

Gold and Your Money - Insurance for Your Wealth During a Financial Meltdown

Part I – Gold as Money or One World Currency?

There are many theories floating around concerning the economic future of the US in light of current economic problems; and make no mistake, these problems are serious. As the US economy goes, so do most world economies so this is no small concern. The idea of gold as money, as a form of insurance on your wealth, is gaining ground - one person at a time.

The government and media are doing what they can to minimize the look and feel of today's crisis...and as of March 2010, it appears to be working. Although I see little evidence to support any recovery, certainly none to support the existing high valuations in the US stock markets and many others around the world. There is a good chance that things are bad enough all over that it just may be beyond their help already. This may be true even if they were sure what to do, which I am not convinced they do. We have never been where we are today in many ways.

So the question on many people's minds is this: Will gold be needed or used as money in the near future? This question can be broken down into two general categories or potential scenarios. The first possibility, however remote, would be if there was a formal or government backed change to some relationship in currency to gold. The second possible scenario would be consumer led. It might start with a steady increase in the use of gold by the average citizen over some period of time, resulting in a secondary economy. Gold for goods and services. Technically, anyone can do that now. Go to eBay or Craig's list and offer an exchange. If there was enough widespread loss of faith in the dollar/currency, some version of this is a distinct possibility. We will focus on this second aspect in the next article in the series Gold and Your Money – Insurance For Your Wealth During a Financial Meltdown, Part 2 – Return to a Gold Standard? For this article, we will focus on gold as money and the US government.

The first question's premise that gold itself would return as money in an effort backed by the US government, or any existing government today is unlikely. There is an outside chance that a return to a currency tied directly to gold (a gold standard), could return; but the kind of scenario that would facilitate such a dramatic change would be horrible. It would most likely come on the back end of a complete financial and currency meltdown. Moving back to a gold standard would require nothing short of a total, complete change in the way our government does business. They will never do this willingly. There are other options they would attempt before moving to another 'gold standard' currency like we had in the US from the beginning of our country until 1933 when President Roosevelt eliminated most ties between

the US dollar and gold. President Richard Nixon finished off the few remaining ties in 1971.

Talk of a One World Currency seems to be picking up steam again. I believe this would be a first choice for modern economies should existing currencies fail. Why? Because this would allow countries some flexibility to manipulate the value to achieve its own agenda. Not unlike the US dollar of today. Although most citizens have no idea this is on the table, it is somewhat old news.

There have undoubtedly been worldwide discussions around creating one currency for global use. Sort of like a world wide Euro if you will. There have been discussions on this topic for some time. I am sure they have been going on much longer than we know. As far back as March of 2009, the Telegraph news out of the U.K. ran a story entitled: **'US Backing for World Currency Stuns Markets'** it's opening paragraph was:

US Treasury Secretary Tim Geithner shocked global markets by revealing that Washington is "quite open" to Chinese proposals for the gradual development of a global reserve currency run by the International Monetary Fund.

You can read it here:

<http://www.telegraph.co.uk/finance/economics/5050407/US-backing-for-world-currency-stuns-markets.html>

These people see the risk ahead. They also believe their job is to keep much of this from the public. Partly because it could cause widespread fear which could set off a huge stock sell off and a run on the banks and literally usher in these exact conditions. They also believe, in my opinion, that they may still avert the serious consequences related to their mismanagement and misguided policies. In the interim, we get a pseudo marketing program intended to have us *look over here* while the numbers across the board for the US economy deteriorate. As I said in the beginning of the article – we may very well be past their ability to forgo widespread governmental defaults and currency disintegration. Iceland and Greece are the tip of the iceberg...no pun intended.

Additional articles in the series are:

1. Gold and Your Money - Insurance for Your Wealth During a Financial Meltdown; Part II – *Return to a Gold Standard?*
2. Gold and Your Money - Insurance for Your Wealth During a Financial Meltdown; Part III – *What Would it Take to Start a Global Financial Meltdown?*
3. Gold and Your Money - Insurance for Your Wealth During a Financial Meltdown; Part IV – *What are Reasonable Precautions I Can Take to Protect Myself Without Being an Alarmist?*

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About the Author: Steve Peters brings over 24 years of international business, financial markets and gold broker experience to help new or unsure gold buyers avoid the mistakes so many make. Go here to read more: [Gold Training](#)

More detail on current economic conditions can be found here as well: [Economic Crisis](#)