

A CENTURY OF BANK RATE

BY THE SAME AUTHOR

THE ART OF CENTRAL BANKING	18s. net
CAPITAL AND EMPLOYMENT	15s. net
THE GOLD STANDARD IN THEORY AND PRACTICE	5s. net
CURRENCY AND CREDIT	16s. net
TRADE AND CREDIT	10s. 6d. net
MONETARY RECONSTRUCTION	10s. 6d. net
THE ECONOMIC PROBLEM	10s. 6d. net
ECONOMIC ASPECTS OF SOVEREIGNTY	9s. net
TRADE DEPRESSION AND THE WAY OUT	7s. 6d. net

A
CENTURY OF BANK RATE

by

R. G. HAWTREY

LONGMANS, GREEN AND CO.
LONDON · NEW YORK · TORONTO

LONGMANS, GREEN AND CO. LTD.

39 PATERNOSTER ROW, LONDON, E.C.4

17 CHITTARANJAN AVENUE, CALCUTTA

NICOL ROAD, BOMBAY

36A MOUNT ROAD, MADRAS

LONGMANS, GREEN AND CO.

114 FIFTH AVENUE, NEW YORK

221 EAST 20TH STREET, CHICAGO

88 TREMONT STREET, BOSTON

LONGMANS, GREEN AND CO.

215 VICTORIA STREET, TORONTO

~~RES~~

X62:11

G8

27403

First published 1938

PREFACE

HAVING undertaken to give a series of three *Alfred Marshall* Lectures at Cambridge in November, 1937, on *A Century of Bank Rate*, I was confronted with the fact that, though there is a profusion of statistical material available, this material had never been systematically analysed in the manner which appeared to me requisite for the elucidation of the subject. It seemed essential to do something towards filling the gap, and in pursuing that object I found that I had gone a long way beyond my primary purpose of supplying a statistical background for the lectures. In the lectures no more than a brief summary of the results that emerged from my statistical investigations was possible. In the present volume the statistical material, which is set out in detail in the Appendices, provides the basis for a historical survey of the period from 1858 to 1914, the Antonine age of Bank rate. For both the earlier and the later history of the subject the interpretation of the statistical evidence is assisted by the pronouncements of the Bank of England made in the course of official inquiries, the Parliamentary Committees of 1832, 1840-1, 1848 and 1857-8, and the Macmillan Committee of 1929-31. But for the all-important middle period very few such pronouncements are to be found.

I have to thank Sir Cecil Kisch for very valuable help in preparing a portion of the statistical material, and the Bank of England for kindly confirming some of the data employed. But the sole responsibility for the facts as well as for the opinions remains mine.

I have written this book in a private and personal capacity, and nothing in it is to be associated with my official position at the Treasury.

R. G. HAWTRÉY.

September, 1938.

27403

CONTENTS

CHAPTER I

THE ORIGINS OF THE TRADITION

	PAGE
INTRODUCTION	I
HENRY THORNTON	3
THE CREDIT SYSTEM OF THE EARLY NINETEENTH CENTURY	4
BILLS ON LONDON	7
THE LONDON DISCOUNT MARKET	9
THE BANK OF ENGLAND AND THE GOLD RESERVE	11
THE BULLION COMMITTEE	12
BANK RATE IN 1822 AND 1825	13
THE COMMITTEE OF 1832	16
BANK RATE FROM 1825 TO 1844	18
THE BANK CHARTER ACT, 1844	19
THE CRISIS OF 1847	20
BANK RATE FROM 1847 TO 1857	23
THE CRISIS OF 1857	25
HORSLEY PALMER ON DEFLATION	27
JAMES MORRIS'S VIEWS	28
THE ATTRACTION OF FOREIGN MONEY	31
EFFECT OF BANK RATE ON THE TRADER	32
THE BANK OF ENGLAND AND THE DISCOUNT MARKET	36
BANK RATE AND THE QUANTITY THEORY	37

CHAPTER II

BANK RATE AND GOLD, 1858-1914

GOLD RESERVES AND INTERIOR DEMAND	40
INTERNATIONAL INFLUENCE OF LONDON	42
EFFECTS OF BANK RATE ON MONETARY CIRCULATION	44
THE GOLD POSITION, 1858-1914	46
DEMAND FOR CURRENCY IN PANICS	49
ACCUMULATION OF CURRENCY AT TIMES OF CHEAP MONEY	50
SEASONAL MOVEMENTS OF INTERIOR DEMAND	53
CHANGES DUE TO BRANCH BANKING	54
THE RATE OF INTEREST ON LOANS AND OVERDRAFTS	56
THE VICIOUS CIRCLE OF EXPANSION OR CONTRACTION	61

	PAGE
INTERMITTENT ACTION OF BANK RATE	63
THE BANK'S POWER OVER THE MARKET	66
THE STATISTICAL MATERIAL	71

CHAPTER III

BANK RATE AND GOLD, 1859-1914 (*continued*)

CHEAP MONEY AND INTERIOR DEMAND, 1858-60	77
AMERICAN ABSORPTION OF GOLD, 1860-1	78
THE CRISIS OF 1866	81
TEN PER CENT.	85
CHEAP MONEY, 1867-70	87
THE FRANCO-GERMAN WAR	89
THE GOLD STANDARD IN GERMANY	90
THE CRISES OF 1873	92
INTERIOR DEMAND AND REFLUX, 1871-5	93
THE DEMAND FOR GOLD, 1876-8	96
THE CITY OF GLASGOW BANK FAILURE, 1878	98
GOLD AND THE DEPRESSION OF 1875-9	100
TRADE REVIVAL AND RENEWED DEPRESSION, 1880-6	102
ACTIVITY OF BUSINESS AND ZIGZAGS OF BANK RATE	104
THE BARING CRISIS, 1890	105
AMERICAN EXPORTS OF GOLD AND CHEAP MONEY, 1893-6	110
BANK RATE AND GOLD, 1896-1904	112
BANK RATE AND GOLD, 1905-8	115
BANK RATE AND GOLD, 1908-14	118

CHAPTER IV

BANK RATE AND DEFLATION, 1914-32

THE WAR CRISIS, 1914	123
THE POST-WAR INFLATION	130
DEFLATION, 1920-2	132
THE GOLD STANDARD AND DEAR MONEY	134
THE CRISIS OF 1931	143

CHAPTER V

BANK RATE AND CONSOLS

LONG-TERM AND SHORT-TERM RATES OF INTEREST	146
THREE-MONTHS AND SIX-MONTHS BILLS	148
COMMON CAUSES AFFECTING LONG-TERM AND SHORT-TERM RATES	149
CONSOLS AND BANK RATE, 1844-65	150
CONSOLS AND BANK RATE, 1865-78	153
BANK RATE AND THE 2½ PER CENTS, 1879-88	155
CONSOLS AND BANK RATE, 1888-99	157
CONSOLS AND BANK RATE, 1899-1914	160
CONSOLS AND BANK RATE, 1914-32	162

CONTENTS

ix

CHAPTER VI

LONG-TERM AND SHORT-TERM RATES OF INTEREST

	PAGE
CYCLICAL FLUCTUATIONS AND THE LONG-TERM RATE OF INTEREST	167
DEAR MONEY AND CONSOLS	168
PROMOTIONS AND THE RATE OF INTEREST	170
POSTPONEMENT OF CAPITAL ENTERPRISES	173
THE EQUALISING FUNCTION OF THE INVESTMENT MARKET	174
BANK ADVANCES TO SPECULATORS	178
CAPITAL OUTLAY AND THE ACCELERATION PRINCIPLE	181
LONG-TERM AND SHORT-TERM RATES OF INTEREST	184
RELATIVE RESPONSIVENESS OF FIXED AND WORKING CAPITAL TO BANK RATE	189
MR. KEYNES'S THEORY OF INTEREST	195
THE PROCEEDS OF LIQUIDATION OF WORKING CAPITAL	202
INFLUENCE OF THE LONG-TERM RATE OF INTEREST ON THE SHORT-TERM RATE	206

CHAPTER VII

THE RATE OF INTEREST AND THE PRICE LEVEL

THE " REAL " RATE OF INTEREST	208
PRICES AND FORWARD QUOTATIONS	210
THE POST-WAR INFLATION, 1919-20	212
EFFECT OF CHANGING PRICE LEVEL ON THE LONG-TERM RATE OF INTEREST	214
THE " NATURAL " RATE OF INTEREST	221

CHAPTER VIII

LATER REFERENCES TO THE TRADITION

BONAMY PRICE AND HENRY GIBBS	223
BAGSHOT ON BANK RATE	224
MARSHALL AND THE SPECULATOR	227
THE AMERICAN MONETARY COMMISSION, 1908-12	231
THE CUNLIFFE AND MACMILLAN COMMITTEES	232

CHAPTER IX

PAST AND FUTURE

FUNCTIONING OF CHANGES IN BANK RATE	240
STEPS UP AND DOWN	243
BANK RATE AND THE TRADE CYCLE	246
PSYCHOLOGICAL REACTIONS	249
CHEAP MONEY AND THE CREDIT DEADLOCK	250
THE GOLD STANDARD AND INTERNATIONAL CO-OPERATION	253

CONTENTS

	PAGE
OPEN MARKET OPERATIONS OF THE CENTRAL BANK	255
BANK RATE AND TREASURY BILLS	257
BANK RATE WITHOUT THE GOLD STANDARD	259
DIMINISHED USE OF BANK ADVANCES	261
GOVERNMENT EXPENDITURE AS A MEANS OF CREDIT REGULATION	263
MANAGED MONEY	272
APPENDIX I	281
APPENDIX II	297
APPENDIX III	301
APPENDIX IV	302
APPENDIX V	303
APPENDIX VI	304
INDEX	307

APPENDIX I

Bank Rate	Number of weeks at :											Price of Consols		Reserve			
	2	2½	3	3½	4	4½	5	5½	6	6½	7	8	9		10	Consols	Reserve
1844—																	
5 Sept. 2½	..	58	..	..	..	..	..	..	..	..	..	..	..	99½	31 Aug.	£'000	8867
1845—																	
16 Oct. 3	8	..	..	..	..	..	..	..	..	..	..	98	11 Oct.	7549	
6 Nov. 3½	42	..	..	..	..	..	..	..	..	..	..	95½	1 Nov.	5838	
1846—																	
27 Aug. 3	90	..	..	..	..	..	..	..	..	..	..	96½	22 Aug.	10029	
1847—																	
14 Jan. 2½	1	..	..	..	..	..	..	..	..	..	98½	9 Jan.	7471	
21 Jan. 4	11	..	..	..	..	..	..	..	..	91½	16 Jan.	7269	
8 April 5	17	..	..	..	..	..	87½	8 April	4391	
5 Aug. 5½	11½	..	..	..	..	88	31 July	4439	
26 Oct. 8	4	..	79½	23 Oct.	1994	
22 Nov. 7	94½	30 Oct.	1608	
2 Dec. 6	85½	20 Nov.	4719	
23 Dec. 5	85½	27 Nov.	5563	
1848—																	
27 Jan. 4	20	..	..	..	..	..	..	..	..	89	18 Dec.	8233	
15 June 2½	84½	22 Jan.	8065	
2 Nov. 3	86	10 June	10213	
1849—																	
22 Nov. 2½	94½	23 Oct.	3633	
1850—																	
20 Dec. 3	97½	22 Jan.	8065	
1852—																	
1 Jan. 2½	97½	10 June	10213	
22 April 3	99½	27 Dec. '51	12600	
1853—																	
6 Jan. 2½	100½	17 April '52	11504	
20 Jan. 3	99	1 Jan.	11474	
2 June 3½	99	15 Jan.	9487	
1 Sept. 4	90	28 May	9363	
15 Sept. 4½	97½	27 Aug.	8187	
29 Sept. 5	95½	10 Sept.	8004	
1854—																	
11 May 5½	92½	24 Sept.	7745	
3 Aug. 5	92½	8 May	4634	
1855—																	
5 April 4½	92½	29 July	6970	
3 May 4	82½	31 March	9717	
14 June 3½	92	23 April	9140	
12 Sept. 4	90	9 June	12313	
13 Sept. 4½	90½	1 Sept.	8834	
27 Sept. 5	90½	8 Sept.	8075	
4 Oct. 5½	88	22 Sept.	7860	
16 Oct. 6	87½	29 Sept.	6764	
1856—																	
20 May 5	94½	13 Oct.	5104	
26 June 4½	94½			
1 Oct. 5	92	24 May	5708	
15 Oct. 6	92	21 June	7570	
6 Nov. 7	92½	27 Sept.	6020	
4 Dec. 6½	92½	4 Oct.	4333	
18 Dec. 6	92½	8 Nov.	3764	
1857—																	
2 April 6½	93½	29 Nov.	5402	
12 June 6	92½	13 Dec.	6465	
16 July 6½	91½	25 March	5406	
8 Oct. 6	90	13 June	6612	
12 Oct. 7	89½	11 July	6105	
19 Oct. 8	89	3 Oct.	5190	
5 Nov. 9	89	10 Oct.	4506	
9 Nov. 10	89	17 Oct.	3616	
	89	4 Nov.	2706	
	89½	11 Nov.	1482	
	89½	12 Nov.	581	

APPENDIX I (continued)

Bank Rate	Number of weeks at:										Price of Consols	Reserve	Increase in Reserves	Net Imports of Gold	Interior Demand				
	2	2½	3	3½	4	4½	5	5½	6	6½						7	8	9	
1857—														18 Nov.	£'000 1553	£'000 6418	£'000 3747	£'000 —2871	
24 Dec.	8	..	..	..	..	..	..	..	..	..	..	2	..	93½	23 Dec.	7971	—852	1686	381
1858—																			
7 Jan.	6	..	..	..	..	..	..	..	..	..	..	1	..	94½	6 Jan.	7619	641	386	—155
14 Jan.	5	..	..	..	..	..	..	..	..	..	..	..	..	94½	13 Jan.	8160	2040	1298	—753
28 Jan.	4	..	..	..	..	1	..	..	..	..	..	..	..	94½	27 Jan.	10209	—15	430	445
4 Feb.	3½	..	..	..	..	1	..	..	..	..	..	..	..	95½	8 Feb.	10194	1252	665	—587
11 Feb.	3	..	..	..	..	43	..	..	..	..	..	..	..	96	10 Feb.	11446	1911	6092	4181
9 Dec.	2½	..	..	..	..	20	..	..	..	..	..	..	..	98	8 Dec.	13357	633	1143	510
1859—																			
28 April	3½	..	..	..	1	..	..	..	..	..	..	..	..	92½	9 March	13990	—3813	—156	3657
5 May	4½	..	..	..	..	..	..	..	..	..	..	..	..	90½	27 April	10177	—752	—361	391
2 June	3½	..	..	..	1	..	..	..	..	..	..	..	..	93½	4 May	9425	1722	435	—1287
9 June	3	..	..	..	5	..	..	..	..	..	..	..	..	93½	1 June	11147	152	237	85
14 July	2½	..	..	..	27	..	..	..	..	..	..	..	..	95½	8 June	11299	—695	1123	1723
1860—																			
19 Jan.	3	..	..	..	1½	..	..	..	..	..	..	..	..	95½	18 Jan.	8306	101	149	48
31 Jan.	4	..	..	..	..	8½	..	..	..	..	..	..	..	94	25 Jan.	8407	—896	—730	116
29 March	4½	..	..	..	..	..	..	..	..	..	..	..	..	94½	1 Feb.	7511	1255	—46	—1303
12 April	5	..	..	..	..	2	..	..	..	..	..	..	..	94½	28 March	8766	—3121	104	3225
10 May	4½	..	..	..	..	..	2	..	..	..	..	..	..	95½	11 April	5645	2322	736	—1536
24 May	4	..	..	..	..	24	..	..	..	..	..	..	..	95	9 May	7987	1129	326	—803
8 Nov.	4½	..	..	..	..	..	..	..	..	..	..	..	..	93½	23 May	9096	901	1202	301
13 Nov.	5	..	..	..	..	..	..	..	..	..	..	..	..	93½	19 Sept.	9997	—2831	—1548	1283
15 Nov.	6	..	..	..	..	..	..	..	..	..	..	..	..	92½	7 Nov.	7166	—35	—154	—119
29 Nov.	5	..	..	..	..	..	4½	..	..	..	..	..	..	93½	14 Nov.	7131	1304	—340	—1307
31 Dec.	6	..	..	..	..	..	..	..	..	..	..	..	..	92½	28 Nov.	8435*	—806	—2264	—341
1861—															26 Dec.	7629*	—1013	142	1345
7 Jan.	7	..	..	..	..	..	..	..	..	..	..	5½	..	92½	2 Jan.	6616*	—419	—726	—324
14 Feb.	8	..	..	..	..	..	..	..	..	..	..	..	..	92½	9 Jan.	6197*	159	—712	—1650
21 March	7	..	..	..	..	..	..	..	..	..	..	..	5	91½	13 Feb.	6356*	1969	—230	—2199
4 April	6	..	..	..	..	..	..	..	..	..	..	..	..	91½	20 March	8325*	—674	503	1177
11 April	5	..	..	..	..	..	..	..	..	..	..	..	..	91½	3 April	7651*	—212	77	289
16 May	6	..	..	..	..	..	..	..	..	..	..	..	..	91½	10 April	7430*	—625	—144	296
1 Aug.	5	..	..	..	..	..	..	..	..	..	..	..	..	90½	15 May	6814*	—1034	—2036	—1540†
															17 July	5780	769	652	—117
															31 July	6549	645	349	—296

†Fiduciary Issue temporarily increased by £2,000,000, Nov. to Dec. 1857.

* Including the following amounts of silver bullion:

28 Nov. 1860	£337,000	9 Jan.	£1,627,000
26 Dec.	£1,454,000	13 Feb. to 10 April	£348,000
2 Jan. 1861	£1,644,000	15 May	£663,000

†Fiduciary Issue increased by £175,000 on 10th July, 1861.

APPENDIX I (continued)

Bank Rate	Number of weeks at:													Price of Consols	Reserve	Increase in Reserve	Net Imports of Gold	Interior Demand
	2	2½	3	3½	4	4½	5	5½	6	6½	7	8	9					
1851—														90½	£7000	£7000	£7000	£7000
15 Aug.	4½	..	..	..	..	..	2	..	..	..	..	..	..	90½	14 Aug. 7194	806	154	-452
20 Aug.	4	..	..	..	..	..	..	..	..	..	..	..	..	92½	28 Aug. 8000	814	848	34
19 Sept.	3½	..	..	..	7	..	..	..	..	..	..	..	..	93½	18 Sept. 8814	-727	1021	1748
7 Nov.	3	..	..	9	..	..	..	..	..	..	..	..	..	93	6 Nov. 8067	2256	958	-1297
1862—																		
9 Jan.	2½	..	10	..	..	..	..	..	..	..	..	..	..	92	8 Jan. 10342	525	2601	2076
22 May	3	..	..	7	..	..	..	..	..	..	..	..	..	93½	7 May 10667	-752	-949	-197
10 July	2½	..	3	..	..	..	..	..	..	..	..	..	..	92½	21 May 10115	-875	-1642	-865
24 July	2	14	..	..	..	..	..	..	..	..	..	..	..	92½	18 June 9440	450	1649	1099
30 Oct.	3	..	..	11	..	..	..	..	..	..	..	..	..	93½	9 July 9890	618	969	371
															23 July 10506	-1356	881	2237
															29 Oct. 9152	-687	-625	62
1863—																		
15 Jan.	4	..	..	..	1½	..	..	..	..	..	..	..	..	92½	14 Jan. 8465	-304	-45	259
28 Jan.	5	..	..	..	..	..	..	..	..	..	..	..	..	92½	28 Jan. 8161	1768	734	-1034
19 Feb.	4	..	..	..	9	..	..	..	..	..	..	..	..	92½	18 Feb. 9929	-692	1035	1727
23 April	3½	..	..	1	..	..	..	..	..	..	..	..	..	93½	22 April 9237	-107	309	416
30 April	3	..	..	2½	..	..	..	..	..	..	..	..	..	93½	29 April 9130	-464	-501	-37
16 May	3½	..	..	..	..	..	..	..	..	..	..	..	..	93½	18 May 8666	-170	-123	47
21 May	4	..	..	..	2½	..	..	..	..	..	..	..	..	93½	20 May 8496	-1280	3442	4722
2 Nov.	5	..	..	..	..	..	..	..	..	..	..	..	..	93	28 Oct. 7216	-908	9	817
5 Nov.	6	..	..	..	..	..	..	..	..	..	..	..	..	92½	4 Nov. 6408	1105	-794	-1899
2 Dec.	7	..	..	..	..	..	..	..	..	..	..	..	..	90½	25 Nov. 7513	-837	-222	615
3 Dec.	8	..	..	..	..	..	..	..	..	..	..	..	..	90½	2 Dec. 6678	790	-279	-1069
															9 Dec. 7466	1744	339	-1415
															23 Dec. 9210	-1615	751	2366
24 Dec.	7	..	..	..	..	..	..	..	..	..	..	..	..	91½				
1864—																		
20 Jan.	3	..	..	..	..	..	..	..	..	..	..	..	..	90½	18 Jan. 7595	-798	-254	544
11 Feb.	7	..	..	..	..	..	..	..	..	..	..	..	..	90½	20 Jan. 8797	1163	111	-1052
25 Feb.	6	..	..	..	..	..	..	..	..	..	..	..	..	91½	10 Feb. 7960	334	79	-755
16 April	7	..	..	..	..	..	..	..	..	..	..	..	..	91½	24 Feb. 8794	-2320	427	2747
															18 April 6474	-222	-411	-189
															20 April 8252	10	-845	-355
															27 April 6262	-642	77	719
2 May	8	..	..	..	..	..	..	..	..	..	..	..	..	90½	4 May 5620	1478	600	-878
5 May	9	..	..	..	..	..	..	..	..	..	..	..	..	90½	18 May 7098	849	344	-505
19 May	8	..	..	..	..	..	..	..	..	..	..	..	..	91½	25 May 7947	879	570	-309
26 May	7	..	..	..	..	..	..	..	..	..	..	..	..	90	15 June 8826	-2700	-123	2577
16 June	6	..	..	..	..	..	..	..	..	..	..	..	..	90½	20 July 6126	-115	-62	58
25 July	7	..	..	..	..	..	..	..	..	..	..	..	..	90½	27 July 6011	-413	51	464

283

APPENDIX I (continued)

Bank Rate	Number of weeks at :													Price of Consols	Reserve	Increase in Reserve	Net Imports of Gold	Interior Demand		
	2	2½	3	3½	4	4½	5	5½	6	7	8	9	10						£'000	£'000
1864—																				
4 Aug.	8	..	..	..	..	..	..	..	..	..	..	..	..	89½	3 Aug.	5698	1218	754	—459
8 Sept.	9	..	..	..	..	..	..	..	..	..	..	..	..	87½	7 Sept.	6811	1096	1571	475
10 Nov.	8	..	..	..	..	..	..	..	..	..	..	..	..	90½	9 Nov.	7907	1809	574	—735
24 Nov.	7	..	..	..	..	..	..	..	..	..	..	..	..	91½	23 Nov.	9216	878	—54	—432
15 Dec.	6	..	..	..	..	..	..	..	..	..	..	..	..	89½	14 Dec.	9594	—1329	64	1398
1865—																				
12 Jan.	5½	..	..	..	..	..	..	..	..	..	..	..	..	90½	11 Jan.	8265	556	—122	—678
26 Jan.	5	..	..	..	..	..	..	..	..	..	..	..	..	89½	25 Jan.	8821	697	479	—218
2 March	4½	..	..	..	..	..	..	..	..	..	..	..	..	88½	1 March	9518	540	336	—204
30 March	4	..	..	..	..	..	..	..	..	..	..	..	..	88½	29 March	10058	—2351	598	2929
4 May	4½	..	..	..	..	..	..	..	..	..	..	..	..	90½	5 May	7727	1360	287	—1073
25 May	4	..	..	..	..	..	..	..	..	..	..	..	..	90½	24 May	9087	491	687	196
1 June	3½	..	..	..	..	..	..	..	..	..	..	..	..	91½	31 May	9578	888	38	—350
15 June	3	..	..	..	..	..	..	..	..	..	..	..	..	90½	14 June	9966	—2894	716	3000
27 July	3½	..	..	..	..	..	..	..	..	..	..	..	..	90	26 July	7082	—621	173	794
8 Aug.	4	..	..	..	..	..	..	..	..	..	..	..	..	90½	2 Aug.	6461	647	534	—113
28 Sept.	4½	..	..	..	..	..	..	..	..	..	..	..	..	89½	27 Sept.	7108	—2002	81	2083
1 Oct.	5	89½						
5 Oct.	6	..	..	..	..	..	..	..	..	..	..	..	..	89½	4 Oct.	5106	—32	344	376
7 Oct.	7	..	..	..	..	..	..	..	..	..	..	..	..	88½	11 Oct.	5074	3457	2078	—1379
28 Nov.	6	..	..	..	..	..	..	..	..	..	..	..	..	89½	22 Nov.	8531	—940	—620	320
28 Dec.	7	..	..	..	..	..	..	..	..	..	..	..	..	87½	27 Dec.	7591	—1611	—65	1546
1866—																				
4 Jan.	8	..	..	..	..	..	..	..	..	..	..	..	..	87½	3 Jan.	5980	2280	180	—1750*
22 Feb.	7	..	..	..	..	..	..	..	..	..	..	..	..	87½	21 Feb.	8260	544	259	—285
15 March	6	..	..	..	..	..	..	..	..	..	..	..	..	87	14 March	8804	—3168	890	4058
3 May	7	..	..	..	..	..	..	..	..	..	..	..	..	86½	2 May	5636	176	—57	—232
8 May	8	..	..	..	..	..	..	..	..	..	..	..	..	86½	9 May	5812	—4609	196	4805
11 May	9	85½						
12 May	10	..	..	..	..	..	..	..	..	..	..	..	..	85½	16 May	1203	—343	43	386
															30 May	860	9751	4185	434	
16 Aug.	8	..	..	..	..	..	..	..	..	..	..	..	..	87½	15 Aug.	4611	979	233	—346
23 Aug.	7	..	..	..	..	..	..	..	..	..	..	..	..	85½	22 Aug.	5590	1344	1058	—286
30 Aug.	8	..	..	..	..	..	..	..	..	..	..	..	..	89½	29 Aug.	6934	40	223	183
6 Sept.	8	..	..	..	..	..	..	..	..	..	..	..	..	89½	5 Sept.	6974	1706	503	—1208
27 Sept.	4½	..	..	..	..	..	..	..	..	..	..	..	..	89½	26 Sept.	8680	—350	1331	1681
8 Nov.	4	..	..	..	..	..	..	..	..	..	..	..	..	89½	7 Nov.	8330	3385	1011	—2374
20 Dec.	3½	..	..	..	..	..	..	..	..	..	..	..	..	89½	19 Dec.	11715	—716	856	1671

* Fiduciary Issue increase by £350,000 21st February, 1866.

APPENDIX I (continued)

Bank Rate	Number of weeks at:										Price of Consols	Reserve	Increase in Reserve		Net Imports of Gold		Interior Demand	
	1	2	3	4	5	6	7	8	9	10			£'000	£'000	£'000	£'000		
1867—														£'000	£'000	£'000	£'000	
7 Feb.	3	..	..	..	16	..	..	..	..	..	..	90½	8 Feb.	11000	1488	1500	102	
30 May	2½	..	..	..	..	..	..	..	..	..	..	94	29 May	12488	1281	2160	879	
28 July	2	88	..	..	..	..	..	..	..	..	..	94½	24 July	18768	—8100	9688	12788	
1868—																		
19 Nov.	2½	..	..	..	..	..	..	..	..	..	..	94½	28 Oct.	10669	—801	—1298	—492	
8 Dec.	3	..	..	..	17	..	..	..	..	..	..	92½	18 Nov.	9868	—291	68	854	
1869—																		
1 April	4	..	..	..	..	5	..	..	..	..	..	93	31 March	8061	—1384	—155	1229	
6 May	4½	..	..	..	..	..	5	..	..	..	..	93½	5 May	7577	3211	982	—2229	
10 June	4	..	..	..	..	..	..	2	..	..	..	92½	9 June	10788	1128	597	—531	
24 June	3½	..	..	..	..	..	..	..	..	..	..	92½	23 June	11918	—1059	849	1908	
18 July	3	..	..	..	..	..	..	..	..	..	..	93½	14 July	10867	1418	1844	431	
19 Aug.	3½	..	..	..	..	..	..	..	..	..	..	93	18 Aug.	12270	—2739	369	8108	
4 Nov.	3	..	..	..	..	..	..	..	..	..	..	93½	8 Nov.	9631	2569	2810	741	
1870—																		
21 July	3½	..	..	..	..	..	..	..	..	..	..	89½	18 July	12100	—924	248	1187	
28 July	4	..	..	..	..	..	..	..	..	..	..	90	20 July	11176	—1101	—662	449	
29 July	5	..	..	..	..	..	..	..	..	..	..	89½	27 July	10075	—744	865	1109	
4 Aug.	6	..	..	..	..	..	..	..	..	..	..	89	8 Aug.	9351	969	854	—115	
11 Aug.	6½	..	..	..	..	..	..	..	..	..	..	91½	10 Aug.	10300	950	1168	218	
18 Aug.	4½	..	..	..	..	..	..	..	..	..	..	91	17 Aug.	11250	497	852	—145	
26 Aug.	4	..	..	..	..	..	..	..	..	..	..	91	24 Aug.	11747	538	993	460	
1 Sept.	3½	..	..	..	..	..	..	..	..	..	..	91	31 Aug.	12280	1208	1941	788	
18 Sept.	3	..	..	..	..	..	..	..	..	..	..	92	31 Aug.	18488	600	797	197	
20 Sept.	2½	..	..	..	..	..	..	..	..	..	..	91½	28 Sept.	14088	—778	514	1287	
1871—																		
2 March	3	..	..	..	..	..	..	..	..	..	..	91½	1 March	18810	—287	1448	1730	
18 April	2½	..	..	..	..	..	..	..	..	..	..	92	12 April	13028	4185	2802	—1388	
15 June	2½	..	..	..	..	..	..	..	..	..	..	91	14 June	17208	—562	1860	2412	
18 July	2	10	..	..	..	..	..	..	..	..	..	93½	12 July	16846	764	1848	579	
21 Sept.	3	..	..	..	..	..	..	..	..	..	..	93½	26 July	17410	—8699	—2338	1368	
28 Sept.	4	..	..	..	..	..	..	..	..	..	..	92½	30 Sept.	18711	—2634	—822	1606	
7 Oct.	5	..	..	..	..	..	..	..	..	..	..	92½	27 Sept.	11077	—2157	—1635	522	
16 Nov.	4	..	..	..	..	..	..	..	..	..	..	93½	4 Oct.	8920	—855	—178	677	
30 Nov.	4½	..	..	..	..	..	..	..	..	..	..	93	11 Oct.	8065	6061	—1270	—7331	
14 Dec.	3	..	..	..	..	..	..	..	..	..	..	92½	15 Nov.	14126	1088	—66	—1109	
													29 Nov.	15179	470	142	—328	
													18 Dec.	15649	—4818	—3294	1010	

APPENDIX I (continued)

Bank Rate	Number of weeks at:									Price of Consols	Reserve	Increase in Reserve		Net Imports of Gold		Interior Demand	
	2	2½	3	3½	4	4½	5	6	7			8	9	£'000	£'000		£'000
1872—																	
4 April	3½	..	..	..	1	..	..	..	..	..	93	3 April	11336	—847	—273	—	574
11 April	4	..	..	..	..	4	..	..	..	..	92½	10489	—560	—8	552	—	
9 May	5	..	..	..	..	..	..	..	..	..	92½	9929	34	—378	—407	—	
30 May	4	..	..	..	2	..	..	..	..	..	93½	9968	1510	847	—668	—	
13 June	3½	..	..	..	1	..	..	..	..	..	92½	11473	1490	437	—1052	—	
20 June	3	..	..	4	..	..	..	..	..	..	92½	12963	630	519	—111	—	
18 July	3½	..	..	..	8½	..	..	..	..	..	92½	13598	—2095	1228	3323	—	
18 Sept.	4	..	..	..	1½	..	..	..	..	..	92½	11498	450	—996	—1478	—	
26 Sept.	4½	..	..	..	..	1	..	..	..	..	92½	11078	—627	496	1123	—	
8 Oct.	5	..	..	..	..	..	1	..	..	..	92½	11351	—829	—193	136	—	
10 Oct.	6	..	..	..	..	..	..	1	..	..	92½	11022	—2100	—310	1790	—	
9 Nov.	7	..	..	..	..	..	..	4½	..	2½	92½	8922	—190	—178	17	—	
28 Nov.	6	..	..	..	..	..	..	..	2	..	92½	8732	317	—470	—787	—	
12 Dec.	5	..	..	..	..	..	..	..	..	..	91½	9049	195	74	—121	—	
1873—																	
9 Jan.	4½	..	..	..	..	2	..	..	..	..	92½	9244	3819	266	—3553	—	
28 Jan.	4	..	..	..	1	..	..	..	..	..	92½	13063	770	—86	—856	—	
30 Jan.	3½	..	..	..	7½	..	..	..	..	..	92	11 Dec.	13833	—795	990	1785	—
26 March	4	..	..	..	6	..	..	..	..	..	92½	8 Jan.	13038	1508	—521	—2029	—
7 May	4½	..	..	..	..	..	..	..	..	..	93½	22 Jan.	14546	579	72	—507	—
10 May	5	..	..	..	..	1	..	..	..	..	93½	29 Jan.	15125	93	—1303	—1396	—
17 May	6	..	..	..	..	..	2½	..	..	..	93½	19 March	15218	—1523	—791	732	—
4 June	7	..	..	..	..	..	..	1½	..	..	94	26 March	13695	—2701	8	2709	—
12 June	6	..	..	..	..	..	..	..	4	..	92½	30 April	10994	—716	—414	302	—
10 July	5	..	..	..	..	..	1	..	..	..	92½	7 May	10278	—84	—907	—813	—
17 July	4½	..	..	..	..	1	..	..	..	..	92½	14 May	10184	—103	—268	—165	—
24 July	4	..	..	..	..	1	..	..	..	..	92½	21 May	10081	441	321	—120	—
31 July	3½	..	..	..	..	8	..	..	..	..	92½	28 May	10522	—708	159	867	—
21 Aug.	3	..	..	..	..	..	..	..	..	..	92½	4 June	9814	1221	100	—1121	—
25 Sept.	4	..	..	..	..	..	..	..	..	..	92½	11 June	11035	142	40	—102	—
20 Sept.	5	..	..	..	..	2½	..	..	..	..	92½	10 July	11177	133	393	260	—
												9 July	11177	133	393	260	—
												16 July	11310	1038	714	—324	—
												23 July	12348	75	868	793	—
												30 July	12423	864	1235	371	—
												20 Aug.	13237	—109	796	906	—
												10 Sept.	13178	61	—550	—611	—
												24 Sept.	13239	—3285	—434	2801	—
												1 Oct.	9954	—639	84	923	—

APPENDIX I (continued)

Bank Rate	Number of weeks at:											Price of Consols	Reserve	Increase in Reserve	Net Imports of Gold	Interior Demands
	2	2½	3	3½	4	4½	5	6	7	8	9		£'000	£'000	£'000	£'000
1873—																
14 Oct. 5	7	..	..	..	92½	8 Oct. 9115	-1254	-709	545
18 Oct. 7	92½	15 Oct. 7861	251	-829	-880
													22 Oct. 8112	343	-416	-759
1 Nov. 8	92½	29 Oct. 8455	-834	484	868
7 Nov. 9	1½	92½	5 Nov. 8071	1631	-79	-1710
20 Nov. 8	1	92½	19 Nov. 9702	1547	599	-948
27 Nov. 6	1	..	..	..	93	26 Nov. 11249	200	856	656
4 Dec. 5	1	..	..	..	91½	3 Dec. 11449	1018	79	-934
11 Dec. 4½	91½	10 Dec. 12462	-616	660	1276
1874—																
8 Jan. 4	1	..	..	..	..	..	..	92½	7 Jan. 11846	108	-109	-212
15 Jan. 2½	15	..	..	..	..	..	..	..	92	14 Jan. 11949	-1555	-238	1822
30 April 4	4	..	..	..	..	..	..	92½	29 April 10394	595	931	336
28 May 2½	1	..	..	..	..	..	..	..	93½	27 May 10889	860	677	317
4 June 2	2	..	..	..	..	..	..	..	92½	3 June 11349	1647	996	-651
18 June 2½	6	..	..	..	..	..	..	..	..	92½	17 June 12996	-2223	-424	1799
30 July 2	1	..	..	..	..	..	..	..	92½	29 July 10778	-1546	-515	1050
6 Aug. 4	2	..	..	..	..	..	..	92½	5 Aug. 9208	1844	1421	-423
20 Aug. 2½	1	..	..	..	..	..	..	92½	19 Aug. 11052	698	207	-486
27 Aug. 2	7	..	..	..	..	..	..	92½	28 Aug. 11745	-2859	2031	4570
18 Oct. 4	4½	..	..	..	..	..	..	92½	14 Oct. 9406	-868	-468	-98
													11 Nov. 9038	-220	-102	118
16 Nov. 5	2	..	..	..	..	93½	18 Nov. 8618	473	-80	-533
30 Nov. 6	5½	..	..	..	..	93½	26 Nov. 9291	-651	136	787
													2 Dec. 8640	1825	2358	628
1875—																
7 Jan. 5	1	..	..	..	..	..	92	6 Jan. 10465	479	182	-297
14 Jan. 4	2	..	..	..	..	..	..	92½	13 Jan. 10944	986	1138	147
28 Jan. 3	92½	27 Jan. 11980	-1730	-1899	331
18 Feb. 2½	20	..	..	..	..	..	..	..	92½	17 Feb. 10200	3009	6205	3196
8 July 3	93	7 July 13209	2175	2378	198
20 July 2½	2	..	..	..	..	..	..	..	94	28 July 15384	31	241	210
12 Aug. 2	94½	11 Aug. 15415	-1827	871	2698
													20 Sept. 13588	-1216	-211	1005
7 Oct. 2½	1	..	..	..	..	..	..	..	94½	6 Oct. 12372	-1583	-1092	491
14 Oct. 2½	1	..	..	..	..	..	..	93½	18 Oct. 10789	-630	-504	26
21 Oct. 4	4	..	..	..	..	..	..	94½	20 Oct. 10259	816	-522	-838
15 Nov. 8	6	..	..	..	..	..	..	94½	17 Nov. 10576	-1896	-1833	-487
30 Dec. 4	1	..	..	..	..	..	..	94	29 Dec. 9179	-1047	-688	359

APPENDIX I (continued)

Bank Rate	Number of weeks at :						Price of Consols	Reserve	Increase in Reserve	Net Imports of Gold	Interior Demand		
	2	2½	3	3½	4	4½	5	6	£'000	£'000	£'000	£'000	
1876—									5 Jan.	8132	2348	207	-2141
6 Jan.	5	..	..	..	..	..	8	..	26 Jan.	10480	8007	728	-2281
27 Jan.	4	..	..	..	..	..	..	..	22 March	13487	-507	688	1193
23 March	3½	..	..	2	..	..	..	..	6 April	12980	412	918	504
6 April	3	..	..	2	..	..	..	..	19 April	13392	8852	10200	1348
20 April	2	54	..	..	..	..	..	..	20 Sept.	22244	-11817	-9611	1706
1877—									2 May	10627	864	-717	-1081
3 May	3	..	..	9	..	..	..	..	9 May	11291	1883	1516	-367
5 July	2½	..	1	..	..	..	..	..	4 July	13174	737	1391	654
12 July	2	6½	..	..	..	..	..	..	11 July	13911	-1791	-1864	-73
23 Aug.	3	..	..	5½	..	..	..	..	22 Aug.	12120	9	-564	-573
4 Oct.	4	..	..	..	1	..	..	..	29 Aug.	12129	-2408	-148	2260
11 Oct.	5	..	..	..	..	..	7	..	3 Oct.	9721	-290	-641	-351
29 Nov.	4	..	..	..	..	6	..	..	10 Oct.	9431	2116	418	-1698
1878—									28 Nov.	11547	365	5	-350
10 Jan.	3	..	..	3	..	..	..	..	9 Jan.	11902	1080	-585	-1685
31 Jan.	2	6	..	..	..	..	..	..	30 Jan.	12982	-1066	-1673	-607
23 March	3	..	..	9	..	..	..	..	27 March	11916	-1685	-520	1166
30 May	2½	..	4	..	..	..	..	..	10 April	10231	1107	1748	841
27 June	3	..	..	1	..	..	..	..	29 May	11338	-92	410	502
4 July	2½	..	..	4	..	..	..	..	12 June	11246	-388	-498	-110
1 Aug.	4	..	..	..	1½	..	..	..	26 June	10858	-1776	-1200	576
12 Aug.	5	..	..	..	..	9	..	..	3 July	9082	-179	-258	-77
14 Oct.	6	..	..	..	..	..	5½	..	31 July	8903	-300	223	523
21 Nov.	5	..	..	..	..	..	8	..	7 Aug.	8693	310	96	-406
									14 Aug.	8913	1302	2897	1596
									9 Oct.	10215	-1998	971	2689
									16 Oct.	8517	3794	2444	-1350
									20 Nov.	12311	-794	3214	4008
									<i>2½ per cent. Annuities</i>				
1879—									15 Jan.	11517	1338	541	-792
16 Jan.	4	..	..	2	..	..	..	..	29 Jan.	12850	6452	699	-8753
30 Jan.	3	..	..	6	..	..	..	..	12 March	19302	-640	910	1550
13 March	2½	..	4	..	..	..	..	..	9 April	18462	2710	1699	-1011
10 April	2	30	..	..	..	..	..	..	30 July	21372	-4709	-5125	-418
6 Nov.	3	..	..	32	..	..	..	..	5 Nov.	16668	-103	-5228	-5123

APPENDIX I (continued)

Bank Rate	Number of weeks at:								Price of 2½ per cent. Annuitants	Reserve	Increase in Reserve	Net Imports of Gold	Interior Demand	
	2	2½	3	3½	4	4½	5	6	£'000	£'000	£'000	£'000		
1880—														
17 June	2½	..	25	..	..	..	..	..	80	3 March	16561	833	646	-187
9 Dec.	3	..	..	5	..	..	..	..	81½	16 June	17894	-2285	1114	8399
										3 Nov.	15109	-1123	-1606	-490
1881—														
15 Jan.	3½	..	..	..	5	..	..	..	81½	3 Dec.	13068	-1405	-1851	-448
17 Feb.	3	..	..	10	..	..	..	..	82½	12 Jan.	12578	336	-493	-628
										19 Jan.	12914	3666	1148	-2518
										16 Feb.	16580	250	189	-61
										2 March	16880	-2311	-2042	269
										15 April	14519	1878	122	-506*
										27 April	15897	-2568	839	3407
23 April	2½	..	16	..	..	..	..	..	84½	3 Aug.	18329	-44	-695	-651
										17 Aug.	18285	-860	-221	189
18 Aug.	3	..	..	1	..	..	..	..	87½	24 Aug.	12925	-2803	-2112	491
25 Aug.	4	..	..	..	6	..	..	..	87½	5 Oct.	10822	664	-2328	-2932
6 Oct.	5	..	..	..	..	..	10½	..	86					
1882—														
30 Jan.	6	..	..	..	..	..	..	3½	86	25 Jan.	10976	-1801	-1606	193
										1 Feb.	9175	761	-488	-1229
										8 Feb.	9936	2482	1368	-1119
23 Feb.	5	..	..	..	..	..	2	..	85½	22 Feb.	12418	800	876	76
9 March	4	..	..	..	2	..	..	..	85½	8 March	13218	1895	838	-1012
23 March	3	..	..	21	..	..	..	..	86	22 March	15113	-4422	1383	5805
17 Aug.	4	..	..	..	4	..	..	..	83½	16 Aug.	10691	465	-221	-687
14 Sept.	5	..	..	..	..	..	19	..	83½	13 Sept.	11167	1220	708	-517
1883—														
25 Jan.	4	..	..	..	3	..	..	..	86½	24 Jan.	12377	911	231	-680
15 Feb.	3½	..	..	..	2	..	..	..	87	14 Feb.	13238	769	10	-759
1 March	3	..	..	10	..	..	..	..	87	23 Feb.	14057	-3750	-1205	2545
10 May	4	..	..	..	13	..	..	..	88	9 May	10307	4174	2458	-1716
13 Sept.	2½	..	..	..	3	..	..	..	87	12 Sept.	14481	-355	307	-48
27 Sept.	3	..	..	19	..	..	..	..	88½	26 Sept.	14836	-2623	-3040	-417
1884—														
7 Feb.	3½	..	..	5	..	..	..	..	90	6 Feb.	12213	2896	835	-2061
13 March	3	..	..	3	..	..	..	..	90	12 March	15109	459	1877	1438
3 April	2½	..	11	..	..	..	..	..	90	2 April	15548	319	1236	917
19 June	2	16	..	..	..	..	..	..	91	18 June	15867	-6394	-2501	2693
9 Oct.	3	..	..	3	..	..	..	..	92	8 Oct.	10473	-411	-355	55
20 Oct.	4	..	..	..	1	..	..	..	92	29 Oct.	10062	-645	-229	316
6 Nov.	5	..	..	..	..	12	..	..	91½	5 Nov.	9517	4421	-230	-4651

* Fiduciary Issue increased by £750,000, 27 April, 1881.

11

289

APPENDIX I (continued)

Bank Rate	Number of weeks at:								Price of 2½ per cent. Annuities	Reserve	Increase in Reserve	Net Imports of Gold	Interior Demand	
	2	2½	3	3½	4	4½	5	6	£'000	£'000	£'000	£'000		
1885—														
29 Jan.	4	..	..	..	7	..	..	..	91½	28 Jan.	13938	4882	1229	—8103
19 March	8½	..	..	..	..	..	..	..	87	18 March	18270	—484	668	1142
7 May	8	..	..	1	..	..	..	..	87½	6 May	17786	—237	157	394
14 May	2½	..	2	..	..	..	..	..	88	18 May	17549	820	478	—842
28 May	2	24	..	..	..	..	..	..	88	27 May	18369	—862	1017	1869
12 Nov.	8	..	..	5	..	..	..	..	88½	22 July	17517	—5744	—2547	3197
17 Dec.	4	..	..	..	5	..	..	..	88	11 Nov.	11778	525	—206	—780
1886—														
21 Jan.	3	..	..	4	..	..	..	..	88½	16 Dec.	12298	102	—618	—715
18 Feb.	2	11	..	..	..	..	..	..	89½	20 Jan.	12400	2504	1078	—1481
6 May	3	..	..	5	..	..	..	..	88½	17 Feb.	14904	—3165	409	3574
10 June	2½	..	11	..	..	..	..	..	88½	5 May	11789	—340	—619	—370
26 Aug.	3½	..	..	8	..	..	..	..	89½	9 June	11399	823	1266	448
21 Oct.	4	..	..	..	8	..	..	..	88½	25 Aug.	12222	—1480	—256	1174
16 Dec.	6	..	..	..	..	..	7	..	89	20 Oct.	10799	852	—642	—1494
1887—														
8 Feb.	4	..	..	..	5	..	..	..	88½	15 Dec.	11644	—761	—1271	—510
10 March	3½	..	..	..	2	..	..	..	88½	12 Jan.	10888	2252	664	—1688
24 March	8	..	..	3	..	..	..	..	89	2 Feb.	18235	2696	578	—2118
14 April	2½	..	2	..	..	..	..	..	90½	9 March	16931	1125	394	—731
28 April	2	14	..	..	..	..	..	..	91	23 March	17066	—1669	505	2174
4 Aug.	5	..	..	4	..	..	..	..	98	13 April	15887	454	64	—420
1 Sept.	4	..	..	..	19	..	..	..	98½	27 April	15871	—4750	—1182	3568
1888—														
12 Jan.	3½	..	..	1	..	..	..	..	95½	3 Aug.	11121	562	—942	—1504
19 Jan.	3	..	..	4	..	..	..	..	95½	31 Aug.	11888	648	697	474*
16 Feb.	2½	..	4	..	..	..	..	..	96½	11 Jan.	12826	724	4	—720
16 March	2	8	..	..	..	..	..	..	97½	18 Jan.	13050	2184	340	—1794
10 May	3	..	..	4	..	..	..	..	95½	15 Feb.	15184	1323	716	—607
7 June	2½	..	9	..	..	..	..	..	95½	14 March	16507	—5296	—1229	4057
9 Aug.	3	..	..	5	..	..	..	..	96	9 May	11211	1436	1064	—372
18 Sept.	4	..	..	..	9	..	..	..	94½	6 June	12647	—1689	536	2324
4 Oct.	5	..	..	..	..	14	..	..	94½	8 Aug.	10958	1738	26	—1713
1889—														
10 Jan.	4	..	..	..	2	..	..	..	99½	12 Sept.	12696	—2394	—171	2323
24 Jan.	3½	..	..	1	..	..	..	..	99	3 Oct.	10803	360	—1615	—1966
31 Jan.	3	..	..	11	..	..	..	..	98½	5 Dec.	10653	485	1692	1257

* Fiduciary Issue increased by £450,000, 5th October, 1887.

APPENDIX I (continued)

Bank Rate	Number of weeks at:								Price of Consols	Reserve	Increase in Reserve	Net Imports of Gold		Interior Demand
	2	2½	3	3½	4	4½	5	6				£'000	£'000	
18 April	2½	..	16	..	..	..	..	..	98½	17 April	18985	-2407	2202	4609
6 Aug.	3	..	..	3	..	..	..	..	98½	7 Aug.	11578	723	84	-639
29 Aug.	4	..	..	..	4	..	..	..	97½	28 Aug.	12301	91	-242	-333
26 Sept.	5	..	..	..	..	..	18½	..	97	25 Sept.	12392	-2302	-894	1908
30 Dec.	6	..	..	..	..	..	..	7½	97	24 Dec.	9690	-281	-55	226
1890—														
20 Feb.	5	..	..	..	..	..	2	..	97½	1 Jan.	9309	6668	1940	-4678*
6 March	4½	..	..	..	..	..	1	..	97½	19 Feb.	16177	190	449	259
13 March	4	..	..	..	4	..	..	..	97½	5 March	16367	538	118	-420
10 April	3½	..	..	..	1	..	..	..	98	12 March	16905	-1798	1199	2997
17 April	3	..	..	..	..	..	..	..	98½	9 April	15107	534	156	-380
26 June	4	..	..	..	5	..	..	..	96½	16 April	15643	-2476	-654	1822
31 July	5	..	..	..	..	..	3	..	96	25 June	13187	-1132	-68	1074
21 Aug.	4	..	..	..	5	..	..	..	96½	30 July	12035	2252	2442	190
25 Sept.	5	..	..	..	..	..	6½	..	94½	20 Aug.	14287	-68	340	408
7 Nov.	6	..	..	..	..	..	..	..	94½	3 Sept.	14219	-1056	-1027	29
4 Dec.	5	..	..	..	..	..	5	..	96	24 Sept.	13163	-2572	-1099	1473
1891—										3 Oct.	10591	618	249	-367
8 Jan.	4	..	..	..	2	..	..	..	96	5 Nov.	11307	-102	-175	-73
22 Jan.	3½	..	..	..	1	..	..	..	97½	12 Nov.	11105	3447	3177	-370
29 Jan.	3	..	..	11	..	..	..	..	97½	19 Nov.	14552	2121	2152	31
16 April	3½	..	..	..	3	..	..	..	96	3 Dec.	16673	-1141	316	1457
7 May	4	..	..	..	1	..	..	..	95	7 Jan.	15532	1522	-166	-1683
14 May	5	..	..	..	..	..	3	..	95½	21 Jan.	17054	545	-78	-623
4 June	4	..	..	..	2	..	..	..	94½	28 Jan.	17599	-4602	-2375	1727
13 June	3	..	..	2	..	..	..	..	95	15 April	12997	-786	719	1505
2 July	2½	..	12	..	..	..	..	..	95½	6 May	12211	234	880	146
24 Sept.	3	..	..	5	..	..	..	..	94½	13 May	12445	5216	4764	-452
29 Oct.	4	..	..	..	6	..	..	..	95	3 June	17661	1775	2000	225
10 Dec.	3½	..	..	..	6	..	..	..	95½	17 June	19436	-1191	2468	3659
1892—										1 July	18245	-1139	1090	2229
21 Jan.	3	..	..	11	..	..	..	..	95½	12 Aug.	17106	-347	-1458	-1111
7 April	2½	..	8	..	..	..	..	..	96½	23 Sept.	16769	-3512	-2211	1301
28 April	3	28	..	..	..	..	..	..	96½	28 Oct.	13247	-647	-290	357
										4 Nov.	12600	2569	1525	-1044
										9 Dec.	15169	-380	-695	-315
										20 Jan.	14739	660	643	-17
										6 April	15449	-165	336	501
										27 April	15284	2600	5540	2940

* Fiduciary Issue increased by £250,000, 19 Feb., 1890.

APPENDIX I (continued)

Bank Rate	Number of weeks at :								Price of Consols	Reserve	Increase in Reserve	Net Imports of Gold	Interior Demand
	2	2½	3	3½	4	4½	5	6					
20 Oct.	3	..	..	14	..	..	..	..	96½	21 Sept. £'000 17884	£'000 -2779	£'000 685	£'000 3464
1898—										19 Oct. 16105	2259	-162	-2421
26 Jan.	2½	..	14	..	..	..	..	..	98½	25 Jan. 17894	-2353	1395	3743
4 May	3	..	..	1	..	..	..	..	98½	8 May 15011	-896	-703	193
11 May	3½	..	..	..	1	..	..	..	98½	10 May 14115	-792	-150	642
18 May	4	..	..	..	..	3	..	..	97½	17 May 13323	4076	3499	-577
8 June	3	..	..	1	..	..	..	..	99½	7 June 17399	2198	1674	-524
15 June	2½	..	..	7	..	..	..	..	99	14 June 19597	-2784	1371	4155
3 Aug.	3	..	..	1	..	..	..	..	98½	2 Aug. 16813	-2197	-670	1527
10 Aug.	4	..	..	..	2	..	..	..	98½	9 Aug. 14616	400	-1842	-2242
24 Aug.	5	..	..	..	..	..	8	..	97½	23 Aug. 15016	2569	475	-2094
14 Sept.	4	..	..	..	1	..	..	..	98½	13 Sept. 17585	746	777	31
21 Sept.	3½	..	..	..	2	..	..	..	97½	20 Sept. 18331	-1677	216	1893
5 Oct.	3	..	..	17	..	..	..	..	98½	4 Oct. 16664	3035	-551	-3636
1894—													
1 Feb.	2½	..	8	..	..	..	..	..	98½	31 Jan. 19739	2863	917	-1596*
22 Feb.	2	133	..	..	..	..	..	..	99½	21 Feb. 22602	8292	14536	6244
1895—										5 Sept. 30894	-657	-3921	2136
1896—										19 Dec. 24337	16130	16403	246
1896—													
26 Feb.										40997	-4875	4349	9224
5 Aug.										86122	-3742	-3780	-33
10 Sept.	2½	..	2	..	..	..	..	112½		32330	-1087	-1765	-673
24 Sept.	3	..	..	4	..	..	..	109½		31293	-5373	-3137	2236
22 Oct.	4	..	..	..	..	13	..	106½		21 Oct. 25920	-1625	-2714	-1089
										30 Dec. 24295	3155	251	-2904
1897—													
21 Jan.	3½	..	..	2	..	..	..	112½		20 Jan. 27450	794	304	-490
4 Feb.	3	..	..	9	..	..	..	113½		3 Feb. 28244	-663	1117	1780
8 April	2½	..	5	..	..	..	..	112½		7 April 27631	-1970	416	2336
13 May	2	10	..	..	..	..	..	113½		13 May 25611	-1042	1640	2632
										1 Sept. 24569	-219	-1358	-1139
22 Sept.	3½	..	3	..	..	..	..	111½		22 Sept. 24350	-3426	-1333	2093
14 Oct.	3	..	..	25	..	..	..	111½		13 Oct. 20924	1829	-2297	-4126
1898—													
7 April	4	..	..	..	7	..	..	111½		26 Jan. 22753	-4403	1261	5663
26 May	3½	..	..	1	..	..	..	111½		6 April 18351	8194	6524	-1670
2 June	3	..	..	4	..	..	..	112		26 May 26545	-499	1633	2132
30 June	2½	..	13	..	..	..	..	111½		1 June 26046	1025	407	-616
22 Sept.	3	..	..	3	..	..	..	109½		29 June 27071	-3576	-1778	1736
13 Oct.	4	..	..	..	14	..	..	109½		21 Sept. 23495	-3204	183	3390
										12 Oct. 20291	1812	490	-1362

* Fiduciary Issue increased by £360,000, 21 February, 1894.

APPENDIX I (continued)

Bank Rate	Number of weeks at:						Price of Consols	Reserve	Increase in Reserve	Net Imports of Gold	Gold Set Aside	Interior Demand		
	2	2½	3	3½	4	4½							5	6
1899—														
19 Jan.	2½	..	..	..	2	..	..	111½	18 Jan.	£2108	867	£402	—	—466
2 Feb.	3	..	..	..	2½	..	..	111	1 Feb.	22970	—2939	5179	—	8118
12 July	2½	..	..	..	11½	..	..	104½	12 July	20081	3398	5449	—	2056
3 Oct.	4½	..	..	..	..	..	..	102½	27 Sept.	23424	—2778	—381	—	2392
6 Oct.	5	..	..	..	..	..	..	102½	4 Oct.	20651	—1815	—545	750	20
20 Nov.	6	..	..	..	..	..	..	102½	29 Nov.	19836	—1528	—611	—	717
									18 Dec.	18008	3824	3568	350	—806
1900—														
11 Jan.	5	..	..	..	..	..	..	98½	10 Jan.	21832	1281	1623	400	—58
18 Jan.	4½	..	..	..	..	..	..	100	17 Jan.	23113	809	—343	—	—1152
25 Jan.	4	..	..	..	..	..	..	101½	24 Jan.	23922	—1798	1907	—500	5180*
24 May	2½	..	..	..	3	..	..	101	23 May	22124	—1121	—168	—	955
14 June	3	..	..	..	5	..	..	101½	12 June	21003	—2092	—297	—500	2295
19 July	4	..	..	..	..	..	..	98½	18 July	18911	6142	5855	—500	213
									19 Sept.	25058	—8841	—2910	100	5881
1901—														
3 Jan.	5	..	..	..	..	..	..	97½	2 Jan.	16212	1672	—371	—100	—1943
7 Feb.	4½	..	..	..	..	..	..	96½	9 Jan.	17884	3630	210	—	—820
21 Feb.	4	..	..	..	..	..	..	97½	6 Feb.	21514	2958	1164	—	—1789
6 June	2½	..	..	..	..	..	..	93½	20 Feb.	24467	220	5717	—	5497
13 June	3	..	..	..	..	..	..	98½	5 June	24687	916	—167	—	—1083
									12 June	25608	1454	8662	—	2206
31 Oct.	4	..	..	..	..	..	..	92½	21 Aug.	27057	—3175	—2019	—	1156
									30 Oct.	23863	—8772	—1725	—	2047
1902—														
23 Jan.	2½	..	..	..	..	..	..	94	1 Jan.	20110	4589	300	—	—4289
6 Feb.	3	..	..	..	..	..	..	94½	22 Jan.	24699	485	11	—	—474
									5 Feb.	25134	629	8063	—	7854†
2 Oct.	4	..	..	..	..	..	..	93½	8 Sept.	25818	—2197	—1269	—	928
									1 Oct.	23618	—2509	—1789	—	820
									10 Dec.	21007	4174	5368	—	1211
1903—														
21 May	2½	..	..	..	..	..	..	91½	20 May	25181	1642	1291	—	—351
18 June	3	..	..	..	..	..	..	91½	17 June	26823	—2417	660	—	3077
									29 July	24406	36	—249	—	—10½
8 Sept.	4	..	..	..	..	..	..	90½	2 Sept.	24442	—6778	—5350	—	1423
									23 Dec.	17669	6474	1829	—	—6145
1904—														
14 April	2½	..	..	..	..	..	..	88½	13 April	24143	718	—162	—	—380
21 April	3	..	..	..	..	..	..	88½	20 April	24861	4144	5758	—	1614
									21 Sept.	29005	—9264	—6892	—	2372
									21 Dec.	19741	11115	5041	—	—6074

* Fiduciary Issue increased by £975,000, 21 March, 1900.

† Fiduciary Issue increased by £400,000, 20 August, 1902.

‡ Fiduciary Issue increased by £275,000, 26 August, 1903.

APPENDIX I (continued)

Bank Rate	Number of weeks at:										Price of Consols	Reserves	Increase in Reserves	Net Imports of Gold	Gold Set Aside	Interior Demand			
	2	2½	3	3½	4	4½	5	5½	6	7	8	10	£'000	£'000	£'000	£'000	£'000		
1905—													91	8 March	80856	-5585	£419	1000	10014
9 March	2½	..	26	..	..	..	..	..	..	..	..	..	91	2 Aug.	25261	-568	-1090	400	-924
7 Sept.	3	..	..	3	..	..	..	..	..	..	..	..	90½	8 Sept.	24695	-837	-866	600	-579
28 Sept.	4	..	..	..	..	27	..	..	..	..	..	..	89½	27 Sept.	23808	-2135	-1065	1000	70
														18 Oct.	21878	1496	2910	2000	-586
														6 Dec.	23169	-556	-2244	500	-2189
1906—														24 Jan.	22614	8898	7424	1445	2146
5 April	3½	..	..	..	4	..	..	..	..	..	..	..	90½	4 April	26447	-4555	-1934	—	2621
3 May	4	..	..	..	..	7	..	..	..	..	..	..	89½	2 May	21892	1295	-2286	-1500	-2081
														23 May	23187	3481	1954	-945	-582
21 June	3½	..	..	..	12	..	..	..	..	..	..	..	88½	20 June	26666	-1906	6038	-250	8194
18 Sept.	4	..	..	..	..	4	..	..	..	..	..	..	88½	12 Sept.	24762	-6472	-8224	—	-1752
11 Oct.	5	..	..	..	..	..	..	..	..	1½	..	..	88½	10 Oct.	18290	572	-1129	—	-1701
19 Oct.	6	..	..	..	..	..	..	..	..	..	12½	..	86½	17 Oct.	18862	-674	-1482	—	-808
														24 Oct.	18188	4405	3862	1000	-1548
1907—														16 Jan.	22593	2542	4521	2300	-821
17 Jan.	5	..	..	..	..	..	12	..	..	..	..	..	87½	10 April	25185	770	1237	475	-8
11 April	4½	..	..	..	..	2	..	..	..	..	..	..	86½	24 April	25905	-948	2389	-1820	5156
25 April	4	..	..	..	..	16	..	..	..	..	..	..	85½	14 Aug.	24959	8798	1807	—	-1991
15 Aug.	4½	..	..	..	..	..	11	..	..	..	..	..	84½	18 Sept.	28757	-7923	-2784	—	5139
														30 Oct.	20834	-3139	-6265	—	-3126
31 Oct.	5½	..	..	..	..	..	..	..	..	..	..	..	82	6 Nov.	17695	8778	4823	-2500	3545
4 Nov.	6	..	..	..	..	..	..	..	..	..	..	..	82						
7 Nov.	7	..	..	..	..	..	..	..	..	..	..	..	82						
1908—														1 Jan.	21473	4894	-743	—	-5137
2 Jan.	6	..	..	..	..	..	..	..	2	..	..	..	83½	15 Jan.	25867	1656	346	—	-1310
16 Jan.	5	..	..	..	..	..	1	..	..	..	..	..	83½	22 Jan.	27523	1995	2233	—	238
22 Jan.	4	..	..	..	..	6	..	..	..	..	..	..	84½	4 March	29518	1761	1821	—	440
5 March	3½	..	..	..	..	..	..	..	..	..	..	..	87½	16 March	31279	-4084	2318	—	6402
19 March	3	..	..	..	..	..	..	..	..	..	..	..	87½	6 May	27195	467	-254	—	721
														27 May	27662	-6649	-10314	-2205	-1460
28 May	2½	..	..	..	..	..	..	..	..	..	..	..	87½						
1909—														13 Jan.	21013	3037	-894	—	-3931
14 Jan.	3	..	..	..	..	..	..	..	..	..	..	..	83½	27 Jan.	24050	6704	8118	—	1414
														31 March	30764	-1826	4754	—	6580
1 April	2½	..	..	..	..	..	..	..	..	..	..	..	84½	1 Sept.	28928	-5292	-4750	—	542
														6 Oct.	23636	-686	-1203	—	-517
7 Oct.	3	..	..	..	..	1	..	..	..	..	..	..	83½	13 Oct.	22950	-627	-1405	—	-778
14 Oct.	4	..	..	..	..	..	..	..	..	..	..	..	82½	20 Oct.	22323	-349	-513	—	-164
21 Oct.	5	..	..	..	..	..	..	..	..	..	..	..	82½	27 Oct.	21974	4032	4104	—	72
														8 Dec.	26006	-2718	1068	—	8766
Dec.	4½	..	..	..	..	..	4	..	..	..	..	..	82½						

APPENDIX I (continued)

Bank Rate	Number of weeks at :										Price of Consols	Reserve	Increase in Reserve	Net Imports of Gold	Gold St Aside	Interior Demand				
	2	2½	3	3½	4	4½	5	5½	6	7							8	10		
1910—												£'000	£'000	£'000	£'000	£'000				
4 Jan.	4	..	..	..	..	2	4½	5	5½	6	7	8	10	82½	5 Jan.	23288	3628	-604	—	-4227
20 Jan.	3½	..	..	..	3	..	..	..	..	..	..	..	..	82½	19 Jan.	26911	316	-232	—	-548
10 Feb.	3	..	..	5	..	..	..	..	..	..	..	..	..	82	9 Feb.	27227	-2284	-2020	750	-486
17 March	4	..	..	..	11	..	..	..	..	..	..	..	..	81½	16 March	24948	5674	10921	1915	3432
2 June	2½	..	..	..	1	..	..	..	..	..	..	..	..	82½	1 June	30517	1424	616	80	-888
9 June	3	..	..	16	..	..	..	..	..	..	..	..	..	82½	8 June	31941	-2768	2121	—	4889
															10 Aug.	29178	-1334	-3459	—	-2125
29 Sept.	4	..	..	..	8	..	..	..	..	..	..	..	..	80½	28 Sept.	27839	-6037	-4594	—	443
20 Oct.	5	..	..	..	8	..	..	..	..	..	..	..	..	80	19 Oct.	22802	-784	-1410	—	-628
															28 Oct.	22018	8668	4789	—	1071
1 Dec.	4½	..	..	..	8	..	..	..	..	..	..	..	..	79½	30 Nov.	25668	1491	-978	—	-2466
1911—																				
26 Jan.	4	..	..	..	8	..	..	..	..	..	..	..	..	79½	25 Jan.	27177	1844	1268	800	-1076
16 Feb.	3½	..	..	..	8	..	..	..	..	..	..	..	..	80½	15 Feb.	29021	828	1268	800	140
9 March	3	..	..	28	..	..	..	..	..	..	..	..	..	81	8 March	29847	2726	11660	—	6934
21 Sept.	4	..	..	..	20	..	..	..	..	..	..	..	..	76½	20 Sept.	32578	-7712	-5607	—	2106
															8 Nov.	24861	4542	887	—	-3656
1912—																				
8 Feb.	3½	..	..	18	..	..	..	..	..	..	..	..	..	78	7 Feb.	29408	-191	3716	656	3352
9 May	3	..	..	16	..	..	..	..	..	..	..	..	..	78½	8 May	29212	1782	5493	—	3711
29 Aug.	4	..	..	..	7	..	..	..	..	..	..	..	..	75½	28 Aug.	30994	-3606	-4817	—	-1211
17 Oct.	5	..	..	..	..	26	..	..	..	..	..	..	..	78	16 Oct.	27888	841	4688	2020	2077
1913—																				
17 April	4½	..	..	..	..	24	..	..	..	..	..	..	..	75	16 April	27928	4908	13799	320	9271
															8 Sept.	32237	-5825	-4122	—	1708
2 Oct.	5	..	..	..	..	14	..	..	..	..	..	..	..	78½	1 Oct.	26412	-820	-3785	—	-2965
															15 Oct.	25592	925	5562	1105	3532
1914—																				
8 Jan.	4½	..	..	..	..	2	..	..	..	..	..	..	..	71½	7 Jan.	26517	5609	1616	700	-4698
22 Jan.	4	..	..	..	1	..	..	..	..	..	..	..	..	73½	21 Jan.	32126	1758	1208	100	-655
29 Jan.	3	..	..	26	..	..	..	..	..	..	..	..	..	74½	28 Jan.	33884	-4687	6020	675	9932
															22 July	29297	-2422	529	280	3671
30 July	4	..	..	..	½	..	..	..	..	..	..	..	..	71	29 July	26675	-16906	—	—	—
31 July	3	..	..	..	..	..	..	..	..	..	..	..	..	70						
1 Aug.	10	..	..	..	..	..	..	..	..	..	..	..	..	—	1 Aug.	9967	5568	—	—	—
7 Aug.	6	..	..	..	..	..	..	..	..	..	..	..	..	—
8 Aug.	5	..	..	..	..	100	..	..	..	..	..	..	..	—	12 Aug.	15580	—	—	—	—

APPENDIX I (continued)

Bank Rate	Number of weeks at:											Price of Console	Gold in Bank £'000	Note Issue* £'000		
	2	2½	3	3½	4	4½	5	5½	6	6½	7					
1916—																
13 July 6	2	2½	3	3½	4	4½	5	5½	6	6½	7	60½	12 July	85,806	160,070	
1917—																
18 Jan. 5½	..	..	..	..	..	..	..	..	..	..	..	58½	17 Jan.	82,085	184,140	
5 April 5	..	..	..	..	..	..	..	135	..	..	..	55	4 April	81,140	188,950	
1919—																
6 Nov. 6	..	..	..	..	..	..	..	..	..	..	..	51½	5 Nov.	114,798	428,430	
1920—																
15 April 7	..	..	..	..	..	..	..	..	..	..	..	54	45½	14 April	140,485	439,547
1921—																
28 April 6½	..	..	..	..	..	..	..	..	..	..	..	8	48	27 April	155,036	444,949
23 June 6	..	..	..	..	..	..	..	..	..	..	..	4	46½	22 June	155,048	430,938
21 July 5½	..	..	..	..	..	..	..	..	..	..	..	15	48	30 July	155,057	430,178
3 Nov. 5	..	..	..	..	..	..	..	..	..	..	..	15	48½	2 Nov.	155,102	417,518
1922—																
16 Feb. 4½	..	..	..	..	..	..	..	..	..	..	..	8	53½	15 Feb.	155,429	408,017
13 April 4	..	..	..	..	..	..	..	..	..	..	..	9	58½	12 April	155,583	407,918
15 June 3½	..	..	..	..	..	..	..	..	..	..	..	4	54½	14 June	155,583	400,119
13 July 3	..	..	..	..	..	..	..	..	..	..	..	51	58	12 July	155,570	400,642
1923—																
5 July 4	..	..	..	..	..	..	..	..	..	..	..	87	58	4 July	152,797	392,296
1925—																
5 March 5	..	..	..	..	..	..	..	..	..	..	..	22	57	4 March	153,780	390,548
6 Aug. 4½	..	..	..	..	..	..	..	..	..	..	..	8	55½	5 Aug.	162,655	394,223
1 Oct. 4	..	..	..	..	..	..	..	..	..	..	..	9	55½	30 Sept.	158,641	380,208
3 Dec. 5	..	..	..	..	..	..	..	..	..	..	..	72	55½	2 Dec.	143,868	375,133
1927—																
21 April 4½	..	..	..	..	..	..	..	..	..	..	..	94	54½	20 April	152,244	378,188
1929—																
7 Feb. 5½	..	..	..	..	..	..	..	..	..	..	..	33	56½	6 Feb.	149,626	357,519
26 Sept. 6½	..	..	..	..	..	..	..	..	..	..	..	5	53	25 Sept.	131,938	361,071
31 Oct. 6	..	..	..	..	..	..	..	..	..	..	..	3	54½	30 Oct.	131,017	358,820
21 Nov. 5½	..	..	..	..	..	..	..	..	..	..	..	8	53½	20 Nov.	132,103	355,067
12 Dec. 5	..	..	..	..	..	..	..	..	..	..	..	8	52½	11 Dec.	137,007	345,158
1930—																
6 Feb. 4½	..	..	..	..	..	..	..	..	..	..	..	4	54	5 Feb.	150,784	348,090
6 March 4	..	..	..	..	..	..	..	..	..	..	..	2	53½	5 March	151,602	347,296
20 March 3½	..	..	..	..	..	..	..	..	..	..	..	6	56½	19 March	153,458	348,890
1 May 3	..	..	..	..	..	..	..	..	..	..	..	54	54½	30 April	163,342	358,823
1931—																
14 May 2½	..	10	..	..	..	..	..	..	..	..	..	..	58	13 May	148,977	358,127
23 July 3½	..	..	..	..	..	..	..	..	..	..	..	1	59½	8 July	164,619	359,258
30 July 4½	..	..	..	..	..	..	..	..	..	..	..	77	57½	22 July	148,774	356,098
21 Sept. 6	..	..	..	..	..	..	..	..	..	..	..	21½	56½	29 July	132,085	359,362
21 Sept. 6	..	..	..	..	..	..	..	..	..	..	..	21½	56½	16 Sept.	135,574	351,618
23 Sept. 6	..	..	..	..	..	..	..	..	..	..	..	21½	56½	23 Sept.	133,628	342,676
1932—																
18 Feb. 5	..	..	..	..	..	..	..	..	..	..	..	3	55½	17 Feb.	120,766	344,883
10 March 4	..	..	..	..	..	..	..	..	..	..	..	1	50	9 March	120,802	354,475
17 March 3½	..	..	..	..	..	..	..	..	..	..	..	5	50½	16 March	120,805	353,714
21 April 3	..	..	..	..	..	..	..	..	..	..	..	3	60½	20 April	120,815	354,271
12 May 2½	..	..	..	..	..	..	..	..	..	..	..	7	64½	11 May	120,816	353,313
30 June 2	..	..	..	..	..	..	..	..	..	..	..	2	67½	29 June	126,143	369,063

* Active circulation of Bank of England notes and Currency Notes.

APPENDIX II

Quarter Beginning		Reserve	Increase in Reserve	Net Imports of Gold	Interior Demand	Average Bank Rate	Treasury Months' Interior Demand
		£'000	£'000	£'000	£'000		£'000
2 Dec.	1857	2729	9320	8050	-3270†	6-04	729
2 March	1858	12049	501	1470	989	3-00	4745
2 June		12550	-581	704	1285	3-00	4361
1 Sept.		11989	978	2718	1745	3-00	8145
1 Dec.		12042	808	1556	748	2-54	7724
2 March	1859	18750	-2603	-20	2583	3-19	7153
1 June		11147	-1363	1716	8069	2-75	5804
7 Sept.		9794	467	1791	1324	2-50	3521
7 Dec.		10261	-1235	-1053	182	3-18	1967
7 March	1860	9028	144	1373	1220	4-46	652
6 June		9170	45	831	786	4-00	3213
5 Sept.		9215	-1281	-2022	-230†	4-48	3978
5 Dec.		7934	-592	-3466	-2437†	6-00	3907
6 March	1861	7242	-692	-588	-332†	6-06	708
5 June		6550	919	177	-970†	5-46	1251
4 Sept.		7469	2310	2151	-159	3-42	2402
4 Dec.		9779	14	776	762	2-69	3596
5 March	1862	9788	-507	1120	1627	2-58	3756
4 June		9286	1680	1859	173	2-46	3851
3 Sept.		10966	-1080	-25	1035	2-38	5454
2 Dec.		9906	-442	480	923	3-78	6716
4 March	1863	9464	-357	865	1722	3-76	4690
2 June		8607	347	2122	2775	4-00	4704
2 Sept.		8954	-3278	19	2297	4-66	4782
2 Dec.		6678	1765	661	-1104	7-40	2106
2 March	1864	8441	-625	1111	1736	6-03	3395
1 June		7816	-1005	843	1653	6-06	3910
7 Sept.		6811	2037	1658	-379	3-54	5398
7 Dec.		8848	670	855	185	6-58	7131
1 March	1865	9518	-171	2080	2251	4-21	6967
7 June		9347	-2076	1265	2341	2-46	13158
6 Sept.		7271	1093	2447	1354	5-06	9800
6 Dec.		8364	-48	-377	21†	7-21	7500
7 March	1866	8316	-5490	2952	8442	7-27	7296
6 June		2836	4148	4131	-17	9-15	251
5 Sept.		8974	3550	2604	-946	4-46	1641
5 Dec.		10524	1363	1170	-132	3-42	5843
6 March	1867	11877	898	1793	895	2-95	7235
5 June		12775	2334	4106	1575	3-27	9109
4 Sept.		15009	-2134	1122	3256	2-00	9735
4 Dec.		12375	-322	877	1209	2-00	2406
4 March	1868	12543	300	2969	2769	2-00	7212
2 June		12743	-1204	1297	2501	2-00	5168
2 Sept.		11639	-1962	-35	1927	2-08	2465
2 Dec.		9577	-123	-108	15	3-00	4099
2 March	1869	9454	-158	555	722	3-26	2124
2 June		9296	2022	2882	800	3-21	3206
1 Sept.		12378	-2033	498	2531	2-25	7607
1 Dec.		10340	2030	1100	-630	3-00	5417
2 March	1870	12370	111	916	806	3-00	7437
1 June		12431	49	3250	6201	3-21	7923
7 Sept.		12530	1222	2163	241	3-25	5577
7 Dec.		14352	-1042	42	1020	2-50	1022
1 March	1871	13210	2764	4125	1361	2-71	2020

† Silver included in Reserve:

5 Dec. 1860 £511,000.

6 March 1861 £343,000.

5 June 1861 £412,000.

‡ Fiduciary Issue increased by £350,000, 21 Feb., 1866.

§ Fiduciary Issue increased by £175,000, 10 July, 1861.

¶ Fiduciary Issue temporarily increased by £1,000,000 on 2 Dec., 1867.

APPENDIX II (continued)

Quarter Beginning	Reserve	Increase in Reserve	Net Imports of Gold		Interior Demand	Average Bank Rate	Twelve Months' Interior Demand	
			£'000	£'000			£'000	£'000
7 June	16074	-1347	1438	2785		2.12	-1549	
6 Sept.	14727	274	-3933	-4207		4.02	-2354	
6 Dec.	15001	-1297	-3256	-1959		3.04	498	
6 March 1872	13704	-1728	104	1832		3.88	-714	
5 June	11976	-268	1712	1980		3.38	1	
4 Sept.	11708	709	-646	-1355		6.48	-1847	
4 Dec.	12417	2376	-795	-8171		4.35	1048	
5 March 1873	14793	-4979	-2432	2547		4.41	8636	
4 June	9814	2946	8578	632		4.69	3772	
3 Sept.	12760	-1311	-276	1085		5.91	5805	
3 Dec.	11449	1228	650	-578		3.96	8039	
4 March 1874	12877	-1328	1355	2683		3.66	10119	
3 June	11349	-183	1982	2165		2.96	9301	
2 Sept.	11166	-2526	1243	8769		3.76	8474	
2 Dec.	8640	1139	2641	1502		4.54	7317	
3 March 1875	9779	297	2162	1865		3.50	2635	
2 June	10076	5663	7002	1338		2.88	2454	
1 Sept.	15732	-6043	-2431	2612		2.92	1554	
1 Dec.	10696	1045	-2135	-8180		3.92	736	
1 March 1876	11741	8126	4810	1684		2.79	1417	
7 June	14867	6120	6558	438		2.00	1287	
6 Sept.	20987	-4200	-2406	1794		2.00	1217	
6 Dec.	16787	-2701	-5200	-2499		2.00	-1472	
7 March 1877	14086	-1896	-342	1554		2.39	-1855	
6 June	12190	-467	-99	368		2.45	-792	
5 Sept.	11723	-118	-1018	-895		4.23	-1069	
5 Dec.	11605	872	-2010	-2882		3.00	3710	
6 March 1878	12477	-1626	991	2617		2.73	4704	
5 June	10851	-550	-459	91		3.60	2388	
4 Sept.	10301	1653	5542	3884		6.42	1307	
4 Dec.	11959	6322	4434	-1883		4.08	-4205	
5 March 1879	18281	531	832	301		2.23	-6175	
4 June	18812	1890	900	-990		2.00	-5033	
3 Sept.	20702	-5558	-7186	-1623		2.31	-3945	
3 Dec.	15144	1417	-2441	-3658		3.00	-1898	
3 March 1880	16561	-913	500	1413		3.00	-1123	
2 June	15648	387	515	123		2.58	-1573	
1 Sept.	16035	-1312	-393	919		2.50	-980	
1 Dec.	14723	2107	-1476	-3683		3.15	-3041	
2 March 1881	16830	-1922	-1709	963*		2.31	-1559	
1 June	14908	-2486	-1745	741		2.75	61	
7 Sept.	12422	-1332	-2494	-1162		4.69	554	
7 Dec.	11090	1425	-676	-2101		5.29	2637	
1 March 1882	32515	387	2980	2573		3.54	2026	
7 June	12902	-1895	-651	1244		3.23	1385	
6 Sept.	11007	-44	927	971		4.92	-733	
6 Dec.	10963	2853	91	-2762		4.59	-759	
7 March 1883	13816	-2372	-640	1932		3.31	-1231	
6 June	10944	2999	2125	-674		4.00	37	
5 Sept.	13943	-1446	-501	945		3.15	511	
5 Dec.	12497	1431	-1503	-3234		3.15	-222	
5 March 1884	18928	656	3856	3200		2.90	-1714	
4 June	14584	-1486	-1586	-100		2.08	-4251	
3 Sept.	18098	-1904	-1992	-88		3.31	-1898	
3 Dec.	11194	5295	569	-4726		4.62	200	
4 March 1885	16489	1403	2066	663		3.27	3177	
3 June	17892	-2783	-530	2253		2.00	5131	
2 Sept.	15109	-2946	-936	2010		2.23	3000	
2 Dec.	12163	2250	510	-1749		3.23	1442	
3 March 1886	14422	-3906	-1189	2617		2.31	-1247	
2 June	10616	1547	1669	122		2.62	-1839	
1 Sept.	12163	-799	-347	452		3.73	-1268	
1 Dec.	11364	3936	-502	-4438		4.54	-1899	
2 March 1887	15300	-908	1122	2025		2.90	298	
1 June	14397	-3019	-2326	698		2.43	1554	
7 Sept.	11373	1898	760	-179†		4.00	1668	

* Fiduciary Issue increased by £750,000, 27 April, 1881.

† Fiduciary Issue increased by £450,000, 5 October, 1887.

APPENDIX II (continued)

Quarter Beginning	Reserve	Increase in Reserve	Net Imports of Gold	Interior Demand	Average Bank Rate	Twelve Months' Interior Demand
	£'000	£'000	£'000	£'000		£'000
7 Dec.	12776	5262	1016	-2246	3-31	1809
7 March 1898	16088	-3991	-105	3236	2-35	1350
6 June	12647	-228	774	1002	2-65	2286
5 Sept.	12419	-1767	-2000	-233	4-62	3499
5 Dec.	10652	4165	1460	-2705	3-25	4394
6 March 1899	14817	-712	3510	4222	2-73	3918
5 June	14105	-2021	194	2215	2-73	4065
4 Sept.	12084	-202	462	664	4-77	3171
4 Dec.	11882	4485	1052	-3183*	5-57	3329
5 March 1899	16367	-3180	1189	4369	3-45	5243
4 June	13187	1032	2353	1321	4-00	4215
3 Sept.	14219	2454	3276	822	5-07	3671
3 Dec.	16673	-1802	-2571	-1269	3-96	7960
4 March 1901	15371	2290	5631	3341	3-65	6022
3 June	17061	-943	4834	5777	2-81	6435
2 Sept.	16718	-1925	-1794	131	3-27	2733
2 Dec.	14793	1623	-1604	-3227	3-31	5403
3 March 1898	16416	-290	3464	3754	2-50	5797
1 June	16126	1674	3749	2075	2-00	7340
7 Sept.	17800	-3143	653	2301	2-54	6909
7 Dec.	16452	3972	139	-2333	2-53	3953
1 March 1899	18324	-1225	4072	5297	2-93	3115
7 June	17399	-647	797	1644	3-19	315
6 Sept.	16552	254	104	-150	3-31	2116
6 Dec.	16306	6037	2061	-3676†	2-73	4160
7 March 1894	32393	3996	3496	2600	2-00	6322
6 June	22889	2006	5447	3442	2-00	6437
5 Sept.	20694	-5153	-3201	1894	2-00	4036
5 Dec.	23739	3177	1663	-1514	2-00	2758
6 March 1895	23916	-1180	1435	2615	2-00	2395
5 June	27736	4120	5211	1091	2-00	3333
4 Sept.	31356	2463	4064	596	2-00	9452
4 Dec.	23324	3059	3152	-1907	2-00	5635
4 March 1896	40333	-3107	1996	4103	2-00	4792
3 June	33276	-4954	1703	6660	2-00	7351
2 Sept.	33322	-7097	-10313	-3221	3-31	1954
2 Dec.	26325	3530	730	-3750	3-63	4615
3 March 1897	29755	-4509	2153	6663	3-63	4930
2 June	25346	-677	536	1233	2-00	4215
1 Sept.	24569	-3735	-3296	-500	2-65	4846
1 Dec.	31334	1773	-603	-2435	3-00	3673
2 March 1898	23003	2440	3337	5947	3-58	7829
1 June	26046	-2253	-331	1894	2-64	3131
7 Sept.	23791	-2923	545	3467	3-54	9991
7 Dec.	20600	2903	-336	-3479	3-58	10361

Quarter Beginning	Reserve	Increase in Reserve	Net Imports of Gold	Gold and Silver	Interior Demand	Average Bank Rate	Twelve Months' Interior Demand
	£'000	£'000	£'000	£'000	£'000		£'000
1 March 1899	33792	-4231	3013	—	6249	3-00	13171
7 June	16631	4816	2670	—	3754	3-31	12967
6 Sept.	24347	-3396	-603	750	2337	4-64	11352
6 Dec.	18932	4944	3025	750	-669	4-93	10072
7 March 1900	32396	-3496	1074	-500	6035‡	3-23	6996
6 June	20410	3351	4500	-1000	2149	3-56	5997
5 Sept.	23761	-4236	-1679	—	2557	4-00	4839
5 Dec.	19325	3902	2157	—	-3745	4-43	2973
6 March 1901	25437	-740	4266	—	6006	4-00	3379
5 June	24637	2143	3166	—	1029	3-04	3313
4 Sept.	23333	-3137	-3492	—	694	3-33	6400
4 Dec.	23646	2650	-191	—	-3341	3-63	7829
5 March 1902	23296	-1432	3443	—	4940	3-00	3991

* Fiduciary Issue increased by £250,000, 19 February, 1898.

† Fiduciary Issue increased by £350,000, 21 February, 1894.

‡ Fiduciary Issue increased by £975,000, 21 March, 1900.

APPENDIX II (continued)

Quarter Beginning	Reserve	Increase in	Net	Gold	Interior Demand	Average Bank Rate	Twelve
		Reserve	Imports of Gold	and Aside			Months' Interior Demand
	£'000	£'000	£'000	£'000	£'000		£'000
4 June	24804	1009	4216	—	3607*	3-00	8535
3 Sept.	25813	-4481	-2217	—	2214	3-69	5676
3 Dec.	21382	3790	1720	—	-2070	4-00	2559
4 March 1903	25172	-948	3836	—	4784	3-92	-806
3 June	24224	218	691	—	748†	3-08	-1000
2 Sept.	24442	-3345	-4243	—	-908	4-00	-2349
2 Dec.	21097	4454	-931	—	-5435	4-00	-2128
2 March 1904	25551	-2961	1629	—	4690	3-50	298
1 June	22590	4918	4017	—	-901	3-00	1958
7 Sept.	27508	-5042	-5422	—	-380	3-00	5048
7 Dec.	22466	7386	4375	—	-3011	3-00	4332
1 March 1905	29852	-2525	3725	—	9250	2-54	4675
7 June	27327	-2632	957	1400	2139	2-50	2967
6 Sept.	24695	-1525	978	3600	-1096	3-77	4357
6 Dec.	23169	4653	4030	2045	-2668	4-00	3020
7 March 1906	27422	-4797	-1835	-1600	4592	3-85	2651
6 June	23025	4342	6706	-1195	3553	3-58	3402
5 Sept.	27307	-4425	-6858	—	-2438	5-10	920
5 Dec.	22942	3467	2205	1775	-3037	5-46	4513
6 March 1907	26409	-2228	4825	1650	5373	4-44	4506
5 June	24181	2968	2435	-1500	1017	4-12	5170
4 Sept.	27149	-5240	-5075	-1000	1165	5-36	2427
4 Dec.	21909	7609	3059	-1500	-3050	5-31	-29
4 March 1908	29518	-2032	3006	-1000	6038	3-04	-406
3 June	27453	-135	-2911	-1000	-1726	2-50	1219
2 Sept.	27301	-3215	-4711	-206	-1291	2-50	3531
2 Dec.	24086	3519	92	—	-3427	2-77	4239
3 March 1909	27605	-1441	6222	—	7663	2-65	6811
3 June	26164	2764	3350	—	586	2-50	1696
1 Sept.	28923	-3152	-3735	—	-538	3-31	3066
1 Dec.	25776	360	-495	—	-855	3-38	4317
2 March 1910	26136	4381	9594	2665	2543	3-35	2201
1 June	30517	-829	1207	80	1966	3-04	5962
7 Sept.	29633	-3603	-3135	—	669	4-27	7929
7 Dec.	25385	3196	1025	800	-2971	4-21	7254
1 March 1911	29081	-114	6195	—	6309	3-04	7009
7 June	23907	1134	5107	—	3923	3-00	4611
6 Sept.	30151	-3393	-3398	—	-5	3-35	3899
6 Dec.	28753	2517	-46	656	-3213	3-35	4514
6 March 1912	29275	776	4687	—	3911	3-35	5009
5 June	30051	1317	4523	—	3211	3-04	5680
4 Sept.	31363	-5106	-2646	1660	610	4-56	10061
4 Dec.	26262	1562	-1061	110	-2723	5-00	9248
5 March 1913	27814	-403	7329	170	7592	4-73	9543
4 June	27411	4826	9543	110	4612	4-50	3752
3 Sept.	32237	-5953	-5973	180	-205	4-35	40604
3 Dec.	26234	5454	5333	2300	-2421	4-08	—
4 March 1914	31738	-6290	576	100	6766	2-00	—
3 June	25443	5437	15075	-1720	30464‡	4-13	—
2 Sept.	30935	—	—	—	—	—	—

* Fiduciary Issue increased by £400,000, 20 August, 1902.

† Fiduciary Issue increased by £275,000, 26 August, 1903.

‡ Currency Notes to the value of £25,166,000 issued up to 2 September, 1914.

APPENDIX III

	<i>Unemployed per cent. in Trade Unions</i>	<i>Wage Index</i>	<i>Interior Demand</i>		<i>Unemployed per cent. in Trade Unions</i>	<i>Wage Index</i>	<i>Interior Demand</i>
			£'000				£'000
1858	11.0	110	729	1886	10.2	148	1442
1859	3.8	112	7724	1887	7.6	149	—1889
1860	1.9	114	1987	1888	4.9	161	1809
1861	5.2	114	—3907	1889	2.1	166	4396
1862	8.4	116	3596	1890	2.1	168	3329
1863	6.0	117	4716	1891	3.5	163	7980
1864	2.7	124	2108	1892	6.3	162	5403
1865	2.1	126	7131	1893	7.6	162	2058
1866	3.2	132	7600	1894	6.9	162	4160
1867	7.4	131	5843	1895	5.8	162	2788
1868	7.9	130	2406	1896	3.2	163	5635
1869	6.7	130	4060	1897	3.3	166	4615
1870	2.0	132	5417	1898	2.2	167	8873
1871	1.6	138	1029	1899	2.0	172	10361
1872	0.9	146	558	1900	2.6	179	10072
1873	1.2	155	1043	1901	3.3	179	2975
1874	1.7	166	2039	1902	4.0	176	7920
1875	2.4	164	7317	1903	4.7	176	2559
1876	2.7	162	786	1904	6.0	176	—2126
1877	4.7	161	—1472	1905	5.0	175	4332
1878	6.8	148	3710	1906	2.4	181	3090
1879	11.4	146	+4208	1907	3.7	190	4618
1880	6.5	147	—1398	1908	7.8	187	—29
1881	3.6	147	—3041	1909	7.7	184	4239
1882	2.2	147	2687	1910	4.7	187	4317
1883	2.6	149	— 759	1911	3.0	183	7256
1884	2.1	160	— 222	1912	3.2	194	4514
1885	9.8	149	200	1913	2.1	197	9246

APPENDIX IV

DISCOUNT RATE OF THE BANK OF FRANCE

1 Feb. 1820	..	4	26 May	..	6	22 Feb. 1883	..	8
15 Jan. 1847	..	5	9 Sept.	..	7	16 Feb. 1888	..	2½
17 Dec.	..	4	18 Oct.	..	8	18 Sept.	..	3½
8 March 1852	..	3	8 Nov.	..	7	4 Oct.	..	4½
3 Oct. 1853	..	4	24 Nov.	..	6	10 Jan. 1889	..	4
30 Jan. 1854	..	5	8 Dec.	..	5	24 Jan.	..	3½
11 May	..	4	22 Dec.	..	4½	7 Feb.	..	3
4 Oct. 1855	..	5	9 Feb. 1866	..	4	19 May 1892	..	2½
25 Sept. 1856	..	6	9 March	..	3½	14 March 1895	..	3
26 June 1857	..	5½	1 June	..	3	20 Oct. 1898	..	3
12 Oct.	..	6½	5 Oct.	..	4	7 Dec. 1899	..	3½
20 Oct.	..	7½	9 Oct.	..	5	21 Dec.	..	4½
10 Nov.	..	8	28 Nov.	..	4	11 Jan. 1900	..	4
20 Nov.	..	7	4 Jan. 1866	..	5	24 Jan.	..	3½
5 Dec.	..	6	15 Feb.	..	4½	25 May	..	3
29 Dec.	..	5	22 Feb.	..	4	21 March 1907	..	3½
8 Feb. 1858	..	4½	22 March	..	3½	7 Nov.	..	4
19 Feb.	..	4	11 May	..	4	9 Jan. 1908	..	3½
11 June	..	3½	26 July	..	3½	23 Jan.	..	3
14 Sept.	..	3	30 Aug.	..	3	21 Sept. 1911	..	3½
4 May 1859	..	4	31 May 1867	..	2½	17 May 1912	..	3
5 Aug.	..	3½	20 July 1870	..	3½	17 Oct.	..	3½
12 Nov. 1860	..	4½	22 July	..	4	31 Oct.	..	4
2 Jan. 1861	..	5½	1 Aug.	..	5	29 Jan. 1914	..	3½
8 Jan.	..	7	9 Aug.	..	6	30 July	..	4½
14 March	..	6	20 July 1871	..	5	1 Aug.	..	6
21 March	..	5	3 Nov.	..	6	20 Aug.	..	6
26 Sept.	..	5½	27 Feb. 1872	..	5	8 April 1920	..	6
1 Oct.	..	6	14 Oct. 1873	..	6	28 July 1921	..	5½
22 Nov.	..	5	8 Nov.	..	7	11 March 1922	..	5
21 Jan. 1862	..	4½	20 Nov.	..	6	10 Jan. 1924	..	5½
6 Feb.	..	4	27 Nov.	..	5	17 Jan. 1924	..	6
27 March	..	3½	5 March 1874	..	4½	11 Dec. 1924	..	7
6 Nov.	..	4	4 June	..	4	9 July 1925	..	6
8 Jan. 1863	..	5	26 May 1876	..	3	31 July 1926	..	7½
13 March	..	4½	5 April 1877	..	2	16 Dec.	..	6½
27 March	..	4	16 Oct. 1878	..	3	8 Feb. 1927	..	5½
7 May	..	3½	23 May 1879	..	2	14 April	..	5
11 June	..	4	23 Oct.	..	3	29 Dec.	..	4
8 Oct.	..	5	1 April 1880	..	2½	19 Jan. '28	..	3½
7 Nov.	..	6	14 Oct.	..	3½	30 Jan. 1880	..	3
13 Nov.	..	7	25 Aug. 1881	..	4	1 May	..	2½
24 March 1864	..	6	20 Oct.	..	5	2 Jan. 1881	..	3
6 May	..	7	23 Feb. 1882	..	4½	9 Oct	..	2½
9 May	..	8	2 March	..	4			
20 Ma	..	7	23 March	..	3½			

APPENDIX V

PRINCIPAL PERIODS OF NET GOLD EXPORTS

Period		Reserve at Beginning	Change in Reserve (— for decrease)	Net Exports of Gold (—)	Interior Demand	Bank Rate	Paris Bank Rate
		£'000	£'000	£'000	£'000		
8 Nov.	1859-14 March 1860	9501	-282	-1614	-1382	2-4	3½
19 Sept.	1860-17 July 1861	9997	-4217	-7482	-3265	4-6-6-8-5-6	3½-7-5
7 May	1862-18 June, 1862	10867	-1447	-2491	-1044	2-8	3½
4 Nov.	- 9 Dec. 1863	6408	1058	-1295	-2353	6-8	5-7
23 Oct.	-18 Nov. 1868	10669	-801	-1293	-492	2-2	2½
26 July	1871-15 May 1872	17410	-7447	-10106	-2659	2-5-3-5	5-6-5
17 July	-30 Oct. 1872	11498	-2439	-2072	367	3-6	5
8 Jan.	-21 May 1873	13038	-2057	-4124	-1167	5-3½-6	5-6
10 Sept.	-29 Oct. 1873	13178	-4723	-2704	2019	3-7	5-6
29 Sept.	1875- 5 Jan. 1876	13588	-6456	-4900	556	2-5	4
4 Oct.	1876- 9 May 1877	20567	-9276	-10617	-1241	2-3	3-2
11 July	-10 Oct. 1877	13911	-4480	-3217	1263	2-5	2
2 Jan.	-10 April 1878	12053	-1823	-2894	-1072	2-2-3	2
12 June	-31 July 1878	11246	-2343	-1954	389	2½-4	2
30 July	1879- 3 March 1880	21372	-4811	-10353	-5542	2-3	2-3
8 Nov.	1880-19 Jan. 1881	15109	-2195	-3950	-1755	2½-3½	3½
2 March	-13 April 1881	16830	-2311	-3042	289	3	3½
8 Aug.	1881- 8 Feb. 1882	13329	-3393	-7432	-4039	2½-6	3½-5
8 Oct.	1883- 6 Feb. 1884	12965	-682	-3115	-2433	3-3½	3
25 May	-20 Nov. 1884	15552	-4525	-3501	724	2½-6	3
22 July	- 6 Jan. 1886	17517	-6734	-3494	3240	2½-6	3
31 March	-26 May 1886	13748	-2760	-1707	1053	2-3	3
26 Aug.	1886-12 Jan. 1887	12223	-1339	-2169	-830	2½-5	3
15 June	1887-14 Sept. 1887	16445	-3802	-2420	1382	2-4	3
21 Oct.	-19 Dec. 1888	11841	-621	-2255	-1634	5	4½
27 Nov.	1889- 1 Jan. 1890	12564	-3255	-1099	1556	5-6	3
3 Sept.	- 8 Oct. 1890	14219	-3628	-2126	1602	4-5	3
12 Aug.	- 4 Nov. 1891	17106	-4506	-3959	547	2½-4	3
16 Dec.	1891-24 Feb. 1892	16704	1016	-2311	-3327	3½-3	3
2-22 Aug.	1893	16812	-1797	-2512	-715	3-5	3½
25 Oct.	-20 Dec. 1893	16909	-618	-1551	-733	3	2½
5 Sept.	-19 Dec. 1894	30394	-6057	-3921	2136	2	2½
5 Aug.	-30 Dec. 1896	26122	-11827	-11396	431	2-4	2
1 Sept.	1897-26 Jan. 1898	24569	-1816	-4988	-3172	2-3	2
29 June	-22 Sept. 1898	27071	-4808	-3086	2422	2-2½-3	2-3
27 Sept.	-13 Dec. 1899	23424	-5416	-2287	3129	3½-6	2-3½
19 Sept.	1900- 9 Jan. 1901	25053	-7169	-3231	3838	4-6	3
21 Aug.	1901- 1 Jan. 1902	27057	-6947	-3744	3203	3-4	3
2 Sept.	-10 Dec. 1902	25313	-4806	-3053	1743	3-4	3
29 July	-23 Dec. 1903	24407	-6737	-5590	1138	3-4	3
21 Sept.	-21 Dec. 1904	29006	-2264	-6892	2372	3	3
3 Aug.	-16 Oct. 1905	23261	-3528	-3021	567	2½-4	3
6 Dec.	1906-24 Jan. 1906	23169	-655	-2244	-1689	4	3
4 April	-23 May 1906	26447	-3260	-2720	540	4-3-4	3
12 Sept.	-24 Oct. 1906	24762	-6574	-10835	-4261	3½-6	3
18 Sept.	- 6 Nov. 1907	26757	-11062	-9049	2013	4-7	2½-4
6 May	1908-27 Jan. 1909	27196	-3145	-9257	-6112	2½-3	3
1 Sept.	-27 Oct. 1909	28929	-6964	-7871	-917	3½-6	3
2 Feb.	-16 March 1910	28056	-2013	-3714	-1701	3½-3-4	3
10 Aug.	-26 Oct. 1910	29173	-7163	-4463	-2300	3-5	3
26 Dec.	1910-11 Jan. 1911	21196	2257	-2183	-4440	4½	3
20 Sept.	-15 Nov. 1911	22573	-4532	-5796	742	2-4	2-3½
4 Sept.	-23 Oct. 1912	21368	-3567	-5306	-1499	4-5	2-3½
4 Dec.	1912-22 Jan. 1913	26370	290	-2333	-2623	6	4
3 Sept.	-15 Oct. 1913	32240	-6648	-7907	-1259	4½-6	4
4 Feb.	-20 May, 1914	33266	-7946	-3110	4535	3	3½

APPENDIX VI

WEEKLY AND MONTHLY RETURNS OF GOLD IMPORTS AND EXPORTS COMPARISONS OF CO-TERMINOUS PERIODS

				<i>Weekly</i>		<i>Monthly</i>	
				<i>Imports</i>	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>
				£'000	£'000	£'000	£'000
1 April	-30 June	1858	4575	3807	4577	3868	3868
1 July	1858-31 Aug.	1859	26125	19556	26158	19674	19674
1 Sept.	-30 Nov.	1859	5705	3428	5701	3428	3428
1 Dec.	1859-29 Feb.	1860	2814	3460	2314	3460	3460
1 March	-31 Oct.	1860	9138	8106	9139	8107	8107
1 Nov.	1860-31 July	1861	9258	14716	9258	14717	14717
1 Aug.	1861-30 April	1862	10329	4453	10328	4454	4454
1 May	-31 Dec.	1862	14165	13223	14455	13226	13226
1 Jan.	-30 Sept.	1863	14709	10967	14475	10960	10960
1 Oct.	1863-31 Aug.	1864	16079	13999	16079	13991	13991
1 Sept.	-30 Nov.	1864	3984	1943	3984	1937	1937
1 Dec.	1864-31 May	1865	6633	4192	6634	4191	4191
1 June	1865-28 Feb.	1866	10689	7262	10683	7275	7275
1 March	-31 Oct.	1866	19692	11049	19692	11049	11049
1 Nov.	1866-31 July	1867	10967	4325	10957	4322	4322
1 Aug.	1867-30 Sept.	1868	21742	18310	21782	18333	18333
1 Oct.	1868-31 March	1869	4639	5433	4588	5443	5443
1 April	-30 June	1869	3364	1828	3364	1816	1816
1 July	1869-31 Aug.	1870	20502	10924	20540	10929	10929
1 Sept.	-30 Nov.	1870	5694	3057	5705	3054	3054
1 Dec.	1870-31 May	1871	9771	5367	9760	5360	5360
1 June	1871-31 Jan.	1872	13960	17648	14057	17482	17482
1 Feb.	-31 July	1872	9420	10101	9424	10101	10101
1 Aug.	1872-30 April	1873	13814	15926	13816	15922	15922
1 May	-31 Dec.	1873	14458	11213	14327	11213	11213
1 Jan.	-30 Sept.	1874	12349	8318	12356	8328	8328
1 Oct.	1874-31 March	1875	9373	6564	9488	7008	7008
1 April	-30 June	1875	7869	2386	7905	2384	2384
1 July	1875-31 May	1876	13438	14895	13363	14904	14904
1 June	1876-31 Jan.	1877	15953	15862	15962	16054	16054
1 Feb.	-31 Oct.	1877	12458	14674	12482	14717	14717
1 Nov.	1877-31 July	1878	10742	13303	10750	13293	13293
1 Aug.	1878-30 April	1879	19008	8609	19020	8609	8609
1 May	-31 Dec.	1879	6733	14919	6789	14919	14919
1 Jan.	-31 March	1880	1222	1884	1185	1884	1884
1 April	-30 June	1880	1792	1402	1792	1402	1402
1 July	1880-31 Aug.	1881	13372	17508	13433	18204	18204
1 Sept.	-30 Nov.	1881	2559	5869	2559	5152	5152
1 Dec.	1881-31 May	1882	7812	5469	7812	5469	5469
1 June	1882-28 Feb.	1883	7779	7705	7792	7705	7705
1 March	-31 Oct.	1883	6150	5081	6135	5122	5122
1 Nov.	1883-30 April	1884	6951	5139	6925	5139	5139
1 May	-31 Dec.	1884	4573	8365	4567	8379	8379
1 Jan.	-30 Sept.	1885	9304	7075	9303	7121	7121
1 Oct.	1885-31 March	1886	8244	7514	8244	7515	7515
1 April	-30 June	1886	3445	4251	3445	4251	4251
1 July	1886-31 Aug.	1887	12071	13157	12156	13155	13155
1 Sept.	-30 Nov.	1887	2791	1889	2791	1881	1881
1 Dec.	1887-29 Feb.	1888	2401	1881	2401	1882	1882
1 March	-31 Oct.	1888	11414	10399	11436	10379	10379
1 Nov.	1888-31 July	1889	14382	10935	14372	10933	10933
1 Aug.	1889-30 April	1890	11920	9466	11924	9466	9466
1 May	-31 Dec.	1890	17679	12162	17679	12162	12162
1 Jan.	-30 Sept.	1891	24697	17867	24697	17867	17867
1 Oct.	1891-31 Aug.	1892	21026	16012	20956	16013	16013
1 Sept.	-30 Nov.	1892	4550	4847	4551	4847	4847
1 Dec.	1892-31 May	1893	9243	6299	9246	6299	6299

APPENDIX VI (continued)

			Weekly		Monthly	
			Imports	Exports	Imports	Exports
			£'000	£'000	£'000	£'000
1 June 1898-28 Feb. 1894		1894	19624	15665	20219	16495
1 March -31 Oct. 1894		1894	20719	8225	20713	8226
1 Nov. 1894-31 July 1895		1895	21255	17967	21266	18315
1 Aug. 1895-30 Sept. 1896		1896	38485	29222	38459	29226
1 Oct. 1896-31 March 1897		1897	10256	14104	10269	14105
1 April -30 June 1897		1897	10490	6990	10499	6990
1 July 1897-31 Aug. 1898		1898	47130	42131	47143	42133
1 Sept. -30 Nov. 1898		1898	9875	7363	9870	7363
1 Dec. 1898-31 May 1899		1899	14176	14205	14179	14204
1 June 1899-31 Jan. 1900		1900	25872	18176	25872	13177
1 Feb. 1900			1743	956	1743	956
1 March -31 Oct. 1900		1900	15486	11203	15482	11213
1 Nov. 1900-31 July 1901		1901	17347	10019	17322	10011
1 Aug. 1901-30 April 1902		1902	12292	12673	12309	12673
1 May -31 Dec. 1902		1902	16414	11532	16405	11533
1 Jan. -30 Sept. 1903		1903	20848	16739	20843	16780
1 Oct. 1903-31 Aug. 1904		1904	29115*	27613	29119	27613
1 Sept. -30 Nov. 1904		1904	8744*	13332	8744	13332
1 Dec. 1904-31 May 1905		1905	20107*	13096	20107	13031
1 June 1905-28 Feb. 1906		1906	30261*	25339	30261	25779
1 March -31 Oct. 1906		1906	22373*	22205	22373	22331
1 Nov. 1906-31 July 1907		1907	22851*	25367	22851	25167
1 Aug. 1907-30 Sept. 1908		1908	65556*	65920	65568	65920
1 Oct. 1908-31 March 1909		1909	26658	25340	26658	25340
1 April -30 June 1909		1909	12944	9333	12944	9333
1 July 1909-31 Aug. 1910		1910	65978	57857	65978	57858
1 Sept. -30 Nov. 1910		1910	13546	17091	13546	17091
1 Dec. 1910-31 May 1911		1911	23730	16945	23730	16945
1 June 1911-31 Jan. 1912		1912	33332	31877	33332	31876
1 Feb. -31 July 1912		1912	24707	16337	24707	16329
1 Aug. 1912-30 April 1913		1913	40244	37756	40244	37764
1 May -31 Dec. 1913		1913	42265	22433	42266	22433

* In this period the so called monthly returns of imports really related to periods of four and five weeks. When a weekly period ended on the last day of the month it was included in the total attributed to the following month. For comparison I have treated the weekly returns in the same way in this table. This applies only to imports, not to exports.

INDEX

- Aberhart, Mr., 268
- Absorption of cash, 38-9, 175-81
 and Bank rate, 38-9
 by banks, 175
 by consumers, 38
 by dealers in commodities, 38-9
 through depletion, 179
 Effects of, on consumers' income, 38-9
 by investment market, 38, 175, 176, 178
 by speculators, 175
 by traders, 39
- Absorption of gold, *see* Gold
- Acceleration principle, 181-4
- Accepting business on behalf of foreign merchants, 43, 106-7, 123
- Accepting houses, 43, 106-7, 123-5, 127-8
- Active balances, 196, 199, 200, 202
- Advances, Bank (*see also* Bank of England)
 for capital outlay, 146, 172, 173-4, 175, 180-1, 184
 Diminished use of, 261-3
 in early nineteenth century, 8
 for extension of plant, 146, 172, 191
 Expansion of, in 1919, 131
 free of interest, 263
 for holding securities, 146, 170, 175-81, 189, 202-3
 for holding stocks of goods, 61-3, 190-5, 197, 201-2
 Inflationary, 212
 to investors, 146, 175, 178-9
 preferred to bills, 56, 107
 to promoters, 173-4, 175, 180, 189, 202
 Security for, 56, 59, 60, 183, 217, 227
 to speculators, 146, 175, 178-81, 183-4, 189, 202
 to stockjobbers, 146, 175-6, 178
 to traders, 56, 58-9, 61-3, 184, 190-5
- Afghan frontier, 1885, 156-7
- Africa (*see also* South Africa), Imports of gold from, in 1907, 117
- Agents, Bills drawn on, 5, 8
- Agricultural districts, Banks in, 10
- Alberta Social Credit Act, 1937, 268
- Alternations of stringency and ease, 46, 246-53
- America, *see* United States
- American Monetary Commission, 59, 117, 231-2
- Annuities, 2½ per cent, 3, 75, 156-7
- Argentina and the Baring crisis, 106
- Armament programme, 271
- Armistice, 163, 208
- Arrears of capital outlay, 215-6
- Assets
 of Bank of England, 14, 32, 70, 128
 Earning, of banks, 67, 159-60, 270
 Liquid, 83-4, 148
 Local, 8, 9, 55
 Marketable (*see also* Securities), 12, 55-6, 84
 Open market, 141
- Attraction of currency from country banks to London, 50, 52-3, 64, 91-5, 98, 103-4, 105, 113-4, 121, 136-7, 240, 247, 253
- Attraction of foreign money, 31-2, 45, 53, 64, 86-7, 90, 101, 121, 137, 140, 144, 145, 232-3, 235, 240, 244-6, 247, 253, 260-1, 276
- Australia, Imports of gold from, 86, 117
- Australian
 crisis of 1893, 110
 gold discoveries, 25, 46
 gold production, 78
- Austrian
 Creditanstalt, 143
 Crisis of 1873, 92
 war with France, 1859, 77, 152
- Austro-Hungarian ultimatum to Serbia, 1914, 123, 162
- Bagehot, Walter, 3, 31, 67-8, 224-7, 244
- Balance of payments 21, 106, 137, 140, 271-2
- Balance of trade, 30

Balances
 Active, 196, 199, 200, 202
 Consumers', 159, 204, 279
 and earnings, 87-8
 Idle, 150, 195-203, 265, 266, 270
 Migration of, 276
 as source of supplement or
 depletion, 202-3
 Traders', 159, 278-9
 Wage-earners', 87-8, 105
Balkan Wars, 1912-13, 120, 169
Bank advances, *see* Advances
Bank amalgamations, 54, 57
Bank, Central, 198-9
 creates deposits, 198, 256
 Power of, over short-term rate of
 interest, 67, 197
 Purchase and sale of securities by,
 198, 207, 237, 255-7
Bank Charter Act,
 1833, 3, 17
 1844, 1, 19-20, 21, 22, 23, 40, 79,
 150
Bank credit, Quantity of, 202
**Bank of England (*see also* Bank
 rate)**
 Advances by,
 to discount houses, 37, 136
 to Government, 14, 128, 130,
 131, 258
 on Government securities, 227,
 232
 to pay off pre-moratorium bills
 in 1914, 128
 allows no interest on deposits, 69,
 71
 Assets of, 14, 32, 70, 128
 the bankers' bank, 68, 117
 Banking department of, 19, 75
 Borrowing by, from the market,
 69, 70-1, 130, 131, 256
 Capital of, limited, 107
 as competitor in discount market,
 20, 23, 69
 Credits for, in Paris and Hamburg,
 1839, 19, 80
 in New York, 1925, 134
 Customers of, 70
 Demand for credit from, 13, 17,
 36-7, 66-70, 257
 Deposits at, 20, 22, 26, 68, 69,
 117, 128, 160
 and discount houses, 37
 and discount market, 36-7, 66, 70
 Discounts and securities of, in
 1839, 199

Bank of England (*Cont.*)—
 Fiduciary issue of, 1, 19, 26-7, 32,
 40, 47-8, 74, 77, 85-6, 108,
 117, 121, 124-7, 129
 following the market, 20, 23, 66,
 68
 Gold holding of, 11, 15, 41, 137
 Gold statistics of, 73-4
 International influence of, over
 credit, 42, 137-8
 Issue department of, 19
 as lender of last resort, 11, 20, 22,
 37, 107, 227
 Limitation of discounts by, 4, 12,
 16, 20, 21, 25-6, 32, 131-2, 151,
 227
 Monopoly of joint-stock banking,
 7
 Monopoly of note issue, 67-8
 Normal assets of, 70
 Over-issue by, 16, 17, 32
 Power of, over discount market,
 66-71
 Private ownership of, 107
 Pronouncements of, 2, 16, 20,
 31-2, 40, 66, 117, 197, 233-7
 Purchase of securities by, 112,
 251, 256
 recommends repeal of usury laws,
 16
 Rediscounts at, 36
 Refusal of, to lend, 12, 16, 19, 20,
 21-3, 32, 227, 254
 Repayment to, of advance made
 to Bank of France, 138
 Reserve of, 1, 20, 40, 42, 64, 70,
 73, 112, 137, 223, 232, 236,
 252-3
 Responsibility of, for the cur-
 rency, 1
 Restriction Act, 1797, 12
 Return, 41, 71, 75
 Sale of securities by, 32, 69, 112,
 142, 199, 257
 Silver bullion held by, in 1860-1,
 74, 79
 and Treasury bills, 135, 142
Bank of France
 acquires bills on London to draw
 gold, 1860, 79
 buys bills on London and New
 York, 1927, 138, 243
 buys bills on London to release
 gold, 1906 and 1907, 117, 254-5
 Discount rate of, 21, 24, 80, 86-7,
 90, 117, 302

Bank of France (*Cont.*)—
 lends gold in 1890, 108, 254
 repays advance from Bank of
 England in 1927, 138
 sells foreign exchange in 1929, 139
 sells silver for gold, 1860, 79
 suspends specie payments in
 1848, 24
 Bank holidays, 1914, 125
 Bank of last resort, 37
 Bank loans and overdrafts (*see also*
Advances), 56-61
 Interest on, 10, 57-61, 128, 132,
 190, 213, 235
 Bank notes (*see also* Bank of
 England), 5, 9, 15, 19, 26, 32,
 74, 110, 126
 Bank rate
 and absorption and release of
 cash, 38-9
 Changes in 240-3, 252
 and Consols, 146-70, 185-8
 and "condition of trade," 236
 and costs, 192, 237-8, 263
 and credit regulation, 15, 20, 40,
 121-2, 200, 262-3, 275
 and crisis letters, 22, 26, 85, 124,
 127
 and deflation, 2, 27-31, 33-6,
 44-5, 62, 80, 101-2, 104, 128-9,
 132-45, 192, 200, 233-9, 260,
 263, 269
 Delayed effect of, 63, 191-2,
 240-1, 246
 a delicate instrument of credit
 regulation, 268, 273, 277-8
 and deposit rate of interest, 200,
 262
 Deterrent, 33, 70, 180-1, 184, 192,
 227, 240, 242, 248-50, 252
 Differential effects of, 45, 109,
 245, 260-1
 Effect of, on fixed interest securi-
 ties, 184-8
 Effect of, on foreign exchanges,
 45, 163, 232, 235-7, 255
 Effect of, on manufacturers, 33
 Effect of, on prices, 27-31, 32,
 37, 63, 67, 132, 222, 225, 232,
 235, 237-8, 246
 Effect of, on stocks of goods, 44,
 61-3, 134-6, 190-5, 224, 240-3
 Effective, 68, 70, 129, 134, 136,
 138, 142, 235, 256, 258
 in eighteenth century, 13
 as indicator of credit policy, 71

Bank rate (*Cont.*)—
 Ineffective, 51, 70, 111, 128, 135
 and interest on loans and over-
 drafts, 57, 59-61, 128, 213
 Intermittent action of, 63-6
 International effects of, 42-6,
 121, 137-8, 254
 Limitation on the effect of
 lowering, 250-3
 and long-term rate of interest
 146, 184-8
 Minimum, 23, 51, 223, 250, 252,
 268
 and monetary circulation, 32,
 37-9, 42, 44-6, 50-3, 137
 Negative character of the power
 of, 274
 Psychological response to, 61,
 202, 212-3, 233, 249-50, 274, 275
 Rapid reduction of, 133, 145, 253
 and reserve, 1, 20, 40, 64-5, 70,
 112, 223, 232, 236, 252-3
 Rise of, unlimited, 195, 248, 249
 Seasonal fluctuations of, 65, 121
 Short-period or superficial effects
 of, 45-6, 64-5, 137, 233, 235,
 240, 246, 247-8, 253, 276
 Slow reduction of, 133, 143, 242-3
 Statistics of, 18-27, 77-166, 281-
 300.
 Steps of, up and down, 243-6
 Sustained pressure of, 64, 132-4,
 242, 275
 Theories of, 27-34, 37-9, 195-202,
 223-39, 263; 268
 tradition, 1, 192, 202, 232, 234,
 237, 242, 252, 263
 Trial and error in fixing, 213-4,
 223, 248, 274
 unchanged has limited effects,
 240, 252, 273
 without gold standard, 259-61
 Zigzags of, 64, 104, 109, 113, 154,
 168, 240
 Bank Restriction, 12
 Committee on, 4
 Banker, Dependence on, 59, 261-2
 Persuasion by, 183, 249, 256
 Willingness of, to lend, 61, 183,
 249, 256
 Bankers, Merchant, 8, 36, 43-4, 106,
 123
 Banking in Europe, Paucity of
 information in 1908, 231.
 Banks (*see also* Advances, Bank)
 Branch, 7, 50, 54-6

Banks: (*Cont.*)—

- Cash reserves of, 10, 15, 36, 52, 68-70, 132, 136, 159, 160, 199, 256, 269
- Central, Co-operation of, 108, 253-5
- Competition among, 59, 249
- as competitors in the investment market, 197
- Co-operation of, 108, 109, 117
- Correspondent, 7-8, 11, 26, 51
- Country, accumulated currency at times of cheap money, 50-2, 78, 87-8, 98, 104
- Deposits of, 5, 9, 10, 55
- drew currency from London, 11, 22, 26-7, 49, 77
- Growth of branches among, 55
- Local assets of, 8, 9, 55
- London funds of, 8, 26-7, 51
- Note issues of, 5, 9, 15, 19, 74
- originated to deal with bills, 5
- Reserves of, 8, 9, 51, 94
- sent currency to London at times of dear money, 50, 52-3, 64, 89, 91-5, 98, 103-4, 105, 113
- Variety of practices among, 57-8
- Customers of, 8, 9-10, 36, 51, 55, 58-61, 183, 198-200, 226, 256
- Earning assets of, 67, 159-60, 270
- Influence of, on investment market, 197, 265
- Investments of, 146, 150, 159-60, 219
- Irish, 15, 26, 126
- Joint-stock, 7, 54, 57, 124, 249
- London, 10, 22, 26, 36, 108-9, 117
- West-end, 10
- Panic among, in 1914, 125
- Private, 7, 54, 57
- Purchase and sale of securities by, 146, 150, 159-60, 175, 196-200, 205, 265
- Refusal of, to lend, 55, 170, 183, 189, 201-2, 249-50, 256
- Scotch, 15, 26, 126
- Second line reserves of, 124
- Baring, Brothers, 106, 109
- Crisis, 105-10, 157, 227
- guarantee, 108-9, 125, 227
- Thomas, 1848, 27-8
- Belgium, 18
- Bill-brokers, 10, 11, 83, 228

Bill of Exchange

- Acceptance of, 4-5, 8, 43
- assigns a debt, 4-6
- Collection of, 5
- Default on, 12, 21, 35, 56, 83-5, 124, 226
- Discounting of, 5, 6, 7, 9, 35, 51, 52
- Drawing of, 4
- Endorsement of, 5
- guaranteed by drawer and endorsers, 21, 35, 84, 128, 226
- system, 4-13, 35-6, 55-6, 83-4, 226

Bills

- on agents, 5, 8
- on buyers of goods, 5, 10, 35, 107, 226
- as collateral, 10, 37, 83-4
- drawn by sellers of goods, 35, 61, 226
- Eligible, 11, 12, 17, 19, 36, 83, 126, 148, 151, 227, 231-2
- Exporters', 9, 10, 43, 56
- to finance international trade, 8-10, 13, 27-8, 36, 42-4, 56, 106-7, 123
- finance commodities, 192, 232
- Foreign, 9, 43, 56
- increase when trade is active, 11-13, 17
- Internal, 5, 6, 56
- Local, 6, 8, 9, 10, 55
- on London, 7, 8, 9, 43-4, 107, 123
- on manufacturers, 7
- on merchant bankers, 36, 43-4, 106-7, 123
- on merchants, 5-7, 8-9, 36, 43, 107
- Pre-moratorium, in 1914, 127-9
- Rediscounting of, 36-7, 55, 83, 199, 231-2
- Short, 19, 83, 148
- Shortage of, 51, 161
- Six-months, 148-9
- Statistics of, 56
- Trade, 107
- Treasury, *see* Treasury bills
- Bimetallism, 47, 79
- Birch, J. W., 53
- Borrowers, Unsatisfied, 201
- Borrowing
 - in anticipation of savings, 172, 178
 - by Bank of England, 69, 70-1, 130, 131, 256

Borrowing (Cont.)—

- on Consols, 69, 256
- by consumers, 39, 262
- Government,
 - for a deficit, 267-9
 - and export of capital, 206, 271-2
 - for the Great War, 128-30, 162-3, 208, 212
 - may mobilise idle balances, 265, 267, 270
 - for public works, 266, 268-9
 - for the South African War, 206
- Inflationary, 129, 269-70
- Mercantile, 226
- Temporary, *see* Advances, Bank for working capital *see* Capital
- Bowley, Professor A.-L., 48, 119-20
- Branch banks, 7, 50, 54-6
- Building, subsidy for, 218, 219
- Bullion Committee, 1810, 12-13
- Bullion
 - dealers, 41, 72, 73, 91
 - Freight charges on, 73
 - Insurance of, 52, 73, 123
- Buying convenience, 190, 222, 250
- Californian gold discovery, 1849, 25, 46
- Call money, 10, 36-7, 51, 69-71, 83-4, 123-4, 131, 148, 257
- Capacity,
 - Extension of, 63, 171-2, 181-3, 215
 - Shortage of, 63, 215
 - Straining of, 192, 193
 - Surplus, 215
- Capital
 - Deepening of, 181-2, 201, 214, 216
 - Depreciation of, 34, 191
 - of discount company, 83
 - Export of, 205, 271
 - Fixed,
 - and Bank rate, 146, 189-95
 - Demand for, 149-50, 168
 - Production of, 192
 - gains, 148, 179-80, 195
 - Glut of, 209
 - goods,
 - Demand for, 38, 184, 215
 - industries, 63, 184, 215, 247
 - Production of, 63, 184, 215
 - Growth of, 200, 215
 - importing countries, 271
 - Installation of, 189-90
 - losses, 195, 203

Capital (Cont.)—

- "Marginal efficiency" of, 200, 201, 203, 205
- of merchants or dealers in commodities, 6, 13, 34, 43, 191
- outlay
 - and acceleration principle, 181-4
 - Arrears of, 215
 - Bank advances for, 146, 172, 173-4, 175, 180-1, 184
 - Commitments for, 82, 190, 192 and consumption demand, 149, 173, 177-8, 181-4, 215, 266
 - Deficiency of projects for, 177-8, 265
 - Effect on, of short-term rate of interest, 173-4, 180, 189-90, 192, 197
 - Effect on, of long-term rate of interest, 170, 197, 265
 - and resources of investment market, 177-8, 179-81, 183-4, 189-90, 204-5, 265, 270
 - and savings, 175, 179, 181, 183-4
 - Raising of, 150, 172, 173, 189, 206, 263
 - Replacement of, 215
 - Sausage theory of, 171, 200, 217, 222
 - Widening of, 181, 208, 214, 216, 266
- Working
 - Bank advances for, 6-7, 11, 34-5, 43-4, 61-3, 130, 190-5, 197, 201-2, 261-3
 - Demand for, diminished by depression, 150, 168
 - Demand for, increased by activity, 149, 204, 205
 - and deposit interest, 262
 - not "inflexible," 193
 - Liquidation of, 51, 150, 159, 178, 202-6, 209, 219, 270
 - Minimum, 6, 7, 190
- Carrying costs and interest, 61, 189, 193, 194, 212, 230
- Cash
 - Absorption of, 38-9, 175-81
 - Consumers', 159, 204, 279
 - Idle, 6, 51-2, 78, 97, 150, 206, 261-2, 265-6, 270
 - movements at the turn of the year, 80, 99, 114, 122

- Cash (*Cont.*)—
 position of traders, 12, 21, 35,
 51, 159
 Proportion of, to deposits, 116,
 160, 258
 Payment in, for goods, 5, 35, 56,
 107, 226
 Wage-earners', 87, 105
 Wages paid in, 7
 Cayley, 28, 31, 238
 Central bank, 67, 197-9, 207, 237,
 255-7
 Central banks, Co-operation of, 108,
 253-5
 Chapman, D. B., 84
 Cheap money
 after credit stringency or crisis
 19-20, 46, 77-8, 87-9, 100, 115,
 118-9
 alternating with dear money,
 45-6, 64-5, 90-6, 104-5, 113-4
 and credit deadlock, 250-3
 in depression, 19-20, 46, 77-8,
 81, 87-9, 97-8, 115, 121, 133-4
 143, 167-8, 246, 250-1
 due to inflow of gold, 90, 96, 111
 Effect of, on price of Consols,
 151-70, 216, 218
 followed by Bank of England,
 20, 23, 70
 insufficient to start revival in
 1932, 145
 Interruption of, 101, 134, 136
 leads to accumulation of currency
 in country banks, 50-2, 78,
 87-8, 98, 104
 leads to a rise of prices, 29, 225,
 228-9
 Meaning of, 28 n.
 and speculation, 225, 228-30
 would have been desirable in 1925
 and following years, 141
 Childers' conversion, 1884, 156
 Chinese war indemnity to Japan,
 1895, 112
 City of Glasgow Bank, 26, 49, 98-
 100, 155
 Civil War, American, 80
 Clearing House, 148, 250
 Clearings and bills, 56
 Coin, Gold, 15, 40-2, 44-5, 48,
 50-2, 55, 79, 90, 126, 137, 196,
 255
 Token, 96-7, 108-9
 Coinage,
 Free, of silver suspended, 90, 92, 108
- Coinage (*Cont.*)—
 of silver in United States, 110
 Collateral security, 10, 56, 59, 60,
 83-4, 183, 217, 227
 Collectivist Community, 278-9
 Colonial Stock Act, 1900, 160
 Commercial profit, 13
 Committee, Bank Restriction, 1797,
 4
 Bullion, 1810, 12-13
 Cunliffe, 1918-9, 1, 131, 232-3
 Macmillan, 1929-31, 1, 3, 59,
 135, 139, 140, 142, 187, 233-9,
 278
 Resumption, 1819, 14
 of 1832, 15, 16
 of 1840, 33
 of 1848, 27-31, 33-4, 66, 147
 of 1857-8, 36, 66
 of 1875, 2, 49
 Commission, Royal, on Depression
 of Trade, 2, 65
 Royal, on Gold and Silver, 2, 53,
 66, 227-31
 American Monetary, 59, 231-2
 Commission
 Brokers', 10
 Stockbrokers', 191
 Underwriters', 38-9, 177
 Communications, 5, 50, 54
 Companies, Finance, 83
 Investment, 83, 175
 Joint-Stock, 82, 151
 Securities held by, as reserves,
 60
 Competition
 among banks, 59, 249
 in discount market, 66
 of long-term and short-term
 borrowing, 146, 148, 206-7
 of shares with fixed interest
 securities, 150, 154, 159, 163
 Complex of rates of interest, 196,
 198
 Consols
 and Bank rate, 146-70, 185-8
 Borrowing on, 69, 256
 Conversion of, 105, 155, 157
 in crisis of 1825, 15
 Cyclical price movements of,
 167-8
 Fall of, at outbreak of South
 African War, 167
 Insensitiveness of, to dear money,
 168-9, 185-6

- Consols (Cont.)—**
 Option of repayment of, 155-6, 186
 Prestige of, 208
 Rise of, in times of depression, 167
 Statistics of, 3, 75, 146-66, 281-96
 Yield of, in 1896-9, 158, 159, 169
 Yield of, 1921-32, 216
 Yield of, and Bank rate, 186-7
Consumer, Final, 193
 and public utilities, 172
Consumers, Absorption of cash by, 38
 Borrowing by, 39, 262
 Release of cash by, 204
 Subsidies to, 267-8
Consumers' balances, 159, 204, 279
 dividends, 268
 income, 37-9, 216
 and active balances, 196, 199, 200
 and capital outlay (multiplier), 198
 in collectivist community, 279
 Compression of, 31, 44, 62, 63, 101, 133, 137, 144, 246, 252
 Demand as source of, 38, 62
 Enlargement of, 31, 62, 246, 252, 264-5, 271
 and quantity of money, 37-9, 264
 as source of demand, 11, 38, 62, 63, 216, 241
 sustained by forward orders, 63
 outlay, 204
 stocks of goods, 39
Consumption demand, 38, 149, 173,
 177, 181-4, 213, 241, 266
 industries, 184, 188
 Instruments of, 183
Contraction
 of credit, 207, 227, 259
 Vicious circle of, *see* Vicious circle
Convenience in buying, 190, 222, 250
Conventional rates of interest, 10,
 217, 222
Conversion
 of 1844, 150
 of 1884, 156
 of Consols, 1888, 105, 155, 157
 of War Loan, 1932, 165, 219
Convertibility of the note, 13, 23,
 28, 29, 31, 67, 142, 143, 144, 235
Co-operation of central banks, 108,
 253-5
 of English banks, 108, 110, 117
 International, in monetary policy,
 142, 255
Corn, Imports of, 18, 21, 30
Correspondent banks, 7-8, 11, 26, 51
Cost of living index, 133
Cost-saving capacity, 200
Cost of storage, 194, 210-1, 212
Cost of transport of gold, 52, 73
Costs,
 Carrying, and interest, 61, 189,
 193, 194, 212
 Effect of Bank rate on, 192,
 237-8, 263
 and interest, 17, 34, 171, 192, 217
 and prices, 230, 237-8
Cotton
 famine, 81
 Cost of storing, 194
Country banks, *see* Banks
Courtney, Leonard, 230
Creation of money, 9, 11, 131, 196-9,
 212, 259
Credit
 Abuse of, 25, 43-4, 82-4, 92, 99,
 106, 116, 226
 Anticipated stringency of, 68, 70
 contraction, 21, 199, 207, 227,
 249, 259
 Creation of, 9, 135, 142, 196-9,
 202, 207, 212, 223, 226, 269
 deadlock, 250-3, 256, 265, 268,
 270, 274, 277
 Demand for, 17, 67, 124, 228,
 236-7
 expansion, 14, 68, 149, 183, 207,
 212, 227, 236, 254
 Inherent instability of, 82, 274
 in marketable form, 4-6, 9-11, 55
 policy or regulation, 15, 20, 40,
 67-8, 71, 196-202, 232-9,
 253-5, 262-3, 270, 271-2, 273,
 275
 Indicators of, 20, 63-4, 214,
 252-3, 260, 273, 276
 Rationing of, 16, 131-2, 227, 249
 restriction, 139, 170, 201, 234-7
 by retailers to customers, 6, 39
 Shock to, 36, 84, 99, 226-7
 system, 85, 107, 123, 223, 231,
 235, 262
 of nineteenth century, 4, 7, 12,
 51, 160, 226, 247, 253, 258

- Creditanstalt, Austrian, Failure of, 143
- Creditor countries, 272
- Credits in New York, 1925, 134
in Paris and Hamburg, 1839, 19, 108
- Crisis
- Bagehot on, 226-7
 - Cause favourable foreign exchanges, 15, 32
 - Cheap money after, 20
 - Deflationary effect of, 15, 46, 111, 118, 248-9
 - Demand for currency in, 15, 22, 25, 49, 77, 85, 89, 93, 94, 99, 129, 226-7
- Crisis
- American, of 1857, 25
 - of 1873, 92-3, 248 n.
 - of 1893, 110-1
 - of 1907, 116-8, 161, 169
 - of 1929, 143, 164
 - Australian, of 1893, 110
 - Baring, of 1890, 105-10, 157, 227
 - German, of 1873, 92, 248 n.
 - of 1931, 143
 - letters, 22, 26, 32, 77, 85, 124, 127
 - Stock Exchange, of 1859, 77, 152
 - Union Générale*, of 1882, 102, 248 n.
 - War, of 1914, 123-9
 - of 1825, 14, 120
 - of 1839, 18-9, 108, 199
 - of 1847, 20-1, 27, 151, 248
 - of 1857, 25-7, 33, 43-4, 49, 152, 248
 - of 1866, 49, 81-5, 94, 107, 110, 117, 153, 248
 - of 1878, 49, 98-102
 - of 1931, 143-5, 164, 218
- Crops, 18, 21, 121, 210
- Cunliffe Committee, 1, 131, 232-3
- Currency (*see also* Coin, Interior demand, Reflux)
- Absorption of, by wage-earners, 87, 105
 - Accumulation of, by country banks, 50-2, 78, 87-8, 98, 104
 - Attraction of, to London by dear money, 50, 52-3, 64, 91-5, 103-4, 105, 113-4, 121, 136-7, 247, 253
 - and Bank Notes Act, 1914, 125-6
 - Convertibility of, 13, 23, 28, 29, 31, 67, 142, 143, 144, 235
 - Demand for, 11, 15, 52, 67, 88, 125, 148, 248, 253
- Currency : Demand for (*Cont.*)—
- in crises, 15, 22, 25, 49, 77, 85, 89, 93, 94, 99, 129, 226-7
 - for holidays, 126
 - for mobilisation, 129
 - for wages, 7, 11, 126
 - Depreciation of, 163-4, 214, 218, 220
 - Distrust of, 86, 117, 144, 164, 216, 219, 261, 279
 - Emergency, 127
 - Flight from, 117, 144, 279
 - French, 79, 108, 140
 - Hoards of, 55
 - notes, 74-5, 125, 126, 131-2
 - Paper, 196, 212, 255-6
 - Purchasing power of, 209, 212-4, 216, 221, 255
 - Quantity of, 37-8, 40, 202
 - Seasonal demands for, 53-4, 80, 99-100, 114, 120-1
 - Shortage of, 14, 29, 66, 68
 - Cycle, Trade, 159, 167-8, 213, 227, 246-9, 254, 273
 - and Baring Crisis, 110
 - Professor Fisher's theory of, 213-4
 - Mr. Keynes's view of, 201
- Dead centre, 265-6
- Deadlock, Credit, 250-3, 256, 265, 268, 270, 274, 277
- Dealers
- in commodities, 6-7, 9, 39, 190-1
 - Retail, 6, 62, 241
 - in securities, 175, 266
 - Wholesale, 6, 9, 62
- Dear Money
- alternating with cheap money, 45-6, 64-5, 90-6, 104-5, 113-4
 - attracts currency from country banks to London, 50, 52-3, 64, 91-5, 98, 103-4, 105, 113-4, 121, 136-7, 240, 247, 253
 - attracts foreign funds, 31-2, 45, 53, 64, 86-7, 90, 101, 121, 137, 140, 144, 145, 232-3, 235, 240, 244-6, 247, 253, 260-1, 276
 - Deflationary effects of, 27-31, 33-6, 45, 62, 80, 101-2, 104, 128, 133, 139, 140, 192, 224-5, 233-9, 260, 263
 - Duration of, 33, 147-9, 170, 173-4, 180, 189

- Dear Money (Cont.)—**
 and foreign exchanges, 44-5,
 163, 232, 235-7, 260
 and gold standard, 134-43, 163-4
 Intermittent, 63-6
 Meaning of, 28 n.
 in New York in 1928, 139, 141, 243
 Prejudicial effects of, 27-8, 33-6,
 136, 139, 223-4, 260, 263
 resulting from outflow of gold, 66
 at times of depression, 65-6,
 119, 134, 168, 216, 242
- Debenture debt, 263**
- Debt**
 assigned by bill of exchange, 4, 6
 charge, Fixed, 1899, 160
 Floating (*see also* Treasury bills,
 Ways and Means Advances),
 130, 163, 257, 269
 maturities, 269
 redemption, 269
 United States, 268
- Debts and money, 196-8**
- Deepening of capital, 181-2, 201,
 214, 216**
- Default, *see* Bill of Exchange**
- Deficit, Relief by, 267-71, 272**
- Deflation (*see also*, Bank rate,
 Dear money, Crises)
 after Napoleonic Wars, 14
 to attract gold, 45-6, 141
 due to depletion of investible
 resources, 179
 on international scale, 44-5,
 137-8, 276
 raises prices of securities, 216
 in United States, 139, 242
 without gold standard, 260**
- Deflationary effect of prospective
 return to parity, 1924, 134**
- Delay in deliveries of goods, 63, 241
 in transition to cheap money,
 133, 143, 145, 242-3**
- Delaying purchases of goods, 17,
 33, 34-6, 61, 190-2**
- Deliveries of goods, 7, 63, 191-2, 241**
- Demand**
 for capital goods, 38, 184
 Consumption, 38, 149, 173, 177,
 181-4, 215, 241, 266
 for credit, 17, 67, 124, 228, 236-7
 and credit policy, 201, 270
 for currency, 11, 15, 52, 67, 88,
 125, 148, 248, 253
 in crises, 15, 22, 25, 49, 77, 85,
 89, 93, 94, 99, 129, 226-7
- Demand (Cont.)—**
 deposits, 148
 for discounts, 4, 13, 36-7, 68-70
 in excess of capacity, 63
 in excess of consumers' income,
 204
 Expansion or contraction of,
 62, 63, 159, 178, 180, 203-4,
 208, 209, 228, 249
 Expected, 201, 212, 249, 275
 for finished products, 211
 for fixed capital, 168
 Fluctuations in, 193, 211
 and forward orders, 63, 241
 General, 38, 63, 179, 180, 181,
 184, 193 n., 201, 214-5, 270
 for houses, 173, 183
 as incentive for capital outlay,
 181-4, 208, 214
 and incomes, 11, 38, 62, 63, 216,
 241
 and prices, 63, 215
 and prospects of shares, 178-80
 and speculation, 178-80, 193
 for working capital, 149, 150,
 168, 204, 205
- Deplement, 179, 203, 204, 205**
- Deposits**
 at Bank of England, 20, 22, 26,
 68, 69, 117, 128, 160
 at country banks, 5, 9, 10, 55
 Demand, 148
 Interest on, 10, 57, 200, 206, 262
 Maximum, 262
 Proportion of cash to, 116, 160, 258
 Time, 197, 262
- Depreciation allowance, 34, 191**
- Depreciation**
 of Argentine currency, 106
 Fear of, 218, 220
 of the pound, 131, 145, 163, 164,
 208, 216, 218, 242, 251
 of the rupee, 221
- Depression (*see also* Deflation, Un-
 employment)
 aggravated by dear money, 65-6,
 237, 242, 251
 and cheap money, 19-20, 46,
 77-8, 81, 87-9, 97-8, 115, 121,
 133-4, 143, 167-8, 246, 250-3
 and credit deadlock, 250-1
 and decline of profits, 150
 and decline of savings, 150, 209
 diminishes demand for working
 capital, 150, 168**

- Depression (*Cont.*)—
 and fall in long-term rate of interest, 150, 159, 167
 and interior demand, 50-2
 and liquidation of working capital, 51, 150, 159, 178, 202-6, 209, 219, 270
 makes foreign exchanges favourable, 235
 Palliatives for, 265, 274
 the price paid for maintaining the gold standard, 28, 141-2, 237-8
 reduces external investment, 205
 resulting from a shock to credit, 35-6
- Desdemona, 242
- Deterrent Bank rate, 33, 70, 180-1, 184, 192, 227, 240, 242, 248, 250, 253
 rate of interest or discount, 13, 14, 16, 17, 23, 26, 34, 126, 132, 146, 149, 199-200, 202, 223, 230
 long-term rate of interest, 200, 217
- Discount house as bankers' bank, 85
- Discount houses
 and Bank of England, 37
 Failures of, 85, 86, 100, 107
 and Treasury bills, 131, 136, 142, 257-9
 market, 8, 9-12, 19, 21, 36, 51, 55, 56, 84, 86, 123, 130, 148, 235, 257, 272
 Market rate of, 14, 18, 36, 59, 98, 105, 135, 138, 170, 250
- Discounting of bills, 5, 6, 7, 9, 35, 51, 52
- Discounts,
 Demand for, 4, 13, 36-7, 68-70
 Limitation of, 4, 12, 16, 20, 21, 25-6, 32, 131-2, 151, 227
- Discredit, 12, 83, 106, 151
- Disemployment of labour, 29, 31, 44, 132, 142, 238
- Distrust of currency, 86, 117, 144, 164, 216, 219, 261, 279
- Dividends and profits, 178, 203
- Doctor's Dilemma*, 277-8
- Dollar, United States, 18, 208, 251
- Durbin, Mr. E. F. M., 267
- Dutch Stock, 147
- Early action in regulating credit, 252-3
- Effective Bank rate, 68, 70, 129, 134, 136, 138, 142, 235, 256, 258
- Egyptian campaign, 1882, 156
- Eligible bills, 11, 12, 17, 19, 36, 83, 126, 148, 151, 227, 231-2
- Empirical regulation of credit, 213-4, 223, 248, 274
- Empiricism of traders, 159, 221
- Employment (*see also* Unemployment)
 Full, 202, 215, 252
 increased by cheap money, 29
 as indicator of credit policy, 252, 260
- Endorsement of bills, 5, 21, 84, 151
- Enterprise, Marginal, 201
- Enterprise, Private, 264-5, 271
- Enterprises, New (*see also* Flotations, Promotions), 171-8, 228
- Equalizing function, *see* Investment Market
- Equilibrium, Monetary, 261
- Errors, Statistical, 41, 72-3, 76, 95
- Excess of imports, 11, 29, 31
- Excess profits, 216, 252
- Exchange,
 Bill of, *see* Bill of Exchange control, 277
 Foreign, *see* Foreign Exchange Forward, 260-1
 on gold producing country, 32
 risk, 31-2, 86, 90, 109, 144-5, 244-5
 on United States, 25, 116, 130-1, 132-3, 163, 208, 242
- Expectations
 of change of parity, 219, 261
 of demand, 201, 212, 249, 275
 of long-term rate of interest, 148, 195, 197, 203
 of price changes, 193, 201, 210, 211, 212, 216, 221, 222
 of profit, 172, 201, 217
- Expenditure, Government, 263-72
 Relief, 264
- Export of capital, 205-6
- Export gold point, 31, 245
- Exporters' bills, 9, 10, 43, 56
- Extensions of capacity, 63, 171-2, 181-3, 215
- External investment, 205-6
- Failure of
 City of Glasgow Bank, 1878, 49, 98-100, 155

- Failure of (*Cont.*)—
 Joint Stock Discount Company,
 1866, 84
 Knickerbocker Trust, 1907, 116
 Overend, Gurney and Company,
 1866, 49, 83-5, 109, 125, 153
 Sanderson and Co., 1857, 85
 Union Générale, 1882, 102
 Failures
 of accepting houses, 1837 and
 1857, 43-4
 of banks, 100
 caused by overtrading, 29, 224
 of discount houses, 85, 86, 100,
 107
 in Germany in 1901, 113
 of industrial projects, 171
 of merchants with American
 business, 18, 25, 43
 of speculators in wheat in 1847, 22
 on Stock Exchange, 1859, 77
 in 1825, 14
 in 1837, 18, 43
 in 1857, 25, 44
 in 1864, 82, 153
 in 1866, 84-5
 in 1878, 99
 in 1907, 116
 Fashion, Changes in, 194, 211
 Federal Reserve Banks, 132-3,
 138, 139, 141, 232, 256
 Fiduciary issue, *see* Bank of England
 Final consumer and final owner, 193
 Finance companies, 83
 Financial centre, London as, 7-11,
 42, 123, 137, 254, 271-2
 New York as, 78, 137, 272
 Financial crises, *see* Crises
 Finished goods, 193-4, 211
 Fisher, Professor Irving, 209, 213,
 220
 Fixed capital, 146, 149-50, 168,
 189-95
 Fixed debt charge, 1899, 160
 Fixed interest securities (*see also*
 Consols, Government Securi-
 ties), 149, 154, 159
 Flight from the currency, 117, 144,
 279
 Floating debt (*see also* Treasury
 bills, and Ways and Means ad-
 vances), 130, 163, 257, 267
 Flotations, or capital issues, 106,
 146, 172, 173-8, 180
 Forced sales, 12, 107, 118, 151, 157,
 230
 Foreign exchange
 and Bank rate, 45, 162, 163, 232,
 235-7, 255
 business in hands of London
 merchants, 8
 and dear money, 44-5, 163, 232,
 235-7, 260
 market, Breakdown of, in 1914,
 123-4
 and prices, 16, 27, 29, 221
 Foreign money
 Attraction of, *see* Attraction of
 Foreign money
 in London in 1860, 86
 Foreign trade products, 277
 Forward
 exchange, 260-1
 orders, 63, 191-2, 241
 price, 194, 210, 214
 premium on, over spot, 194,
 210, 212, 229-30
 purchases and sales, 190, 194, 212,
 229, 248
 sales of securities, 176
 and spot value of money, 214
 Franc, French, 138, 261
 France (*see also* Bank of France)
 Absorption of gold by, 42, 47, 90,
 96, 101, 140, 243
 Bimetallism in, 47, 79
 Crisis of 1838 in, 18
 Currency of, 47, 79, 108, 138, 140,
 261
 Premium on gold in, 109
 Suspension of specie payments in,
 24, 90, 273
 Usury laws in, 25
 Franco-Austrian War, 1859, 77, 152
 Franco-German War, 1870-1, 89-
 90, 154
 Fringe of unsatisfied borrowers, 201
 Fuentes Onoro, 245
 Full employment, 202, 215, 252
 Funding, 163, 269
 Funding Loan, 1919, 131, 163
 General demand, 38, 63, 179, 180,
 181, 184, 193 *et seq.*, 201, 214-5, 270
 Germany
 Absorption of gold by, 47, 91-2,
 96-7, 101
 Bank rate in, in 1907, 117
 Crisis in, in 1873, 92, 248 *et seq.*
 in 1931, 143
 Exchange on, in 1907, 117
 Failures in, in 1901, 113

Germany (*Cont.*)—

Gold standard adopted by, in
1871, 47, 90, 96, 273
sends gold to London in 1907, 117
suspends free coinage of silver,
90, 92

Gibbs, Henry, 223-4, 263

Giffen, Robert, 53

Gilt-edged securities (*see also*
Consols, Annuities, Securities,
Government), 59-60, 198

Glut of capital, 209

Gold (*see also* Bank of England,
Bullion, Interior Demand)

Absorption of

by France, 1848-61, 42
1860-9, 90
1874-8, 42, 47, 96,
101, 273

1929, 140, 243, 273

by Germany, 1871-3, 47, 91-2,
273

1875-9, 96-7, 101

by United States, 1834-7, 18

1860-1, 80

1876-9, 47, 97, 101,
273

1879-81, 100-1

1906, 115

1907, 116-8

1914-20, 273

Appreciation of, 144, 251

attracted by falling prices, 28-9,
224-5, 232

in circulation, 12, 41-2, 46, 137,
255

coin, 15, 40-2, 44-5, 48, 50-2, 55,
79, 90, 126, 137, 196, 255

discoveries in Australia, 25, 46

in California, 25, 46

Hazards of, 272

in South Africa, 46-7

External drain of, 11, 15, 22, 25,
26, 29, 30, 31-2, 227

Freight charges on, 52, 73

holding of Bank of England, 11,
15, 41, 137

Industrial demand for, 40, 48, 50
74, 255

Insurance of, 52, 73, 123

Internal drain of, 11, 15, 22, 26,
227

lent by Bank of France in 1890,
108, 254

and Lombard Street, 70, 228-9
market, 91-2, 97, 208

Gold (*Cont.*)—

Mint price of, 68

Monetary demand for (*see also*
Interior Demand, Reflux), 11,
15, 18, 25, 47-8, 254-5, 273
obligations of Indian Govern-
ment, 220

output, 42, 46, 79, 111, 160, 254

parity, 164, 219, 261

of the pound, 13, 134, 138, 141,
237

Premium on,

in Argentina, 106

in France, 109

in United States, 116

Price of, 251

Prohibition of export of, 131, 134,
208

Purchasing power of, 144, 199,
251, 255, 272-3

Redundant, 45, 70, 121, 259, 273
reserve as working balance, 255

reserves and circulation, 41-2, 255
Growth of, 108, 254

scarcity, 65, 134, 158, 238, 243,
247, 251, 273

set aside and released, 74

standard, 28, 31, 65, 68, 86, 239,
272, 276

Breakdown of, 144, 255

and credit policy, 28-31, 67-8,
232-9, 253-5, 259-61, 272-3

and dear money, 134-43, 163-4

Depression as the price of,
28-31, 141-2, 233-9

and foreign exchanges, 255

in Germany, 47, 90-2, 96, 273
and international co-operation,
253-5, 273

Restoration of, in 1925, 134,
136, 141, 164

Spread of, 103, 158, 254, 273

Suspension of, 47, 86, 131, 143,
164, 242

Transition to, 96-7, 103, 254

in United States, 18, 269, 273
and rigidity of wages, 238-9

Statistics of, 41-2, 46-8, 71-145,
281-300, 303-5

Sterilisation of, 254

Struggle for, 142

Supply of, 42, 45-6, 248

in transit, 40, 162

Undisclosed exports of, 41, 42, 48

Wastage of, 48

Goodwill, 110, 171, 172

- Goods, Deliveries of, 7, 63, 191-2, 241
 Holding, 61, 224
 Stocks of, *see* Stocks
 Goschen, G. J., 31, 88, 107, 157, 244, 245
 Government
 borrowing, *see* Borrowing
 expenditure, 263-72
 guarantee of pre-moratorium bills, 1914, 127-8
 National, 1931, 144
 securities, *see* Securities
 Grant, Mr. A. T. K., 193
 Greenbacks, 80, 92
 Gregory, Professor T. E., 59
 Growing needs, 172, 174
 Growth of capital, 200, 215
 Guarantee
 of Barings' liabilities in 1890, 108-9, 125, 227
 of bill of exchange by drawer and endorsers, 21, 35, 84, 128, 226
 of pre-moratorium bills in 1914, 127-8
 Gurney, Samuel, 84, 188
 Haberler, Professor G., 182 n.
 Harrod, Mr. R. F., 193, 267
 Harvey, Sir Ernest, 60, 135, 139, 140, 142, 235-7
 Hastening of sales, 17
 of purchases, 62-3, 190, 230, 241
 Hawtrey, Sir Charles, 50-1
 Hedging, 194, 229
 Herschell, Lord, 228
 Hire purchase agreements, 39
 Hoards of currency, 53
 Hobson, Mr. C. K., 205
 Hodgson, Kirkman, 49
 Holding goods, 61, 224
 Home trade products, 277
 House-building, 173, 218, 219
 House rent, 173
 Houses, Demand for, 173, 183
 Housing subsidies, 218, 219
 Idle
 balances, 150, 195-203, 265, 266, 270
 and short-term rate of interest, 197
 cash, 6, 51-2, 150, 206, 261-2, 265-6, 270
 currency in country banks, 50-2, 78, 87-8, 98, 104
 Idle: currency in country banks
 (*Cont.*)—
 attracted to London by dear money, 50, 52-3, 64, 91-5, 103-4, 105, 113-4, 121, 136-7, 247, 253
 funds mobilised by Government borrowing, 265, 267, 270
 Imperial Bank of Russia, 108
 Imports
 of corn, 18, 21, 30
 Excess of, 11, 29, 31
 Reduction of, 30, 45, 232
 Income, Consumers', *see* Consumers' Income
 Income velocity of money, 264
 Inconvertible paper currency, 92, 260, 276-7
 India, 74, 117-8, 220-1
 Industrial demand for gold, 40, 48, 50, 74, 255
 Ineffective Bank rate, *see* Bank rate
 Inflation
 avoided during Crimean War, 24
 Debt maturities as cause of, 269
 due to speculative supplement, 179, 183
 Fears of, in 1931, 145
 in gold-using world, 276
 in the Great War, 127-9, 208
 leads to subsequent deflation, 239, 263
 Need for indicators of, 260
 not guarded against by soundness of bills, 12
 Post-war, 130-2, 163, 185, 187, 212-4
 to be prevented by limitation of note issue, 4
 Sales tax as remedy for, 268
 in United States during Civil War, 80
 Vicious circle of, 11, 61-3, 139, 183, 212-3, 225, 240, 247, 253, 265-6, 274, 275
 Inflationists of 1848, 28, 30
 Inherent instability of credit, 62, 274, 278
 Installation of capital, 189-90
 Instrumental industries, 184, 188, 215
 Instruments of consumption, 183
 Insurance of bullion, 52, 73, 123
 Interest (*see also* Bank rate, Cheap money, Dear money, Discount, Securities)

- Interest (*Cont.*)—
 and costs, 17, 34, 171, 192, 217
 and house-building, 173, 218, 219
 Mr. Keynes's theory of, 195-203,
 205
 Negative, 279
 and carrying costs, 61, 189, 193,
 194, 212, 230
 as a tax on holding goods, 34, 195
 Rate of,
 and changing price level, 209-
 22
 and charge to consumer, 172-3
 Conventional, 10, 217, 222
 on deposits, 10, 57, 200, 206,
 262
 Maximum, 262
 Effect of, on instrumental
 industries, 188
 "Fairly safe," 196, 217
 on loans and overdrafts, 10,
 57-61, 128, 132, 190, 213,
 235
 Long-term (*see also* Consols,
 Securities), 3, 158, 163, 203,
 206-7, 265, 270
 Market, and the usury laws, 17
 Natural, 221-2
 Profit, 222
 and promotions, 170-3
 and prospective yield, 170, 217
 Real, 208-10, 213
 Short-term,
 Duration of, 33, 147-9, 170,
 173-4, 180, 189
 Effect of, on prices of com-
 modities, 16, 27-30, 32, 37,
 63, 67, 132, 222, 225, 232,
 235, 237-8, 246
 Effect of, on prices of securi-
 ties, 146-9, 173-4, 180,
 184-9
 and idle balances, 197
 Influence of long-term rate
 on, 206-7
 and pressure to borrow, 214
 and promoters, 173
 Speculators not sensitive to,
 179-80
 Virtual rise in, 17
 Interior demand for currency, 3,
 41, 47, 93-6, 129
 and cheap money, 50-2, 64, 78,
 87-8, 98, 104
 in crises, 15, 22, 25, 49, 77, 85, 89,
 93, 94, 99, 129, 226-7
- Interior demand for currency
 (*Cont.*)—
 in depression, 50-2
 and gold reserves, 40-2
 in relation to wages and employ-
 ment, 50
 Seasonal movement of, 53-4, 98,
 114, 115
 Statistics of, 46-8, 71, 77-145,
 281-300
 Intermittent action of Bank rate,
 63-6
 Internal drain of gold, 11, 15, 22,
 26, 227
 International
 co-operation in monetary policy,
 142, 253-5
 demand for currency, 247
 influence of London, 8, 42-4, 123,
 137, 254, 271-2
 monetary contraction, 45
 monetary expansion, 45-6
 monetary standard, 261, 276
 movements of funds, 276
 trading and use of bills, 8-10,
 13, 27-8, 36, 42-4, 56, 106-7,
 123
 Investment companies, 83, 175 *n.*
 Investment
 defined by Mr. Keynes, 200 *n.*
 External, 205-6
 market
 Absorption and release of cash
 by, 38
 an alternative sometimes to
 short-term loans, 146, 206
 applies savings to capital outlay,
 175, 179, 181, 183-4
 Banks as competitors in, 197
 Capacity of, 177
 Dealers in, 175, 266
 Disequilibrium of, 247
 Equalising function of, 174-8,
 180, 183, 189, 190, 205,
 215-6, 270
 Favourable or unfavourable,
 176, 217, 265
 Intervention of central bank
 in, 199
 and liquidation of working
 capital, 150, 159, 202-6, 209,
 219, 270
 Pressure on, 177, 183, 189
 Resources of, 150, 170, 176,
 178, 180, 181, 190, 204, 205,
 206, 216

- Investment: market (*Cont.*)—
and short-term rate of interest, 189
Speculative supplement or de-
plement to, 139, 146, 179,
180, 183, 184, 202, 203, 204,
205
- Investors, 150, 175, 178, 217
- Irish question, 169
- Issue department, *see* Bank of
England
- Issue, Public, of securities, 146,
172, 173, 178, 263
- Issuing house, 106, 177
- Japan, Chinese war indemnity to,
1895, 112
- Jevons, W. S., 41
- Jobbers, 124, 162, 175-6
- "John Bull cannot stand 2 per
cent.", 225
- Johnstone, Edward, 244-5
- Joint-stock banks, 7, 54, 57, 124,
249
- Joint-stock Discount Company,
Failure of, in 1866, 84
- Keynes, Mr. J. M., 193, 195-203,
205, 217, 234, 236, 260, 266,
267
- King, Mr. W. T. C., 10, 71, 84
- Knickerbocker Trust, Failure of, in
1907, 116
- Labour-saving value of capital, 222
- Lag
of demand for currency behind
activity, 253
of prices behind demand, 63
of response of capital outlay,
189-90
of retail prices, 241
of wages behind prices, 221, 238,
277
- Last lending house, 227
- Leaf, Walter, 57-9
- Legal tender, 22, 75, 80, 126, 197
- Leipziger Bank, Failure of, 113
- Lender of last resort, 11, 20, 21, 22,
107, 199, 227
- Letters, Crisis, 22, 26, 32, 77, 85,
124, 127
- Lidderdale, William, 107-9
- Limitation
of discounts, 4, 16, 20, 21, 25, 26, 32
of note issue, 4, 23
- Limping standard, 96-7
- Lincoln, Abraham, 78
- Liquidation of merchants' stocks
abroad, 45, 64, 240
- Liquidation of working capital, *see*
Capital
- Liquidity, 83, 148, 226-7
of discount house, 148
preference, 202
- Liverpool, Lord, 14
- Loans
Call, 10, 36-7, 51, 69-71, 83-4,
123-4, 131, 148, 257
Long-term and short-term as
alternatives, 146, 206
and overdrafts, 56-61
Victory and Funding, 131, 163
War, 130, 163, 208, 216
- Local assets, 8
- Local bills, 6, 8, 9, 10
- Local monopoly, 172
- Lombard Street, 70, 124, 225, 228
- London
acceptance business, 42, 106-7,
123
banks, 10, 22, 26, 36, 108-9, 117
Bills on, 7, 8, 9, 43-4, 107, 123
correspondents, 8, 11, 26-51
discount market, *see* Discount
market
establishments of merchants, 7
Foreign money in, in 1866, 86
funds, 8, 15, 51
gold market, 91-2, 97, 208
as international centre, 8, 42-4,
123, 137, 254, 271-2
West end banks, 10
- Long-term rate of interest (*see also*
Consols, Securities), 3, 158,
163, 203, 206-7, 265, 270
- Loss, Risk of, 174, 195-7, 203-4
from rise in discount rate, 35,
223-4, 263
- Losses
of shareholders, 83, 99, 109
of traders, 224
- Macaulay, 225
- McKenna, Mr. R., 60
- Macmillan, Lord, 234-5
- Macmillan Committee, 1, 3, 59, 135,
139, 140, 142, 187, 233-9, 278
- Maintenance of public works, 267
- Making prices, 124, 175
- Managed conflagration, 274
money, 198, 272-9

- Manufacturers**
 and bills of exchange, 7
 Effect of discount rate on, 33-5
 Orders to, 11, 35, 36, 37, 39, 62,
 63, 191, 204, 211, 212, 241
 Profits of, 33
Manufacturing districts, 10
Margin of collateral security, 183
Marginal efficiency of capital, 200,
 201, 203, 205
 enterprise, 201
 instrument, 200-1
 yield, 171, 200-1, 217, 222
Market rate of interest or discount,
 14, 18, 36, 59, 98, 105, 135,
 138, 170, 250
Marketable assets, 60, 84, 150, 172
Marketability, 9, 12, 56, 84, 217
Marshall, Alfred, 2, 209, 227-31
Marshall, Mrs., 227
Maximum deposit rate, 262
Meade, Mr. J. E., 267
Medieval trade, 4
Medium-term securities, 219-20
Mercantile borrowing, 226
 profit, 4
 securities, 225
Merchant bankers, 8, 36, 43-4, 123
Merchants
 English, with American interests,
 18, 25
 Foreign, and London acceptan-
 ces, 43, 106-7, 123
 with London establishments, 7,
 55 n.
Mergers of banks, 57
Metallic standard (*see also* Bimet-
 allism, Gold), 67, 277
Minimum
 Bank rate, 23, 51, 223, 250, 252,
 268
 rate of interest on bank advances,
 57-60
 stocks of goods, 6, 7, 190
Monetary
 authority and long-term rate of
 interest, 196, 198-200
 Commission, American, 59, 231-2
 contraction, 254, 260
 International, 45
 demand for gold, 11, 15, 18, 25,
 47-8, 254-5, 273
 equilibrium, 261
 expansion, 182, 215, 260, 272
 Limit to, 216
 International, 45-6
Monetary (Cont.)—
 policy, 37, 213, 254, 264, 273
 regulation, 3, 42, 215
 standard, International, 261, 277
 systems, Changes in, 273
Money
 at call, 10, 36-7, 51, 69-71, 83-4,
 123-4, 131, 148, 257
 Cheap, *see* Cheap money
 Creation of, 9, 11, 131, 196-9,
 212, 259
 Dear, *see* Dear money
 and debts, 196-7
 Idle, 6, 50-2, 78, 87-8, 98, 104,
 150, 195-203, 206, 261-2, 265-6,
 270
 Managed, 198, 272-9
 market (*see also* Discount mar-
 ket), 197, 236
 Pocket, 256
 Quantity of, 198, 202, 264
 Refugee, 219-20, 261
 Unlendable, 53
Monopoly
 of joint-stock banking, 7
 Local, 172
 of note issue, 67-8
**Monthly returns of gold imports and
 exports**, 72-3, 304-5
Moratorium in 1914, 125, 127
Morris, James, 28, 66, 68, 142, 238
Multiplier, 198, 247
Names and the discount market,
 12, 21, 55 n., 84, 107, 123-4,
 226
Napier's Peninsular War, 245
Napoleonic Wars, Deflation after,
 14
National Government, 1931, 144
Neave, 33
Negative interest, 279
New countries, 272
New enterprises, 171-8, 228
New York
 Exchange on, 116, 130-1
 as financial centre of United
 States, 78
 rediscount rate, 138, 139, 259
 as rival to London, 137, 272
 Speculation in, 139, 140, 275
**Non-monetary causes of trade fluc-
 tuations**, 246, 248
Normal cost of production, 230
Normal or reasonable profit, 33-4,
 211, 274

- Norman, G. W., 16, 17, 33, 62, 224
 Norman, Mr. Montagu, 142, 233-5
 Note issue (*see also* Bank of England, Currency)
 of country banks, 5, 19, 74
 Excessive, 16, 17, 32
 by Government, 80, 125-6, 196, 255-6
 Limitation of, 4, 12
 Scotch and Irish, 15, 26, 126
 Notes, Currency, 74-5, 125, 126, 131-2
- One-pound notes, 15, 126
- Open market
 assets of Federal Reserve Banks, 141
 operations of Bank of England, 32, 69, 70-1, 112, 130, 131, 142, 199, 251, 256, 257
 operations of central bank, 69, 251, 255-7
 operations of Federal Reserve Banks, 138, 256-7, 275
- Orders
 to manufacturers, 11, 35, 36, 37, 39, 62, 63, 191, 204, 211, 212, 241
 Accumulation of, 63, 191-2, 241
 Orthodox theory of Bank rate, 234
 Outlay, Capital, *see* Capital
 Outlay, Consumers', 204
 Overdrafts, 56-61
 Overend, Gurney and Company, 49, 83-5, 109, 125, 153
 Over-extension of industries, 247
 Over-issue of Bank of England notes, 16, 17, 32
 Over-production, 247
 Over-trading, 29, 224, 237
- Palmer, Horsley, 16, 33, 44, 131, 132, 225
- Panic (*see also* Crises), 14, 22, 25, 27, 77, 84-5, 89, 99, 124, 129, 226-7
- Paper money, 196, 212, 255-6
- Parity, Gold, 164, 219, 261
 of the pound, 13, 134, 138, 141, 237
- Paris
 Bank rate, *see* Bank of France
 Credits of 1839 in, 19, 108
 London credits arranged in, in 1861, 80
- Parliamentary Committees, *see* Committees
- Pegging of exchange on New York, 130-1, 208
- Penjdeh incident, 157
- Period of production
 of capital installation, 190
 of public works, 266
- Perishable goods, 194
 money, 279
- Persuasion by banker, 183, 249, 256
- Planning and preparation
 of capital installation 189
 of public works, 266
- Pocket money, 256
- Political influences on rate of interest, 89, 113, 151, 154, 156, 169, 276
- Postponement of
 capital projects, 173-4, 176-7, 191, 217, 265
 deliveries, 61, 190
 floatations, 174, 176, 180, 265
 public utility enterprises, 174
 purchases of goods, 17, 33, 35, 61, 191
 sales of goods, 35
- Post-war inflation, 1919-20, 130-2, 163, 185, 187, 212-4
- Pound
 cut loose from dollar, 1919, 130-1, 208
 Depreciation of, 131, 145, 163, 164, 208, 216, 218, 242, 251
 Gold par of, 13, 134, 138, 141, 237
 pegged on dollar, 1915-9, 130-1, 208
- Premium
 of forward over spot price, 229-30
 on gold in Argentina, 106
 in France, 109
 in United States, 116
 on silver in France, 79
- Pre-moratorium bills, 1914, 127-9
- Prescott, H. J., 30
- Price, Bonamy, 223-4
- Price level, expected change in, 209-10, 213-4, 221
 Fall of, 144
 and foreign exchanges, 16, 27, 29, 221
 International, 238
 and rate of interest, *see* Interest
 of securities, 176
 and volume of currency, 37

Prices

of capital goods, 215
of consumable goods, 215
and costs, 230, 237-8
and demand, 63, 215
depressed by forced sales, 12,
230-1

Expectation of change in; 193,
201, 211, 212, 216, 221, 222

Fall of, 27-9, 35-6, 132, 158-9,
234

Forward and spot, 194, 210, 214,
229-30

Retail, 204, 241

Rise of, 63, 67, 208, 211, 212, 215,
216, 225, 228-9, 241

Risk of change in, 194

of securities (*see also* Consols)
12, 149, 158-60, 173, 199, 200,
203, 208

of shares, 178

Primary producers, 272

products, 193, 211

Priming the pump, 265, 268

Private

banks, 7, 54, 57

enterprise, 264-5, 271

fortunes of traders, 6, 60, 84, 151
ownership of Bank of England,
107

Privation and circulation, 30, 31

Producers, Orders to, *see* Orders

Production

of capital goods, 63, 184, 215

of fixed capital, 192

generates incomes, 11, 37-8, 62,
183-4, 192, 241

of gold, 42, 46, 79, 111, 160, 254

Productive

capacity, *see* Capacity

resources, Specialised, 63, 267

Profit

Commercial, 13

earning capacity, 171-4, 201

Expectation of, 172, 201, 203, 217

and falling prices, 65, 158-9

and the flow of money, 274

and house rent, 173

of manufacturers, 33

a margin between buying and
selling prices, 16, 35, 224

Mercantile, 4, 16

the motive power of activity, 274

on new enterprise, 171

Normal, 33-4, 211, 274

Profit (*Cont.*)—

as promoter's incentive, 171-3,
180; 183

Rate of, and interest, 4, 16-17,
200-1, 222

rate of interest, 222

and rising prices, 212, 215

and wages, 274

Profits

and dividends, 178

Excess, 216

Expansion of, 17, 150, 183

High, 154

Low, 65, 158-9, 211

Prospective, 159

Reinvested, 172, 181, 191

and savings, 181, 216

Shrinkage of, when prices fall,
65, 158

a source of consumption demand,
215

and yield in India and England,
221

Promoters

Advances to, 173-4, 175, 180,
189, 202

and profit, 171-3, 180, 183

Sales of securities by, 180

Specialised, 171, 172, 263

Promotions and the rate of interest,
170-3

Proportion of cash to deposits, 116,
160, 258

Psychological

element in marginal efficiency of
capital, 201

response to Bank rate, 61, 200,
202, 212-3, 233, 249-50, 274, 275

Public

control of local monopolies, 172

issues of securities, 146, 172, 173,
178, 263

utilities, 172, 174

works, 266-9

Purchasers, Reluctant, 44, 61, 62,
224

Purchasing power

of gold, 144, 199, 251, 255, 272-3

and rate of interest, 200-22

of rupees and pounds, 221

Quantity

of bank credit, 202

of currency, 37-8, 40, 202

of money, 198, 202, 264

theory of money, 37

- Rae, Mr. John, 59
- Railway
 construction, 1845-6, 151
 1861-6, 82
 debentures, 186
 development, 21, 50, 55, 82
 speculation, 21
- Raising of capital, 150, 172, 173,
 189, 206, 263
- Ramon, M. Gabriel, 79 n.
- Ramsay, Norman, 245
- Rate of discount, *see* Discount
- Rate of interest, *see* Interest
- Rationing of credit, 16, 131-2, 227,
 249
- Real income, 216
- Real rate of interest, 208-10, 213
- Rediscount of bills, 36-7, 55, 83,
 199, 231-2
- rate, New York, 138, 139, 259
- Reflux of currency
 after crisis, 49, 77, 87, 100
 due to dear money, 50, 52, 64, 67,
 93-6, 103-4
 Seasonal, 53-4, 96, 98, 102, 105,
 114, 122
- Refugee money, 219-20, 261
- Refusal to lend
 by Bank of England, 12, 16, 19,
 20, 21-3, 32, 227, 259
 by other banks, 55, 170, 183, 189,
 201-2, 249-50, 256
- Reichsbank in 1907, 117
- Reinvested profits, 172, 181, 191
- Release of cash
 from balances, 184
 by consumers, 38, 204
 by dealers in commodities, 39, 278
 induced by Government expendi-
 ture, 266
 by speculators, 175, 179
 by investment market, 38, 175,
 176, 181
- Release of gold by India in 1907,
 117-8
- Relief expenditure, 264
- Rent, House, 173
- Repercussions and the vicious circle,
 247
- Reserve, *see* Bank of England,
 Banks, Gold
- Reserves of marketable securities,
 60, 150, 172, 191, 217
- Restriction of credit, 139, 170, 201,
 234-7
- Resumption Committee, 1819, 14
- Retail dealers, 6, 62, 241
 discount, 268
 prices, 204, 241
- Revolutionary outbreaks, 1848, 24,
 151
- Rigidity, 238
 of wages, 238-9
- Risk, 174
 of changes in fashion or taste,
 194, 211
 of loss on long-term debt, 203
 of price changes, 194
- Rothschilds of Paris, 80
- Royal Commission *see* Commission
- "Ruin" from high rate of interest,
 29, 223-4, 263
- Rupee loans, 220-1
- Russia, Imperial Bank of, 108
- Russo-Japanese War, 161
- Sales
 Decline of, 62
 in excess of output, 204, 241
 Forced, 12, 107, 118, 151, 157, 230
 Hastening of, 17
 Increase of, 62, 178
 Relation of, to stocks, 62, 193 n
 211, 241
 of securities, 150, 151, 191, 205
- Sanderson and Co., 85
- Sausage theory of capital, 171, 200,
 217, 222
- Saving, Motives of, 181
- Savings
 applied by the investment market
 to capital outlay, 175, 179, 181,
 183-4
 fall off at times of depression,
 150, 209
 "lodged in the hands of bankers,"
 225
 and profits, 181
 Superfluous, 178, 204
 withheld from active employ-
 ment, 195, 198, 203, 266
- Sayers, Mr. R. S., 71
- Scotch banks, 15, 26, 126
- Schuster, Sir Felix, 59
- Seasonal
 demands for currency, 53-4, 80,
 99-100, 114, 120-1
 fluctuations of the reserve, 65,
 120-2
 gold exports, 120-1
 movements of interior demand,
 53-4, 98, 114, 115

Seasonal (*Cont.*)—

- products, 211
- reflux of currency, 53-4, 96, 98, 102, 105, 114, 122
- rise in Bank rate, 121-2
- Secession in United States, 1860, 78
- Securities (*see also* Annuities, Consols)
 - Argentine, unsaleable in 1890, 106
 - Fixed interest 149, 154, 159
 - Gilt-edged, 59-60, 198
 - Government,
 - Advances on, 59-60, 217
 - at Armistice, 163, 208
 - Supply of, 160, 217
 - Yields of, 158, 159, 169, 186-7, 216, 218-20
 - Issues of, 146, 172, 173, 178, 263
 - Mercantile, 225
 - Prices of, 12, 149, 158-60, 173, 199, 200, 203, 208
 - Reserves of, 60, 150, 172, 191, 217
 - Speculation in, 148, 179
- Selling power, 172
- Seyd, 73, 86
- Share capital, 262
- Shareholders' losses, 83, 99, 109
- Shares, Prospects of, 150, 178
- Shaw, Mr. G. B., 277
- Short bills, 19, 83, 148
- Short-term rate of interest, *see* Interest
- Silver
 - bullion in Bank of England reserves, 74, 79
 - Depreciation of, 109, 220-1
 - Free coinage of, suspended, 90, 92, 108
 - legislation in United States, 102
 - Premium on, in France, 79
 - obligations of Indian Government, 220-1
- Silver-using countries, 1858-71, 47
- Sliding scales of wages, 238-9
- Social Credit Act of Alberta, 268
- South African
 - gold production, 46-7
 - war, 111, 112, 160, 169, 206
- South Sea Bubble, 225
- Southern States of America
 - Blockade of, 81
 - Secession of, 78
- Sovereigns, 15
- Specialised
 - promoters, 171, 172, 263
 - productive resources, 63, 267

Speculation

- and cheap money, 228-9
- in commodities, 35, 193, 224, 230
- in foreign exchange, 276-7
- Marshall on, 227-31
- in new enterprises, 178, 225
- in primary products, 193
- in railways, 21
- in securities, 148, 179
- Wall Street, 1926-9, 139, 140, 275
- in wheat, 22
- Speculative
 - investors, 175, 178
 - manias of 1825 and 1866, 225
 - orders by traders, 211-2
 - shares, 170, 178
 - stocks of goods, 212
 - supplement or deplement, 139, 146, 179, 180, 183, 184, 202, 204, 205
- Speculators
 - Advances to, 146, 175, 178-84
 - and forward purchasers, 229
 - indifferent to rate of interest, 193, 229-30
 - Motives of, 150, 178-81, 183
 - Release or absorption of cash by, 175, 179
- Spooner, James, 28, 33
- Spot and forward prices, 210, 214
- Spot and forward value of money, 214
- Stabilisation, Monetary, 255, 263, 275-6, 277, 279
- Stamp duty on bills, 56
- Statistics
 - of Bank rate, 74-5, 77-170, 281-300
 - of bills, 56
 - of Consols, 75, 150-70, 281-96
 - Errors in, 41, 72-3, 76, 95
 - of gold, 41-2, 46-8, 77-145, 281-300, 303-5
- Sterilisation of gold, 254
- Sterling loans, Indian, 220-1
- Stockbrokers, 178, 188, 191
- Stock Exchange (*see also* Investment Market)
 - closed in 1914, 124, 162
 - crisis of 1859, 77, 152
- Stock jobbers, 124, 162, 175
- Stocks of goods,
 - Cost of holding, 189, 193, 194, 210-12, 230
 - Effect of Bank rate on, 34-6, 44, 61-3, 190-5, 224, 240-3

Stocks of goods (Cont.)—

- and expected demand, 212, 275
- financed by bills on London, 44
- and forward prices, 210, 214
- Mr. Keynes on, 193, 197-8, 200-2
- Liquidation of, *see* Capital, Working
- Minimum, 6, 7, 190
- Redundant, 204
- Relation of, to Sales, 62, 193 *passim*, 211, 241
- Replenishment of, 193, 211, 215, 241
- of retail dealers, 62, 241
- shortage of, 241
- a tax on, 34, 195
- Storage, Cost of, 194, 210-1, 212
- Strong, Benjamin, 256, 275
- Subsidies
 - to consumers, 267-8
 - for housing, 218, 219
- Supplement, Inflationary or Speculative, 139, 146, 179, 180, 183, 184, 202, 204, 205
- Surplus capacity, 215
- Surplus, Budget, 269

Tax on holding stocks of goods, 34, 195

Taxable capacity, 144

Taxation, 267-9

Telegraph, Distrust of, in its early days, 50-1

Tel-el-Kehir, 156

Temporary borrowing, *see* Advances

Theories of trade cycle, 201, 213-4, 227-8, 246-9

Theories of Bank rate 27-34, 37-9, 195-202, 223-39, 263, 268

Thornton, Henry, 3-4, 11-2, 16, 17

Token coins, 96-7, 109

Tooke, Thomas, 31

Trade cycle, 110, 159, 167-8, 201, 213-4, 227-8, 246-9, 254, 273

Traders

- Attitude of, towards Bank rate and working capital, 194-5
- Borrowing by, for purchase of goods, 6-7, 34-6, 61, 190, 212
- Cash balances of, 159, 278-9
- Cash position of, 12, 21, 35, 51
- Holdings of, of Government securities, 147-8, 217
- Private fortunes of, 6, 60, 84, 151
- Purchase of securities by, 159, 204

Traders (Cont.)—

- Sales of securities by, 150, 151, 191, 205
- Speculative orders by, 211-2
- Tradition, Bank rate, 1, 192, 202, 232, 234, 237, 242, 252, 263
- Transactions, Bank rate to limit, 27, 33, 44, 63, 132, 246
- Transport
 - enterprises, 172, 174
 - of gold, Cost of, 52, 73
- Treasury bill rate, 130-1, 259
- Treasury bills
 - Insufficient sales of, 131, 135-6, 142, 258
 - suspended in 1919, 131, 163
 - taken by Bank of England, 135-6, 142
 - Tenders for, 136, 257
- "Trent" affair, 152
- Trial and error, 213-4, 248, 274
- Turner, Charles, 33
- Turnover of goods, 34, 58-9, 191, 241
- Uncertainty, 148, 174, 213, 217, 230
 - regarding long-term rate of interest, 195-7, 203-4
- Underwriting of loans, 106, 177
- Under-employment, 215
- Unemployment, 28, 34, 36, 65, 133-4, 142, 143, 233-4, 237-8, 246
 - Trade Union percentage of, 48
- Union Générale*, 102, 249 *passim*
- United States
 - Absorption of gold by, *see* Gold banks, 116, 257
 - Civil War in, 78, 93, 152
 - Crises in, *see* Crisis
 - debt, 268
 - Deflation in, 139, 242
 - dollar, 18, 208, 251
 - Exchange on, 25, 116, 130, 132-3, 163, 208, 242
 - Floating debt of, 258
 - Gold standard in, 18, 269, 273
 - Imports of gold from 103, 111, 160
 - Inflation in, 80, 116
 - Legal Tender Act, 1862, 80
 - National Bank notes, 110
 - Notes (Greenbacks), 80, 92
 - Premium on gold in, 116
 - Price level of, rising in 1925, 138
 - Production of gold in, 78

United States (*cont.*)—

- Silver legislation, 102, 110
- Stability of business in, 1922-8, 275
- Suspension of gold standard in, 269
- Suspension of specie payments in, 80, 116, 273
- Unlending money, 53
- Unlimited liability, 99
- Unremunerative discount rates, 52-3, 98, 105
- Unsaleable goods, 224
- Unsatisfied borrowers, 201
- Usury laws, 2, 3, 13, 16, 17, 18, 25, 27, 58

Vicious circle of contraction or deflation, 61-2, 65, 141, 145, 193, 204, 225, 240, 242-3, 247, 253; 266-7, 270, 274, 275

Vicious circle of expansion or inflation, 11, 61-2, 63, 139, 183, 212-3, 225, 240, 242-3, 265-6, 274, 275

Victory Loan of 1919, 131, 163

Virtual rise in rate of interest, 17

Velocity, Income, of money, 264

Wage bill, National, 62, 120

Wage-earners, Cash balances of, 87, 105

Wages

and demand for credit, 7, 62, 236-7

Fluidity of, in 1920-2, 133

and full employment, 50, 202, 215

Index of, 48, 76, 301

Lag of, behind prices, 221, 238, 277

and monetary expansion, 215-6

paid in cash, 7

Reductions of, 133, 234, 238-9

Rigidity of, 238-9

Rising, 50, 216, 239

Sliding scales of, 238-9

Wall Street

Crisis in, 143, 164

Speculation in, 139, 140, 275

War

American Civil, 78, 93, 152

Balkan, 1912-3, 120, 169

borrowing, 128-30, 162-3, 206, 208, 212, 216-7

Crimean, 24-5, 151

Effect of, on rates of interest, 149

Franco-Austrian, 1859, 77, 152

Franco-German, 1870-1, 89-90, 154

indemnity

from China to Japan, 1895, 112

from France to Germany, 1871-3, 92

loan of 1915, 130

of 1917, 163, 208, 216

conversion, 165, 219

of 1914-18, 123-30, 162-3, 208, 212, 216-7

risks, Insurance against, 123

Russo-Japanese, 1904-5, 161

South African, 1899-1902, 111, 112, 160, 169, 206

Ways and means advances, 130, 131

Weguelin, T. M., 31, 36, 68

Western Bank of Scotland, 26

Wheat

Cost of storing, 194, 211

Price variations of, 210

Speculation in, 22, 193-4

Wholesale dealers, 6, 9, 62

Wicksell, 192

Widening of capital, 181, 208, 214, 216, 266

Wilson, James, 147

Wood, Mr. G. H., 48, 76, 301

Working balance of goods or money, 278

Working capital, *see* Capital

Yield

of capital goods, 201

of Consols, 158, 159, 165, 170, 185-7, 216, 218-9

of industrial projects, 174

Marginal, 171, 200-1, 217, 222

of medium-term and long-term securities, 218-20

Zigzags of Bank rate, 64, 104, 109, 113, 154, 168, 240

CHECKED
206 2-6-11