

Celebrating Freedom and Independence in Life and in Money

- Carol Roth

In this informative newsletter, Carol covers why the Founding Fathers hated paper and fiat money; how Thomas Jefferson, James Madison and others loved gold and silver; how the manipulation of paper money ended up leaving Thomas Jefferson broke; how shifts to paper money have distorted units of account; and more.

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Why the Founding Fathers hated paper money and loved gold and silver

While we celebrate the Founding Fathers' wisdom as they declared independence from Great Britain, it is a good time to revisit their wisdom related to money. More specifically, we note their distrust of paper and fiat money and their faith in silver and gold.

In addition to being the primary author of the Declaration of Independence, Thomas Jefferson believed in precious metals and had utter disdain for paper money. In 1788 [correspondence](#) with Edward Carrington, a statesman and soldier from Jefferson's home state of Virginia, Jefferson spoke of the perils of paper money. He wrote, "Paper is poverty,...it is only the ghost of money, and not money itself."

When it came to money, Jefferson also extolled the virtues of hard money assets, specifically gold and silver. In 1813 writings to Congressman John Wayles Eppes, Jefferson [wrote](#), "Specie is the most perfect medium because it will preserve its own level; because, having intrinsic and universal value, it can never die in our hands, and it is the surest resource of reliance in time of war." Specie is a term that means physical metal / bullion coins in circulation. Specie is meant to focus on gold and silver as a hard asset as opposed to paper money.

This is because specie (when thought of as primarily gold and silver coins of that time) has its value in its makeup, where paper is considered credit; almost like an IOU or a goods and services claim. It may be convertible into hard metals, commodities or other items of value (a representative currency) or backed by the "faith in the government" such as today's fiat money, but the medium doesn't itself hold the value.

This was quite a prescient thought, as were many thoughts of the Founding Fathers. We today have seen the erosion of the value of paper money by Federal Reserve and government policy, something that accelerated once the paper money was decoupled from its gold standard and has been utterly devastating in recent years, damaging average Americans and their wealth.

This would be no surprise to Jefferson, who also wrote to James Monroe, statesman and future president, "Experience has proved to us that a dollar of silver disappears for every dollar of paper emitted."

Jefferson himself lived through the debasement of paper money of which he warned against. An article in National Review [noted that](#):

"During the Revolution, Virginia also issued paper money. Its unbearable lightness eventually made Madison and Washington wince as their tenants paid for leased land with worthless currency. For his part, Virginia's devaluation left Jefferson on the losing end of a large bond transaction. He lived impecuniously for the rest of his life and died [broke](#)."

Jefferson's experience with fiat currency surely influenced his views. 'If we determine that a Dollar shall be our Unit,' he wrote in 1784, 'we must then say with precision what a Dollar is.' Indeed, the Coinage Act of 1792 declared each dollar worth 371.25 grains of pure silver or 24.75 grains of pure gold."

But in the US, as we have embraced paper, especially fiat paper, money hasn't been stable. As I cover in my upcoming book, [You Will Own Nothing](#), my friend Steve Forbes often talks about money as a measure of value, the way that a scale measures weight or a clock measures time. Similarly, he says, money measures the value of goods, services, and investments.

To be able to measure something, the measuring device needs to be fixed in value.

As Forbes said in his documentary *In Money We Trust*, "Time is a fixed measure. Sixty minutes in an hour; sixty seconds in a minute. Imagine if that floated each day; fifty minutes in an hour one day, eighty minutes the next. We know intrinsically that would make life chaotic. . . . [C]hanging the value of money destroys trust between buyer and seller, lender and borrower because it changes the values that were agreed upon. One party got an undeserved gain, and the other got an undeserved loss." And when it comes to undeserved losses, it is usually those without the wealth and connections who get that side of the coin (no pun intended).

So, as the Fed's monetary policy (alongside other government policies) has manipulated the purchasing power of each dollar, destroying almost 97% of the dollar's purchasing power since the Fed's inception in 1913, we have seen inflation rise.

We have seen the price of gold rise against the dollar, too.

Jefferson was not the only Founding Father to have predicted this outcome. James Madison, one of the main drafters of the Constitution (known also as the "father of the Constitution") said "Paper money is unjust. It is unconstitutional, for it affects the rights of property as much as taking away equal value in land."

An article on FEE's (Foundation for Economic Education) website [notes](#) that a draft of the Constitution gave Congress the power to, "to coin money, emit bills of credit, regulate the value thereof" but as the "emit bills of credit" portion was meant at the time to be paper money, that language was removed from the draft. They said that one committee delegate noted that, "In no country of Europe is paper money legal tender, but only gold and silver coin."

The Founding Fathers were prescient and able to predict a whole array of issues that might conflict with personal freedoms. Currency that is controlled and manipulated is definitely an area in conflict with freedom.

Heed the words of these visionaries and make sure you are hedged against financial tyranny. If you haven't had an opportunity to hedge your own portfolio for the short- or the long-term, or perhaps you haven't hedged enough, consider giving my friends at Goldline a call to help you (they are the only place from which I personally get my precious metals).

While you are celebrating freedom and liberty, and planning for what's ahead, read below about why I designed the Betsy Ross Freedom Round that is available exclusively for Goldline and how it relates to standing up to tyranny (plus get a special offer!).

Life, liberty and the pursuit of happiness is the path that was set forth for us and that we need to protect. The Founding Fathers took on a lot in support of those ideals. Now, it's time for you to support your own freedoms, wealth and legacy.

Happy Fourth of July!

Carol Roth on Liberty, Freedom and the Goldline-exclusive Betsy Ross Freedom Round

I was so excited when Goldline approached me to design an exclusive round for them and I immediately knew that I wanted to do something that stood for Freedom and Liberty.

That led me right to the Betsy Ross Flag- America's first flag.

But, there's more to it.

You may remember that when that "big shoe company" came out with their Betsy Ross flag sneakers to celebrate the Fourth of July in 2019, they were bullied to pull them.

And they did.

Most of the bullying was done by the ignorant and uninformed.

Some believed the flag was the confederate flag (I guess that's what state-run civics education gets you these days), which it is obviously not.

Some people said there might be an unsavory group that uses the flag.

We don't let the ignorant reshape reality and we certainly don't let unsavory characters get to co-opt important pieces of history, particularly those that stand for individual freedom for everyone!

So, this Betsy Ross freedom round is meant to take back and extol this symbol of freedom for every single American.

It is meant to symbolize standing up and fighting tyranny.

It is meant to honor a fantastic woman entrepreneur and freedom fighter.

It is meant to remind us of patriotism, as well as the importance of individual rights.

And it is a symbol of not bending a knee to the ill-informed rage mob.

The front of the Betsy Ross Freedom Round is adorned with The Betsy Ross flag.

As legend goes, George Washington and a couple other members of a secret Continental Congress committee approached her in 1776 to make the first flag.

Washington supposedly requested the 13 stars in a circle--a design signifying equality- that one shouldn't be elevated or be perceived as more important than the other.

And Betsy requested that they be five-point stars instead of the typical six, so they could fit together in a more aesthetically pleasing manner.

The front also has a Washington-attributed quote about the flag "Let the 13 stars in a circle stand as a new constellation in the heavens".

The back features one of Betsy's famous quotes: "Our hearts aching, our prayers praying, our flags waving, never forget."

As well as the words: Life, Liberty, the Pursuit of Happiness and Freedom.

I hope you will stand for freedom this Fourth of July and take back the Betsy Ross flag with this Betsy Ross Freedom Round, available exclusively from Goldline. Please see Goldline's special offer.

Let freedom ring!

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