

REALLY, IS IT NOT JUST COMMON CENTS?

This is the key question posed by a just-published book advocating a single global currency managed by a Global Central Bank (GCB). Written by Duxbury native son turned Maine-iac Morrison Bonpasse (he now resides in Newcastle, Maine) “The Single Global Currency -- Common Cents for the World” argues strongly that replacing the current proliferation of some 150-odd national currencies with a new single global currency would make the world more peaceful as well as considerably more prosperous.

Born and raised in Duxbury, Bonpasse attended Philips Academy Andover, got his B.A. in Sociology at Yale (Class of '72), a law degree at Boston University in '76, a Masters in Public Administration at Northeastern in '79, and finally an MBA at Babson in '86. In 2003 he founded the Single Global Currency Association (www.singleglobalcurrency.org) to promote the creation of a single world-wide common currency.

A single global currency would, according to Bonpasse, benefit the world's economies by trillions of dollars since it would end transaction costs for currency trading and eliminate the need for and cost of maintaining foreign currency reserves while creating a dramatic one-time increase in global asset values by removing risks of currency fluctuation.

Modeled on the Euro (the currency of the EMU, the European Monetary Union) which it would replace along with all other currencies including the U.S. dollar, the new global currency Bonpasse advocates ideally would eventually, if things were to go according to plan, become the single unifying unit of exchange, store of value, and unit of account for the entire world.

Bonpasse's book does a very good job explaining the costs and inconveniences of the current system of (mostly) national currencies and fluctuations in exchange rates among them. It offers reasonably plausible observations, largely based upon what success there has been so far in the development and use of the Euro, of how we might get there. It does not, however, dig very deep into the foundations of fiat money or how the modern monetary system actually works and so does not engage very much the considerable obstacles on the way to the single global currency that Bonpasse promotes.

Control (or not) over its monetary system is a key element of the relative prestige and power of a nation. Monetary policies and options are intimately linked to economic, political, and military capabilities and so to national interest. Nations, especially powerful nations, are no more likely to be willing to cede monetary control to an international organization than they are to cede political or military control. Absent a single global government, no single global currency is likely to develop successfully.

Nevertheless, at the very least, Bonpasse's book poses interesting and provocative questions about the current world monetary order and the possibilities of its future direction. He may well be remembered, in some future world order, as an insightful and prophetic voice who, though perhaps well ahead of his time, foresaw with remarkable accuracy at least the general direction that such matters actually would take in the end.