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## Why Olympic Champions only get second prize!

The Winter Olympics are upon us. A collection of the world's finest athletes have descended upon the Russian resort town of Sochi, and for the next two and a half weeks they'll amaze and thrill a watching world in their pursuit of victory and Olympic glory.

For those few who achieve the ultimate success, recognition will come with the award of an Olympic Gold medal, continuing a tradition that dates back over a century. Before this, awards included olive and laurel branches, which seems to date back to ancient times, where winners were given an olive wreath made from wild olive branches.

This was apparently entwined to form a circlet or horseshoe. The prize was apparently introduced by Heracles, and given to the winner of the running race, supposedly honouring the god Zeus.

Why is it that as a society we recognize and reward the highest level of achievement, and the ultimate success, with Gold?

I would argue that it's because gold is the ultimate representation of value, and much like an Olympic champion, represents the highest level of achievement.

It's also why when people have been married 50 years we call it a golden anniversary. It's why expressions like 'heart of gold' and 'as good as gold' exist as everyday phrases for people to use when describing somebody's character.

Gold's status as the ultimate form of value is something that a broad section of humanity instinctively recognizes, even if it's not something we think about consciously on a day-to-day basis.

This is relevant to discuss with the Olympics getting underway, for whilst many of us will look on in awe at the feats these truly incredible athletes perform over the next few days in the pursuit of glory, I for one feel a degree of sorrow that they will not be properly rewarded for their efforts.

And the reason for that is, unlike the old days, the Olympic gold medal has very little **real gold** in it any more.

Gold medalists in Russia will receive a medal that weighs 531 grams (just over half a kilo), with a thickness of 10mm, and a diameter of 100mm, making it one of the largest gold medals in history.

If the gold medals being handed out in Sochi were made of actual physical gold, it would be worth approximately \$21,250 (roughly 17 troy ounces multiplied by USD \$1250 per ounce of gold).

Instead, the gold medal is almost totally made up of silver (which is still valuable but not the real thing), and contains only 6 grams of actual gold, meaning the medal only has a value of around USD \$500.

The use of silver and copper when making a Gold medal is nothing new. The last time the Gold medal was actually made out of pure Gold was back in 1912, ironically only one year before the Federal Reserve was formed, and took control of the United States money supply.

Back in 1912 an ounce of gold would have only set you back USD \$20 per ounce. Just over a century later, largely as a result of the games the Federal Reserve and other central bankers have played with our money, the price of Gold has gone up over 60 times, trading at just over USD \$1250 per ounce this week.

With that in mind, it's not hard to understand why our Olympic champions will only win silver in Sochi, for, much like the US dollar, the gold medal itself has been steadily debased.

With that being said, none of that in anyway reduces the brilliant achievements we'll witness in the next few weeks, and the magnificent spectacle the games are. I personally remember the Sydney Olympics as one of the best times of my life and I hope everyone enjoys the Olympic games as much as I will.

I personally can't wait to watch the Biathlon, and I wish all the competitors every success, especially the fantastic men and women representing the Australian Olympic Team.

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