

Every Investor Must Have a 5/10% Gold Hedge

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Jeff Deist of *LewRockwell.com* writes abridged:

Fed Bugs are people with a faith-based belief in the power of central banks (and central bankers) to engineer economic growth using “monetary policy, “despite decades of history and current evidence to the contrary. They believe tinkering with inputs and rates and velocity and flows somehow makes us richer in terms of productivity, goods, and services. They believe in financial alchemy, as economist Nomi Prins puts it, rather than precious metals.

They believe paper has value so long as government issues it and legislates its use.

Central bankers almost by definition are Fed Bugs, but so are most monetary economists, financial journalists, and politicians. And they all hate gold with a passion.

The reasons why are multifarious, but ultimately flow from their fundamental resentment of any money they do not control and cannot design. Central planning requires central money, and gold stands apart by its very decentralized nature. It is indifferent to human conceptions, and can be discovered and summoned from the earth only with tremendous risk and effort. It cannot easily be manipulated or destroyed, and its value cannot be decreed (though they try mightily). It is unchanging, unyielding, and stubbornly at odds with the political visions of Fed Bugs.

And so they hate it.

Gold quietly serves as a lingering rebuke of the entire

political fiat money project—even as central banks are forced by circumstances to buy and hold it as collateral, as the ultimate hard currency and liquid asset for their balance sheets. In fact, central banks steadily bought or repatriated huge amounts of physical gold in recent years, despite the supposedly strong world economy prior to the Covid crisis.

Nixon eliminated the right of foreign governments to redeem US dollars for gold in 1971.

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