



New Internationalist

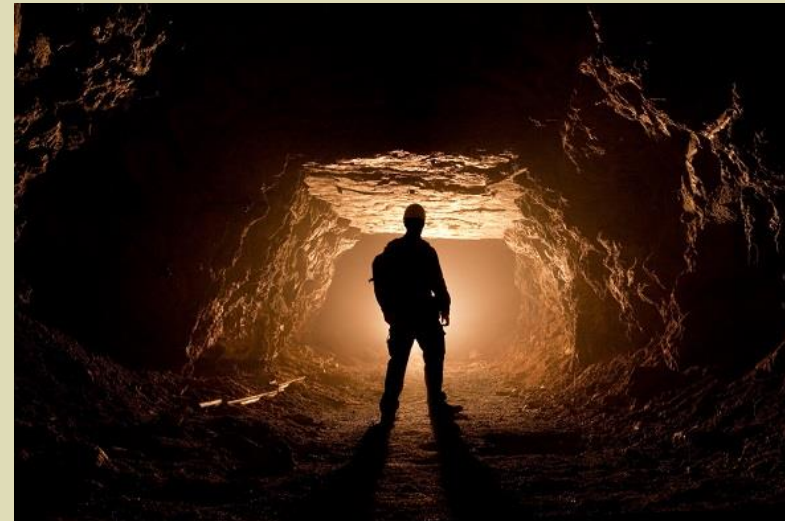
The people, the ideas, the action in the fight for global justice

Gold

Intermediate

New Internationalist

Easier English ready lesson



Today's lesson:

Speaking: discussion and quiz

Vocabulary: about gold and mining

Reading: scanning / reading for detail

Grammar: review of tenses

Writing: a formal letter

What's this?



Discuss:

1/ Why do we think gold is so important?

2/ What are some of the problems of gold-mining?

3/ Why do we spend so much money getting gold out of the ground, and then put it back under the ground (in banks) to stop other people getting it?

4/ What could we use instead of gold?



Quiz:

1/ What do "black gold" and "liquid gold" mean?

- a) earth and sun b) expensive and cheap gold*
c) oil and water

2/ How much gold exists in the world?

- a) about 20 tonnes b) about 200,000 tonnes*
c) about 2,000,000 tonnes

3/ How much gold do we mine now per year?

- a) about 200 tonnes b) about 2,000 tonnes*
c) about 20,000 tonnes

4/ What percentage of the world's gold is now in the Federal Reserve in Manhattan?

a) about 5% b) about 25% c) about 50%

5/ People first used gold as money in (what is now) Turkey in:

a) 600 BC b) 100 BC c) 100 AD

6/ How much does one ounce of gold cost now?

a) \$1,000 b) \$5,000 c) \$10,000

**What do these
words mean?**

verbs

to mine

to store

to invest

phrases

pile

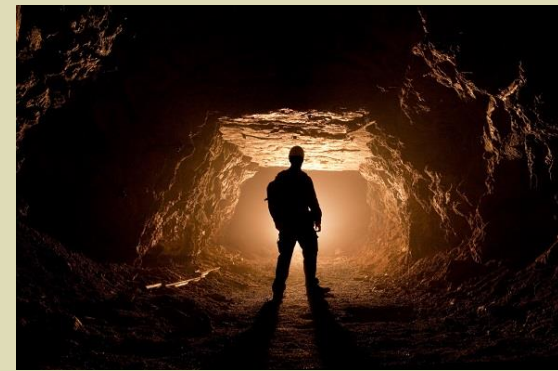
storage vault

gold bullion

currency

inflation

depression



Match:

a) gold bullion

b) currency

c) to store

d) inflation

e) to invest

f) depression

g) storage
vault

h) pile

i) to mine

1/ to get minerals from underground

2/ to put money in a bank or organisation to get more money back later

3/ a time when the economy is not growing

4/ a safe place to keep valuable things

5/ general increase in prices

6/ to keep something safe

7/ solid gold bars

8/ a system of money used in one country

9/ things on top of each other

Now scan this text to check (2 slides):

Gold is strange. It has almost no practical use, but it has become a standard of value that people kill and die for. Our language is full of it, as something we should all want eg. 'good as gold', 'going for gold' (like at the Olympics), getting the 'gold standard' or sometimes just saying 'gold!' to say something is excellent. Anything you can make money with is compared to gold eg. water is 'liquid gold' and oil is 'black gold'. At a simple level, we all can happily walk under the golden arches of McDonald's to get our burger and fries.

We still have most of the gold that's ever been found or mined. But we would do anything to get more. People are not sure exactly how much gold we have, but one estimate is 171,300 tonnes of gold (and some people believe we have 16 times that). It doesn't take up much space because it is so dense. If you put it all in a giant cube it would measure just 20 metres on each side (or a 50-metre high cube at the higher estimate).

We are now mining and storing more gold (2,500 tonnes a year) than ever before, mostly for 'investment' in gold bullion, coins and jewellery which we don't wear very often. We take a lot of trouble to dig it out of the ground from a mine, usually in a far corner of the world, then put it back under the ground in safe storage. What's the point?

Some storage vaults have more gold than others, of course. The Federal Reserve vault in Manhattan could have 20 - 25 per cent of all the gold ever found. Many countries and private investors keep some of their gold here. So, if the Bundesbank wants to buy gold from the Bank of England, the gold never needs to leave the Federal Reserve vault. A little team of security guards takes it from the British pile to the German pile. Again, what's the point?

In 600 BC, the Lydians (in what is now western Turkey) first used gold as money, not just as decoration. This created a huge demand for gold. Politicians quickly put pictures of themselves on the money – and they still do this today.

Now, gold costs more than \$1,000 an ounce, so it earns a lot of money. When gold was linked to currency, people thought it could stop high inflation (at about \$35 an ounce). Many central bankers and conservative economists believed this. So they ruined the economy to keep their gold. In the depression of the 1930s, governments cut social support and did not improve the economy to 'protect' their gold-supported currencies. And it is strange that, when the connection between gold and currency was cut by the Nixon's government, there was no high inflation, but the price of gold increased instead.

http://eewiki.newint.org/index.php/Stop_the_gold_rush!

Choose the right verb (and discuss why):

Gold is strange. It has almost no practical use, but it **1) has become / is become** a standard of value that people kill and **2) dies / die** for. Our language is full of it, as something we should all **3) to want / want** eg. 'good as gold', 'going for gold' (like at the Olympics), getting the 'gold standard' or sometimes just saying 'gold!' to say something is excellent. Anything you can make money with **4) compares / is compared** to gold eg. water is 'liquid gold' and oil is 'black gold'. At a simple level, we all can happily walk under the golden arches of McDonald's to **5) getting / get** our burger and fries.

We still have most of the gold that's ever been found or mined. But we would **6) doing / do** anything to get more. People **7) is / are** not sure exactly how much gold we have, but one estimate is 171,300 tonnes of gold (and some people believe we have 16 times that). It doesn't take up much space because it is so dense. If you put it all in a giant cube it would measure just 20 metres on each side (or a 50-metre high cube at the higher estimate).

We are now mining and storing more gold than ever before, mostly for 'investment' in gold bullion, coins and jewellery which we **8) don't wear/didn't wear** very often. We take a lot of trouble to dig it out of the ground from a mine, usually in a far corner of the world, then put it back under the ground in safe storage. What's the point?

Some storage vaults have more gold than others, of course. The Federal Reserve vault in Manhattan could have 20 - 25 per cent of all the gold ever **9) finded / found**. Many countries and private investors keep some of their gold here. So, if the Bundesbank wants to buy gold from the Bank of England, the gold never needs to leave the Federal Reserve vault. A little team of security guards takes it from the British pile to the German pile. Again, what's the point?

In 600 BC, the Lydians (in what is now western Turkey) first **10) used / have used** gold as money, not just as decoration.

This **11) created / has created** a huge demand for gold.

Politicians quickly put pictures of themselves on the money – and they still do this today.

Now, gold **12) costs / is costing** more than \$1,000 an ounce, so it earns a lot of money. When gold **13) linked / was linked** to currency, people thought it could stop high inflation (at about \$35 an ounce). Many central bankers and conservative economists believed this. So they ruined the economy to **14) keep / kept** their gold. In the depression of the 1930s, governments cut social support and **15) did not improved / did not improve** the economy to ‘protect’ their gold-supported currencies. And it is strange that, when the connection between gold and currency was cut by the Nixon’s government, there was no high inflation, but the price of gold increased instead.

Match the examples to the tenses:

1/ It has become

2/ People kill and die for

3/ It is compared to

4/ We would do

5/ We didn't wear

6/ They used gold as money

a) Past simple

negative

b) Past simple

(finished past)

c) Present simple

d) Present passive

e) Present perfect

(relating past to present)

f) modal + infinitive

Discuss: problems with gold?



Now read quickly to find more
problems:

2 minutes

to read each of the next

2 slides

Because it is so expensive, gold is now linked to crime eg. to bribery (Turkey and Colombia), price-fixing (Barclay's Bank in London), fraud (Canada's Bre-X in Indonesia), tax evasion (Australia and the Philippines), counterfeiting (sophisticated fake or adulterated 'gold' sold in the Hong Kong trade) or smuggling (India).

And it is not just nonviolent crime. It can be very violent to force a goldmine on a local community who do not want it. And fighting local miners who feel they have the same right to the gold as a large mining company from another country. Sometimes the local police help the mining industry. Official police have been used recently to attack people protesting against the goldmine in Greece. And to attack peaceful protesters in Guatemala. There is a long list of attacks like this. Of course, it isn't technically crime because it is the police who are doing it. But often, the mining company pays private security guards to protect their mine too.

In Tanzania, 69 illegal miners have been killed by police (trying to protect the mine). People believe these police accept money from illegal miners to protect them. So they killed the miners who wouldn't or couldn't pay. Before foreign companies came, many poor Tanzanians had done small-scale mining in the area for many years. Now they are 'illegal'.

We need to stop this silly gold rush. We need to use less resources and be sustainable. We cannot continue to run around the world digging up a shiny metal that has little use, without thinking about the effects of this. We do not have enough energy to do it. We do not have enough water to produce the gold and become polluted. We can't keep throwing poisonous chemicals away into nature. We can't continue with the cowboy capitalism of mining companies that so easily becomes crime and violence. We need a different standard of value - not gold. We need to value clean air and water and sustainable incomes, not a strange pot of gold at the end of an old, grey rainbow.

Write a letter:

to mine

to store

to invest

Dear,

We have been reading
about gold and

we think

pile

storage vault

gold bullion

currency

inflation

depression

Homework:

Go to: eewiki.newint.org
and read more

Eg.

[http://eewiki.newint.org/index.php/Stop the gold rush!](http://eewiki.newint.org/index.php/Stop_the_gold_rush!)

