



The Gold Currency!

Towards Building A Stable Future and
A RIBA-Free Faith-Based Finance & Banking System

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MONETARY ISSUES IN THE DEVELOPING AND WORLD:

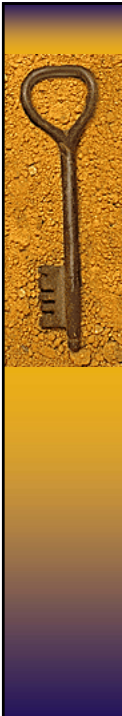
1.1. CURRENCY DEVALUATION:

ASIAN NATIONS:

Decline of Exchange Rates Relative to the US\$ on February 16th, 1998
Compared to June 30th, 1998:

Indonesia	75%
Malaysia	36%
Thailand	48%
Philippines	36%
Singapore	15%
Korea (S)	47%
Taiwan	15%





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SELECTED NATIONS

Exchange Rates of Various Selected Nations' Currencies Relative to US \$

	Jan 97	Jan 02	Devaluation
Turkey, Lira	108,340.00	1,474,525.00	93%
Indonesia	2,347.90	10,410.00	77%
Libya, Dinar	0.36	0.66	46%
Sudan, Pound	148.00	256.00	42%
Malaysia, Ringet	2.53	3.81	34%
Pakistan, Rupee	40.21	60.80	24%
Egypt, Pound	3.39	4.60	26%
Morocco, Dinar	8.83	11.56	24%



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THE RESULT:

1. Reduced the Values of Salaries, Savings, Pensions and the Price of Goods and Services
2. Raised the Value of Short-Term Debt, usually Denominated in US\$ or European Hard Currencies and Increased Debt Service.
3. Reduced the Credit Rating and Increased the Cost of Borrowing Internationally.
4. Reduced Economic Activity.
5. Increased Unemployment and Poverty.



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FREEZING OF ASSETS:

Major Powers Resort to Freezing Assets Entrusted with Its Banks By Developing Countries for Indefinite Periods without Ability or Legal Forums for Recourse. Examples:

- ◆ Egypt (After Nationalization of the Suez Canal),
- ◆ Iran (After the Islamic Revolution) and
- ◆ Non-Profit Organization and Wealthy Individuals (After September 11th, 2001 Horrific Events in US.)



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Money Printing:

Developing Countries Induce Its Politically Independent Central Banks to Print More Money for Short-Term Political Gains and Resulting Inflation and Currency Devaluation.

Debt Accumulation Without Democratic Due Process

Developing Countries Resorting to International Borrowing with A Legal Democratic Mandate from the Citizens of the Country Leading to Deepening the Mortgaging of Countries Production, Assets and Resources.




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Leakage Outside The Economy

Lack of Controls on Funds Transfers Outside the Country Back to The Major Countries Leaving Country Coffers Essentially Empty Instead of Using the Borrowed Money for Economic “Development” as was Intended.

Interruption of Trade with Trading Partners

Trade Agreements and Hence, Flows are Interrupted Because Most of Trade Agreements are Done NOT in Local Currencies but in Major (Hard) Currencies.



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FIAT (“By Government Sanction”) MONEY

According to Webster’s New World Dictionary Fiat Money is:
“Currency Made Legal by Fiat (sanction) and Neither Backed by, or Necessarily Convertible into, Gold or Silver.”

Paper Money was First Used by the Chinese Beginning in the Tang Dynasty (618-907.) During the Ming Dynasty in 1300 AD the Chinese Placed the Emperor’s Seal and Signatures of the Treasury on a Crude Paper Made from Mulberry Bark.

In the First US Depression (1819-1821) Fiat Money was used in states of Tennessee, Kentucky, Illinois and Missouri but was Quickly Abandoned




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FIAT (“By Government Sanction”) MONEY

In Times of Government Weakness and Instability like in times of wars, no one will accept Paper Currency because the Promise of the Government has No Value.

Mr. Greenspan, Chairman of the US Federal Reserve Said (May 20th, 1999) to the House Banking Committee soon after the UK Announced its Decision to Sell Part of Its Gold Reserves:

“ Gold Still Represents the Ultimate Form of Payment in the World.”



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FIAT MONEY – GOLD CURRENCY

The Final Leg To Remove Riba From Our Lives

LARIBA Monetary Laws Are Based Entirely on the Bimetallic Reference Point. The LaRiba Laws stipulate that Measurements, Zakah, Marriage Dowry, Hudud, Compensation Payments and other Forms of Trade All were Revealed Using Gold and Silver as the Standard. It is an Islamic Obligation to Use the Gold/Silver Bimetallic System.

The Gold Dinar (Roman Empire) and the Silver Dirham (Persian Empire) - Gold and Silver As Money:

Gold was used as Money Well into the 20th Century and for at least Two Centuries Before. Most Bonds, Including Government Bonds Were Gold Bonds. But After WWI Convertibility of Paper Money Into Gold Was Suspended for the Most Part and Was Finally Terminated By President Nixon in 1971.



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The Dirham and Dinar were used as the Official Islamic Currency Beginning with the Second Khalifah Omar Ibn Al-Khattab (634-644 CE.) The Dinar is the Weight of 22 Karat Gold Equivalent to 4.3 grams and the Dirham is the Weight of Silver Equivalent to 3.0 grams. He Established the Well Known Standard Relationship As: "7 Dinars Must Be Equivalent to 10 Dirhams." These were coins used by the Romans (The Dinar) and the Persians (The Dirham) and the Muslim Authorities Stamped "In the Name of Allah" onto the.

The First Muslim Coins were struck during the Khalifah Uthman Ibn Affan (644-656CE.)

The First Original Minting of Dirham was done in 695 CE (75 AH) during the Khalifah Abdul-Malik Ibn Marwan Rule.

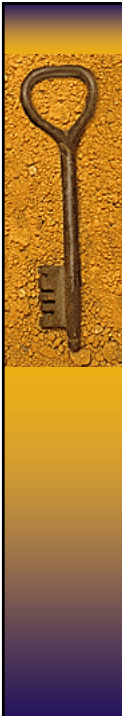


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GOLD MARKETS and PRICES:

Attempts are continually being made, since the end of WWI to completely eradicate the significance of gold in monetary terms and creating false supply that exceeds demand using gold borrowing from central banks, sale of gold from central bank reserves, options, futures and forward sale. .

On August 15th, 1971 the official convertibility of gold into dollars as per the 1944 IMF Agreement was suspended for official holders. This was done in response to France's Charles de Gaulle objections about the excess dollar supplies and the expanding monetary policy in the US during Vietnam War and the Johnson Great Society programs. (see <http://zolatimes.com/V2.16/Gold.html>)



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1. PRICE FIXING:

The center of Gold Trading is in London and the center of London gold and silver trading is the London Bullion Market, operated by the London Bullion Market Association, LBMA.

The practice of fixing gold prices began in 1919. It continued until 1939, when London gold market was closed as a result of WWI. The market was reopened in 1954. When the central bank gold pool began officially in 1961, the Bank of England (as agent of the pool) maintained an open phone line with N. M. Rothschild during the morning fixing (there was as yet no afternoon fixing.) The objective was to fix the price around the \$35/ounce price within a 1% band.



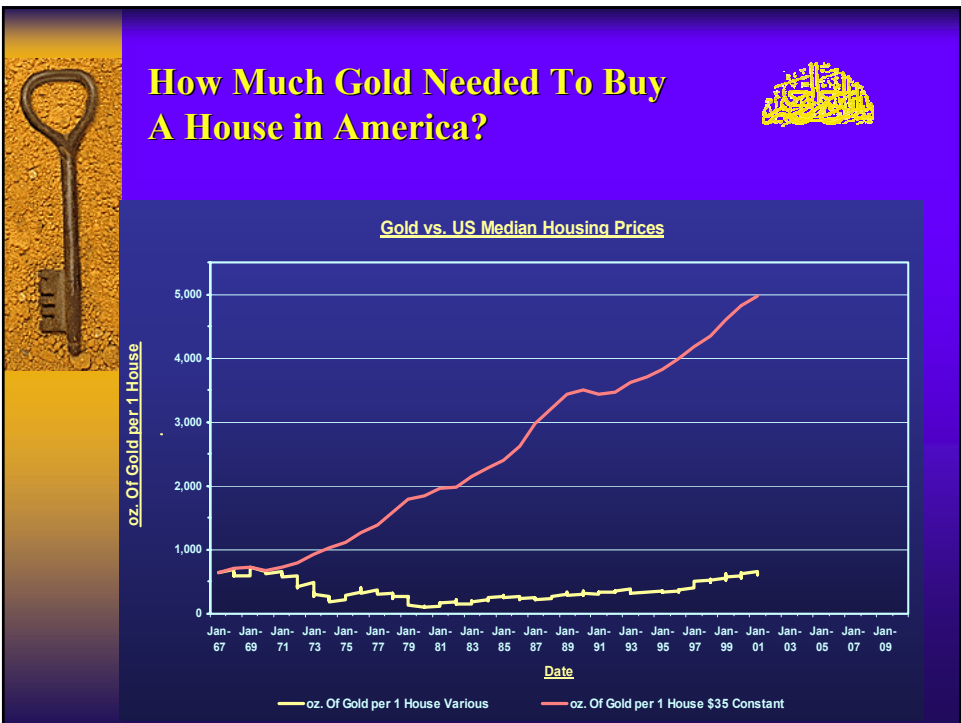
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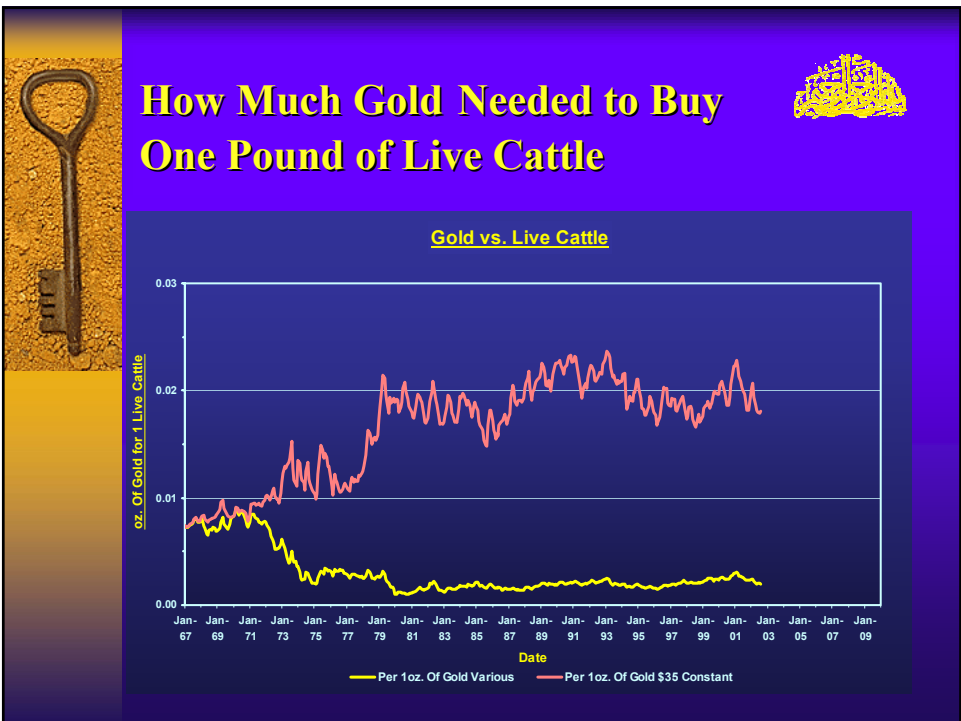
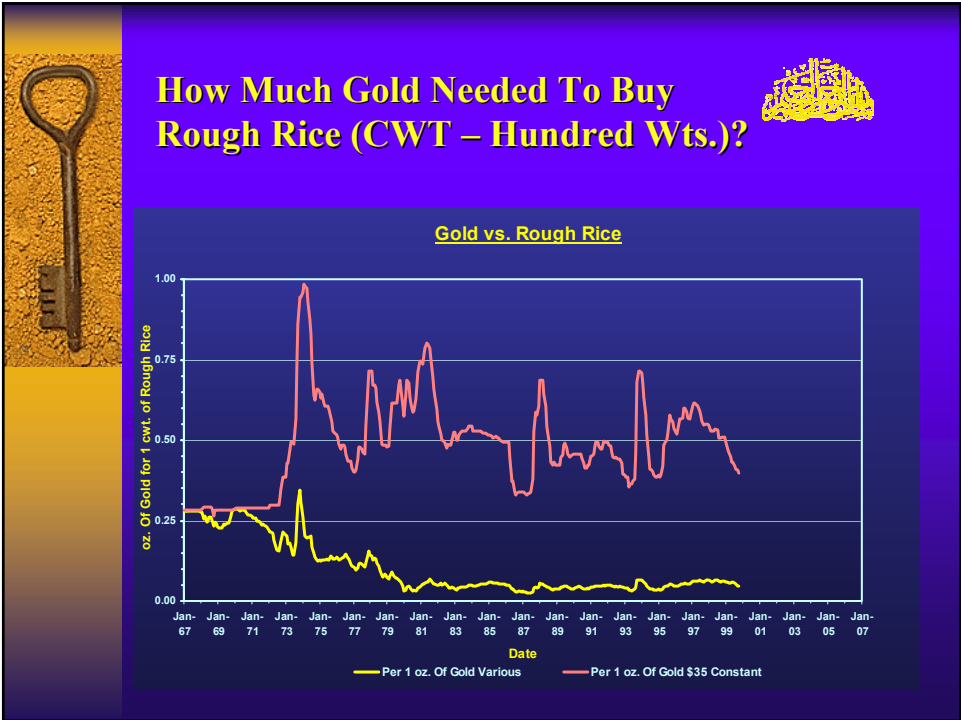
2. THE PLAYERS

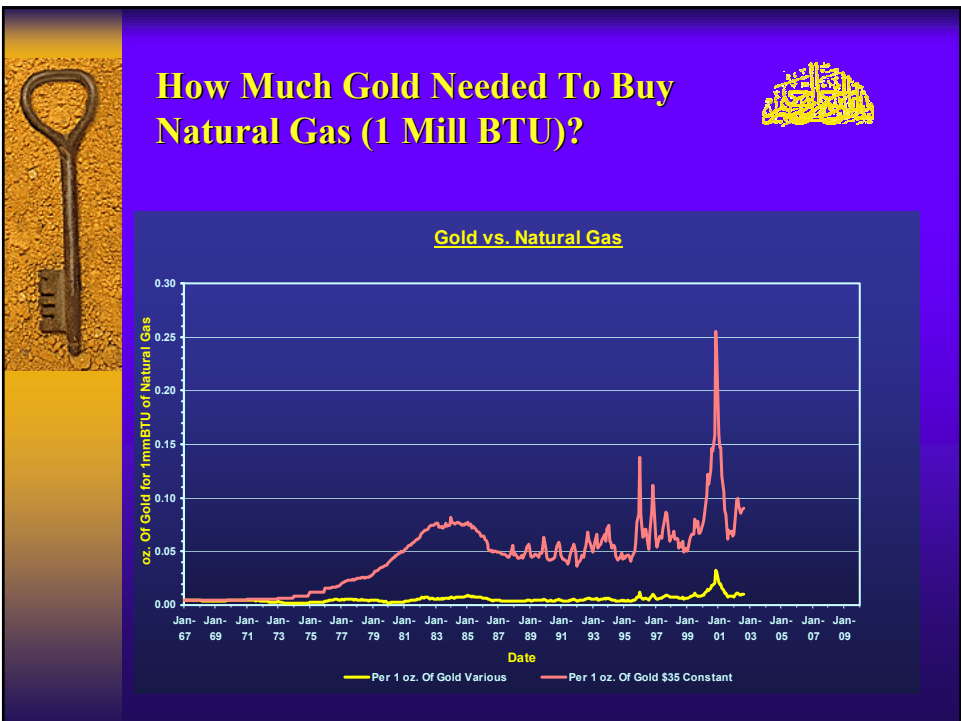
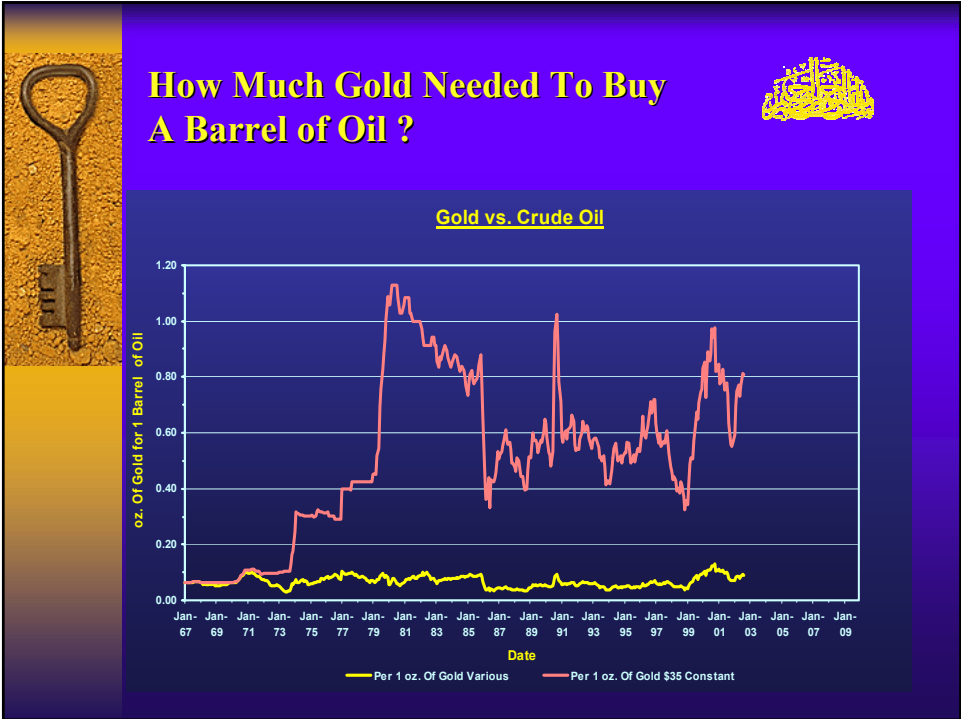
In its current form, the London gold price fixing takes place twice each business day, at 10:30 am and 3:00 pm in the “Fixing Room” of the Building of the merchant banking firm of N. M. Rothschild. Five individuals, one each, representing:

- Standard Charter Bank
- Deutsche Bank
- N. M. Rothschild & Sons
- Republic Bank
- HSBC

Price fixing is based on balancing supply and demand. Usually the fixing takes less than 15 minutes. In 1979, during the Islamic Revolution of Iran, the afternoon fixing lasted an hour and 39 minutes due to price volatility.









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RESEARCH: STUDY HISTORY!

Who Does Not Learn from Lessons of History is Condemned to Repeat Them

1. Understand The History of: Mono-Metallic, Bimetallic, Symmetallic and Commodity Reserve Currency Systems & Reasons Used to Change Over. Study the Bimetallic Movement and How It Died Down in 1890's in Europe and the Adoption of Monometallic Gold as the Standard.
2. The Effect of Vast Gold Discovery in Canada & South Africa and Advances in Production Technology on The Gold Reserve System (400 Mill Marks in 1883 to 1,600 Mil. Marks in 1906.)
3. The Problem of Inadequate International Reserve System in 1920's and the Effect of Lower Gold Prices on Reduction of Gold Production and the Great Depression in 1930's.



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RESEARCH: STUDY HISTORY!

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6. The Effect of Small Interest Differentials, under the Gold Standard (When People had Complete Confidence in the Maintenance of the Fixed Rate) on Short-Term Capital Flows. This was Precisely What Enabled Britain to Get Along with a Small Gold Reserve in the 19th Century.
7. The Advantages of Going Gold Over Floating or Adjustable Peg & Currency Boards MOST IMPORTANT is the Much Smaller International Reserve Requirement Needed.
8. What Happens If: Gold is Effectively Monetized and Any New Speculative Bubble in Gold Market would Increase Value of Gold Reserves.



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RESEARCH:

9. Simulate Past Inter-Country (s) Trading Experience Especially During Times of Gold Price Instability. How Can The Bank Help in Hedging.
10. Develop A Computer “War-Game” To Simulate The Intelligence of the Currency Traders Against That of The Gold Currency Supporters. Stretching the Model Under Severe Conditions.
11. Develop Scenarios That Can Be Used To Discredit the New System and Recommend Solutions.
12. Develop Ways & Strategies To Disengage Thinking in Hard Currencies and Reinforce Thinking in Gold Currency Approach.



We Ask All People of All Faiths and Backgrounds to Join The Movement!

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By God’s Grace It will Be Done!!

Thank You

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