

Gestapo raid on coin-producing enterprise

By: Richard H. Timberlake, Jr., PhD

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When I read of the Gestapo raid on your coin-producing enterprise in Indiana, I was shocked and outraged beyond measure. What possible charges could the bureaucrats of this, supposedly, constitutional government have trumped up against a harmless and useful enterprise? Would they next raid Lowes or Home Depot for undermining the economy with low prices for home improvement equipment? (Oh-oh, better not give them ideas.)

I have been an economist with a specialty in Monetary Economics for 50 years. Much of my research during the last 30 years has been focused on the institutions that have produced money, both currency (coin and paper) and bank deposits subject to check withdrawals. I have found a general principle that manifests itself whenever and wherever private issues of money occur: PRIVATE PRODUCTION OF MONEY, SUCH AS YOURS WITH THE LIBERTY DOLLAR, ALWAYS BLOSSOMS WHEN GOVERNMENT MONEY IS DEFICIENT EITHER IN VALUE OR FUNCTION. (I am tempted to label this, The Timberlake Law of Money Production.)

One would think it would be the other way – that the government comes into the monetary picture in order to undo bad things that counterfeiters and fraudsters have caused in the private sector. But it is always and everywhere just the opposite – private producers of money, particularly coin, sprout up with their remedial institutions when GOVERNMENT money deteriorates. I could cite several examples, but I think you know them from my work.

In today's monetary world we have a United States dollar that is constantly depreciating--only a few percent per year now, but many percent per year in the 1940s, 1970s and 1980s. But even a "few percent per year" adds up to 50 percent in a generation.

With the gold standard in place--an institution that your Liberty Dollars emulate, a dollar in 1925 would buy the same amount of goods, insofar as the goods could be duplicated, as that dollar bought in 1825. Your production of coins continues this enviable record. Every private person who has bought your currency has profited significantly from ownership of that money ever since you began operations some ten years ago.

Government agencies should be commending you for having developed a stable money, and, just as important, one that is permitted by the Constitution of the United States: "No State [nor all the States combined] shall emit bills of credit, or make anything except Gold and Silver coin a tender in payment of debts. . ."

In view of the criminal action that the FBI has undertaken against your useful and legitimate enterprise, my question now is:

If private persons are following the letter of the Constitution while the government through its central bank is clearly violating that document, should not the government's policing agencies, such as the Gestapo-FBI, be raiding the offending institutions in the Federal Reserve System, who are producing illegitimate money, and indicting their operatives for fraud and money laundering? What could be more obvious?

Know that my resources, thoughts and prayers are with you in this shameful violation of property rights and legitimate enterprise.

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