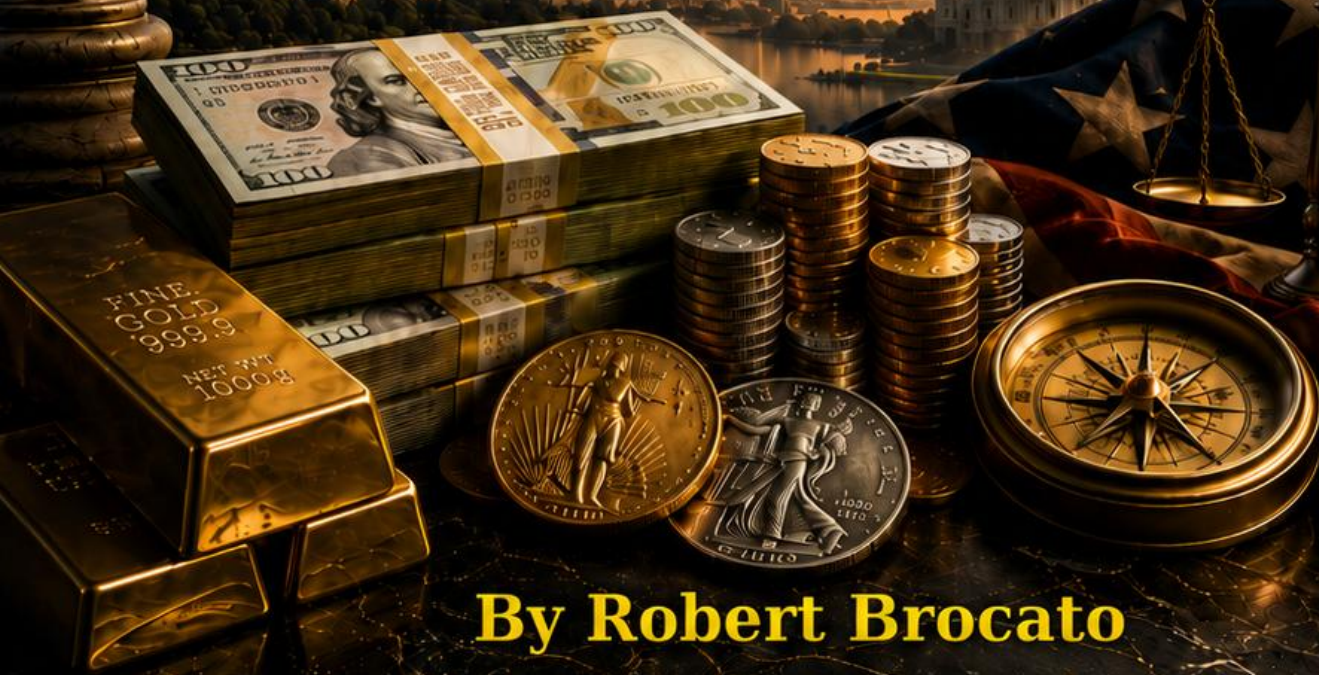




DON'T TREAD ON ME

YOUR MONEY ★ — ★ IN ★ — ★ PERIL



By Robert Brocato

rootsoffreedom.net

Your Money in Peril

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Your Money in Peril

“Your silver has become dross, Your wine mixed with water”

(Isa 1:22, NKJV).

*We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty **and the pursuit of Happiness**... --That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government...*

God has given us the right to the pursuit of Happiness. This phrase was meant to be an expansion of the thought of property. So instead of saying Life, Liberty, and Property, Jefferson chose to say pursuit of Happiness to acknowledge that not everyone owns property or equally owns property. Some pursue worldly possessions in a different manner, even choosing to not own anything on occasion. So, the phrase pursuit of Happiness was chosen over property to say that these other pursuits should be equally protected.

The Declaration of Independence makes this very clear. The Declaration says it is our right to create a new government if the current government fails at this point.

Introduction

Let's start this report with a question. If the government introduces \$100 new dollars for every \$1 you own into the market, what happens to the value of your \$1?

If both the \$100 and the \$1 are chasing the same goods and services, then your \$1 will be worth less than it was. Its value will go down. You will have less buying power. This is inevitable. You can't escape it.

So, every time the government borrows more money and introduces it into the marketplace, you lose buying power. If the government has no intention of paying it back, you have lost your buying power permanently.

My dad was looking at a bottle of probiotics the other day, and he asked me why this same bottle cost around \$20 less ten years ago. I explained to him how our



government keeps borrowing more and more money with no intention of ever paying it back. And quite frankly, since the one lending the money doesn't have any money to begin with, there's little motivation to ever pay it back. My dad is on a fixed income, and the ones playing this game are stealing the buying power of people on a fixed income the most.

What is money? Money is a means of exchange. Period. That's it. Instead of giving my neighbor a cow and receiving a pig in exchange, we use money to complete the transaction. You don't need the government to tell you what means of exchange to use. If you have a silver or gold coin, then this may be your means of exchange. Why do you need the government involved at all? If money were actually free, then the government would not need to say or do anything. You would actually be free to exchange as you see fit.

It should be noted that wages go up as our system of borrowing and spending takes place. However, wage increases will never keep pace with spending increases over time. We will examine these concepts and more later.

One more thing before I begin: there is such a thing as Biblical economics – a Biblical way of using money, establishing taxes, and more. Christians should understand this, even if they don't get the details. God cares, so should we. We should pray to Him to help us do the right thing, to be honest and upright with our money. We are far from honesty or uprightness today.

As we will see, God usually wants us to have freedom. Man, in the form of civil governments, usually wants control. The controls set up by man usually don't work, and we all suffer. Let's pray that we, as God's people, can begin to understand and ask for God's help in going in the right direction.

Let's begin.

A Brief History of Worthless Money

History is replete with examples of countries that have tried paper currency and have failed. It has basically never worked anywhere it has been tried. And still, we insist today that we are different. We can make it work. Why are we so arrogant? Not only might our money completely collapse, but it doesn't matter if it does or not; we are already losing. The buying power of the middle and lower classes is going away rapidly. So, either way- collapse or slow descent- we are not going up. We are falling, fast or slow.

The Bible talks about *dross* in the Old Testament in many places. This dross was made of less valuable metals added to silver to sort of stretch the silver. Again, the dross materials were less valuable. Silver and gold always have a little bit of less valuable material added to them, or you can't use them. This is because, in their purest form, both will bend too easily. The problem comes when too much less valuable material is added; then, the silver becomes watered down, so to speak.

God says this through Isaiah, “Your silver has become dross, Your wine mixed with water” (Isa 1:22, NKJV). God is making a point that His people had taken worldly things and elevated them up with godly things and called both of them godly things. They had taken worldly things and called them holy. Now what was holy? When silver becomes dross, where is the silver?

Part of what led to the fall of Roman society was that they debased their currency over time. We know God was judging them. However, one way God wanted to judge them was that they lusted after easy money. One way to create easy money was to debase the currency and fill it with dross. They would then force the new money on people by the power of the sword, sort of like we do today in the U.S. Eventually, in Rome, the people figured it out, and the sword pointing no longer worked.

The denarius in Rome was nearly pure silver at the beginning, containing as much silver as possible. However, “By the third century AD, as the empire lost territories and tax income, the denarius contained a mere 5% silver” (1).



Recently, when the communist regime took over Venezuela, the currency became hyper-inflated. In Chile, in 1970, after a communist takeover, the currency experienced hyperinflation. “By late 1972, inflation hit 600%, and a year later, it soared to 1200%. Chile defaulted on its international debts” (1). Essentially, Chilean money, the escudo, became worthless.

There is an old joke about the Weimar Republic in Germany (the government from 1919 to 1933). An older lady was wheeling a wheelbarrow full of cash to the store to buy a loaf of bread. She tripped and fell to the ground. When she rolled over and got back up, she saw that the pile of cash had been dumped on the ground. It was the wheelbarrow that had been stolen!

The colonies in the U.S. all fooled around with paper money, but it wasn’t always accepted. Many buyers and sellers would simply exchange goods and services with gold and silver privately. In addition to what private sellers did, some states used the Spanish dollar; other states tended to use more real money like gold or silver, but each state did its own thing. There was a good deal of differing mixed monies over time.

Paper money is very easy to make worth less over time, as those in authority eventually will figure out that they can spend as much as they like. They don’t need to raise taxes, just print and spend more. When they do this, the paper money becomes worth less and less until it becomes worthless.

History of Money in the U.S.

Let's look again at the history of the U.S. and try to learn from some of the mistakes we have made. First, consider the Declaration of Independence. The third phrase Jefferson used to describe proper government was that it protected "The Pursuit of Happiness." Again, many people misunderstand this phrase and think it literally means being happy or some such foolish notion. It does not. It was meant to further explain "property."

If a government fails to protect property and the pursuit of property, it has failed at a fundamental level. Jefferson wrote that this was a reason to overthrow such governments. Are we at this point now? I don't know. I do know the poor are becoming more and more poor, and more and more middle-class people are entering the ranks of the poor.

In the history of the U.S., before the Constitution was ratified, many of the individual state governments tried to force their citizens to use paper currency. This really didn't work.

Because of mismanagement, ineptitude, and laziness, these states wanted to force paper money so that they could create as much as they wanted. Many in the colonies would not use the government money. You can have artificially low taxes as long as you can print as much "money" as you want. Of course, when a person realized he could walk over the state line into a state with more real money or simply ignore the government, this paper money didn't always work as expected.

The Articles of Confederation allowed each state to have its own coinage, which most states were already doing anyway. You were also allowed freedom to coin your own money as a private citizen.

After the Constitution was ratified, the new Congress put an end to this paper currency debacle and forced everyone to use gold and silver as a means of exchange. Indeed, the Constitution itself forbade the States from using anything but gold and silver as a means of exchange, so when Congress passed the Coinage Act, it was a natural outworking of the Constitution.

In 1792, Congress passed the Coinage Act, setting the value of the new dollar relative to silver and gold. However, in doing so, they valued these metals against each other in an artificial sense, causing one or the other to be used for actual currency.

Also, the government didn't need to do this. It was just their way of taking control of all those foolish states using their own paper money. Perhaps all they needed was a law stating paper "money" was no longer allowed, and also a statement that, as for the federal government, they would collect taxes as gold and pay their debts with gold. I will get into this later. The reason they didn't do this may have been a matter of enforcement and such. In any event, the Constitution now said the States needed to use gold and silver, and so did the Coinage Act of 1792.

Because new market forces made gold more valuable than silver, silver became the de facto standard that everyone would use until 1834. Then in 1834, Congress tried to revalue the dollar

What does fractional reserve buying on the stock market mean? It meant that if you had \$100, you could buy \$1000 worth of stocks. This fractional reserve buying was set up by the government, not free enterprise or market forces. This was possible because you would now use the stock you just purchased as collateral for a loan from the banks for the other \$900. Buying stocks on a fractional margin created a lot of rich people overnight, which in turn fueled the Roaring 20s. The Roaring 20s came to a screeching halt with the start of the Great Depression



after the crash in 1929. Way overvalued stocks quickly lost around 50% of their value and eventually would lose even more, leaving the banks with several bad loans.

This created bank runs. A lot of people showed up at the banks all at once, asking to get their money out. Let's look at how this can create havoc.

What does fractional reserve banking mean? It means that the banks were (and still are, by the way) able to lend out more money than they had in reserve, or cash on hand. So, if I put \$10 in the bank, the bank was, and is still, able to lend out \$200 or whatever the fractional reserve rate happens to be. At the time of the depression, and today, that rate was and is 20 to 1. Banks today still practice fractional reserve banking at a rate of 20 to 1. If you put one dollar in a bank, it can lend out 20 dollars. This rate is set by big banks, given that authority by the government, and at prior times in history, this rate was set more directly by the government.

Fractional reserve buying on the stock market before the crash was set at 10 to 1. This 10-to-1 ratio was really insane. Today, it is 1 to 1 or 2 to 1 in some cases.

So, when the crash happened, eventually everyone ran to their banks to get their money out, but the banks did not have enough money to give back to the people. This is always true, by the way. If a bank lends out 20 dollars for every dollar put into it, it will never have the money.

Banks make more loans than they have in deposits. Again, this is always true, as banks always lent out 20 dollars for every 1-dollar deposit during much of our history. However, due to the panic, many people got nervous and wanted their cash. And a lot of those loans were for stock purchases. Yes, banks have other loans as well; many of the loans were actually good loans. However, good or bad, all these loans meant the banks could not give the depositors their money back. And, again, this can still happen today. However, the panic from the stock market crash had set in.

Many banks would eventually fail as the panic spread. Eventually, Roosevelt ordered them closed by declaring bank holidays until tensions ceased. Roosevelt started declaring bank holidays in 1933 after 9000 banks had failed.

And then he put in place the FDIC insurance system to try to calm everyone's nerves. And it worked. Enough people were fooled into believing their money was now insured by the federal government. It didn't matter that there was enough money in the FDIC to cover a few major banks, and that's it. The FDIC was never meant to cover all banks, but it couldn't even really cover all the banks they claimed they were covering.

The Federal Reserve Act of 1913 was supposed to stop this kind of bank run from happening. Prior to the Federal Reserve, banks had trouble freeing up enough money, and the Federal Reserve Bank was set up to have enough money ready if a run ever happened.

In England, there was a similar run on the banks in 1919, and the bigger banks were able to come up with cash fast enough to stop the run. However, in the U.S., instead of helping the situation and finding more money to give to people who ran on the banks when the banks needed more money, the Federal Reserve actually made it harder for the banks to obtain money.

In autumn of 1930, a run on the banks started in the South, and the Federal Reserve did nothing, resulting in widespread failures. Then, in the spring of 1931 and in January and June

1932, other bank runs started, and the Fed actually made money tighter and made it more difficult to get cash. This resulted in even more failures and more banks collapsing. And so, the Federal Reserve contributed to the worsening of the Great Depression. This was likely done on purpose.

The people at the Federal Reserve knew that the stock market was going to crash. They even warned about it several times before it happened. And then they did nothing to help. They warned about the coming crash because they did not want to be blamed for it. This is fine, as far as it goes; however, they did make matters worse, which is not fine. They were supposed to help the situation, but they did not. They likely had insidious motivations as well.

Biblical banking will be discussed below; however, again, there should be freedom and not hidden government mandates. Few people knew that their money was *always* in danger, and the real danger was not created by the stock market crash. The stock market crash just made people panic. If there had been a run on the banks for any other reason, there would not have been enough money in the banks. There *never* is. This will be explained more below.

As the depression wore on, Roosevelt banned the owning of gold by private citizens. People were becoming desperate, and so they went along with this idea. They went along with a lot of bad ideas as a result of being poor and destitute. So, they sold their freedoms down the river for a pot of soup. Many of the freedoms enjoyed in the United States before Roosevelt would soon be gone. And, no, we never got them back.

“In 1933, President Franklin D. Roosevelt’s administration prohibited the private hoarding of gold coin, bullion, and certificates by U.S. citizens. The Gold Reserve Act of 1934 then officially devalued the dollar by changing the fixed price of gold from \$20.67 to \$35 per ounce...” (2).

The Gold Reserve Act of 1934 devalued the dollar. Banning the private ownership of gold effectively took us off the gold standard. This allowed the government to temporarily have more buying power. Roosevelt also changed the nature and function of the Federal Reserve Bank. Then, in 1936, when we entered World War II, the government started “borrowing money” from the restructured Federal Reserve. This would send us into oblivion. I will explain more below.

And, even though private citizens were not allowed to exchange the dollar for gold, foreign governments still could. Technically, the government said that 35 dollars was still worth one ounce of gold until 1971. One ounce of gold was not worth \$35, and as the government borrowed more and more, this number was just artificial verbiage and was never real to begin with. Again, we will get into this later.

Roosevelt and the US government were never honest. Say it isn’t so, right? And over time, by 1971, it had given out many dollars to foreign countries, and it didn’t have all the gold to redeem all those dollars.

When more and more foreign countries wanted to exchange their dollars for gold, in 1971, Nixon said this: “I have directed [Treasury] Secretary Connolly to suspend temporarily the convertibility of the dollar into gold”(3). This “temporary” suspension was never lifted. Nixon, like Roosevelt, was in clear violation of the 1900 Gold Standard Act and prior acts, and no one

said a word. Both violated the Constitution, and no one said a word. The dollar, by law, was supposed to be tied to gold, and it was not. By the way, as for Nixon, no law was even passed. Nixon didn't even sign an executive order. It was just so.

Now our dollar was completely meaningless. It had already been so for a while, but it was sort of official now. In most ways, we were already in oblivion, but now it was full-blown oblivion.

Nixon should have borrowed the money and paid those countries what they owed. He wasn't brave enough to do the right thing.

People had become so used to using paper "money" since Roosevelt made it illegal to own bullion or coin that no one even noticed. You had to use the paper dollar to buy and sell things. And it had always been tied to gold, or silver earlier in history, and now you couldn't own gold bullion, so people didn't even notice this final vestige of sanity going away. Paper was used in the past, and you still had to use it.



However, it was really Roosevelt who took us off the gold standard, not Nixon. If you could not exchange your dollar for gold or silver on the market, saying one ounce of gold was worth \$35 dollars was meaningless. It was an arbitrary declaration.

Four years later, it became legal to own gold again by an act of Congress, but the dollar remained off the gold standard. But the real value of the dollar would be revealed in 1974, not in 1971 or 1934.

By the end of 1975, gold was worth around \$140 per ounce in reality. It went up and down in the market for a while, but eventually settled at around \$140 per ounce. That was the actual value of an ounce of gold, not the arbitrary \$35 that Roosevelt had declared. It was the result of years and years of government borrowing.

You still could not buy or sell with gold, so it wasn't practical for everyday use. "Money" had become paper once again. Again, for a long time, you were and still are forced to use this paper. Only the rich have any serious assets in gold or silver. The rest of us lose buying power every day when we are forced to use this "money" called the dollar.

Do you want to know how much buying power the average person has lost since 1934 or 1971? One ounce of gold in 1971 was said to be worth \$35. Actually, it was closer to \$140, as explained above.

Let's think of it this way. In 1925, a very nice men's suit at Sears cost around \$20, which was one ounce of gold. Gold was, of course, \$20 an ounce. If you assume textiles became a little cheaper to make and manufacture, in 1978, a fine men's suit at Sears cost around \$150. One ounce of gold on average for the year 1978 was \$193. So, pretty close, right? A \$43 difference

could be explained because textiles were cheaper to manufacture by 1978. The gold didn't change value. The dollar did.

Now think of it this way. As of this writing today, one ounce of gold is around \$5000. In 1920 it was \$20, and most likely in 1971, it was around \$140. Any way you look at it, that is a lot of buying power the dollar has lost in a little more than 50 years, or you could say 95 years going back to Roosevelt. Anyone saving money is losing. Anyone investing money must outpace gold if their investment is to have any real meaning. We are being robbed of our wealth because Roosevelt said how evil market forces and "capitalism" were.

Not only did Roosevelt violate the Gold Reserve Act of 1900, but he violated the Constitution of the United States as well. Article I, Section 10 says, in part, "no state shall make any Thing but gold and silver Coin a Tender in Payment of Debts..." The Coinage Act of 1792 was meant to codify this requirement of the Constitution. And it did so until Roosevelt and Nixon violated it.

In the late 1990's, there was a website that tried to use gold as a means of exchange. Anyone participating in the club would only be allowed to buy and sell goods and services on the website with gold. The government shut it down because it was using gold as money and not dollars. This was deemed to be illegal.

However, today there are currently 12 states that follow the Constitution again. That number became 12 in May 2026 when legislation in Florida took effect. The current 12 states that allow buying and selling with gold are Florida, Arizona, Indiana, Kansas, Louisiana, Oklahoma, South Carolina, Tennessee, Texas, Utah, West Virginia, and Wyoming.

By the way, buying and selling with bitcoin also violates the Gold Reserve Act of 1900 and the Coinage Act as well. However, these laws don't need to be there. Anything you want to use for currency should be legal. Again, all the government needs to do is say how it collects taxes and pays debts. Anything more than this is unnecessary and impinges on freedom. I will talk more about this in a moment.

The U.S. Debt

In 1791, Congress created the First Bank of the U.S. In 1811, its charter expired, and it was allowed to pass out of existence. The reason for the First Bank of the U.S. was that the U.S. had no way of paying the men who fought in the Revolutionary War against England. We had to create the bank to pay the men and then slowly pay back the debt over time.

Then in 1816, Congress created the Second Bank of the U.S., and then 17 years later, Andrew Jackson vetoed a law to allow it to continue. It officially ceased to exist in 1836, although it had been without power since 1832, when Jackson chose to ignore its existence. Then in 1913, the U.S. created the Federal Reserve. In 1934, Roosevelt changed the scope of the bank somewhat, and it has continued pretty much unchanged since. In 1936, we started "borrowing" from the Federal Reserve Bank, which didn't have any money to begin with.

There was no central bank in the U.S. from 1836, when President Andrew Jackson allowed the charter of the Second Bank of the U.S. to end, until 1936, when we started “borrowing” from the Federal Reserve to fund World War II. For over 100 years, the U.S. government owed no money to anyone, and it was during this time period that the U.S. economy grew from a third-world nation to become the richest nation on planet Earth.

Then, “to fund the war effort,” Roosevelt began “borrowing” from the Federal Reserve in 1936. By the time the war was over in 1945, the U.S. had amassed a debt of \$258,600,000 dollars, and most of this debt was owed to the Federal Reserve. Roosevelt amassed two hundred fifty-eight billion six hundred million dollars of debt. Where did the Federal Reserve get this money to begin with? It didn’t have any. The U.S. was borrowing funny money.

What happened after Roosevelt left office? See the chart below for how the U.S. has fared since.

Year	Total Debt	President
2025 (Projected FY2025)	\$38.52T	Donald Trump
2024	35.46T	Joe Biden
2023	33.17T	Joe Biden
2022	30.82T	Joe Biden
2021	28.43T	Joe Biden
2020 (COVID-19 pandemic)	26.95T	Donald Trump
2019	22.72T	Donald Trump
2018	21.46T	Donald Trump
2017	20.24T	Donald Trump
2016	19.54T	Barack Obama
2015	18.12T	Barack Obama
2014	17.97T	Barack Obama
2013	16.72T	Barack Obama
2012	16.05T	Barack Obama
2011 (S&P downgrade)	14.76T	Barack Obama
2010	13.53T	Barack Obama
2009 (Great Recession stimulus)	11.88T	Barack Obama
2008 (First \$10T, financial crisis)	9.99T	George W. Bush
2007	8.95T	George W. Bush

2006	8.45T	George W. Bush
2005	7.91T	George W. Bush
2004	7.35T	George W. Bush
2003	6.76T	George W. Bush
2002	6.20T	George W. Bush
2001	5.77T	George W. Bush
2000	5.63T	Bill Clinton
1999	5.61T	Bill Clinton
1998	5.48T	Bill Clinton
1997	5.37T	Bill Clinton
1996	5.18T	Bill Clinton
1995	4.92T	Bill Clinton
1994	4.64T	Bill Clinton
1993	4.35T	Bill Clinton
1992	4.00T	George H.W. Bush
1991	3.60T	George H.W. Bush
1990	3.21T	George H.W. Bush
1989	2.86T	George H.W. Bush
1988	2.60T	Ronald Reagan
1987	2.35T	Ronald Reagan
1986	2.12T	Ronald Reagan
1985	1.82T	Ronald Reagan
1984	1.57T	Ronald Reagan
1983	1.37T	Ronald Reagan
1982 (First \$1T)	1.14T	Ronald Reagan
1981	997.86B	Ronald Reagan
1980	907.70B	Jimmy Carter
1975	533.19B	Gerald Ford
1970	370.92B	Richard Nixon
1965	317.27B	Lyndon B. Johnson
1960	286.33B	Dwight D. Eisenhower
1955	274.37B	Dwight D. Eisenhower
1950	256.8B	Harry S. Truman
1945 (WWII peak)	258.6B	Franklin D. Roosevelt
1940	42.97B	Franklin D. Roosevelt

1936	We begin borrowing	Franklin D. Roosevelt
1832 - 1936	We owe nothing to anyone	From Andrew Jackson to Herbert Hoover

(4,4).

To whom does the U.S. Government owe money? Hmm? If you look this up on Google or Bing or some such, you are not likely to find the answer quickly. You will find that we owe money to China, other foreign governments, banks, and private investors. You may or may not see that we also owe money to the Federal Reserve. In fact, about 78% of our debt is currently owed to the Federal Reserve. We owe it in different forms like T-bills and bonds and such, but it all begs the question. All these clever ways of borrowing are sort of creative camouflage. Having so many ways to borrow begs this question. Where did the Federal Reserve get this money that they “lend” out? How did they acquire such great wealth to begin with?

The Federal Reserve was created by the federal government and has been modified by the federal government. How did it get such a huge injection of wealth to lend so much money to the federal government?

It didn't. It actually creates the money every time our government asks for it. In the past, this was a ledger entry on a piece of paper. Today this is a blip on a computer screen. This way, the government can spend as much as it wants and not raise your taxes. “Great!” you say, “My taxes stay the same.”

Not so fast. Remember when I was telling you how one ounce of gold was valued at \$35 by Roosevelt, which was arbitrary verbiage, and really it was worth \$140 in 1971? It now sells for around \$5000 an ounce. Because the government increases the money supply every year, *your* money is becoming worth less and less every year. This will continue unless you stop it.

Or it will continue until your money (dollars) becomes completely *worthless*.

U.S. citizens could not buy and sell gold on the open market until 1974. In 1974, you could buy gold again. So, any dollar price you see for gold before private investors became involved will be a completely artificial price. The 35 dollars declared by Roosevelt was largely meaningless because you couldn't actually get an ounce of gold when you turned in your 35 dollars. We didn't know the true value of the dollar until 1974 or perhaps 1975, when gold and silver became legal to own again. But now the value is still skewed because you still can't buy and sell with gold except in those 12 states we talked about earlier. And this is a more recent development. However, it is closer to reality than Roosevelt's declaration.

When the government creates money (well, technically the Federal Reserve is creating the money) and puts it into the market, the supply of money increases. Inflation is, in fact, an increase in the supply of money. The increased money supply is what drives up prices. Your

dollar is worth less and less because it has to compete with all these new dollars introduced into the market.

The government had been doing this since 1936, all the while claiming that your dollar was worth so much gold. They claimed that you could technically turn in \$35 and buy one ounce of gold.

Again, to make it clear, until 1974, you could not exchange your dollars for gold because the government outlawed owning gold for 40 years, from 1934 until 1974. Now, in 1974, with gold becoming legal to own again, you could buy gold for dollars. It would likely take the market a few years to stabilize, which is, in fact, what happened with gold going up and down for a while until it settled at around \$140 an ounce, where it stayed for quite some time. This was likely a reflection of the true value of the dollar around the year 1971, or perhaps a little lower, but not the \$35 per ounce of gold you were told by the government.

It should be noted that wages increase over time as all this money is introduced into the market, but if you think wages actually keep pace with all this government spending, you are sadly mistaken. Wage increases are always last in line after the government spends. The government goes first, large private businesses come next, then smaller businesses, and then after the dust settles, you get your wage increase if your business is still operational.

And, if you are set up on some sort of fixed income, you lose the most. Your buying power quickly becomes nil.

Fractional reserve buying on the stock market and fractional reserve banking created the crash that started in 1929, and fractional reserve banking is still with us today. Now, we have to deal with paper (phony) money again.

Biblical Money

Why are gold and silver good for money? The bottom line is that God created it that way. The amount of gold in the world is very stable. It doesn't go up or down very fast. Anyone watching the TV show "Gold Rush" will see what it takes to mine for new gold. If the team had found a few ounces of gold by the end of the season, they had a pretty successful year. It was hard work and took several people. No one was getting rich. No, gold doesn't change value very fast.

Because gold and silver have inherent and sublime beauty and are limited in amount, these make for a good means of exchange. Why is everyone so in love with bitcoin? The only reason to like bitcoin is that there is a finite, limited amount of it. If gold and silver were allowed to have their proper place in the market, bitcoin would be irrelevant. Gold and silver are already limited, and discoveries of them are very, very limited. And gold and silver make for beautiful jewelry and artwork because of their sublime beauty.

Money has been with us a long time. Even before God destroyed the world with the flood, and before the fall of man into sin, the Bible records the following about the great river that watered the garden of Eden and then split into four different branches. "The name of the first is Pishon; it

is the one which skirts the whole land of Havilah, where there is gold. And the gold of that land is good. Bdellium and the onyx stone are there” (Gen 2:11-12 NKJV).

God intended man to use gold at least for its aesthetic beauty even before the fall, when He judged man for his sin. And then, not too long after the flood, when God made a covenant with Abram and changed his name to Abraham, we read, “Abram was very rich in livestock, in silver, and in gold” (Gen 13:2 NKJV).

Apparently, the civil government in Abraham’s day set a means of exchange that included gold and silver. As the character Al would say in the hit TV show *Tool Time*, “I don’t think so, Tim.” No one needed to tell Abraham and others that gold and silver were valuable and a good means of exchange. It was pretty obvious. The Chaldees may have used gold and silver, but Abraham was no longer living there, and he was basically wandering to where God would have him go.

Again, this is pretty early in the history of mankind. It was not that many years after the flood that this description of Abraham was given. Gold and silver are a very good means of exchange because they are inherently so and created by God that way.



Not only did mankind understand that gold and silver were valuable as a means of exchange, but it became known that this would not always work. Not too many years after this description of Abraham, around four hundred years later, there was a famine. Grain had become so hard to come by in Joseph’s day that gold and silver became meaningless.

Different translations of the Bible use different words in this passage. Some say that the Egyptians spent all their money, and they had none left. This seems dubious to me, as the word in the Hebrew, *tāmam*, means more like “come to an end.” This would more likely mean that the money is meaningless or, more correctly, translated as “failed.” Money had become worthless.

The New King James translates the passage this way. “So when the money failed in the land of Egypt and in the land of Canaan, all the Egyptians came to Joseph and said, ‘Give us bread, for why should we die in your presence? For the money has failed’” (Gen 47:15 NKJV).

Even if you translate the passage as “we spent all our money,” you are still left with money having so little value that it was all spent compared to grain. For this short period of time, in this region of the world, grain had become more valuable than gold or silver. There is really no other way of looking at it.

If one searches the scriptures, there is nowhere that God tells governments to “control” money and use this or that as a medium of exchange. If the government does anything at all, it should simply state, “We will collect our taxes in gold and pay our debts in gold.” That’s it. This is all

the control it needs. The free market should handle the rest. People should be able to choose whatever medium of exchange they want.

The Bible simply wants man to be free. Wicked governments want to control.

Biblical Banking

Let's go back to the Great Depression in the U.S. Why did it happen? A great cause of the depression was people running to the banks, and then the banks did not have the money to pay everyone who asked for their money.

I have news for you. If everyone went to all the banks right now and asked for their money, they still would not have enough to pay everyone. This is not even close. Banks are allowed to loan out 20 times the amount they take in. So, if I put one dollar in the bank, it can lend out 20. If everyone, all at once, tries to get back their one dollar, the bank will say they don't have enough. They can't. They have lent it out and 19 dollars more.

This is called fractional reserve banking. It is regulated and controlled by the government, not market forces or free enterprise. Some would argue that, today, the Federal Reserve has more to do with this than the federal government, but this is somewhat irrelevant, as it is artificially controlled by powers set up by the government and banks. People who use the banks have no say in the matter.

The federal insurance system set up by the government under Roosevelt (the FDIC) is a ruse. There was never enough money in the system to cover even close to all the loans given out by the banks. If everyone asked for their money back from the banks, the insurance would quickly run out like a drop in the bucket. The FDIC was set up to keep people from asking for their money, and it was never meant to cover all the money. Further, the FDIC only covers certain banks, not all of them. Even if you expand the covered banks, it is still just a ruse, even for the biggest of banks.

This is not the biblical model. The biblical model would allow free people to enter into free arrangements. Free banks would tell free people that if the people put their money in the bank, the bank would lend it out to other people, so if everyone came to get their money back, the bank simply would not have it. They could, however, give you some return on your money for allowing it to be lent out. People would know ahead of time they could lose their money, but they could earn interest.

If free people made their own decisions, they could choose to use a different kind of bank that, perhaps, actually charged them money for securing their savings. In such an arrangement, the people's money would always be there, and the bank could not lend it out. Their money in the bank would be secure, but it would not earn interest, and it may actually cost people money to put money in the bank. This is sort of done today with safety deposit boxes.

Freedom would allow choices in banking made by free people to set whatever arrangement they deemed best. About the only thing the government may need to enforce is that all parties tell the truth, and that the truth can be easily understood.

Biblical Taxes

Did God say, “Thou shalt not steal, unless you are the civil government?” No. It was never even implied. In fact, God described tyranny as the ruler taking ten percent of everything. “He will take a tenth of your grain and your vintage, and give it to his officers and servants. And he will take your male servants, your female servants, your finest young men, and your donkeys, and put them to his work. He will take a tenth of your sheep. And you will be his servants” (1Sam 8:15-17, NKJV).

Today, we believe that the collective “civil government” is somehow inherently good or better than individuals. This type of thinking has gotten us into all kinds of trouble and evil. The civil government is made up of individuals, and if those individuals are evil, they will just become more evil when they come together to make laws and enforce laws and power. This is basic to human nature.

Power corrupts. It is a very simple concept, and today we have it backwards. We think power makes people better. It doesn't.

When God said, “Thou shalt not steal.” He didn't say, except for the civil government. Again, the Bible describes tyranny as a leader taking 10% in taxation.

For many years, the U.S. lived with significantly less taxation than 10%, and we did quite well. Then, we sold our freedoms down the river under Roosevelt. Our government was small and owed nothing to anyone. How did we live? We must have been so impoverished. Right? In fact, this is the time period when the U.S. went from a third-world nation to becoming the richest nation on planet Earth.

Roosevelt blamed all our problems on the free market or “capitalism.” In fact, the fractional reserve buying of stocks and fractional reserve banking were artificial economic systems set up by the federal government.

Many people in power, including those on the Federal Reserve board, said the collapse was coming. It was easy to see. People were taking \$100 and buying \$1000 worth of stock. The roaring 20s were going to come to an end. The overnight millionaires would have a day of reckoning as people would come to realize the stock values were just paper assets, and those valuations were way too high.

After Roosevelt became president, prohibition came to an end. He blamed all our money problems on freedom; people were willing to listen. Give me a beer and tell me how evil those capitalists are again. Right on, man! And today, many still believe the myths he created, and this includes many on the so-called “right.”

The ending of Prohibition made Roosevelt extremely popular. And being poor made a lot of Americans believe him.

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