

# **THE NATURAL LAW OF MONEY**

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The Natural Law of Money by William Brough

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**WILLIAM BROUGH**

**THE NATURAL  
LAW OF MONEY**



THE NATURAL LAW OF  
MONEY 59611

THE SUCCESSIVE STEPS IN THE GROWTH OF MONEY TRACED  
FROM THE DAYS OF BARTER TO THE INTRODUCTION OF  
THE MODERN CLEARING-HOUSE, AND MONETARY  
PRINCIPLES EXAMINED IN THEIR RELATION  
TO PAST AND PRESENT LEGISLATION

BY

WILLIAM BROUGH

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*Individuality* is left out of their scheme of government.  
The *State* is all in all.—BURKE.

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G. P. PUTNAM'S SONS

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# THE NATURAL LAW OF MONEY

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## CHAPTER I.

### THE BEGINNING OF MONEY.

**I**T may be well to explain at the outset what is meant to be conveyed by the phrase "the natural law of money." While it is true that money is a product of man's labor, and that it derives all its usefulness from the actions of men, it was not planned and brought into existence with an intelligent prevision of its nature and workings. It would be more correct to say that it came into use because it possessed inherent properties which fitted it for certain services, and that men appropriated it when they felt the need of the services. This they did individually, without any concert of action, for money was circulating everywhere in the world before men even thought of making laws for its regulation.

When an individual uses money, he is governed in what he does with it purely by his own interests, and he does not concern himself about what becomes of it after it passes out of his possession; thus it circulates indefinitely, impelled always by the motives and interests of individuals acting independently of each other; yet it is found to move and perform its functions with the regularity of a natural law.

The material of which money is composed may be almost any product of man's labor; it becomes money only when it is used as the common medium of exchange. Before the appearance of money in the world, exchanges of commodities were made in a very crude way. If a man had a dog that he wanted to exchange for a sheep, he could not make the exchange until he found some one who had a sheep and wanted a dog. But in the course of time man discovered that, among the commodities produced by him, there was always some one commodity in more general use and demand than others, and this he seized upon as his medium of exchange,—it became his money. Having done this, he was no longer obliged to wait until he found some one who had the particular commodity he wanted, and who also wanted his commodity; he stood ready to accept the commodity in general demand, because