

BANKING

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649312498

Banking by William A. Scott

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

WILLIAM A. SCOTT

BANKING

BANKING

BY

William A. Scott, Ph.D., LL.D.

Director of the Course in Commerce and Professor of
Political Economy in the University of Wisconsin



CHICAGO

A. C. McCLURG & CO.

1914

Copyright
A. C. McCLURG & CO.
1914

Published April, 1914

Copyrighted in Great Britain

1115/42 amc

F.

EDITOR'S PREFACE

LIBRARY 5115
NOV 4 1911

In Europe the average man looks upon the bank as a benefactor. Through its agency he secures capital at low rates for his business. In America the bank is too often regarded as a necessary evil, certainly not with affection. Yet it plays a most important rôle in the nation's economy. Our banking laws are obsolete, unsatisfactory, and actually in some instances detrimental to the best and widest use of the nation's resources. Europe has many lessons for us in the problem of how best to use our accumulations. With agriculture demanding and the railroads calling for more capital, the question of scientific banking assumes new proportions. This book, with its chapters on commercial and investment banking, will help to a better knowledge.

W. L. M.

F. L. M.

1115 4233

AUTHOR'S PREFACE

The purpose of this book is to supply the general reader with a simple statement of the principles and problems of banking. Since it is designed primarily for American readers, special attention has been given to conditions in this country. An effort has been made clearly to draw the line between commercial and investment banking and to indicate the problems peculiar to each. That it may assist the average person in understanding present-day banking problems and thus contribute towards the formation of a sound public opinion regarding them, is the author's hope and desire.

WM. A. SCOTT.

University of Wisconsin.

CONTENTS

	PAGE
Chapter I. The Nature, Functions, and Classification of Banking Institutions	1
1. Services Performed by Banking Institutions	1
2. The Economic Functions of Banks	4
3. Classification of Banking Institutions	6
Chapter II. The Nature and Operations of Commercial Banking	11
1. Commercial Paper	11
2. The Operation of Discount	13
3. The Conduct of Checking Accounts	15
4. The Issue of Notes	19
5. Collections	22
6. Domestic Exchange	25
7. Foreign Exchange	31
Chapter III. The Problems of Commercial Banking	35
1. The Supply of Cash	35
2. The Selection of Loans and Discounts	40
3. Rates	44