

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Series of Questions Addressed to Eminent Scholar Ata Bin Khalil Abu Al-Rashtah

Ameer of Hizb ut Tahrir through his Facebook "Fiqhi" Page

Answer to Question

The Fluctuations in Gold Prices

To: Ahmed Saeed

(Translated)

Question:

Assalam Alaikum Wa Rahmatullah Wa Barakatuh our esteemed Sheikh

I hope this question reaches you in good health and well-being. I ask Allah (swt) to guide you in upholding His Deen and implementing His law.

My question is: We have recently witnessed a significant rise in the price of gold, reaching more than double its original price in just a few years. Does this mean that gold, as a stable metal and a standard for currencies, is no longer so, but has become subject to change? Or is this change due to the control exerted by certain regimes and political circumstances?

If so, how will the Islamic state, which will soon be established, Allah willing, maintain its stability and prevent manipulation of it by the enemies of Islam? Barak Allahu feek.

Your brother in Islam, Ahmed Saeed, from the land of the Isra and Mi'raj, Palestine.

Answer:

Wa Alaikum Assalam Wa Rahmatullah Wa Barakatuh

The fluctuations in gold prices are due to its status as a commodity. Therefore, speculation affects its price, causing it to rise and fall. This is especially true because the world's major powers, particularly the United States, prioritize the dollar as the primary medium of exchange. They increase or decrease the printing of dollars without accountability. Furthermore, their colonial relationships with several countries contribute to the dollar's stability in many cases, making it almost as if it were gold. If the situation were different, and currency was actually gold, and every piece of paper printed had to be backed by a certain amount of gold that could be exchanged for it at any time—what is known as reserve paper—then all fiat currency (i.e., non-reserve paper) would be worth no more than the paper it is printed on. To clarify this, I will mention two points that will aid to understand more:

First: In my book, "**Economic Crises: Their reality and solutions from the viewpoint of Islam**," I discussed the following:

[Economic crises as a result of the reality of currency: When the world followed the gold standard in its monetary dealings it was living in a period of economic prosperity and monetary stability. But when this system vanished ... and dealings became solely through the compulsory abstract banknotes (fiat). So, the situation deteriorated, and the incidence of crises accelerated, one after the other. The gold standard system was used to guarantee a fixed exchange rate, as the monetary unit of each country was gold or papers that represented full value in gold, and was liable for conversion at any time. Consequently, the exchange rate between the countries was constant because it was related to an

acknowledged gold unit. For example, a dinar in Islam is defined as 4.25 a gram of gold, and the British pound was defined by law as 2.0 grams of pure gold and the French franc was equivalent of one gram and so on. Therefore, the exchange rate was fixed.

This system stabilized the value of the monetary unit both internally within the country and externally. The evidence for this was that the standard prices of gold in 1910 were almost at the same level they were in 1890. However, after the abolition of this system the occurrence of these crises has become considerable...]

Second: There is no fear for the Islamic state's currency when it is established, Allah willing. There is no fear that it will be affected by the speculation of other countries if they refuse to adopt gold and silver as their currency and continue with the paper currency system and then try to influence the state, because of the advantages that the Muslim countries enjoy that make them safe from any external speculation. The following has been stated in the economic system regarding this matter:

[...the exchange rate between the Islamic State's currency and the currencies of other countries would not have an effect upon the Islamic State for two reasons:

1. The Islamic lands possess all the raw materials that the Ummah and the State need. Therefore, its need for other countries' commodities would not be essential or necessary. It is self-sufficient of its local goods, thus not affected by exchange fluctuations.

2. The Islamic lands possess commodities which all other countries need, for example oil. The Islamic State could restrict the sale of such commodities unless they are paid for by gold. The State could do away with other countries' commodities by relying solely on its own local commodities, and who ever owns commodities that all other peoples need, could not in any way be affected by the fluctuation of the exchange rate. It is it who could control international markets, with none able to control its currency].

Rest assured, dear brother, that the party has men of wisdom, awareness, and sound judgment, and before and after all else, the help and guidance of Allah (swt), sufficient to turn the plots of the enemies of Islam back upon themselves. And Allah is the protector of the righteous.

I hope this is sufficient, and Allah Knows Best and is Most Wise.

Your Brother,

Ata Bin Khalil Abu Al-Rashtah

7 Ramadan 1447 AH

24/2/2026 CE

The Link to the Answer from the Ameer's Facebook page:

<https://web.facebook.com/AtaAboAlrashtah/posts/122124813789129051>