

Sound Money and Jobs Plank

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Sound money is the hallmark of a prosperous society. Fraudulent money impoverishes and enslaves societies, and history teaches it commonly rips them apart in blood-soaked wars. Sound money not only imposes fiscal discipline upon government, impeding reckless federal spending and imprudent warfare, but it also provides a stable unit of account, store of value, and medium of exchange for entrepreneurs, businesses, and individuals.



When [the Federal Reserve](#) inflates or deflates the money supply, there is no net benefit to society whatsoever. Obviously, the key to prosperity does not lie in running a printing press endlessly, like Zimbabwe, and it defies logic that America's prosperity would increase if every American deflated the money supply by burning a \$100 bill.

Inflation and deflation are simply methods to redistribute wealth. It is easy to see that inflation benefits debtors and hurts savers on fixed incomes, like many retirees. Conversely, deflation benefits savers and hurts debtors. However, there is no net gain. In large part due to the burden of the \$12 trillion dollar debt, the American government chooses inflation to avoid insolvency.



The inflation of newly-created money redistributes more purchasing power from the American people to government bureaucrats, the military-industrial complex, recipients of foreign aid, and [bailouts to corporations](#) like AIG, GM, and Goldman Sachs. These select groups then have the advantage of using it first - paying higher wages, creating jobs that have either less (or no) economic benefit to society, investing (or leveraging) money at different times and places, et cetera. Sound money not only disciplines government from committing reckless spending but prevents these gross economic imbalances from ever occurring.

The United States does not have sound money, despite the fact that the [Constitution](#), the supreme law of the land, mandates this. The founders well knew about the failures of paper currency after the Revolutionary War where the curse "worth less than a Continental" referred to the worthless script currency used to pay the army.

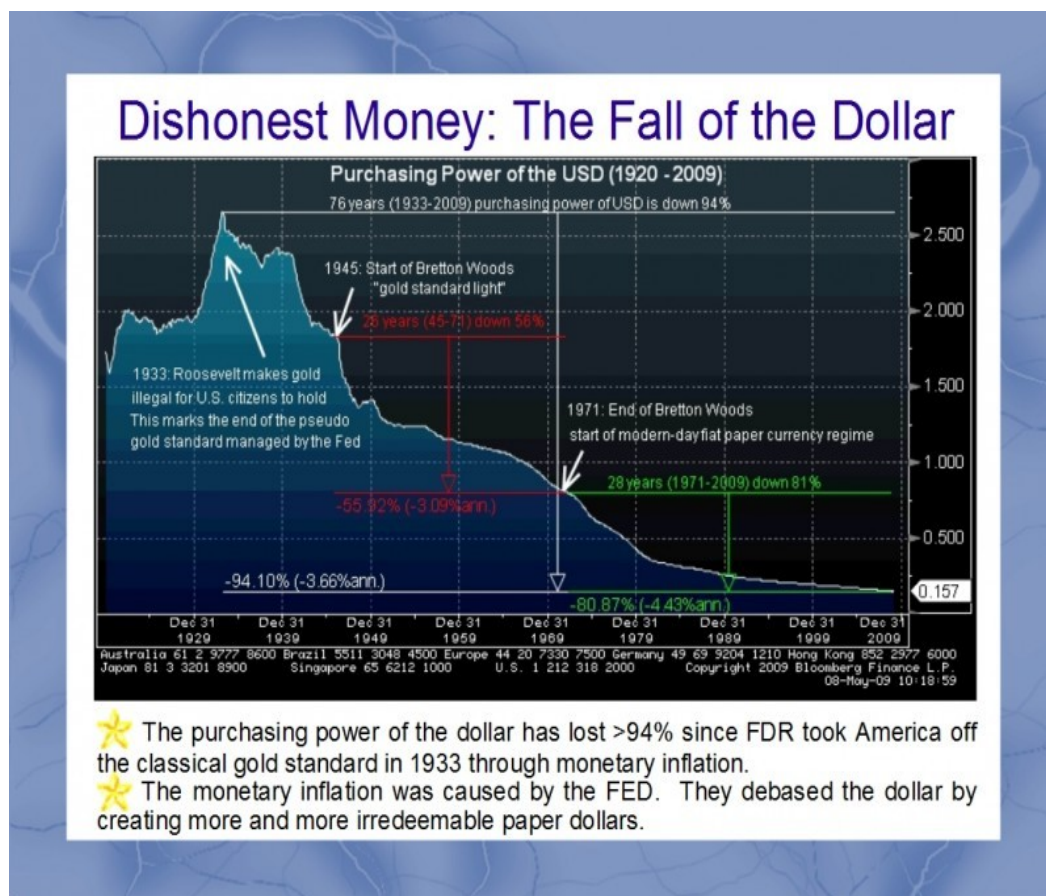
For money to be sound, it must be durable and not easily destroyed. It must be portable for convenience. Sound money must be easily divisible into smaller units, recognizable and

uniform. Sound money must be reproducible. Above all, sound money must be scarce, and it must also have a relatively stable purchasing power.

Fiat currencies – like the dollar and all other national currencies - can never truly fulfill the scarcity and purchasing power requirements. For example, let's use our own currency. In 1964, all dimes, quarters and halves were 90% silver by mass. Four silver dimes in 1964 would buy a good loaf of bread. In 2010, the dimes would certainly not be enough at a bakery, but exchanging at a jeweler or coin shop for its worth in silver would yield about \$5 today – quite sufficient to make the exchange.

Today the dollar is a bill of credit not backed by gold or anything else - even though the Constitution still forbids the right to emit bills of credit for use as money. The government's monetary role is to mint money and maintain the integrity of the monetary unit, not to commit fraud by debasement or to substitute counterfeits of paper for the constitutionally-specified forms of lawful money, coins of gold and silver. Individuals should be free to trade and exchange as money any mutually agreeable commodity or item as they wish.

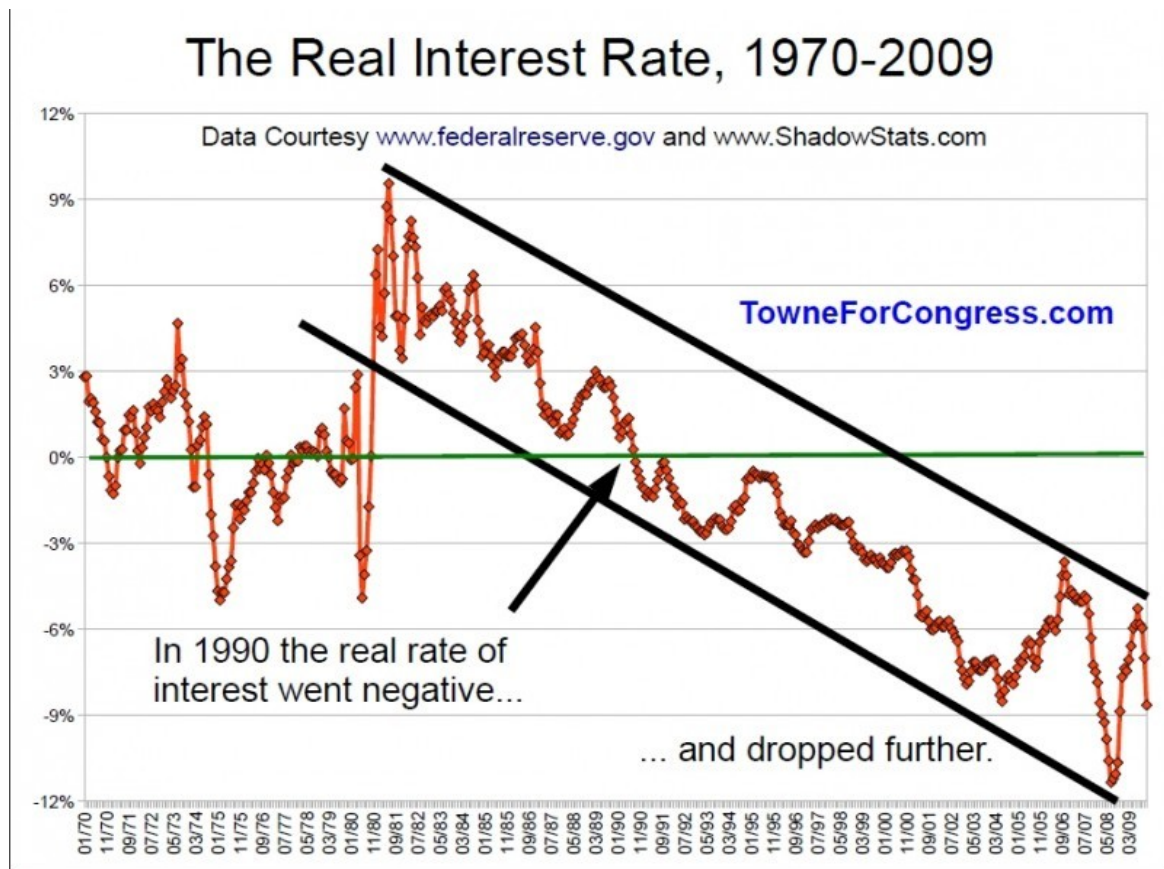
As of January 1st, 2010, the dollar has devalued against gold by 98.3% since the Federal Reserve was begun in 1913. Since 1933 when the country left the gold standard, the dollar has lost >94% of its purchasing power versus goods. The central bank's function is to slowly devalue the currency in a way that few can detect except by viewing long periods of time. [Your current Congressman is a willing accomplice in this theft.](#)



To further disguise the dollar's debasement, central banks collude in secret to suppress the gold price, just as the Federal Reserve's very own documentation proves occurred during the collapse of the ill-fated [London Gold Pool](#) in the 1960s. Unknown to most Americans, the gold currency market exchanges well over \$20 trillion dollars annually, a sum comparable to the market capitalization of global equity and bond markets, and higher than the \$15 trillion figure bandied about as US GDP. To learn more, please read "[The Summers Gold Price Suppression Scheme](#)."

To see the dollar's devaluation over a long period of time, please see the below graph entitled "[The Real Interest Rate](#)." Simply speaking, the real interest rate is an approximation of the difference between the interest rate earned on a savings account and the inflation rate. When it is positive, the dollar's purchasing power is increasing. When it is negative, the dollar's purchasing power is decreasing. When the real rate of interest is negative, the purchasing power of currency saved in a bank account is dropping, as the total supply of dollars is rising at a faster rate and now purchases less goods or services. As can be seen, since 1990 the purchasing power of the dollar has been negative and continues to drop in ever-increasing amounts. As of December 2009, the real rate of interest is over 8%.

Over the long term, a negative real interest rate signifies America's savings and capital is being destroyed. This graph explains why our jobs, factories, and equipment have been driven overseas - and why most consumer goods are from China. To a large extent, this explains the rampant American consumerism of the past decade - why present-day goods are preferred to future goods! The government is responsible for the capital destruction of our society.



This is why we are living in a Depression and [unemployment is at 22%](#) - you didn't really believe the government unemployment figures of 10%... right??

This explains why the American consumer "saved" in the stock market and "saved" in the real estate market; we all instinctively recognized that leaving dollars in the bank would not generate enough purchasing power in our child-raising and retirement years, so as a society we invested and speculated in these markets.

This explains why Social Security recipients find it hard to get by - the inflation adjustments to their monthly checks should be almost twice as large to make up for the purchasing power they were promised by the government.

This explains why families now need two wage-earners instead of one, why our children spend more and more time in day care while Mom and Dad struggle to make ends meet.

In short, the simple graph of the "real interest rate" demonstrates quite a bit. But where has this wealth, this purchasing power, gone? Has it just disappeared into thin air?

No! Our lost purchasing power has been stolen, confiscated, and spent by the Republicrat Establishment - central bankers, large multinational corporations, bureaucrats and the military-industrial complex are key recipients. This theft has only been made possible since the "money power" belongs to the state, not to the people - where it belongs. Besides the obvious remedy of slashing [government spending](#) and ending [government-sponsored corporatism](#), I have outlined my ideas for a transition plan back to sound money [here](#).

I will never betray my constituents to the immoral [money creation schemes](#) of the government's bankers and always strive to protect their right to possess and exchange sound money.

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