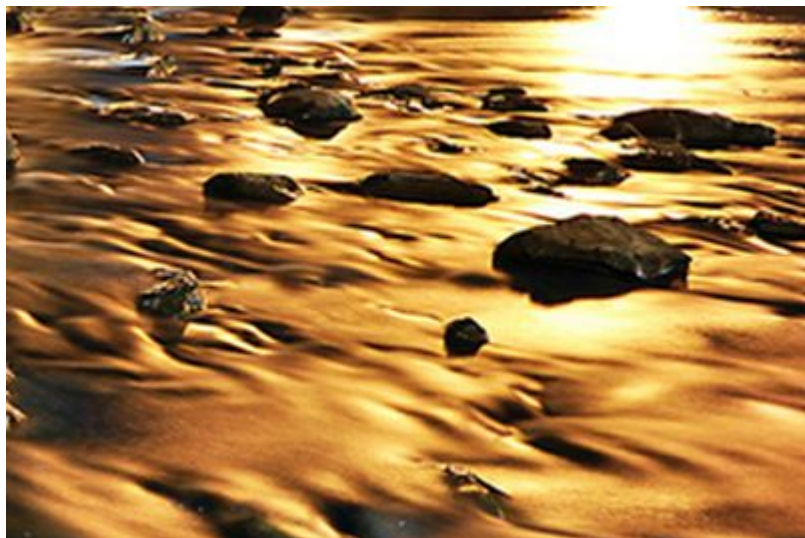


What does God say about gold? – David Melvill



Investment advisor David Melvill goes to the Bible to seek God's perspective on gold.

Does the old adage of "As good as gold," still hold true today? In order to answer this question it would be prudent to go right back to the very first mention of gold in man's civilisation. Do you know where gold is first mentioned in the Bible? While man's opinion matters, it is only really God's opinion that counts. Therefore let's go on a journey through the Bible to see what God thinks and feels about gold.



Gold in the very

beginning

The first two chapters of Genesis describe the creation of the world. In the second chapter verses 10-14 reference is made to the four rivers: Pishon, Gihon, Hiddekel and the Euphrates, where civilisation began at the Garden of Eden. At the first river of Pishon, verse 11, God mentions *there is gold*. It must have been alluvial gold (on the surface).

It was only after the flood that there was a seismic action that caused the gold to go deep underground. God deems it important enough to mention gold specifically. No reference is made to any other commodity or metal. It is as if this one is highlighted because of its importance to follow.

In verse 12 it adds, *And the gold of that land is good...*. You can rest assured if God says something is “good,” then it is actually very good. His blessing and favour is upon it, just as it was with all the other aspects of His creation that are mentioned.

While it is just mentioned here without any specific reference to its role or purpose, it remains significant that gold is mentioned right at the very beginning – it is huge. Throughout scripture gold makes many appearances, it is in fact mentioned 417 times. (Silver appears 320 times).

God is the owner

So, let's examine what God has to say further about gold and silver. In the minor prophet's book of Haggai He prophesies and reminds us, *The silver is mine and the gold is mine, declares the Lord Almighty Haggai 2:8*. Just as the psalmists declares in *Psalms 24:1 The earth is the Lord's and everything in it, the world and all who live in it*. God created it, so it belongs to Him.



We are merely stewards entrusted with it, so we should hold it lightly, as we can only pass it on.

The role of gold and silver is specifically viewed in the Bible as money (it is not a commodity) although it is referred to in modern day times as such, just like platinum or copper. It is used as a medium for exchange. Paper money never existed then.

Abram's wealth is measured in silver and gold

So Abram went up from Egypt to the Negev, with his wife and everything he had, and Lot went with him. Abram had become very wealthy in livestock and in silver and gold. Genesis 13:1-2

Abram had moved away from his country in Canaan to Egypt because of a drought. It was time to move back home. So how does the Bible measure his wealth? It refers to his "livestock" and his "silver and gold."

How would wealth be measured today? It would largely be measured in property, stocks on the stock exchange, bonds and cash in the bank. There would be those who would add art works and antiques, together with the latest craze, cryptocurrencies.



Only a farmer would measure his wealth in his cattle and sheep. Does that mean silver and gold have lost their value and have no role to play? No, not at all! Because modern man has sought other assets, it does not render it without value. On the contrary, it is the longest standing asset class, and it is the truest form of money.

Gold and silver retain their value; it has intrinsic value. It is when they are measured in dollars or rands that we see how the currencies have devalued due to their increase in their supply. It is only in recession or crisis time that man runs back to the “tried and tested” currency of choice – gold and silver. They are counter cyclical to all other asset classes. In other words when other asset prices fall, gold and silver rally.

Israelites leaving Egypt acquire silver and gold

The Israelites did as Moses instructed and asked the Egyptians for articles of silver and gold and for clothing. The Lord had made the Egyptians favourably disposed toward the people, and they gave them what they asked for; so they plundered the Egyptians. Exodus 12:35 – 36

After the 10 plagues in Egypt culminating in the loss of the first born in every household, Pharaoh relented and told Moses

and Aaron to take the Israelites and go and worship their God in the wilderness. The Israelites had served as slaves for many years in Egypt. It was now time for them to be rewarded for their labours. Moses had shared God's Word with them – they were to ask the Egyptians for “silver and gold.” Miraculously, *God gave them favour in the sight of the Egyptians* and as a result *they gave them what they asked for*. Silver and gold are relatively light to transport. They would serve as money to start a new life when they returned home to Canaan.

Here we see that God specifically told them what to ask for and we see the value He placed on the gold and silver, knowing that this value would equip them as start-up capital for establishing themselves. Is there a lesson for us here?



Solomon and all his splendour is exhibited in gold

Therefore wisdom and knowledge will be given you. And I will also give you wealth, riches and honour, such as no king who was before you ever had and none after you will have. 2 Chronicles 1:12

King Solomon took over as King of Israel from his father, David. When God appeared to him in his sleep, He told him to ask what he will and it will be given to him. We know Solomon was the wisest king, he did not ask for wealth for himself, he asked for *wisdom and knowledge*, so that he might rule the people well as their king.

Because of his wise choice, God not only granted him with his request, in addition he received *wealth, riches and honour*, as no other king before or after him would enjoy. We thus know God made Solomon the wisest and the richest king ever.

A few verses further on in verse 15 it says that Solomon *made silver and gold at Jerusalem as plenteous as stones and the sycamore trees that are in abundance*. We see that God again measured true wealth in terms of "silver and gold." Should we too accumulate some of our wealth in a portion of silver and gold? I would like to believe so, if God attaches value to these precious metals, then so should we.

False weights and measures

Differing weights and differing measures – the Lord detests them both. Proverbs 20:10



Now this verse does not appear to refer to gold does it? Yes, you are correct. Indirectly it does though. In Biblical times gold and silver were synonymous with money. In Hebrew there is no word for money.

The financial system of the world is no longer based on gold

as the standard for banking, as it was for countless years. Firstly, in 1933, under President Roosevelt, the Gold Standard was abolished. Moreover, would you believe it, He made it illegal to own gold. By law you were required to surrender your gold or face a fine of \$10 000 or 10 years in prison. Only eight months later, after gathering in all the gold, and robbing the citizens of their wealth, the price of gold was raised by 75%.

In 1971 President Nixon closed the "Gold Window" where a country was permitted to swap their dollars for gold.

Prior to 1933 an ounce of silver was \$1 and gold was \$20. They were fixed at these prices for an eternity." There was no inflation as a result. Today silver and gold are \$17 and \$1 330 respectively. This merely serves to illustrate the devaluing of the dollar.

No longer is paper money backed by the equivalent amount of gold in the country's reserve bank. This allows central banks to expand their balance sheets and create artificial wealth. They create economic imbalances. Currencies fluctuate daily in value because of manipulative monetary policies.

This is where "false weights and measures," come in. The financial system is backed by a promise and the confidence one has in the government of the day that issues the paper money. As a result, countries have been able to issue more and more money to pay their bills. They have effectively created a huge pile of debt. The interest alone, to service this debt, is overwhelming and difficult to service, let alone to speak of reducing the debt.

The Bible sees this as a "dishonest" system. God would warn you not to be reliant on the system of the world, that could crash, but rather to hold on to gold and silver – that is God's secure economy. It is not a "false weight," in fact, He *delights in just weights.*



Counsel to buy gold

You say, 'I am rich; I have acquired wealth and do not need a thing.' But you do not realise that you are wretched, pitiful, poor, blind and naked. I counsel you to buy from me gold refined in the fire, so you can become rich. Revelation 3:17-18a

While this is a spiritual analogy, the point is, if you wish to purchase something of ultimate value, refined gold is the highest form of reference to value.

God has placed strategically gold and silver throughout the world. All nations throughout history have had access to gold and silver as money. Precious metals act as a balance and a perfect unit of measure.

In conclusion we see that God sees gold and precious metals as rare and something good. By implication they have intrinsic value. God created gold and silver as the backbone of our economic growth. True wealth is measured in the ownership of property, commodities, and gold and silver. Gold and silver is referred to as money in the Bible. They have been with us for 5 000 years. No fiat currency (paper money) has lasted more than a few centuries.

It is used as a medium for exchange in both payment form, or as gifts to kings. It is regarded as valuable because as a non-ferrous metal it cannot corrode, it is beautiful and lasts

forever. We see that the old adage, "As good as gold," has always held true, it is genuine, the highest quality and value, and not counterfeit. Gold and silver have maintained their purchasing power throughout. In today's world they are "financial insurance." We would do well to align our view with God's view of gold and silver and acquire some as part of our assets too.

Suggestion

Ideally, one should aim to make an investment in gold of between 5-10% of your total assets. This should be in coins primarily, and maybe some in gold mining shares for the more aggressive investor.