

**METALLIC, PAPER, AND
CREDIT CURRENCY, AND THE
MEANS OF REGULATING
THEIR QUANTITY AND VALUE**

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Metallic, Paper, and Credit Currency, and the Means of Regulating Their Quantity and Value by
J. W. Bosanquet

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CURRENCY.**

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in the context of public administration and government operations. This section also highlights the role of technology in streamlining record management processes and reducing the risk of errors or data loss.

2. The second part of the document focuses on the implementation of robust internal controls and risk management frameworks. It outlines the need for regular audits and assessments to identify potential vulnerabilities and ensure that organizational policies are effectively enforced. This section also discusses the importance of employee training and awareness programs to foster a culture of compliance and ethical behavior within the organization.

3. The third part of the document addresses the challenges of data security and privacy protection in the digital age. It emphasizes the need for strong cybersecurity measures, including firewalls, encryption, and regular security updates, to safeguard sensitive information from unauthorized access and cyber threats. Additionally, it discusses the importance of adhering to data protection regulations and ensuring that personal data is handled in a lawful and ethical manner.

4. The fourth part of the document discusses the importance of effective communication and stakeholder engagement. It highlights the need for clear and consistent messaging across all levels of the organization to ensure that everyone is aligned with the organization's goals and values. This section also discusses the importance of listening to feedback from stakeholders and using it to improve organizational performance and address concerns.

5. The fifth and final part of the document provides a summary of the key findings and recommendations. It reiterates the importance of a holistic approach to organizational management, one that integrates financial, operational, and human resources. The document concludes by expressing confidence in the organization's ability to overcome challenges and achieve its long-term vision through continued commitment to excellence and innovation.

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BY

J. W. BOSANQUET, Esq.

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P R E F A C E.

MUCH of the following treatise appeared in the course of last year, in the form of letters to "The Times," under the signature of "A Lombard." I have since revised and reconsidered the opinions then expressed, and feeling more and more convinced that the prevailing opinions of the day regarding the currency are untenable, I again offer my views in an amended form to the public, for the purpose of furthering the investigation of the subject.

In the beginning of an undertaking it is always well to consider the end. Before, therefore, I enter into the details of the subject, I shall endeavour to give some idea of the main conclusions arrived at in the course of the following pages, and also some outline of the principal points of inquiry to which I would direct attention by the way.

The leading principles and propositions, upon which I would establish the system of currency which I have in view, are these,

- 1st.—That money is the measure of value, and as such should be preserved as free as possible from variation in value.
- 2d.—That money is the medium of exchange, and as such should be provided at all times, in quantity proportioned to the demands of the community for the purposes of exchange.
- 3d.—That the value of money can vary only, from excess or deficiency in quantity; from variation in the value of its standard; or from discredit.
- 4th.—That some principle of self-regulation is required, as a *preventive* against excess or deficiency, in the quantity of money in circulation, interfering with its value.
- 5th.—That forced and sudden variations in the quantity of money in circulation, according to the influx or efflux of bullion, as a *corrective* to excess or deficiency, come too late into operation, and destroy the two first principles, as above.
- 6th.—That the only safe and legitimate mode of regulating the quantity of money in circulation, is by means of the rate of interest.

7th.—That the enforcement of convertibility of notes into specie, at all times, is not absolutely necessary to the preservation of the value of the currency, and, under certain circumstances, causes the value unnecessarily to vary.

In the course of my observations I have endeavoured to show, that the currency of this country is composed, not only of coin and paper, but of coin, paper, and credit combined—credit, in the form of bills of exchange and bankers' deposits, forming a large proportion of the whole; and, as before observed, the first leading principle to be kept in view, in regulating the currency thus composed, is to preserve it as free as possible from variation in value.

Now, setting aside discredit, the currency is liable to alteration in value from either of two causes; first, from excess or deficiency of quantity; second, from variation in the value of gold, which is its standard. It is also exposed to different degrees of action from these disturbing causes, according as the state of trade, commerce, or politics may be calm or agitated.

I will begin, then, by describing the means proposed, for preventing excess or deficiency in quantity

of currency, from interfering with value, dividing the expedients under two heads,—first, those which have reference to internal causes of derangement, and times of calm and quiet; second, those which have reference to external causes of derangement, and periods of panic and disturbance, when the metal portion of the currency becomes liable to violent agitation, and the principle of convertibility is endangered. I will afterwards point out the means proposed, for preserving the currency from the effects of variations in the value of its standard.

With the view of preventing, as far as possible, derangement in the value of the currency, internally, and in ordinary times, from excess or deficiency of quantity, I propose,—

- 1st.—That the securities of the Bank or banks of issue, throughout the country, be so managed, that at all times a large portion of them, fluctuating of course according to the state of demand, shall consist of bills of exchange or securities for loans granted for short periods.
- 2d.—That all advances by the Bank or banks of issue, upon loan or discount, be terminable at furthest in sixty days.
- 3d.—That the rate of interest, upon such loans and