

Figure 1. Bank of Canada's Balance Sheet

A	L
Government bonds Capital Gold	Currency

Figure 2. Monopoly on a Market

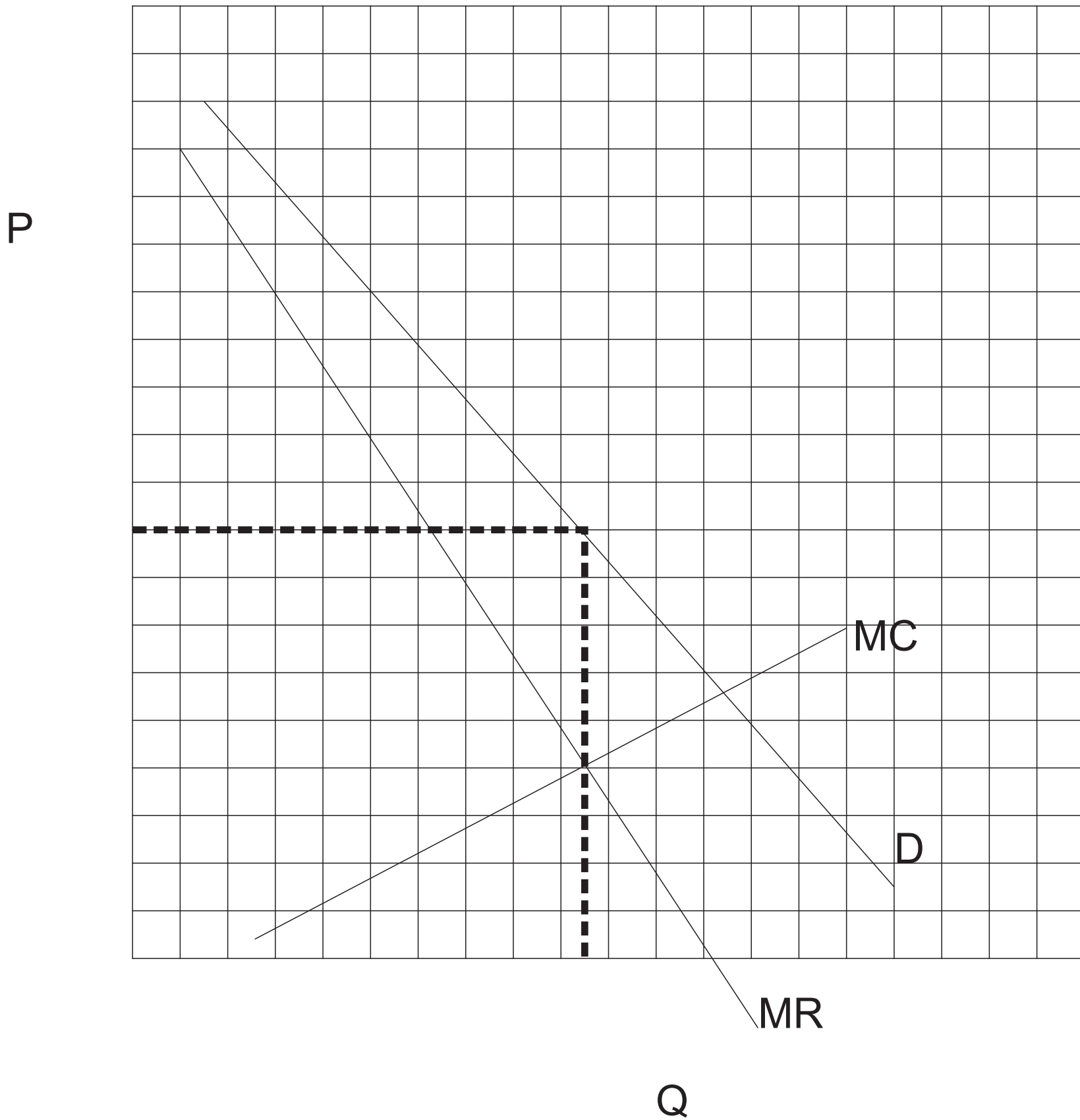


Figure 3. How we create money

MB = 10
M1 = 100
Reserve ratio: 10%

Bank of Canada

A	L
10	10

BMO

A	L
\$5 reserves 45 loans	50 deposit demands

Scotiabank

A	L
\$5 reserves 45 loans	50 deposit demands

