

**FOREIGN
EXCHANGE: THEORY
AND PRACTICE**

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Foreign exchange: theory and practice by Thomas York

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THOMAS YORK

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AND PRACTICE**

FOREIGN EXCHANGE

THEORY AND PRACTICE

By

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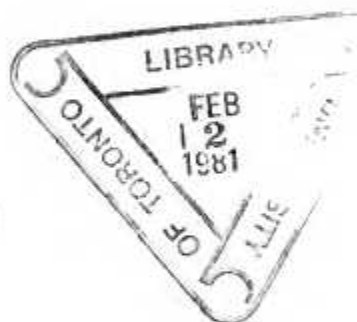


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TO
I. S. Y.

PREFACE

Foreign exchange is attracting more attention than any other branch of finance. The interest evinced is universal and is no longer confined to bankers, international traders, and financial writers, as was the case prior to the Great War. The general public is showing a decided disposition to acquaint itself with the dislocation of the exchanges brought about by the conflict. Nor is this interest likely to suffer much abatement, since normal conditions will probably not be restored in international financial relations for a number of years to come.

The author's purpose in this book is to explain the operation of the exchanges between gold-standard countries under normal financial conditions. In a subsequent volume now in preparation he proposes to deal with the present irregular position of the exchanges, and with exchange between a gold- and a silver-standard country. It is quite impossible, however, to gain an adequate appreciation of the problem presented by the deranged condition of the exchanges unless their operation under the normal functioning of the commercial and financial machinery of the world is first thoroughly understood.

The subject of foreign exchange, even in its greatest refinements, offers comparatively little difficulty after the student has once mastered the meaning of the gold standard, or what constitutes money in a gold-standard country. The present volume, therefore, attempts to give in the introductory chapter a complete understanding of this fundamental principle of all finance.

A hypothetical method of treatment is followed in the theoretical part of the discussion. This approach has proved of great assistance to the writer in evolving the various principles laid down in the book, and will enable the reader to follow the course

of reasoning more closely. In the last few chapters the hypothetical assumptions are abolished and attention is given to practical foreign exchange operations as conducted in the New York market.

THOMAS YORK.

New York City,
January 1, 1920.

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