

A good place to start would be to stop printing money immediately and indefinitely. Then a measure would be needed to reduce the amount of money in circulation at the moment (perhaps by raising interest rates) in order to stabilize the objective value of the dollar against commodities. Once the dollar is stabilized at a set ratio against gold, we can begin a transition period to the gold standard.

WHY THE GOLD STANDARD?



Simple, because gold gives the dollar a definitive value and prices will fall against it. Even at today's prices in commodities, a barrel of oil will cost you roughly about 1/10 of an ounce of gold. A gallon of gasoline at \$3.65 today would cost you about a Silver quarter (at a spot price of \$17/oz. for silver) if our coins were still made of precious metals. Also, gold would foster savings for people who spend their money now because they know the money will be worth less later on. Money worth having is money worth saving.

Most importantly though, is that money cannot be inflated under a gold standard. The government could not spend more than it has because the government could not simply create gold out of thin air the way it prints paper. The power over the government would truly be in the hands of the people, as the framers of the constitution intended. Remember Article I,

Section 10 of the U.S. Constitution say "no state shall... make anything but gold and silver coin a tender in payment of debts." The fact of the matter is that sound currency in the hands of the population, which is true wealth distribution amongst the people by the free market, is the key to Liberty in all other aspects of life.

WHAT CAN YOU DO?

Join us for the "End the Fed" protest on November 22, 2008.

Find like minded individuals at the Campaign for Liberty, and participate in making a real positive difference for the sake of our Republic.

Visit and join these websites:

www.campaignforliberty.com
www.nyccl.com
ronpaul.meetup.com/50/
www.manhattanlp.org
libertarian.meetup.com/324/
www.operation-liberty.com

OPERATION-LIBERTY.COM

The Truth about Paper Money

By Isaiah Matos

<http://operation-liberty.com>

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OPERATION-LIBERTY.COM

The Truth about Paper Money

A citizen's guide to
Fiat Currency

HOW IS THE ECONOMY AFFECTING YOU?

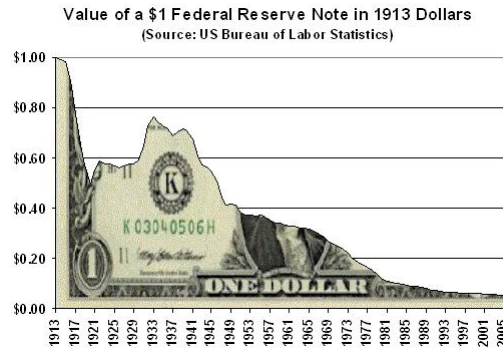
It would be a stupid question to ask if you have noticed how much the prices of most necessities have been increasing dramatically in the last few years, wouldn't it?

It seems like everything is going up in price. Rents, milk, bread, eggs, rice, coffee, gas, oil, and gold have broken record prices consistently over the last five years.

The question is: Why? Well, most people like to say that oil is the driving factor behind the price increase of everything that needs to be transported in order to reach you as a consumer.

Most people are wrong. Everything cost more because your dollars are worth less. And everyday your dollars become worth less than they were worth the day before.

The fact of the matter is that your dollar is just a piece of paper with a number on it, and it has value because the government declares it has value. Not because you can give your dollar back to the government and get something of objective value, but because the government declares it has value.



WHY IS YOUR DOLLAR WORTH LESS?

Your dollar's objective value is declining because the government (which has a monopoly over money) prints up money whenever it needs to pay for something. Every time the government prints money without actually accumulating any wealth, it brings down the value of the dollars already in existence by the percentage it just printed.

For example, if you had a very rare autographed Mickey Mantle baseball card worth about \$15,000. All of the sudden, you read in the newspaper that 10 people found the same exact autographed Mickey Mantle baseball cards in their attics, and now your card is only worth \$1,500. That is because there was an inflation (or decrease in rarity) of your baseball card by 90%.

IF INFLATION MAKES THE DOLLAR WORTH LESS, WHY DOES THE GOVERNMENT INFLATE?

Remember the Mickey Mantle card? Well, if you would have sold your card before the

new cards inflated the market; you would have got the original value of \$15,000. Since the government prints the money and spends it before it makes an impact on the market, the dollar it printed is worth the same as the dollar in your pocket. However, by the time the dollar that the government printed and spent today reaches you tomorrow, the market would have adjusted to the new amount of money in circulation, and devalued the original dollar you had yesterday.

The government does this so the politicians can pay for all the things they promised you for your vote and all the extra things the government likes to do such as encroaching upon sovereign foreign nations. They never tell you that you are going to pay for their wars or grand healthcare plans by inflationary taxes. Why imagine if they would have told you they needed to borrow half a trillion dollars from you to fight a war in Iraq. You would have told them "Drop dead, I have bills to pay."

So, inflationist policies dominate government in order for them to grow large and ominous over the people, spend much more than they accumulate by taxes, and maintain empires over weaker nations. Such a policy cannot sustain itself indefinitely, and soon the debt collector will come looking for the United States of America when her credit standing is no longer acceptable.

HOW DO WE FIX THIS?

America's economic woes cannot be fixed overnight with more printing and spending as many politicians would have you believe.