

## **In praise of the gold standard**

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From *The Quotable Mises*, Ludwig von Mises's best nine quotes on gold and the gold standard:

- 1. Every nation, whether rich or poor, powerful or feeble, can at any hour once again adopt the gold standard.**
- 2. The gold standard has one tremendous virtue: the quantity of the money supply, under the gold standard, is independent of the policies of governments and political parties.** This is its advantage. It is a form of protection against spendthrift governments.
- 3. The gold standard alone makes the determination of money's purchasing power independent of the ambitions and machinations of governments, of dictators, of political parties, and of pressure groups.** The gold standard alone is what the nineteenth-century freedom-loving leaders (who championed representative government, civil liberties, and prosperity for all) called "sound money."
- 4. Men have chosen the precious metals gold and silver for the money service on account of their mineralogical, physical, and chemical features.** The use of money in a market economy is a praxeologically necessary fact. That gold — and not something else — is used as money is merely a historical fact and as such cannot be conceived by catallactics.
- 5. All those intent upon sabotaging the evolution toward welfare, peace, freedom, and democracy loathed the gold standard, and not only on account of its economic significance. In their eyes the gold standard was the labarum, the symbol, of all those doctrines and policies they wanted to destroy.**
- 6. The return to gold does not depend on the fulfillment of some material condition. It is an ideological problem. It presupposes only one thing: the abandonment of the illusion that increasing the quantity of money creates prosperity.**
- 7. The gold standard did not collapse. Governments abolished it in order to pave the way for inflation.** The whole grim apparatus of oppression and coercion — policemen, customs guards, penal courts, prisons, in some countries even executioners — had to be put into action in order to destroy the gold standard. Solemn pledges were broken, retroactive laws were promulgated, provisions of constitutions and bills of rights were openly defied. And hosts of servile writers praised what the governments had done and hailed the dawn of the fiat-money millennium.
- 8. The classical or orthodox gold standard alone is a truly effective check on the power of the government to inflate the currency. Without such a check all other constitutional safeguards can be rendered vain.**
- 9. The gold standard was the world standard of the age of capitalism, increasing welfare, liberty, and democracy, both political and economic.** In the eyes of the free

traders its main eminence was precisely the fact that it was an international standard as required by international trade and the transactions of the international money and capital market. It was the medium of exchange by means of which Western industrialism and Western capital had borne Western civilization into the remotest parts of the earth's surface, everywhere destroying the fetters of age-old prejudices and superstitions, sowing the seeds of new life and new well-being, freeing minds and souls, and creating riches unheard of before. **It accompanied the triumphal unprecedented progress of Western liberalism ready to unite all nations into a community of free nations peacefully cooperating with one another.**