# Money In the Law:  Colonial Script

Dear, I need more money.

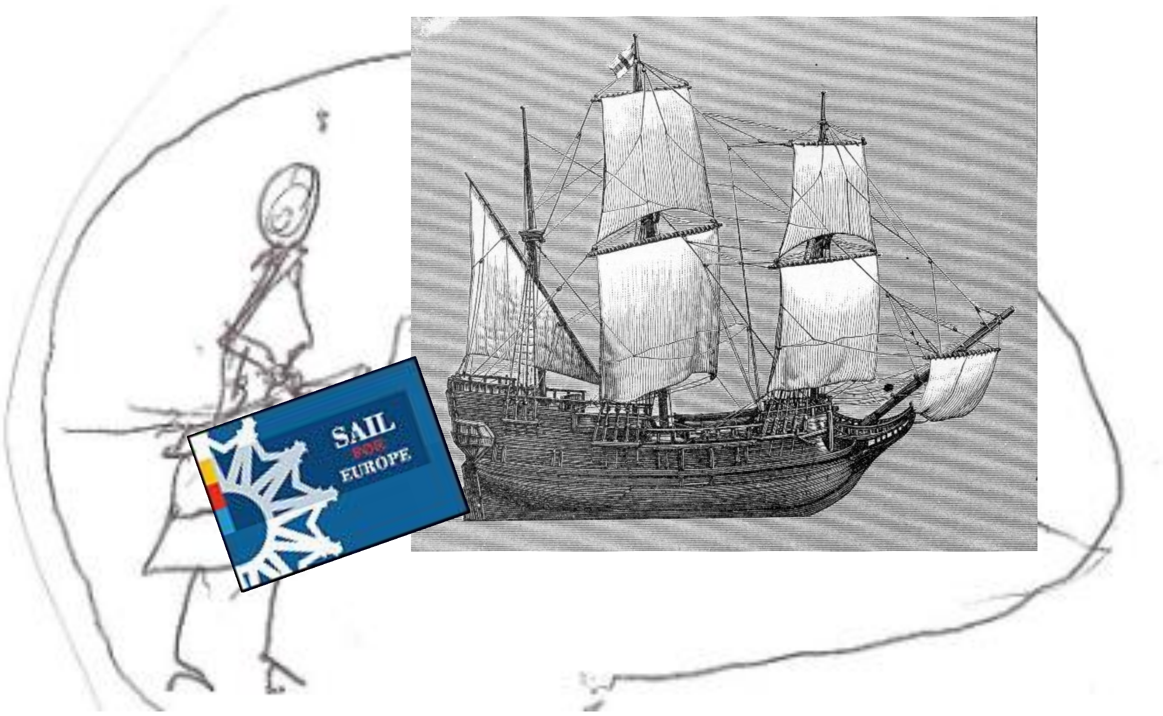
Ok, I have to read the law…

You know, money is not a thing. It’s always been defined in the law of society.

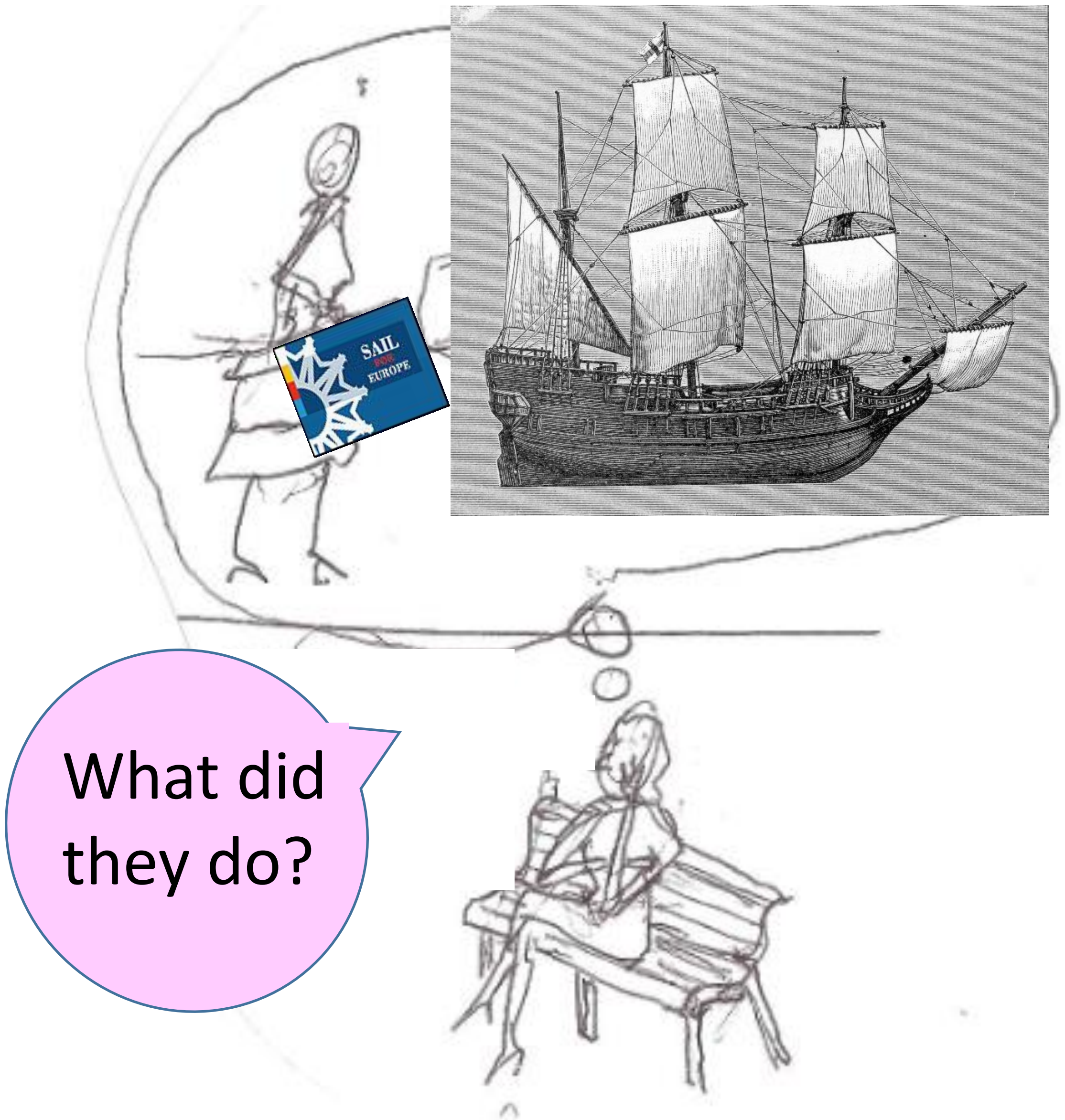
What are you talking about?

Really?   It’s a law?

Yes.  Let me give an example.

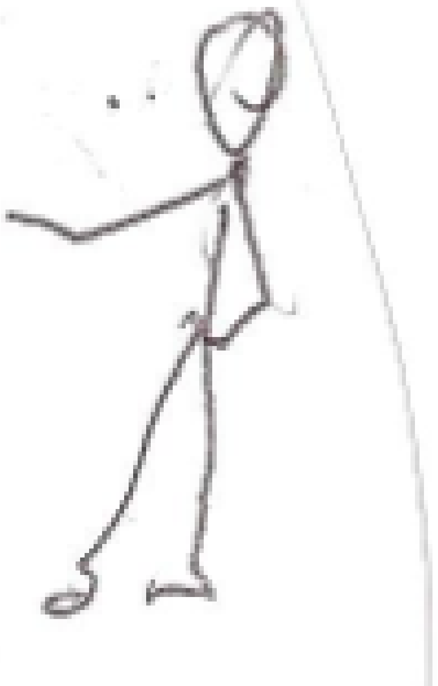



In the early 1700’s, the American colonies did not have much English money.   Many colonists were returning to England, because there was not enough money to meet the colonists’ basic needs.




Colonial legislatures wrote laws
to issue their own money – called script.

# Did it work?

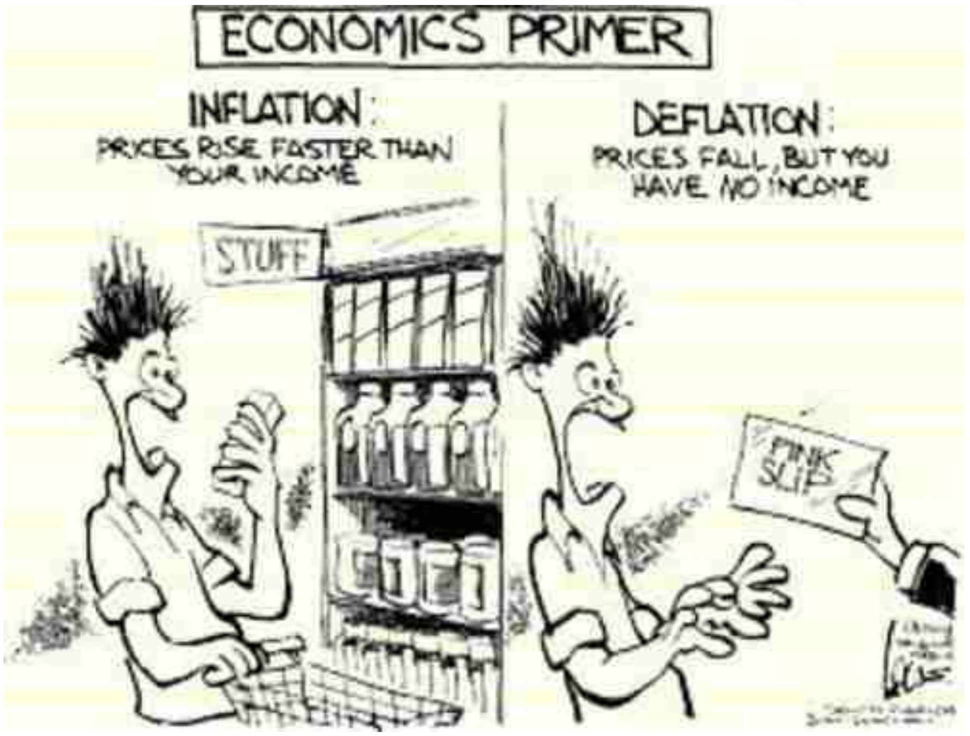



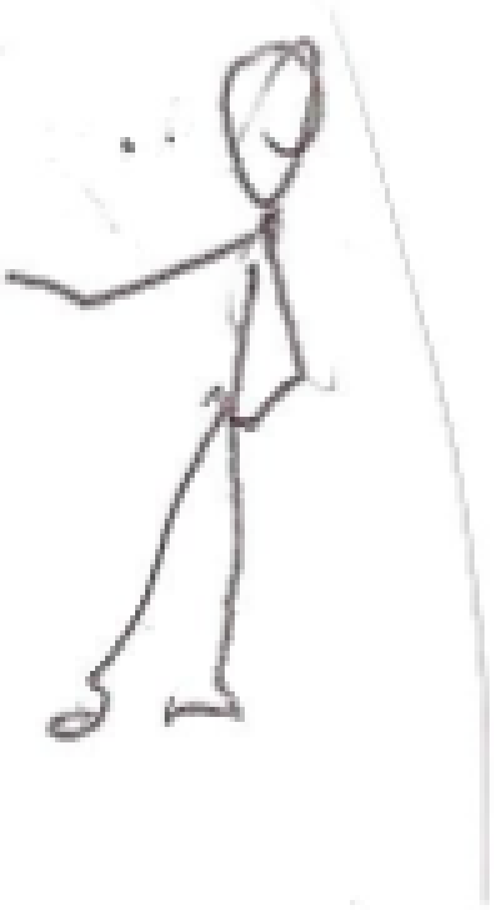
The colonial government accepted the script
for taxes, and that's what made the script money….
that's what really counted.

The colonial legislatures set how much money was issued.

The legislators knew, if the government issued too much money,
it caused high prices or inflation.

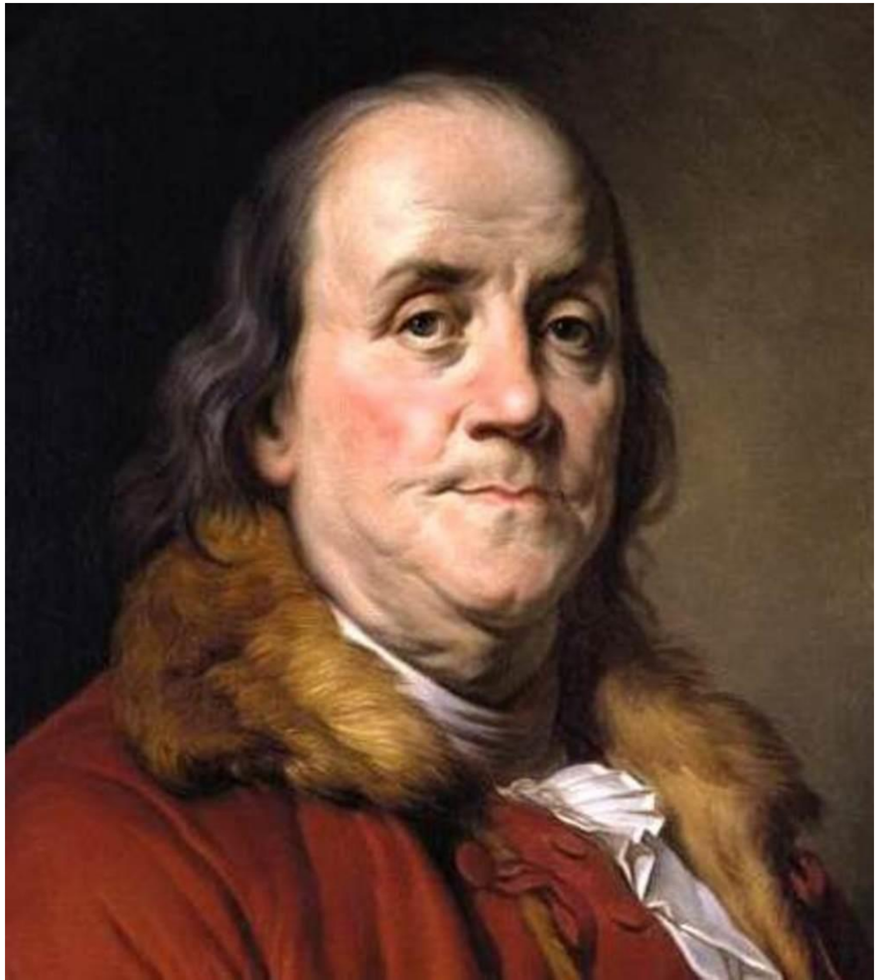
And too little money caused deflation,
where prices fell so low producers could not make a living.



“Experience, more prevalent than all the logic in the World, has fully convinced us all, that it [public debt-free money in the law] has been, and is now of the greatest advantages to the country.”

Ben Franklin in his Autobiography



Benjamin Franklin knew about money in the law, issued by the government. He and the other colonial people did not trust bank money. So starting in 1690, the colonial legislatures started to issue their own money.

It brought prosperity to the colonies.

THE END