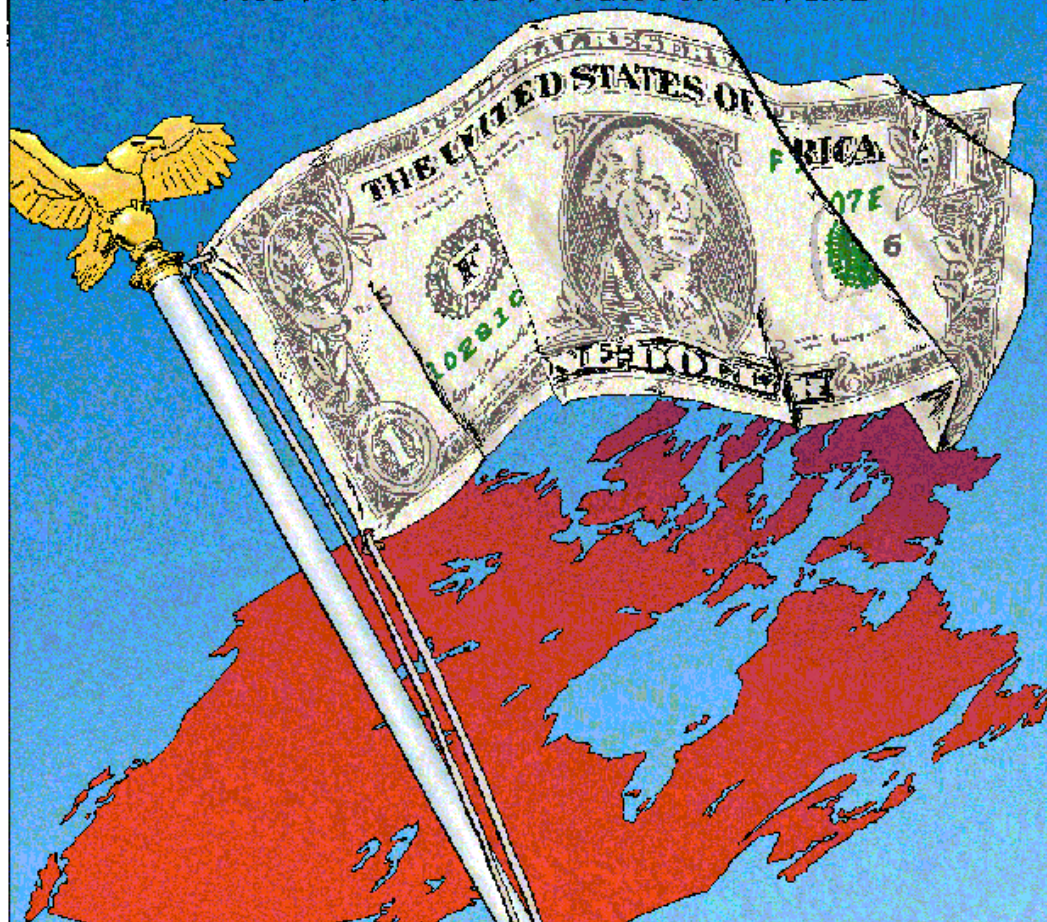


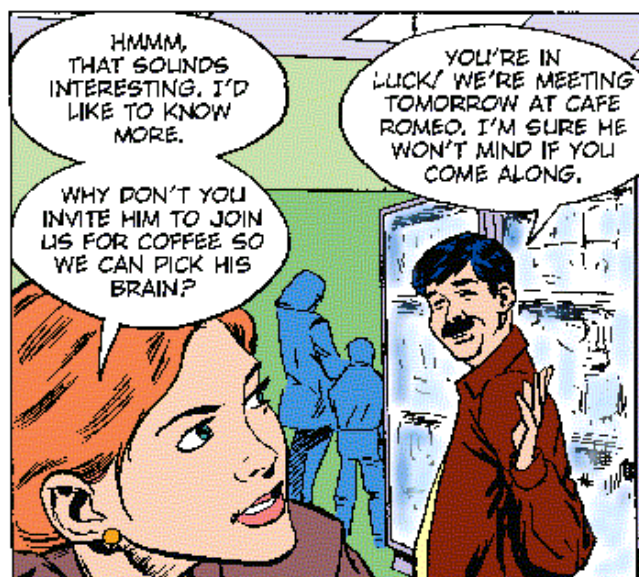
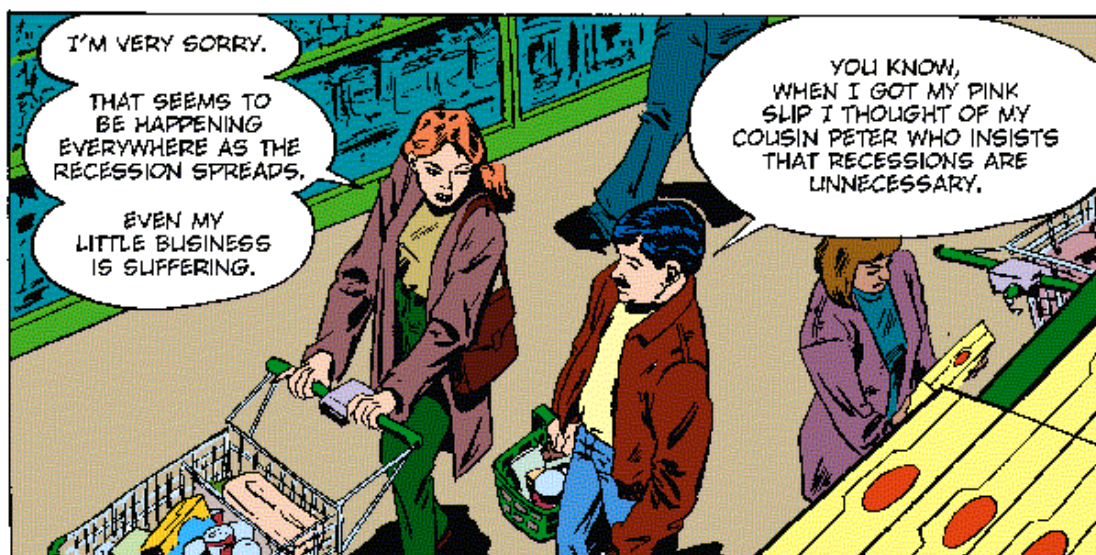
DO YOU THINK
CANADA
SHOULD ADOPT THE
U.S. DOLLAR?

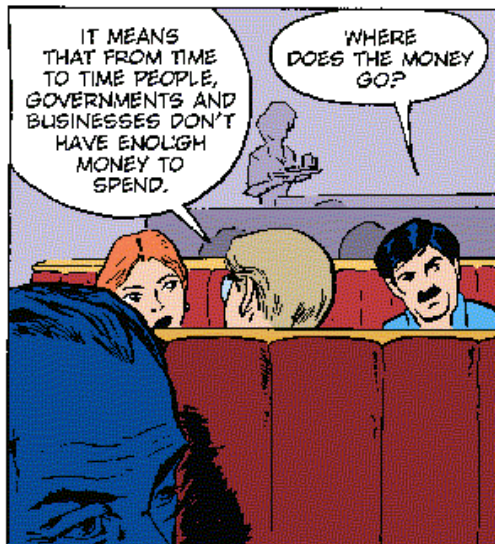
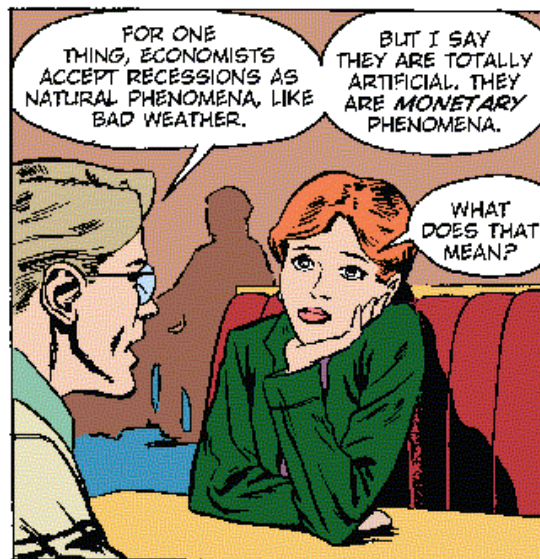
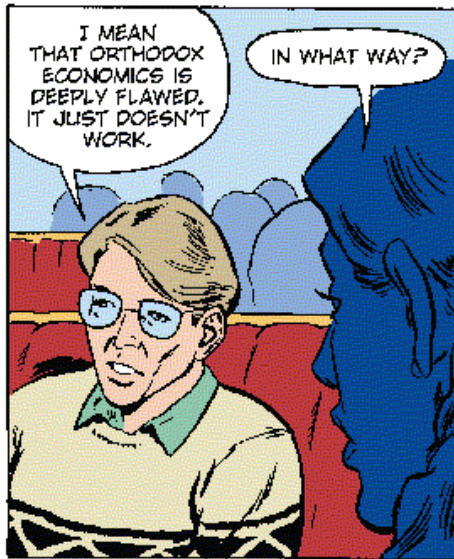
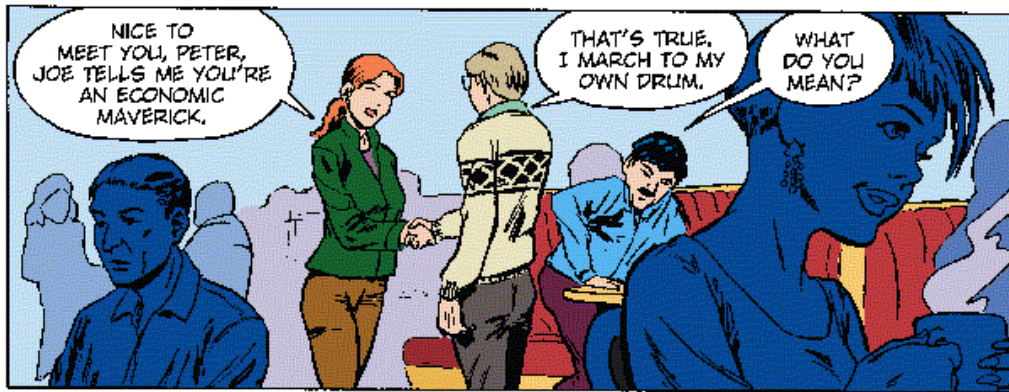
WOULD YOU IF IT COST YOU \$1,000.00 A YEAR?

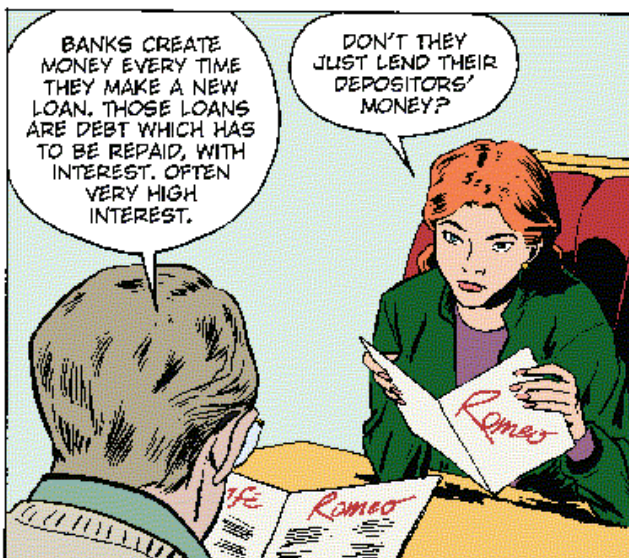
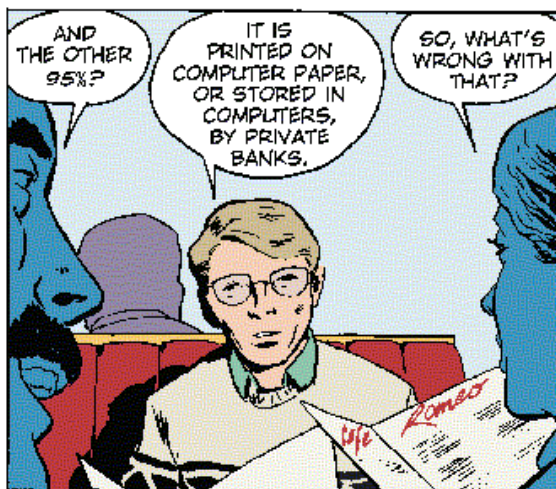
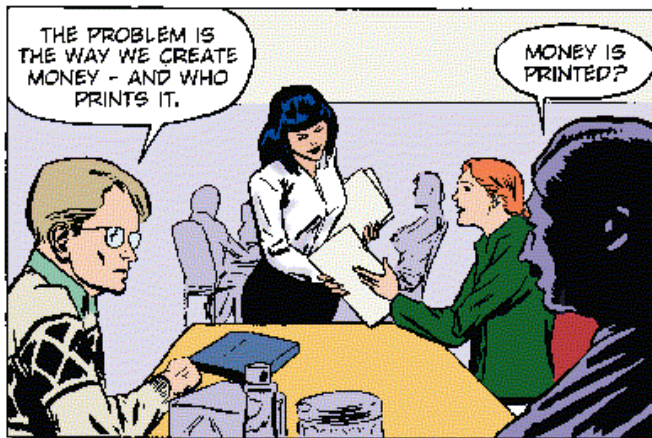


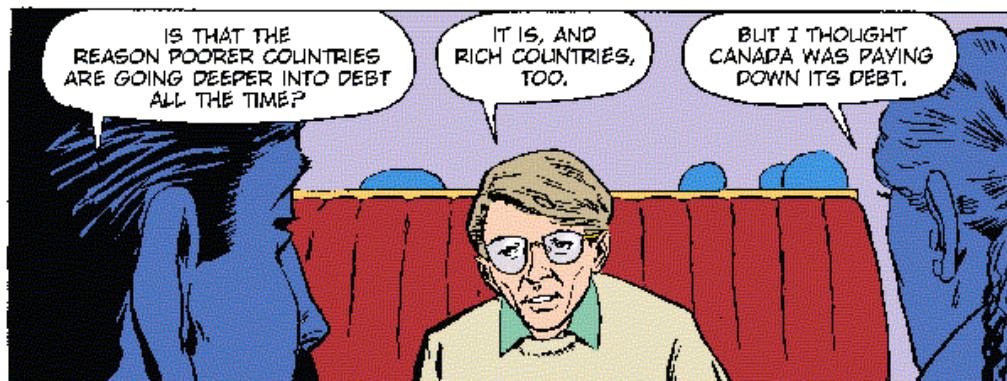
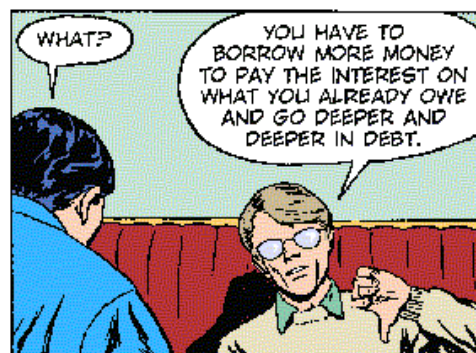
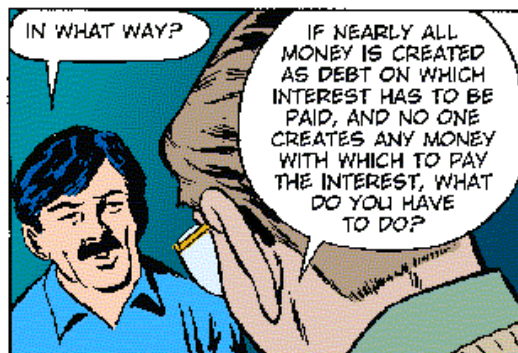
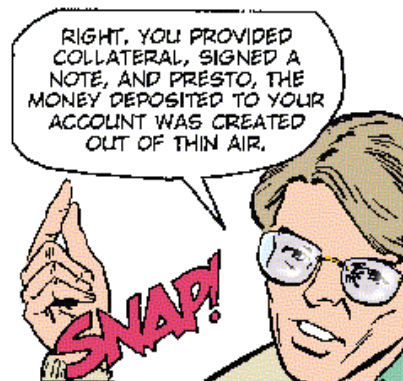
DO YOU KNOW WHERE MONEY COMES FROM?

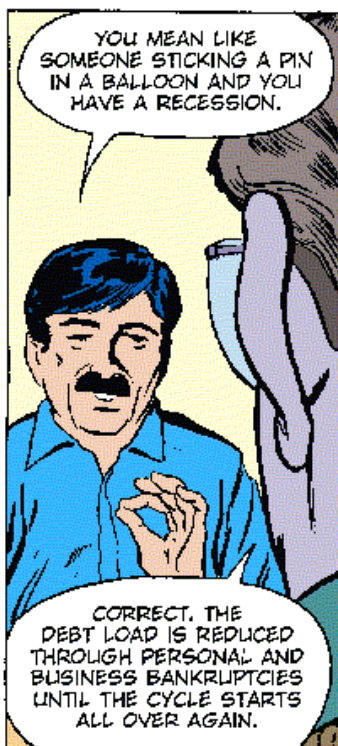
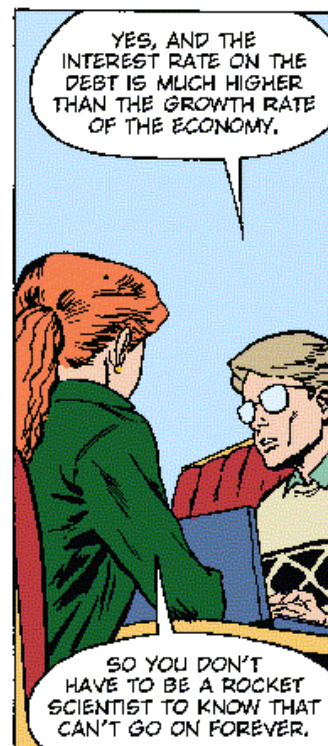
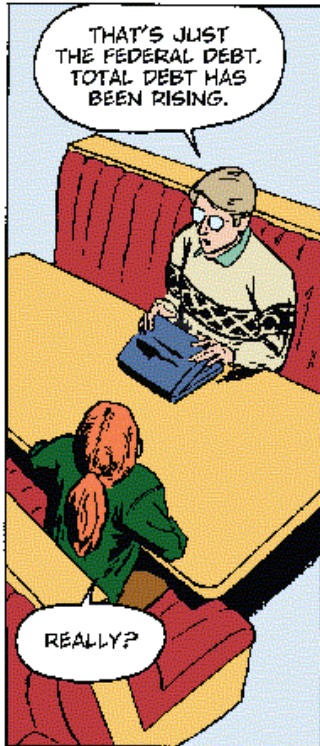
Read this booklet to find out. Once you understand you will
never agree to surrender Canada's most valuable asset!











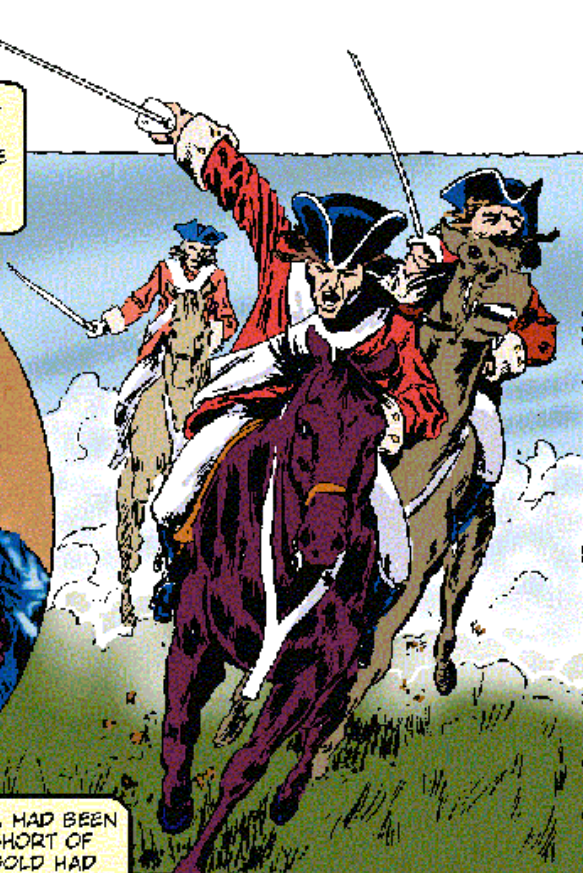
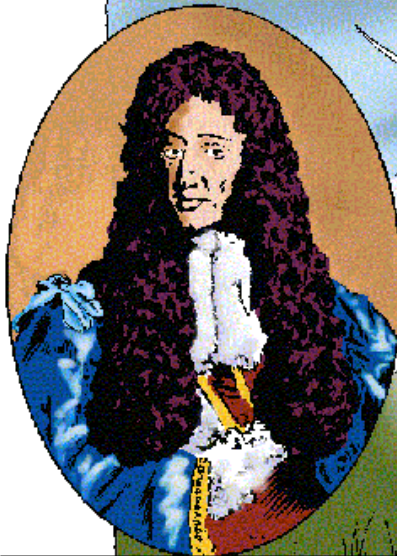
THE KING HAD CONFISCATED THE GOLD AND SILVER THAT THE RICH PEOPLE HAD DEPOSITED IN THE TOWER OF LONDON, WITH NO COMPENSATION. SO THESE WEALTHY PEOPLE LOOKED AROUND FOR A SAFER PLACE TO KEEP THEIR GOLD AND SILVER...

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

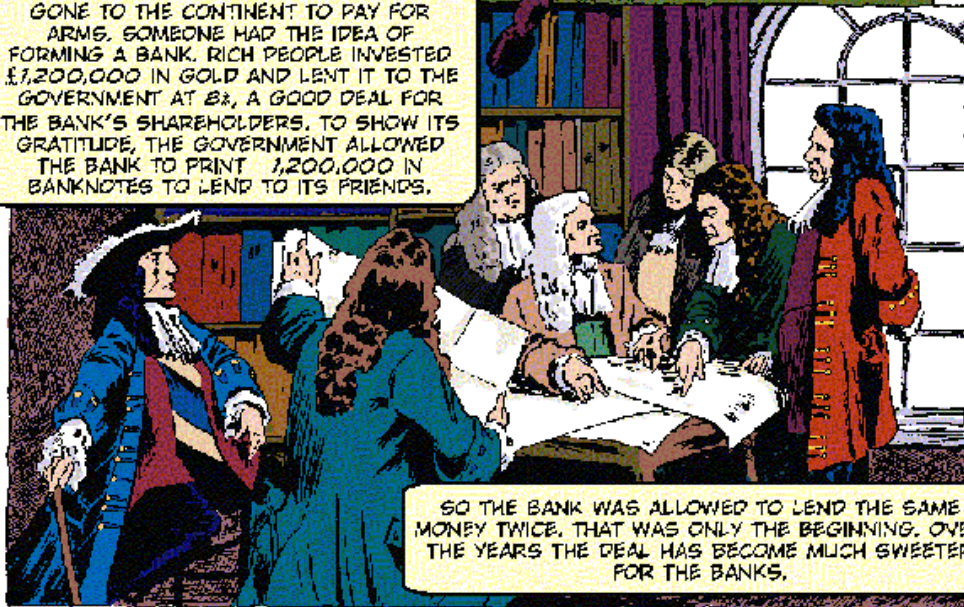
THE GOLDSMITHS GAVE THEM RECEIPTS FOR THEIR DEPOSITS AND 5% INTEREST ON THE UNDERSTANDING THAT THEY COULD LEND THE MONEY OUT TO THEIR FRIENDS AT HIGHER INTEREST. THIS WAS FAIR ENOUGH, AND CONVENIENT, TOO.

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.

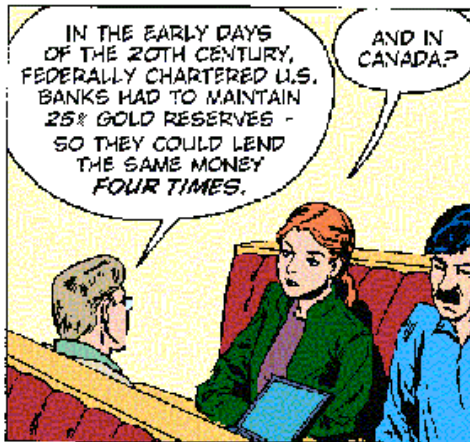
IT WAS PROBABLY ILLEGAL, BUT THE GOVERNMENT BECAME AN ACCOMPLICE AND LEGALIZED THE SCAM WHEN IT CHARTERED THE BANK OF ENGLAND IN 1694.



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 £1,200,000 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.

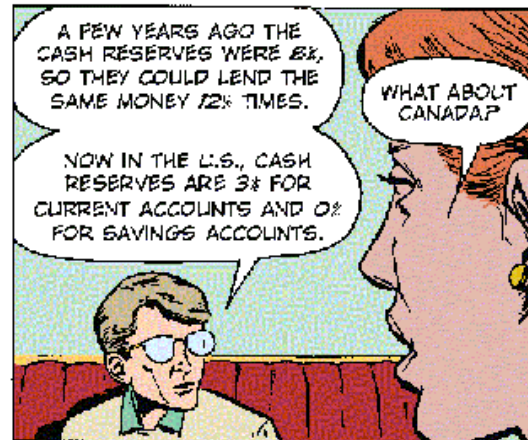


SO THE BANK WAS ALLOWED TO LEND THE SAME MONEY TWICE. THAT WAS ONLY THE BEGINNING. OVER THE YEARS THE DEAL HAS BECOME MUCH SWEETER FOR THE BANKS.



IN THE EARLY DAYS OF THE 20TH CENTURY, FEDERALLY CHARTERED U.S. BANKS HAD TO MAINTAIN 25% GOLD RESERVES - SO THEY COULD LEND THE SAME MONEY FOUR TIMES.

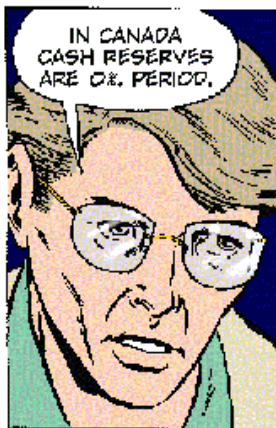
AND IN CANADA?



A FEW YEARS AGO THE CASH RESERVES WERE 6%, SO THEY COULD LEND THE SAME MONEY 12% TIMES.

WHAT ABOUT CANADA?

NOW IN THE U.S., CASH RESERVES ARE 3% FOR CURRENT ACCOUNTS AND 0% FOR SAVINGS ACCOUNTS.



IN CANADA CASH RESERVES ARE 0%, PERIOD.



YOU MEAN THE BANKS DON'T HAVE TO MAINTAIN ANY CASH RESERVES AT ALL?

THAT'S RIGHT. THEY WERE PHASED OUT BY THE 1991 AMENDMENTS TO THE BANK ACT. YOU'D BE LUCKY IF YOUR BANK HAS 1 OR 1% CENTS IN REAL CASH FOR EVERY DOLLAR YOU THINK YOU HAVE IN THE BANK.

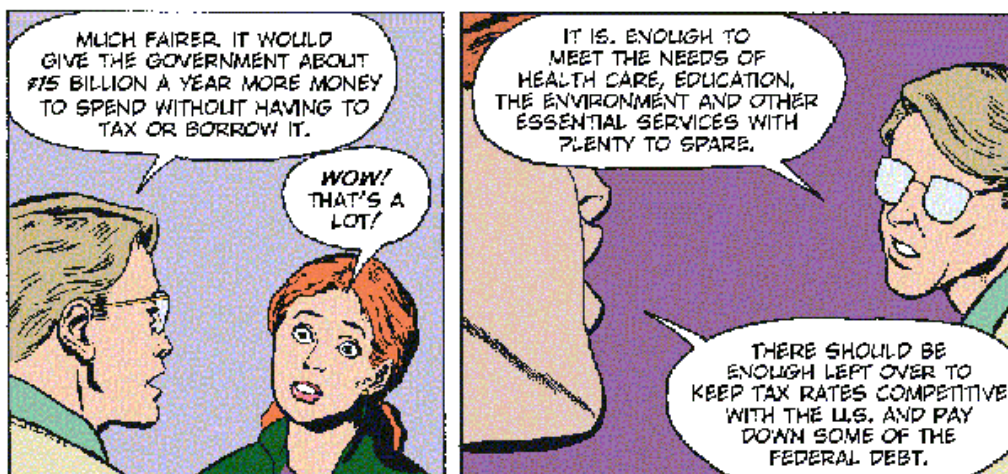
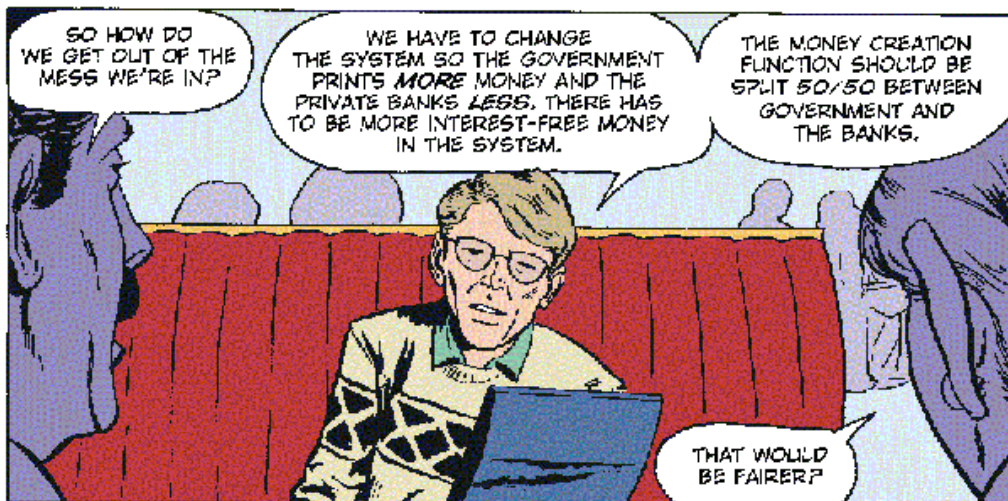
AND THE REST?

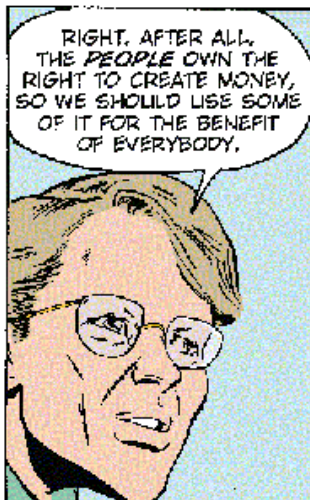
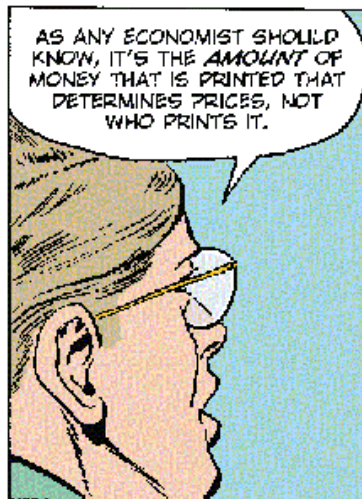
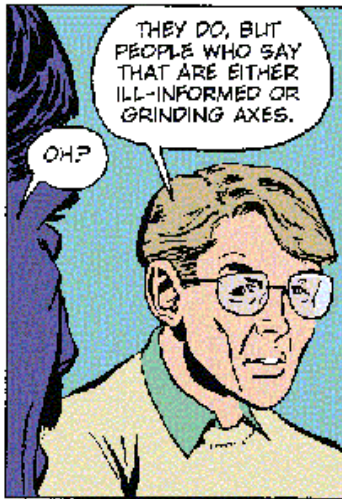


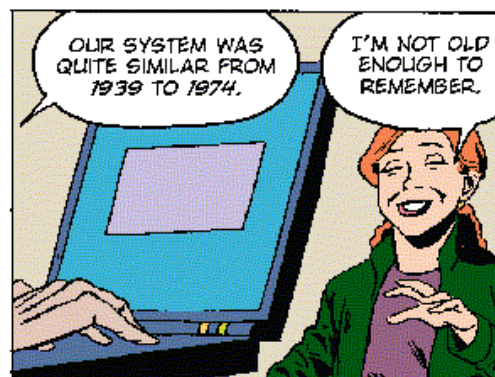
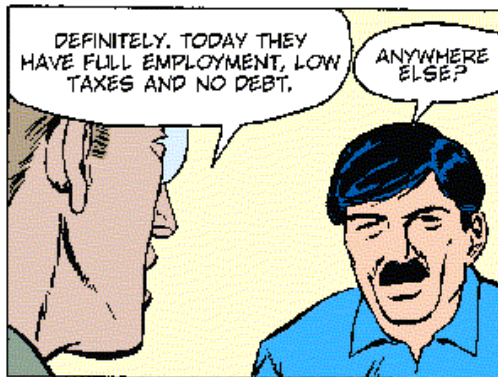
THE REST IS JUST CREDIT CREATED OUT OF THIN AIR ON THE BASIS OF THE COLLATERAL ASSETS HELD BY THE BANK.

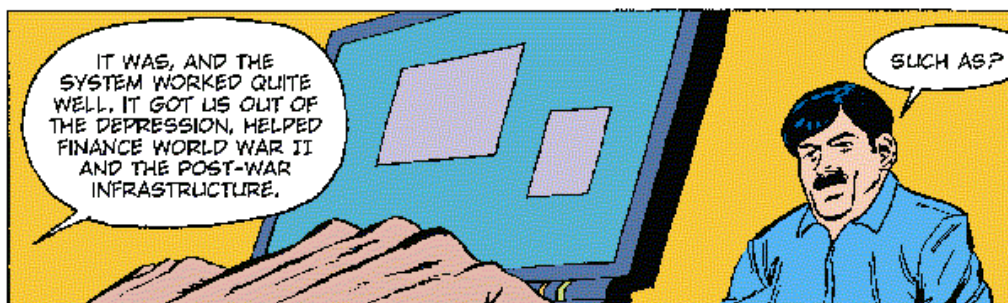
AND THE ONLY REASON THE SYSTEM WORKS IS BECAUSE WE DON'T ALL ASK FOR OUR MONEY AT THE SAME TIME?

RIGHT. WE USE CREDIT CARDS OR CHEQUES, SO THE BANKS DON'T HAVE TO PRODUCE CASH. THEY JUST MOVE CREDIT MONEY AROUND BY COMPUTER.

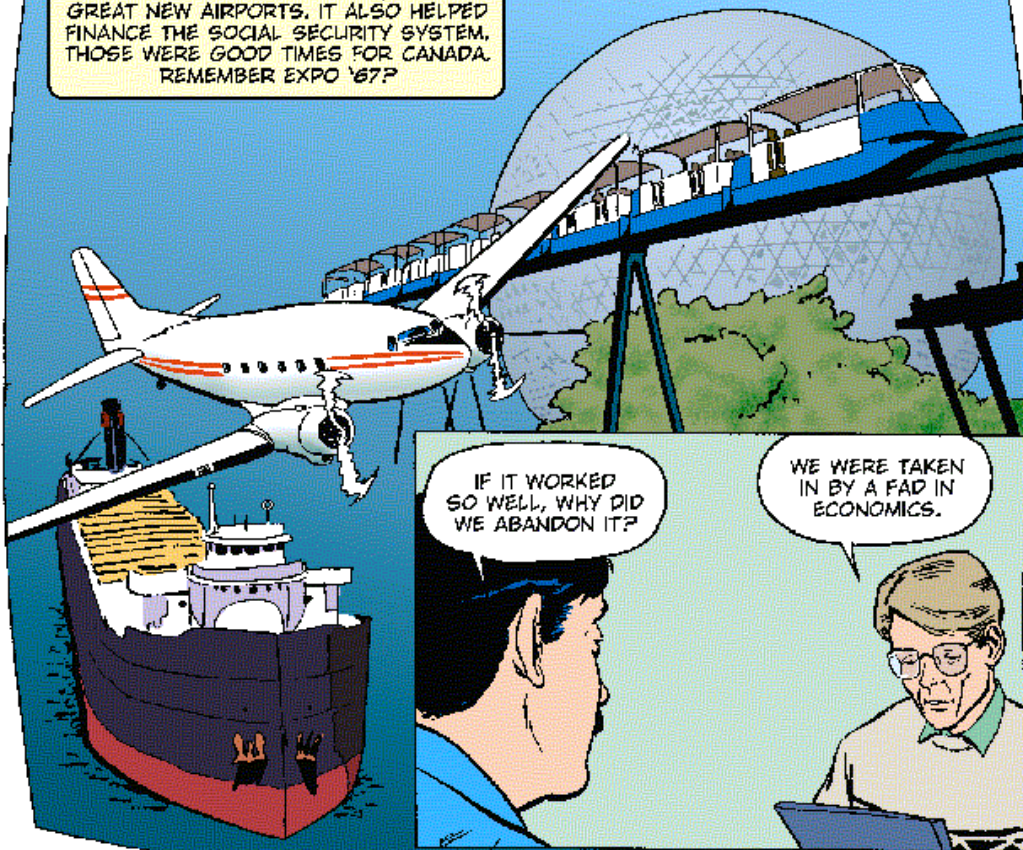








SUCH AS THE ST. LAWRENCE SEAWAY, THE TRANS-CANADA HIGHWAY, AND THE GREAT NEW AIRPORTS. IT ALSO HELPED FINANCE THE SOCIAL SECURITY SYSTEM. THOSE WERE GOOD TIMES FOR CANADA. REMEMBER EXPO '67?



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.



