

DO YOU KNOW WHERE MONEY COMES FROM?

Read this booklet to find out. Once you understand you will demand an end to the privately-owned banks' monopoly to print money.

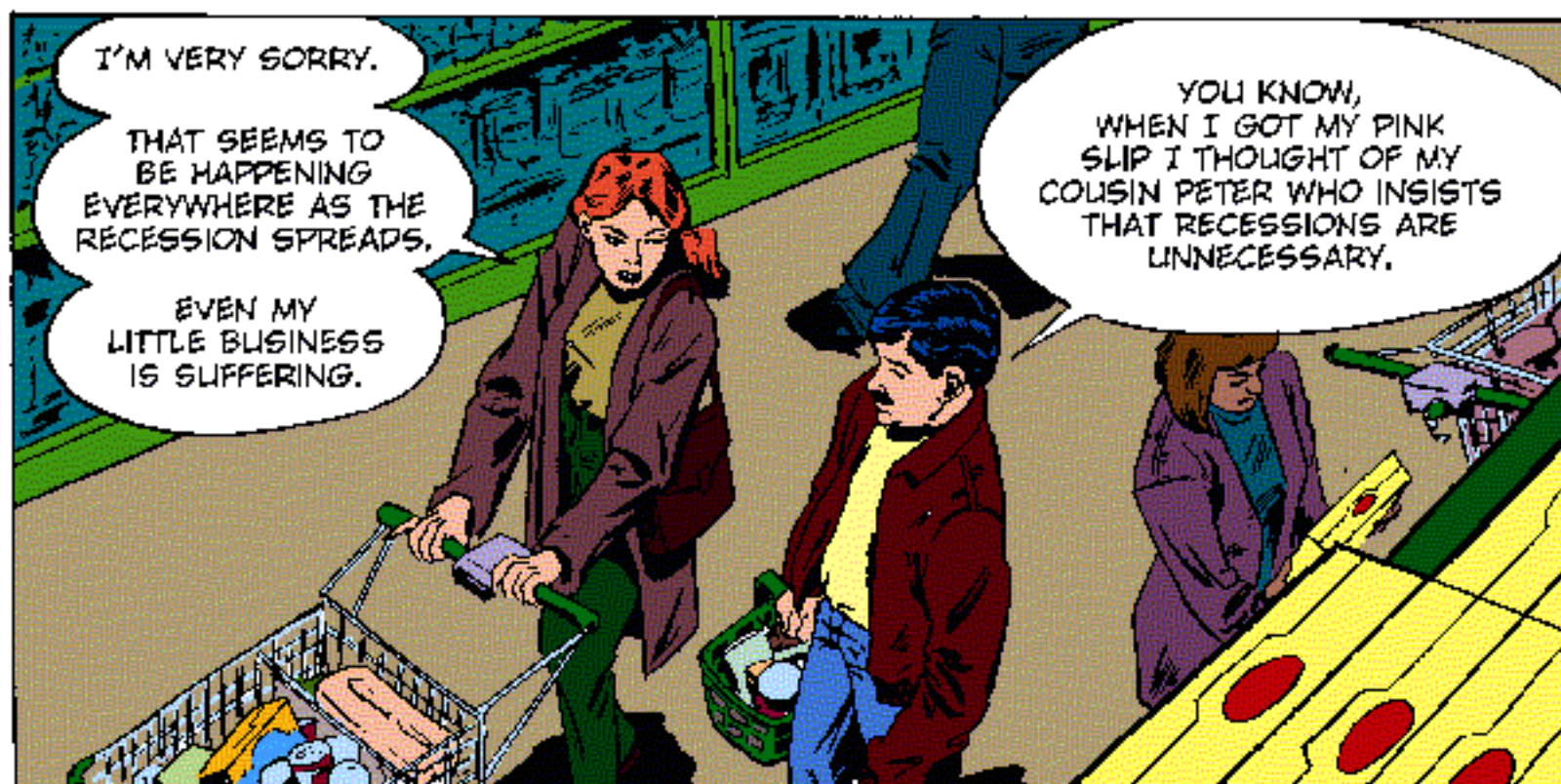


HELLO ANNE.

HI JOE,
HOW ARE YOU
DOING?



NOT GOOD. MY
COMPANY JUST LAID
OFF 2,000 WORKERS
AND I AM ONE
OF THEM.



I'M VERY SORRY.

THAT SEEMS TO
BE HAPPENING
EVERYWHERE AS THE
RECESSION SPREADS.

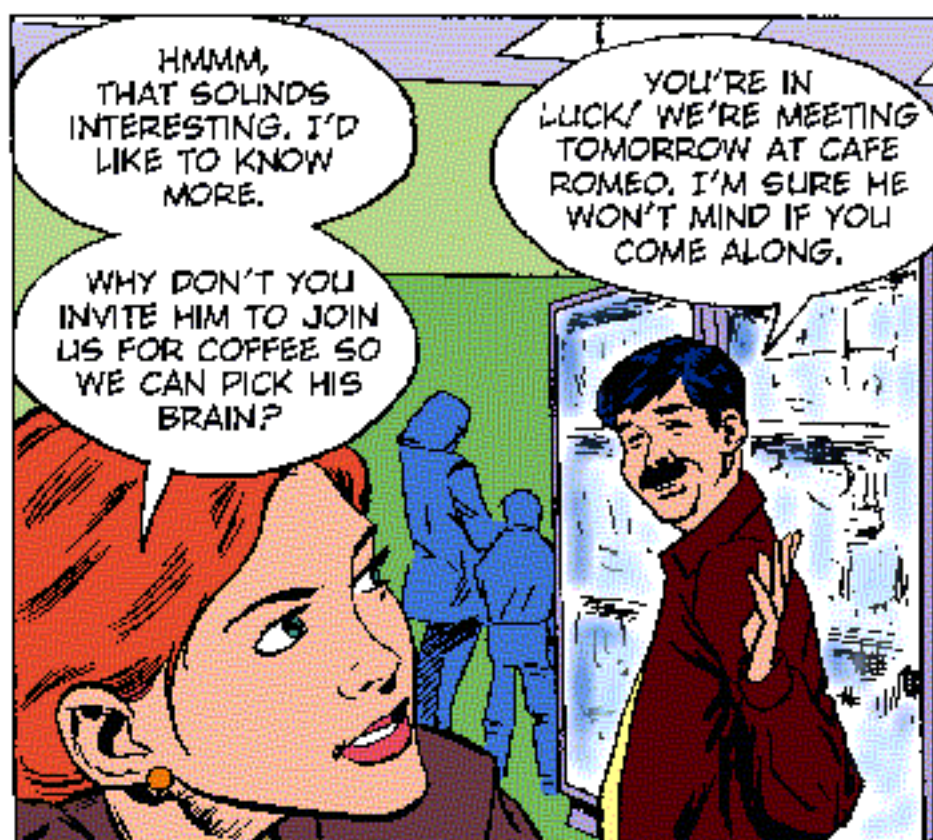
EVEN MY
LITTLE BUSINESS
IS SUFFERING.

YOU KNOW,
WHEN I GOT MY PINK
SLIP I THOUGHT OF MY
COUSIN PETER WHO INSISTS
THAT RECESSIONS ARE
UNNECESSARY.



WAS HE
JOKING?

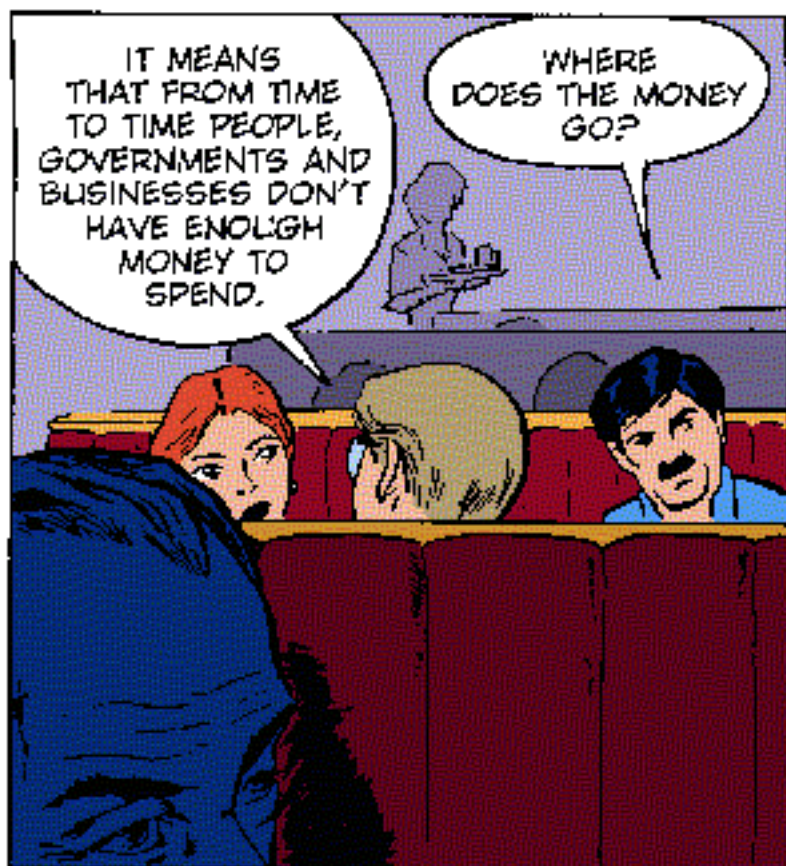
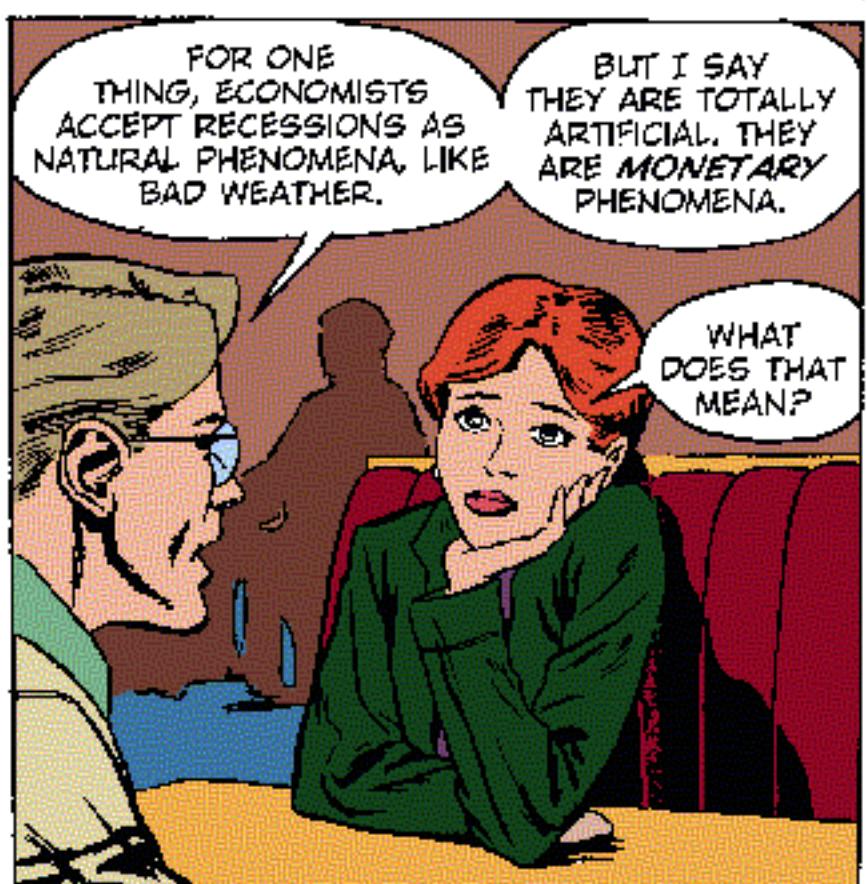
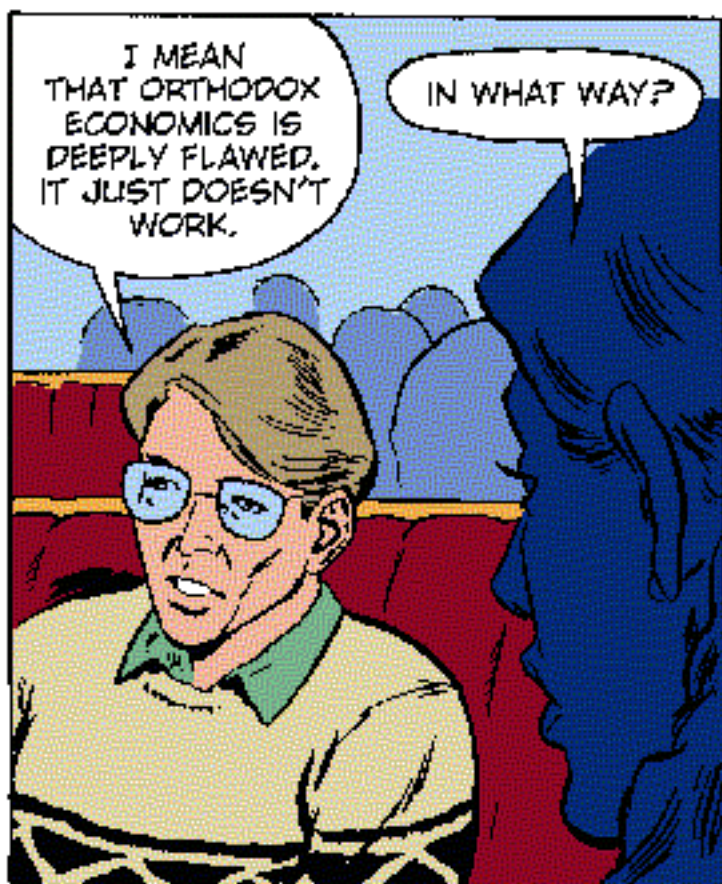
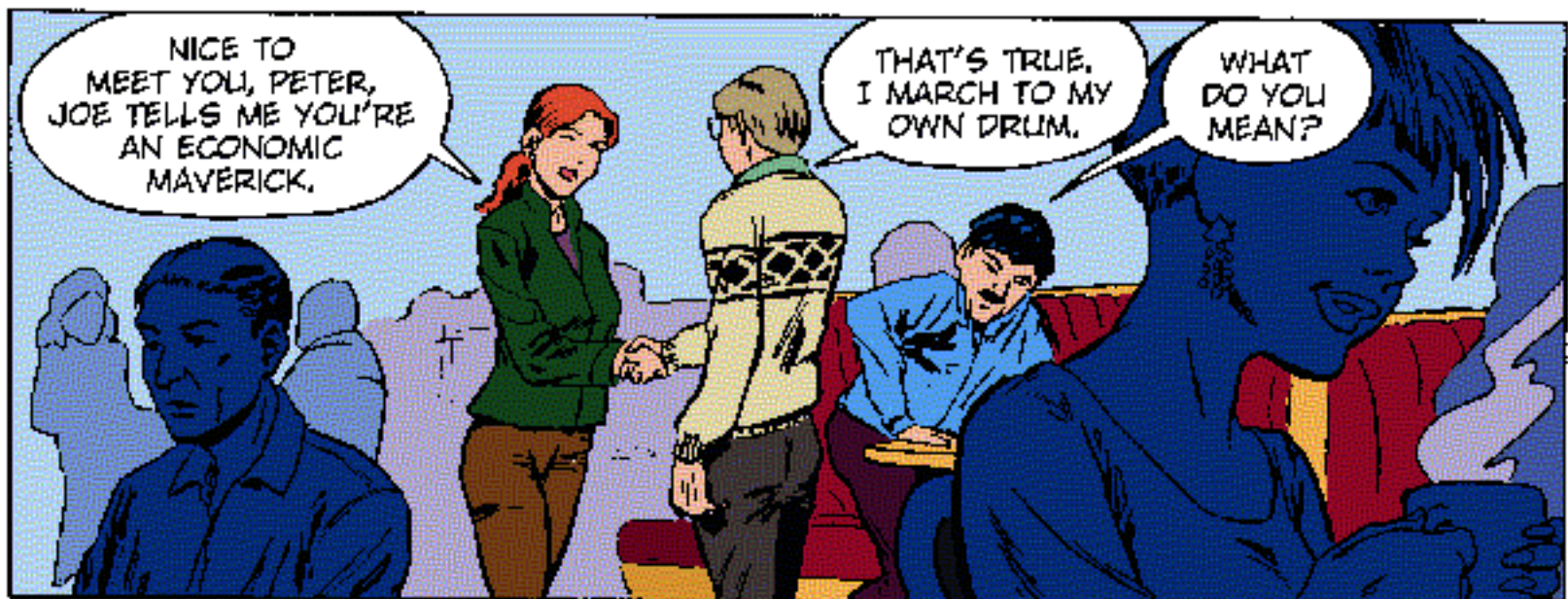
ABSOLUTELY
NOT. HE SAYS IT HAS
SOMETHING TO DO
WITH THE BANKING
SYSTEM.

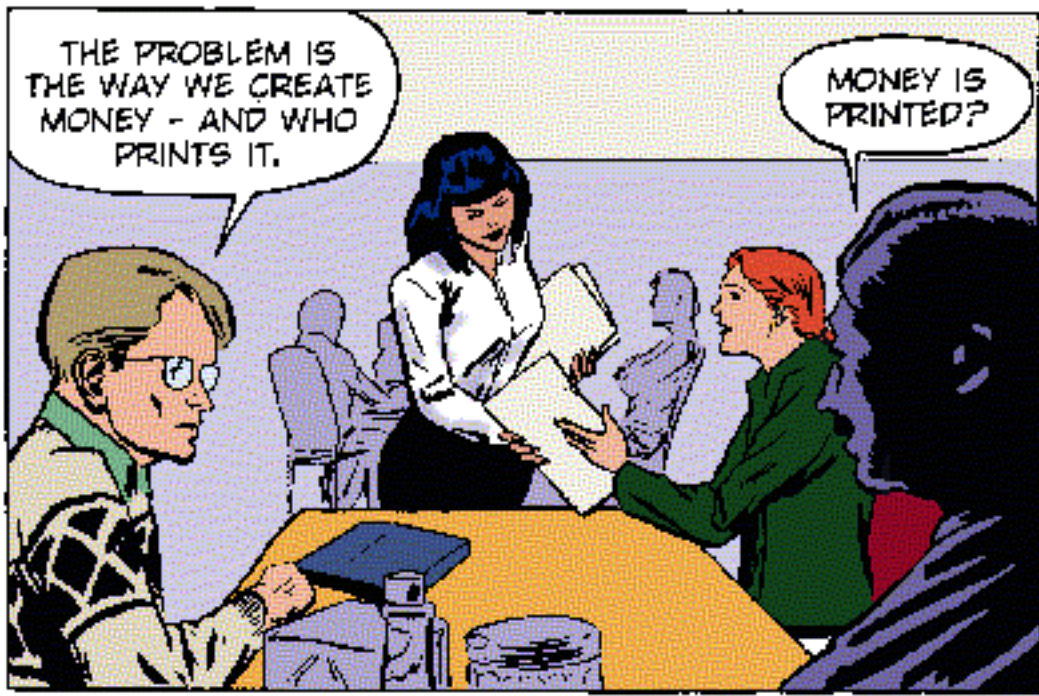


HMMM,
THAT SOUNDS
INTERESTING. I'D
LIKE TO KNOW
MORE.

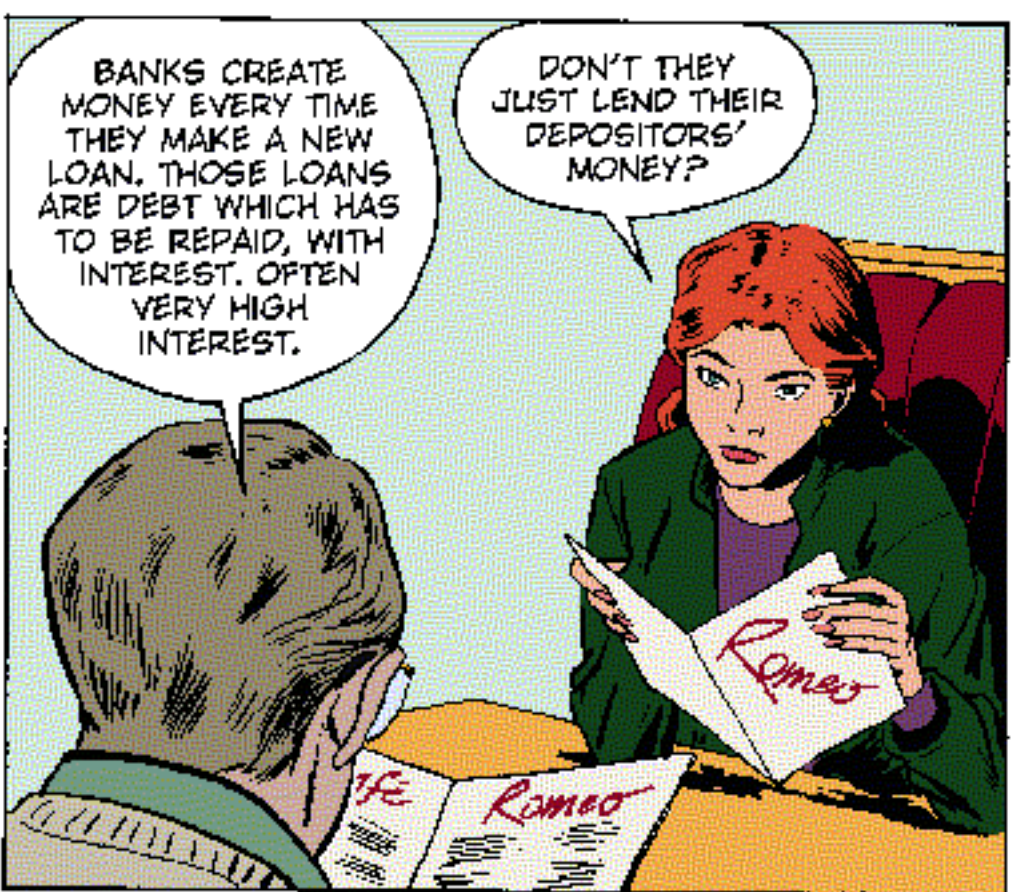
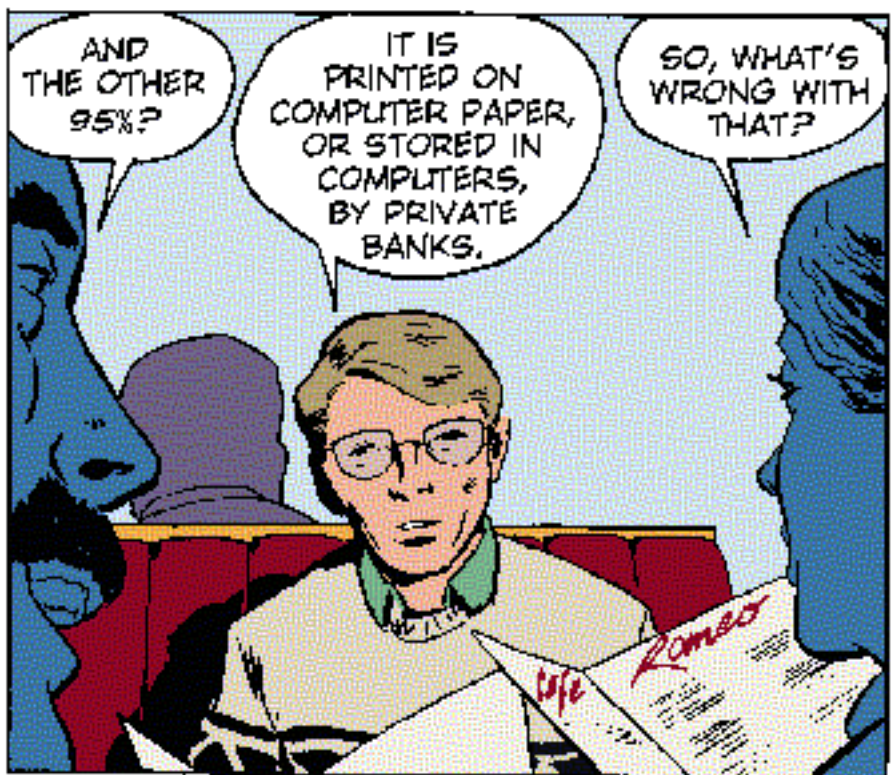
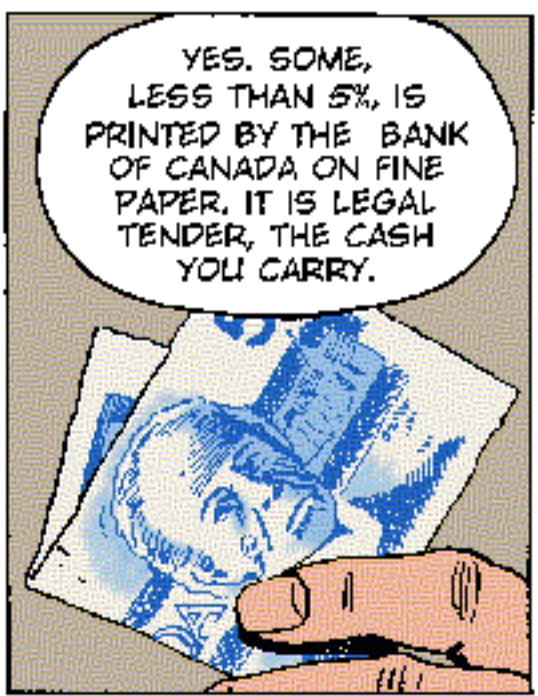
WHY DON'T YOU
INVITE HIM TO JOIN
US FOR COFFEE SO
WE CAN PICK HIS
BRAIN?

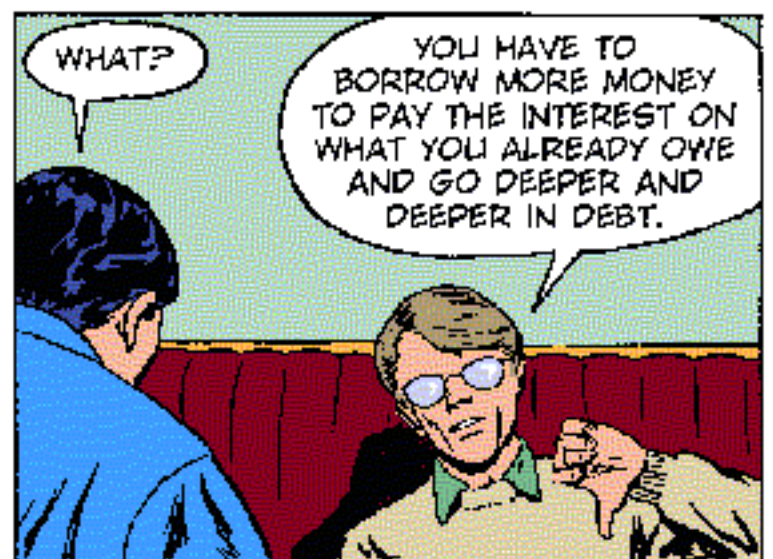
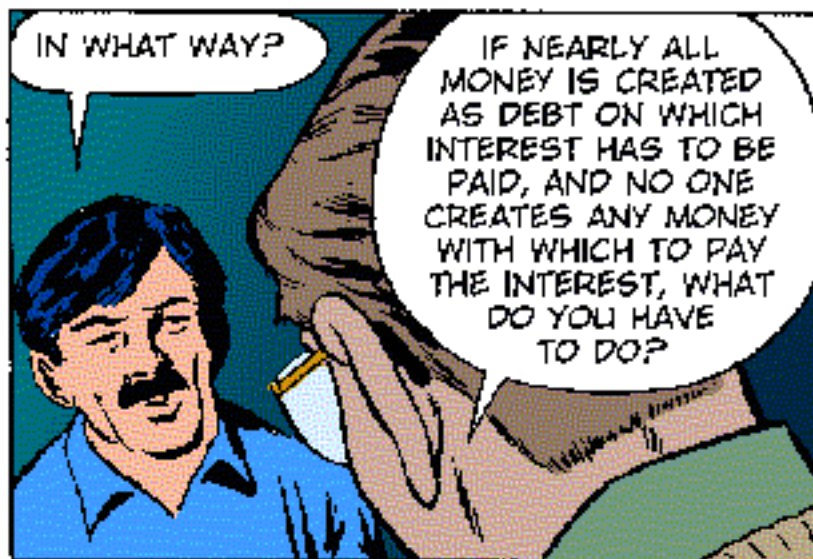
YOU'RE IN
LUCK! WE'RE MEETING
TOMORROW AT CAFE
ROMEO. I'M SURE HE
WON'T MIND IF YOU
COME ALONG.

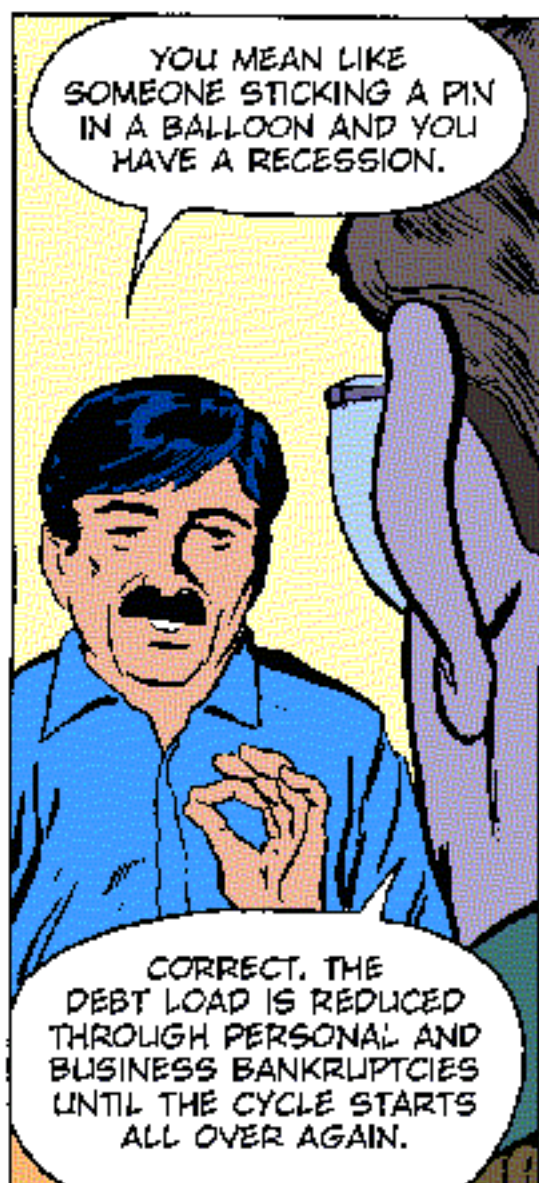
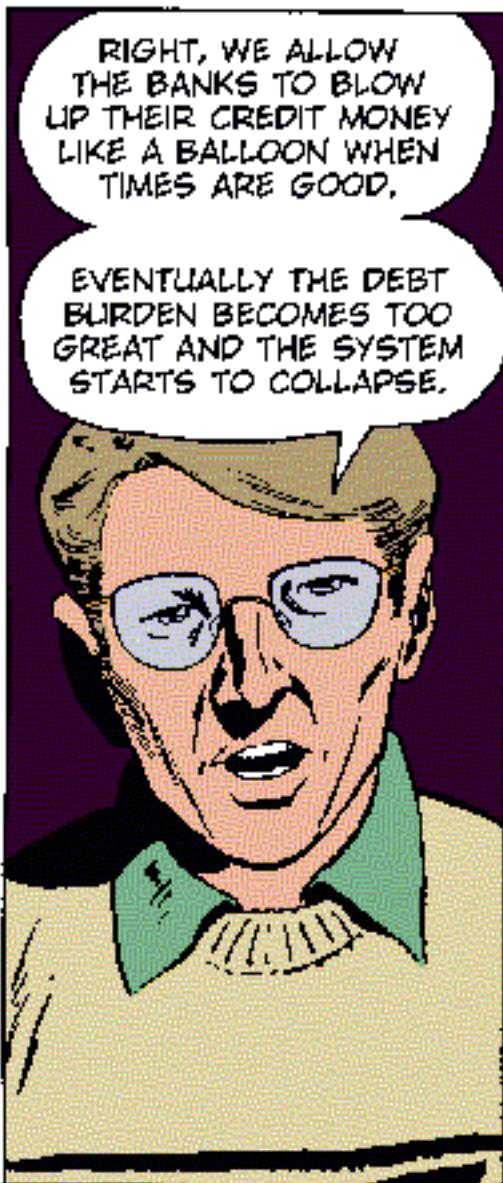
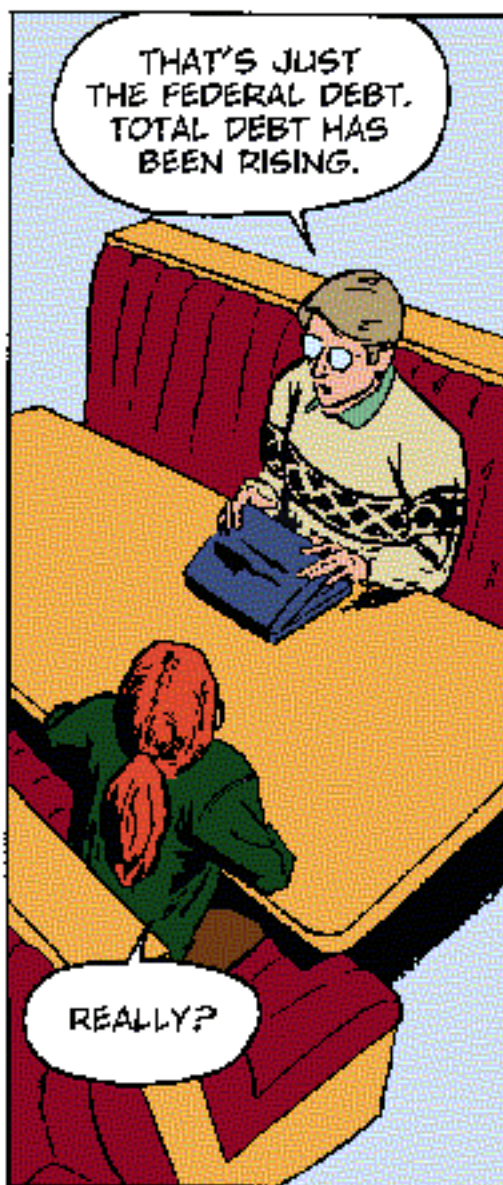


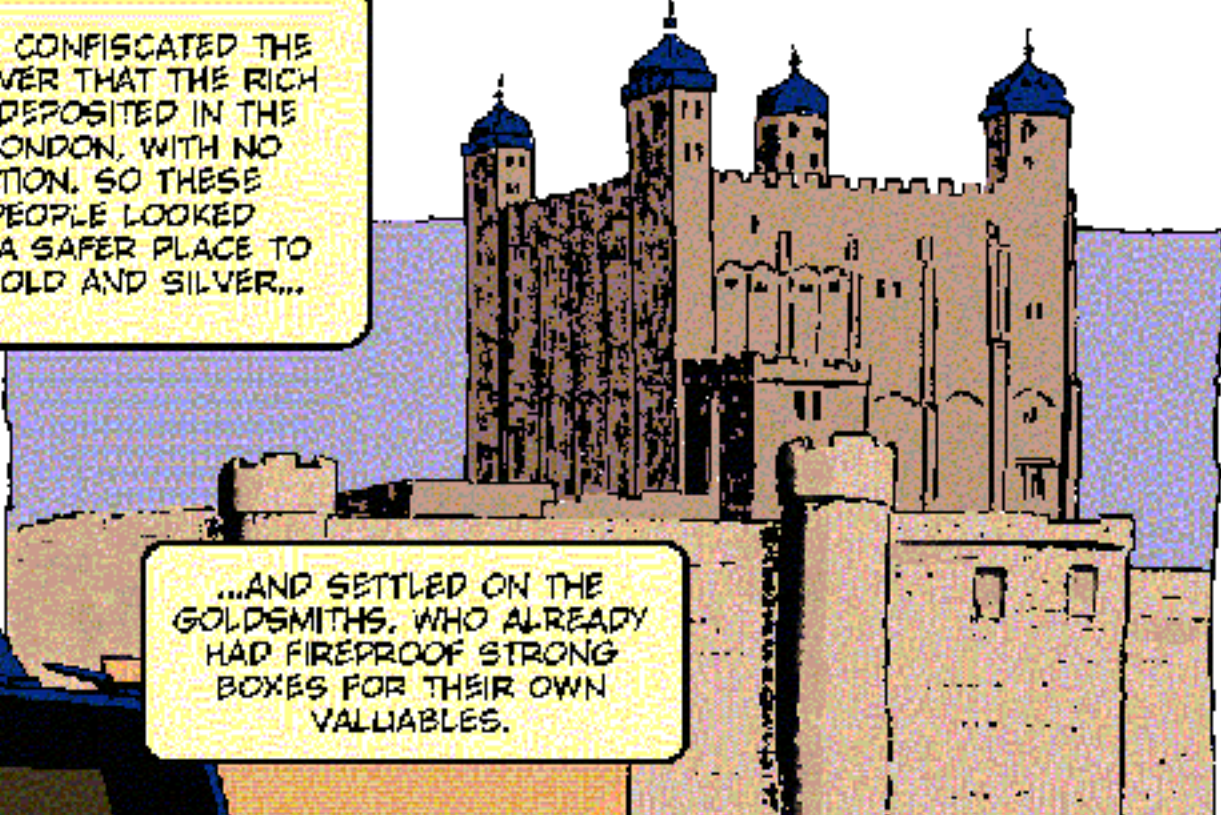


MONEY IS PRINTED?

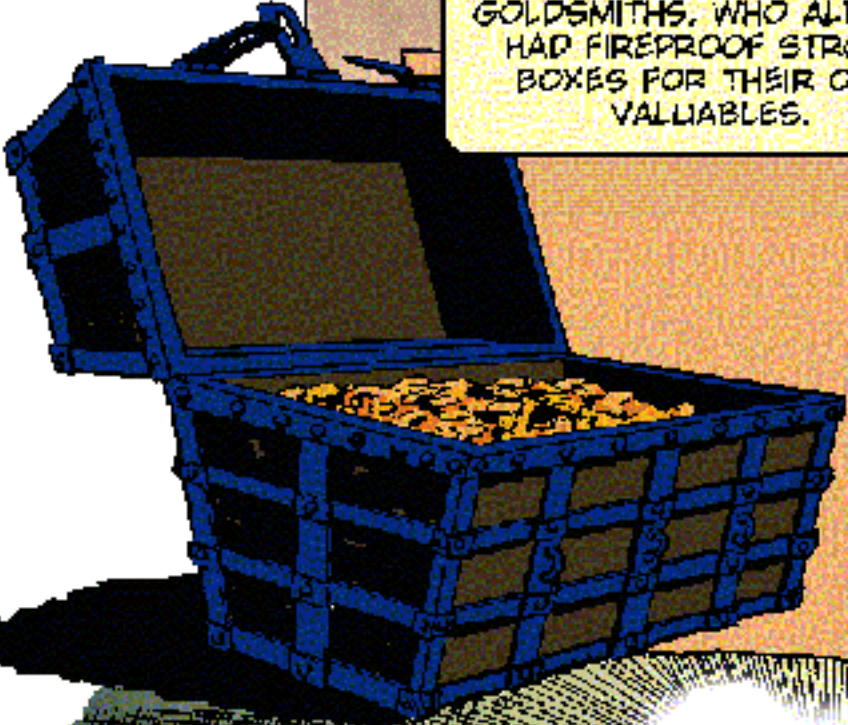






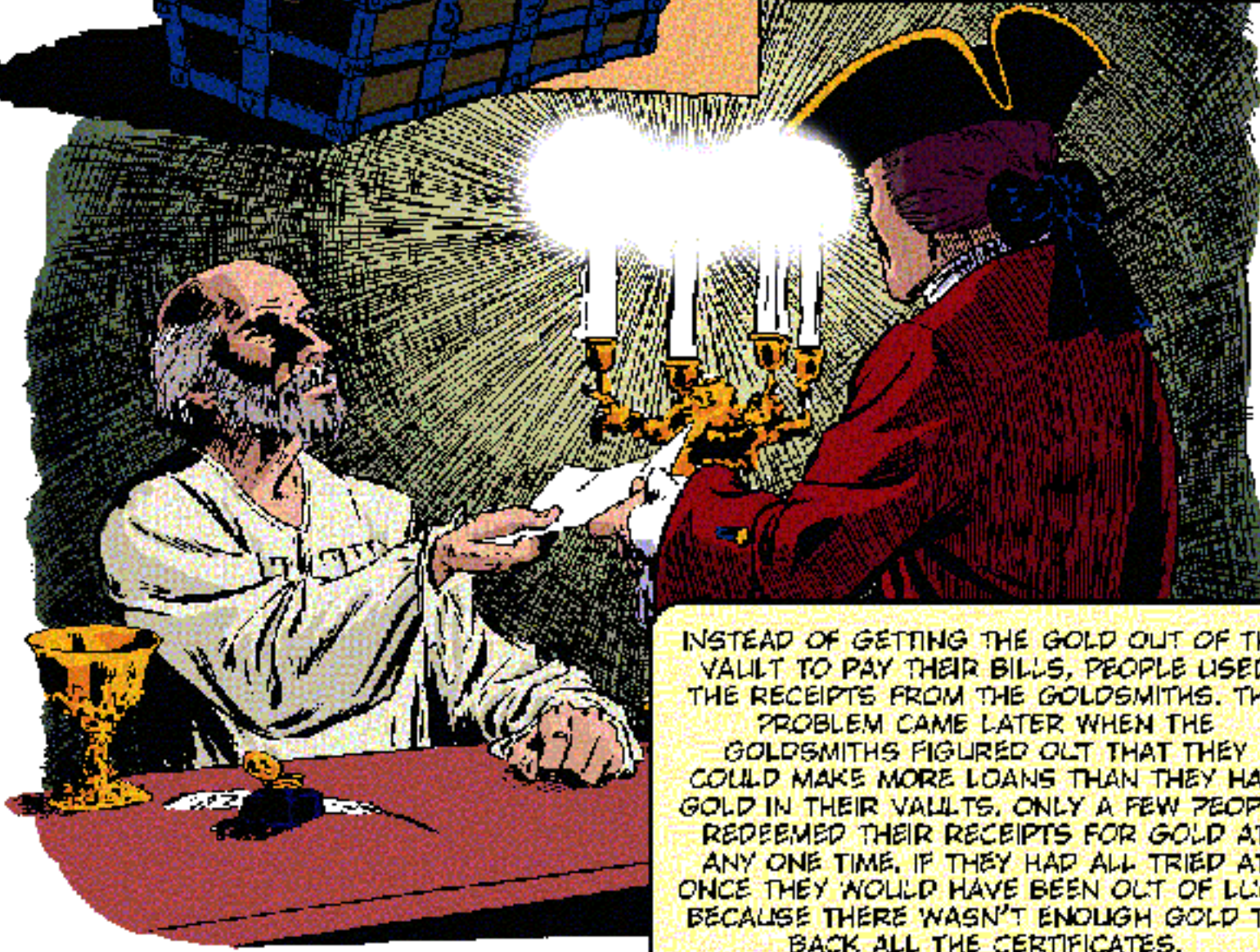


THE KING HAD CONFISCATED THE GOLD AND SILVER THAT THE RICH PEOPLE HAD DEPOSITED IN THE TOWER OF LONDON, WITH NO COMPENSATION. SO THESE WEALTHY PEOPLE LOOKED AROUND FOR A SAFER PLACE TO KEEP THEIR GOLD AND SILVER...



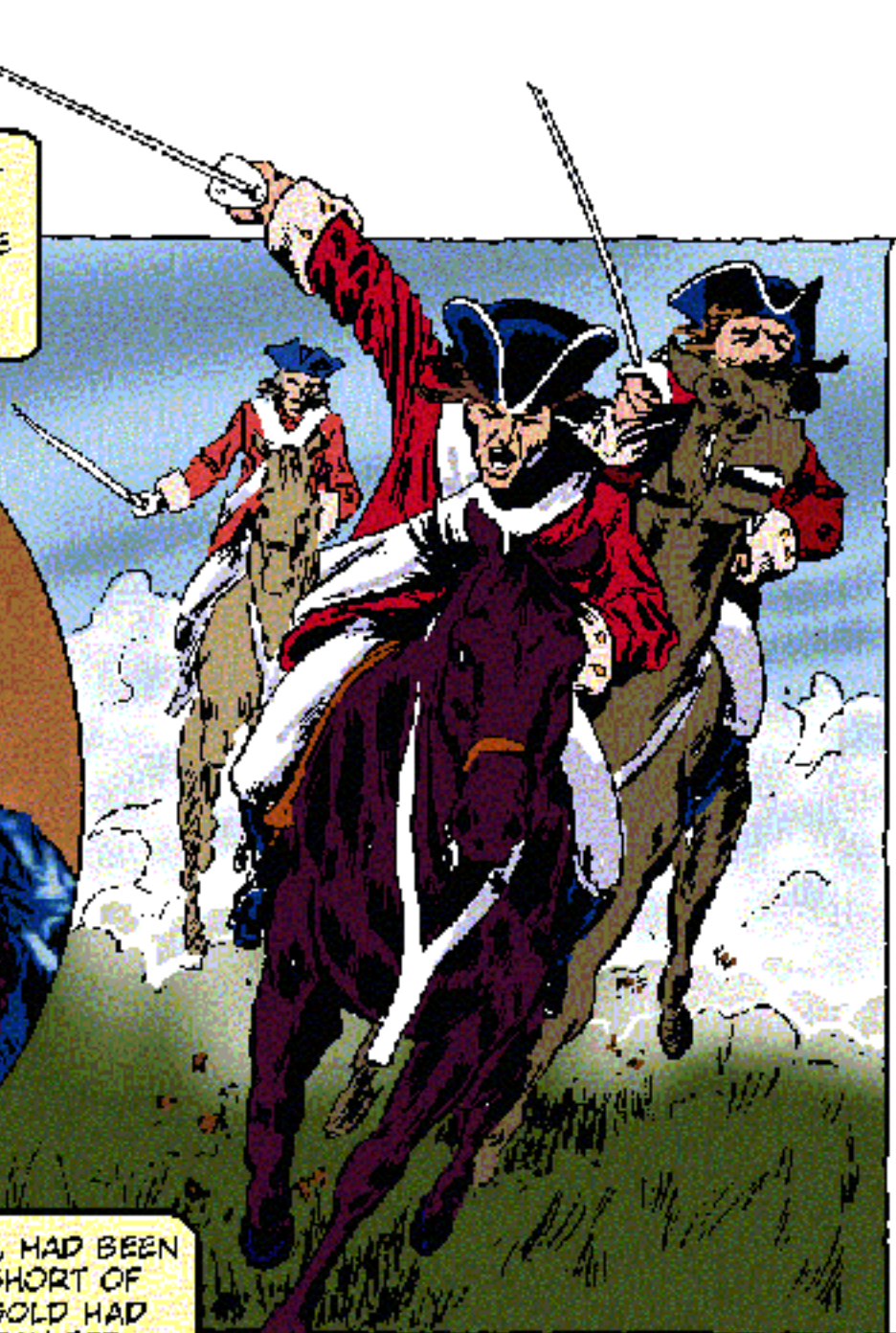
...AND SETTLED ON THE GOLDSMITHS, WHO ALREADY HAD FIREPROOF STRONG BOXES FOR THEIR OWN VALUABLES.

THE GOLDSMITHS GAVE THEM RECEIPTS FOR THEIR DEPOSITS AND 5% INTEREST ON THE UNDERSTANDING THAT THEY COULD LEND THE MONEY OUT TO THEIR FRIENDS AT HIGHER INTEREST. THIS WAS FAIR ENOUGH, AND CONVENIENT, TOO.

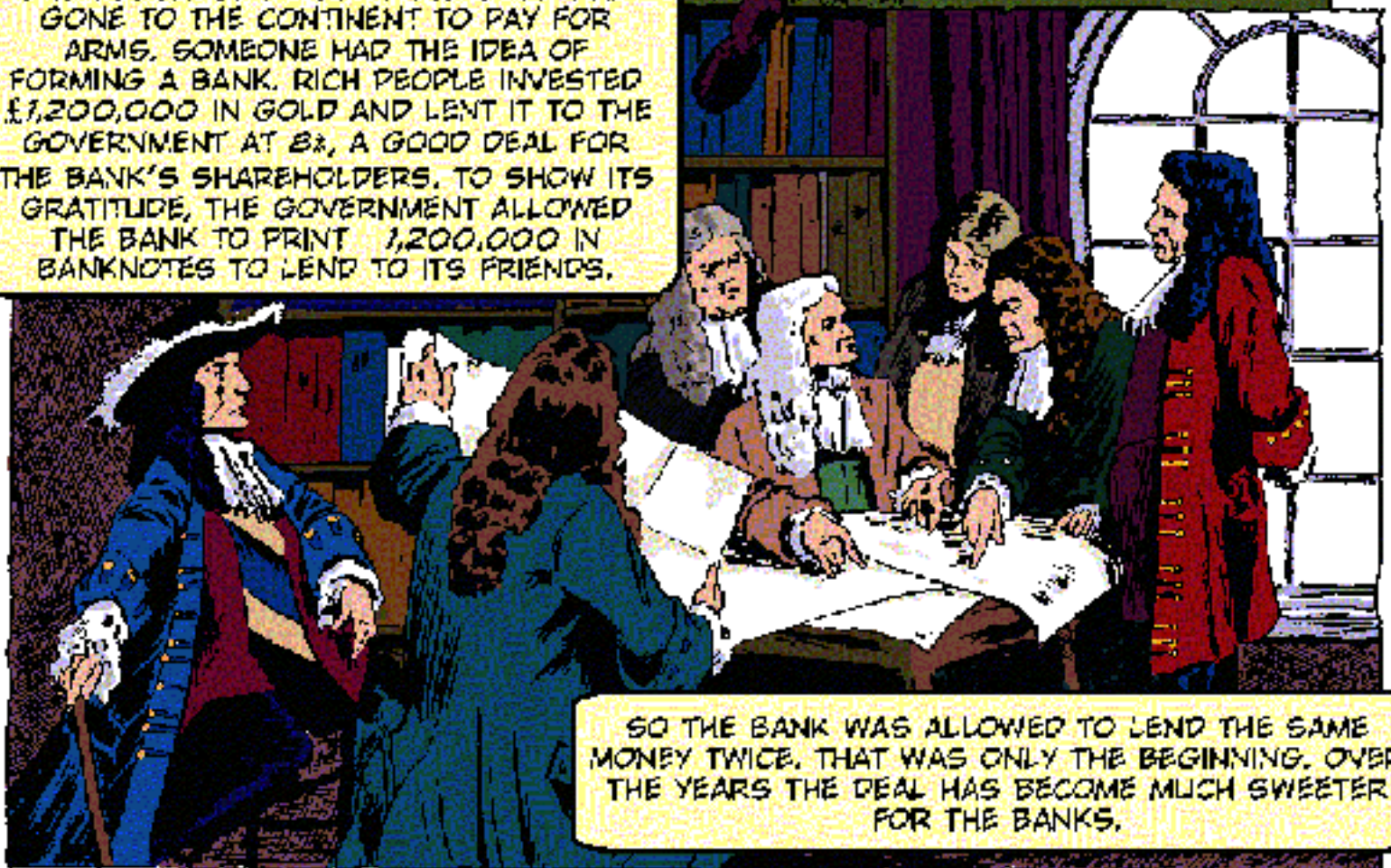


INSTEAD OF GETTING THE GOLD OUT OF THE VAULT TO PAY THEIR BILLS, PEOPLE USED THE RECEIPTS FROM THE GOLDSMITHS. THE PROBLEM CAME LATER WHEN THE GOLDSMITHS FIGURED OUT THAT THEY COULD MAKE MORE LOANS THAN THEY HAD GOLD IN THEIR VAULTS. ONLY A FEW PEOPLE REDEEMED THEIR RECEIPTS FOR GOLD AT ANY ONE TIME. IF THEY HAD ALL TRIED AT ONCE THEY WOULD HAVE BEEN OUT OF LUCK BECAUSE THERE WASN'T ENOUGH GOLD TO BACK ALL THE CERTIFICATES.

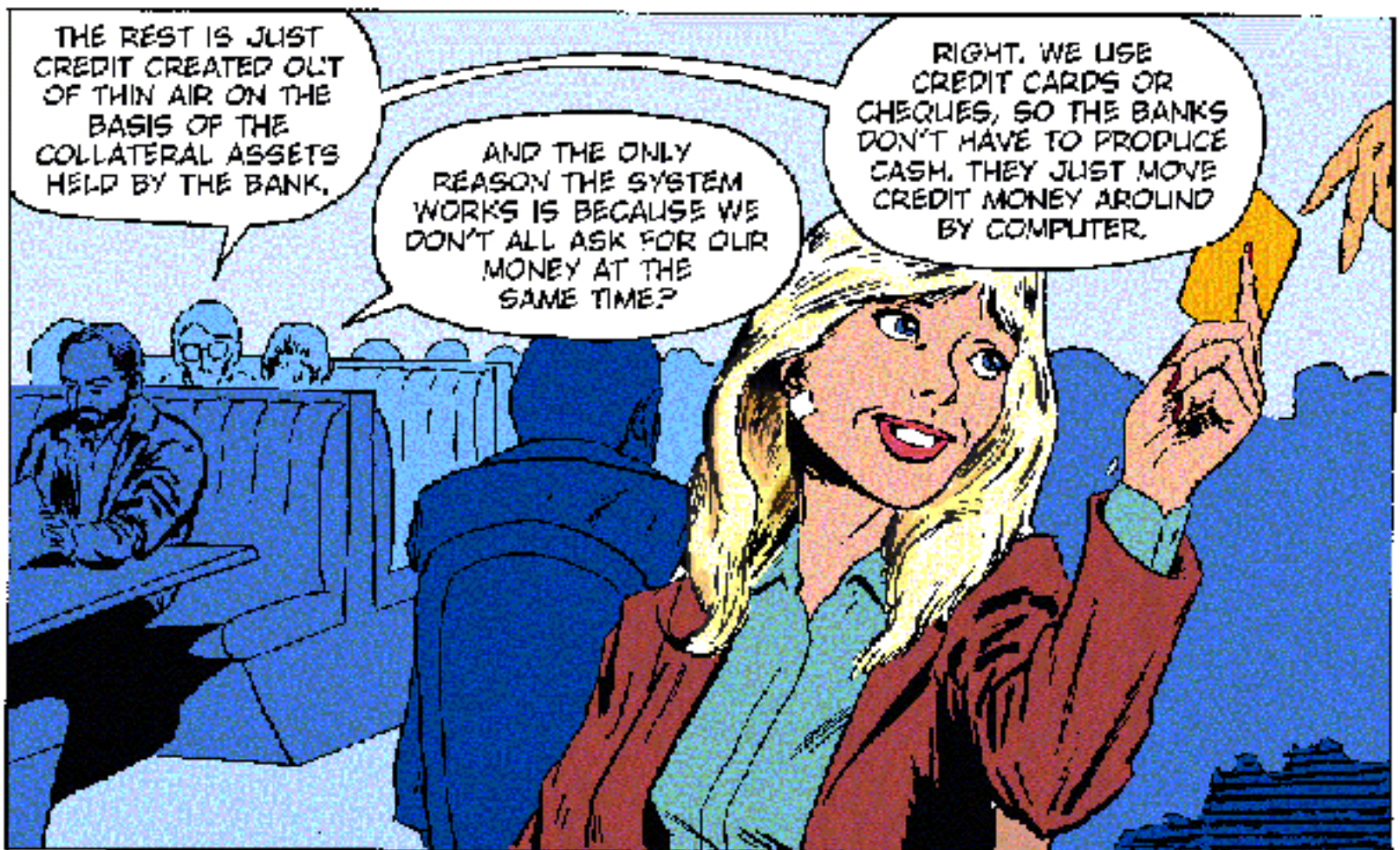
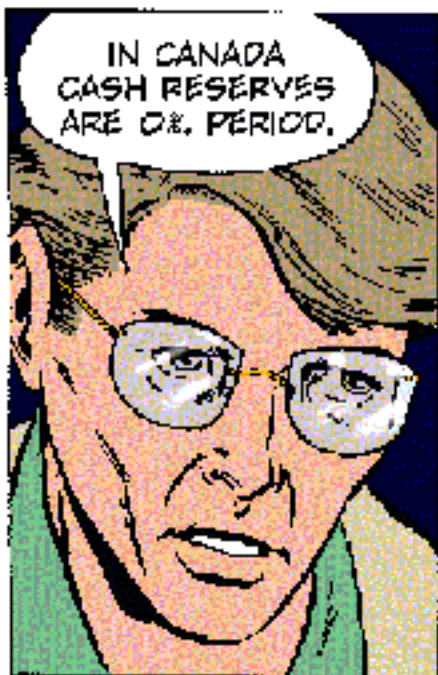
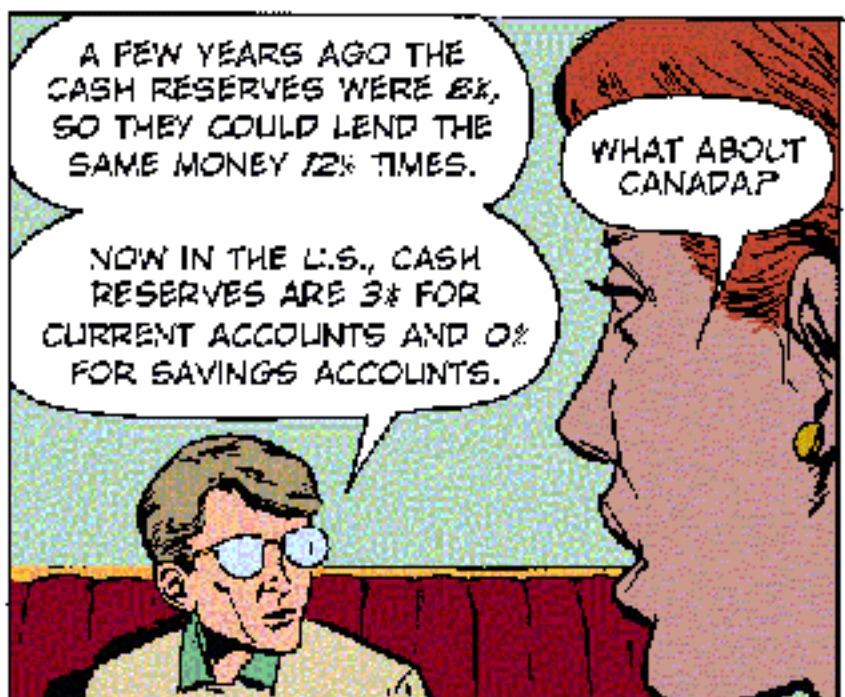
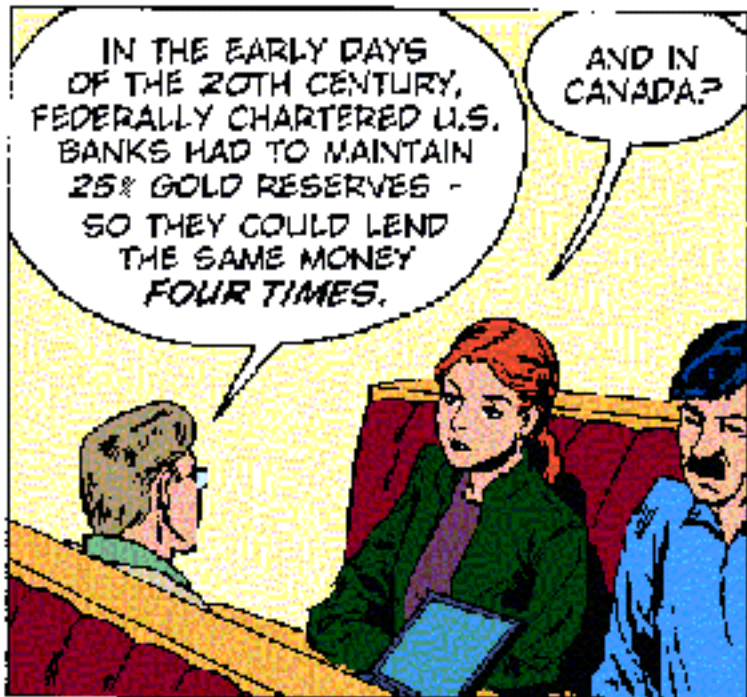
IT WAS PROBABLY ILLEGAL, BUT THE GOVERNMENT BECAME AN ACCOMPLICE AND LEGALIZED THE SCAM WHEN IT CHARTERED THE BANK OF ENGLAND IN 1694.



KING WILLIAM'S WAR, 1688-1697, HAD BEEN EXTREMELY COSTLY. HE WAS SHORT OF CASH BECAUSE MOST OF HIS GOLD HAD GONE TO THE CONTINENT TO PAY FOR ARMS. SOMEONE HAD THE IDEA OF FORMING A BANK. RICH PEOPLE INVESTED £7,200,000 IN GOLD AND LENT IT TO THE GOVERNMENT AT 8%, A GOOD DEAL FOR THE BANK'S SHAREHOLDERS. TO SHOW ITS GRATITUDE, THE GOVERNMENT ALLOWED THE BANK TO PRINT 1,200,000 IN BANKNOTES TO LEND TO ITS FRIENDS.



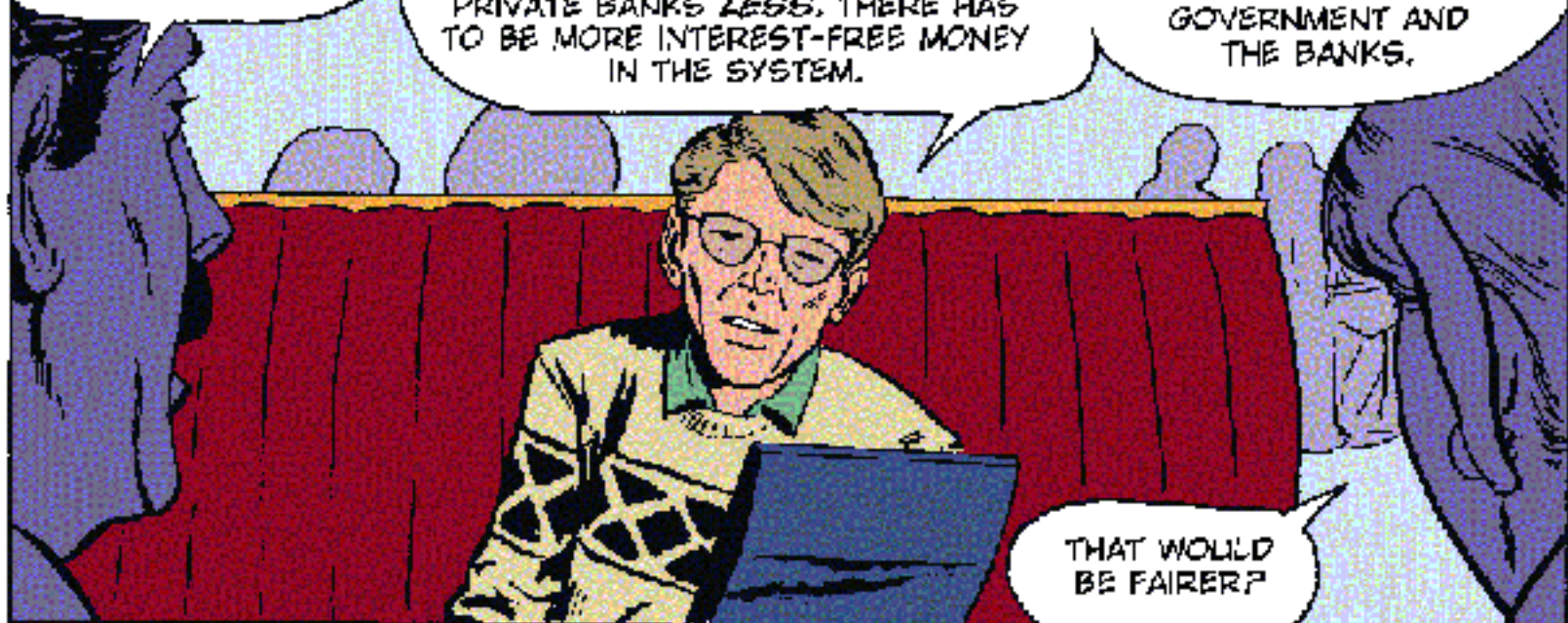
SO THE BANK WAS ALLOWED TO LEND THE SAME MONEY TWICE. THAT WAS ONLY THE BEGINNING. OVER THE YEARS THE DEAL HAS BECOME MUCH SWEETER FOR THE BANKS.



SO HOW DO WE GET OUT OF THE MESS WE'RE IN?

WE HAVE TO CHANGE THE SYSTEM SO THE GOVERNMENT PRINTS *MORE* MONEY AND THE PRIVATE BANKS *LESS*. THERE HAS TO BE MORE INTEREST-FREE MONEY IN THE SYSTEM.

THE MONEY CREATION FUNCTION SHOULD BE SPLIT 34/66 BETWEEN GOVERNMENT AND THE BANKS.



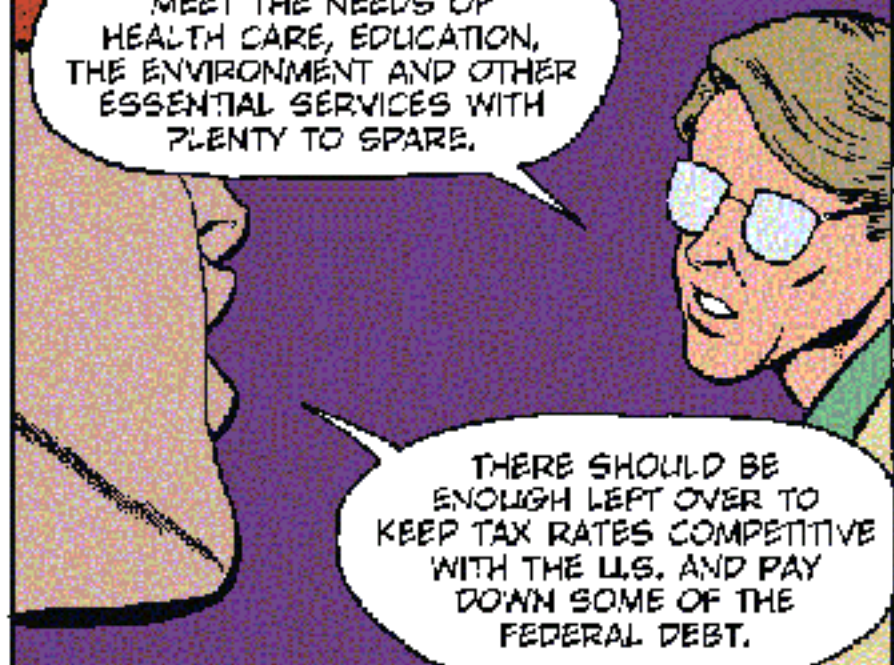
THAT WOULD BE FAIRER?

MUCH FAIRER. IT WOULD GIVE THE GOVERNMENT ABOUT \$75 BILLION A YEAR MORE MONEY TO SPEND WITHOUT HAVING TO TAX OR BORROW IT.

WOW! THAT'S A LOT!



IT IS. ENOUGH TO MEET THE NEEDS OF HEALTH CARE, EDUCATION, THE ENVIRONMENT AND OTHER ESSENTIAL SERVICES WITH PLENTY TO SPARE.



THERE SHOULD BE ENOUGH LEFT OVER TO KEEP TAX RATES COMPETITIVE WITH THE U.S. AND PAY DOWN SOME OF THE FEDERAL DEBT.

IF THAT'S TRUE, IT SOUNDS LIKE A BRIDGE BETWEEN THE RIGHT AND THE LEFT IN POLITICS.

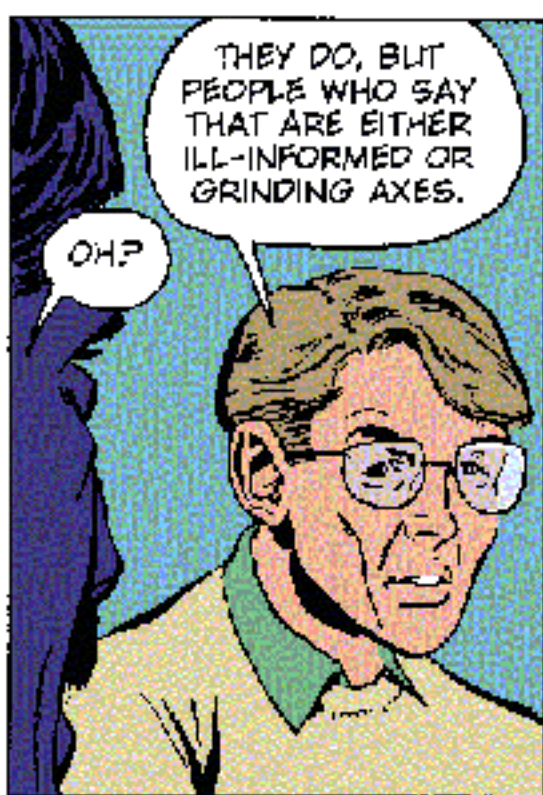
YOU'RE RIGHT. GOVERNMENT SERVICES COULD BE IMPROVED WITHOUT GOING INTO DEFICIT. AND TAXES COULD BE LOWERED.



THAT WOULD SATISFY ALMOST EVERYONE.

BUT DON'T PEOPLE SAY THAT HAVING GOVERNMENTS CREATE MONEY WOULD BE INFLATIONARY?





THEY DO, BUT PEOPLE WHO SAY THAT ARE EITHER ILL-INFORMED OR GRINDING AXES.

OH?



AS ANY ECONOMIST SHOULD KNOW, IT'S THE *AMOUNT* OF MONEY THAT IS PRINTED THAT DETERMINES PRICES, NOT WHO PRINTS IT.

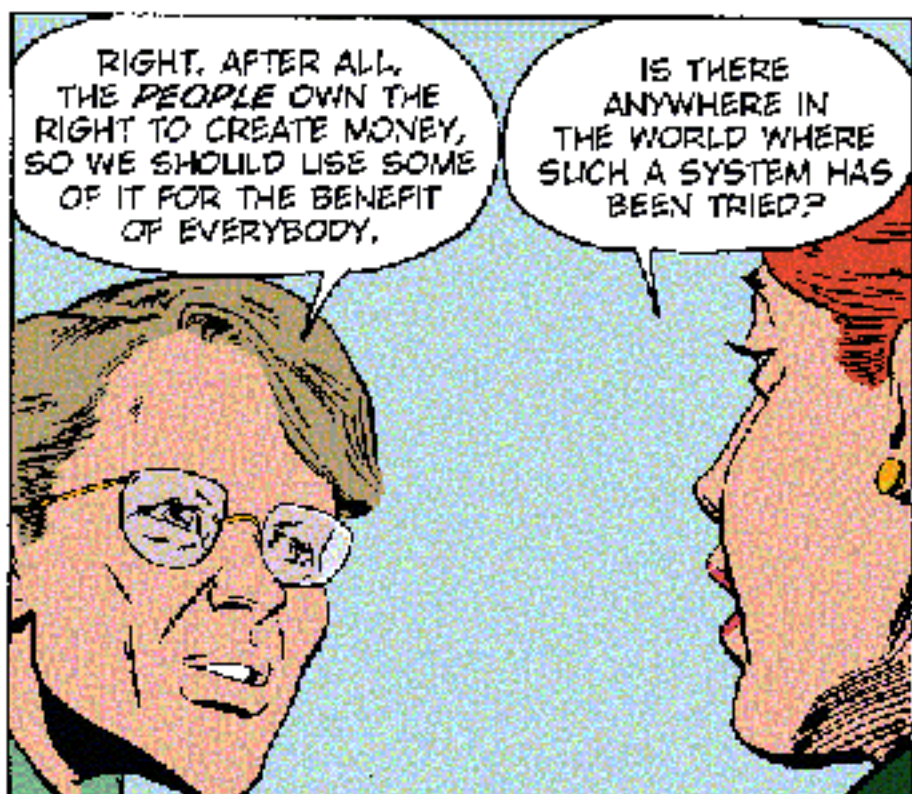
AND THERE ARE NO PROBLEMS IN IMPLEMENTING THE NEW SYSTEM?



ONLY TECHNICALITIES, LIKE THE NECESSITY OF REQUIRING BANKS, ONCE AGAIN, TO KEEP CASH RESERVES AGAINST THEIR DEPOSITS.



OKAY, AS I UNDERSTAND IT, YOU ARE SUGGESTING THAT THE GOVERNMENT USE ITS OWN BANK TO MEET ITS SHORTFALL INSTEAD OF BORROWING FROM PRIVATE BANKS AND GOING INTO DEBT.



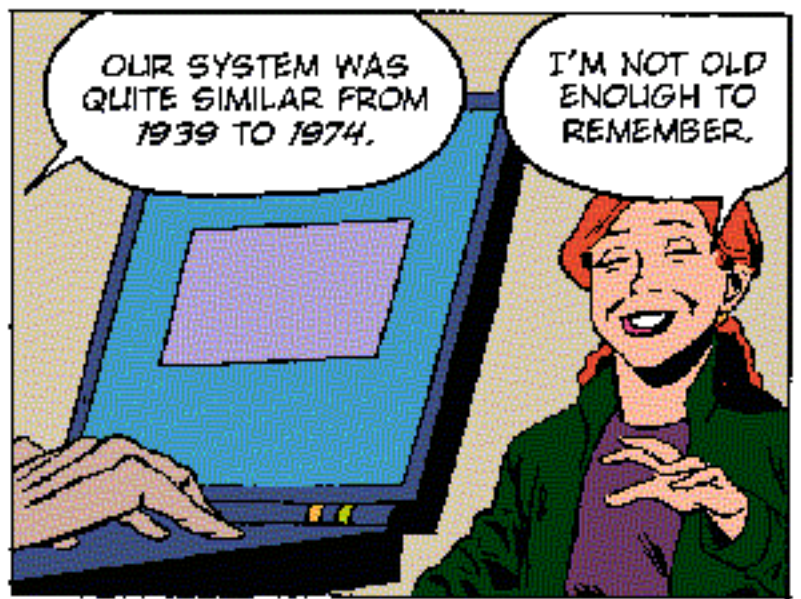
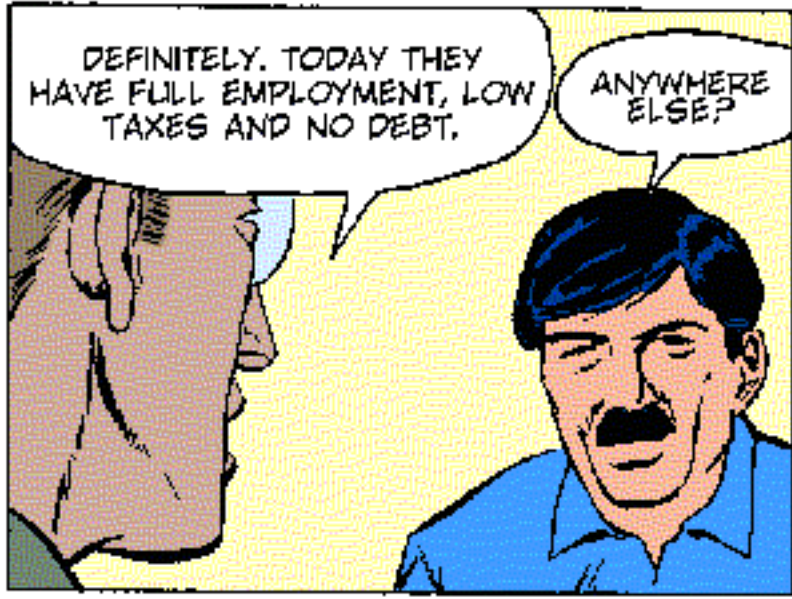
RIGHT, AFTER ALL, THE *PEOPLE* OWN THE RIGHT TO CREATE MONEY, SO WE SHOULD USE SOME OF IT FOR THE BENEFIT OF EVERYBODY.

IS THERE ANYWHERE IN THE WORLD WHERE SUCH A SYSTEM HAS BEEN TRIED?



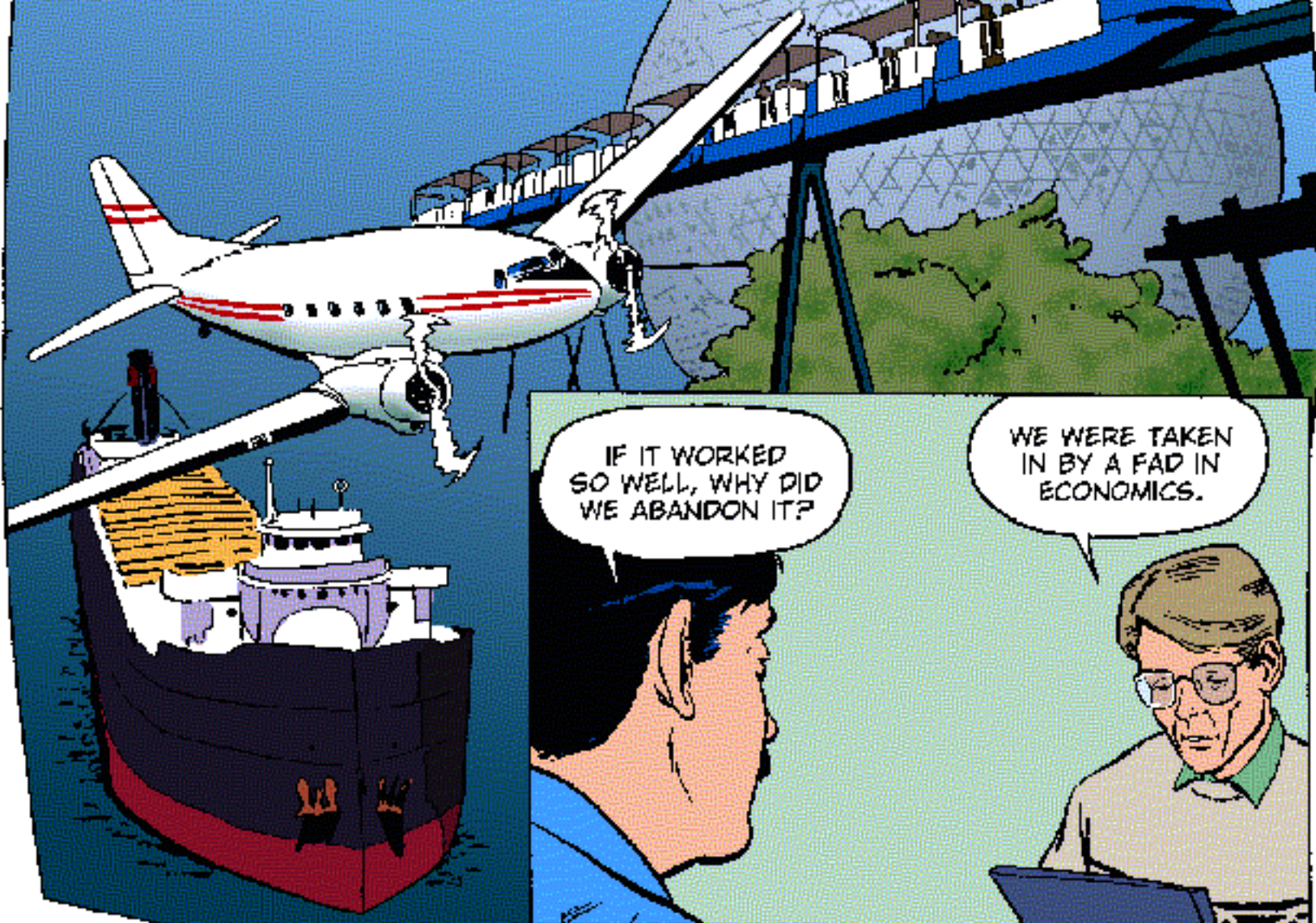
YES, THE ISLE OF GUERNSEY.

WITH SUCCESS?





SUCH AS THE ST. LAWRENCE SEAWAY, THE TRANS-CANADA HIGHWAY, AND THE GREAT NEW AIRPORTS. IT ALSO HELPED FINANCE THE SOCIAL SECURITY SYSTEM. THOSE WERE GOOD TIMES FOR CANADA. REMEMBER EXPO '67?



IF IT WORKED SO WELL, WHY DID WE ABANDON IT?

WE WERE TAKEN IN BY A FAD IN ECONOMICS.

IN 1974, THE BANK OF CANADA ADOPTED THE IDEAS OF ECONOMIST MILTON FRIEDMAN OF THE UNIVERSITY OF CHICAGO. THE BANKS WERE GIVEN BACK THEIR VIRTUAL MONOPOLY TO CREATE MONEY, LIKE BEFORE THE DEPRESSION, AND IT'S BEEN DOWNHILL EVER SINCE.

ARE YOU SUGGESTING THAT WE GO BACK TO THE SYSTEM WE HAD IN 1939-1974?

NOT EXACTLY. WHAT I'M SUGGESTING IS SIMILAR BUT BETTER.

