

Date: August 2nd, 2012

Author: Robert J Gray, Executive Director of the American Open Currency Standard

Re: Testimony before the Subcommittee on Domestic Monetary Policy & Technology

Mr. Chairman and Members of the Committee,

My name is Rob Gray and I was asked to testify today on the theory of competing currencies, and the practical challenges that make such a theory difficult or impossible to implement.

For nearly 5 years now, I've successfully directed the American Open Currency Standard - the standard for private voluntary and complementary currencies that compete against each other, *not* against the US dollar. Allow me to clarify: we do not consider AOCS Approved medallions produced and traded in our private barter marketplace 'competition' to the US Federal Reserve Note. Because "fair competition", as one would find in the "free market", assumes the existence of a level playing field, the existence of a standard set of rules. Those players who wish to compete honestly do so by relying simply on the merit of the value they bring to the market.

No fair challenge can be made between honest men and thieves. Let me be clear that when I say thieves: I refer to the current private central bank and the men in government who allow it to exist.

This brings us to a critical point: according to your Employee Handbook, Article 1, Section 8 says: "The **Congress** shall have the Power ...To coin Money, regulate the Value thereof...". For anyone who has been a manager or business owner, it is not uncommon to find that you may have an employee who may choose to not do the work that is delegated to them, or even that they simply do it very badly. When such a time comes it is necessary for the manager or owner to step in and do the work themselves. I would argue that since 1913, Congress has failed to do the job with which it had been tasked. We the people are now bypassing you and are no longer waiting for you to make it right. It is far better to simply walk away from the system. We are walking away from toxic thoughts, relationships, investments and careers. We are taking the hard intellectual journey to rid ourselves of the indoctrination that keeps us in this system. We are realizing the power we have in ourselves and the everyday choices that we make to either empower some soulless collective or our own families. We are realizing that we simply need to withdraw our time, energy, and money from banks, politicians and corporations that do not serve our interests.

In the time since our inception, the American Open Currency Standard has enjoyed nearly five years of growth and success in our mission of issuing a means that allows valuable exchanges among men who produce. In the next five years, we expect to expand our offerings and to increase our ability to keep up with the demand for our private currency. We are doing the job Congress would not.

The use of community currencies here in the US became popular back in the early 1930's. You see, at the time, the theory was that a group of the world's most powerful men, many of them international bankers, were intentionally and systematically removing currency from circulation, creating an artificial scarcity of money across America. Small cities and towns felt it worse than anyone. But life did go on.

Then, during the greatest economic depression this country had ever seen, individuals across this country developed their own mediums of exchange. They still needed things - food, clothing, daily essentials - they still needed to live, and they didn't have time to wait for the government to fix the problem, and they certainly weren't going to rely on the same bankers that caused the crash to offer solutions. And so, according to historical records, thousands of community currencies were created, circulated and traded in places where the scarcity of dollars was interfering with the human desire to live, and the market's desire to trade. And since their elected employees were not doing the job for which they were hired, these individuals took it upon themselves to secure the means to their own survival and potential prosperity.

More recently, community currencies have sprung up across Europe as the Euro and national fiat currencies become increasingly unavailable and undependable. Today, communities all across the Eurozone trade their own money instead of the Euro.

Community currencies are not simply a good idea in theory; they are necessary, alive, and true examples of the free market's unwillingness to be artificially manipulated. Right now alternative and complementary currencies circulate widely across this country and in many different forms: Ithaca, New York uses a local fiat currency based loosely on the value of time; Berkshire, Massachusetts uses a fiat-backed fiat system, while many more communities circulate gold, silver and copper AOCs Approved barter tokens as a medium of exchange. How they are issued, accepted, accounted for and reported varies widely, as the participants and procedures are as different as the markets they serve.

As for practical issues to overcome in the issuance and circulation of complementary currencies, there are plenty. In a voluntary system, those that participate in the trading of private currencies must deal with the possibility of counterfeiting, fraud, scarcity, acceptance, accounting, storage and other issues, all without the luxury of big brother holding a gun to anyone's head to ensure their success.

Even with all the risks, the market moves on. As in any free market, good ideas circulate with success, and bad ones eventually fade away. Participants voluntarily choose to accept and circulate the highest quality and most valuable currencies in exchange for their best production. Merchants accept complementary currencies based on the premise that someone else is willing to do the same later. Issues arise and are worked out by the market with only one light to guide them: the mutual

exchange of value. No guns, no laws, no force: just the willingness to think outside the box and act on principle.

Complementary currencies are not new, in theory or in practice. Further, private currencies circulated long before governments erected themselves to interfere. What's new, however, is the public's apathy towards you and your policies. You've managed for the last hundred years somehow to convince the citizenry that you're relevant. Now, just recently, we're beginning to see the tides change on this. And once it catches on, you'll be rendered completely obsolete.

The greatest hurdle you will face over the next few years is trying to convince "we, the people" that you are still necessary in spite of your failures to get the job done. Sure, some will continue to rely on you for hand-outs; it's what they've known their entire lives and they will be slaves right up and to the point of their own destruction. They don't know any better and I don't blame them for their ignorance. But as you continue to squeeze the life out of the middle class, watch out for their greatest weapon: apathy. They may not be ready to admit it, but soon they'll turn their backs on you and never believe another lie - the lie that you are willing and able to do the job for which you were hired. In the future you will not have to worry about million man marches or citizen journalists trying to catch you on camera. What you need to fear is no one paying attention to you. The next American revolution will not be fought with bullets and bombs; it will be won with the opposite consciousness.

"It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning." ~Henry Ford

To that end, I'm here today to propose a solution. My understanding of this subcommittee is that you desire to be part of the solution. You want to believe you're doing something good for the country. Today, the greatest gift you can offer to the people you clearly represent is to introduce, not to the legislature but directly to the public, what I call IR 1207 - Individual Resolution 1207 - commonly referred to as 'Ignore the Fed'. Store your wealth in silver. Bank with a non-fractional bank that pays real money on deposits. Use the card services network to satisfy dollar obligations. Do not try to compete with the federal reserve system: ignore them. This country has succeeded in doing away with two central banks already over the course of its history - it is learning to do the same again.

Congressman Paul: on July 13, 2011, you asked Federal Reserve Chairman, Ben Bernanke, a question: 'Is gold money?' I ask that same question of you here today: is gold money? Is silver money? They most certainly are not. At least not by the current definition as handed down by Congress' money-issuing surrogate, the Federal Reserve. And that's just fine.

I respectfully petition you, sir, to seriously reconsider your position on this matter. The government has perverted the word money. My wife is a nutritionist, and she tells people, 'If your grandparents wouldn't recognize it as food, don't eat it.' I

suggest to you that if your great-grandparents wouldn't recognize it as money, don't accept or spend it.

A great philosopher once said "When destroyers appear among men, they start by destroying money," Today, conventional wisdom tells us that money is a worthless pile of paper. And for the last 100 years Congress has for a third time (again) shunned its responsibility when it comes to issuing money. Since the creation of the Federal Reserve and Congress' abdication of their responsibility, the dollar has lost 98% of its value. I don't suspect anyone would call that stellar job performance. I must be blunt and say that, as employees, Congress, you have not been successful in your charge to "...coin money and regulate the value thereof..." and therefore your services in this area are no longer needed. It is sad that even the men and women in this chamber either do not understand the system they serve or are so dependent upon the system's favors that they dare not speak in opposition to it.

"It is difficult to get a man to understand something, when his salary depends upon his not understanding it!" ~Upton Sinclair

I ask you to leave the Fed their money and leave the people our silver, gold and copper. Do not push to redefine whatever representations we choose for our wealth as 'money'. Let the Fed do what it wants with their 'money', so long as they leave us alone. I warn you: 'honest money legislation' is a wolf in sheep's clothing. The

record of Congress over time has proven that it will make a miserable failure of this aspect of human survival as it has so many others.

The greatest thing this Congress can do is exactly what you've done so far: nothing.

"The nine most terrifying words in the English language are, "I'm from the government and I'm here to help." -- Ronald Reagan.

I will not facilitate this government to "help" understand, control and ultimately destroy alternative currencies. All I ask is that you stay out of our way. The people in our world are happy to go right along saving you from your own destruction by producing value against all the odds, regulations, codes, and challenges thrown our way. But leave our money alone. It doesn't belong to you, and it never will.

If you really want to help, I would recommend that instead of trying to DO something, you could start by undoing some things. But that list is far too long for me to get into here today and as a responsible employer, I'll allow you some room for creativity.

One last thing I would like to leave you all to ponder...

How is it possible for every single person in the world to be in debt with credit card debt, student debt, consumer debt, auto debt, and mortgages?

How is it possible that every small business and corporation in the world is also in debt?

And finally how is it possible that every single local, county, province, state and nation on earth is also in debt?

Who owns the other side of that debt?

When you understand that, maybe just maybe, something positive will come out of this chamber.

The bottom line is simple: humanity is not going to wait for permission to survive. Things that cannot go on forever... won't. The market will move on - with or without you. And, based on your rate of success to date, our preference is without you.

I thank you for your attention to this matter of life and death.

There are thousands hacking at the branches of evil to one who is striking at the root. -Henry David Thoreau