



World's First Financial Crack - 1720 - The De Law System - Engraving Published In Holland



350 EUR

Period : 18th century

Condition : Très bon état

Material : Paper

Length : 44 cm

Width : 33 cm

Description

1st Financial Crack in the World - 1720 - The Law System - Print published in Holland to avoid imprisonment in France. size: 33 cm x 44 cm Frame size: 44 cm x 55 cm The Law SystemThe Law System was gradually introduced from 1716 onwards and was the first experiment with paper money in France. As a result of the many wars during the reign of Louis XIV, French government finances were in a dire state after his death. It is estimated that the French national debt was over £2 billion, or about ten years of tax revenue! For comparison, in 2019 the debt held by the French government would be worth just over six years of revenue. John Law, a Scotsman who had made his fortune by gambling, was called in by the Regent to set up a system based on the circulation of paper money and was

Dealer

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authorized to establish the Banque Générale, modeled on the Bank of England, whose capital could be paid out in part in government paper. This system was intended to pay off the national debt and to promote the economic development of the kingdom through trade and the extension of credit. The Banque Générale, a private institution, issued notes in exchange for gold. These notes, convertible into gold, were quickly converted into gold.