

Commentary on Alan Greenspan's past Gold Standard philosophy

<http://www.usagold.com/gildedopinion/greenspan.html>

[Editor's note - It may surprise more than a few gold devotees to learn they have an ideological friend in none other than Federal Reserve Board chairman Alan Greenspan. Starting in the 1950s, in fact, Greenspan was a stalwart member of Ayn Rand's intellectual inner circle. A self-designated "objectivist", Rand preached a strongly libertarian view, applying it to politics and economics, as well as to religion and popular culture. Under her influence, Greenspan wrote for the first issue of what was to become the widely-circulated *Objectivist Newsletter*. When Gerald Ford appointed him to the Council of Economic Advisors, Greenspan invited Rand to his swearing-in ceremony. He even attended her funeral in 1982.

In 1967, Rand published her non-fiction book, *Capitalism, the Unknown Ideal*. In it, she included *Gold and Economic Freedom*, the essay by Alan Greenspan which appears below. Drawing heavily from Murray Rothbard's much longer *The Mystery of Banking*, Greenspan argues persuasively in favor of a gold standard and against the concept of a central bank.

Can this be the same Alan Greenspan who today chairs the most important central bank of them all? Again, you might be surprised. R.W. Bradford writes in Liberty magazine that, as Fed chairman, "Greenspan (once) recommended to a Senate committee that all economic regulations should have fixed life spans. Senator Paul Sarbanes (D-Md.) accused him of 'playing with fire, or indeed throwing gasoline on the fire,' and asked him whether he favored a similar provision in the Fed's authorization. Greenspan coolly answered that he did. Do you actually mean, demanded the senator, that the Fed 'should cease to function unless affirmatively continued?' 'That is correct, sir,' Greenspan responded."

Bradford continues, "The Senator could scarcely believe his ears.' Now my next question is, is it your intention that the report of this hearing should be that **Greenspan recommends a return to the gold standard?**' Greenspan responded, **'I've been recommending that for years**, there's nothing new about that. It would probably mean there is only one vote in the Federal Open Market Committee for that, but it is mine.'" -- **Editor, The Gilded Opinion]**