

Is New Money “Gold Backed” | Currency Association Experts Warn Consumers of “Precious Metals” Counterfeits, ALPINE Utah

All that is gold does not glitter, not all those who wander are lost; the old that is strong does not wither, deep roots are not reached by the frost. -Tolkien

MANCHESTER , NEW HAMPSHIRE,
UNITED STATES, October 5, 2022
/EINPresswire.com/ -- | BEWARE OF
FAKE CURRENCIES | FRAUD |
COUNTERFEIT MONEY |

SOURCES:

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Don't gain the world and
lose your soul; wisdom is
better than silver and gold"
Bob Marley

.ipmi.org/
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At various times throughout history, world trade operated on a de facto gold standard. Gold was used as money throughout the world. This arrangement arose organically as early as the 7th century BCE. The height of the “classical”

period of the gold standard was the 18th and 19th centuries. Under this system, a government could only issue money if there were enough gold reserves to back its value. The banknotes and

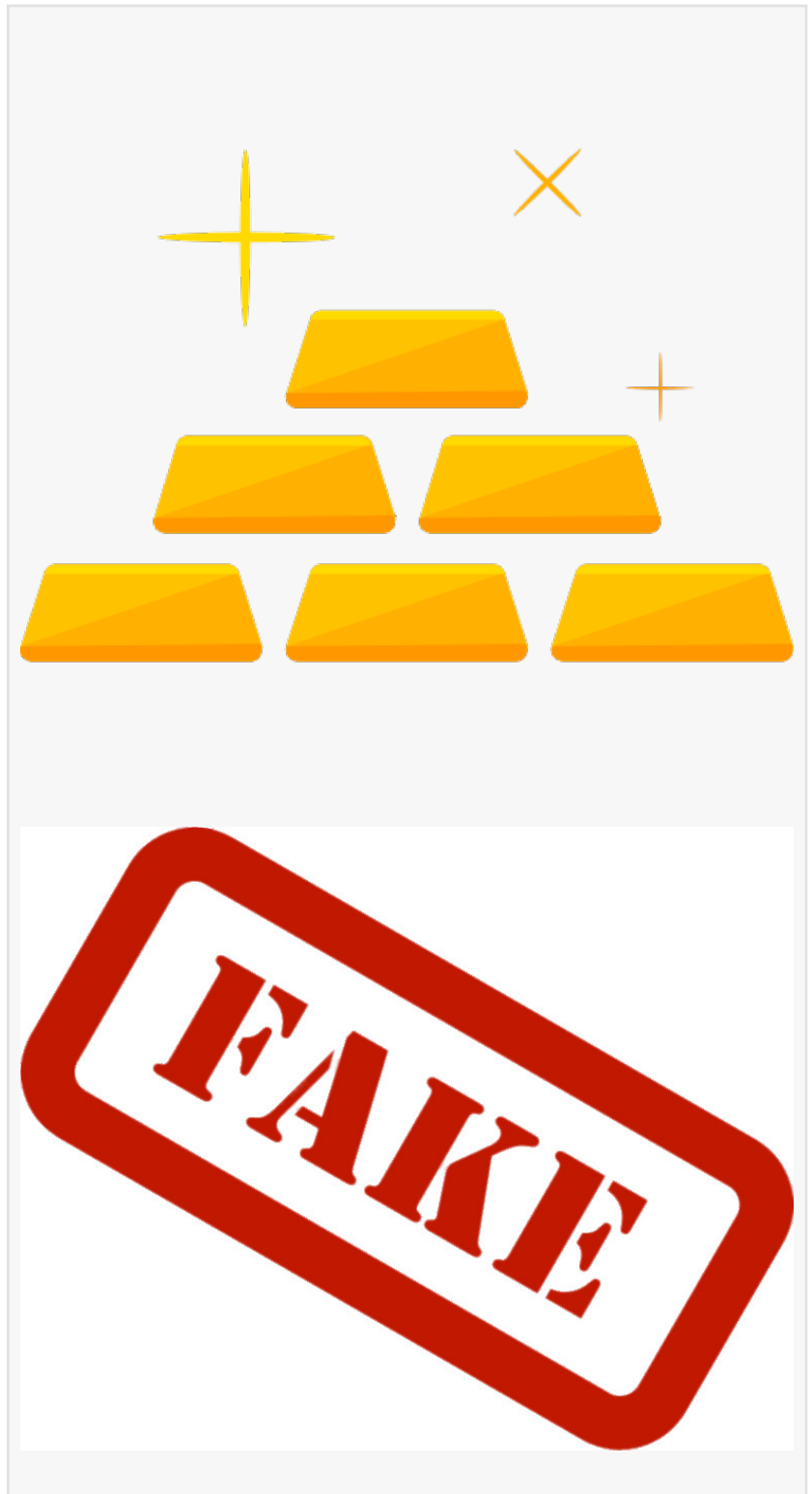
copper coins that circulated around the economy were supposed to be redeemable for gold specie (gold coins).

This was in addition to actual gold coins struck by government mints up until 1933. But for the most part gold only migrated between large commercial banks. For everyday commerce, paper money and coins made of other metals were used far more commonly. Although gold was indeed money, in practice it functioned more like bank reserves.

Domestically, the gold standard placed a restriction on spending by the federal government. In the absence of a major gold rush, it imposed some measure of fiscal discipline on the U.S. Congress. Government could only ignore this restriction at the expense of devaluing its currency. (This is why the gold standard was often suspended during wartime, allowing a government to spend freely on war mobilization.)

Perhaps the most important benefit of a gold standard, however, was its international implications. Unlike today's foreign exchange market, which is characterized by floating exchange rates between currencies, the world under the gold standard used gold as a universal measuring stick. Currencies could still fluctuate in value, but the changes were measured in terms of gold.

For example, to combat the Great Depression, the Roosevelt administration adjusted the gold price from roughly \$21 per troy ounce in 1932 to \$35/oz by 1934. In essence that meant the purchasing power of the dollar declined by two-thirds, losing 67% of its value versus gold. By 1971, President Nixon "closed the gold window"—thereby ending the U.S. dollar's direct convertibility to gold.



Despite its benefits, the gold standard was hardly perfect. It was periodically suspended, at times it was abused by government officials, and it wasn't uniformly adopted by every country on the planet. Nonetheless, adhering to a gold standard created a consistent standard for the value of money all around the world.

<https://www.gainesvillecoins.com/blog/is-money-backed-by-gold>



WHO CAN YOU TRUST?

Precious Metals Association (PMA):
The Precious Metals Association ("PMA") is a trade association of physical precious metals industry stakeholders dedicated to protecting and promoting the integrity of a valuable alternative investment and collector industry. The PMA endeavors to facilitate education, communication, and cooperation among industry members regarding best practices, compliance procedures, and current events impacting PMA Members. The PMA was founded by industry leaders for the benefit of the industry and its valued customers and partners.



ONE VOICE

The Legislation Committee spearheads the PMA's efforts to advocate for the precious metals retail industry in state and federal legislative bodies. The PMA's Board of Directors sets annual goals and agendas for the Committee to pursue in an effort to raise awareness of the industry's needs and operations, to track and lobby on relevant legislation, and to educate Members on pending or new legislation of import to the precious metals retail industry. The Committee also seeks to interface with other relevant stakeholders and policy makers.

The Legislation Committee strives to be aware and provide notice of any state and federal legislative developments with the assistance of the PMA's lobbying firm in Washington, D.C. The PMA will be highly active in the public policy arena in Washington, DC. With ONE VOICE, the PMA

will pro-actively engage legislative and regulatory leaders at the U.S. federal government level on all matters involving the buying and selling of precious metals.

In 2021, the PMA's main Washington mission will be to have U.S. regulatory officials, members of Congress, industry stakeholders, and opinion leaders (news media) view and involve the PMA as the industry experts and standard on matters involving precious metals. In recent years, federal regulatory bodies with jurisdiction over precious metals have become more visible and active in enforcement matters. And, until now, there has been no industry association that these regulatory agencies can work with, reply upon, and trust to offer unvarnished facts, provide real-world and on-the-ground experience, and to collaborate with on new rules, regulations, and laws governing our industry. <https://www.investopedia.com/ask/answers/09/gold-standard.asp>

Is Money Backed By Gold?

NO, money is not backed by gold, nor by any other commodity. It hasn't been since 1971. Experts have spent careers studying and researching monetary history. Experts focus on gold's role in this regard—but it's fascinating how many different materials have been used as money throughout human history. At various times, even up through the 18th century, people around the world used many forms of commodity money:

- salt
- tobacco
- wheat
- cowry shells
- beads
- small tools
- feathers
- animal pelts

You can learn more about the "strange" items used as currency by listening to this episode of the Breaking the Dollar podcast ([.gainesvillecoins.com/podcast/strange-currency-history](https://www.gainesvillecoins.com/podcast/strange-currency-history)). This isn't an exhaustive list. Not by a long shot! But it should give you an idea of how money is simply a representation of value. Money facilitates trade and is more efficient than simple barter. Theoretically, anything could be used to fill this role. Yet one will find that some materials functioned better as money than others did. Gold proved to be the best among them, for reasons we will discuss below.

Fiat Money Is Not Backed By Gold: The most recent polling from 2019 suggests that as high as 30% of the American population mistakenly believes that the U.S. dollar is backed by gold. An additional 4% of people believe it is backed by oil. This brings up an important term called fiat money. It simply describes a currency that derives its value from government decree. In other words, fiat money has value merely because the government says so. While fiat currency has no intrinsic value, that doesn't mean it's inherently worthless. First and foremost, currencies are always accepted by the governments that issue them as a payment for taxes. The value of legal

tender money is also backed by "the full faith and credit" of that government. Moreover, it's worth keeping in mind that fiat currencies can be backed by intangible things. In the case of the U.S. dollar, its value partly derives from macroeconomic factors:

- the large size of the U.S. economy relative to other countries
- the fact that foreign central banks hold many dollars as a reserve asset
- the strong network of trade alliances enjoyed by the United States
- the strength of the American military, or the threat thereof

Does This Mean Our Money Is Worthless?

In a word, NO. It does mean that our money is subject to the effects of inflation and won't hold its value over time. Our current regime of fiat money is not designed to reward saving money. That's one of the main reasons why people make investments. It's best to think of money as a tool. It's a medium of exchange and a unit of account. Unfortunately, it's just not a reliable store of value. Money is useful (and worth something) by virtue of what it can buy. On top of that, with our current system of floating exchange rates, there's a trade-off involved when a currency is "strong" or "weak": a weaker currency makes a country's exports more attractive, while a stronger currency has the opposite effect. Yet a strong currency increases a country's purchasing power for imports.

In short: gold is no longer used as money, but simply saving money is not an investment in the future.

<https://www.businessinsider.com/are-there-any-currencies-backed-by-gold-2012-3>

The PMA will fill that void and offer industry experts to legislative and regulatory officials tasked with oversight of our industry. The PMA will now have a seat at the table when crucial discussions are underway on how best to promulgate and enforce rules without overly interfering in precious metals commerce. The PMA will open channels and begin to engage in a substantive manner with the two main regulatory bodies with oversight of our industry:

- Commodities Futures Trading Commission (CFTC), an independent agency that regulates the U.S. derivatives markets and has precious metals jurisdiction
- Securities and Exchange Commission (SEC), an independent agency that holds primary responsibility for enforcing and regulating the securities industry

The Compliance Auditing/Detection Committee implements auditing standards for our retail Members and reports on any compliance issues discovered through auditing. This Committee is charged with developing and maintaining procedures that examine, analyze, and report on sales practices to provide substantive feedback for our retail Members. This feedback allows our retail Members to provide consistent and compliant sales practices—setting them apart from the rest of the industry.

The Compliance Procedures and Manuals Committee focuses on standardizing compliance procedures and requirements for our retail Members. This Committee reviews and discusses best practices to implement to help maintain a high level of integrity within each retail Members sales process. The Compliance Enforcement/Remediation Committee focuses on addressing known issues with compliant sales practices and advising retail Members on how to best address issues or complaints when they are identified. This Committee establishes suggested guidelines for remediation for our retail Members.

Founding Member: The PMA is currently seeking a small number of additional Founding Members.

(This membership level has availability limits)

Founding Membership includes all benefits listed below as well as:

- The option to select an individual for election on the Board of Directors.
- The prestige of displaying Founding Member of the PMA on company materials.

{\$20,000}

Gold Member:

Gold Membership includes all benefits listed below as well as:

- The Member's corporate compliance personnel and corporate executive staff are all included as individual Members of the PMA and can join Committees and Member meetings.
- Members will have the option to select individuals from their organization for placement on a Committee(s).

{\$10,000}

Silver Member:

Silver Membership includes all benefits listed below as well as:

- Members have free access to best practices publications.
- Members will be able to attend Member meetings and events (at no or greatly reduced cost), which will include round-table discussions.
- Members will receive quarterly updates from all Committees.

{\$5,000}

Bronze Member:

Bronze Membership includes all benefits listed below:

- Members receives recognition on the PMA's website and materials.
- Members receive email updates with helpful information on matters concerning the industry and activities taken on by the Committees.
- Members gain access to all Committee materials and reports, which include resources, best practice guidelines, and more.
- Members will receive annual updates from all Committees.
- Members will gain the prestige of displaying membership in the PMA on company materials.
- Members will have the ability to utilize the PMA's Dispute Resolution resources.
- Members receive email updates with helpful information on matters concerning the industry

and activities taken on by the Committees.

- Members will be eligible to register to attend Member meetings and events, which will include round-table discussions.
- Members receive access to PMA Membership and Partner contact Directory.
- Members receive discounts with PMA partners.

{ \$1,000 }

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