

# **THE FINANCIAL SYSTEM OF THE UNITED KINGDOM**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649159055

The financial system of the United Kingdom by Henry Higgs

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.  
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

[www.triestepublishing.com](http://www.triestepublishing.com)

**HENRY HIGGS**

**THE FINANCIAL  
SYSTEM OF THE  
UNITED KINGDOM**



THE FINANCIAL SYSTEM OF THE  
UNITED KINGDOM



MACMILLAN AND CO., LIMITED  
LONDON • BOMBAY • CALCUTTA  
MELBOURNE

THE MACMILLAN COMPANY  
NEW YORK • BOSTON • CHICAGO  
DALLAS • SAN FRANCISCO

THE MACMILLAN CO. OF CANADA, LTD.  
TORONTO

THE  
FINANCIAL SYSTEM  
OF THE  
UNITED KINGDOM

BY  
HENRY HIGGS, C.B.

137262  
21 | 12 | 14-

MACMILLAN AND CO., LIMITED  
ST. MARTIN'S STREET, LONDON

1914

**COPYRIGHT**



## PREFACE

THIS volume was prepared at the suggestion of the late Sir Edward Hamilton, who had in vain cherished during a lifetime in the Treasury the project of publishing a connected account of our financial procedure, which he believed to be much needed by members of Parliament, by Government Departments, and by the public at large. Want of leisure compelled him to defer the execution of his plan until his retirement from the service, when he hoped to treat the subject with greater freedom of comment and criticism than were permissible in an active official. But on his retirement his health was too broken for the task for which he was so exceptionally qualified.

In attempting to observe his wishes I have limited myself, so far as possible, to describing things as they are here and now, not as they have been, as they might be, or as they are in other countries.

All that is offered is a summary exposition of our financial system, its organisation, methods, and forms of procedure. So far as I am aware nothing is here stated which is not to be found in various official publications, the Statutes, the Standing Orders and Debates of Parliament, the Reports of Public Accounts

Committees, Select Committees, and Royal Commissions, in papers and accounts presented to the House of Commons, and in such works as Sir Erskine May's *Treatise on the Law, Privileges, Proceedings, and Usages of Parliament*, Sir C. P. Ilbert's *Legislative Methods and Forms*, A. Todd's *Parliamentary Government in England*, Professor Redlich's *Procedure in the House of Commons*, Sir W. Anson's *Law and Custom of the Constitution*, Lord Halsbury's *Laws of England*, and President Lowell's *Government of England*. Articles upon particular topics of finance have from time to time been written by active Treasury officials, e.g. by Sir E. Hamilton, Mr. W. Blain, and Mr. Stephen Spring-Rice in the *Encyclopaedia Britannica*, and Mr. G. H. Hunt in the *Dictionary of Political Economy*, but the materials for a complete study have not hitherto been brought together in a complete form.

It has fallen to my lot to be called upon to explain our financial system to official and unofficial visitors from Europe, Asia, and America, and to be responsible for offering official advice upon financial organisation to Governments in the South and the North of Africa. A difficulty always encountered even with the best informed may be illustrated by the experience of the late Professor Henry Sidgwick, who found it easy to follow Lord Goschen's classical exposition of the Theory of the Foreign Exchanges and to understand the explanations of authorities in the City, but complained that he had never been able to link together theory and practice. In the text which follows I have endeavoured to connect the forms and

documents printed in the Appendix with actual practice, so as to show how our financial organisation marches, and have contented myself with indications of the sources to which students may turn for a further development of the topics dealt with. The Appendices are in themselves sources which have enabled me to abridge the commentary within narrow limits. No apology is needed for setting them out at length in what German authorities would call an essay in Formal-Financial-Administration.

Though this volume is in no sense official, I have carried reticence to the point of refraining from comment even upon the influence which forms may exercise upon administrative efficiency and financial policy. A good example of such a discussion will be found in Mr. Sidney Webb's *Grants in Aid: a Criticism and a Proposal*, 1911, which exceeds the length of the present commentary in enlarging upon a subject here confined to a few lines. The present work is too condensed to be interesting. It must suffice for the present if it is found to be useful.