

S.C. Sound Money Conference Held in Columbia

The S.C. Sound Money Committee held an Economic Conference on Gold and Silver in Columbia on Monday, February 7, to educate the public and legislature on the dangers of our fiat Federal Reserve system, and the urgent need for a sound monetary system for S.C. as our financial system heads towards inevitable collapse from printing too much currency. Rep. Kenny Bingham, House majority leader, Rep. Rick Quinn, Sen. Lee Bright and Sen. David Thomas were the legislators who attended, as both Senators are spearheading the legislative effort in the Senate. Attendees were educated by a wonderful array of extremely knowledgeable speakers live from all over the world via the Internet.

The Committee did a fantastic job of putting on a perfect event, which included a delicious meal and fellowship with like-minded patriots. Members of the Committee are: Chairman Dr. Steve Isom, Jackie Fowler, Patricia Wheat, Dr. Buddy Witherspoon, Aaron Bolinger, Kendra Lenkowski, Ned Tolar and Ray Moore, Lt. Col. Ret. Particular thanks go to their technological prowess in streaming the speakers in live via the Internet for question and answer sessions.

Tom Moore, of the Southern National Congress, gave a brief introduction, saying that we need to go to an honest money system because our current dishonest system violates the commandment, "Thou shalt not steal." He was followed by the first speaker, Geoff Turk of the Gold Money Foundation ([www.goldmoney](http://www.goldmoney.com)

.com) live from London, England. Turk has developed a private system currently in use which stores gold bullion and allows members to transfer funds electronically via the Internet, using his Digital Gold Currency (DGC).

Turk gave some reasons why gold should be our currency: 1. It can't be created out of thin air, but must be mined with hard work; 2. It is fungible, i.e. it is the same everywhere; and 3. It can be accumulated and saved. He pointed out that gold is an objective unit of measure, whereas fiat currencies are valueless and when the system breaks down you're left with worthless paper.

Turk's DGC can be used globally and can be established by local communities and completely bypass banks. They can store it locally in a vault and audit and monitor it themselves. He provides a transaction platform, which allows tools such as the personal computer, smart phones or even paper (storage certificates) to be used in purchases. An audit can be as simple as a camera set up to watch the gold 24 hours/day for holders to see. There is no fractional reserve banking with Turk's system, so there is no creation of "money" out of thin air, which is one of the main factors destroying our current system.

Dr. Larry Parks, Executive Director of the Foundation for the Advancement of Monetary Education (FAME) in New York City, spoke next via the Internet. He gave a wonderful presentation with graphs painting a very gloomy picture of America's future. He presented historical economic data which gave a good view of how we got in this terrible predicament. He said that our current financial system has no self-correcting mechanism and consequently will blow up.

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Dr. Parks showed graphs that demonstrated that prices were consistent from the 1800s to WWII. He said that after the 1970s, when America totally went off the gold standard and the dollar was backed by nothing, "prices went to the stratosphere." He said that one reason for this move was to pay off the Vietnam War debts. Because of price inflation, all labor manufacturing left America by the early '70s. This was considered beneficial by our policy makers, who saw America's new role as inventors and developers, while letting the Third World do the manufacturing. But this did not occur, because research and development moved near the manufacturing centers overseas.

Dr. Parks quoted Dr. John Kenneth Galbraith, who said: "The process by which banks create money is so simple that the mind is repelled." Because of this continued printing of dollars, Americans lost 90% of their purchasing power from 1949 to 2008. Dr. Parks showed data from Shadow

Stats.com, an economic website by former federal government economist John Williams who calculates the Consumer Price Index by the more accurate method used in the 1980s. According to his true statistics, while the government says the current CPI is only 2%, in reality it is 7-8% or as high as 12%. Yet as though he was totally oblivious, Fed Chairman Ben Bernanke said on February 4, 2011 that "inflation is too low."

Dr. Parks said that, thanks to this rampant inflation of the money supply, the Congressional Budget Office projects trillion-dollar deficits "as far as the eye can see." U.S. debt increased after we severed all ties with gold. And because of these poor economic decisions, since 2008 America has lost 8.3 million jobs.

Americans have enjoyed our status of having the world's global currency, the U.S. dollar, which has allowed us to repay our voluminous debts back to the world with worthless printed money. No other country can do that, thus we became accustomed to this luxury and are now living far beyond our means. But now that other countries are abandoning the dollar, we could eventually be reduced to the status of a Third World Country.

Dr. Parks said that the banking system is like a rigged gambling system, where if you win, you keep the winnings, and if you lose, the taxpayer pays for your losses. He said that the Bank of International Settlements (which is sovereign) reports that there are \$615 trillion worth of derivatives by banks, which is just gambling. He said the BIS reports that \$34 trillion are at risk.

The founding fathers warned of the dangers of fiat money. Dr. Parks read some quotes from James Madison, who said "paper money is unjust," and Thomas Paine, who said "any politician who proposes paper money should be put to death." Dr. Parks told how Thomas Jefferson died a pauper because of the devaluation of paper money, which destroyed his finances when his father-in-law's estate debts were paid back in worthless paper.

America's leading scholar on legal and Constitutional monetary issues, Dr. Edwin Vieira, spoke next. He likened our situation to the Titanic, which had a few lifeboats, and said that we need to

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keep the current system in place as long as possible to prepare the lifeboats for Americans. The lifeboats in this case are Constitutional systems by the states to provide for a legal gold and silver monetary system. Otherwise, if we wait until the current system collapses, we will be trying to introduce a gold and silver system when the country is least prepared and thinking irrationally during a crisis. He said the States are the only entity capable of solving the problem, by addressing it now with "gradual reform, while everyone is thinking calmly and clearly." Once the first state breaks the ice with a plan, the rest can use theirs as a model.

Dr. Vieira said there are five basic principles involved: 1. each state is authorized to adopt gold and silver; 2. it should be available digitally, because coins are too bulky; 3. avoid the use of legal tender laws; 4. establish the use of gold clauses in contracts, i.e. to allow payments between parties to be paid in gold and silver; and 5. enjoin permanent and unfettered access to gold.

According to the Constitution, only the Federal government can coin gold and silver, but foreign coins are legal tender. But the powers are absolute for the States to permit gold and silver to be used without Federal interference, they just can't mint the coinage. But they can take a first step and allow the payment of taxes in gold and silver.

Dr. Vieira recommended that the State of S.C. could use Geoff Turk's DGC system, and either establish a State depository for gold as a participant in his program, or allow private parties to do so. The advantage to the former is that the State could provide for the security and auditing of the State's gold supply.

The question of a repeat of President Roosevelt's gold seizure was asked, and Dr. Vieira does not predict that this will happen again. He pointed out that all the gold that was seized was never returned to its rightful owners the first time, and that the Supreme Court never ruled on this action because it is unconstitutional. He does not think such a seizure could be enforced.

There was so much valuable information presented at this conference that it is beyond the scope of this article. But it was taped in its entirety and videos will be posted on YouTube. Educational materials are available from the S.C. Sound Money Committee website at www.SCsoundmoney.com.

The general consensus of all the speakers and conference attendees is that a serious economic crisis lies ahead for America because of the decades-long devaluation of our currency by the Federal Reserve, accompanied by the loss in jobs and bloated government budgets. There is no way to avoid the consequences of these sins, however, if states such as S.C. take immediate action to provide a stable monetary system, the consequences can perhaps be attenuated and the welfare of our citizens protected. Otherwise, our income, savings and retirement systems could be completely destroyed.

A Russian friend of this writer who attended said that he sees an eerie parallel in our current events to the collapse of the Soviet Union, in which the value of his money decreased by 1000 times

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almost overnight. He said, "Can you imagine one day being able to buy a new car, and the next barely able to buy a loaf of bread?" As Christians we should be concerned with restoring honest money, the protection of our families, and the prevention of such a scenario in America, which we may still have time to avoid. Otherwise, the social consequences could be devastating, as the recent Egyptian riots demonstrate. Dr. Parks told this author that after the collapse of the Soviet Union, the average lifespan dropped dramatically. Our greatest appreciation should be extended to the members of the Sound Money Committee and far-sighted legislators trying to protect the interests of all the citizens of S.C., such as Rep. Mike Pitts, Sen. David Thomas and Sen. Lee Bright, who just introduced a resolution to support sound money. Concerned readers should contact their legislators to vote for such legislation as soon as possible while we still have time to act.