



Written by [Alex Newman](#) on November 20, 2014

## ISIS Expresses More Monetary Sanity Than Federal Reserve

The self-styled “Islamic State,” the terrorist group often referred to as ISIS or ISIL that was [admittedly armed by the Obama administration and its Islamic “allies,”](#) is best known for its savagery, beheadings, and all-around jihadist terror. In recent days, though, after reportedly announcing that it would be minting its own gold, silver, and copper currency dubbed the “dinar” and the “dirham,” the brutal Islamist outfit has also become known for its monetary policy. According to the group, which announced its new money system last week, the goal of the precious-metals currency is to “emancipate itself from the satanic global economic system based on usury.”



In a [formal announcement](#) issued by ISIS, the group outlined the various denominations of its currency in a move described as “purely dedicated to Allah.” They include a gold coin worth upwards of \$600, all the way down to a copper coin expected to be worth about seven cents. In between will be another gold coin, three silver coins, and a separate copper coin. While numerous Islamic-ruled nations use currencies called “dinar,” the currency being planned by ISIS is reportedly based on one that began circulating in an Islamic caliphate that existed more than 1,300 years ago. It also aims to free ISIS and Muslims from “the tyrannical financial system,” the group said.

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“Based on the directive of the Emir of the Believers in the Islamic State, Caliph Ibrahim, may Allah preserve him, to mint current for the Islamic State, as it is far removed from the tyrannical monetary system that was imposed on the Muslims and was a reason for their enslavement and impoverishment, and the wasting the fortunes of the Ummah, making it easy prey in the hands of the Jews and Crusaders, the Treasury Department studied the matter and presented a comprehensive project, by the grace of Allah, to mint a currency based on the inherent value of the metals gold and silver,” reads the statement attributed to the ISIS “Treasury Department” in media reports.

The ISIS sound-money announcement was purportedly uncovered on Twitter and publicized by the self-styled private intelligence-gathering company known as the SITE Intelligence Group (SITE), which says it works closely with governments to monitor terror groups. “The use of gold, silver, and copper shows an attempt to resemble life under the old Islamic Caliphate,” said SITE Director Rita Katz in a statement. “This resemblance further separates IS’s desired economy from that of the ‘tyrannical’ economies of the West.”

Katz said her “intelligence” organization had not yet seen any physical coins issued by ISIS, but also noted that the terror group would not have made the announcement if it were not serious about



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following through. “It wouldn’t be surprising to see some surface in Iraq or Syria in the near future,” she added. Citing social-media reactions, SITE also reported that the ISIS announcement has “sparked excitement” among IS supporters and fighters, who apparently believe the new currency would help with the “collapse of the global economy.”

SITE’s involvement in finding and publicizing the supposed new currency plan, combined with the Western establishment’s well-documented involvement with jihadist groups in Syria trying to overthrow dictator Bashar al-Assad, sparked speculation that the ISIS sound-money story could be a “plant” by the U.S. government. Writing in *Occupy Corporatism*, for example, Editor Susanne Posel, pointing to the Obama administration’s open backing of Islamists in the region, suggested the FBI may have even fabricated the story as some sort of deceitful psychological operation, or “PsyOp.”

Assuming the plan is real, though, many questions remain. For instance, it was not immediately clear how the valuable metals necessary to mint the coins would be obtained by the jihadist regime, which currently rules parts of Iraq and Syria but someday hopes to acquire far more territory and subjects to rule under sharia law. Analysts suggested that massive oil revenues, combined with extortion fees collected from locals under the guise of “taxes” and ransoms paid to ISIS for kidnapping victims, could be used to fund the purchases of metals.

News reports and Western officials have argued that ISIS could potentially already be earning millions of dollars per day from captured oil refineries and energy sales in the black market. The terrorist outfit, which [U.S. Vice President Joe Biden recently admitted was armed by U.S. government allies such as the Islamic governments of Turkey, Qatar, and Saudi Arabia](#), is now widely described as the wealthiest terror group on Earth. Whether its monetary plan will work, however, remains to be seen.

“The purchasing power of the money they’re emitting will be wholly dependent on what the purchasing power of gold, silver and copper are,” Johns Hopkins University Economics Professor Steven Hanke told the *Financial Times*, an establishment newspaper that regularly has its leaders at the shadowy Bilderberg summit. “The important thing is: where are they going to get the gold and copper? Isis will have to confiscate more property through theft and the spoils of war.”

As observed by analysts, despite the self-declared goal of freeing itself from “the satanic global economic system,” the precious-metal coins would be easily exchangeable for fiat currencies virtually anywhere in the world due to their inherent value. Citing Gresham’s Law, *Forbes* contributor Tim Worstall suggested “bad” paper currencies issued by governments would be likely to drive out “good” money made with gold and silver, complicating the prospects for the ISIS monetary system.

More than a few skeptical analysts and observers have expressed suspicions that the alleged honest-money scheme by ISIS is in fact a ploy to demonize anyone and everyone who recognizes the [fraud and deception inherent in privately owned central banks’ fiat currency regimes](#) — something that has been documented for decades by this magazine and economists around the world. But while central bankers and the globalist establishment try desperately to marginalize and demonize precious metals and sound money, occasionally, the truth slips out — even from members of that same establishment.

In a recent talk at the global government-promoting powerhouse Council on Foreign Relations, for example, former Federal Reserve boss Alan Greenspan was asked whether he thought gold was currently a good investment. “Yes,” the ex-Fed chief [responded](#) in a segment that was conveniently omitted from the CFR’s official transcript of the discussion. “Remember what we’re looking at. Gold is a currency. It is still, by all evidence, a premier currency. No fiat currency, including the dollar, can



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match it.” Greenspan has previously expressed similar sentiments in recent years, and even going back decades. In 2011, [he explained](#): “Gold, unlike all other commodities, is a currency.”

Indeed, until disgraced ex-President Richard Nixon unilaterally severed the U.S. dollar’s final tenuous link to gold in 1971, precious metals had underpinned monetary systems around the world for thousands of years. As Greenspan explained in a 1966 essay entitled “Gold and Economic Freedom,” fiat currency is in fact incompatible with human liberty — something of a scam to secretly loot the public. “In the absence of the gold standard, there is no way to protect savings from confiscation through inflation,” he wrote. “There is no safe store of value... Deficit spending is simply a scheme for the confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights.”

Aside from Greenspan, market-oriented analysts were amused by the sound-money move announced by ISIS, suggesting it offered further evidence of the failure of rapidly depreciating paper currency. “It appears the terrorist organization known as Islamic State has been watching the fiasco of fiat money and reading Alan Greenspan and Ron Paul,” observed the financial analysis site ZeroHedge.com, referring to the former Fed boss and longtime sound-money advocate and former congressman Paul. “Of course this will mean more physical demand — along with Russia and China — and so more price suppression by the West.”

For years, analysts, economists, and even central bankers such as Greenspan have [suggested that gold and silver prices were being artificially suppressed by Western central banks](#) using a variety of deeply controversial — if not outright fraudulent and criminal — policy gimmicks. The purpose: to partially conceal the fundamental problems with paper currency, [issued by monopolistic banking cartels with impossible-to-pay interest attached](#), as central bankers quietly inflated away the value of people’s savings and centrally planned economic calamities to extract more wealth from the public.

Others suggested the shift toward hard currency could represent a threat to the increasingly unstable and discredited monetary regime foisted on humanity by the Western establishment. “Has ISIS discovered the Achilles heel of the Western world?” asked Economic Policy Journal editor Robert Wenzel. “Are they about to attack fiat paper money by introducing circulating gold and silver? It appears so.” The late Libyan dictator Muammar Gadhafi also tried to adopt a gold dinar currency shortly before being overthrown by Obama, NATO, and al-Qaeda leaders.

Whether the ISIS plan will be implemented or is even real remains to be seen. If true, however, it would appear that a savage terrorist group infamous for beheading and torturing innocent people has more monetary sense than the central bankers and governments of the West.

*Photo: AP Images*

*Alex Newman, a foreign correspondent for The New American, is normally based in Europe. Follow him on Twitter [@ALEXNEWMAN\\_JOU](#). He can be reached at [anewman@thenewamerican.com](mailto:anewman@thenewamerican.com)*

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