New American

Written by **Steve Bonta** on January 27, 2026

Gold and Silver Prices Reach Record Levels

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In case you hadn't noticed, both gold and silver — especially the latter — are soaring to extraordinary heights. Gold recently topped $5,000 an ounce for the first time, while silver has risen from about $65 an ounce in mid-December (already well into record territory) to well past $100/ounce in little more than a month. So far, it has peaked at $115, and as of this writing is racketing about between $107 and $110.

So, what is going on? The gold rally is already years old, with silver only lately getting into the act and trying to make up for lost time. These two precious metals, be it remembered, are real money, and their sudden appeal is a portent of real trouble on the horizon. During times of inflationary bubbles, gold and silver are typically ignored by investors as "barbarous relics" or, at best, held as hedges against an evil day, to round off, rather than dominate, a portfolio. Now, however, with the world awash in fiat currency issued by governments drowning in debt, gold and silver are suddenly in vogue. At least two governments, China and India, are loading up on both gold and silver and eschewing dollar-denominated assets.

Dollar Decline

With the new trade policies of the Trump administration, it is beginning to dawn on the rest of the world that the U.S. dollar — like the U.S. military — is likely to be far less available going forward to bail out the rest of the world.

Indeed, America has financial worries enough of its own, with the U.S. national debt now closing in on $39 trillion, and zero evidence of any political will to turn things around. No sensible investor or government wants to be left holding U.S. dollars when the almost inevitable dollar and sovereign debt crisis, only recently warned of by Peter Schiff to this author, finally rears its ugly head.

Accordingly, there is a swelling global rush to get out of fiat currencies, especially the dollar, and into gold and silver. Silver in particular seems undervalued with respect to gold, with current ratio of almost 50 to one being around double the long-term historical average. But now, after decades as an undervalued laggard, silver is performing like a stock during the dot.com bubble.

The message seems clear: Keep a weather eye on the dollar and the debt — and don't sell your grandmother's silver spoons just yet!

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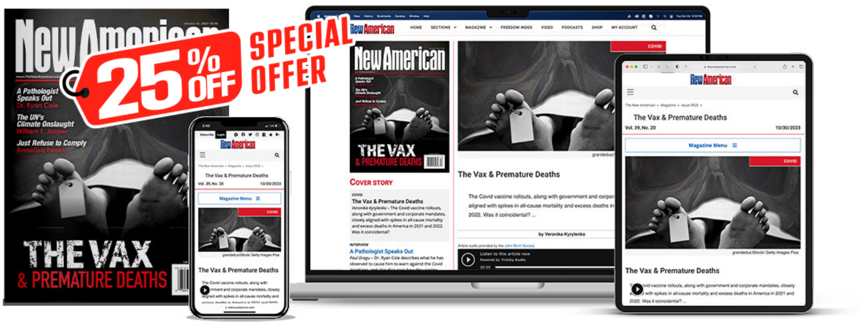

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