A Select Collection of Scarce and Valuable Tracts and Other Publications on Paper Currency and Banking

A friend, correspondent and intellectual successor to David Ricardo, John Ramsay McCulloch (1789–1864) forged his reputation in the emerging field of political economy by publishing deeply researched articles in Scottish periodicals and the Encyclopaedia Britannica. From 1828 he spent nearly a decade as professor of political economy in the newly founded University of London, thereafter becoming comptroller of the Stationery Office. Perhaps the first professional economist, McCulloch had become internationally renowned by the middle of the century, recognised for sharing his ideas through lucid lecturing and writing. The present work, privately printed in 1857, contains thirteen texts which together ‘comprise a full exposition of the principles that determine the value of paper currency’. Contextualised by McCulloch’s editorial preface, they range in date from 1740 to 1810, the year of the Bullion Report. Several other works written or edited by McCulloch are also reissued in the Cambridge Library Collection.
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A Select Collection of Scarce and Valuable Tracts and Other Publications on Paper Currency and Banking

From the Originals of Hume, Wallace, Thornton, Ricardo, Blake, Huskisson, and Others, with a Preface, Notes and Index

J.R. McCulloch
BANKING

AND

PAPER CURRENCY

A SELECT COLLECTION OF SCARCE AND VALUABLE TRACTS AND OTHER

Frontmatter

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Published by J. R. McCulloch, Esq.
Distribution among his friends: the duty of obedience is under

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www.cambridge.org
MDCCXLI.

LONDON:

WITH A PREFACE, NOTES, AND INDEX,

HUSBISON, AND OTHERS,

HUGH, WALLACE, THORNTON, BRADDO, BLAKE,

FROM THE ORIGINALS OF

BANKING,

AND

PAPER CURRENCY

OF

PUBLICATIONS,

SCARCE AND VALUABLE TRAITS AND OTHER

SELECT COLLECTION

A
value has always been proportioned to the magnitude of the state, which have resorted to this deception of paper. In Russia, Austria, and other countries, their value proportionally declined, till in the end they became all but worthless. And such has unfortunately been the case wherever incorrect paper notes have become current, their value proportionally decreased, till in the end they have been driven into circulation being tendered and stamped at a discount equal to that of metallic money; but the quantities of said paper issued during the French Revolution were at first authorized by government and nothing more is required to sustitute its value than that it should be issued in moderate quantities. The value of the currency by its issuing having power to make it legal tender; it is issued at a good or bad credit is immaterial. It obtains its value by virtue of that power which is may be issued compared with the demand, or rather which is legal tender without being convertible at the pleasure which are legal tender without being convertible at the plea-

This collection, of the most valuable of the English tracts,
Preface

...
Preface

By action in the manner

...
can allow from the issue of bank-notes, such as were then
exceed done from circulation, but in such consequence
less to represent; and being legal tender will most likely
forever may sink far below the value of the sums they pro-
montal distinction between paper money and bank-notes
instructing, but the hand no clear idea of the funds.
They discover all his ingenuity and unbridled folly of
Hume’s Essays on Money and the Balance of Trade.
Following this that the reader will find extracts from
their being neglected.
issue of paper money, and the abuses which follow from
the principles that should be kept in view in the
which, we have not learned the name of the author; but whereas
influence are fully felt, and the idea of the funds
the history of these proceeding, and their patrimonial
become more and more uncomfortable to the colonies,
which continued to derange the and the exchange with foreign
whereof the great mistakes were made in their amount of
this national revolution was made for the purpose of these bills,
of special protection was made. There was hardly a colony but that had
only issued large amounts of bills receivable as cash; and on the
most Boston, in New England, in 1740, is however, of the
the Continental of the Constitution and in Howe’s “Aberdeen
therefore published so many treaties, published precociously
we have referred to many treaties, published precociously
therefore, now waited only to explain why

Preface.
unknown at any previous period.

than beginning to be</酋
immentaneous panic, destroyed our industry; they were of that prior issue could have no such effect: and instead of the expected "but it is obvious, for the reasons already stated," and all sorts of produce, to the destruction of trade and manu-

deficiency of prices, has raised the price of goods and put the credit of the banks, to which was supposed that the note of the Scotch banks, to which

well-informed persons with regard to bank-notes. His Lord-

philosophy, and it is clearly worth notice an看起來 the

opinion that were then not undeservedly ascertained by

which the errors of Hume are repeated without any portion of the popular recommendation. It is a poor recommendation, in which the errors of Hume are repeated without any portion

published on some other states in 1776. The present is the

banking," written by Patrick, the first Lord Halkett, and

tions, and the effect of this doctrine, the effect of the
discipline, with some of the consequences of the popular

fluence of bank-notes.

slanded examination of the system, to recommend to the

1769, a number in Scotland after the peace of Potsdam, in 1769, and in the third progress of all sorts of commodities,

about the years and states, which the examination of the public debt, during the publication of the popular system, which made a conversation the particular occasion. Hume, according to him, and the result of his own, which is

examine for commodities, which made a conversation the particular occasion. Hume, according to him, and the result of his own, which is
may be readily distinguished to those by whom it is
required directors may be co-opted, and from which it
was reserved into which the unappropriated capital of the
bank of the establishment. Of their importance, indeed,
became on the whole a just, though rather too汉语ible a
phrase before 1802. It is true what may be considered as
have required one on the "City of Country Banks,"
On the faces that appeared subsequently to the crisis,
both in and out of Parliament,
fully exhibited the public attention, and led to much discussion
the paper currency of the country was then pressed, and the
power of the position in which the bank was, with
monetary circumstances which led to that measure. The
We have given in the Note on the Suspension of Cash
worth of the reader's attention.
other essays in the volume from which it is taken are not
excerted, that is, by a liberal and ingenious; and the
essay as a whole is both liberal and ingenious; The essay
ought with respect to banks and public credit. The essay
proceeded, more correct opinions than the "Suspension of
which it is relative to the
character of the present state of Great Britain." The "Character of the
unappropriated capital of the bank of the
the next three in that volume, an "Essay on Banks and
\n\nThe fallacy of the doctrine in regard to bank-notes, put
RESPECT.

x
The essay on the "Utility of Country Banks" is followed by the essays on the "Balance of Trade" and "Population of the United Kingdom", which were previously current in relation to the publick transactions of trade.

"The credit of Great Britain" by Henry Thornton, F.A.S. M.P., states that the amount of useful information with respect to the currency, transactions, and publick work of the country, has increased greatly since the publication in 1802. This important work contains a much more complete catalogue of the periodical and other publications on paper currency and banking, than is contained in the essay on the "Utility of Country Banks".

Thornton's essay also discusses the establishment of a "Utility of Country Banks" and the need to establish a more efficient system of banking and currency. He argues that the establishment of a "Utility of Country Banks" would provide a more stable and efficient system of currency and transactions, which would benefit the country as a whole.

The essays on the "Balance of Trade" and "Population of the United Kingdom" provide an analysis of the economic conditions of the country at the time, and the impact of the country's economic policies on the economy. They also discuss the role of the country's banks and currency in the development of the country's economy.

In conclusion, the essays on the "Utility of Country Banks" provide a valuable insight into the economic conditions of the country at the time, and the impact of the country's economic policies on the economy. They also provide a clear and concise explanation of the role of the country's banks and currency in the development of the country's economy.
Preface.

It is possible that the value and that of gold would then have been reduced in coin, that no such depression would have been severe, and it is plain that the Bank has been guilty of more than ordinary incapacity for the sake of the real exchange, which sometimes exceeded 10 per cent.

The exchange, however, we agree with Mr. Thomson in thinking, as well as earning the sanction was necessary at the time when it was given to the Bank; and are inclined to withdraw the suggestion that the subsequent proceedings of the Bank have been consistent with the duty of a bank. The Bank's power and the subsequent proceedings, however, we agree with Mr. Thomson in thinking, and are inclined to withdraw the suggestion that the subsequent proceedings of the Bank have been consistent with the duty of a bank.
Preface

The suspension of cash payments in 1797, extended to

contribution to our commercial literature.

discussions which is indispensable. Indeed it is a most valuable
character of Mr. Thornton's work, and the many interesting
But, despite these and other grave errors, the positional
difference between the mint and market price of the
been included, and there could not have been the smallest

The reference to "The Select Collection of Scarce and Valuable Tracts and Other Publications on Paper Currency and Banking" is also visible, indicating the context of the discussion on the exchange between London and Dublin in 1804.
Cambridge University Press
978-1-108-08374-4 — A Select Collection of Scarce and Valuable Tracts and Other Publications on Paper Currency and Banking
Edited by J. R. McCulloch
Frontmatter
More Information

In the improvement and obliterating varnish answer. This success and
impression, and that of the inscriptions appeared in a series
subjected to the public notice to the public notice, with which it was
meritorious of gold was then comparatively unknown.

In March 1809, the issue of the Bank of England and of the
1809 and 1810, the issue of the Bank of England, and the number
per cent above the mint of 21. 174. 174 of £100, and standing

Mr. then wrote by Mr. "The Right Price of Bullion a Prow to the Depletion of
The next, and one of the almost traces in this volume.

each paper money, could not fail to produce.

proper appreciation of the numeral which is embossed, as well as from the
prestigious information which is embossed, as well as from the
}
Preface

\* Speech of the life of peace prescribed to the works.

House of Commons. It was brought before that assembly by
because of the greatest importance, and was taken up in the
the question in regard to the depreciation of the currency,
Owing to the heavy and continued fall of the exchange.

et al.

having contributed to an ordinary degree to perfect the theory
enormous, and making the really applicable, theoretical
leaves matter with which they had proceeded been

In specifying these important conclusions of the first-

issued, and that the value is depreciated from excesses.

bullion abstract, it proves that too much paper paper an eu-

above the gold price, more than the cost of producing gold or

depressed below par on the market price of bullion these

such circumstances, with foreign countries in such

inconvertible paper notes (as was then the case in England),

inconvertible, redundant at home; and whenever, under

issue is redundant, but when a country issues

supply if it be redundant, but when a country issues

expanse of importation cannot in any part of the expanse

be deflected, or of expanding a portion of the expanse

bellow the value of the metallic currencies of other

hall below the value of the metallic currencies of other

and silver coins, and partly of paper immediately con-

in the present, but how such coins, if their value can not

latterly so much above the present, their value can not

of countries are only relative terms; and that so

A Select Collection of Scarce and Valuable Tracts and Other

Contents

More Information
Preface

Mr. F. R. H. Horner, who moved on the 19th February, 1810,
doctrines referred to have nowhere been stated with greater
and these objects are most successfully accomplished. The
defence of the doctrines laid down in the billion Report,
a author intended to shfosb be once an explanation and a
by William Halford, Esq., M.P., appeared in 1910. The
the Depreciation of the Currency, Secret, and Examinand,
"The best trait in this volume, "The Question Respecting

 strife begins.
set their separate and combined influence in a very
and separately, the mode in which they respectively operated;
more especially the mode in which they respectively operated;
comprehensive of exchanges. The base rather treated with equal blank
in affecting the real, the nominal, and the components of actual
resulting out of the state of trade or the currency, that
other side, the various constituents, whether
imagine this immense confluence of the various constituents, whether
and at the same time complex and difficult subject,
an extraordinary clear and satisfactory explanation of an important
explanation of a doctrine and a doctrine of exchanges, and on the present declared state of
the Currency, by William Halford, Esq., M.P. We have
in 1810 gave birth to a very high price must be assigned to
Among the paradoxes to which the state of the currency

in the triumph of sound principles was completed by the legislation
was on the side of the Bullionists. And in 1819 the
assumed by a host of writers, but all the great authorities
number of banks, merchants, manufacturers, and practical men, they were
extraordinarily opposed by Government, and by the Bankers
contrary to, and besides being

Preface.
PREFACE.

or, perhaps, equal clearness, or in a way more likely to recommend them to the public.

It would have been useless, even had our space permitted, to have made any additions to the tracts now brought together. They comprise a full exposition of the principles that determine the value of paper currency; with an examination and refutation of the various objections, entitled to any consideration, that have been or may be made to these principles. But they do not inquire, or only briefly and perfunctorily, into the nature of the measures that should be adopted to give a practical and real effect to these principles. This is the grand monetary problem which is now (1857) before the country. Its satisfactory solution must, however, in great measure, depend on the principles established in this volume being properly understood and appreciated.
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XIII. The Question concerning the Depreciation of our Currency, stated and examined. By W. Huskisson.

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