

When people give money to a bank the bank loans out most of that money keeping in reserve a small fraction. That's "fractional reserve banking". The bank makes money from the loans and it normally can handle withdrawals from the reserves. However, in times of panic lots of people take their money out of the bank, causing a "run". Because banks loan to banks there can be many "runs". If the banks kept all the deposits given to them there would be no panics. On the other hand where would businesses go to get money to start or ex-

Get rid of fractional reserve banking

deals all over the place. standard" there were booms and busts and crooked money BUT in the 50 years the world was actually on the "gold problem. Supposedly if you back money by gold and you don't have a bring on a time of huge price increases, "hyper-inflation". causes the schemes and booms and busts. It also one day will government is just creating huge amounts of dollars and that gold or other precious metals. The argument goes that the

pand The banks couldn't lend it to them. What would happen is "non-bank" lenders would start making loans than things would be back to the way they were.

No more bailouts, period. Let the bad banks and businesses just die.

It would get rid of the rotten, but such a "cleansing" collapse has enormous costs. Look at the U.S. in the '30's, a quarter of all job seekers out of work, huge numbers in bread lines, a whole generation scarred.

These "simple" solutions won't work and probably would make things worse. Capitalism has built-in problems that won't go away: cutthroat competition, underpaying workers, booms and busts, treating the Earth as a garbage dump, wars for resources.

Replace the Capitalist Casino

with Something that Works for All of Us

"Fat money" means dollars that are not backed up by

Get rid of fiat money. Base all money on gold

this time on steroids. the roller coaster of bank booms and busts, of new Ponzi schemes, If we went back to the "good old days" before 1913 we're back to up to coordinate things to stop or ease panics and inflations. increased unemployment to a then shocking 8%. The Fed was set bust was the "Panic of 1907" which crushed a lot of banks and in banking had led to wild swings of booms and busts. The worst The Federal Reserve was set up in 1913 because the free market out". Should we close down the Fed? work. As the slogan goes, "They got bailed out and we got sold debt is trillions higher and 25 million are still without full time when there was danger of a major collapse. Now the national in loans and guarantees to restore Wall Street and the corporations The Federal Reserve and the U.S. Treasury gave out \$13 trillion

End the Fed

Simple Solutions That Won't Work

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