

Double Digit Inflation: Each year, prices are rising at a rate of ten percent or more.

Welfare Program: A government program to give money and goods to the poor.

Subsidy: A government program to give money and goods to the rich.

Law of Economics: Something about the economy that you have to live with because you can't change it.

Tanstaaf!: There Ain't No Such Thing As A Free Lunch.

Counterfeiting: The process of making fake money.

Clipping: Taking the edges off a coin so that they can be melted down to make counterfeit coins.

Reeding: Notches cut into the edges of coins to prevent counterfeiting.

Debasing: To make money worth less by using less or no precious metals in coins.

Gresham's Law: Bad money drives good money out of circulation. People buy stuff with the bad money and hoard the good money.

It will cost \$5.50 next year.

From taxes placed on its citizens.

In the year 1790, revenue was raised by taxes placed on goods.

18.88 per person.

They could definitely go to prison.

By making worthless coins or paper money not backed by a gold or silver standard.

The Continental Dollar was worthless in 1781 because the government printed too many of them.

They, at first, clipped the edges of coins and used that to make new coins. After the people caught on, they began making coins that weren't pure silver but a mix of copper and silver.

All silver coins were reeded, but in 1965, silver was removed from US coins. They are still reeded.

Today's reeded coins are only pretending to be precious.

Because other people are forced by law to accept them.

I would save a silver coin if I got one. I am following Gresham's Law, which says that bad money drives good money out of circulation.

The Bland-Allison act made silver overvalued, so people started saving them.

Because of Gresham's Law, people save the precious coins and spend the others. They become less and less frequent.

People save precious metal coins because they believe them to be worth more. These coins are probably not doing anyone any good, sitting in a safe or in the bank. It is probably a better idea to spend them, because in the long run, inflation will water down the silver coin's value.

Sometimes, if a salesmen tells you something is free, it is so you'll be motivated to buy more of his stuff. Also, it could be that the thing is only free for a certain amount of time, and after that they will start charging you and hope you'll be too lazy to work through their cancellation system, which will, of course, be written in weazeleze. And remember just because someone says something is free, someone has to have payed for it. Tanstaafl!

In the Wikipedia entry for the Bland- Allison Act, it said:

The **Bland-Allison Act** was an 1878 law passed over the veto of President Rutherford B. Hayes requiring the U.S. treasury to buy a certain amount of silver and put it into circulation as silver dollars. The goal was to subsidize the silver industry in the Mountain states and inflate prices.

Although it goes on to state the aftermath of the act, it seemed to be attacking the government a lot less than Lawrence W. Reed's article did. Of course, his title was How The government Plagued Our 19<sup>th</sup> Century Economy, so it's no surprise that the article does blame the government!

### **You Can't Take It With You**

Grandpa argues that he wants to see where his money is going before he pays his income taxes. He says he doesn't believe that the president and congress are worth his money. The man from the IRS is obviously not prepared for someone who probes every answer with a "why?" and gets very angry. Of course, there are answers to the questions the grandpa asked, first of which is that you, as a taxpayer, can write to your representative in congress. Also, there are some other things that are worth financing, because otherwise the whole system begins to collapse. So while grandpa's argument is funny and good in some places, there are benefits to paying your taxes! Also, you can go to jail if you don't.