Index

accounting
  origins 122
accounting records
  none from Neolithic Europe 134
Aeris Gravis 18
aes rude 33
aes signatum 33
agricultural surpluses 82
agriculture, dependency on 85
Alexander the Great 138
American Revolution
  cause of 143
Amsterdam, bullion exports 26
antigovernment scenario 108
Arabic numerals 151
Aristotle 15, 174
  The Politics 106
As, Roman coin 17-18
  Libral Asses 18
Asia Minor 177
assyriology 119
Athenian period 103
Aurelian
  coins in time of 19

Babylonia 15, 30, 34
bancherii 192
Banco di Rialto in Venice 206
bank money 53, 55, 72-75, 123, 187,
  218, 243
Bank of England 59, 146, 206, 209
  Banking Department of 148
  Issue Department of 148
  issue of notes 61
  monopoly of bill dealing 210
  role of Bank of England notes 46
bankers 20, 27, 35, 38, 44-45, 52-53,
  61, 64, 71, 74, 118, 145, 164-165,
  192, 194-195, 197-198, 200-201,
  203, 213, 223, 241, 243
  object of 44
  bankers’ acceptances 136
  bankers’ clearing system 152
banking 1, 35-36, 38, 42-43, 46,
  61-62, 74, 90, 120, 123, 137, 144,
  150, 155, 164, 170, 185-186, 192,
  194-197, 199, 201-202, 204-205,
  208-210, 212, 214-217, 225,
  238-239, 241, 247, 249, 255-256,
  258-259
  Babylonian banking 11, 214
  banking reserves 239
  capitalist banking 191
  liquidity requirements 74
  pioneered by Scots 143
  regulation of 48
Banking Law Journal 1
Banking Law Journal’s Editor’s Note
  50
banknotes 143, 152
banks 34-35, 49, 52, 66, 72, 74,
  76-77, 124, 144, 148-149,
  151-154, 156, 166-168, 184, 186,
  192-196, 199, 202, 206, 239-241,
  247, 256-259
  ancient banks 43
  banks of deposit 192
  British banks 153
  claims on banks 193
  clearing houses of commerce 260
  create credit 164, 166
  early public banks 194
  for safe deposit 43
  Greek banks 47
  not originally places of safe deposit
  239
  public banks 194
  secrecy 154
  Bardi of Florence 194
  barter 11, 14, 108, 117, 130

263
a product of monetary breakdown 119
barter paradigm 225
inadequacy of 128
not the precursor of money? 100
Basel Capital Accord 154
Bentham, Samuel 160
Bonsignori of Sienna 194
Borrowing (Control and Guarantees Act) 1946 168
Bretton Woods international monetary system 212
bridge engineers, priests as 230
Britain 20
Bronze Age Mesopotamia exchange in 102
Brunel, Marc Isambard 160
Buccleugh, Duke of 141
bullion 18, 139
of use only for large transactions 109
Bullion Committee of 1810 61
bullionist 203, 205, 216
Bullionist-Greenbacker debates 237
bullionists 203, 233-235

calendar

development of 113
lunar calendar 113
calendrical effects 110
Capetian dynasty 22
capital adequacy ratio 144, 154, 156
Capital Issues Committee 168
capitalism 185
capitalist credit money 185, 191
Carolingian dynasty 21
cash 240
cash in hand 44
central bank 11, 48, 148, 153-154, 174, 179, 211, 214
centralisation of the British monetary system 211
Charlemagne
his decree 189
Charles II’s debt default 208
Charles V 25
chartalism 2, 8, 12, 107, 224
neo-chartalism 3
cheques 43
are bills of exchange 241
China 35
circulation
of debts and credits 43
class society
formation in Egypt 86
clay tablet
Babylonian tablet a tally 43
clay tokens 93
clean slates 116, 121
the annulment of debts 116
Clean Slates
to restore balance 117
clearing houses 35
clearing mechanism 250
coin
no standard coin in olden times 26
coinage
an egalitarian innovation 236
Carolingian coins 22
coined money later than credit instruments 179
coins of base metal 28
coins weaken power of elite 237
commerce not reliant on coins 27
debasement in Middle Ages 14
earliest known coins in west 17
electrum coins 17
Greek drachma 17
holder of coins is a creditor of society 147
invented for payment of
mercenaries 237
social origins of coins examined 235
state issued coinage 235
the stater 17
coined currency 224
commodities
never a true medium of exchange 16
commodity money 188, 224
copper tokens 211
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>credit 1, 7</td>
</tr>
<tr>
<td>a substitute for gold 15</td>
</tr>
<tr>
<td>all money is credit 178</td>
</tr>
<tr>
<td>credit alone is money 31, 76</td>
</tr>
<tr>
<td>credit creation fuels inflation 180</td>
</tr>
<tr>
<td>credit cycle 10</td>
</tr>
<tr>
<td>credit instrument 178</td>
</tr>
<tr>
<td>credit money fuels inflation 179</td>
</tr>
<tr>
<td>credit theorists 175</td>
</tr>
<tr>
<td>gives common law right 65</td>
</tr>
<tr>
<td>in exchange for a commodity 30</td>
</tr>
<tr>
<td>money is credit 42</td>
</tr>
<tr>
<td>new credit, its importance 163</td>
</tr>
<tr>
<td>nothing to do with gold or silver 32</td>
</tr>
<tr>
<td>the credit cycle 159</td>
</tr>
<tr>
<td>credit and debt</td>
</tr>
<tr>
<td>are abstractions 57</td>
</tr>
<tr>
<td>credit clearing</td>
</tr>
<tr>
<td>over-emphasized 240</td>
</tr>
<tr>
<td>credit creation is debt creation 118</td>
</tr>
<tr>
<td>credit money 12, 123, 175, 179, 183-186, 193, 201, 203, 211, 240, 247, 260</td>
</tr>
<tr>
<td>creation of 196</td>
</tr>
<tr>
<td>credit relations monetized 214</td>
</tr>
<tr>
<td>credit system 130</td>
</tr>
<tr>
<td>credit theory 51</td>
</tr>
<tr>
<td>credit theory of money 66, 223</td>
</tr>
<tr>
<td>for a capitalist society 240</td>
</tr>
<tr>
<td>v. monetary theory of credit 238</td>
</tr>
<tr>
<td>credit unit</td>
</tr>
<tr>
<td>effect of fall in value 40</td>
</tr>
<tr>
<td>creditory approach to money 11, 224</td>
</tr>
<tr>
<td>creditory economics 168</td>
</tr>
<tr>
<td>currency 1, 25</td>
</tr>
<tr>
<td>metallic currency 176</td>
</tr>
<tr>
<td>sound currency dogmas 2</td>
</tr>
<tr>
<td>currency boards 232</td>
</tr>
<tr>
<td>currency of reputation</td>
</tr>
<tr>
<td>base of credit 207</td>
</tr>
<tr>
<td>customary law 65</td>
</tr>
<tr>
<td>debasement 23</td>
</tr>
<tr>
<td>debasement hypothesis 177</td>
</tr>
<tr>
<td>deben 8, 92, 95</td>
</tr>
<tr>
<td>a unit of account 92</td>
</tr>
<tr>
<td>debt</td>
</tr>
<tr>
<td>assignment of 132</td>
</tr>
<tr>
<td>debt and sin 102</td>
</tr>
<tr>
<td>debt management in Mesopotamia 115</td>
</tr>
<tr>
<td>debts caused by crop shortfalls 122</td>
</tr>
<tr>
<td>depersonalisation of 199</td>
</tr>
<tr>
<td>equated with sin 227</td>
</tr>
<tr>
<td>in Sumer 99</td>
</tr>
<tr>
<td>law of debt 30</td>
</tr>
<tr>
<td>wergild-type debts 9</td>
</tr>
<tr>
<td>deficit spending 247</td>
</tr>
<tr>
<td>deflation</td>
</tr>
<tr>
<td>long-term tendency to 161</td>
</tr>
<tr>
<td>deflationary spiral 163</td>
</tr>
<tr>
<td>Denarius 18</td>
</tr>
<tr>
<td>denier 21</td>
</tr>
<tr>
<td>deposit multiplier 239</td>
</tr>
<tr>
<td>depreciations of the coinage 41</td>
</tr>
<tr>
<td>Diocletian, Emperor 19</td>
</tr>
<tr>
<td>direct credit supply 164, 167</td>
</tr>
<tr>
<td>discounting bills 42, 239</td>
</tr>
<tr>
<td>disintermediated credit supply 164</td>
</tr>
<tr>
<td>documentary credits 139</td>
</tr>
<tr>
<td>now universal for exchange 138</td>
</tr>
<tr>
<td>dollar</td>
</tr>
<tr>
<td>different dollars of debt 55</td>
</tr>
<tr>
<td>never seen 56</td>
</tr>
<tr>
<td>standard dollar 55-57</td>
</tr>
<tr>
<td>variable value of 26</td>
</tr>
<tr>
<td>what is a dollar 63</td>
</tr>
<tr>
<td>domino effect of debt default 167</td>
</tr>
<tr>
<td>double-entry bookkeeping 137, 149, 153, 157, 192, 204</td>
</tr>
<tr>
<td>Douglas, Major Clifford H. 158</td>
</tr>
<tr>
<td>drafts 43</td>
</tr>
<tr>
<td>dry exchange bills 200</td>
</tr>
<tr>
<td>economic growth 160</td>
</tr>
<tr>
<td>economic relations</td>
</tr>
<tr>
<td>in primitive societies 231</td>
</tr>
<tr>
<td>economy</td>
</tr>
<tr>
<td>monetary economy 8</td>
</tr>
<tr>
<td>ecus 190</td>
</tr>
<tr>
<td>Egibi of Babylon 38</td>
</tr>
<tr>
<td>Egypt 36, 93</td>
</tr>
<tr>
<td>Anedjip 83</td>
</tr>
<tr>
<td>Badarian culture 81</td>
</tr>
<tr>
<td>Badarian period 85</td>
</tr>
</tbody>
</table>
Index

gold-silver ratio 24
government money 55
  is redeemed by taxation 77
  government tokens 52
grain
  as a unit of account 94
Greece 17, 36, 47, 177
silver as a measure of value 114
greenbacks 233-235, 237
depreciation of 47
Gresham, Sir Thomas 205
Gresham’s Law of Currency 7
groats 190
Gulden 58
Hamburg, bullion exports 26
Hamilton, Alexander 27
Hammurapi, Laws of (also as Hamurabi) 30, 104
harvest time pay day 115
Heinsohn and Steiger thesis 229, 230
higgling of the market 63
high-powered money (HPM) 259
historical record, importance of 224
Homer usage 103
inconvertible notes 46
India 36
deflates debt 180
of government money 75
  of house prices 166
Innes, Alfred Mitchell 1, 3
  ancestry 3-4
  Bees and Honey 4
  biography of 3
  clarity of his analysis 223
  Martyrdom in Our Times 4, 7
  on poverty 5
  on prisons and punishments 4
  Until Seventy Times Seven 6
  why was he ignored 223
Institute for the Study of Longterm Economic Trends viii, 121
Institutionalists 232
interest 105
  a penalty for late payment 91
  Babylonian interest rate 110
  origins of monetary interest 107
  interest rates 106, 113-115, 123, 155-156, 166-167, 255, 258
  Babylonian 110
  connection with inflation 155
  intermediated credit supply 167
  International Scholars’ Conference on Ancient Near Eastern Economies viii, 121
issues of money
  banks must be able to issue money 53
  government monopoly
    unnecessary 52
    Italian city states 195
Jean le Bon 23
Jewish merchants issue coins 20
Jews of Babylonia 38
justice of tribal society 226
Kahn, Richard 159
Keynes, John Maynard 1, 140, 158, 176, 178-179, 181, 183, 187, 192, 230, 251
The Treatise on Money 223
Keynesianism 3
  New Keynesian 3
  Post Keynesians 3
Knapp, George Frederick 9, 179, 242
language, complexity of ancient languages 132
  law of commerce 31
  law of debt 80
  Law, John 143
  lawful money 240-241
  lead 20
  lead mining, economics of 141
  legal tender 19, 31-32, 39, 44-46, 48, 53, 77, 147
    cases on 46
  effect of legal tender laws 45
  levying a tax 37
livre 21
   livre detern 23
   livre estevenate 23
   livre parisis 23
   livre tournois 23, 190

loanable funds argument 10
loans
   between farmers 229
   limits on 151

Macleod, Henry Dunning
   book on currency, credit, banking,
   political economy 1

Marashu, sons of 38
Mark 53

Martyrdom in our Times by Alfred
   Mitchell Innes 226

Mauss, Marcel 100
measure of value 14
mediaeval bank failures 194
medium of exchange 14, 65, 76, 79,
   92, 95, 128, 133-134, 138, 144,
   147, 168, 174, 176, 181, 184, 214,
   225-226, 232, 238, 252

Menger, Karl
   his thesis 79
   Mengerian commodity theory 181
merchant bankers’ private bill money
   202

Mesolithic Age 131
Mesopotamia 9, 36, 93-94, 99-101,
   104, 106-107, 110, 116, 135
   trade program 112
   transforming economic categories
   121
   Ur III period 110
Mesopotamian law 104
metallic standard of value never existed 16
metallists 79, 244
metals
   sources in ancient times 111
Mexico 36
mina of silver 113
Minsky, H. 174
mixed economies 110
Mommsen, Theodore 17
moneta immaginera 176
moneta reale 176
monetarist 124, 240
monetarist economics 168
monetarist economists 180
monetarist ideology 108, 116
monetary policy 177, 191, 225
monetary theory of credit 224
monetary unit
   arbitrary 38
   origins 229
monetising debts 169
money
   as a social relationship 79, 231,
   233
capitalist credit money 185
classify theories of 79
coin money 236
commodity money 1, 7, 14, 232,
   234
created by debt 149
creation of 151
credit money 1-2, 11
creditary approach to 12, 225
development by public institutions
   111
dependent money approach 225
fiat money 232
high-powered money (HPM) 259
imaginary history of money
   created 225
in Egypt 92
in Egypt a social relationship 95
in Elizabethan England 205
is nothing but credit 238
lawful money 240
lawful money as bank reserves 240
money as a creature of the state 2
money of account 183
money of American government, is it depreciating? 72
mutations 25
nature of money 50
of account 180, 198
origin not in livestock 105
origin of name 109
originates as unit of account 92
quantitative theory of money 47
represents a social relation 12
role as unit of account 123  
Roman money 19  
silver 9  
standard money 46  
state money approach 12  
valuta money 12, 259  
wrong theory of origin 100  
money as coin, a conceptual error 213  
money supply 146, 155, 166, 168  
nominey  
  test of 11, 213  
monnaie blanche 62  
monnaie faible 142  
movable wealth 106  
mutations 28  
mutations de la monnaie 38  
negotiable instruments 35  
Neolithic Age 131  
New Economic Archaeology 120  
nobles 190  
North American Colonies 147  
North, Douglass 108  
notes  
  Bank of England notes 46  
  numeraire 174, 182, 225, 228, 246  
Numus 18  
numéinae 36  
Oresme, Nicole 24  
Oscan pound 18  
Pacioli’s treatise 204  
pagamentum 36  
panegyris 36  
paper currencies 142  
Parys Mountain Company 142  
pay 31  
  origin of word ‘pay’ 7  
penal system, origin of 226  
penny 21  
Peruzzi of Florence 194  
Philippe le Bel 23  
philology of money 102  
political economy 1, 51  
  fundamental theories 14  
post-Keynesian economics 180  
post-Keynesian economists 184  
pound  
  English pound 21  
  Oscan pound 18  
precious metals  
  are not a standard of value 76  
  unsuccessful price regulation 40  
price  
  administered prices 111  
  price deflation 159  
  price standardization 113  
  variation in Mesopotamia 113  
primitive law of commerce 185  
private sector purchasing power 247  
private sector, assumptions about 108  
public bodies  
  role of 9  
  role of in commerce 100  
purchases  
  paid for by sales 41  
rate of interest 135  
  in Sumer 113  
Recoinage Act of 1696 58  
redemption of government debt by taxation 66  
redistribution  
  how it worked 91  
redistributive households 103  
redistributive mode 109  
religion: important in the development of money 89  
rememberer 227  
rent-in-kind 116  
reserves of lawful money 44  
Revolution, French 20  
Roman numerals 151  
Rome 17  
Royal Exchanger, powers of 206  
Rudgley, Richard 151  
Saint Louis, King of France 24  
Samuelson, Paul 224  
  Economics 100  
saving, effect of 162  
Say, Jean Baptiste 157  
Schmandt-Besserat, Denise 151
Index

Schumpeter, Joseph A. 224, 238, 242
securitising bank lendings 155

Sesterce 18
shekel 114
origin of accounting value of 111
unit of account 181
shilling 21, 58
shubati tablets 34
Sicily 20
silver 58, 122
a commodity like any other 39
as an administrative vehicle 107
use in exchange 115
Simmel, G. 179
slate, as record of debt 141
Smith, Adam 15, 50-51, 108-109,
128, 131, 141, 223
failure of vision on nature of
money 50
his annuity 142
quotation from 29
Smith, Thomas
Essay on Currency and Banking 15
Social Credit movement 158
social relations of monetary
production 213
Sol or Sou 20
Solon
his laws 114
solvent, definition of 32
Spain 20
special deposits 153
specialization
in early Egypt 84
increases welfare 229
specialization of labour defeats
barter 117
state money approach 8
state theory of money 107, 115, 119,
175, 224, 242
Innes's version 66
stater 114
Stein, Sir Aurel 138
stock 33
Sumer 9, 112
money developed in 99
setting the value of unit of silver 99
trade in 112

Sumerian communities 101
supply and demand 64, 110, 113,
133, 157, 173-174, 182, 199, 232,
246, 250
surplus production
leads to religion 88
tally 33-34, 38, 132, 141, 143, 150,
178, 185
a wooden credit card 132
medieval 43
tamkarum 129, 136-137
tax liabilities 246
taxes
replace fees, fines and tribute 227
temple merchants
in Mesopotamia 112
temples as banks 36, 90
thaler 26
tin 20
tokens 17-20, 22, 26-28, 35, 38, 52,
65, 74, 93-94, 142, 176-177, 211,
236, 243, 250, 252-254, 260
coins in Ancient Greece were 17
tokens, private
eventual suppression of 27
tontine 209
Tooke, Thomas 47
Townshend, Charles 141, 143
trade
not just barter 118
trade credit 131, 133, 135, 137,
140-141, 146, 151, 156, 163-164,
167-169, 199, 213
trade cycle 159
is a credit cycle 10
traded promises 132
transferable credit money 240
Treasury 37, 147
Treatise on Money by J. M. Keynes 2,
156, 178, 223
tribal obligations 230
tribal obligations become taxes 90
tribal society in Egypt 83
tributes, tithes, and taxes 228
triens, the third part of a sou 20
unit of account 10
development of 92
United States
ever days of 26
Uruk 111
usury laws 148

Venice, bullion exports 26
war debt 60
weights and measures 61

wergild 7, 103-104, 182
wergild system 228
wergild-type debts 9, 99
wergild-type fines 101, 105, 119
Wisselbank of Amsterdam 206
writing
emerges from bookkeeping 94
invented to keep track of economic transactions 94
Wunsch, Cornelia 119, 137