

**THE THEORY AND  
HISTORY OF BANKING.  
FOURTH EDITION**

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The Theory and History of Banking, Fourth Edition by Charles F. Dunbar & Oliver M. W. Sprague & Henry Parker Willis

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**CHARLES F. DUNBAR & OLIVER M.  
W. SPRAGUE & HENRY PARKER WILLIS**

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FOURTH EDITION**



THE  
THEORY AND HISTORY  
OF BANKING

BY

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FORMERLY PROFESSOR OF POLITICAL ECONOMY, HARVARD UNIVERSITY

WITH CHAPTERS ON  
FOREIGN EXCHANGE AND CENTRAL BANKS

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WITH SUPPLEMENTARY CHAPTER PRESENTING  
THE RECORD OF THE FEDERAL RESERVE SYSTEM

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FOURTH EDITION

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## 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

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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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