

This money eventually made its way to the equity markets, and the situation got out of hand in 1929. When the authorities decided it was time to stop the boom, it was already too late. The USA's economy collapsed and dragged the world into the Great Depression of the 1930s.

The world had not learned anything at all. At the end of World War Two, it was decided to introduce the gold-dollar standard. The USA was thus granted the appalling monopoly to settle its debts with paper money it printed itself. A direct result of this was the inflation of the 1970s. As a sign of the USA's growing economic power, the dollar remained the world's only valid reserve currency, apart from gold.

### Opening the floodgates to turmoil

When President Nixon unilaterally abandoned this arrangement on 15 August 1971 it was tantamount to the bankruptcy of the USA. The era of floating exchange rates began in 1973. That fully opened the floodgates for money creation, credit expansion, deficit spending and speculation.

In a speech on 7 August 2002, President George W Bush said the following: "There is no telling how many wars it will take to secure freedom in the homeland." With this comment, Mr Bush announced that there might not only be a war against Iraq, but many wars around the globe. Once again, they will be financed by deficit

spending and through the banking system. This would not be possible under a gold standard.

Who then actually pays for these wars? In principle, the USA is bankrupt. The trade balance deficit exceeds 600 billion dollars; the budget deficit is more than 500 billion dollars; and its foreign debt is enormous.

### Why is gold being manipulated?

In each and every discussion about the future of gold and its price, one thing needs to be clearly understood: Gold is a political metal. A clique of financial wrongdoers is indeed manipulating gold each day. The accompanying chart shows the gold price movements and manipulation over a one-day period. «««

Normally, the price of gold rises in Europe, but as soon as the COMEX opens in New York it is driven downward—more on some days, less on others. And this takes place without regard to the harm—and by that I mean the economic damage—it causes throughout the world. Even Switzerland—the so-called "safe haven"—supports the manipulation with its gold selling.

### A return to stability is needed

Gold is very cheap today because the governments of the world tamper with its price on a daily basis. But the day is near where governments and central banks cannot keep the gold price low. Gold is necessary for individual freedom and is an important factor for our money system. We definitively have to go back to the gold standard!

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