

More U.S. states looking to legalize gold and silver as currency while ditching dollars

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(NaturalNews) As the U.S. government continues to crank out dollars like they were Monopoly money, more and more states - fearing an eventual collapse of the currency, most likely - are looking at ways to legalize and utilize gold and silver as currency.

Shunning trust in the Fed chairman Ben Bernanke, the Treasury and the economic policies of the Obama administration, more than a dozen states are considering adoption of the alternative currencies.

Utah lawmakers and Gov. Gary Herbert enacted legislation in 2011 that authorizes bullion for use as currency; now, similar bills are under consideration in Kansas, South Carolina and other states, according to *Bloomberg News*.

The measures are being supported by limited government advocates in these states yet for now passage of such laws are largely symbolic. You can't, for instance, go grocery shopping in Utah and pay for your items with gold.

Concern about impending 'collapse of the dollar'

These measures are important because they are reflective of growing concerns over the longevity and viability of the U.S. dollar - concerns that have been heightened by the Fed's rather unconventional moves (like massive printing of trillions of excess dollars) in recent years, in some weird attempt to "stabilize" the economy, says Loren Gatch, a politics professor at the *University of Central Oklahoma*.

"The legislation is about signaling discontent with monetary policy and about what Ben Bernanke is doing," Gatch, who studies alternative currencies at the Edmond, Oklahoma-based school, told Bloomberg. "There is a fear that the government, or Bernanke in particular and the Federal Reserve, is pursuing a policy that will lead to the collapse of the dollar. That's what is behind it."

There is good reason for such concern.

For one, Bernanke and the other money masters have been manipulating currency and the markets for years, all in a way that benefits the Wall Street and banking elites. The Fed chairman has been keeping interest rates near zero since the beginning of the Great Recession in December 2007 primarily because elevated rates would devastate the federal government, which is paying hundreds of billions in interest payments on borrowed money as it is.

And this irresponsible fiscal manipulation is ongoing. Per *Bloomberg News*:

The Fed said in March it would continue buying \$85 billion in securities each month in a program known as quantitative easing that has ballooned its assets beyond \$3 trillion and is aimed at keeping long-term borrowing costs low to support economic growth.

Moreover, economic figures are being fabricated. According to an inflation measure "favored by the Fed," Bloomberg notes, consumer prices rose just 1.3 percent in February over the previous year. Yet anyone who is trying to earn a living knows that two of the most purchased items - food and gas - are chiefly responsible for the dramatic cost of living rises in recent years. And yet, they aren't even factored into the government's inflation figures because they are considered too "volatile."

Gold, silver making comebacks

Investors bet that inflationary pressures would increase because of the government's phony "economic stimulus" measures that did nothing but pile on more debt. Still, that speculation led to a 78 percent rise in gold prices since December 2008. The historic precious metal hit a high of \$1,923.70 an ounce in 2011; since then, prices have retreated and have remained flat. Now they are around \$1,535 an ounce, which is still high.

But when inflation *does* kick in - and it will - the value of gold and the other historically valuable currency, silver - will increase as well. States considering using these precious metals as currency once more seek to use them as a fall-back when the dollar finally does collapse.

Texas gold is not just in the oil fields

One state, in fact, is so concerned about the dollar's economic future it is considering legislation to regain physical possession over its gold.

Texas Gov. Rick Perry and a number of lawmakers want to establish the Texas Bullion Depository to store some 6,643 gold bars valued at about \$1 billion that are currently being held in a New York bank warehouse. The gold, which is owned by the *University of Texas Investment Management Co.*, or UTIMCO, took delivery of the bars in 2011 over concerns that rising demand would eventually outpace supply [<http://www.naturalnews.com>]

The facility would also accept deposits from the general public, and serve as a basis for a payments system in the state in case a "systemic dislocation in a national and international financial system" were to occur, the legislation says.

Jim Rickards, the senior managing director at the Tangent Capital Partners LLC in New York, and author of *Currency Wars: The Making of the Next Global Crisis*, said if Texas were to enact its legislation, it would mean sovereign backing of deposits, like when the dollar was based on the gold standard, and make the purchase and storage of gold easier.

"We are seeing a distinct movement back to a world where gold is considered money," Rickards told *Bloomberg News*.