

Currency

Prior to 1971, the United States was on various forms of a gold standard where the value of the dollar was backed by gold reserves and paper money could be redeemed for gold upon demand. Since 1971, the United States dollar has been a fiat currency backed by the "full faith and credit" of the government and not backed by, valued in, or convertible into gold.



Proponents of the gold standard argue it provides long-term economic stability and growth, prevents inflation, and would reduce the size of government. They say a gold standard would restrict the ability of government to print money at will, run up large deficits, and increase the national debt. They say the economy has historically performed best under a gold standard.

Opponents argue a gold standard would create economic instability, spur periodic economic deflation and contraction, and hamper government's ability to stimulate the economy and reduce unemployment during recessions and financial crises. They say returning to a gold standard would be extremely difficult given the scarcity of gold and could severely harm the already fragile US economy.

Since its founding in 1776, the United States has had a variety of monetary systems including bimetallic systems where the dollar was backed by both gold and silver (1792-1862), a fiat monetary system (1862-1879), a full gold standard (1879-1933), and a partial gold standard (1933-1971). From 1971 to present the United States has been on a fiat monetary standard.

Tying the value of the dollar to gold or some other standard that the government could not arbitrarily change, would prevent the government from printing too much money and creating runaway inflation thus applying a measure of monetary discipline so the government could not run up large deficits, and increase the national debt. The gold standard would run into practical problems. In the gold standard, the amount of currency issued is tied to the government's gold holdings. The price of gold would have to soar to accommodate U.S. trade in goods and services and there is not enough gold in the world to accommodate this.

Is the gold standard a perfect solution? **No**. Do we even need a standard? **YES**. There are some that think and are recently pushing for alternative State currencies. Do I think this is a good idea?

Absolutely not. Having fifty currencies could debase the U.S. dollar and even potentially lead the country into default. The single currency in the United States is working fine.

I am not a monetary expert or even an economist, but I do understand that we need a control over our monetary policies and a standard is the only way to accomplish it. But getting it right is absolutely crucial for our future prosperity and liberty.



I would have to rely on the experts in these fields. I propose calling a special council of the leading experts to review, debate, and recommend a **standard monetary policy** and then work to implement their recommendations. There would be two goals to accomplish:

- 1 - Recommend and implement a standard monetary policy and
- 2 - Revamp the Federal Reserve system so that it does have oversight by the U S government.

America! What a great place to live.

Thanks, Semper Fi, and Stay Safe !

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