earn a profit by selling and servicing the e-money products. This software allows Issuers to avoid the considerable start up costs associated with the software development, technical support, and the maintenance of high-speed Internet channels. With this turnkey solution and comprehensive support provided at no additional cost, WebMoney.EU Issuers can concentrate their efforts on the marketing and distribution of this advanced financial product.

ISSUER BENEFITS

- Income earned from WM Note transactions
- No monthly fees
- No set-up fees
- Access to a wide distribution network of dealers

For specific questions on the operation of WM Notes please direct all emails to: info@webmoney.eu

WebMoney is continuously looking for new partners, such as e-money institutions, banks, merchants, and dealers. By becoming a WebMoney partner, your business gains access to a unique and growing European e-money marketplace.

For more information please visit <http://www.webmoney.EU>

ABOUT WEBMONEY

Webmoney is the recognized global leader in private digital money transfer. For over ten years, Webmoney Transfer has been the forerunner in the creation of private electronic money systems. This digital e-wallet services offers cost effective multi currency online payments products.

U.S. DOLLAR RALLY IS TEMPORARY

BY PETER HALLOCK

If you're wondering why the US Dollar (non-redeemable Federal Reserve Note) has been rallying against other currencies, don't be fooled – it's not because it has suddenly and magically become more "valuable."

There are several logical reasons for its recent strength:

Number 1: Currency markets don't go straight down without "corrections."

Number 2: Despite the fact that some countries have already abandoned the US Dollar, it is still considered to be the "world's reserve currency." As such, and with many economies around the world collapsing, some of the world's biggest financial players have flocked to the dollar in panic.

Number 3: Contributing to the dollar's recent strength is the unwinding of the "carry trade." Over a period of years, the Japanese Yen has basically had a zero percent interest rate. You could borrow the Yen at ½ of one percent interest, and then convert it to a currency yielding a much higher interest rate. With the economies of many countries now collapsing, investments in those countries with that borrowed money are being liquidated and the original Yen loans paid off. The origins for much of that loan demand came from investors with dollars. That money is finding its way back into dollars, but the unwinding of the carry trade will end soon. The dollar's status as the "world's reserve currency" will also end soon. The fiat US Dollar is ultimately doomed.

Before the dollar resumes its slide into oblivion, we think now is a good time to invest in Chambersburg "Silver Libertys"

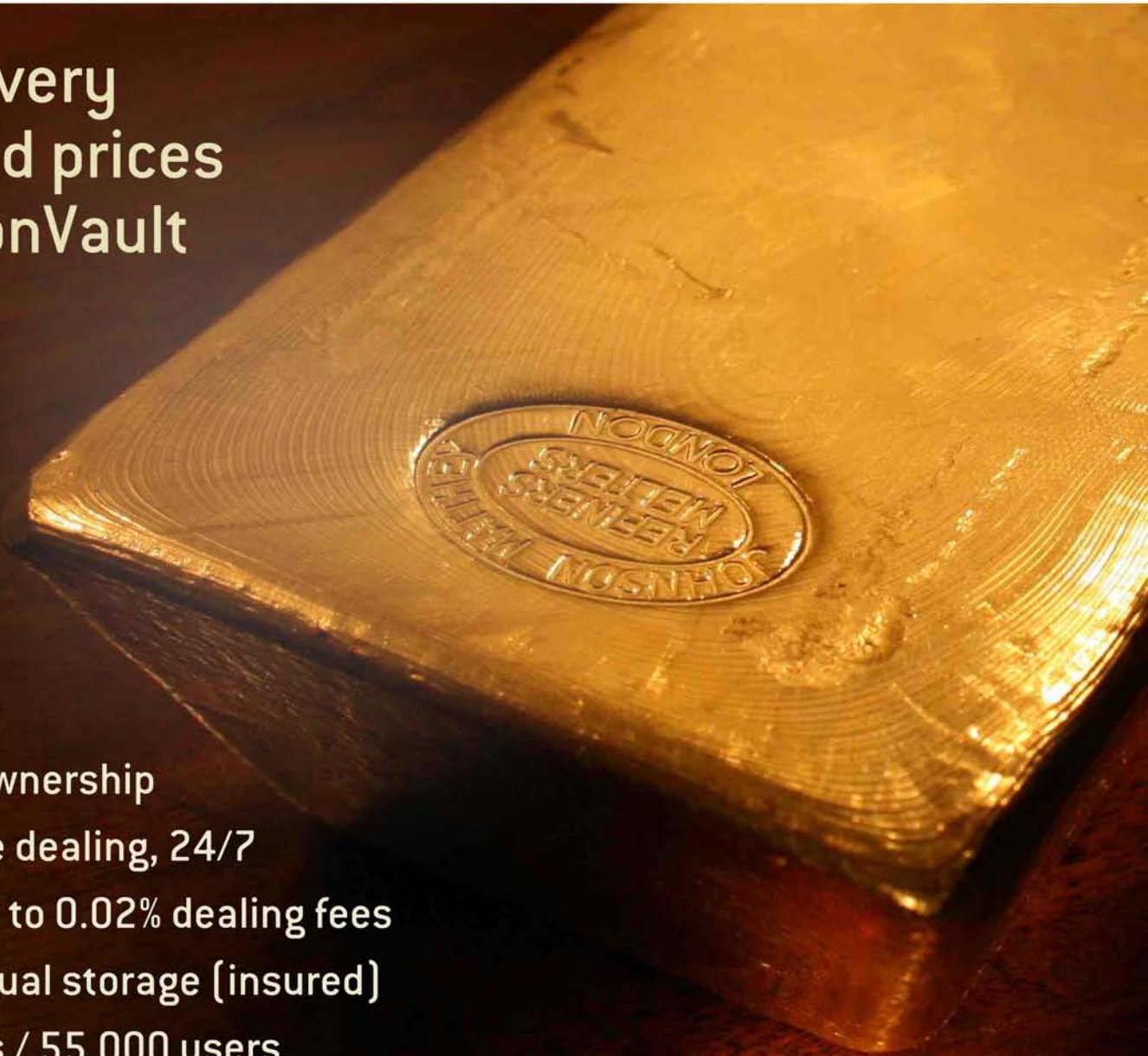
You can presently order 2009 one-ounce Silver Libertys at only a few dollars over silver's spot price.

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AN INTERVIEW WITH THE OPERATOR OF CRYPTO BULLION RESERVE

BY PAUL ROSENBERG

Not long ago, the operator of Crypto Bullion Reserve (CBR) contacted me to explain his system. I suggested to Mark (our editor here at DGC Magazine), and he thought it would make a nice interview. So, we proceeded.

DGC: Okay, I understand that CBR is a private, by-invitation-only digital currency system and that you use the Loom interface, but can you give us some step-by-step details on how it works?

OPERATOR: Yes, I can. But please follow closely. At first, my description of how CBR works might seem a bit vague, but because an account with CBR is so simple, it is extremely customizable.

Crypto Bullion Reserve works as a two-tiered user system.

The first tier consists of Private Clients. These Private Clients are people who actually have accounts with CBR. You can only become a Private Client with CBR by means of introduction from another Private Client or if you happen to know how to contact CBR directly. This Private arrangement creates a natural barrier between CBR and anyone who would like to see CBR brought down.

DGC: To prevent something like what happened to the Liberty Dollar?

OPERATOR: Yes, or to e-gold, or to some of the exchangers.

DGC: Right. Please continue.

OPERATOR: Okay. Private Clients also enjoy some excellent benefits, such as:

1. The ability to purchase, hold on account or redeem precious metals. We will perform redemptions for as little as 1 ounce of silver or 1/10 ounce of gold.
2. The ability to purchase or exchange various forms of fiat currency.
3. The ability to make investments that will provide a return.

4. The ability to make deposits with various forms of Loom assets to CBR - i.e. Capulin Currency, LFT gold grams, or PC gold grams. Although this may not make immediate sense, it is quite acceptable to open an account with CBR by making a deposit of a Loom asset.

5. Private Clients and CBR can custom define the terms of business relationship between one another- this includes methods of identity verification, funds transfer, how funds will be allocated, etc.

DGC: Okay, I think I'm following.

OPERATOR: I can give you an example if you'd like.

DGC: Please.

OPERATOR: You probably remember the 'Sparbuch' account that used to exist in places like Austria.

DGC: [Laughing] Yeah, sure.

OPERATOR: Okay, the Sparbuch was a passbook account protected by a codename. Whoever was in possession of the codename and passbook had access to the account. It was not necessary to know the identity of the account holder. CBR operates the same.

DGC: Got it, thanks. What are the minimums for opening an account?

OPERATOR: You can open an account and become a Private Client with CBR for as little as 1 Capulin Currency\$ or other similar Loom asset, or 1 GBP, 1 USD, 1 EURO, etc.

DGC: So, someone could become a private client of CBR without CBR knowing their identity? Wouldn't that bring trouble-makers?

OPERATOR: Not really. The only way into the system is via introduction from another private client. It sounds wide open, but it actually isn't. No private client would want to jeopardize CBR and thus his or her own funds.



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DGC: Okay, let's move on. You said there were two tiers – you've only covered one.

OPERATOR: Sure. The second tier of user is the Public Trader tier. Public Traders can only come into possession of CBR issued assets via the Loom interface. This allows trading of CBR assets among both Public Traders and Private Clients. However, only Private Clients can redeem assets issued by CBR for whatever the asset represents. An example would be our newest asset CBR ferns. Only Private Clients can redeem CBR ferns for actual FERNs.

Yet, everyone who has access to Loom can use CBR ferns (and CBRs various other assets) for trading via the Loom interface.

DGC: So, in effect, First Tier clients become exchangers of a sort with CBR ferns?

OPERATOR: Yes, in a way, they do. Of course anyone using CBR assets for trade would want to either be a Private Client or at least know someone who is so as to be able to redeem assets directly with CBR. Unfortunately, not everyone has the desired track record of integrity and reliability to become a Private Client.

DGC: So, you are exercising some discretion on who you accept as a client.

OPERATOR: Absolutely. Crypto Bullion Reserve only accepts as Private Clients those people known to have excellent reputations. So the CBR system of doing business also promotes and rewards positive qualities in a commercial environment - integrity and reliability.

DGC: I like that, a lot.

OPERATOR: Thanks. Self protection and the protection of CBR Private Clients, as well as free markets in general, is the highest priority of Crypto Bullion Reserve. We've seen from the misfortunes of other free market entities such as e-gold, that 'compliance' is not in the best interest of any sovereign individual or sovereign commercial enterprise. We don't want to play that game.

DGC: And what happens when disputes arise, which is inevitable.

OPERATOR: We'll deal with them as they arise,

but we are specifying from the start that we subscribe to the principles outlined in the Common Economic Protocols: <https://ravenescrow.com/CEP/CEP1.1.html>

DGC: Yes, the CEP are excellent. But, let me change the subject a bit. How did you get started in this?

OPERATOR: I've had years of experience in dealing with offshore banks in multiple jurisdictions, and none of them made me feel confident in their ability to protect my savings. Nor did any offer the potential to grow my savings in a way I thought desirable. In addition, they were horribly inflexible when it came to accepting clients, accepting deposits, and issuing debit cards.

DGC: Right, the banking system enforces that on them. Either play by the rules or you're out.

OPERATOR: Yes. So, after years of dealing with these various banks, I started to get fed up with their shortcomings. I wondered whatever happened to the truly 'private banker' who had the flexibility and latitude to hammer out whatever arrangement he and the new client could decide upon.

DGC: Supposedly they exist, but I've never known one.

OPERATOR: Me, either. I had read somewhere that the old numbered Swiss bank accounts were originally started for political refugees who were trying to accumulate 'flight capital' to take with them to places where opportunities and life in general was better. That was the type of professional service I was looking for, and ultimately never found in a way I deemed satisfactory.

I thought of impoverished but productive people from all over the world. How could any of these people accumulate savings in the face of a global banking community with so many double-speak arrangements and 'trap door' policies with which some bank could throw their clients to whatever wolves came-a-knockin' if they felt the need to.

DGC: Right, they'd have no chance at all.

OPERATOR: Yes, and that bothered me a lot. I watched as true bank secrecy, like they used to have in Austria, crumbled away to pressure from the OECD and various other tax-predators. Then, one of the banks who had issued me a debit card informed

me they no longer issued debit cards for non-residents and if I wanted my money I would have to come to the bank and get it or send wiring instructions for where I wanted it sent. This bank was well established and in an offshore center with a solid reputation for its banking practices. I was sorely disappointed. They had changed our arrangement without any input from me. I was merely the 'victim' of a policy change.

DGC: And thus CBR was born?

OPERATOR: Essentially, yes. I always had this idea in my head that a banker should be like a personal and professional service provider and that this private banker and I should be able to arrive at whatever

arrangement we could both agree upon. Further, this arrangement should not be allowed or forced to change due to external circumstances such as policy changes or legislation. A deal is a deal, and when it's between two sovereign entities it is more likely to remain intact.

DGC: Thank you so much for your time.

OPERATOR: My pleasure!

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Paul is the author of numerous books and the Individual Virtue newsletter. You can find his work at www.veraverba.com and at www.individualvirtue.com



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D.C. COURT OF APPEALS RULING ALLOWS E-GOLD'S BARRY DOWNEY TO CONTINUE PRACTICING LAW

Barry K. Downey a licensed attorney, co-founder of e-gold Ltd. and Director of Gold & Silver Reserve, Inc., has been granted permission by the D.C Court of Appeals to continue practicing law.

Mr. Downey was first admitted to the Bar of the District of Columbia Court of Appeals in 1989. On July 21, 2008, he pleaded guilty to engaging in the business of money transmission without a license, a felony, in violation of D.C. Code § 26-1002 (2001).

While still a principal of the Baltimore area law firm Smith & Downey and now a convicted felon Mr. Downey might be precluded from practicing law. However, in an unprecedented December 4, 2008 ruling, Judge Anna Blackburne-Rigsby, Judge Michael Farrell, and Senior Judge William Pryor laid out the guidelines to be considered when determining whether a lawyer who has been convicted of a felony can continue practicing law while the D.C. Office of Bar Counsel conducts a disciplinary investigation.

(<http://legaltimes.typepad.com/files/downey-ruling.pdf>)

In most cases, attorneys convicted of a felony automatically have their licenses suspended until disciplinary proceedings are finalized. However in this case, a D.C. Bar rule allowed the court to set aside any interim suspension.

On Nov. 20, Downey was sentenced to three-years probation and \$2,600 in fines. Mr. Downey has never been the subject of disciplinary proceedings in any other case or jurisdiction before this one.

Here is the very interesting fact about this case. The D.C Bar Counsel Gene Shipp gave this comment: [before this December ruling] "the court had never before written on the set-aside portion of the rule, maybe because few people try to fight interim suspensions."

The ruling lays out four factors to be considered before an interim suspension may be set aside: whether there is a risk of harm to the public, whether the disciplinary proceeding may result in a "significant sanction," whether the balance of injuries warrants a suspension,

and whether the suspension is in the public interest. Based on those factors and Downey's good standing before the e-gold incident, the court decided he should be allowed to continue practicing law while the Bar Counsel continues its investigation. "It's the first time the court has written on the issue, so it's always helpful to have some guidance on how the rule should be applied," Shipp says.

BARRY K. DOWNEY

Mr. Downey's practice deals with all aspects of employee benefits and executive compensation law. He has extensive experience in designing, drafting and providing advice concerning all types of employee benefit and executive compensation programs, including tax-qualified defined benefit and defined contribution retirement plans and non-tax-qualified deferred compensation plans and all types of welfare benefit programs. Mr. Downey has considerable experience in negotiations with the IRS and DOL on behalf of clients undergoing audits by and inquiries from these agencies. Mr. Downey has considerable experience in the representation of government entity, church and church related clients in connection with all aspects of their ERISA-exempt tax-qualified and non-tax-qualified retirement programs and welfare benefit programs. Mr. Downey also has particular experience and expertise in the area of advising clients regarding the technical compliance of all types of employee benefit and executive compensation programs, and in the representation of employee benefit plan service providers (e.g., consulting firms, financial institutions and investment advisers) in connection with their services to their clients and with the development and implementation of prototype retirement plan products. Mr. Downey is resident in the Firm's Baltimore office.

EDUCATION

University of Maryland School of Law (J.D., with Honors); University of Maryland (B.S., cum laude). Member: Maryland and District of Columbia Bars; National Association of Public Pension Attorneys Federal Legislation and Employee Benefits Committees; former Chair, MSBA Tax Section Committee on Employee Benefits. Admitted to practice before the United States Supreme Court. Co-Author of Nonqualified Deferred Compensation Answer Book and Nonqualified Deferred Compensation Answer Book Forms and Checklists.

Source: <http://legaltimes.typepad.com/blt/2008/12/dc-court-of-appeals-ruling-allows-convicted-lawyer-to-continue-practicing.html>

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 www.GATA.org.

GOLD ANTI-TRUST ACTION COMMITTEE INC.

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GATA

FREE CURRENCIES: THE NEXT GLOBAL CURRENCY SYSTEM

IN ONE SENTENCE

Launch the next currency system for humanity: a distributed platform for millions of free currencies to flow through the Net and our cell phones.

IN MORE DEPTH

Money is an information system. It's made to measure and balance flows in the real world. Money needs not to be scarce otherwise it turns the world into artificial scarcity, even when it's abundant. Money should be in right supply to account flows so that every marketplaces in the world -- companies, neighborhoods, towns, regions, global communities, etc -- can grow their wealth (all levels of Maslow pyramid) without constraints.

Money is about to follow the same path the media did these past years. Millions of free currencies will soon circulate on the Net and through our cell phones. They will not be controlled by states or central banks, they will be issued by those millions of marketplaces willing to free themselves from conventional debt-based, interest-based money (85% to 95% circulating today). Everyone will issue and use these free currencies simply because most people and organizations are undermonetized.

Dotcoms (eBay, Google...) will likely be the first to understand that their real business model stands in this new paradigm rather than the old scarcity model in which they grew.

The Free Currencies Project consists in creating the open global interoperable infrastructure for these millions currencies to be easily issued and put in circulation, in a peer-to-peer way. It is aimed become the next planetary tool for accounting, transacting and hoarding wealth. It will belong to the commons, it's open source. It will be easy to use via computers and cell phones, making it accessible to the most part of humanity. Like email it will work peer-to-peer via servers, domain names and accounts (MyName^LocalCurrency.usa.ny.albany ; MyName^EthicalMarket.world, etc) provided by community currency service providers (CCSP).

User interfaces will be sexy, user friendly and irresistible. Think 'Skype' as a inspiration for the simplicity of the

user experience and the viral model.

WHAT PROBLEM OR ISSUE DOES IT ADDRESS?

Most people, most marketplaces are undermonetized. Conventional money does not allow full market potential to be reached, marketplaces cannot fulfill their capacity to exchange and build wealth. Offer and demand are not met not because of a lack of wealth (competencies, time, resources, energy, people are there...) but only because of a lack of transactional tool.

Conventional money self-aggregates in the hands of the few (Pareto law of condensation – the more you have, the more you invest, the more you get) it leaves other economic areas empty. We call this phenomenon 'undermonetization', it creates artificial pauperization.

Consequences are:

- concentration of power (undemocratic)
- poverty, violence, harsh competition, predatory behaviors
- natural resources unnaturally drawn from undermonetized places to places of concentrated money
- secrecy (don't share what has value, make it scarce)
- artificial rarefaction of what is not scarce (so it can have market value)

The Free Currencies solves this.

WHO WILL BENEFIT THE MOST AND HOW?

The entire humanity:

- human relationships: no more competition and predatory behaviors because of scarce money (let's leave competition to what is really scarce), this shift most human contracts to higher consciousness
- the economy: optimized flows of wealth across the planet at local and global levels because of the right supply of money
- the planet: the incentive to hunt or hoard scarce money by producing useless products sold through illusionary marketing (90% of consumerist market) is deactivated. Less junk production & consumption, an incentive for people to focus on higher meaningful activities, i.e. useful products and services = less pollution and more sustainable projects
- dotcoms: they can now enter in the real open source economy, i.e. generate wealth that is not based on scarcity models

WHAT ARE THE INITIAL STEPS REQUIRED TO GET THIS IDEA OFF THE GROUND?

The work is already quite advanced. Some key steps:

1. Beta testing on early marketplaces (Q4 2008 and 2009)
2. Achieve the coding
3. Achieve SMS transactions on mobile phones
4. Build the best GUI possible
5. Elaborate viral incentive marketing
6. Optional: build strategic partnership with telecoms and major dotcoms (if they get it before it's too late)
7. Market release

Objective is to reach millions of users in less than a year. Speed (implementation & market growth) will depend on funding in conventional cash. If no conventional cash we will do it no matter what.

OPTIMAL OUTCOME. HOW TO MEASURE IT?

- Most humanity shifts to free currencies, people can easily use their cell phone to make transactions in any of these currencies
- Developing countries realize they don't need conventional money (\$ or €) to exist on the international scene.
- A shift in consciousness occurs at planetary level. People realize that most problems (unsustainability, concentration of power and wealth...) existed as an unfoldment of conventional money.
- Banks lose their privilege to issue private credit money but understand the incredible benefit of providing services on these new markets.
- Major dotcoms and telecom players understand their core business relies in free currencies rather than the old model. eBay uses these currencies for its marketplace. Telecoms provide cell phones with built-in interface for free currency transactions. Google takes 1st mover advantage in and provides cutting-edge global currency services.

As a currency is a flow, it is easy to measure the wealth that was generated.

http://www.thetransitioner.com/English/Free_Currencies%3a_the_next_global_currency_system

LIBERTY DOLLAR OF CHAMBERSBURG... YOUR SOLUTION TO A DEPRECIATING DOLLAR

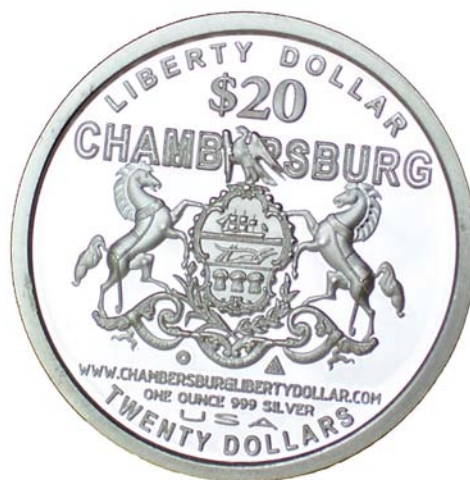
Is it any wonder our monetary system is in a state of collapse?

Former Assistant Treasury Secretary Gene Godley admitted years ago:

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HOW DOES YOUR MONEY WORK?

BY CATHERINE AUSTIN FITTS

SOUND CURRENCY

My vote for the most significant cause of environmental damage on planet Earth is centralized currency systems that allow a few people to invisibly control and tax the many. The benefits of successfully prototyping and implementing local and regional currencies, decentralizing the ownership and control of precious metals inventories (thus thwarting a move to one world digital currency) and finding transaction alternatives that reduce the skim of credit cards on communities are extraordinary. The financial benefits are most profound when combined with capital gains on place-based equity (see below).

A new compact between generations: We are moving into a wholly new environment, driven by globalization – an explosion in new technology and shrinking natural resources, or what some have referred to as “peak everything.” In this environment, one of the keys to successful investment will be investing in a new generation of leaders whose skills and ambitions are appropriate to this environment. In part, this means shifting investment to emerging markets. It also means finding ways to help the young rise successfully to leadership positions within aging populations, supported by (as opposed to squelched by) the networking and risk management skills of the middle-aged generation and the capital and long view of the eldest generation.

Free farmers, fresh food: Why go to a horror movie when we can read about the corporate manipulation and control of the seed and food supply? The time has come to organize consumers to ensure a healthy food system by supporting private brands in financing networks of indigenous and independent farming communities that have the traditions and knowledge to protect their land and seed supplies. The diverse constituencies gathering to protect a vital, fresh food and water supply, backed by mission-driven investment and political action to prevent legislative and regulatory sabotage, present one of the most attractive opportunities for successful investment in decentralizing change.

This important message and information is just part of a much larger article reprinted from the Commonground.ca Archive: October 2007: http://commonground.ca/iss/195/cg195_money.shtml



BULLION TRADERS FACE REGISTRATION

REQUIREMENTS

www.chemicalwatch.com

Bankers, traders pre-register gold, silver bullion as precautionary measure in substance/article debate

15-Dec-2008 - European banks and other traders in bullion - London Good Delivery Bars - have pre-registered their imports under the REACH Regulation following the recent decision by the London Bullion Market Association (LBMA) to drop, for now, its attempt to contest the view of the European Chemicals Agency (ECHA) on whether bullion bars are substances or articles.

The LBMA represents the wholesale gold and silver bullion market in London, which is the focus of the international over-the-counter market for gold and silver. It has a client base that includes the majority of the central banks that hold gold, plus producers, refiners, fabricators and other traders throughout the world.

In February this year the association says the bullion market was “taken by surprise” by ECHA’s announcement that it considered bullion bars to be defined under REACH as substances rather than articles . As a result, bullion would need to be pre-registered and subsequently registered by any company importing or refining bullion in the EU.

In contrast, items such as gold or silver coins can be defined as articles because they have been moulded

into a particular shape in order to serve a specific function, ECHA advised.

But according to a consultant appointed by the industry to look at the issue, and in the view of members of the precious metals sector, by following the technical guidance document developed by RIP 3.8 it is possible to define bullion as articles, when used as 'investment bars' as opposed to raw material feedstock. According to an industry source, this opinion was supported by two representatives of the ECHA helpdesk when consulted at ECHA's first stakeholders' day in Helsinki on 10 October.

According to LBMA chief executive Stewart Murray, the 15 or so banks and other dealers that import gold bullion into the EU probably import between 100 and 1,000 tonnes per year and may therefore have to meet the 2013 registration deadline. In the case of silver, for which it did not consider making a case that it was an article rather than a substance, some companies import or refine more than 1,000 tonnes and will have to register by 30 November 2010. Some banks will also have to register other bullion substances such as platinum and palladium.

How active bullion traders will be in the Substance

Information Exchange fora (SIEFs) for precious metals will depend on whether they have a confirmed need to register. Some may not need to register because in fact, the substance they use has been 'double pre-registered' as a re-import and the registration is being handled already.

But in some cases, banks as pre-registrants may need to proceed to substance registration. In this case, they will need to become active members of SIEFs quickly.

One option for bullion traders is to join the precious metals and rhenium consortium, an initiative launched by the EPMF last year (CW 13 August 2007). The consortium covers silver and silver substances, gold and gold substances, platinum group metals and substances, and rhenium and rhenium substances.

However, Mr Murray said there is "still a possibility" that the LBMA will revisit the issue of whether bullion bars are substances or articles.

<http://chemicalwatch.com/index.cfm?go=1505&q=consortia>

Article originally published by Chemical Watch (c), www.chemicalwatch.com

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PEACE OF MIND – SECOND TO NOTHING

Cryptohippie, Inc. is pleased to announce that it has acquired both Diclave Networks and MeshMX, the developers and providers of the most advanced VPN and innovative Internet security systems.

While the names Diclave and MeshMX are not well-known, their technologies have been widely used under private-label arrangements. They have long been the premier developers and operators of secure Internet systems. Their client list is very significant (but private).

Cryptohippie, Inc. (under the KRYPTOHIPPIE brand) will continue to provide private-label products, as well as selling to the public directly.

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e-mail info@cryptohippie.com

<http://www.cryptohippie.com>

iGOLDER: NEW DIGITAL GOLD OPENING IN 2009

iGolder is private club providing a website to its members for exchanging electronic gold with each other. To facilitate private gold exchanges, iGolder offers to its members the option to be listed in our public directory and disclose their feedback reputation scores. iGolder is strategically, technically and financially independent of any bank, government or corporation. iGolder Ltd a duly registered company in the Republic of Belize.

STORY

We were unable to find a good reliable online payment system, so we decided to create our own. The iGolder platform is designed for individuals living in third-world countries where it is extremely difficult to obtain a merchant account.

VISION

To build a network for individuals to physically own gold, and to exchange their gold anywhere and everywhere.

MISSION

To foster international trade to further expand the division of labor.

(<http://www.igolder.com/glossary/division-of-labor/>)

OBJECTIVE

To have the largest network of independent exchangers. The iGolder network exists to help you find the best exchanger capable of carrying your type of transaction at all times. The more independent exchangers are available, the more choice you have, and the higher the probability of finding an exchanger near your residence who is willing to exchange gold with your local currency.

GOAL

To offer the lowest transfer fees in the world. We are serious about this, however we cannot do it alone. Approved independent exchangers automatically get our lowest transfer fees so they can provide low transactions costs to their customers. Eventually each exchanger will specialize in a few selected payment

methods such as wire transfers, checks, and credit cards, as well as exchanging selected national fiat currencies such as USD, GBP, Euro or your local currency.

WHAT iGOLDER IS NOT

- **iGolder is NOT a currency nor count to deposit the money.**
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THE NEW CURRENCY WAR

BY KLINT FINLEY

This was first published in OVO: Money, in October 2007. <http://ovo127.com/zines/ovo018.html>

Since the colonial period, the United States has been fighting to control currency. In fact, this battle was part of the foundation of the country. Prior to 1764, colonists issued "Bills of Credit" to deal with a shortage of hard currency. Some were issued by "land banks" and backed by the value of land. Others were merely promises of credit. [1] In 1764 the British Parliament passed the Currency Act, which prohibited the use of these Bills of Credit. This caused significant economic hardship for the colonies, and helped set the stage for the Revolution. [2]

In an 1883 paper called "Ideas for a Science of Good Government," Peter Cooper wrote (emphasis mine):

After Franklin had explained this [the use of paper money] to the British Government as the real cause of prosperity, they immediately passed laws, forbidding the payment of taxes in that money. This produced such great inconvenience and misery to the people, that it was the principal cause of the Revolution. **A far greater reason for a general uprising, than the Tea and Stamp Act, was the taking away of the paper money.** [3]

Although Cooper was in favor of government issued currency, he saw the British outlawing of the Bills of Credit as a problem. He opposed the use of these local currencies, but saw them arising out of a failure of the government: "Jefferson, the author of the Declaration of Independence, raised his voice against the curse of the local banks, which were allowed to come into being by the neglect of the Government in the performance of its duty." [3]

Today, a host of independent currencies are available: from small and local to big and global, and they are all issued to solve perceived problems with government issued currency. But it appears that the government is none too pleased with this competition.

INDIE CURRENCY

Activists on both the far left and far right of the political spectrum work to create government independent currency solutions, but it seems that

the left tend to prefer local currencies. "Community currency is a tool that can help revitalize local economies by encouraging wealth to stay within a community rather than flowing out," Susan Meeker-Lowry wrote for Z Magazine. "In many communities around the country people are taking control by creating their own currency. This is completely legal and, as organizers are finding, often very empowering." [4]

The Local Exchange Trading System (LETS), developed in British Columbia in the 80s, is one widely used system. LETS does away with the need for a printed money, acting instead as an interest free credit system. Michael Linton, a computer programmer, created LETS to solve a simple problem: community members "had valuable skills they could offer each other yet had no money. He also saw the limitations of a one-on-one barter system. If a plumber wanted the services of an electrician, but the electrician didn't need plumbing help, the transaction couldn't take place." [4]

LETS solves the problem by issuing credit within the system. In the above example, the plumber would owe a debt to the LETS system, and electrician would be issued credit from the system. The electrician would be able to redeem the credit from another LETS member who is either in debt or wanted credit, and the plumber would be required to make his services available to other LETS members. [4] Many variations of Linton's original system have been created, and several "how to" kits and manuals are available for purchase, or to download for free from the Internet. [5]

Shifting the focus away from the US for a moment: during the Argentine financial crisis, the national currency of Argentina became practically worthless. [6] To help meet their needs and keep the economy working, many people turned to barter or to local currencies such as the "credito." [7] The credito was based, amongst other things, on LETS materials translated into Spanish. Transactions were originally recorded in a notebook, as in LETS, but eventually paper certificates were needed. **By 2000, circulation of this currency had reached the equivalent of about \$5 million a year.** [8]

Argentina illustrates the usefulness of independent currencies when central banks fail. Local currencies, which tend not to cross state lines, seem not to get much attention from the government. I don't know of any cases of local currencies being shut down by the government.

TOWARDS A MORE PERFECT CAPITALISM

Right wing proponents of alternative currencies, however, tend to favor more global forms of exchange. Advocates of “free banking” propose the dissolution of central banks like the Federal Reserve in favor of private banks issuing competing currencies. [9]

The founder of the Internet payment solution PayPal, Peter Thiel, envisioned PayPal as a way to create a more free exchange of currency globally. Thiel hoped people in foreign countries with restrictive money export laws could use PayPal to hold their currency in dollars or other more stable foreign currencies, such as the US dollar [10]. But the proprietors of precious metal backed digital currencies like e-Gold and the Liberty Dollar are more even more ambitious.

Thinkers ranging from Ron Paul [11] to Alan Greenspan [12] advocate a return to the gold standard. But some entrepreneurs act directly by issuing digital currency backed by gold, silver, or other precious metals.

Dr. Douglas Jackson founded e-gold, the first Internet currency backed 100% by precious metals, in 1996. Jackson cites gold’s stability as a currency and the Internet’s natural openness as the reasons for creating an Internet based gold currency. He believes e-gold is currency perfected: stable and market driven. In an interview in Wired in 2002 he called e-gold “probably the greatest benefit to humanity that’s ever been thought of.” [13]

The Liberty Dollar, backed mostly by silver but by other precious metals, is sold by National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code (NORFED). Founder, and former mint master of the Royal Hawaiian Mint Company, Bernard von NotHaus conceived of the currency to compete head-on with the Federal Reserve:

“For years America was saddled with a slow, poor postal service. Finally, Federal Express brought competition to this heavily subsidized government agency that no one though could change. And it responded and improved noticeably. NORFED emulates this model by bringing a superior product to America’s monetary system, its currency.” [14]

NORFED offers coins, certificates that look like something like dollar bills, and an Internet backed currency. Coins and certificates are available through “Regional Currency Offices,” and NORFED actively encourages Liberty Dollar enthusiasts to open their

own RCOs and recruit others. [15]

FINANCIAL JIHAD

Outside the western left/right political spectrum is the another global cultural force: Islam. **While the founders of Pay Pal, e-gold, and NORFED believe themselves to be perfecting capitalism with their digital services, the Islamic founders of e-dinar, who formed a partnership with e-gold and at one point hosted 50% of e-gold’s reserve at their vaults in Dubai, believe they are destroying it.** [13]

The founders of e-dinar are members of the Murabitun movement, a peculiar form of Sufism. Murabitun followers believe that paper money is haram, unlawful, according to Islamic faith. The founder of the Murabitun movement, Sheikh Abdalqadir, says: “A true study of the Qur’an and the Sunna shows us that capitalism will not be abolished on the battlefield but in the marketplace where it is practiced.” [13]

“Fatwa Concerning the Islamic Prohibition of Using Paper-Money as a Medium of Exchange,” a Murabitun text by Umar Vadillo, states: “After examining all the aspects of paper money, in the Light of the Qur’an and the Sunna, we declare that the use of paper money in any form of exchange is usury and therefore haram” because paper money (and, by extension, credit and debit cards) is “nothing but a pure symbol with no reality attached except the imposition of law.” [13]

Vidillo says: **“You want to be radical? You don’t need to blow up the bank, just burn your bank account.** For that you need an alternative. What is the alternative? E-dinar.” [13]

The current status of e-dinar is a bit mysterious. e-gold used be partners with e-dinar [[13], but according to e-dinar’s web site e-dinar officially split with e-gold in 2004 after being acquired by an unnamed “Large International Corporation” in 2003. [16]

THE STATE RESPONDS

It would seem, though, that the larger reach of global alternatives lead to larger interventions by the government. Of all the major players in independent currency game, e-gold has probably had the worst legal trouble. “In December 2005, the Secret Service and FBI raided the company’s headquarters and seized roughly \$800,000 in assets,” according to the Washington Post. [17] This lead e-gold to beef up their security measures, even creating new software designed to

detect e-gold customers committing crimes. [18] The new security measures didn't stop a federal indictment from being leveled against the company in April of 2007. The company was served with 4 indictments, including operating an illegal money transfer operation and money laundering. [17]

Then, on Wednesday May 9th, 2007 the United States government seized the holdings of 58 e-gold accounts, forcing 48 bars of gold to be redeemed for approximately \$77 million dollars. As of this writing, all the funds are still in the US government's control pending the outcome of lawsuit filed against e-gold's parent company. [19] However, e-gold and its subsidiary Ompipay maintain business as of this writing.

In 2006 The United States Mint issued a press release stating that circulating Liberty Dollars is a federal crime. The press release implies that Liberty Dollars are deceptively similar to US currency, and that NORFED intends them to be used as legal tender. [20] As of this writing, I am unaware of any case against any persons in the United States for using the Liberty Dollar.

NORFED responded with a civil lawsuit. On March 20, 2007 von NotHaus filed against the US Mint, asking "the court to declare that the use of the Liberty Dollar is not a 'federal crime,' as claimed by the U.S. Mint. And the organization further asked the court to enter a permanent injunction against the U.S. Mint requiring it to remove any reference that the use of Liberty Dollars is a federal crime from its website." [21] As of this writing, the case remains unsettled. But on November 14th, 2007 the situation took another turn: the FBI raided Liberty Dollar on charges of circulating illegal currency, mail fraud, wire fraud, and money laundering. The affidavit also described Liberty Dollar as a "multi-level marketing scheme." [22]

Von NotHaus has described the raid as "a direct assault against the US Constitution and your right to own and use gold and silver in any way you chose" and dismissed the mail fraud, wire fraud and money laundering charges as fantasy. [23]

Pay Pal, eventually burdened with legal problems, banned the use of PayPal for gambling, pornography, and several other uses in 2004. [24]

Conclusion

It is important to note that e-gold and NORFED may well be guilty of the crimes it has been charged with,

it remains to be seen how they will come out in court. NORFED and e-gold have many competitors, so the international, gold back Internet currency business continues. However, the struggles of these companies, and the fact that they are being held liable for what their customers use their services for, is illustrative of the control the US government exerts over currency. If the Federal Reserve were held accountable every time legal tender were used in criminal transactions, surely the Fed would have been shut down by now. **Why are companies like e-gold held to a different standard? Why are they asked to act as de facto law enforcement?**

And all of this raises the question: why is there such a demand for alternative currencies? Shouldn't the state be spending its time trying to correct the problems the Fed (or shutting it down), instead of trying to shut down those who are trying to solve problems the government is not?

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<http://www.technocult.com/archives/2008/11/12/the-new-currency-war/>

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INTEREST RATE DISASTER –

BY PETER HALLOCK

My wife and I recently looked at a bank interest statement and could hardly believe the nearly non-existent return on investment. We began thinking of the tens of millions of retired Americans affected. Many of these retirees used to have a lot of dollars left over for discretionary spending because of significant interest income. This is no longer the case. Mike Eck, a Liberty Dollar colleague, recently pointed out that the deleterious effects of low interest go far beyond our senior citizens.

"Wage fund" destruction is rapidly occurring across the board, helping to explain a multitude of problems in the economy, not least of which is the dire strait the auto industry is in. While the interest on that industry's invested capital used to account for a significant portion of the money available to pay wages, it has now all but vanished. It's ironic because the continual lowering of interest rates has supposedly been a means of stimulating the economy. It's clear that it's now having just the opposite effect.

Excessive interest rate and currency manipulation are destroying the U.S middle class. The extent of these criminal machinations is only made possible by the existence of the FED'S fiat paper dollar. In 1971 when President Nixon closed the "gold window," the last link to gold was severed. By the time Paul Volcker took the helm at the Federal Reserve in August, 1979, the effect of Nixon's actions was evident. The new Fed Chairman was forced to raise interest rates to stabilize the dollar, but, since then, the chronic and persistent lowering of interest rates has had a disastrous effect on the country's economy. It shouldn't be surprising that so many companies have been forced to seek cheaper labor overseas to compensate for their vanishing domestic wage funds.

Also see:

http://www.gold-eagle.com/gold_digest_08/fekete112808.html

<http://www.merchantcircle.com/blogs/Liberty.Dollar.of.Chambersburg.717-375-2560/2008/12/U.S.-Low-Interest-Rate-Disaster/148223>

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Much like Loom.cc, it allows anyone to issue assets (digital currencies). Unlike Loom, which relies entirely on (very good) obscurity for security, Trubanc's digital signatures allow the bank and the customer to prove to each other that they agreed at a particular time on their balances. It does this while allowing destruction of transaction history for closed trades. Trubanc will initially provide server-based trading. Eventually, it will provide digital checks and bearer certificates. These, however, WILL require permanent storage of transaction history.

This page is a live server. Invoke it as "http://trubanc.

com/?msg=<msg>", and it will interpret <msg> as a server request, and return the result. For example, click [here](#) to send a "bankid" request, with debugging enabled to make it easy to see. But the server is mostly useful for client programs. There's a client here, available at the link below, that you can use to help me beta test the Trubanc code. This is running on an unsecured web host in Arizona, using code that is constantly under development, so don't store any real value here; you might lose it. Hopefully, there will be real Trubanc servers, storing real value, and hosted in countries that respect your financial privacy, real soon.

Trubanc uses public key cryptography to sign all messages passed back and forth between its web interface and the Trubanc server. Digital signatures are a virtually unforgeable way to ensure that a message was written by its purported author. Trubanc uses OpenSSL for its public key cryptography. You probably use OpenSSL every time you visit a secure web site, <https://somewhere.com/>, as does the web server. I didn't roll my own. Just used the same tried and true technology that secures the web. You can read more about public key cryptography, digital signatures, and hashing [here](#).

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Panama

HUMAN FREEDOM RESTS ON GOLD REDEEMABLE MONEY

By HON. HOWARD BUFFETT

U. S. Congressman from Nebraska Reprinted from The Commercial and Financial Chronicle [May 6th, 1948](#)

Congressman Buffett stresses relation between money and freedom and contends without a redeemable currency, individual's freedom to sustain himself or move his property is dependent on goodwill of politicians. Says paper money systems generally collapse and result in economic chaos. Points out gold standard would restrict government spending and give people greater power over public purse. Holds present is propitious time to restore gold standard.

Is there a connection between Human Freedom and A Gold Redeemable Money? At first glance it would seem that money belongs to the world of economics and human freedom to the political sphere.

But when you recall that one of the first moves by Lenin, Mussolini and Hitler was to outlaw individual ownership of gold, you begin to sense that there may be some connection between money, redeemable in gold, and the rare prize known as human liberty.

Also, when you find that Lenin declared and demonstrated that a sure way to overturn the existing social order and bring about communism was by printing press paper money, then again you are impressed with the possibility of a relationship between a gold-backed money and human freedom.

In that case then certainly you and I as Americans should know the connection. We must find it even if money is a difficult and tricky subject. I suppose that if most people were asked for their views on money the almost universal answer would be that they didn't have enough of it.

In a free country the monetary unit rests upon a fixed foundation of gold or gold and silver independent of the ruling politicians. Our dollar was that kind of money before 1933. Under that system paper currency is redeemable for a certain weight of gold, at the free option and choice of the holder of paper money.

REDEMPTION RIGHT INSURES STABILITY

That redemption right gives money a large degree of stability. The owner of such gold redeemable currency has economic independence. He can move around either within or without his country because his money holdings have accepted value anywhere.

For example, I hold here what is called a \$20 gold piece. Before 1933, if you possessed paper money you could exchange it at your option for gold coin. This gold coin had a recognizable and definite value all over the world. It does so today. In most countries of the world this gold piece, if you have enough of them, will give you much independence. But today the ownership of such gold pieces as money in this country, Russia, and all divers other places is outlawed.

The subject of a Hitler or a Stalin is a serf by the mere fact that his money can be called in and depreciated at the whim of his rulers. That actually happened in Russia a few months ago, when the Russian people, holding cash, had to turn it in -- 10 old rubles and receive back one new ruble.

I hold here a small packet of this second kind of money -- printing press paper money -- technically known as fiat money because its value is arbitrarily fixed by rulers or statute. The amount of this money in numerals is very large. This little packet amounts to CNC \$680,000. It cost me \$5 at regular exchange rates. I understand I got clipped on the deal. I could have gotten \$2½ million if I had purchased in the black market. But you can readily see that this Chinese money, which is a fine grade of paper money, gives the individual who owns it no independence, because it has no redemptive value.

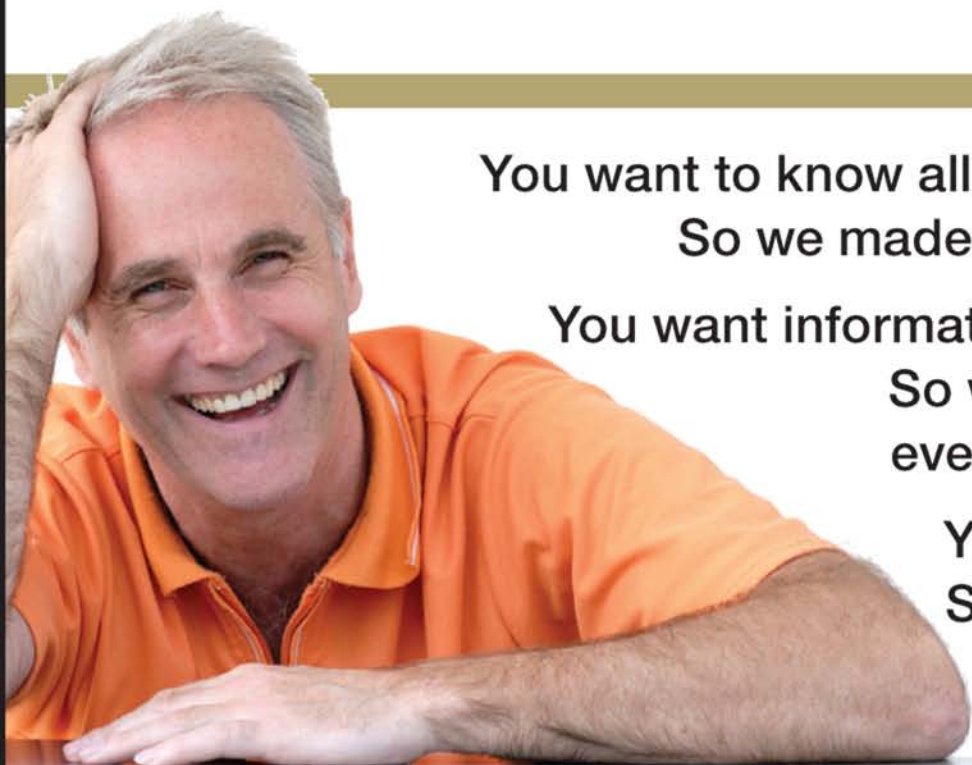
Under such conditions the individual citizen is deprived of freedom of movement. He is prevented from laying away purchasing power for the future. He becomes dependent upon the goodwill of the politicians for his daily bread. Unless he lives on land that will sustain him, freedom for him does not exist.

You have heard a lot of oratory on inflation from politicians in both parties. Actually that oratory and the inflation maneuvering around here are mostly sly efforts designed to lay the blame on the other party's doorstep. All our politicians regularly announce their intention to stop inflation. I believe I can show that until they move to restore your right to own gold that talk is hogwash.

PAPER SYSTEMS END IN COLLAPSE

But first let me clear away a bit of underbrush. I will

\$79.95 per year or
\$9.95 per month
All the coins. Half the price.



You want to know all about your coins. Now.
So we made the Search even faster.

You want information on all of your coins.
So we opened the doors to
every coin in the database.

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not take time to review the history of paper money experiments. So far as I can discover, paper money systems have always wound up with collapse and economic chaos.

Here somebody might like to interrupt and ask if we are not now on the gold standard. That is true, internationally, but not domestically. Even though there is a lot of gold buried down at Fort Knox, that gold is not subject to demand by American citizens. It could all be shipped out of this country without the people having any chance to prevent it. That is not probable in the near future, for a small trickle of gold is still coming in. But it can happen in the future. This gold is temporarily and theoretically partial security for our paper currency. But in reality it is not.

Also, currently, we are enjoying a large surplus in tax revenues, but this happy condition is only a phenomenon of postwar inflation and our global WPA. It cannot be relied upon as an accurate gauge of our financial condition. So we should disregard the current flush treasury in considering this problem.

From 1930-1946 your government went into the red every year and the debt steadily mounted. Various plans have been proposed to reverse this spiral of debt.

One is that a fixed amount of tax revenue each year would go for debt reduction. Another is that Congress be prohibited by statute from appropriating more than anticipated revenues in peacetime. Still another is that 10% of the taxes be set aside each year for debt reduction.

All of these proposals look good. But they are unrealistic under our paper money system. They will not stand against postwar spending pressures. The accuracy of this conclusion has already been demonstrated.

THE BUDGET AND PAPER MONEY

Under the streamlining Act passed by Congress in 1946, the Senate and the House were required to fix a maximum budget each year. In 1947 the Senate and the House could not reach an agreement on this maximum budget so that the law was ignored.

On March 4 this year the House and Senate agreed on a budget of \$37½ billion. Appropriations already passed or on the docket will most certainly take expenditures past the \$40 billion mark. The statute providing for a maximum budget has fallen by the wayside even in the first two years it has been operating and in a period of

prosperity.

There is only one way that these spending pressures can be halted, and that is to restore the final decision on public spending to the producers of the nation. The producers of wealth -- taxpayers -- must regain their right to obtain gold in exchange for the fruits of their labor. This restoration would give the people the final say-so on governmental spending, and would enable wealth producers to control the issuance of paper money and bonds.

I do not ask you to accept this contention outright. But if you look at the political facts of life, I think you will agree that this action is the only genuine cure.

There is a parallel between business and politics which quickly illustrates the weakness in political control of money.

Each of you is in business to make profits. If your firm does not make profits, it goes out of business. If I were to bring a product to you and say, this item is splendid for your customers, but you would have to sell it without profit, or even at a loss that would put you out of business. -- well, I would get thrown out of your office, perhaps politely, but certainly quickly. Your business must have profits.

In politics votes have a similar vital importance to an elected official. That situation is not ideal, but it exists, probably because generally no one gives up power willingly.

Perhaps you are right now saying to yourself: "That's just what I have always thought. The politicians are thinking of votes when they ought to think about the future of the country. What we need is a Congress with some 'guts.' If we elected a Congress with intestinal fortitude, it would stop the spending all right!"

I went to Washington with exactly that hope and belief. But I have had to discard it as unrealistic. Why? Because an economy Congressman under our printing press money system is in the position of a fireman running into a burning building with a hose that is not connected with the water plug. His courage may be commendable, but he is not hooked up right at the other end of the line. So it is now with a Congressman working for economy. There is no sustained hookup with the taxpayers to give him strength.

When the people's right to restrain public spending by demanding gold coin was taken from them, the automatic flow of strength from the grass-roots to



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enforce economy in Washington was disconnected. I'll come back to this later.

In January you heard the President's message to Congress. or at least you heard about it. It made Harry Hopkins, in memory, look like Old Scrooge himself.

Truman's State of the Union message was "pie-in-the-sky" for everybody except business. These promises were to be expected under our paper currency system. Why? Because his continuance in office depends upon pleasing a majority of the pressure groups.

Before you judge him too harshly for that performance, let us speculate on his thinking. Certainly he can persuade himself that the Republicans would do the same thing if they were In power. Already he has characterized our talk of economy as "just conversation." To date we have been proving him right. Neither the President nor the Republican Congress is under real compulsion to cut Federal spending. And so neither one does so, and the people are largely helpless.

BUT IT WAS NOT ALWAYS THIS WAY

Before 1933 the people themselves had an effective way to demand economy. Before 1933, whenever the people became disturbed over Federal spending, they could go to the banks, redeem their paper currency in gold, and wait for common sense to return to Washington.

RAIDS ON TREASURY

That happened on various occasions and conditions sometimes became strained, but nothing occurred like the ultimate consequences of paper money inflation.

Today Congress is constantly besieged by minority groups seeking benefits from the public treasury. Often these groups. control enough votes in many Congressional districts to change the outcome of elections. And so Congressmen find it difficult to persuade themselves not to give in to pressure groups. With no bad immediate consequence it becomes expedient to accede to a spending demand. The Treasury is seemingly inexhaustible. Besides the unorganized taxpayers back home may not notice this particular expenditure -- and so it goes.

Let's take a quick look at just the payroll pressure elements. On June 30, 1932, there were 2,196,151 people receiving regular monthly checks from the Federal Treasury. On June 30, 1947, this number had risen to the fantastic total of 14,416,393 persons.

This 14½ million figure does not include about 2 million receiving either unemployment benefits of soil conservation checks. However, It includes about 2 million GI's getting schooling or on-the-job-training. Excluding them, the total is about 12½ million or 500%

more than in 1932. If each beneficiary accounted for four votes (and only half exhibited this payroll allegiance response) this group would account for 25 million votes, almost by itself enough votes to win any national election.

Besides these direct payroll voters, there are a large number of State, county and local employees whose compensation in part comes from Federal subsidies and grants-in-aid.

Then there are many other kinds of pressure groups. There are businesses that are being enriched by national defense spending and foreign handouts. These firms, because of the money they can spend on propaganda, may be the most dangerous of all.

If the Marshall Plan meant \$100 million worth of profitable business for your firm, wouldn't you invest a few thousands or so to successfully propagandize for the Marshall Plan? And if you were a foreign government, getting billions, perhaps you could persuade your prospective suppliers here to lend a hand in putting that deal through Congress.

TAXPAYER THE FORGOTTEN MAN

Far away from Congress is the real forgotten man, the taxpayer who foots the bill. He is in a different spot from the tax-eater or the business that makes millions from spending schemes. He cannot afford to spend his time trying to oppose Federal expenditures. He has to earn his own living and carry the burden of taxes as well.

But for most beneficiaries a Federal paycheck soon becomes vital in his life. He usually will spend his full energies if necessary to hang onto this income.

The taxpayer is completely outmatched in such an unequal contest. Always heretofore he possessed an equalizer. If government finances weren't run according to his idea of soundness he had an individual right to protect himself by obtaining gold.

With a restoration of the gold standard, Congress would have to again resist handouts. That would work this way. If Congress seemed receptive to reckless spending schemes, depositors' demands over the country for gold would soon become serious. That alarm in turn would quickly be reflected in the halls of Congress. The legislators would learn from the banks back home and from the Treasury officials that confidence in the Treasury was endangered.

Congress would be forced to confront spending

demands with firmness. The gold standard acted as a silent watchdog to prevent unlimited public spending.

I have only briefly outlined the inability of Congress to resist spending pressures during periods of prosperity. What Congress would do when a depression comes is a question I leave to your imagination.

I have not time to portray the end of the road of all paper money experiments.

It is worse than just the high prices that you have heard about. Monetary chaos was followed in Germany by a Hitler; in Russia by all-out Bolshevism; and in other nations by more or less tyranny. It can take a nation to communism without external influences. Suppose the frugal savings of the humble people of America continue to deteriorate in the next 10 years as they have in the past 10 years? Some day the people will almost certainly flock to "a man on horseback" who says he will stop inflation by price-fixing, wage-fixing, and rationing. When currency loses its exchange value the processes of production and distribution are demoralized.

For example, we still have rent-fixing and rental housing remains a desperate situation.

For a long time shrewd people have been quietly hoarding tangibles in one way or another. Eventually, this individual movement into tangibles will become a general stampede unless corrective action comes soon.

IS TIME PROPITIOUS

Most opponents of free coinage of gold admit that that restoration is essential, but claim the time is not propitious. Some argue that there would be a scramble for gold and our enormous gold reserves would soon be exhausted.

Actually this argument simply points up the case. If there is so little confidence in our currency that restoration of gold coin would cause our gold stocks to disappear, then we must act promptly.

The danger was recently highlighted by Mr. Allan Sproul, President of the Federal Reserve Bank of New York, who said:

"Without our support (the Federal Reserve System), under present conditions, almost any sale of government bonds, undertaken for whatever purpose, laudable or otherwise, would be likely to find an almost bottomless market

on the first day support was withdrawn.”

Our finances will never be brought into order until Congress is compelled to do so. Making our money redeemable in gold will create this compulsion.

The paper money disease has been a pleasant habit thus far and will not be dropped voluntarily any more than a dope user will without a struggle give up narcotics. But in each case the end of the road is not a desirable prospect.

I can find no evidence to support a hope that our fiat paper money venture will fare better ultimately than such experiments in other lands. Because of our economic strength the paper money disease here may take many years to run its course.

But we can be approaching the critical stage. When that day arrives, our political rulers will probably find that foreign war and ruthless regimentation is the cunning alternative to domestic strife. That was the way out for the paper-money economy of Hitler and others.

In these remarks I have only touched the high points of this problem. I hope that I have given you enough information to challenge you to make a serious study of it.

I warn you that politicians of both parties will oppose

the restoration of gold, although they may outwardly seemingly favor it. Also those elements here and abroad who are getting rich from the continued American inflation will oppose a return to sound money. You must be prepared to meet their opposition intelligently and vigorously. They have had 15 years of unbroken victory.

But, unless you are willing to surrender your children and your country to galloping inflation, war and slavery, then this cause demands your support. For if human liberty is to survive in America, we must win the battle to restore honest money.

There is no more important challenge facing us than this issue -- the restoration of your freedom

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**AUSTRALIA: AML
ONGOING CUSTOMER DUE DILIGENCE
REQUIREMENTS BEGAN 12.12.2008**

The AML/CTF Act covers the financial sector, gambling sector, bullion dealers and other professionals or businesses ('reporting entities') that provide particular 'designated services'. The Act imposes a number of obligations on reporting entities when they provide designated services. These obligations, and the dates on which they come into effect, include:

- ***collect and verify information about a customer's identity;***
- ***determine when it may be necessary to collect further KYC information or update or verify existing KYC information;***
- ***establish a transaction monitoring program which should be able to detect complex, unusual large transactions and unusual patterns of transactions which have no apparent economic or lawful purpose; and***
- ***establish an enhanced customer due diligence program which can be applied***

when the reporting entity determines that there is a high money laundering or terrorism financing risk or a suspicious matter has occurred.

The Act will implement a risk-based approach to regulation. Reporting entities will determine the way in which they meet their obligations based on their assessment of the risk of whether providing a designated service to a customer may facilitate money laundering or terrorism financing. The AML Rules specify three mandatory components of "ongoing customer due diligence":

The AML/CTF governing body, AUSTRAC, requires that the Reporting Entity be compliant with these obligations by 12 March 2010, at the very latest, and will require the Reporting Entity to apply its transaction monitoring program, once implemented, retrospectively to those transactions that occurred from 12 December 2008.

AUSTRAC will have an expanded role as the national AML/CTF regulator with supervisory, monitoring and enforcement functions over a diverse range of business sectors.

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