

We need to deal with two concurrent crises.

The global economic crisis is a crisis of peak debt. The money system has again collapsed under the exponential growth of debt. Too much cheap money has created illusory wealth. We need a new money system at the same time we need to reduce greenhouse pollution.

In the past gold has been used as the money base. However, previously gold had only use as a display of wealth. Unlike in the past gold now has great application in electronics and other technology. We will be poorer without its use in these applications.

Whatever we use as the basis of our money standard will be hoarded and will increasingly be taken out of use for anything other than money. Whatever we use as a monetary base should be storable, stable, and something we want to stop using for other applications. Coal might be able to fill this need.

I hear that critics of the gold standard point to the way that the market has been cornered numerous times in history. They also point to the battle between those fighting for a gold standard (super rich) and those fighting for a silver standard (working people) at the turn of the last century. The relatively small amount of gold compared to other bases means that the super rich are more able to monopolise it. Coal is far more plentiful (yet limited) and would overcome this problem of monopolisation.

The biggest barrier to making this as a new standard on a global scale is that it would greatly favour nations like Australia with huge coal reserves. We could counter this in a positive way by including carbon in old growth ecosystems, systems that we want to value without destroying for consumption. Thereby our money supply would be limited by how much of our ecosphere we preserve.

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