

The Republicans and the gold standard: mad, bad or bot...

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The [FT carries news this morning](#) that the Republicans want to investigate a return to the gold standard.

That's the arrangement where a country's currency is fixed against the price of gold and not the value of what it can earn for itself.

So the laws of supply and demand for the currency are suspended.

And the opportunity to set interest rates to suit domestic need are foregone. The rate is set instead to ensure that there is a balance on exchange flows to ensure that gold parity is maintained.

And the right to print money - the one thing that has saved the UK and US from an El style fate - is given up since the quantity of gold determines how much money there is.

And if the gold price varies - as it has enormously - so does the value of your trade - with massive resulting risk.

And the opportunity for a country to price its population into work is foregone - with all the consequences seen until the standard was abandoned in the 1930s.

All that so that the global wealthy elite can think their money - I stress their money - is worth something whatever happens to the people in the country where they live.

I mean very genuinely that these people are either mad or bad or both.