















*Loans (certificates) do not  
have to be equal to the  
amount of gold held by the  
Goldsmith...*

*The Goldsmith can issue  
certificates "worth" more than  
the gold he actually holds*







32 Gold  
ingots

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*



*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*



*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*



Certificates to  
redeem 100  
Gold ingots

*Loan*

*Four  
Gold  
Pieces*

*Loan*

*Four  
Gold  
Pieces*

*As long as only 32 gold ingots are  
paid out on any given day, the  
Goldsmith will not run out of gold*









*Goldsmiths create  
money by issuing loans*





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money by issuing loans*



