

[A Few More Reasons for Gold-Backed Money](#)

By [The Mogambo Guru](#)

04/07/11 Tampa, Florida – [Charles Kedlac](#) here at *The Daily Reckoning* asks, “What, then, should we make of 13th century theologian Thomas Aquinas’ claim ‘...one man cannot over-abound in external riches without another man lacking them’?”

I’ll tell you what to make of it; Tommy boy didn’t know squat about economics, because if a rich guy wants a fancy carriage, maybe with some cool mag wheels and a snazzy paint job, he is going to pay a lot of money to a lot of people who help make that carriage into a smokin’ babe-magnet.

The article was, alas, not about guys and hot cars, with photos of hot babes in scanty outfits sprawled seductively on hoods, trunks, running boards, seats and, best of all, bent over bumpers, but about greed, and how people wonder about the billions of dollars some people make, as “those on the left use the word as an epitaph against the successful as epitomized by Sen. Bernie Sanders ‘When is enough enough?’ he asked in his impassioned plea for raising tax rates ‘on the rich.’”

I’ll tell you when, Bernie! That’s the same question I have been asking about you socialist morons! When is enough enough? It is not enough that local, state and federal spending has grown to half – half! – of all spending in the Whole Freaking Country (WFC)? That’s not enough, for crying out loud?

And as far as enough taxes on the rich, I’ll tell you when enough is enough, Bernie. It’s when thousands and millions of people get tired of selling goods and services to the rich, and becoming middle-class themselves in the process, enough to support a gigantic government bureaucracy and a huge, desperate underclass whose sole source of support is government programs.

Up until that moment, the rich will get richer and the poor will get poorer because you, Bernie, and your Congressional halfwit socialist morons spend more than you collect in taxes, just as you have for the past 50 years – a half century! – and the Federal Reserve has to create the money which somebody can borrow to buy the new government debt, increasing the money supply and increasing inflation in prices, which hurts the poor the most, you lowlife idiot who loves to bleat for the poor but actually spends his time hurting them!

It’s ironic that he can only do that, for long, under a fiat-money economic system, as those days may be thankfully coming to an end, as I gather from “A Comeback for Gold-Backed Money?” an essay by Andrey Dashkov of Casey Research.

There is something in that title there that gives me hope that, yes, we will return to a gold-backed money, and so I read on where he writes that for “the reasons Aristotle outlined 2,000 years ago (it’s durable, divisible, consistent, convenient, and has intrinsic value), gold is hands-down the world’s best money,” with which I certainly agree, even if he doesn’t mention the benefits of low inflation in prices when gold is used as money, which is good news for everybody, especially the poor, who can’t afford to pay higher prices.

Then he starts out with Gresham’s Law, which is where I almost quit reading, because I already know about Gresham’s Law, which has, as I recall, something to do with good money (gold and silver) and bad money (paper and base metals), and how people holding bad money get Screwed Big Time (SBT). I figure that’s enough to know, you know?

But, apparently, that isn’t the case all the time! He explains, “Gresham’s Law tells us that bad money drives out good, but that’s only true when legal tender laws hold sway (incentivizing people to hoard what’s perceived to be ‘good’ money and spend the ‘bad’ money as fast as they can).”

The result is that, “When people give up on the local legal tender, Gresham’s Law goes into reverse, and good money chases out bad.” The old switcheroo!

Well, this is certainly good news, but it begs the question, “How much gold is there to establish this new Utopia of stable prices and predictability thanks to a gold standard?”

Well, according to Wikipedia, “The world has official holdings of 30,562.5 tonnes of gold,” where “One tonne is approximately 32,150.75 troy ounces.”

Interestingly, although “at the end of 2004, central banks and investment funds held 19% of all above-ground gold as bank reserve assets” and they constituted the second-biggest holder of gold.

The overwhelming majority of gold (52%) is held in the form of jewelry!

Also interestingly, 108 countries around the world now have at least 813 ounces of gold (0.1 tonne), the last on the list being Costa Rica.

By this, it is obvious that the overwhelming majority of countries in the world are accumulating gold, and so you are in the majority if you are buying gold, too.

Your big edge is that they are not accumulating silver! Yet! Now you know why I say, “Whee! This investing stuff is easy!”