

The value of canned goods has collapsed?

Written by Bruce Enberg
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Gold closed at \$1355/oz today, nearly \$600/oz below its peak less than two years ago. I said then, sell, sell. Man did I get the mail from the gold bugs. I was just crazy, hyper-inflation was going to happen any minute, the USD would be worthless, and gold would be \$10,000/oz within months.

The pundits are blaming gold's collapse on reduced growth in China, as if 8% annual growth was bad. As I recall the imminent collapse of the Chinese economy was one of the compelling reasons to buy Glenn Beck's gold.

The race to the bottom is being driven by margin calls since gold is nothing but another commodity. In fact, the panic is driving down all commodities and stocks as well as investors try to get into a 'liquid' position. As in, floating on top and not drowning.

If this doesn't prove to the current generation that gold was never 'money,' what will? For many there is no learning curve, the right wingers are just 'flat liners.' The historical reality is that gold coins always had their value stamped on their faces. The only reasons to use gold for coins was their durability and it was difficult to counterfeit them. The Constitution makes clear that Congress shall have the power to mint coins and establish the value thereof. The gold bugs interpret that to mean money should be coins, just as they believe the Second Amendment means that they can own any arm they can 'bear.' (RPGs for everyone?)

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Speaking of things that aren't money, the value of 'bitcoins' has collapsed. This virtual currency was being traded on open markets on the Internet. According to one of the millionaire hustlers pushing this non-money, "We have elected to put our money and faith in a mathematical framework that is free of politics and human error." That's great when it's going up, not so good when your 'money' evaporates. Another demonstration as to why it wasn't Libertarians who founded this country, it was liberals. It's always been liberals who have come to the rescue of the Republic, it always will be, until it's gone for good.

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