

Index

- 18 Brumaire (1799), *coup* 134
 1848 revolutions
 and international finance 197
 creation of banks and credit
 companies 197
 see also railroad finance
 AAA ratings 295, 297, 300–301
 Accominotti, O. 245
 Acemoglu, D. 73
 Act of Union (1706) 87
 Acts of Toleration (1689) 72
 agriculture, and Depression 242
aides 67
 AIG 305
 and Credit Default Swaps
 301, 304
 and TARP 303
 Alliance British and Foreign Life and
 Fire Insurance Co. 158
 Alsace-Lorraine 239
 Ambrose, B. 299
 American Civil War 201
 Confederate debt default 201–202
 Northern financial innovations
 202–203
 American independence, effect on trade
 107
 American War of Independence 117
 Amsterdam financial center
 British attack on (1784) 131–132
 broker and jobber functions
 111–113, 118
 first “bear” operation 57
 international merchants in 54
 Law System, and currency 118
 population in 18th century 102
 stock exchange *actionistes*
 103–104, 111, 132
 and VOC shares 57
 voorcompagnien 55–56, 61
 Wisselbank 58–59, 137, 253
 see also European financial centers
 Anderson, F. 127
 Anderson, O. 195
 Anglo-American, and Mexican mineral
 resources 158
 Anglo-American War (1812–14) 177,
 180
 sell-off of Alabama and Mississippi
 177
 and US war finance 141
 Anglo-Dutch financial centers,
 connection between 124
 Anglo-French Commercial Treaty
 (1860) 210
 Antwerp
 and Bank of Amsterdam 76–77
 foreign bill of exchange 76
 Arezzo, government of 38
 Argyll, Duke of 88
 Arnaud, P. 25
 Ashley, M. 79
 Ashton, T.S. 117–118
 Asian financial crises (1997–8)
 289–291
asientos 39, 54
 assets, finance for 15
 Assur
 commercial network 20
 government of 20
 Kanesh 19
 merchant control of 19
 Mesopotamian system of commerce
 19–20
 Assurian trade 20
 asymmetric information
 and adverse selection 166
 and collapse of British country banks
 167
 Atack, J. 24, 295

- Athens 23
 banking 23
 war finance 25
Aufsichtsrat 222
 austerity program 11–12
 Austria, and gold-exchange standard
 240, 243–244
 Austrian State Railway Company 198
 Austro-Prussian War (1866) 204
 Avignon, Papal court at 37, 40
 Ayr Bank of Edinburgh and 1772 crisis
 126
- Baack, B. 130–131
 Babylon 18–20
bullae 14, 16
 Dumuzi-Gamil 16–17
 Ram-Sin 16–17
 Uruk 15–16
 Bagehot's Rule 192, 196, 213
 baht, convertibility of 289–290
Banca di Rialto *see* Venice
banco guilders 78
Banco Nacional de San Carlos
 (later *Banco de España*)
 and Count of Cabarrús 137
bancor 253
 Bank Charter Act (1844) 191–192
 Bank Charter Committee 164
Bank Deutsche Länder 255
 bank finance
 early dominance of 43
 Bank for International Settlements (BIS)
 241
 and EMU 289
 and EPU 1374: meetings between
 Schacht and Warburg 266
 annual reports 12: perspectives on
 financial crisis 3–5
 and OPEC surpluses 279
 IMF loan to Britain 281–282
 Bank for Saving, and Erie Canal 179
 Bank of Amsterdam
 1763 crisis 121–122
 1770 crisis 126
 and Antwerp merchant trade,
 76–77
 and British war finance in 18th
 century 113–115
 and collapse of Law's *Système* 98
 commission costs 37
 financial systems in 17th century 79
 governance of 81
 irredeemable deposits 102
 use of silver as collateral 194
 Bank of England 70
 and 1825 crisis 159–162
 and 1907 financial crisis 229
 advantages over Bank of Amsterdam
 81–82
 balance during sub-prime crisis 305
 and Bank Charter Act (1844)
 191–192, 196–197
 and Barings crisis 216–217
 buyback of debt and monetary easing
 150–151
 concentration of capital stock in
 London 82
 creation as joint-stock company 81
 credit rationing 192
 daily trade in spot transactions 83
 discount rate and US companies
 (1955) 265
 Dutch holdings in 83
 and establishment of Branch Banks
 162–164, 169–171
 and euro-bonds 267
 and exchange controls 281–282
 and gold-exchange standard 237,
 244
 gold reserves in 214
 and Great Depression 12
 and liquidity crisis (1914) 232
 information asymmetry before 1825
 crisis 183
 international payments system after
 South Sea Bubble 102
 as lender of last resort 171
 market value in 18th century 145
 and Midland Bank 266
 and national debt 73, 87, 234
 trading in British funds 109, 118
 and note issuance 87
 peacetime finance after Napoleonic
 Wars 147–148, 153
 re-coinage, importance of 82
 re-discount facilities 170
 release of silver coin stocks in 1763
 crisis 122–123
 and Resumption Act (1819) 148

- Bank of England (cont.)
 and South Sea bubble 95, 97, 99
 and victory at Trafalgar 146
see also Bagehot's Rule; Norman, Montagu
- Bank of Ireland 87, 163
- Bank of New York Mellon 311
- Bank of North America 129
- Bank of Portugal, and Barings crisis 215
- Bank of Prussia
 creation of *Deutschebank* 204
 financing of commerce with W. Prussia 204
- Bank of Scotland
 and government debt 73, 87
- Bank of the United States 142–143, 163
- banking
 basic functions of 24–25
 distinction between private and public finance 24
 finance for trade 23
 in Roman Empire 25–26
 structure of, and Urban IV 32–33
 and trust 25
- bank-oriented innovations 71
- bankruptcies, in 1825 crisis 167, 171
- Banque de France* 134
 and Barings crisis 216
 and *franc germinal* 135
 gold reserves in 214
 and J.P. Morgan 229
 lender of last resort function 214–215
 and 1960s run on dollar 265
- Banque Générale*, and John Law, 90–94
- Banque Royale*; *see* *Banque Générale*; Mississippi bubble
- Barbarossa, Frederic, and Lombard League 38
- Baring, Alexander 136–137
 and American public finance 131
 buy-out of Hope and Company (1808) 185
- Baring, Francis 125
 Mexican investments 157
- Barings
 cooperation with Rothschilds 158
 and French *rentes* 154
 investment in US railroads 201
 and Latin American bonds 157
 and Louisiana purchase 136–137
 and Napoleon's actions after Austerlitz 138
 and New Orleans cotton 178
 relationship with Hope and and Company 136–137
 transfer of Mexican silver 137–138
- Barings Crisis (1890) 12–13, 156, 213, 215–217
- Barings and Hope
 French *rentes* 185
- Barnard, Sir John
 and war finance 110–113
 Barnard's Act (1733) 97, 110
- Basel II
 and sovereign bond holdings 310
- Basel III 311
- Battle of Plassey (1757) 127
 English East India Company shares 119
- Bear Stearns 302
 loan from Federal Reserve 304, 306
- Belassa, Béla, and Belassa–Samuelson effect 290
- Bell, A.B. 36–37
- Beremberg, Johan 116
 merchant bank 121
- Bergamo, and self-government 38
- Berger, H. 250
- Bergstresser, D. 304
- Berlin *Effektenbörse*, and war finance 233
- Berman, H. 29, 38
- Bernanke, Ben 1, 12, 292, 304
 quantitative easing (QE) 305–306
- Besaçon, foreign exchange market in 48
- Bevan, David, Rock Life Assurance Company, and Erie Canal 179
- Bevel, S. 103
- Biddle, Nicholas
 and Second Bank of the United States 180–181
 and state-chartered banks 183
- “Big Bang” of financial capitalism 87
- Bignon, V. 192, 197
- bill of exchange 34–35
 and change-rechange 33–34
 costs of coinage 36
 and medieval trade 28

- Bill of Rights
and financial revolution 74–75
and William III 73–74
- bills obligatory* 77
- Bingham, Senator
and Alexander Baring 137
- Bisenzone market 71
and *scudo di marco* 48–49
- Bizonia 255
- Black Death 50
- Blinder, A.S. 303
- Bloemist* 63
- Blount, C. 84
- BNP Paribas 295
- Bodenanstalt* 199, 243
- Boer War (1899–1902) 228
and British government debt 176
- Bologna, government of 38
- Bordo, M.D. 8, 264
- Borio, C. 5
- Boxer Rebellion (1898–1900) 228
- Boyer-Xambeu, M.-T. 37
- Braddick, M. 79
- Brady, Nicholas, and Brady Plan
283–284
- brassage 36, 49
- Brazil, government bond issues 189
- brenngeld* 52–53
- Brescia, government of 38
- Bretton Woods
abrogation of Treaty by US 7, 270
Agreement 251–252
Conference (1944) 253–254
- Bretton Woods I 10
- Bretton Woods II 8–10
System (1958–73) 6–7, 263–265,
271
and exchange rates 257–258, 273,
285–286
and financial innovation 7–8
and first oil shock 277
and Triffin dilemma 270–272
and trilemma of open
macroeconomics 273
- Britain
17th century financial regulation
85–86
18th century consumer good exports
139, 143
and Jefferson Embargo 140–141
- 18th century financial system 134,
143–144, 146–147
and basic perpetual annuities 150
and national debt 109
and stock exchange traders
152–153
- 18th century war finance, and
sovereign debt holdings 125
Dutch investors after Seven Years
War 125
- 19th century transition to peacetime
finance 147–151, 153
and country banks' note issue 152
- blocked sterling balances during
World War I 250
- capital controls 280
under Bretton Woods 263–264
- Commonwealth and Empire trade
247
- convertibility of sterling (1947)
260–261
- debt issue and world wars finance
233–234, 238, 256
- devaluation of sterling relative to
dollar 261
- EC membership 275
- EMS membership 276–278, 285
and French *rentes* after Waterloo
153–154
- and gold 194
- government responses to changes
in financial system (1976–9)
280
- and IMF 265, 281
- international reserves under Bretton
Woods 269
- and long-distance trade 55
- railroad construction in US 199–201
- Spanish and Latin American bonds
154
- Whig v. Tory parties, and religious
conflict 75
see also Bank of England; Denmark;
Euro-dollar market; Ireland;
sterling; sub-prime crisis
- Broadberry, S. 233, 239
- Bronze Age
Trade 17–18
- Brüning, Heinrich, Weimar Chancellor
austerity measures 12

- Brussels Conference (1920), and fixed exchange rates 236
- Brydges, James, later Duke of Chandos 114
- Bubble Act (1720) 84, 95–96, 158
repeal of (1825) 167, 170
- bubble of 1824–5, and London stock market
adverse selection problems 166
collapse of 167
- Buchanan, President James 196
- Buist, M. 138
- bullae* see Babylon
- Buller, Cornelius 161
- Bullion Report (1810) 144, 191
- Bundesbank*
and ending of Bretton Woods System 269–270
and the “snake” 276
and German reunification 285
and post-war inflation 255, 268
- Burgess, Henry, and Bank Charter Committee 160
- Burt, R. 158
- Bush, George W. 1, 12
- Caisse d’amortissement pour la dette publique* 134
- California, annexation of, and gold 184
- Calomiris, C.W. 170, 196
- Cameron, R.E. 197
- Campbell, G. 189, 220
- Campbell, David, and Coutts & Co. 90
- Campbell, J. 88
- Canadian fur trade, and British Imperial policy 127
- Capie, F. 281–282
- capital controls
and Bretton Woods 263, 265
and re-cycling of petro-dollars 279–280
- capital markets
complementarity with financial institutions 227
finance of “loose coupling” and “non-linear” technologies 227–228
first use by governments 40
in *GFSR* 4
see Global Financial Stability Report
- Cardoso, J. 101, 212
- Carlos, A. 80–81, 83–85, 97, 127
- Carlos, K.J. 78
- Carter, A. 132
- Casa di San Giorgio* 28, 40, 56, 62, 89
administration of debt 40–41, 46
coordination of Genoese bankers 48
interest rates 50
registration of ownership of shares 42
- Caselli, F.P. 29
- Castaing’s *Course of the Exchange* 117
- Catholics, and Eighty Years War 52
- censals*, sale of 43–44
- central bank independence
under Bretton Woods 263
and EMU 288
- Chambre syndical* 223
- Champagne fairs 32
and Genoese bankers 32
- Chandaman, C. 79
- Change-rechange, 33–34, 36–37
- Charlemagne, division of empire 38
- Charles I
and charters of overseas corporations 68
and Civil War 68–69
- Charles II 69
fiscal reform 79–80
- Charles of Anjou, and Papal finances 32
- Charles V 43, 45
war finance demands on Netherlands 53
- Charles X
and French national debt 186
- Charpin, Dominique 17–19
- Chase, Salmon P. 202
and creation of “greenback” 203
- Child, F. 84
- Chile, liberalization of capital controls 282
- China
central bank policy after Asian financial crisis 292
and second oil shock 284
stockpiling of US Treasury securities 297
- Chrysler 305
- Cinq Grosses Fermes* 67
- cities, and beginnings of finance 15–16

- city-states, Greece 22–23
 - coinage 22–23
- city-states, Northern Italy 27–28, 37–38, 40, 49–51
- Civil War (UK) (1642), and financial innovation
 - excise taxes 68–69
 - growth of money market 69
- Civil War (US), and repudiation of State debts 184
- Clapham, Sir John 123–124, 148, 150
- Clarke, H. 189
- classical gold standard 210, 226
 - access to foreign capital markets 211–212
 - entrance of Japan 228
 - entrance of Russia 228
 - and trilemma of open macroeconomics 272
 - see also* Barings crisis; deflation; innovation
- clay tablets, and contracts 16, 18–19
 - see also* Dumuzi-Gamil
- Clearstream 311
- Clifford and Sons, failure of 125–126
- Clive, and Nawab of Bengal 127
- Coffman, D'Maris 69, 80
- Cohen, J.S. 223
- Cohen, E. 23, 25
- Coinage Act (1873) 205
- coinage
 - acceptance by local government 23
 - and “big problem of small change” 78–79
 - and Greek maritime trade 22–23
 - mint ratios 86, 142
 - minting costs 36
 - and Netherlands Revolt 58–59
 - and recoinage (1696) 85–86
 - and rise of bankers 23
 - shortage in Amsterdam market (1763 crisis) 122
 - under French Regent (1718) 90
- Colbert, Jean-Baptiste, Contrôleur Général
 - royal tax farming 67–68
- collateralized debt obligations (CDOs) 297
 - “collective action clauses” 9
- commercial credit
 - availability post-1850 194
 - England’s financing of 76
 - inland bills of exchange 87
- Commission on the Coinage 85
- Committee for European Economic Cooperation (CEEC) 260
- Committee for General Purposes 172–174
 - consolidation of British and Foreign Exchange 175–176
 - and Foreign Exchange 175
- commodity prices
 - and build-up of French gold reserves 242–243
 - and financial collapse 243–244
 - in Old Babylon 20
- Common Agricultural Policy (CAP) 280
- Common Market, additions to 274
- Compagnie d’Occident* (Mississippi Company) 91
- Compagnie de Fermes Générale* 92
- Compagnie des Agents de Change* 223
 - and *Paris Bourse* 185–186
- Compagnie des Indes* 91–92
 - funding sources used by shareholders 98
 - merger with *Banque Royale* 92
- Compagnie des Négociants Réunis* 137
 - forced bankruptcy of 138
- Comptoir d’Escompte* 197, 215
- Condillac, Abbé 107
- Confederacy bond issue 202
- Consuls, and Italian city-states 38
- Continental Congress
 - funded national debt 129
 - inability to raise taxes 129
 - inflation rates 130–131
 - international network of trade credit 131
 - issue of Continental Dollar 128–129
- Continental Illinois, failure of 281
- Cooke, Jay, and greenback dollar 206
 - US bonds sales 202
- Corn Laws, repeal of 191
- Cornwallis, and India 143
- corpo see societas*
- cosmopolitan bourgeoisie, emergence of 100

- cotton plantations, finance for 177
 - and fall in cotton demand 181
- cotton prices, and Confederate bond 202
- coulisse* 186
 - and government regulation 223–224
- counterparty risk, and 1914 declaration of war 231
- country banks
 - absorption by joint stock companies 170–171
 - and Bank of England 163
 - failure of 159–160, 168
 - and high-risk investment 166–167
- Credit Default Swaps (CDS), and RMBS bonds 301
- Crédit Foncier* 197
- Crédit Industriel* 197
- Crédit Lyonnais* 197
- Crédit Mobilier* 197, 199
 - and railroad finance 198
- Crédit Suisse*, and TARP 303
- Credito Mobiliario Español* 199
- Cremona, and self-government 38
- “Crime of 1873” 205
- Crimean War (1853–6) 176
 - finance for 194–195
 - and railroad finance 195
- Cromwell, Oliver
 - army finance 68
 - fiscal reform 79–80
 - and Sephardic Jews 70
 - and standing navy 69–70
- crops, finance for movement in France 108
- Crusades, and financial exchange 29, 31
 - and Florentine bankers 32–33
- Curb market 221
- Currency Act (1764) 128
- currency convertibility, and EPU 262–263, 265
- Cyprus
 - Trade 17
- Cyrus the Great, payment of tributes 191
- da Gama, Vasco 50
- Darius II, and private finance for war 22, 25
- Darmstädter Bank für Handel und Industrie* 198
- Davanzati, B. 37
- Davenant, C. 85
- Davis, L.E. 171, 225
- Davis, Senator Jefferson 199
 - debt default as President of Confederacy 201–202
- Dawes Loan (1924) 240, 255
- Dawson, F.G. 156
- de Jong, A. 63
- De la Vega, J. 103–104
- Deleplace, G. 37
- de Vries, J. 102
- Deacon, John, Royal Exchange Assurance Company, and Erie Canal 179
- debenture shares 218
- debt for equity, *see* South Sea bubble
- Deere 221
- deflation (1873–1897)
 - commodity prices and demand for gold 212–213, 228
 - and financial crises 213
 - financial innovations and new technology 213, 224
- Dehing, P. 59
- Denmark
 - and Britain’s EMS opt-out 277
- de Roover, R. 28
 - Deutsche Bank*, and TARP 303
- Deutsche Mark* 255–256
 - and DM-bonds 267
 - role in EMS 276–277
- devaluation of currency 258, 261
 - and movement of gold 264
 - see also* dollar devaluation
- Dexia 296
- Dickson, P.G.M. 71, 73–74, 79, 103, 108, 111–113
- Dingley Tariff (1897) 228
- Diskontogesellschaft* 198
- Dodd–Frank Act (2010) 12, 311
- Dokos
 - Shipwreck 17
- dollar deficit (1945) 257–259
 - and fixed exchange rates 257–258
 - see also* devaluation of currency; EPU; Marshall Plan

- dollar devaluation, and end of Bretton Woods 270
see also Smithsonian Agreement
- dollar surplus 258
- Dooley, M.P. 10
- dot.com bubble 292, 300
- Douglas, Senator Stephen 199, 201
- Dow 221
- Downing, G. 80
- Drelichman, M. 46–47
- dry exchange 34, 36
- Duc d'Orléans, Regent for Louis XV 89
 and John Law 89–94
- Duffy, I.P.H. 161, 171
- Dumuzi-Gamil 16, 18
 business records of 16–17
- Duncan, Reverend Henry, first mutual savings bank 179
- Dupree, J. 78
- Dutch financial capitalism
 investment in foreign holdings 131–132
- Dutch sovereign debt 53–55
- dye-woods
 distribution channels in eighteenth century 106
- Eagly, R. 37
- earthquakes, and interruptions to trade 21
- East Germany
 differences with West Germany 255–256
 and *Ostmark* 255
 Russian blockade of Berlin 255
- East Indies, and Netherlands revolt 54
- East India Company (EIC) 77
 and 1772 financial crisis 126
 information asymmetry before 1825 crisis 166
 and Netherlands revolt 54
 and Resumption Act (1819) 148
 New East India Company 82–83
 share price of 118–119
 and South Sea Bubble 95
 trade with China 148
 transition to peacetime finance 147–148
 and VOC 138
 yields on 146, 153
- Easthope, J. 151–152
- Economic Cooperation Agency (ECA) 260
- Economist*, the 6
- écu*, and *Banque Royale* 90
- Eichengreen, B. 8, 248, 264
- Eighty Years War 52, 60
- electrum 22
- Elizabeth I, and East India Company 68
- emigrants, and gold rush 194
- empires, dismantling of 235
 and central banks 236–237
- English, H. 158
- Enron, collapse of 12
- Epstein, S. 42, 49
- Erie Canal
 investment in 178–179, 183–184
- Erishum I 20
- Erlanger investment bank, and Confederacy bond 202
- euro 8, 286–288, 308
- euro-bonds 266–267
 and construction of *Autostrade* 267
 and growth of Western European economies 267
 restoration of London as leading financial center 267
- Euroclear 311
- Euro-dollar market, and recycling of petro-dollars 279
- European Central Bank (ECB) 288, 308
 balance sheet during sub-prime crisis 305
 and Eurozone crisis 309
 and Maastricht Treaty 289
 sovereign bonds as collateral 297
- European Council 276
- European Financial Centers, in Amsterdam and London
 bills of exchange and government bonds 101, 113–115
 English securities market 103
 finance of global trade 100
 increase in bill circulation through Amsterdam 115–117
 options on securities 104
 and re-hypothecation 104
 multilateral settlement of trade balances 104–105
 short-term interest rates 107–108

- European Financial Centers, in Amsterdam and London (cont.)
 symbiosis after 1720 100, 103, 132
see also Amsterdam; Barnard; financial crisis of 1763; London
- European Market Infrastructure Regulation 311
- European Monetary System (EMS) (1979–92) 276–277
 exchange rate realignments 278–279
 survival of oil shocks 278
 and weak national fiscal systems 309
- European Monetary Union, and Maastricht criteria 288–289
- European Payments Union (EPU) 7, 258, 261–263, 265
 and German international reserves 269
- European sovereign bonds 188
- European System of Central Banks (ESCB) 9
- European trade
 availability of credit 107
 relationships after 1945 256–257
 shift to north Atlantic port cities in 18th century 105–106
- European Union, and creation of euro-zone 9, 11
- European System of Central Banks (ESCB) 308
- Euro-zone crisis 309
- Euro-zone sovereign bonds 309–310
- Evance, S. 86
- Evans, D. Morier, and Fortune's *Epitome of the Funds* 189
- Exchange Bank of Amsterdam 58–59
- exchange dealers *per arte* 36
- Exchange Rate Mechanism (ERM) 278
- exchange rates
 and English re-coinage 82
 and European System of Central Banks 308
 and financial crises 92
 and Maastricht criteria 288
see also Besançon; fixed exchange rates; Genoese bankers; *scudi di marco*
excijsen revenues 69
- export-led growth, and Asian financial crisis 289–291
- Fannie Mae 298–299
- Faure, E. 92
- Federal Home Loan Mortgage Corporation (Freddie Mac) 298–299
- Federal National Mortgage Association (Fannie Mae) 298–299
- Federal Reserve Act (1913) 248
- Federal Reserve System (US) 226, 230
 emergency loans in sub-prime crisis 304–305
 and Quantitative Easing 305
 reserves of 306–307
 and Vietnam War 268
 and worldwide deflation 243
see also Bernanke, Ben
- Felloni, G. 28, 39, 41
- Ferdinand of Aragon, selling of *rentes* 44
- Ferguson, N. 266
- Ferrara, and self-government 38
- Fichter, J.R. 177
- fiali* *see societas*
- financial contracts, and liabilities 16–17
 and clay tablets 18
- financial crisis
 (1763) 590, 595: international connections 119, 122; moratorium on commercial bills 121; revaluation of Prussian currency 120–121; short-term lending in Hamburg and Amsterdam 121–122
 (1772) 125–126
 (1810) 140–141, 144
 (1825): and British financial reforms 170–171, 176–177; and US economy 178;
 (1837) 938: and state debt 182–184
 (1847): and Bank of England 191–192; repercussions of 190–191, 194
 (1857): and Bank of England 196–197; and *Dred Scott* decision 196; and New York banks 195
 (1907) 113: and contagion 229

- (2008) 3: central bank responsibilities 5; and financial innovation 7; and future of capitalism 1; housing bubble 297–299; international view of 2; lessons from history 13–14; policy makers and stability 5–6 solutions to 3
 US responsibility for 6–7
see also mortgage-backed securities; residential mortgage-backed securities; sub-prime mortgages
- Financial Crisis Inquiry Commission (FCIC)
 Report (2011) 12
- financial engineering
 disruption in credit flows, 117–118
 18th-century war finance 115–117
 fluctuations in exchange rates 117
- financial globalization 272
- financial innovation
 and breakup of Bretton Woods 8
 coordination of 2, 15, 24–25
 and crisis 7
 and debt collateral 26–27
 and new technology 190
- financial institutions and capital markets
 complementarity of 227
- financial intermediation
 personal and impersonal exchange 24–25
- Financial Times* 6, 10
- First Anglo-Dutch War (1652–1654) 70
- First Bank of the United States
 cessation of operations 178
- Fishback, P. 298
- fixed exchange rates
 and Bretton Woods 253
 and debt denomination 9
 with *Deutsche Mark* 287
 after World War I 236–237
 and lead-up to euro 285–286
 post Bretton Woods 8–10
 and trilemma of open macroeconomics 272–273
see also Bretton Woods system
- Flandreau, M. 82, 86, 107–108, 189, 192, 205
- Flesher, D. 200
- floating exchange rates 272
 and Smithsonian Agreement 274–275
- Florence 38–39
 wool trade 29–31, 34
- Florentine bankers, and Papal finance 32–33
- Flores, J.H. 189
- Fohlin, C. 223
- Folkerts-Landau, D. 10
- Fordyce, A. 126
- foreign bill of exchange
 and sovereign debt 101–102
- foreign capital
 access to 272–273
- foreign property holdings 256
- Fortune's Epitome of the Stocks* 190
- Fourth Anglo-Dutch War (1780–1784) 108, 125, 132
 and short-term finance 117
 and systemic financial crisis 126
- France
 central bank finance for war (1914) 232–233
 demand for gold 270
 and euro 285
 and gold standard 210, 240, 245, 248
 IMF requirements and colonial control 265
 investment in long-distance trade (1600) 55
 and Le Maire 57
 Nazi control of *Banque de France* 250
 private credit markets after Bourbon restoration 186–187
 raising of tariffs 248
 reparations from Germany 238–240
 response to oil shocks 276
sociétés en commandite 187
 Tripartite Agreement (1936) and fixed exchange rates 248
- François I 215, and *rentes de l'Hôtel de Ville* 44–45
- Franco-Prussian War (1870)
 creation of *Reich* 204

- Franco-Prussian War (1870) (cont.)
 German demands for reparation 204–206
 international sovereign bonds 204
 Fratianni, M. 28
 Freddy Mac 298–299
 Frederick the Great 114–116, 120
 moratorium on outstanding commercial bills 121
 revaluation of Prussian currency 120–121
 free trade
 “golden paradox” 211
 Frehen, R.G.P. 98
 French Revolution, collapse of French *assignat* 144
 French Revolutionary wars 73
 and short-term finance 117
 Friedman, M. 203
 Fritschy, W. 59
- G-10 275
gabelles 67
 Gallatin, A. 136, 141–143
 Garber, P. 10, 63–64
 Gayer, A.D. 150, 158, 160
 Gelderblom, O. 60–61, 63, 84
 General Farms lease 67
 General Motors 305
 Genoa
 joint-stock company (*compera*) 39
 self-government by Consuls 38
 standard for short-term debt 39
see also Casa di San Giorgio;
 Genoese bankers
 Genoese bankers
 and cartels 47–48
 contracts with Spanish Court, 45–47
 creation of foreign exchange market 48
 yields on sovereign bonds 49
 Genoa Conference (1922)
 role of central banks 236–237
 George I 88
 Germany
 Allied plans for after World War II 254
 banks, and foreign investment, 223
 build-up of reserves after World War II 269
 central bank finance for World War I 232–233
 economic miracle after World War II 256
 financial reforms in 222–223, 225
 and gold standard 210
 military aggression post-Depression 249
 seizure of victims’ central banks 249–250
 occupation zones after World War II 254–255
 price controls in East and West after World War II 255–256
 response to first oil shock 276
 reunification of (1990) 284–285
 and adoption of euro 288
 and price stability 285
 stock exchange 223
see also Gründungskrise
 Gervaise, I. 107
 Gilbert, F. 40
 Gillard, L. 37
 Gladstone, William Ewart, and war finance 195
 Glass, Carter, separation of trust companies from banks 248
 Glass–Steagall Act (1933) 12, 248
 and Regulation Q 266
 and stifling of innovation 248–249
 global finance, consequences of 207–209
 imbalance, and China’s export surpluses 10
 trade growth 210, 213
see also free trade
Global Financial Stability Report (GFSR) 3
 global financial system 1, 228, 252, 311
 Godoy, M. 137
 Goetzmann, W.N. 98
 Goitein, S.D. 23, 26
 gold
 and Coinage Act (1873) 205
 and ending of Bretton Woods 270
 and European Payments Union (EPU) 262

- forbidden export of 29
- postwar movement under Bretton Woods 264–265
- price of 272
 - and French demonetization of silver 205
 - and oil shocks 273
- reserves of 191, 193
- supply of 212–213
- and US dollar devaluation 270
 - see also asientos*
- gold-exchange standard 237–238, 240
 - collapse of 244
 - cooperation between central banks 241
 - and French accumulation of reserves 242–243
- gold standard 6, 149, 240
 - and Atlantic economy 209
 - and Bank of England 82
 - and Barings crisis 12–13
 - and Bretton Woods 252
 - French and US commitment to 193
 - and German states 204
 - see also* classical gold standard; gold-exchange standard
- Gold Standard Act (1900) 217, 228
- Golden Age of Economic Growth (1950–73) 264
 - and Bretton Woods 8
- “golden paradox” *see* free trade
- Goldgar, A. 64–65
- Goldman Sachs
 - and Credit Default Swaps (CDS) 301
 - sale of Collateralized Debt Obligation (CDO) to IKB 294–295
 - and TARP 303
- Goldschmits
 - Columbian loan (1824) 157
- Gömmel, R. 222
- Good, D.F. 223
- goods and services trade, 15–16
- Gordon & Murphy 139
- Gotzkowsky, J.E. 116
- government regulations, and 1763 crisis 119
- Grand Armada (1588) 47, 54
- Great Depression (1929–1933) 12, 294
 - bank failures 244
 - build-up of French gold reserves 242–243
 - debt-deflation problem 243–244
 - and foreign payments 245
 - political consequences of 249
 - price collapse 243–244
 - see also* gold-exchange standard
- “Great Moderation” 274, 292
- Great Northern War (1700–1721) 72
- Greece
 - and European Monetary Union 309
 - loan efforts to break from Turkish rule 155
- “greenbacks”
 - and finance in US War of Independence 203
 - and gold standard 210
 - valuation of 206
 - see also* Chase, Salmon P.; Cooke, Jay
- Gregory VII, Pope
 - and papal revolution 29
- Groeneveld, F.P. 99
- Grossman, R.P. 31
- Grubb, F. 128–129
- Gründungskrise* (1873)
 - corporate market liberalization 221
 - corporation restructuring 222
- guano boom 208–209
- Gulf War (1990–91) 278
- Gurneys 170
- Haarlem *see* Tulip Mania
- Haber, S. 170
- Hale, J.R. 24
- Halifax, Lord 253
- Hamburg *Wechselbank*, and 1763 crisis 121
- Hamilton, Alexander 129, 202
 - and British war finance system 142, 143
 - financial system of 178, 180, 183
 - and fiscal reform of Federal Government debt 136, 141–142
 - opposition from President Jackson 180, 182
- Hammurabi 17
- Harris, R. 68, 96

- Harrison, M. 233, 239
 Hautcoeur, P.-C. 215
hawala, use by Arab traders 31
 Healey, E. 90
 hedge funds 297
 Helvetic Confederacy, and self-government 52
 Henderson, W.O. 121
 Henry III, and Papal finance 32
 Henry IV, Holy Roman Emperor 29
 Hidy, R. 131
 Hilton, B. 152
 Hitler, Adolf 245
 and Schacht's financial innovations 246–247
 Hittite kingdom
 military invasions 21
 Hoffman, P. 187
 Holland, province of, taxes and short-term debt in 59–60
 Hong Kong, financial crisis in 290
 Hope and Company
 assets of 137
 and Louisiana purchase 136–137
 and Napoleon's actions after Austerlitz 138
 and transfer of Mexican silver 137–138
 Hope, Henry 132
 Hoppit, J. 75
 Horsefield, J.K. 86
 House of Gibbs, and Peruvian debt 208–209
 housing bubbles, and sub-prime crisis 297–299
 housing market in US 300
 and impersonal exchange 300–301
 see also mortgage-backed securities
 Hudson's Bay Company 127
 Hughes, J.R.T. 196
 Huguenots 45
 and British sovereign debt 72
hundi, use by India traders 31
 Hungary, and gold-exchange standard 241
 and Schacht's New Plan for Germany 247
 Hunt 157–158
 hyperinflation, in Germany 239
IKB Deutsche Industriebank, investment in worthless CDO 294–295
 Ilay, Lord 83–84, 88
 Illinois Central Railroad 195, 199
 and US railroad accounting practices 200–201
 see also Davis; Douglas; Lincoln
 Imperial preference 247, 250, 263
 income tax (GB) 148–149, 152, 191
 Indonesia, financial crisis in 290
 and IMF loan conditions 291
 Industrial Revolution 74, 144
 inflation, and German debt issue (1914) 233
 and growth of Western European economies 268
 and Maastricht criteria 288
 and price of gold 272
 in postwar occupied Germany 254
 see also hyperinflation; wage-push inflation
 information processing, in peacetime conditions 167
 through bill market 170
 information technology, and finance 227
 inland bill market 169, 171
 innovation
 and classical gold standard 226
 and Glass–Steagall Act 248–249
 and Second Industrial Revolution 225–226
 and shares in emerging technologies 221
 in US financial and technological sector 226–227
 see also capital markets
 Interest Equalization Tax (US 1963) 267
 interest rates, and Maastricht criteria 288
 International Bank for Reconstruction and Development 254
 International Currency Certificates (ICCs) 307
 international depression after 1873
 crash 207
 International Monetary Fund (IMF) 254, 257–258

- and oversight of Bretton Woods 6
- commitment to fixed exchange rates 259, 263
- conditional loans to Asian economies 290–291
- and *Global Financial Stability Report (GFSR)* 3
- and global imbalance 10
- international reserve stocks, and Vietnam War 268
- and Latin American debt crisis 283
- loan to Britain (1976) 281
- perspectives on 2008 financial crisis 3–5
- international trade, and Belassa–Samuelson effect 290
- Iran–Iraq war, and oil price 278
- Iran revolution, and oil shock 277
- Ireland
 - and Britain's EMS opt-out 277
 - and ERM 278
- Irwin, D.A. 243, 248
- Isabella of Castile, selling of *rentes* 44
- Israel, J.I. 60
- Italian city-states
 - and consolidated debt 38–40
 - interest rates in 49–51
 - management of sovereign debt 41
 - origins of modern international finance 28
 - and Papal Revolution 37–38
- Italy
 - and EMS 278
 - pressures from German reunification 285
 - response to oil shocks 276
- Jackson, President Andrew 13
 - and Hamilton system 143, 178, 182
 - and Second Bank of United States 180–181
- Jacobite rebellion, and government debt 75
 - and London's currency 118
- James, H. 5, 244
- James I, auction of charters of overseas corporations 68
- Japan, military aggression post-Depression 249
 - seizure of victims' central banks 249–250
- Jefferson, President 136, 142–144
 - and Jefferson Embargo (1807) 143, 180
 - and British war finance 141
 - and Jackson's land sales 182
 - and sell-off of Alabama and Mississippi 177
- Jenks, L. 154, 157
- jobbers, and London Stock Exchange 172
- Johnson, H.C. 242
- Johnson, N.D. 67
- joint-stock banks 180
 - change of rules in (1826) 167–168
 - and country banks 168
 - expansion of 214, 221, 226
 - note issue 168–169
- joint-stock companies 70
 - and secondary share markets 77–78
 - see also* Bubble Act; VOC
- joint-stock corporations, investment in
 - early 19th century 157–158
 - liabilities in common law 158
 - speculative mania 158
- Jones, D.W. 85–86, 100
- Jonker, J. 60, 63, 84, 137
- JPMorgan Chase
 - and credit default swaps 301
 - and TARP 303
 - and tri-party repo market 311
 - see also* Morgan, J.P.
- Johnson, P. 101
- juros* 44, 46–47, 54
 - and Genoese bankers 47
- Jursa, M., and commodity prices 20
 - and Persian Empire 22
 - and neo-Babylonian war finance 21
- Justice, A. 105
- karum*, safety of goods in transit 19
- Kerridge, E. 77
- Keynes, John Maynard 231–232
 - and Bretton Woods Agreement 251–253
- Kindleberger, C.I. 160, 206, 256
- King, T-H.D. 299

- King, W.T.C. 169–171
 Kleer, R. 95
 Knickerbocker Trust, failure of 229
 Kohl, Helmut, and overvaluation of ostmarks 285
Kommission für den Börsenenquete 222
kontributionen 52–53
Kreditanstalt für Handel und Gewerbe 198
 failure of 243–244
 Krooss, H. 142
 Kuznets, S. 101
- la Vaissiere 26
 Labouchère, Pierre, relationship
 between Hope and Barings 137
 Labour Party (GB), investment in North Sea oil 280
 and inflation 280
 Lains, P. 101, 212
 land-grants, and railroad finance 199
 Lane, F. 28
 Latin America, debt crisis in
 Belassa–Samuelson effect 290
 Brady Plan 283–284
 dependence on external debt 282
 oil imports 279
 policy reform 282
 Volcker “shock” 283
 Latin American securities 147, 153, 155
 “lemons” problem 156–157
 prices of 156
 traders in 174
 yields on 166
 Latin Monetary Union, and gold standard 210
 Law, John 72, 81, 135, 270, 296
 and *Système* 91–94, 98
 and South Sea Company 83–84
 effect on Dutch cities 98
 Money and Trade 88
 see also Louisiana Purchase
 Le Maire, Isaac 56
 and first bear operation 57
 League of Nations
 and Brussels Conference (1920) 236
 and collapse of gold standard 244
 Economic Stability in the Post-war World 242
 Financial Commission and Austrian revenue 240
 and postwar economic adjustments 235
 legal systems, of GB, US, France and Germany, and finance 217
 Lehman Brothers, bankruptcy of 294, 296, 301–302
 and Euro-zone crisis 309–311
 lemons problem 156–157, 166–167
 lender of last resort function, 304–305
 Lend-Lease Agreement 250
 and postwar monetary system 251–252
 termination of 260
 Lesger, C. 77
 Lestapis, A. de 138
 Lewis, F. 127
 Lewis, W.A. 241
 Lidderdale, W. 216–217
 life annuities, in 16th century
 Netherlands 53
lifrenten 54
 Lincoln, President Abraham 201
 Lintgens, P. 56
 Liverpool, Lord, and Bank of England 163–164
 Lloyds TSB 296, 302
 loan bubble (1822–5) 155
 Locke, John 85
 Lodi, and self-government 38
 Lombard League 32, 88
 and self-government 38
 London, population in 18th century 102
 London bill market 77–78
 London capital market
 Dutch investment in 103, 113
 and South Sea Bubble 108
 London Club 291
 London goldsmith bankers 79
 London Stock Exchange (LSE)
 brokers in 172
 consolidation of British and Foreign exchange 175–176
 dealing with defaulters 173
 development of new assets, 153
 Dutch foreign investment in 99

- expansion of membership 218
- Foreign Exchange 175
- government regulatory and monetary environment 217
- increase in number of corporations 218
- internal structure of 225
- Latin American bonds and mining shares 155
- organization of 171–173
- promoters 172
- protective measures 218
- reaction to Barings bail-out 216
- regulation of 87
- rise of interest in foreign securities 174
- and South Sea bubble 95, 97
- stock market boom of 1823–5 158
- transition to peacetime finance in early 19th century 152–153
- and VOC 57
- war finance (1914) 232–234
 - cash trading and frozen balances 234
 - and foreign securities 235
 - and self-regulation 235
 - see also* Committee for General Purposes
- Long Parliament (1640–1648)
 - and financial revenues 68–69
 - and taxation 80
- long-distance trade
 - assessment of values 20
 - evidence for in Bronze and Iron Age 17–18
 - growth of Persian empire 22
 - interruptions to 21
 - and merchant organizations 19–20
 - Netherlands investment in 55
 - profitability of 55
 - and private finance 20
 - collateral for 26–27
 - in Greece 24
 - in Roman Empire 25
 - and Sogdian traders 26
 - records of 16, 18
 - see also* banking; coinage; VOC
- long-term debt
 - and interest rates in Italian city-states 39
 - sovereign bonds, markets for, and 1763 crisis 119
 - US Treasury bonds, as collateral 297
 - and reverse repo operations 306
 - see also* *juros*; VOC
- losrenten* 54, 60
- Lotharingian Axis 38
 - and financial innovations 76
 - and mercantile connections in 18th century 106
 - and Spanish road 48
- Louis XIV 67
 - and John Law's financial ideas 88
 - and Nine Years War 113
- Louis XVIII
 - and *Compagnie des Agents de Change* 185
 - reparations payments 184
- Louisiana purchase, and fiscal reforms 135–136
 - bond maturity 178
 - and *Dred Scott* decision 196
 - and Jefferson 142
 - relationship between Barings and Hope 136–137
- Louis-Philippe, abdication of 186
- Louvre Accord (1987) 274, 278
- Lowndes, W. 85–86
- Luca, G. de 42–43
- Lucca, general loans 39
- Lunt, W.E. 32
- Lydia, kingdom of
 - coinage 22
- Lyons, and intra-European trade 33
- Ma, T. 223
- Maastricht criteria; *see* European Monetary Union
- Machiavelli, on *Casa di San Giorgio* 41
- Madison, President 136
 - and Charter of the Bank of the United States 141, 143
- Malaysia, financial crisis in 290
 - and capital controls 291
- Marichal, C. 137, 156
- market systems, functions of 24–25

- market-oriented innovations 71
- Marshall Plan 256, 258, 260–261
 - and movement of gold 264
- Marshall, George 260
- Marsilio, C. 28
- Maurice of Nassau, Prince, and VOC 55
- Mazarin, Cardinal 67
- McCormick 221
- McGregor, Gregor, and Poyais bonds 156, 160
- McKee, S. Jr. 129
- Mechanics Bank 181
- Medici family, and Florence 28
- Mehrling, P. 305
- Menasseh Ben Israel 70
- merchant organizations, in Old Babylon 19–20
- merchants, provision of finance in Roman Empire 25
 - evidence for 25
- Mesopotamian System 20
 - private finance 18
- Metallurgische Forschungsgesellschaft*, and “Mefo” bills 246
- Mexican–American War (1846–8) 184
- Mexico, exploitation of mineral resources in 158
- Michie, R. 222
- Middleton, G. 83–84
- Midland Bank, rates of interest on US dollars 265–266
- Milan
 - and self-government 37–38
 - use of sovereign debt as collateral 42–43
- military invasions, finance for, 21, 23
 - see also* Darius II; war finance
- Miller, N. 179
- Millett, P. 23
- Milward, A.S. 250, 260
- mining shares 158, 174
- mint ratios (1851) 193
 - see also* Coinage Act
- mint requirement, of international trading powers 193
- mints, unification of in Holland 78
- Mishkin, F. 167–168
- Mississippi bubble 91–94
 - and South Sea bubble 88
- Missouri Compromise, and *Dred Scott* decision 196
- Mitchell, W. 176, 203
- Mixon, R. 206
- Modena, and self-government 38
- Mollien, Count 134
- monetary independence 272–273
 - and exchange rates 285–286
- money markets, and 1763 crisis 119, 164
- Monroe, J. 137
- Montefiore, Abraham, and London Stock exchange 173
- monts de piété* pawnshops 88
- moral hazard, and sub-prime crisis, 302
- Moreau, Emile, and *Banque de France* build-up of gold reserves 242
 - and worldwide deflation, 242–243
- Morgan, J.P.
 - and 1907 financial crisis 229
 - and Gilbert, Parker 241
 - and Schacht 240
- Morris, Robert 141
 - and Continental Congress 129
 - establishment of Bank of America 129–130
- mortgage-backed securities, and sub-prime crisis 295
 - and Fed’s reverse repo operations 306
 - and housing bubble 297–299
 - see also* financial crisis (2008); residential mortgage-backed securities
- Mortimer, T. 109
- most favored nation clause 210
- Mueller, R.C. 28
- Munro, J. 28, 43, 53
- Murašû family
 - provision of finance 22, 25
- Murphy, A. 78, 84, 92
- Murphy, A.E. 88, 93
- Napoleon 184
 - Continental Blockade after Battle of Jena 139–140

- crowding out private capital formation 145
- failure in financial coordination 134, 143
- family of 135
- incorporation of Kingdom of Holland into Empire 125
- invasion of Portugal 140
- networks of personal enforcers of exchanges 135
- reform of *Compagnie des Agents de Change* 185
- treatment of Ouvrard 138
- war with Russia, finance for 141
- Napoleonic Wars 73
- and British financial innovation 132–133
- and the “birth of the modern” 101
- and short-term finance 117
- Nash, Robert Lucas 312
- and *Fenn’s Compendium of the Funds* 190, 194
- National Banking Act (1863) 203
- National Banking System (US) 226
- National Monetary Commission, and creation of Federal Reserve, 230
- Navigation Acts 69–70, 191
- Nazi party 245
- Neale, James, Fordyce and Down, bank of 126
- Nelson, Admiral, control of Atlantic shipping lanes 138
- Netherlands
- response to oil shock 276
- share collateral for private loans 84
- Neufville, Gebroeder de 120
- bankruptcy 121, 123
- New Deal, change in financial regulations 12
- New East India Company 82
- New York Stock Exchange 221, 225
- deflation effects on railway bonds 219
- and investment houses 220
- innovations at end of 19th century 220–221
- and war finance (1914) 232–234
- cash trading and frozen balances 234
- and repatriated US railroad securities 235
- and self-regulation 235
- Newton, Isaac 82, 85–86
- Nine Years War (1688–97) 74
- British finance for 113
- Nixon, President, and Bretton Woods Treaty 94, 270
- Nolte, Vincent 138, 177
- and 1825 stock market crash 178
- Norman, Montagu, Governor of Bank of England 236, 238
- and Bank for International Settlements 241
- and collapse of gold standard 244
- personal ties with Schacht and Strong 240–241
- reconstruction loans for new countries at end of World War I 240–241
- re-establishment of gold standard 240
- North, Douglass C. 73–75, 108
- North, Lord, inquiry into Dutch holdings of British funds 132
- North Sea oil 280
- and Britain’s opt-out from EMS 276–277
- Northern Pacific Railroad bonds 206
- Northern Rock bank 295, 302
- O’Rourke, K.H. 190, 210
- obligation* 59–60
- Obstfeld, M. 273
- occupation currency, in postwar Germany 254
- Odell, K.A. 229
- Officer, L.H. 142
- Oil Import Facility, of IMF 279
- oil shocks (1973 and 1979) 6, 272
- and centrally planned economies 284
- EC countries’ reactions to 276
- and European exchange rates 285–286
- Iran revolution and second shock 277
- third shock, effect on EMS 278

- oil shocks (1973 and 1979) (cont.)
 and cheap energy 278
see also Euro-dollar market; Volcker
 “shock”
- oil, price of 277–278
 bilateral arrangements between
 exporters and importers 279
see also oil shocks
- Oldebarnevelt, Johan
 and VOC 55
- Olmstead, A.L. 179
- open access technology, and capital
 markets 227
- option prices, and tulipmania,
 65–66
- Organization of Petroleum Exporting
 Countries (OPEC)
 and dollar oil price 277
 dollar surpluses and import demand
 279
 and first and second oil shocks 273,
 276
- Organization for Economic
 Cooperation and Development
 (OECD) 3–4
- Organization for European Economic
 Cooperation (OEEC) 260
 and EPU 261
- “original sin” problem 9, 284
- Ottoman Empire
 and gold standard 210
 government bond issues 194
- Ottawa Conference (1932) 247
- Ouvrard, Gabriel-Julien 138
 and Louis XVIII 184–185
 transfer of Mexican silver,
 137–138
- Overend, Gurney
 and Bagehot’s Rule 192, 207,
 213
- pactum di recorsa* 49
- Padgett, J.F. 31
- papal Curia 29–31, 42
- papal debt
 Genoese banks 49, 51
see also Florentine bankers
- papal finance, and Pope Urban IV
supracorpo shareholders 32–33
see also corpo, filiali, societias
- papal revolution
 centralized collection of revenue
 29–31
 corporate governance by Curia 40
 registration of ownership of shares
 42
 finance for Crusades 31
 financial innovations 31–33
 separate corporate identity from State
 37
- papyri, records of maritime loans in
 Roman Egypt 25
- Paris *Bourse* 134, 185–187, 225
 and *Parquet* 186, 223
 and war finance 233–235
- Paris Club 291
- Parish, David, and Ouvrard-Hope-
 Baring scheme 138
- Parma, and self-government 38
- Parthasarathi, P. 127
- Paulson, Henry 1, 12
- Paulson, John
 sub-prime crisis 295
- Pavia, self-government by Consuls 38
- Payne, J.E. 229
- Pearce, A.J. 137–139
- Peiser, R. 304
- Péreire brothers
 and *Crédit Mobilier* 197
 and *Crédito Mobiliario Español* 199
 and financial crisis (1857) 198
 and railroad finance 198
- perpetual annuities 28
 in 16th century Netherlands 53–54,
 59
 and international market 54
- Perrow, C. 227
- Perry, Matthew, and trade with Japan
 208
- Peru, national debt and House of Gibbs
 208–209
- Peters, M.C. 130
- Petram, L. 57–58, 61
- Petronas Twin Towers, and property
 bubble 291
- Pezzolo, L. 28, 39, 49
- Philip II 43–45
 defaulter on sovereign debt 47
 and Portuguese Asian trade 54
 and taxation in Netherlands 52–53

- Philippines, financial crisis in 290
 Piacenza, and self-government 38
 Pinto, Isaac de 97, 103–104, 111, 122, 124, 132
 Pisa, self-government by Consuls 38
 loans 39
 Pitt, Thomas, and sale of Regent diamond 90
 Pitt, William
 and blue water naval strategy 126
 creation of colonial militias in North America 127
 Pitt, William (the younger) and transfer of Mexican silver by Barings 137
 and war finance after 1803 140, 142
 plague, and troop movements in 30 Years War 63
 quarantine enforcement 63–64
 Plaza Accord (1985) 274
 Pole, Thornton and Co., failure of 159, 161
 political systems, and finance 217
 Portugal
 and ERM 278
 and gold standard 194–195
 Postel-Vinay, G. 187
 Postel-Vinay, N. 245
 Posthumus, Nicholas 65
 Postlethwayt, Malachi,
 and bill of exchange 30, 34–35
 Poyais bonds 156, 160, 175
 Pressnell, L.S. 150, 160, 250
 Previts, G.J. 200
 private banks (London), provision of call loans after 1825 crisis 169
 private property, and Bill of Rights 74
 property bubbles 290–291
 Protectorate, excise taxes 68–69
 Protestants, and Eighty Years War 52
 Provincial Bank of Ireland 163
 public debt
 in 17th century England 74–76
 in 18th century Europe 72–73
 and Maastricht criteria 288
 and postwar reconstruction 256
 trade in 26
 public utilities, trade in Britain in 19th century 152–153
 Quantitative Easing (QE) 5, 305–306
 Quinn, S. 79, 82, 84, 86, 120–122
 quota system, under EPU 261–262
 railroad finance 195
 bonds 200, 219
 and bankruptcies 219
 and investment houses 220
 in France 198
 in US 199–201
 see also Rothschild, house of
 Rajan, Ramchuran, and international financial crisis 292–293
 Ram-Sin
 records of first financial crisis 16
 Real del Monte Association
 and Mexican mineral resources 158
 rechange bill 35
reconquista, Iberian peninsula 43–45, 50
 aides (sales taxes) 43–44
 censals (Spanish *rentes*) 43–44
 juros de heredad rentes 44
 reconstruction loans (post-1918) 240–242
 and falling prices 242–243
 Redish, A. 78
 Regulation Q
 Federal Reserve System 266–267
 re-hypothecation 104
Reichsbank
 and Dawes Loan 240–241
 gold reserves in 214
 and “twin crisis” 244
Reichsmark, creation of 204
 Reid, I. 139
 Reinhart, C. 3
 Reis, A.J. 194–195, 227
Renten 54, 60
rentes sur l’Hôtel de Ville 44–45, 144
 investment in 153–154, 185
rentes Thiers 205
 reparations, after World War I 235
 Reparations Commission (1922), 238
 repo markets
 mortgage-backed securities 297
 see also reverse repo operations

- reserve currency, global adoption of
307–308
see also Euro-System
- residential mortgage-backed securities
(RMBS), and collateral for
short-term loans 297
and impersonal exchange 300–301
- Resolution Trust Corporation (RTC)
304
- Resumption Act (1819) 768, (1874)
205
- reverse repo operations 306
- Revolutions of 1848 187
- riba* finance 26
- Ricardo, David, and bullion report 144
and stock exchange 172–174
- Ricardo, Jacob, and London stock
Exchange 173–174
- Richards, John Baker 161
- Richards, R.D. 79
- Richelieu, Duc de 154
- Riley, J.C. 125, 132
- risk, and GFSR 4
- Ritschl, A. 247, 250
- Roberds, W. 120–122
- Robinson, D. 25
- Robinson, Frederick, and Bank of
England 163
- Robinson, J.A. 73
- Rockoff, H. 127–128
- Rodgers, M.T. 229
- Rogoff, K. 3
- Rokeby Price, and Barings bail-out
216
- Roman law, and interest rates 25–26
- Romania, and Schacht's New Plan for
Germany 247
- Roosevelt, Franklin D.
and Bretton Woods 253
and recovery from Great Depression
248
- Rosenthal, J.-L. 187
- Roseveare, H. 80
- Rostow, W.W. 150, 158, 160
- Rothbard, M. 178
- Rothschild, James and Nathan, and
French *rentes* 185
- Rothschild, Lord, and Barings crisis
216
- Rothschild, Nathan 151, 173
- Rothschild, house of 125
Brazilian government bonds 156, 189
competition with Péreire brothers
198
in Austria 198
Austrian state lottery 199
expansion of rail networks in Spain
and Italy 199
and French savings 197
and Ottoman Empire sovereign
bonds 195
and railroad finance 198, 207
shares in government debts 187
- Rotterdam Stad 98
- Roubini, Nouriel, and financial crisis 11
- Rouwenhort, K.G. 98
- rouwkoop*
and tulip trade 64–66
- Royal Bank of Scotland 296, 302
- Royal Exchange, dealings of 87
- Ruhr, and payments in kind 238
- SachsenLB 295
- Salomon, H. 130
- salt, distribution channels in 18th
century 106
- Samuelson, Paul, and Belassa–
Samuelson effect 290
- San Francisco earthquake, insurance
claims 229
- Sapori, A. 33
- Sarbanes–Oxley Act (2002) 12
- Sargent, T. 78
- Sauvy, A. 239
- Scandinavian Monetary Union, and
gold standard 210
- Schacht, Hjalmar Horace Greeley
dismissal by Hitler 247
and German rearmament 246–247
meetings with Warburg 266
New Plan for German economy
246–247
personal ties with Montagu and
Strong 240–241
and Reparations Agent 241
- Scheldt River, closure 61, 76–77
- schellingen banco* 253
- Schenk, C.R. 250, 266
- Schnabel, I. 120, 244
- Schramm, P.E. 121

- Schubert, A. 243–244
 Schumpeter, Joseph 226
 Schwartz, A.J. 150, 158, 160
 Schweikert, L. 196
 Scott, W.R. 78
 Scramble for Africa 228
 scribes, Uruk 16
scudo di marco 48–49 *see* Bisenzone
 market
 sea-loans 24–25
 Second Bank of the United States 177
 bankruptcy 181
 and Hamilton's system 178
 investment in 179
 re-charter as Bank of the United
 States of Pennsylvania 181
 response of States to closure 183–184
 Specie Circular 181, 183
 and Van Buren 181
 Securities and Exchange Commission
 (SEC) 12
 Seigniorage 19, 49
 self-regulation, in US and British stock
 exchanges 221
 Siena
presta generalis loan 39
 Sephardic Jews 70
 and British sovereign debt 72
 Seven Years War 73, 126
 bill circulation through Amsterdam
 115–117
 British government debt 111, 125
 finance for 97
 raising of troops for 114
 “shadow banking” community 310
 shekel 20
 Shin, H.S. 5, 120
 shipwrecks, and evidence of trade 17
 short-term capital markets, in early
 modern Europe 36
 Siegel, J. 233, 239
 Siena, self-government by Consuls,
 38
 general loan (*presta generalis*) 39
 Silk Road, trade
 finance for 43
 silver
 and Assurian trade 20
 demonetization of in France 205
 forbidden export of 29
 and long-term finance 46
 market price to gold (before 1870)
 193
 payment of taxes in Judea 30
 price during 80 Years War 59
 selling of German reserves
 204–205
 shipment of, in *Diana* 139
see also asientos
 silver (Mexican), transfer of 137–138
 British access to 139
 Spanish imports of (1801–4) 139
 Spanish permits to British merchant
 firms 139
 Singh, M. 311
 Sinking Fund, and long-term debt 150
 Sippar
 loans of silver 18–19
 Sixtus IV, Pope (Francesco della
 Rovere) 33
 slavery, *Dred Scott* decision 196
see also American Civil War
 Slotsky, A.L. 20
 Smith, Adam 107, 114, 123
 Smith, V.K. 37
 Smithsonian Agreement (1971)
 270–271, 274–275, 277
 “snake”, the 275–276
 Snowden, K. 219, 298
societas, Florence 33
corpo 33
filiati 33
Société Générale bank 67, 197
Société Générale partnership 67, 197
 Sogdanus 22
 South Korea, financial crisis in 290
 and IMF loan conditions 291
 South Sea Act (1720) 95
 South Sea bubble 13, 94–96
 South Sea Company
 debt for equity scheme 94–95
 and government debt 73, 82–83
 investment demand 95
 lock-in effect for Dutch investors
 98–99
 and London capital market 84–85
 and Philip V 91
 refinancing of 96–97
 share prices 118
see also South Sea bubble

- sovereign bonds, search for substitute collateral 310–311
- sovereign debt crisis, in Europe 8, 11
- sovereign debt management 41
- use as collateral after Papal Revolution 42–43
- see also Casa di San Giorgio*; Papal Revolution
- Soviet debt crisis
- and oil shocks 284
- Spain, and ERM 278
- Spanish Road 48
- Spanish–American War (1898) 228
- Special Drawing Rights (IMF), and reserve currency 307
- Special Investment Vehicles (SIV) 297
- Sperling, J. 82
- spermarks 246
- spices, distribution channels in
- 18th century 106
- Spinelli, F. 28
- Spufford, P. 48
- Stads-Beleeningkamer* and
- 1772 financial crisis 126
- stadhouder* (William III), and Glorious Revolution (1688–1689)
- fiscal innovations 73–74
- Stair, Lord 89
- Standard Oil 221
- Stasavage, D. 49, 76
- Statute of Monopolies (1624) 68
- Steagall, Henry, and deposit insurance 248
- Stein, S.J. and B.H. 139
- sterling
- and 1810 financial crisis 144
- commitment to gold standard 237, 240
- convertibility during Napoleonic wars 135, 139
- decimalization 280–281
- as key currency 238
- return to gold standard 145, 148
- and second oil shock 277
- ties with dollar 276–277
- Stiglitz, Joseph
- and global reserve currency 307–308
- Stiglitz Report on international monetary and financial system 307
- stock exchanges, in First World War
- cash trading 234
- closures in 231
- problem of frozen payments 234
- see also individual exchanges*
- stock market crash (1825) 149
- stock markets, in US 180
- Stolper, M.W. 22
- Strong, Benjamin, governor of Federal Reserve Bank of New York,
- effect of death on gold-exchange standard 241
- Studenski, P. 142
- sub-prime crisis 8, 294, 299–300
- sub-prime mortgages 8, 294, 299–300
- suftaja* finance 26
- sugar, distribution channels in
- 18th century 106
- Summers, L. 292
- Sussman, N. 75, 80
- Sylla, Richard, and US banks 180
- Taiping Rebellion (1851–64), and expansion of global capitalism 208
- Taiwan, financial crisis in 290
- tale, face value of coinage 23
- Tattara, G. 49
- tax farming 67–68
- taxation, and English Civil War 80
- Taylor, A. 273
- Temin, P. 25–26
- temples, and banking transactions
- 18–19
- ten-hours bill (1844) 191
- Term Asset-Backed Securities Loan Facility (TALF) 305
- Term Auction Facility (TAF) 305
- Texas, Republic of 184
- Thailand, financial crisis in 289
- and IMF conditions for loan 291
- T^r Hart, M. 59, 80–81
- Thatcher, Margaret 264, 282
- and monetary reform 280
- The Great Mirror of Folly see Tulip Mania*
- Thera, volcano in Santorini 21
- Thijs, Hans
- and VOC shares 60–62

- Thirty Years War
and financial reorganization of
Western Europe 52–53
- Thomas and King
Brazilian government bonds 189
- Thompson, E.A. 65–66
- Three Per Cent Consols 73
and Barnard's Act 97
Dutch trade in 103–104
information asymmetry before 1825
crisis 183
and Louisiana Purchase 137
share prices of 118, 124
yields in 18th century 146, 148
after water price rise 153
- Tilly, J. 65, 198, 223
- tobacco, distribution channels in
18th century 106
- Tourre, Fabrice
and sub-prime crisis 294–295
- Tracy, J. 53, 59
- trade restrictions 257
on Britain, by American colonial
leaders 127–128
and economic self-sufficiency after
Depression 249
replacement by tariffs in EPU 261–262
- Trafalgar, and French financial crisis
138
- traites* 67
- Treasury accounts, rationalization of 80
- Treaty of Amiens (1802) 135
- Treaty of European Monetary Union
(1992) 288–289
- Treaty of Meerssen (870) 38
- Treaty of Utrecht (1713) 91
- Treaty of Vienna (1815) 100
- Treaty of Westphalia (1648) 52
- Treviso, and self-government 38
- Triffin, Robert, and Triffin dilemma
270–272, 307
- “trilemma” 6, 9–10, 263, 272
- Trizonia 255
- Troubled Asset Recovery Program
(TARP) 302, 304
and lack of accountability 303
regulation of 302–303
- trust companies 226
and innovation technologies
248–249
- Tulip Mania (1636–1637) 13
cause of 63–64
forward prices 65–66
long-run effects 66
speculators in 64–65
The Great Mirror of Folly 13, 66
trade complexities 64
- “tunnel”, the 275–276
- Turner, J. 189
- Ugolini, S. 192
- Uluburun*
evidence of trade 17
shipwreck 1300 BC 17
- Ungerer, H. 276
- Union Générale*, collapse of 214
- Union Pacific Railroad 203, 206
- United East India Company 73
- United Mexican, and Mexican mineral
resources 158
- United Nations Relief and
Rehabilitation Administration
260
- United Provinces of the Netherlands
and municipal debt 52–53
and self-government 52
- United States (US)
and Lend-Lease Agreements 250
and shipping trade 177
commitment to gold convertibility
259
debt issue, Salmon P. Chase 202
and war finance 233
Dutch investment in 125
expansion of state chartered banks
177
expenses of postwar military
occupation 260
failure to join League of Nations
236
financial diversity 188
financial regulators, and sub-prime
crisis 296
government collateral for global
financial market 297, 299
loan to Great Britain (1945) 260
manufacturing plants within EEC
264
military bases and containment of
Communism 263

- United States (US) (cont.)
 movement of gold to IMF member countries 264–265
 railroad bond market 206–207
 recovery from Great Depression 248
 regional stock exchanges 221
 repayment of war debts by Allies 238
 stock market crash (1873) 206–207
 war on terror, finance for 292
- Ur
 contract negotiations 18
- Uruk
 beginnings of finance 15–16
- US dollar, and gold standard 237
 devaluation of 245, 248
- USS Central America, loss of gold cargo 196
- usury
 and heritable annuities 53
 laws 86
 limits, and British merchants 107
 religious prohibition of 28
see also exchange dealers *per arte*; *pactum di recorsa*
- Vam Malle Sabouret, Camille 44–45
- van Buren, President Martin, and Panic of 1837 181
- van de Mieroop, M., establishment of Uruk 15–16, 18
- van der Wee, Herman 76
 transmission of financial innovations 77
- Van Dillen, J.G. 57, 98
- Velde, F.R. 78, 92, 193
- Venice 28, 38
Banco di Rialto 40
Monte, consolidated debt 39
 and War of the League of Cambrai 40
- Verona, and self-government 38
- Vicenza, and self-government 38
- Vietnam, US war finance for 268
 and Triffin dilemma 270–271
- Vizcarra, C. 208
- VOC (Verenigde Oost-Indische Compagnie)
 corporate governance structure 55–56, 62, 83
 creation of 63
 and English financial revolution 74
 investment in 56–57, 62
 development of secondary market 57–58
 long-term debt 60
 regulation of 59
 shares, options on 104
see also Hans Thijs; stock exchange
 Volcker, Paul 273
 and Volcker “shock” 273, 278–279, 286
- Voth, H.-J. 46–47
voorcompagnien 55
see also VOC
- wage-push inflation 268
Wall St Journal 6
- Wallis, Sylla and Grinath III 183
- Walpole, Robert, and South Sea bubble 84–85, 96–97
- Wandschneider, K. 84–85
- war debt, of Allied powers after World War I 238
 Russian communist default on 238
see also Dawes Loan; Weimar Germany
- war finance
 18th century financial systems 109
 Britain’s success in 18th century 72–73
 driver for financial innovation 43–45
 pressures on Italian city-states 28
 responses of financial system (1914) 232–233
 self-regulation of exchanges (1914) 235
see also François I; individual stock exchanges; individual wars
- War of American Independence (1775–83) 128
 American alliance with France 130
 British defeat at Battle of Saratoga (1777) 130
- War of the Austrian Succession 73
 finance for 97
 British finance for 109–111, 125

- War of the League of Augsburg 88
 War of the League of Cambrai, and government debt markets 40
 War of the Pyrenees 67
 War of the Spanish Succession (1702–13) 72
 British short-term sovereign debt 113
 costs to Netherlands in European power politics 124
 export of consumer goods to Europe 114
 and Philip V of Spain 88
 and state lottery loan 81
 and usury laws 86
 Warburg, Paul 266
 Warburg, Siegmund, and euro-bonds 266–267
 Warburg's bank 266
 and Finsider 267
 Washington, President George 141
 Watson, Katharine 218
 Weber, W.E. 182, 193
 Weidenmier, M. 202
 Weimar Germany, and reparations payments 238–240, 244
 Weingast, B. 73–75, 108
 Wellington, Duke of, victory at Waterloo (1815) 146
 Wells, J. 75
 Wentworth, Chaloner and Rishworth, failure of 159
 West India Company (WIC) 83
 West Indies slave owners, compensation to 176
 Wetenhall, J. 156
 White, E.N. 214, 248–249
 White, K. 298
 White, Harry Dexter and Bretton Woods 251–253
 Wilensky, H.L. 227
 William III
 and Bill of Rights 73–74
 and financial reform 79
 and government regulation of financial sector 85–86
 and Nine Years War 113
 war expenses 70, 74, 80
 Williamson, J.G. 190, 210
 Willing and Morris import-export 131
 Willing, Thomas 130
 and First Bank of the United States 131
 Willis, D. 75
 Wilson, A. 25
 Wilson, C. 111, 113, 120, 125, 132
 wine exports, and bills of exchange 29
 Wittstock, Battle of 65
 Wolf, O. 138
 Wolfe, capture of Quebec City 127
 wool exports, and bills of exchange 29–30, 34
 World Bank
 and Latin American debt crisis 283
 and oversight of Bretton Woods 6
 World Economic Conference (1933) 247
World Economic Outlook (WEO), IMF 4
 worldwide deflation
 and collapse of gold-exchange standard 244
 and French monetary policy between world wars 242–243
 Yafeh, Y. 80
 Young Plan, and Bank for International Settlements 241, 246
 Ziegler, P. 154, 157
 ziggurat, in Uruk 16
 Zollverein, and railway building 204