

New Private Currency Uses Bills Filled With Real Gold



by Tyler Durden

Saturday, Feb 05, 2022 - 08:30 PM

By Jackson Elliott of [The Epoch Times](#)

Modern currencies such as Bitcoin expect to find success in a more technological world, but a new [currency](#) known as Goldbacks might corner the post-apocalyptic currency market.



[Goldbacks in several different denominations](#)

In 2019, Goldback president Jeremy Cordon [said](#) he had a dream in which he saw people paying for groceries using golden bills. Cordon had previously worked for years trying to make gold into functional money, but the dream gave him a new idea: What if a bill small enough to buy groceries could include a tiny percentage of gold?

“This felt like an epiphany because I saw people using gold as a regular money,” he said. “This fit into the vision that anyone anywhere could use gold as their currency of choice.”

For thousands of years, anyone who wanted to buy goods with gold faced “the small coin problem,” Cordon told The Epoch Times. A 1-ounce gold coin, worth about \$2,000, is far too expensive for everyday use, but a cheap gold coin is impractically small.

“Gold is the best money, but it can’t buy a loaf of bread,” he said.

To solve this problem, Cordon used new technology to create a bill that sandwiches a particle-thin gold layer between two layers of polymer—the Goldback. The result can be worth as little as \$3.80.

Be Prepared

At a time when Bitcoin has devoured most of the private and local currency market, Goldbacks have arrived late to the private currency world. In the 1980s and ’90s, private currencies experienced a boom around the United States, according to University of Central Oklahoma professor and local currency expert Loren Gatch. But since then, they’ve been on the decline.

“That’s something which [has] pretty much gone downhill in the last couple decades,” Gatch said.

Cities such as [Ithaca](#), New York, and [Berkshire](#), Massachusetts; businesses such as [coal mining camps](#); and political groups such as left-wing activists and libertarian anti-government enclaves have all used private currencies.

But even amid a private currency decline, Goldback has \$20 million of bills in circulation, according to Cordon. They’re recognized as legal tender in [Utah](#) and Wyoming and are legal for use in New Hampshire, Nevada, and South Dakota. This number puts Goldbacks at the top end of what private currencies have ever achieved.



“It’s totally off the scale,” Gatch said. “\$20 million is far greater than what I think any of the experiments that I’m familiar with—in the last quarter-century—have ever tried to do.”

Gatch said the idea of filling bills with gold seems like a gimmick. Gold-backed currencies already work when the gold is in a vault, and people still must trust the banker at some point.

“You’re basically not getting away from the problem of public credibility if you issue these currencies that claim to have a little bit of gold in it,” he said. “They could be gold, it could be something else. You have to establish the public’s confidence in it.”

But a post-apocalyptic setting might make the gold inside the bills more valuable, according to Gatch. If all of society were to collapse, it would be better to have gold in hand than in a bank vault somewhere.

Even so, Gatch doubted that people would need gold money after a societal collapse.

“It’s true that if the world collapsed, the dollar probably wouldn’t be worth very much,” he said. “But, man, that’s the least of your worries.”

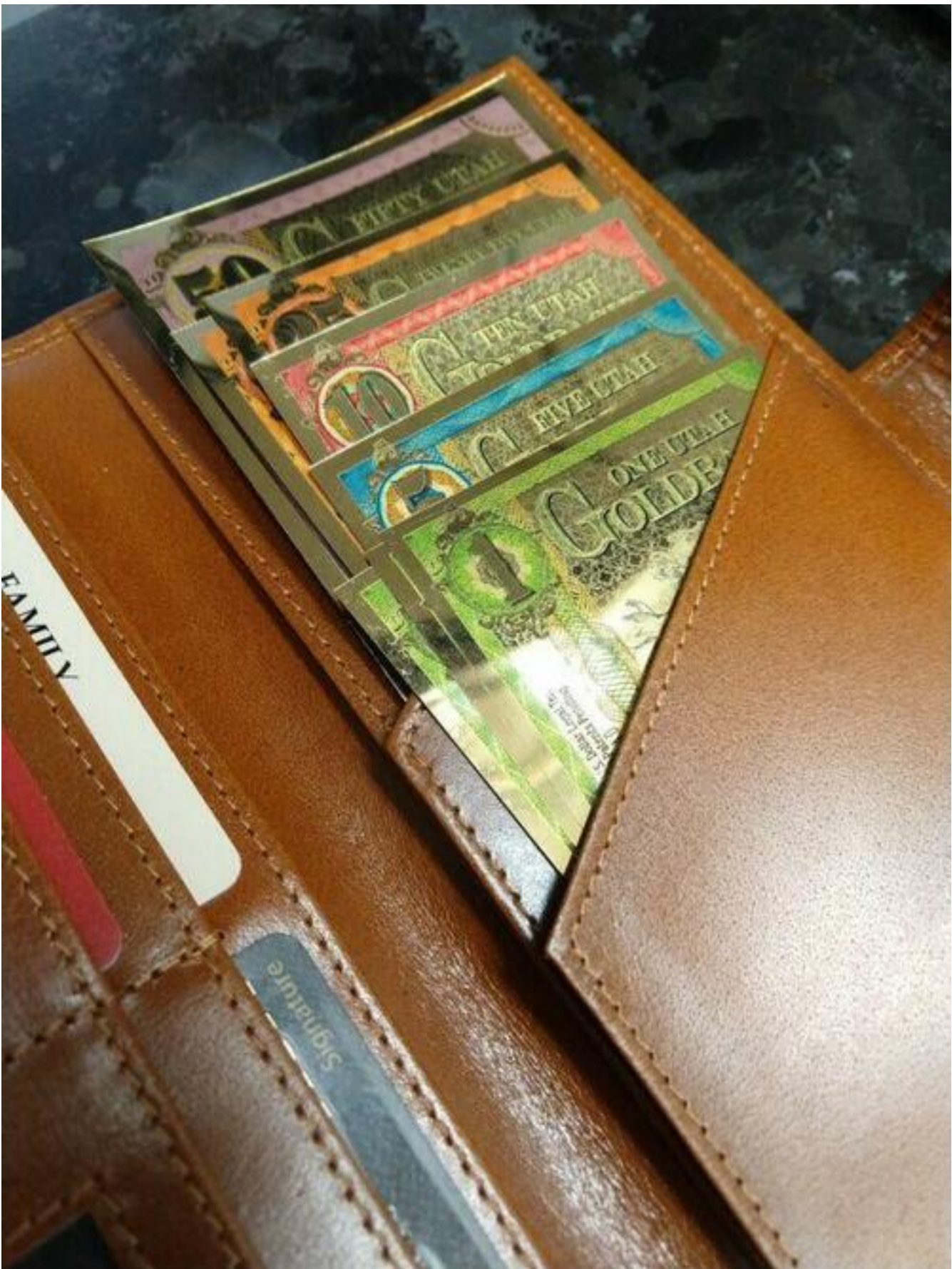
Apocalypse Money

If society collapses, Goldbacks are made of something that has remained valuable throughout human history, Cordon said.

“You can barter with gold just about anywhere in the world. And that’s part of why people buy gold,” he said. “If it’s the apocalypse, if our electrical grid goes down, you don’t want Bitcoin or dollars.”

Goldback director of sales and marketing Kevan Mills speculates that the dollar’s collapse into worthlessness grows closer every day. Studies show that no fiat currency has lasted for more than four generations.

“We are just getting towards the end of the second generation, if we’re counting from when [President Richard] Nixon canceled the gold standard to now,” he said. According to tech website TechJury, the [average](#) fiat currency lasts 27 years, although some exceptions, such as the British pound, have lasted for centuries.



[A wallet filled with Goldbacks](#)

For now, it seems that Goldback is betting that such a collapse isn't imminent. People can exchange dollars for Goldbacks, according to Mills. He noted that there's value in owning a diverse pool of assets.

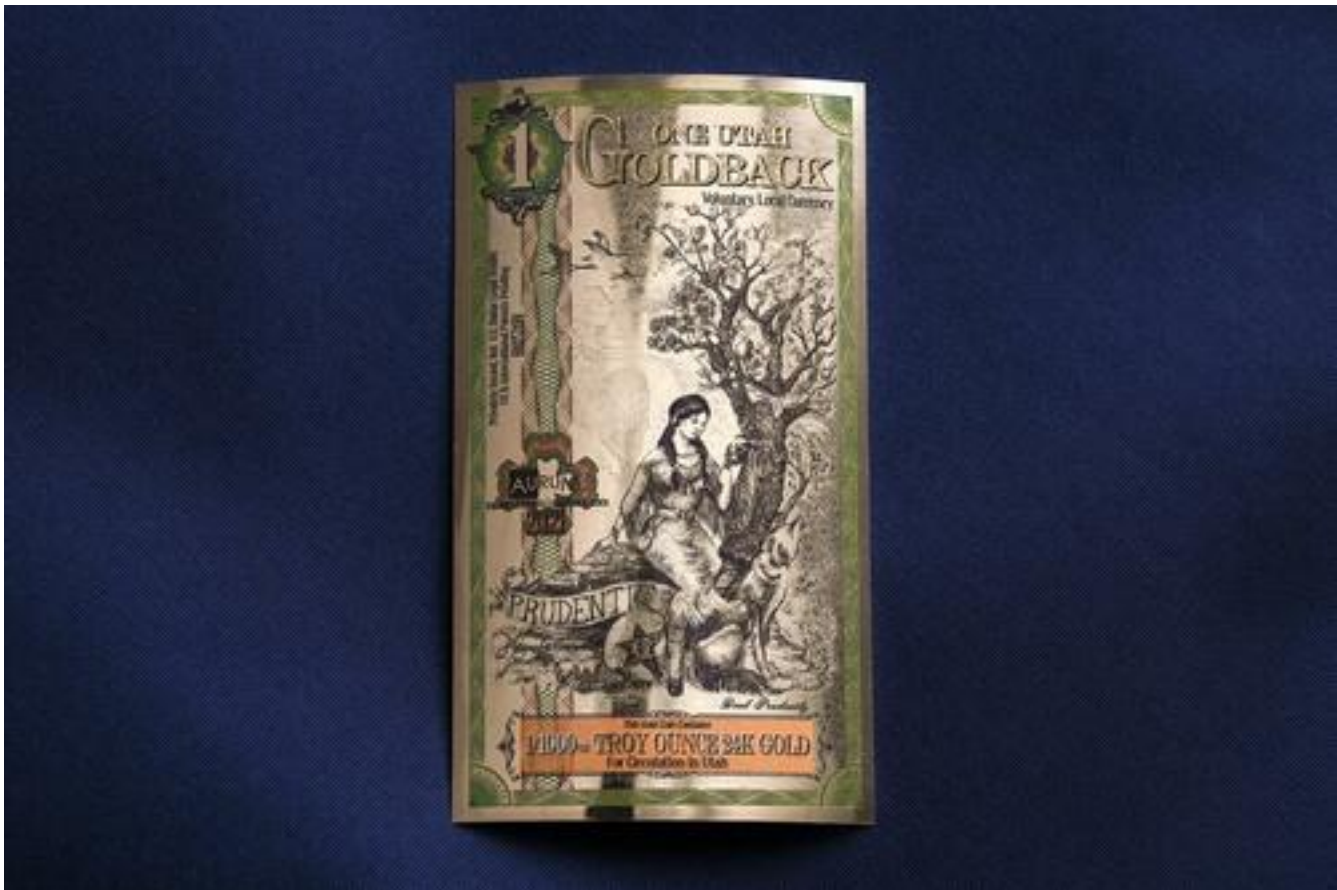
"It also makes sense to have some assets and precious metal, just in case," he said.

For Cordon, who is a Mormon, preparedness is an article of faith. The Mormon church teaches that believers should have a three-month supply of food in their homes in case of disaster.

"We encourage members worldwide to prepare for adversity in life by having a basic supply of food and water and some money in savings," the Mormon Church's website [reads](#). Mormons have a [reputation](#) for being the first "preppers," and Utah hosts [apocalypse prepping conferences](#).

Whatever their motives, most Goldbacks users appreciate the freedom, beauty, and security that gold offers, Cordon said. People from all political affiliations and walks of life want the new currency.

"It's really anybody that loves liberty," he said. "I think the reason why gold has been money for thousands of years is that it's just really beautiful."



[A Goldback note. \(Samira Bouaou/The Epoch Times\)](#)

Gold in Hand

According to Mills, Goldbacks practically advertise themselves as they spread through transactions. People are eager to use a currency when they know it's gold.

“This is the first company I’ve ever worked with where the product sells itself,” Mills said. “In 25 years of marketing, I’ve never been involved with a product where consistently in board meetings and executive meetings we’re saying, ‘What do we do to slow demand?’”

Today, more than 200 Utah businesses advertise that they take Goldbacks. But for at least seven of those businesses, receiving Goldbacks from customers has mostly been a theoretical transaction. Only one of those business owners said he receives Goldbacks on a consistent basis.

Skyler McCallson, owner of Utah’s Wok the Line restaurant, said Mills asked him to sign up as a business that accepts Goldbacks.

“We probably see maybe 2 percent to 3 percent of our sales in Goldbacks,” McCallson said. “But you know, that’s 2 percent to 3 percent of sales we weren’t normally seeing, so we’ll take it.”

He said he keeps the Goldbacks he gets paid.

The rest of the contacted businesses say they’ve seen only one purchase in Goldbacks. Often, the purchaser was a representative from Goldback.

Paul Mooney, owner of Utah’s Alien IT Services, has yet to receive a single purchase in Goldbacks, although he said he would accept them on principle.

“You never know. I don’t know,” Mooney said. “I just have to see if anybody wants to go that route.”

One real estate business owner said that he has agreed in theory to accept Goldbacks in payment for a house, but has never had anyone offer them to him for that purpose. However, the bills are a common sight in his community.

“I have seen them used even in garage sales,” he said.

In just a week, Mills said he paid a landscaper, grass seeder, and shed builder in Goldbacks for their services. Although none of these businesses had received Goldbacks before, they quickly accepted them.

“Heck, yeah, I would! I’ve been collecting gold and silver coins for 30 years, I’d love to take payment in gold,” the planter told Mills.

Making Money

In a way, Goldbacks reverse many modern currency trends. From 1879 to 1933 dollars were effectively receipts for gold. Any American could exchange dollars for an equivalent amount in gold. Then President Franklin D. Roosevelt passed an executive order that made the practice illegal. President Richard Nixon continued this trend, taking America off the gold standard in 1971.

But President Nixon separated the dollar’s value from gold. Today, dollars are a “fiat currency”—they’re worth what the federal government says they’re worth. As a result, fiat currencies often struggle with inflation.

“It’s happened hundreds of times where a fiat currency can hyperinflate and lose all of its value,” Cordon said.

But the Goldback is valuable because of its gold, making it “commodity money.”

Business owners can rest assured that their Goldbacks are secure for several reasons, according to Cordon.

In the eternal race between counterfeiters and currency-makers, the advanced technology used to make Goldbacks gives the currency a 15-year head start, he said.

“You’re looking at about \$10 million worth of equipment before you can counterfeit a Goldback. And you’re looking at about 10 years of expertise,” he said.

Also, because the gold that backs each Goldback is in the bill itself, users don’t have to trust that Cordon’s business has enough precious metal to back each bill.

All in the Name

No matter their suitability for the apocalypse, Goldbacks face their biggest threat from the federal government. If private currencies too closely resemble U.S. currency, the federal government will prosecute its creators for counterfeiting. In 2009, Bernard von NotHaus, the creator of the [Liberty Dollar](#), was [arrested](#) for counterfeiting. At its height, there were about \$5 million in silver-backed Liberty Dollars in circulation.

Unlike traditional counterfeiters, Von NotHaus was open about the money he manufactured, which didn’t resemble any bill or coin currently in circulation. But he used the word “dollar” and the phrase “Trust in God” on his coins. To the government, this constituted counterfeiting.

Von NotHaus was also rampantly anti-government, according to Gatch. His company’s original name was the National Organization for the Repeal of the Federal Reserve Act and the Internal Revenue Code.

“What you cannot do is pretend that your currency is U.S. dollars,” Gatch said. “Then that’s where the government gets mad at you.”

The government confiscated Von NotHaus’ silver reserves when he was arrested, but [returned](#) them in 2014.

The FBI also argued that the Liberty Dollar [worked](#) as a multi-level marketing scheme. Von NotHaus also sold Liberty Dollars for much more than the gold and silver in the coins plus the addition of coin minting costs.

But [compared](#) to other small gold products, Goldbacks are impressively cheap, according to Max Hockley, a longtime gold collection expert.

Cordon said his company has learned from the fate of the Liberty Dollar. He designed Goldbacks to be impossible to mistake for dollars. The bills feature lengthwise images, no dollar signs, and Bible verses that don’t appear on dollars.

“We don’t want anybody thinking Goldbacks are dollars,” he said. “Their value is higher than dollars.”

~ *Source:* <https://www.zerohedge.com/technology/new-private-currency-uses-bills-filled-real-gold>