Golden Age: The Case For the Gold Standard

By Jonathan T. Helton

***Resolved: The United States federal government should substantially reform its banking, finance, and/or monetary policy.***

The U.S. currently operates on a fiat money system: Money is only valuable because the government says it is. The gold standard would change that. You could exchange your money at the bank for a quantity of gold that had the same value. Although most people will never make that exchange, the fact that the exchange value exists guarantees the value of the dollar and restores confidence in the monetary system.

The U.S. used to have a gold standard, so we know the track record of how it worked. Inflation was lower, there were fewer financial panics, and employment was generally better. And the gold standard did not cause the Great Depression. There were many causes for it, one of which may have been the Federal Reserve. Currently, the Fed does a poor job of managing the economy, which they have the power to do because they control the quantity, and thus the value, of money. This case would decrease its power over our financial system, because from now on, gold would determine the value of our dollars, not politicians or bureaucrats.

NEG arguments will likely center around the abysmal track record of the gold standard – a dubious argument – and the availability of gold. They will likely say the U.S. does not own enough gold. Thankfully, the U.S. does not need a massive stockpile of gold in order to implement a gold standard.

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Golden Age: The Case for the Gold Standard

Have you ever considered making a salad out of your money? After all, money is a lot like salad: Green, plant-based, and worth very little on its own. The only reason our money is worth anything is because our government says so. There was once a time when our money had backing that made it valuable. That backing was gold, and we need to bring it back. Please join us as we explore the comparative advantages of affirming that: The United States Federal Government should substantially reform its banking, finance, and/or monetary policy.

OBSERVATION 1. DEFINITIONS

Fiat currency

James Chen 2019 (Director of Trading & Investing Content at Investopedia and former Head of Research at Gain Capital. For two decades, he has been heavily involved in the financial markets as a trader, investor, investment adviser and global market strategist.) Updated 10 April 2019 “Fiat Money” <https://www.investopedia.com/terms/f/fiatmoney.asp>

The U.S. dollar is considered to be both fiat money and [legal tender](https://www.investopedia.com/terms/l/legal-tender.asp), accepted for private and public debts. Legal tender is basically any currency that a government declares to be legal. Many governments issue a fiat currency, then make it legal tender by setting it as the standard for [debt](https://www.investopedia.com/terms/d/debt.asp) repayment.

Gold standard

Andrew Henderson 2018 (consultant on legal offshore tax reduction, investment immigration, and global citizenship.) 30 August 2018 “BACK TO THE GOLD STANDARD: WILL THERE BE A GOLD BACKED CURRENCY?” <https://nomadcapitalist.com/2018/08/30/gold-backed-currency/>

The gold standard is a monetary policy in which a currency is based on a quantity of gold. Basically, money is backed by the hard asset that is gold in order to preserve its value. The government issuing the currency ties its value to the amount of gold it possesses, hence the desire for gold reserves. Under a gold standard, anyone holding paper money can turn it in for a fixed amount of gold from the country’s gold reserve. That means those paper banknotes can be exchanged at will for actual metal; you could bring paper money to a bank and get actual gold in return.

OBSERVATION 2. INHERENCY, or the conditions of the Status Quo. One key fact:

Massive devaluation of the dollar without the Gold Standard

Paul Antonopoulos 2019 (Research Fellow at the Center for Syncretic Studies; MA in International Relations) “Back to the Gold Standard: Is Today’s Monetary System Finished?” 7 Apr 2019 <https://www.fort-russ.com/2019/04/back-to-the-gold-standard-is-todays-monetary-system-finished/>

In 1971, US President Richard Nixon temporarily suspended the convertibility of the dollar in gold, which led to the free flotation of currencies. Economist Marc Friedrich explains why some countries now seek to return to the monetary system in which precious metal played a very important role. Marc Friedrich believes that monetary systems based on fiduciary money, or money that is not based on the value of precious metals, “tend to fail.” “We can see that the dollar has lost 80% of its purchasing power since 1971. With other currencies, the same has happened – the euro has lost a third of its purchasing power since its introduction,” he said.

OBSERVATION 3. We offer the following PLAN implemented by Congress and the President

1. Congress votes to enact H.R.5404. The key mandate: Two and a half years from now, the value of the dollar will be fixed at and backed by its then-current market value in gold.

2. Funding from General Federal Revenues

3. Enforcement through the Federal Reserve, the Treasury Department and the Secret Service. Penalties for fraud or counterfeiting the same as under existing law or as similar laws existing in the US when the Gold Standard was in effect in the past. Federal employees not in compliance will be disciplined or fired through normal means.  
4. Timeline: Bill is enacted 3 days after an affirmative ballot and the Gold Standard is implemented two and a half years later.   
5. All Affirmative speeches may clarify

**To clarify what our plan will do, we offer the following:**

Explanation of the bill

Alex Newman 2018 (correspondent for The New American, covering economics, education, politics.) 5 April 2018 “Sound Money Bill in Congress Would Define Dollar as Unit of Gold” <https://www.thenewamerican.com/economy/economics/item/28680-sound-money-bill-in-congress-would-define-dollar-as-unit-of-gold>

[The legislation, H.R. 5404,](https://www.congress.gov/bill/115th-congress/house-bill/5404) would “define the dollar as a fixed weight of gold,” according to a summary posted at govtrack.us. Sponsored by Representative Alex Mooney (R-W.V.), the bill would order the Secretary of the Treasury to define the U.S. dollar as an amount of gold, based on that day's closing market price, two and a half years after the measure is enacted. It would also order all Federal Reserve Banks to make Federal Reserve notes (dollars) exchangeable for gold at the statutory gold definition of the dollar. In short, you could trade the pieces of paper in your wallet for real money.

OBSERVATION 4. ADVANTAGES

ADVANTAGE 1. Reduced Inflation

A. Fiat currency leads to high inflation, and we’re on the brink of danger now

Thomas Colson 2017 (journalist) BUSINESS INSIDER UK 11 March 2017 “DEUTSCHE BANK: We may be looking at 'the start of the end of fiat money'” <https://www.businessinsider.de/deutsche-bank-end-of-fiat-money-2017-11?r=UK&IR=T> (brackets added)

[Deutsche Bank economist Jim] Reid's basic contention is this: The dominance of the fiat currency system since Richard Nixon decoupled gold from the dollar in 1971 "is inherently unstable and prone to high inflation," and an offsetting disinflationary shock that kept it afloat since 1980 is now slowly reversing. If that's the case, Reid says the fiat currency system — a term which describes any currency whose value is backed by the government that issued it, rather than by a commodity like gold or silver — could be "seriously tested" over the next decade.

B. Gold Standard Solves Inflation

Prof. Lawrence White 2017 (Professor of Economics at George Mason Univ. ; previously taught at New York University, Univ. of Georgia, and Univ. of Missouri–St. Louis. Ph.D. in economics from UCLA.) 19 June 2017 “Why Experts Get the Gold Standard Wrong” <https://fee.org/articles/why-experts-get-the-gold-standard-wrong/>

The actual track record of the classical gold standard [is superior](http://www.sciencedirect.com/science/article/pii/S1572308915000261) in major respects to that of the modern fiat-money alternative. Compared to fiat standards, classical gold standards kept inflation lower (indeed near zero), made the price level more predictable (deepening financial markets), involved lower gold-extraction costs (when we count the gold extracted to provide coins and bullion to private hedgers under fiat standards), and provided stronger fiscal discipline.

C. The impacts: Preventing inflation is good because inflation slows economic growth, kills jobs and lowers wages

Prof. Jeffrey Dorfman 2016 (professor of economics at Univ. of Georgia and consultant on economic issues to a variety of corporations and local governments) 19 Aug 2016 “Inflation Is Still Bad For The Economy” FORBES <https://www.forbes.com/sites/jeffreydorfman/2016/08/19/inflation-is-still-bad-for-the-economy/#f2a211f43400>

Most importantly, higher inflation is bad for capital investment, meaning lower accumulation of productive capital which leads to slower economic growth for decades into the future. Businesses are less interested in building factories using today’s dollars if the products made have to be sold in the future in exchange for dollars that are worth less thanks to inflation. A smaller capital stock means lower labor productivity, which means slower wage growth. These remaining costs of inflation are profound and potentially large. Louis Woodhill has [documented](http://www.forbes.com/sites/louiswoodhill/2014/01/23/why-higher-inflation-is-a-very-very-bad-idea/#31d9f93a7e10) that higher inflation periods have lower levels of investment, lower real GDP growth, and higher unemployment.

ADVANTAGE 2. Economic stability and long-term growth

A. Gold creates a stable environment for investment, with higher wages and more jobs

Peter Ferrara 2014 (Director of Entitlement and Budget Policy for the Heartland Institute, Senior Advisor for Entitlement Reform and Budget Policy at the National Tax Limitation Foundation, General Counsel for the American Civil Rights Union, and Senior Fellow at the National Center for Policy Analysis; served in the White House Office of Policy Development under President Reagan, and Associate Deputy Attorney General of the United States under Pres. George H.W. Bush. Graduate of Harvard Law School) 1 August 2014 “Why the Gold Standard Is The Foundation For Restoring Booming Economic Growth” <https://www.forbes.com/sites/peterferrara/2014/08/01/why-the-gold-standard-is-the-foundation-for-restoring-booming-economic-growth/#6ad368f36eec>

Moreover, the gold standard strongly encourages investment, since investors know the dollars they will be paid back on what they invest will be worth the same as the original dollars they put into the investment. That investment is what creates jobs for working people, as new businesses are created, and current ones are expanded. That investment also increases real wages for working people, as it increases the demand for their labor. Capital investment also increases worker productivity, as workers enjoy new tools and equipment that make them more productive. That results in higher wages, consistent with the higher economic growth.

B. Faster economic growth with the gold standard

Peter Ferrara 2014 (Director of Entitlement and Budget Policy for the Heartland Institute, Senior Advisor for Entitlement Reform and Budget Policy at the National Tax Limitation Foundation, General Counsel for the American Civil Rights Union, and Senior Fellow at the National Center for Policy Analysis; served in the White House Office of Policy Development under President Reagan, and Associate Deputy Attorney General of the United States under Pres. George H.W. Bush. Graduate of Harvard Law School) 1 August 2014 “Why the Gold Standard Is The Foundation For Restoring Booming Economic Growth” <https://www.forbes.com/sites/peterferrara/2014/08/01/why-the-gold-standard-is-the-foundation-for-restoring-booming-economic-growth/#6ad368f36eec>

The original Founding Founders understood basic economics so much better than any Nobel Prize winner, or any of the other 20th Century economic sophists who convinced us to abandon the gold standard that worked so spectacularly for America. When America was on the gold standard, the real rate of economic growth averaged nearly 4% a year. Since then real annual growth has stagnated at about 25% less. Under Obama the Magnificent, real growth has been barely half what it was under the original American gold standard.

ADVANTAGE 3. Reduced income inequality

A. The Link: Abandoning the Gold Standard accelerated income inequality in the U.S.

Ralph Benko 2016 (editor-in-chief of the Committee To Unleash Prosperity's Supply Side Blog; founder of the Prosperity Caucus. Former deputy general counsel in the Reagan White House.) 4 January 2016 “Ted Cruz Has The Best Idea In The Presidential Debate: A Return To The Gold Standard” <https://www.forbes.com/sites/ralphbenko/2016/01/04/ted-cruz-has-the-best-idea-in-the-presidential-debate-a-return-to-the-gold-standard/#621b9b6a3db4> (ellipses in original)

Under the post-war Bretton Woods dilute form of the gold standard, for example, workers and median income families thrived, and dramatically so. Soon after Nixon “temporarily” closed the gold window, in 1971, median family income flat-lined … while the rich got much richer. The ending of the gold standard correlates directly with median family wage stagnation. Meanwhile Scrooge did much better than ever.

B. The Impact: Economic inequality causes multiple bad social impacts

Prof. Richard Wilkinson 2011 (professor emeritus of social epidemiology at the University of Nottingham) “Why inequality is bad for you -- and everyone else” 6 Nov 2011 <https://www.cnn.com/2011/11/06/opinion/wilkinson-inequality-harm/index.html>

People have always known that inequality is divisive and socially corrosive. What is surprising, now that we have the data to compare societies, is how clear the effects of inequality are. A wide range of social problems are worse in societies with bigger income differences between rich and poor. These include physical and mental illness, violence, low math and literacy scores among young people, lower levels of trust and weaker community life, poorer child well-being, more drug abuse, lower social mobility and higher rates of imprisonment and teenage births. The differences in performance of more and less equal societies is often enormous: Most of these problems are between twice and ten times as common in countries like the United States, Britain and Portugal, which have large income differences compared to countries with smaller income differences like the Nordic countries or Japan.

2A Evidence: Implement the Gold Standard

BACKGROUND AND DEFINITIONS

Text of the bill

Print off a copy of the bill and bring it to your debate round:   
<https://www.congress.gov/bill/115th-congress/house-bill/5404/text?format=txt>

Not a radical new idea: Gold has backed money for 99% of human history

Andrew Henderson 2018 (Andrew Henderson is the world's most sought-after consultant on legal offshore tax reduction, investment immigration, and global citizenship. He works exclusively with six- and seven-figure entrepreneurs and investors who want to "go where they're treated best". He has been researching and actually doing this stuff personally since 2007.) 30 August 2018 “BACK TO THE GOLD STANDARD: WILL THERE BE A GOLD BACKED CURRENCY?” <https://nomadcapitalist.com/2018/08/30/gold-backed-currency/>

The media has often been aflutter about the opulence of being able to buy gold with a debit card, presenting it as the domain of wealthy sheiks with nothing better to do than purchase a few gold bars on a Tuesday afternoon. What often goes without mention is that, for 99% of human history, money has been backed by gold.

INHERENCY

US currency is “fiat money” with no backing since 1971

Andrew Henderson 2018 (Andrew Henderson is the world's most sought-after consultant on legal offshore tax reduction, investment immigration, and global citizenship. He works exclusively with six- and seven-figure entrepreneurs and investors who want to "go where they're treated best". He has been researching and actually doing this stuff personally since 2007.) 30 August 2018 “BACK TO THE GOLD STANDARD: WILL THERE BE A GOLD BACKED CURRENCY?” <https://nomadcapitalist.com/2018/08/30/gold-backed-currency/>

Sadly, things change. In 1971, the United States closed the “Gold Redemption Window” and ended the practice of issuing sound money, instead deciding to join the ranks of most other nations that shifted to purely “fiat currency” with no value other than what is implied.

History of the gold standard since WW1 and why we’re not on it today

Prof. Michael Bordo 2005 (professor of economics at Rutgers Univ. From 1981 to 1982, he directed the research staff of the executive director of the U.S. Congressional Gold Commission.) (article is undated but references events in 2005 and none later) “Gold Standard” <https://www.econlib.org/library/Enc/GoldStandard.html>

The gold standard broke down during World War I, as major belligerents resorted to inflationary finance, and was briefly reinstated from 1925 to 1931 as the Gold Exchange Standard. Under this standard, countries could hold gold or dollars or pounds as reserves, except for the United States and the United Kingdom, which held reserves only in gold. This version broke down in 1931 following Britain’s departure from gold in the face of massive gold and capital outflows. In 1933, President Franklin D. Roosevelt nationalized gold owned by private citizens and abrogated contracts in which payment was specified in gold. Between 1946 and 1971, countries operated under the Bretton Woods system. Under this further modification of the gold standard, most countries settled their international balances in U.S. dollars, but the U.S. government promised to redeem other central banks’ holdings of dollars for gold at a fixed rate of thirty-five dollars per ounce. Persistent U.S. balance-of-payments deficits steadily reduced U.S. gold reserves, however, reducing confidence in the ability of the United States to redeem its currency in gold. Finally, on August 15, 1971, President Richard M. Nixon announced that the United States would no longer redeem currency for gold. This was the final step in abandoning the gold standard.

The dollar has lost 90% of its value since the U.S. left the gold standard

Andrew Henderson 2018 (Andrew Henderson is the world's most sought-after consultant on legal offshore tax reduction, investment immigration, and global citizenship. He works exclusively with six- and seven-figure entrepreneurs and investors who want to "go where they're treated best". He has been researching and actually doing this stuff personally since 2007.) 30 August 2018 “BACK TO THE GOLD STANDARD: WILL THERE BE A GOLD BACKED CURRENCY?” <https://nomadcapitalist.com/2018/08/30/gold-backed-currency/>

If you’re reading this, you no doubt have a sneaking suspicion that keeping your money as a ledger line on internet banking, or even as cold hard cash in your home safe, isn’t the best thing for your money. Ever since going off the Gold Standard, the US dollar has declined in value each year. In fact, the dollar has lost about 90% of its value since going off the Gold Standard.

A/T “Fed. Reserve is solving now” - Policy-makers and so-called experts fail at monetary policy

Dr. Lawrence White 2017 (PhD economics from UCLA; 2008 Distinguished Scholar Award of the Association for Private Enterprise Education; has been a visiting research fellow at the American Institute for Economic Research, a visiting lecturer at the Swiss National Bank, and a visiting scholar at the Federal Reserve Bank of Atlanta. He is a member of the Financial Markets Working Group of the Mercatus Center at George Mason Univ.) 13 June 2017 “Experts and the Gold Standard” <https://www.cato.org/blog/experts-gold-standard>

Expert-guided monetary policy can fail in at least three well-known ways to improve on a market-guided monetary system. First, experts can persist in using erroneous models (consider the decades in which the Phillips Curve reigned) or lack the timely information they would need to improve outcomes. These were the reasons Milton Friedman cited to explain why the Fed’s use of discretion has amplified rather than dampened business cycles in practice. Second, policy-makers can set experts to devising policies to meet goals that are not the public’s goals. This is James Buchanan’s case for placing constraints on monetary policy at the constitutional level. Third, where the public understands that the central bank has no pre-commitments, chronically suboptimal outcomes can result even when the central bank has full information and the most benign intentions.

Why hasn’t the Status Quo accepted the Gold Standard? Career incentives create biased experts

Dr. Lawrence White 2017 (PhD economics from UCLA; 2008 Distinguished Scholar Award of the Association for Private Enterprise Education; has been a visiting research fellow at the American Institute for Economic Research, a visiting lecturer at the Swiss National Bank, and a visiting scholar at the Federal Reserve Bank of Atlanta. He is a member of the Financial Markets Working Group of the Mercatus Center at George Mason Univ.) 13 June 2017 “Experts and the Gold Standard” <https://www.cato.org/blog/experts-gold-standard>

Why isn’t the gold standard more popular with current-day economists? Milton Friedman once [hypothesized](https://www.minneapolisfed.org/publications/the-region/shadowing-the-shadows) that monetary economists are loath to criticize central banks because central banks are by far their largest employer. Providing some evidence for the hypothesis, I have elsewhere suggested that career incentives give monetary economists a [status-quo bias](https://econjwatch.org/articles/the-federal-reserve-system-s-influence-on-research-in-monetary-economics). Most understandably focus their expertise on serving the current regime and disregard alternative regimes that would dispense with their services. They face negative payoffs to considering whether the current regime is the best monetary regime.

The Fed is not independent

Prof. Robert Murphy 2011 (Robert P. Murphy is a Senior Fellow with the Mises Institute and Research Assistant Professor with the Free Market Institute at Texas Tech University.) 13 June 2011 “The Gold Standard: Myths and Lies” <https://mises.org/library/gold-standard-myths-and-lies>

The purpose of repegging the dollar to gold would be to remove what is euphemistically called "monetary policy" (a more sinister description would be "legalized counterfeiting") from politics and special-interest corruption as much as possible. People laud the current Fed as being "independent," but of course that is absurd. The Fed as it currently operates is clearly a cartelization device that shoves new money into the pockets of rich bankers, and that allows the government to finance massive deficits much more cheaply than would otherwise be possible.

Changing does not equal improvement

Dr. Lawrence White 2017 (visiting research fellow at the American Institute for Economic Research, a visiting lecturer at the Swiss National Bank, and a visiting scholar at the Federal Reserve Bank of Atlanta; member of the Financial Markets Working Group of the Mercatus Center at George Mason University. PhD in economics from UCLA.) 13 June 2017 “Experts and the Gold Standard” <https://www.cato.org/blog/experts-gold-standard>

In this passage Fischer suggested that historical shifts in monetary policy fashion warn us against adopting a non-discretionary regime because they indicate that no “true” regime has been found. But how so? That governments during the First World War chose to abandon the gold standard (in order to print money to finance their war efforts), and that they subsequently failed to do what was necessary to return to a sustainable gold parity (devalue or deflate), does not imply that the mechanisms of the gold standard — rather than government policies that overrode them — must have failed. Observed changes in regimes and policies do not imply that each new policy was an improvement over its predecessor — unless we take it for granted that all changes were all wise adaptations to exogenously changing circumstances. Unless, that is, we assume that the experts guiding monetary policies have never yet failed us.

Why many experts are biased against Gold Standard: Economists have been trained as social engineers

Dr. Lawrence White 2017 (visiting research fellow at the American Institute for Economic Research, a visiting lecturer at the Swiss National Bank, and a visiting scholar at the Federal Reserve Bank of Atlanta; member of the Financial Markets Working Group of the Mercatus Center at George Mason University. PhD in economics from UCLA.) 13 June 2017 “Experts and the Gold Standard” <https://www.cato.org/blog/experts-gold-standard>

Here I want to propose an alternative hypothesis, which complements rather than replaces the employment-incentive hypothesis. I propose that many mainstream economists today instinctively oppose the idea of the self-regulating gold standard because they have been trained as social engineers. They consider the aim of scientific economics, as of engineering, to be prediction and control of phenomena (not just explanation). They are experts, and an automatically self-governing gold standard does not make use of their expertise. They prefer a regime that values them. They avert their eyes from the possibility that they are trying to optimize a Ptolemaic system, and so prefer not to study its alternatives.

ADVANTAGE 1 – Inflation Solved

Gold standard bypasses the bureaucrats and stops inflation

Peter Ferrara 2014 (Director of Entitlement and Budget Policy for the Heartland Institute, Senior Advisor for Entitlement Reform and Budget Policy at the National Tax Limitation Foundation, General Counsel for the American Civil Rights Union, and Senior Fellow at the National Center for Policy Analysis; served in the White House Office of Policy Development under President Reagan, and Associate Deputy Attorney General of the United States under Pres. George H.W. Bush. Graduate of Harvard Law School) 1 August 2014 “Why the Gold Standard Is The Foundation For Restoring Booming Economic Growth” <https://www.forbes.com/sites/peterferrara/2014/08/01/why-the-gold-standard-is-the-foundation-for-restoring-booming-economic-growth/#6ad368f36eec>

Under the gold standard, working people would control the money supply, not elitist bureaucrats. If the Fed increased the supply of dollars beyond the people’s demand for dollars, people would exchange dollars for gold. The people would consequently stop the Fed before it could create inflation.

Gold is a stable measure of value

John Tamny 2019 (editor of RealClearMarkets, Director of the Center for Economic Freedom at FreedomWorks, and a senior economic adviser to Toreador Research and Trading.) 10 April 2019 “Your Move, Gold Critics: Please Explain What Money Is” <https://mises.org/wire/your-move-gold-critics-please-explain-what-money>

And it’s one that helps explain the ongoing desire among some monetary thinkers to relink currencies to gold. Gold didn’t emerge as the primary definer of money by coincidence, but instead because its value is so remarkably stable. The latter is an effect of gold’s unique stock/flow characteristics. While roughly 2,000 metric tons of the yellow metal are mined each year, there are already around 200,000 metric tons of gold above ground. Gold is the “constant” simply because any sales or discoveries of it are highly unlikely to alter its price in material fashion. A dollar, euro, pound, or yuan defined in terms of a gold ounce takes on characteristics of stability that give money its sole purpose as a medium of exchange. As Adam Smith long ago put it, “the sole use of money is to circulate consumable goods.”

Gold guarantees stable price levels and long-term purchasing power of the dollar

Dr. George Selgin 2019 (PhD in economics from New York Univ.; has written for numerous scholarly journals, including the British Numismatic Journal; the Economic Journal; the Economic History Review; the Journal of Economic Literature; and the Journal of Money, Credit, and Banking; and for popular outlets such as the Christian Science Monitor, the Financial Times, and the Wall Street Journal. Selgin retired from the University of Georgia in September 2014; also taught at George Mason University, the University of Hong Kong, and West Virginia Univ.) 14 February 2019 “Herman Cain's monetary heresies aren't as crazy as they sound” <https://thehill.com/opinion/finance/429984-herman-cains-monetary-heresies-arent-as-crazy-as-they-sound>

The price level? Here the gold standard era wins hands down. Under the gold standard, prices of goods and services tended to decline gradually, and money wages rose modestly. Confidence in the stability of the dollar’s purchasing power was so high, in fact, that bonds with fixed interest rates maturing in 99 or 100 years were common.

Gold is immune to politics and better than any man-made monetary system

Nathan Lewis 2019 (fifteen years of experience in the asset-management industry. He formerly served as a macro analyst for institutional investors, and later helped manage money for hedge funds.) 16 March 2019 “Why Gold Is Still The Best Basis For Money” <https://www.forbes.com/sites/nathanlewis/2019/03/16/why-gold-is-still-the-best-basis-for-money/#32c542c85624>

In this single sentence, Madison touched on some important political truths. You might argue that, ideally, "smart people" could get together and create some better -- that is, more Stable -- foundation for money than gold. But, you might also notice that nobody actually does this. They don't even try, and never have, in the past [five decades of floating fiat money](https://www.forbes.com/sites/nathanlewis/2019/01/25/in-money-we-trust-a-new-documentary-on-stable-money/#6747632a1639). One reason for this is that they are human: consequently, they crumble to political pressures, while gold does not. Even if you could invent some statistical concoction that is a better measure of Stable Value than gold -- although no human ever has -- arguably, no human institution could ever implement it for any length of time. Just look at how statistical concoctions like the Consumer Price Index have been [continually altered](http://www.shadowstats.com/), each time in response to political pressures, and to serve political ends. This is one reason why, as Madison asserted, gold remains "the only adequate guarantee for the uniform and stable value of a paper currency."

John Maynard Keynes (historical famous British economist): Stable money is critical to everything

Nathan Lewis 2019 (fifteen years of experience in the asset-management industry. He formerly served as a macro analyst for institutional investors, and later helped manage money for hedge funds) 16 March 2019 “Why Gold Is Still The Best Basis For Money” [Brackets in original] <https://www.forbes.com/sites/nathanlewis/2019/03/16/why-gold-is-still-the-best-basis-for-money/#32c542c85624>

Ideally, a currency would be perfectly stable in value. The market economy is organized via prices, profit margins, returns on capital and interest rates. Changes in the value of the currency derange this process, creating chaos and havoc. John Maynard Keynes described in 1923:

"[Markets] cannot work properly if the money, which they assume as a stable measuring-rod, is undependable. Unemployment, the precarious life of the worker, the disappointment of expectation, the sudden loss of savings, the excessive windfalls to individuals, the speculator, the profiteer--all proceed, in large measure, from the instability of the standard of value."

ADVANTAGE 2 – Economic Stability & Long-term Growth

Bank of England Study agrees: Gold standard is better than Federal Reserve Status Quo for jobs, economic growth and inflation

Ralph Benko 2016 (former deputy general counsel in the Reagan White House.) 4 January 2016 “Ted Cruz Has The Best Idea In The Presidential Debate: A Return To The Gold Standard” <https://www.forbes.com/sites/ralphbenko/2016/01/04/ted-cruz-has-the-best-idea-in-the-presidential-debate-a-return-to-the-gold-standard/#621b9b6a3db4>

The Bank of England’s 2011 [Financial Stability Paper No. 13](http://www.bankofengland.co.uk/research/Pages/fspapers/fs_paper13.aspx) assessed the Federal Reserve Note standard and its real outcomes — in every category reviewed, including job creation, economic growth, and inflation -- has demonstrated itself, over 40 years, as inferior to the gold and gold-exchange standards. Further research since that time supports the assessment of this paper.

One thirtieth of the previous value

Nathan Lewis 2018 (I write about economic topics in the Classical or "supply side" tradition.) 6 April 2018 “After 34 Years, We Again Have A Bill To Relink The Dollar To Gold” <https://www.forbes.com/sites/nathanlewis/2018/04/06/after-34-years-we-again-have-a-bill-to-relink-the-dollar-to-gold/#5f9e612464a7>

For much of the past five centuries throughout the Western world, this was "normal." The floating currency environment we have today, which academic economists like to suggest is some kind of natural economic phenomenon, is actually an aberration. The dollar's value has declined to about one-thirtieth of what it was in 1970, compared to gold, with predictable consequences. If the next fifty years are no better than the last, the dollar will be worth no more than a thousandth of its value during the Kennedy administration.

Economic instability has gotten worse since we departed from the gold standard

Ralph Benko 2016 (I am the editor-in-chief of the Committee To Unleash Prosperity's Supply Side Blog; founder of the Prosperity Caucus, and, with Charles Kadlec, co-editor of the Laissez Faire Books edition of Copernicus's Essay on Money. I also authored "The Websters' Dictionary: how to use the Web to transform the world," which won the “Trophée du choix des Internauts” (“The People's Choice”) in the World e-Democracy Forum Awards, 2010, Paris, France. See thewebstersdictionary.com. I was a deputy general counsel in the Reagan White House; founded the Prosperity Caucus; and was a member of the original Supply Side movement.) 4 January 2016 “Ted Cruz Has The Best Idea In The Presidential Debate: A Return To The Gold Standard” [brackets added] <https://www.forbes.com/sites/ralphbenko/2016/01/04/ted-cruz-has-the-best-idea-in-the-presidential-debate-a-return-to-the-gold-standard/#621b9b6a3db4>

“Economic stability” (which ostensibly economic historians concluded "long ago" that the gold standard lacks) is relative. The current epoch of fiduciary monetary policy is much less stable than the precursor gold standard. Fed Chair Paul Volcker, himself not an advocate of the gold standard, definitively nailed the instability of the current fiduciary dollar standard in a speech at the Bretton Woods Committee in 2014. [Volcker](http://www.forbes.com/sites/ralphbenko/2014/06/16/the-global-importance-of-paul-volckers-call-for-a-new-bretton-woods/) [says]:

In fact, international financial crises seem at least as frequent and more destructive in impeding economic stability and growth. The United States, in particular, had in the 1970’s an unhappy decade of inflation ending in stagflation. The major Latin American debt crisis followed in the 1980’s. There was a serious banking crisis late in that decade, followed by a new Mexican crisis, and then the really big and damaging Asian crisis. Less than a decade later, it was capped by the financial crisis of the 2007-2009 period and the great Recession. Not a pretty picture.

Investment means new jobs

Sean Ross 2018 (Bachelor of Science in Economics and International Political Economy at Regis University; has worked as a bankruptcy specialist, consultant, broker, financial advisor, and as a journalist.) Updated 24 January 2018 “How does total capital investment influence economic growth?” <https://www.investopedia.com/ask/answers/032615/how-does-total-capital-investment-influence-economic-growth.asp>

Increased capital investment allows for more [research and development](https://www.investopedia.com/terms/r/randd.asp) in the capital structure. This expanding capital structure raises the productive efficiency of labor. As labor becomes more efficient, more goods are produced (higher gross domestic product) and the economy grows.

At 4% growth, we would double our GDP in 17 years

Peter Ferrara 2014 (Director of Entitlement and Budget Policy for the Heartland Institute, Senior Advisor for Entitlement Reform and Budget Policy at the National Tax Limitation Foundation, General Counsel for the American Civil Rights Union, and Senior Fellow at the National Center for Policy Analysis; served in the White House Office of Policy Development under President Reagan, and Associate Deputy Attorney General of the United States under Pres. George H.W. Bush. Graduate of Harvard Law School) 1 August 2014 “Why the Gold Standard Is The Foundation For Restoring Booming Economic Growth” <https://www.forbes.com/sites/peterferrara/2014/08/01/why-the-gold-standard-is-the-foundation-for-restoring-booming-economic-growth/#6ad368f36eec>

At 4% real growth, our economy, incomes and standard of living would double every 17 years. After 34 years, a generation, per capita GDP, which defines the standard of living, would be 8 times larger.

The 1960s was one of the most prosperous decades

Nathan Lewis 2019 (fifteen years of experience in the asset-management industry. He formerly served as a macro analyst for institutional investors, and later helped manage money for hedge funds.) 3 May 2019 “The Political Path To A New Gold Standard System” <https://www.forbes.com/sites/nathanlewis/2019/05/03/the-political-path-to-a-new-gold-standard-system/#384dc66d5959>

After all, the United States actually did this for nearly two centuries, and ended up the wealthiest and most powerful country in the world. The last decade of the gold standard, the 1960s, was probably the most prosperous decade worldwide since 1914. The gold standard is just a means to an end; it is the best way we know of creating Stable Money, a currency that is, as closely as possible, stable in value, neutral, unchanging, and free of human manipulation; similar to other weights and measures like the kilogram or meter. It shouldn't be very controversial.

Gold equals stability

John Tamny 2019 (John Tamny is a speechwriter and writer of opinion pieces for clients, he's editor of RealClearMarkets, Director of the Center for Economic Freedom at FreedomWorks, and a senior economic adviser to Toreador Research and Trading.) 10 April 2019 “Your Move, Gold Critics: Please Explain What Money Is” <https://mises.org/wire/your-move-gold-critics-please-explain-what-money>

Gold proponents merely want to revive money’s historical purpose as a stable measure of value. For the same reason that no sane person would comfortably enter into a deal measured in Bitcoin, money of the dollar, euro, yen and pound variety similarly has demerits rooted in volatility. Re-linking currencies to gold would imbue them with the stability that would render them most useful as money.

ADVANTAGE 3 – Reduced Inequality

Gold Standard would promote the economic well-being of the middle class

Ralph Benko 2016 (editor-in-chief of the Committee To Unleash Prosperity's Supply Side Blog; founder of the Prosperity Caucus. Former deputy general counsel in the Reagan White House.) 4 January 2016 “Ted Cruz Has The Best Idea In The Presidential Debate: A Return To The Gold Standard” <https://www.forbes.com/sites/ralphbenko/2016/01/04/ted-cruz-has-the-best-idea-in-the-presidential-debate-a-return-to-the-gold-standard/#621b9b6a3db4> (ellipses in original)

Cruz is on strong ground -- economically, historically, and politically -- in his advocacy of the gold standard. The claim “*The worst idea in the presidential debate: a return to the gold standard*” is, simply, unsupported by the facts. While the gold standard is not, nor is it claimed to be, perfect -- no system is perfect -- it has an impressive track record. Readers deserve to have the evidence objectively reviewed rather than the topic ridiculed. The gold standard correlates with the American Dream of achieving decent middle class affluence through hard work far better than middle class affluence correlates with the Federal Reserve Note standard. Sen. Cruz's advocacy of the gold standard is impeccably respectable.

SOLVENCY

No amount of gold is needed

Keith Weiner 2014 (I'm founder of the Gold Standard Institute USA in Phoenix, Arizona, and CEO of precious metals fund manager Monetary Metals. I created DiamondWare, a technology company which I sold to Nortel Networks in 2008.) 24 June 2014 “America Needs The Gold Standard More Than Ever” <https://www.forbes.com/sites/keithweiner/2014/06/24/america-needs-the-gold-standard-more-than-ever/#7837f77273f4>

The practical argument against gold is that we don’t have enough of it. This is simply untrue. The 19th century gold standard was run with just a few hundred tons of the metal in London, a tiny fraction of what the US has today. The argument is also frivolous. If the market is allowed to set the value of gold, no particular quantity is necessary.

The gold standard is not contingent on the amount of gold the country owns

Peter Ferrara 2014 (Director of Entitlement and Budget Policy for the Heartland Institute, Senior Advisor for Entitlement Reform and Budget Policy at the National Tax Limitation Foundation, General Counsel for the American Civil Rights Union, and Senior Fellow at the National Center for Policy Analysis; served in the White House Office of Policy Development under President Reagan, and Associate Deputy Attorney General of the United States under Pres. George H.W. Bush. Graduate of Harvard Law School) 1 August 2014 “Why the Gold Standard Is The Foundation For Restoring Booming Economic Growth” <https://www.forbes.com/sites/peterferrara/2014/08/01/why-the-gold-standard-is-the-foundation-for-restoring-booming-economic-growth/#6ad368f36eec>

Contrary to myth, and intellectual confusion, under the gold standard the money supply would not be limited to the government’s holdings or supply of gold. The Fed could increase the supply of dollars to meet the demand for dollars, providing the money needed to service economic growth. As long as the supply did not exceed the demand, there would be no increased draw on the Fed’s holdings of gold due to the increased supply of dollars. So if the economy demanded more money to support the level of economic growth, under the gold standard, there would be no limitation on the Fed supplying it. This is why any country could operate a gold standard on any reserve of gold the government holds to support it. (The government could also print more of its currency to buy more gold in the marketplace if it thought holding more gold was necessary. That is fully consistent with the gold standard as well.).

Justification for the wait period – avoids shocks to the system, full disclosure of market for gold

Alex Newman 2018 (journalist) 5 April 2018 “Sound Money Bill in Congress Would Define Dollar as Unit of Gold” <https://www.thenewamerican.com/economy/economics/item/28680-sound-money-bill-in-congress-would-define-dollar-as-unit-of-gold>

Between when the bill is signed into law and the day that the dollar becomes officially redeemable in gold, the U.S. government would be required to disclose all of its holdings of the precious metal. It would also be required to report government purchases and sales of gold, enhancing the ability of the market “to arrive at the fixed dollar-gold parity in an orderly fashion.” Basically, the delay is aimed at ensuring a smooth transition to an honest monetary system without any sudden shocks to the system. Under the legislation, the Fed would continue to exist, but instead of dictating the money supply, it would simply administer it.

Gold standard would rein in (but not abolish) the Federal Reserve, removing its massive power over the economy

Alex Newman 2018 (journalist) 5 April 2018 “Sound Money Bill in Congress Would Define Dollar as Unit of Gold” <https://www.thenewamerican.com/economy/economics/item/28680-sound-money-bill-in-congress-would-define-dollar-as-unit-of-gold>

While the bill would not abolish the Fed — something constitutionalists such as former Congressman Ron Paul have long advocated — it would significantly rein in its massive powers over the economy. “Instead the market would be in charge, the supply and demand for money would match up, and prices would be shaped by economics rather than the instincts of bureaucrats,” Mooney said. Echoing President Trump, Mooney said he believed the economy could be restored to bring success back to America. “Returning to the gold standard is a way for the president to deliver on his promise of American working-class prosperity,” Mooney concluded.

DISADVANTAGE RESPONSES

A/T “Gold standard caused the Great Depression” – Eichengreen Fallacy

Ralph Benko 2016 (I am the editor-in-chief of the Committee To Unleash Prosperity's Supply Side Blog; founder of the Prosperity Caucus, and, with Charles Kadlec, co-editor of the Laissez Faire Books edition of Copernicus's Essay on Money. I also authored "The Websters' Dictionary: how to use the Web to transform the world," which won the “Trophée du choix des Internauts” (“The People's Choice”) in the World e-Democracy Forum Awards, 2010, Paris, France. See thewebstersdictionary.com. I was a deputy general counsel in the Reagan White House; founded the Prosperity Caucus; and was a member of the original Supply Side movement.) 4 January 2016 “Ted Cruz Has The Best Idea In The Presidential Debate: A Return To The Gold Standard” <https://www.forbes.com/sites/ralphbenko/2016/01/04/ted-cruz-has-the-best-idea-in-the-presidential-debate-a-return-to-the-gold-standard/#621b9b6a3db4>

It seems that Mr. Hiltzik, along many others in the cultural elite (including all of the 40 — not 51 — academic economists, few of whom were monetary economists, sloppily [surveyed by the Booth School in 2012)](http://www.forbes.com/sites/nathanlewis/2015/12/10/40-out-of-40-economists-agree-the-monetary-system-that-made-america-great-is-nonsense/), has fallen prey to the "Eichengreen Fallacy." The Eichengreen Fallacy is the attribution of the Great Depression to the gold standard. The gold standard had ceased operation over a decade before the Great Depression. It was not the causative factor.

A/T “Gold standard caused Great Depression” – The Federal Reserve caused the Great Depression

Dr. Lawrence White 2017 (has been a visiting research fellow at the American Institute for Economic Research, visiting lecturer at the Swiss National Bank, and visiting scholar at the Federal Reserve Bank of Atlanta; member of the Financial Markets Working Group of the Mercatus Center at George Mason University. PhD in economics from UCLA.) 13 June 2017 “Experts and the Gold Standard” <https://www.cato.org/blog/experts-gold-standard>

A recent example of a poorly grounded historical critique is provided by textbook authors [Stephen Cecchetti and Kermit Schoenholtz](http://www.moneyandbanking.com/commentary/2016/12/14/why-a-gold-standard-is-a-very-bad-idea). They imagine that the gold standard determined money growth and inflation in the US until 1933, and so they count against the gold standard the US inflation rate in excess of 20% during the First World War (specifically 1917), followed by deflation in excess of 10% a few years later (1921). These rates were actually produced by the policies of the Federal Reserve System, which began operations in 1914. The classical gold standard had ended during the Great War, abandoned by all the European combatants, and did not constrain the Fed in these years. Cecchetti and Schoenholtz are thus mistaken in condemning “the gold standard” for producing a highly volatile inflation rate. (They do find, but do not emphasize, that average inflation was much lower and real growth slightly higher under gold.) They also mistakenly blame “the gold standard” — not the Federal Reserve policies that prevailed, nor the regulatory restrictions responsible for the weak state of the US banking system — for the US banking panics of 1930, 1931, and 1933. Studies of the Fed’s balance sheet and activities during the 1930s have found that it had plenty of gold ([Bordo, Choudhri and Schwartz, 1999](https://www.nber.org/papers/w7125); [Hsieh and Romer, 2006](https://faculty.chicagobooth.edu/chang-tai.hsieh/research/jeh%201932%20omo.pdf), [Timberlake 2008](https://object.cato.org/sites/cato.org/files/serials/files/cato-journal/2008/5/cj28n2-13.pdf)). The “tight” monetary policies it pursued were not forced on it by lack of more abundant gold reserves.

Deflation doesn’t cause unemployment

Dr. George Selgin 2015 (has written for numerous scholarly journals, including the British Numismatic Journal; the Economic Journal; the Economic History Review; the Journal of Economic Literature; and the Journal of Money, Credit, and Banking; and for popular outlets such as the Christian Science Monitor, the Financial Times, and the Wall Street Journal. PhD in economics from New York Univ.) 4 June 2015 “Ten Things Every Economist Should Know about the Gold Standard” <https://www.cato.org/blog/ten-things-every-economist-should-know-about-gold-standard>

That the gold standard tended to be deflationary–or that it tended to be so for sometimes long intervals between gold discoveries–can’t be denied. But what certainly can be denied is that these periods of slow deflation went hand-in-hand with high unemployment. Having thoroughly reviewed the empirical record, Andrew Atkeson and Patrick Kehoe conclude as follows:

Deflation and depression do seem to have been linked during the1930s. But in the rest of the data for 17 countries and more than 100 years, there is virtually no evidence of such a link.

A/T “Only one country” – Stability would allow America to thrive

Keith Weiner 2014 (founder of the Gold Standard Institute USA in Phoenix, Arizona, and CEO of precious metals fund manager Monetary Metals.) 24 June 2014 “America Needs The Gold Standard More Than Ever” <https://www.forbes.com/sites/keithweiner/2014/06/24/america-needs-the-gold-standard-more-than-ever/#7837f77273f4>

There is also an argument against a lone country adopting gold. Currency devaluation encourages exports, lifting employment and the economy. It is true, so far as it goes. A falling currency cheapens export goods in world markets. But to fixate on this point ignores destruction of business capital and rising cost of imports, including raw materials. Japan's economic history confirms this. The yen rose along with exports for decades. Since 2012, the yen has fallen. Japan’s balance of trade is falling with it. Everyone is better off under gold. Even if other countries remain tethered to failing paper currencies, America should adopt the gold standard. Stable money will allow Americans to thrive. A major component of prosperity is the discipline gold imposes on government spending.

A/T “Price shocks” – Gold standard caused price shocks, but only in the short term

Prof. Michael Bordo 2005 (professor of economics at Rutgers Univ. From 1981 to 1982, he directed the research staff of the executive director of the U.S. Congressional Gold Commission.) (article is undated but references events in 2005 and none later) “Gold Standard” <https://www.econlib.org/library/Enc/GoldStandard.html>

The gold standard was a domestic standard regulating the quantity and growth rate of a country’s [money supply](https://www.econlib.org/library/Enc/MoneySupply.html). Because new production of gold would add only a small fraction to the accumulated stock, and because the authorities guaranteed free convertibility of gold into nongold money, the gold standard ensured that the money supply, and hence the price level, would not vary much. But periodic surges in the world’s gold stock, such as the gold discoveries in Australia and California around 1850, caused price levels to be very unstable **in the short run.**

A/T “Cost” – Gold standard would not cost 2.5% of Gross National Product

Dr. George Selgin 2015 (has written for numerous scholarly journals, including the British Numismatic Journal; the Economic Journal; the Economic History Review; the Journal of Economic Literature; and the Journal of Money, Credit, and Banking; and for popular outlets such as the Christian Science Monitor, the Financial Times, and the Wall Street Journal, among others.; PhD in economics from New York University.) 4 June 2015 “Ten Things Every Economist Should Know about the Gold Standard” <https://www.cato.org/blog/ten-things-every-economist-should-know-about-gold-standard>

Back [in the early 1950s](https://www.cato.org/www.jstor.org/stable/1826435), and again in 1960, Milton Friedman estimated that the gold required for the U.S. to have a “real” gold standard would have cost 2.5% of its annual GNP. But that’s because Friedman’s idea of a “real” gold standard was one in which gold coins alone served as money, with no fractionally-backed bank-supplied substitutes. As Larry White shows in his [Theory of Monetary Institutions](http://www.amazon.com/Theory-Monetary-Institutions-Lawrence-White/dp/0631212140) (p. 47) allowing for 2% specie reserves–which is more than what some former gold-based free-banking systems needed–the resource cost of a gold standard taking advantage of fractionally-backed banknotes and deposits would be about one-fiftieth of the number Friedman came up with.

The gold standard does not prevent the government from borrowing

Prof. Michael Bordo 1999 (Research Associate in the NBER's Programs on Monetary Economics and Development of the American Economy; professor of economics and director of the Center for Monetary and Financial History at Rutgers Univ.) Fall 1999 “Monetary Policy Regimes, the Gold Standard, and the Great Depression” <https://www.nber.org/reporter/fall99/bordo.html>

Many of my papers have dealt with the gold standard primarily as a rule or a commitment mechanism, thus shedding new light on gold standard history.[(5)](https://www.nber.org/reporter/fall99/bordo.html#N_5_)Adherence to a fixed price of domestic currency in terms of gold of course serves as a rule or commitment mechanism. It prevents monetary and fiscal authorities from following otherwise time-inconsistent policies.[(6)](https://www.nber.org/reporter/fall99/bordo.html#N_6_) The gold standard rule is also a contingent one: in the event of a well-understood emergency, such as a war, the authorities can temporarily suspend convertibility, issue fiat money to finance their expenditures, and sell debt. They understand that the debt will eventually be paid off in gold or in undepreciated paper. The public also understands that the suspension lasts only for the duration of the wartime emergency, plus some period of adjustment. Afterwards the government will adopt the deflationary policies necessary to resume convertibility at the original parity.

Gold standard isn’t price fixing

Dr. George Selgin 2015 (has written for numerous scholarly journals, including the British Numismatic Journal; the Economic Journal; the Economic History Review; the Journal of Economic Literature; and the Journal of Money, Credit, and Banking; and for popular outlets such as the Christian Science Monitor, the Financial Times, and the Wall Street Journal, among others.; PhD in economics from New York University.) 4 June 2015 “Ten Things Every Economist Should Know about the Gold Standard” <https://www.cato.org/blog/ten-things-every-economist-should-know-about-gold-standard>

To describe a gold standard as “fixing” gold’s “price” in terms of a distinct good, domestic currency, is to get off on the wrong foot. A gold standard means that a standard mass of gold (so many grams or ounces of pure or standard-alloy gold) *defines* the domestic currency unit. The currency unit (“dollar”) is nothing other than a unit of gold, not a separate good with a potentially fluctuating market price against gold. That one dollar, defined as so many grams of gold, continues be worth the specified amount of gold—or in other words that one unit of gold continues to be worth one unit of gold—does not involve the pegging of any relative price. Domestic currency notes (and checking account balances) are *denominated* in and redeemable for gold, not *priced* in gold. They don’t have a *price* in gold any more than checking account balances in our current system, denominated in fiat dollars, have a price in fiat dollars. Presumably Eichengreen does not find it curious or objectionable that his bank maintains a fixed dollar-for-dollar redemption rate, cash for checking balances, at his ATM.

Gold standard v. current era: Employment

Dr. George Selgin 2019 (PhD in economics from New York Univ.; has written for numerous scholarly journals, including the British Numismatic Journal; the Economic Journal; the Economic History Review; the Journal of Economic Literature; and the Journal of Money, Credit, and Banking; and for popular outlets such as the Christian Science Monitor, the Financial Times, and the Wall Street Journal. Selgin retired from the University of Georgia in September 2014; also taught at George Mason University, the University of Hong Kong, and West Virginia Univ.) 14 February 2019 “Herman Cain's monetary heresies aren't as crazy as they sound” <https://thehill.com/opinion/finance/429984-herman-cains-monetary-heresies-arent-as-crazy-as-they-sound>

Consider unemployment. Although the pre-1914 statistics aren’t very reliable, those we do have show a considerably lower average unemployment rate for 1870-1914 than for 1914-1946 or since 1970. Unemployment between 1946 and 1970 was lower than it had been during the gold standard era, but just barely.

Gold standard v. current era: Financial panics

Dr. George Selgin 2019 (PhD in economics from New York Univ.; has written for numerous scholarly journals, including the British Numismatic Journal; the Economic Journal; the Economic History Review; the Journal of Economic Literature; and the Journal of Money, Credit, and Banking; and for popular outlets such as the Christian Science Monitor, the Financial Times, and the Wall Street Journal. Selgin retired from the University of Georgia in September 2014; also taught at George Mason University, the University of Hong Kong, and West Virginia Univ.) 14 February 2019 “Herman Cain's monetary heresies aren't as crazy as they sound” <https://thehill.com/opinion/finance/429984-herman-cains-monetary-heresies-arent-as-crazy-as-they-sound>

Though he didn’t mention financial panics, Cain might have noted that, although the gold-standard era was pock-marked with them, there were actually more panics during the two decades after the Fed’s establishment (and the end of the classical gold standard era) than there’d been during the previous two decades.

Gold standard v. current era: Recessions

Dr. George Selgin 2019 (PhD in economics from New York Univ.; has written for numerous scholarly journals, including the British Numismatic Journal; the Economic Journal; the Economic History Review; the Journal of Economic Literature; and the Journal of Money, Credit, and Banking; and for popular outlets such as the Christian Science Monitor, the Financial Times, and the Wall Street Journal. Selgin retired from the University of Georgia in September 2014; also taught at George Mason University, the University of Hong Kong, and West Virginia Univ.) 14 February 2019 “Herman Cain's monetary heresies aren't as crazy as they sound” <https://thehill.com/opinion/finance/429984-herman-cains-monetary-heresies-arent-as-crazy-as-they-sound>

And recessions? According to statistics developed by Christina Romer, the highly-regarded economic historian who served as chair of the Council of Economic Advisers in the Obama administration, recessions have actually been longer-lasting, more severe and more frequent since 1914 than before. What’s more, they’ve even been slightly longer, slightly deeper and no less frequent since World War II than they were back then.

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