

Understanding these Golden Days

Bob Bauman (March 11, 2011)

The very real economic crisis facing America today — including unchecked government expansion and upward spiraling federal and state debt – demonstrates the danger the United States faces from the government constantly living beyond our budgetary means.

[I have noted before](#) the fact that the federal government is bankrupt by any reasonable measure. As I write these words today the national debt is \$14.3 trillion and climbing.

The response of the president of the United States has been to submit a phony budget that piles on still more deficit spending. His Democrat majority backers in the U.S. Senate vow to block \$600 billion in cuts in the current budget approved by the Republican dominated U.S. House.

Brainless observers in the “news” media, always looking for a good show, are salivating about a possible shut down of the federal government if Congress does not approve a national debt increase within weeks.

Flight to Security

It is at a time such as this that wise men and women invest in and own commodities that have real intrinsic value.

Over the years here at the Sovereign Society we have consistently advocated balancing your assets with at least some ownership of physical gold, as well as shares in gold mining and related industries.

If you want my considered pro-gold views, [click here](#) for an extensive article I wrote in 2007 when the market price of a troy ounce of gold bullion was at \$845.50, a new peak in gold’s then current eight-year bull market and a 28-year high in New York trading – benchmark that was soon left behind.

This morning the gold price set new records, rising to \$1415 per ounce on the back of a decline in the U.S. dollar and a continued flight to safety amid the unrest in the Middle East.

Gold Reflects Reality

Gold always has been a fairly accurate mirror of the American and world economy.

When the economy is in the doldrums – a stock market or real estate crash, another drop in the value dollar, an ever ballooning trade deficit, higher inflation, and political unrest – the value of gold has increased, even skyrocketed upward.

But how much about gold do *you* really know and understand? In 1982, **U.S. Rep. Ron Paul** and **Lewis Lehrman** served on the **U.S. Gold Commission**, authorized by the U.S. Congress to evaluate the role of gold in the monetary system.

Paul and Lehrman produced a landmark minority report: *The Case for Gold*. Published in book form by the **Cato Institute** that year, the report covers the history of gold in the United States, explains how the breakdown in its use as a financial standard was caused by government, and details the critical need for sound money — where prices reflect market realities, government stays in check, and people retain their freedom.

Free Download

Now Cato has made available free of charge a downloadable e-book version of *The Case for Gold*. You can [read the details here](#).

The Case for Gold is not simply an argument for returning to the gold standard, but more importantly, an argument for choice and competition. Preserving the ability to choose which currencies to accept, with whom to trade and on what terms, is a hallmark of a free society. Sadly these freedoms are among the many that have been compromised, if not lost completely.

I might add that the Sovereign Society publishes [excellent newsletters on profitable currency](#) trading that should interest you, including *The Currency Capitalist*.

It is the Cato Institute's hope that re-releasing *The Case for Gold* will help to restore public accountability back in monetary policy. This book also should expand and raise the level of public debate surrounding monetary policy.