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# QUALITATIVE CREDIT CONTROL

BY

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**To**

**PROFESSOR H. PARKER WILLIS**

“There are men who spend their time and fortunes in endeavoring to convince a dull world that poverty can be abolished by the issue of printed bits of paper. I know one gentleman who holds that exchequer bills are the panacea for the evils of humanity. Other philanthropists wish to make us all rich by coining the national debt, or coining the lands of the country, or coining everything.”

W. Stanley Jevons, *Money and the Mechanism of Exchange*.  
Preface, p. vi.

## PREFACE

QUALITATIVE credit control may be thought of as the control of credit through control of the debts from which it arises. The control of bank credit is that aspect of the more general problem to which attention is directed in this volume. The currency function which bank credit performs in advanced industrial countries makes its control of peculiar importance. It gives rise to the modern form of an old problem, that of providing the community with a medium of exchange which will not be debased or over-issued, and which will still be adequate for the needs of commerce.

In contrast to this approach to the control of credit is one which may be characterized as quantitative. Proposals based on the quantitative view usually imply that a sufficient control over bank credit can be obtained by altering the cash or reserve basis of the banking system. Little attention is given to the kinds or quality of the assets (debts) from which bank credit arises. Although it contains an evaluation of the quantitative approach to the control of credit, this treatise does not attempt a discussion of the quantity theory of money. Nor is it a history of credit theory. It is a study of the nature of credit and the credit system with a view to outlining fields of inquiry which, when investigated, may lead to the understanding necessary to operate the credit economy more smoothly. The object, therefore, is to seek a theoretical basis for fruitful research rather than to solve the problem of credit control.

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WILLIAM E. DUNKMAN.

NEW YORK CITY,  
JUNE 28, 1933.

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## V I T A

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