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In my opinion, the government should not use the gold standard for currency because of its long and short-term securities and the cost of producing gold reserves.

First, there is an expense that results from the long-term security that the gold standard offers, which is short-term economic security. For example, historically, " events such as the California Gold Rush (which resulted in a sudden increase in gold) and the Civil War (which destroyed infrastructure, making the goods scarce) caused major inflation under the gold standard." (4) This suggests that because of the major inflation, resulting from these historical events, there was economic instability while using the gold standard.

The second disadvantage of the gold standard is the cost of producing gold reserves. According to, Milton Friedman, who was an economist in the 1960s. He estimated that the cost of maintaining a full gold standard would be 2.5% of the Gross National Product(GNP). (5) This explains what the cost of maintaining a full gold standard would have been in the 1960s, which would help estimate what the cost would be today, but also implicates that the GNP would most likely continue to increase over time, making it impossible to maintain.

Opponents argue that the government should use the gold standard because "gold has real wealth value and is inherently stable." (3) However, gold is a rare metal. Regardless of its real wealth value and stability, it would take time and money to produce and maintain enough gold reserves for the entire economy.

In conclusion, the government should not use the gold standard due to the cost of producing gold reserves and the stability issues. Since history likes to repeat itself, it would not be a good idea to utilize the gold standard until the government has taken into consideration the situations that have occurred while using the gold standard.