

**CHAPTERS ON THE
THEORY AND
HISTORY OF BANKING**

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Chapters on the theory and history of banking by Charles F. Dunbar & O. M. W. Sprague

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CHARLES F. DUNBAR & O. M. W. SPRAGUE

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OF BANKING

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SECOND EDITION, ENLARGED
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PREFACE TO THE SECOND EDITION.

FOR more than a year before his death on January 29, 1900, Professor Dunbar was engaged in the preparation of a new edition of this book. He had revised and made changes in all but the last chapter, and had drawn up a list of specific points in those chapters for further consideration. This list has suggested most of the changes made by the editor. The revised text differs from that of the first edition in few instances, except in matters of detail. The author's plan of revision had included several new chapters, but unfortunately only that on Daily Redemption was written out. Other additions made by the author will be found at the end of chapters VII. (pp. 91-93) and XI. (pp. 222-226), in three places in chapter X. (pp. 159-161, 169-173, and 184-187), and,—a more considerable extension,—at the end of chapter IX. (pp. 143-157).

The editor has made a general revision of the last chapter, which Professor Dunbar had not reached, and has added to the text of two chapters. The Currency Act of 1900 made necessary a few pages at the end of chapter X., and some account of the

recent development of the German banking system was required if the last chapter was to be uniform in scope and treatment with the chapters immediately preceding. These additions, which are separated from the author's text by spaces, begin at pages 188 and 236.

The editor is indebted for information on difficult points to Herr Karl Helfferich, of Berlin, and to R. H. Inglis Palgrave, Esq., and for frequent aid and suggestion throughout to Professor F. W. Taussig, of Harvard University.

O. M. W. SPRAGUE.

NOVEMBER, 1900.

PREFACE TO THE FIRST EDITION.

THE preparation of the following chapters is the result of the need of some convenient statement of ordinary banking operations, felt by the writer when lecturing upon banking to a large class of students in the elements of political economy. To the chapters devoted to such operations it was found useful to add a series of historical chapters on certain of the great banks and banking systems, partly for the easy illustration of theory and partly to supply the want of any good manual of banking history.

Eight of the chapters were printed in 1885 for the use of classes in Harvard University, but were not then given to the public. To these have now been added an introductory chapter, a chapter on combined reserves or the system of Clearing-House loan certificates, and one on the Bank of Amsterdam. The whole has been revised and the notices of current history brought down to the present date, and the book is now laid before students and readers with the hope that it may aid in the systematic study of a subject, the treatment of which by writers

upon economics is generally either too summary or too diffuse for ordinary purposes.

The writer has annotated his text with a freedom which perhaps demands some apology, desiring to make his notes answer the double purpose, of informing the reader as to the sources from which statements are drawn, and of inviting him to explore the sources more deeply than was possible within the limits of the present publication.

C. F. DUNBAR.

JANUARY, 1891.

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