









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

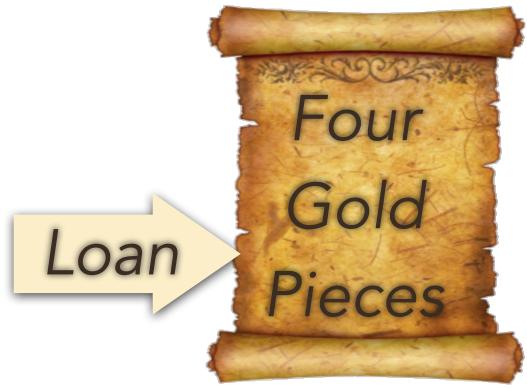
the gold he actually holds

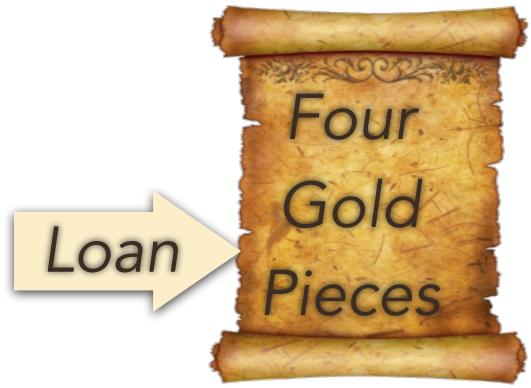


32 Gold ingots







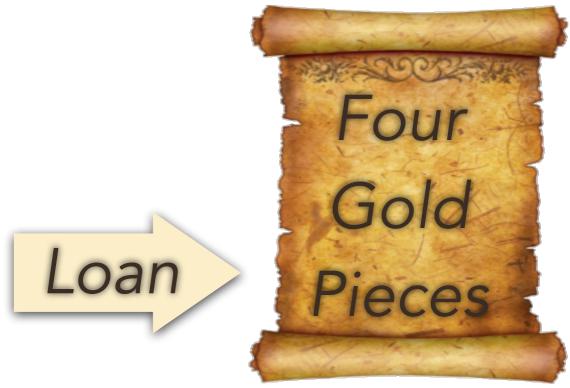


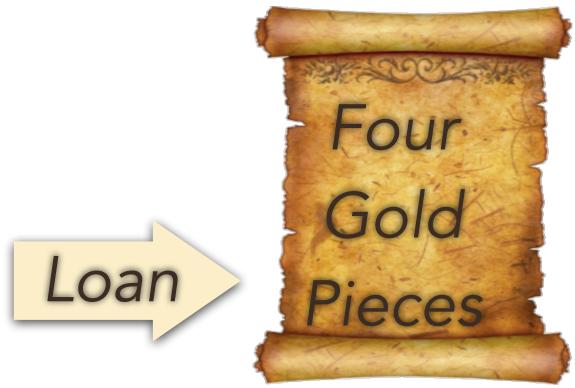


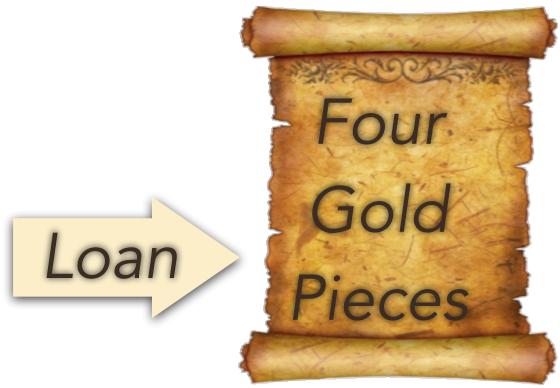


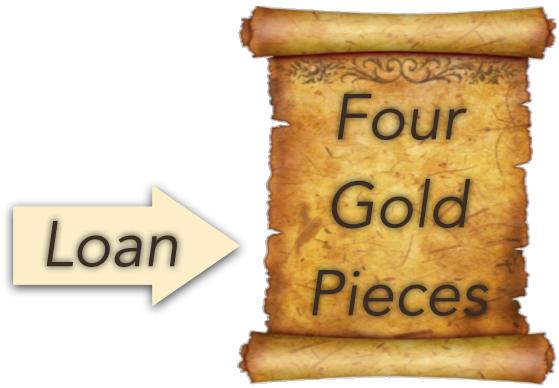


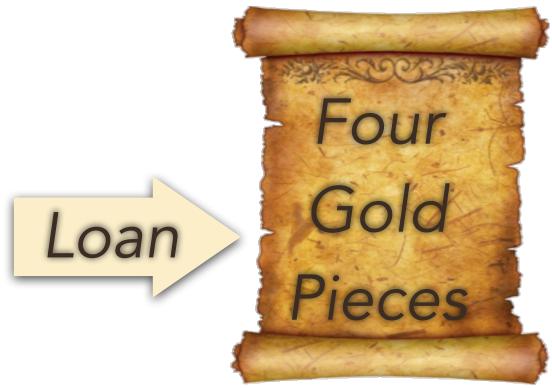














Certificates to redeem 100 Gold ingots





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



