

A KEY  
TO  
MONEY  
AND  
BANKING

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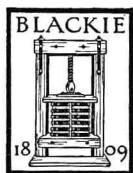
William F. Spalding

# A Key to Money and Banking

BY

WILLIAM F. SPALDING

Fellow and Member of the Council of the Institute of Bankers, London;  
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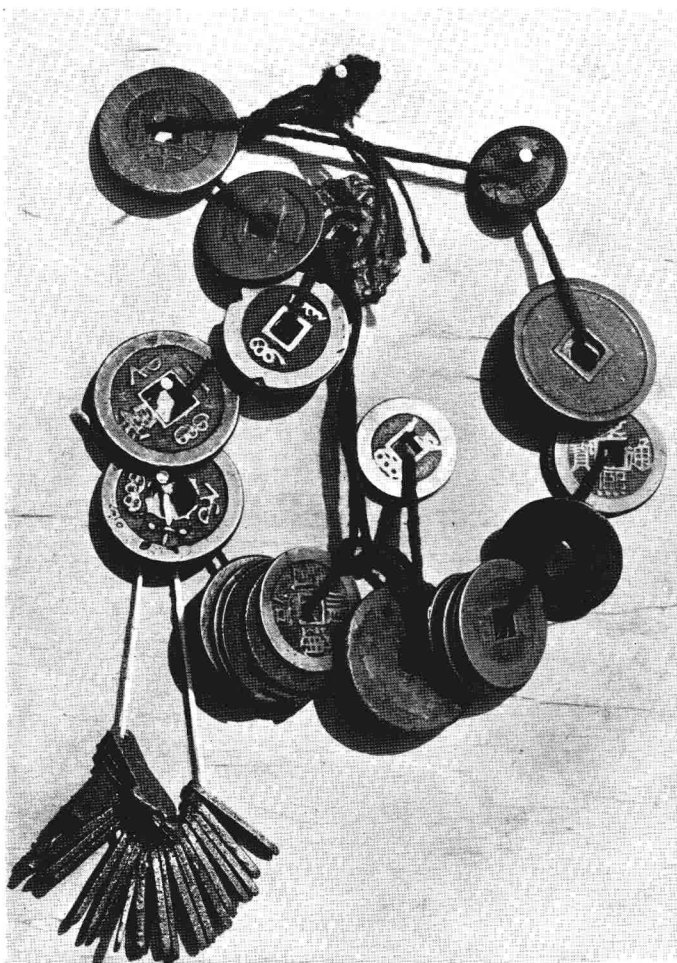
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## FOREWORD

BY W. J. HINTON, M.A., Director of Studies,  
Institute of Bankers, London; Late Professor  
of Economics, University of Hong Kong.

THERE are two methods of expounding subjects like that dealt with in this book. One of them, the theoretical or analytical method, ignores the many varieties and complex differences of real life, abstracts certain fundamental notions, and makes a kind of working model with these few simplified ideas. If the expositor is mathematically inclined, he will express the relations between his fundamental elements in some kind of geometrical or algebraic notation; but this only shrouds the subject in further mystery for the majority of readers. Even if he tries to help his readers by reducing the theorems thus established to a few very simple statements, these will be apt to sound like mere empty platitudes, far removed from the actual happenings of the market place.

Another method is to describe to the beginner a rather large selection of interesting facts in their geographical and historical setting with less of general explanation and elementary theory. The author has followed that method in this book, and it is probably the best for English readers. As a nation we are apt to prefer particulars to generalities; we pride ourselves on being practical and distrusting theory, even to the



extent of taking a perverse pride in our distrust. Thus English law is case law, and our favourite explanatory phrases are "for instance" or "it's like this". Perhaps one should warn the beginner that it will be necessary for him to go on from these descriptive elements to some analysis and theory if he is to go deeper into the subject; otherwise he will get lost in detail and drown his understanding in a sea of facts.

Mr. Spalding is particularly qualified to write such a descriptive introduction. Many years of work in an exchange bank dealing mainly with China have given him opportunities to study a currency which, until yesterday, still contained relics of every stage in the development of money and banking. From that base, he has pushed his researches into the equally fascinating, but perhaps less certain, fields of archæology and the study of primitive institutions. Towards the end of this book he returns to the ground, so familiar to him, of present-day banking and exchange in the City of London. And now the reader may safely be handed over to this excellent guide, who is equipped with a whole bunch of keys, and will open, not one, but many, doors to knowledge.

## PREFACE

THIS Key to Money and Banking aims at treating a difficult branch of economic science in a manner capable of being easily understood by that very important person—the man in the street. With this object in view the writer has roamed far and wide in his search for material to lighten the study, and as will be seen, has traced the development of money and banking from the very earliest times. His claim that money was discovered and not invented will be new to most people, and may open up an interesting line of research for inquiring readers.

The course of money, like that of love, has not run smoothly for several years, and many strange and devious devices have been tried by Governments in the attempt to supply their nationals with a satisfactory medium of exchange. Yet, the problems with which we are faced are not new; similar trials perplexed the men of old, and as the reader will find in his perusal of the book, the demand for “honest” money is one that has existed right down through the ages. *act of survey*

In dealing with both money and banking the author has endeavoured to be as simple as possible, in order that he who runs may read, and in the reading, it is hoped, will get understanding. The study of banking is, possibly, a less attractive one than that of money, but the writer, after many years spent in a large London bank, has appreciated the difficulties that beset the

average man or woman who is about to commence operations with a bank, and has tried to make the way easy. His approach to banking by a turn of a Key in the lock, may serve to show that banking can be a subject of absorbing interest, and the reader who has had no previous acquaintance with banks and banking should henceforth be able to enter the sacred portals of any of the great British banks, light of heart, with the sure and certain knowledge that he will be able to converse with the man of pounds, shillings and pence intelligently.

The Author acknowledges with grateful thanks his deep indebtedness to Mr. W. J. Roberts for his untiring efforts in the production of the photographs of coins, and to Mr. George Matthey of Johnson, Matthey & Co., Ltd., the well-known refiners, for permission to reproduce the photograph of the refining of silver. He also expresses his keen sense of appreciation to the Rev. C. E. Roberts, M.A., to Dr. E. Henderson-Hunt, M.A., and to Mr. W. P. Spurgeon, for their kindness in reading and advising on the matters dealt with in the early part of the book.

WILLIAM F. SPALDING.

LONDON,

*May 21, 1938.*

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**MONEY**