

EXECUTIVE SUMMARY

INTRODUCTION:

My name is Grant Klaiber and I was born and raised in Strathmore, Alberta. I am a fourth generation Canadian and Albertan and along with my wife Dona (who is also fourth generation Canadian), we have spent a lifetime predominantly in agriculture in Alberta.

In the late 1980's I spent two years with Refco Commodities as a commodity broker in their Calgary office. My experience in the financial industry spawned a keen interest in macroeconomics, which I have studied prodigiously up to the present. My passion is to see to it that my children and grandchildren have the opportunity to grow up and thrive in this beautiful country of Canada and to experience the personal and economic freedom that was afforded to my forefathers and me.

THE ISSUE AT HAND:

The world is presently embroiled in economic turmoil due to an overabundance of debt. Canada is not unlike many other countries (i.e.: USA, France, UK, etc.) in that not only are the citizens of these countries heavily in debt but all levels of government in these countries are carrying huge debts as well. Central banks including our own, have kept interest rates artificially low for too long, creating imbalances that need to correct.

The issue at hand is that those who have been prudent and have saved money are being penalized by these artificially low interest rates. Even government debt instruments (bonds, treasuries, etc.) are not yielding enough to cover the effects of the inflation that is being created by our central bank's policies. I would refer you to the Bank of Canada's website where one may find their inflation calculator. Over the last thirty years they have debased the

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currency by over 3% annually and over the last forty years by 4.5% annually!!

A "basket" of goods and services that cost:	\$ 100.00 in 1981
...Would cost:	\$ 247.64 in 2011

Clear
Calculate

Per cent change:	147.64
Number of Years:	30
Average Annual Rate of Inflation (%) / Decline in the Value of Money:	3.07
CPI for first year:	(May 1981)
CPI for second year:	(May 2011)

A "basket" of goods and services that cost:	\$ 100.00 in 1971
...Would cost:	\$ 582.61 in 2011

Clear
Calculate

Per cent change:	482.61
Number of Years:	40
Average Annual Rate of Inflation (%) / Decline in the Value of Money:	4.50
CPI for first year:	(May 1971)
CPI for second year:	(May 2011)

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If one refers back to the year that the Central Bank of Canada was established (1935), you will see that in the last 76 years our Central Bank has destroyed 94% of the purchasing power of our dollar!

A "basket" of goods and services that cost:	\$ 100.00 in 1935
...Would cost:	\$ 1,675.00 in 2011

Clear
Calculate

Per cent change:	1,575.00
Number of Years:	76
Average Annual Rate of Inflation (%) / Decline in the Value of Money:	3.78
CPI for first year:	(May 1935)
CPI for second year:	(May 2011)

Because of the pervasive destruction of value of the currency, we citizens of Canada and our various levels of government must take on increasing levels of debt to make up for this loss of purchasing power. The fact that all levels of government in Canada, as well as its citizens, are laboring under increasing levels of debt can be directly attributed to a failed economic theory practiced by the Bank of Canada.

MY REQUEST:

**ALLOW CANADIANS TO PROTECT THEIR WEALTH
BY MAKING GOLD LEGAL TENDER.**

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JUSTIFICATION:

- Twice in Canadian history our money was redeemable for gold, which in effect acknowledges that gold is money
- The Canadian mint has been and continues to issue gold coinage
- It is unfair to apply capital gain tax to a currency
- Tax revenues lost would be minimal
- Recently in the United States, the state of Idaho Legislature declared gold legal tender and there are presently at least five other states that have similar legislation in the works. This, I believe, provides precedent.

WHAT DOES THIS DO FOR CANADIANS?

- This would provide Canadians with a way to protect their wealth from the subtle confiscation perpetrated by the policies of the Bank of Canada
- Canada is home to immense reserves of gold along with a thriving mining sector that would benefit from the anticipated demand for gold
- Gold as currency would provide security for the prudent Canadians that save for their future. This alone could potentially reduce dependence on social programs for many retirees
- By allowing gold legal tender, Canada would be perceived as even more stable and fair in international dealings
- As an alternative, gold as legal tender would provide a way to measure the discipline of the issuers of our currency

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- Worldwide, gold is accepted as currency and our Canadian Maple Leaf gold coinage is universally recognized, respected, and sought after
- Last but certainly not least **it is fair!**

I thank you for your consideration of my request, as it is not only my request but also the request of many of my fellow Canadians. We are blessed as a country to have a party in power that stands on the principle of true conservatism and we anticipate your wise consideration of this proposal, as its positive impact on the freedom of all Canadians would be profound.

I leave you with the following quote:

In the absence of the gold standard, there is no way to protect savings from confiscation through inflation. There is no safe store of value.

Alan Greenspan