

“Political Economy in Times of Global Financial Crisis”

Readings to accompany lectures of George Selgin

I. The Role and Origin of Money

Jevons, William Stanley. 1875. [*Money and the Mechanism of Exchange*](#), chapters 1-7. New York: D. Appleton and Co.

Menger, Carl. 1892. [“On the Origins of Money.”](#) *The Economic Journal* 2: 239-55.

Klein, Peter G., and George Selgin. 2000. [“Menger’s Theory of Money: Some Experimental Evidence.”](#) In John Smithin, ed., *What is Money?* London: Routledge, pp. 217-34.

White, Lawrence H. 2002. [“Does a Superior Monetary Standard Spontaneously Emerge?”](#) *Journal des Economists* 12 (June/September): 269-281.

Selgin, George, and Lawrence H. White. 1999. [“A Fiscal Theory of Government’s Role in Money.”](#) *Economic Inquiry* 37 (1): 154-65.

Summers, Brian. 1976. [“Private Coinage in America.”](#) *The Freeman* 26 (7) (July).

_____. [Good Money: Birmingham Button Makers, the Royal Mint, and the Beginnings of Modern Coinage](#) (Ann Arbor: University of Michigan Press and the Independent Institute, 2008).

II. The Origin and Role of Banks

Selgin, George, and Lawrence H. White. 1996. [“In Defense of Fiduciary Media”](#) etc. *Review of Austrian Economics* 9 (2): 83-107.

Selgin, George. 2000. [“Should We Let Banks Create Money?”](#) *The Independent Review* 5 (1): 93-100.

Smith, Adam. 1776. [“Of Money Considered as a Particular Branch of the General Stock of Society,”](#) in *The Wealth of Nations*, book II, section 2.

White, Lawrence H. 1996. [Free Banking in Britain: Theory, Experience and Debate, 1800-1845.](#) London: The Institute of Economic Affairs (especially chapters 1-3 and 6).

Whitney, D.R. 1878. [*The Suffolk Bank*](#). Cambridge: Mass: Riverside Press.

Dowd, Kevin. [“Competitive Banking, Banker’s Clubs, and Bank Regulation.”](#) *Journal of Money, Credit* 26 (2) (May).

Selgin, George, *The Theory of Free Banking: Money Supply under Competitive Note Issue* (Totowa, New Jersey: Rowman & Littlefield, 1988).

3. Central Banking and Financial Crises.

Guthrie, George. [*Bank Monopoly the Cause of Commercial Crises*](#). Edinburgh: Blackwood, 1864.

Hume, David. 1752. [“Of the Balance of Trade.”](#) From the Library of Economics and Liberty.

Bagehot, Walter. 1873. [*Lombard Street: A Description of the Money Market*](#). Available online from Liberty Fund’s Online Library of Liberty and Economics.

Selgin, George. 1989. [“Legal Restrictions, Financial Weakening, and the Lender of Last Resort.”](#) *Cato Journal*, Fall.

Selgin, George. 2000. [“The Suppression of State Banknotes: A Reconsideration.”](#) *Economic Inquiry* 38 (4): 600-15.

Horwitz, Steven. 1990. [“Competitive Currencies, legal Restrictions, and the Origins of the Fed: Some Evidence from the Panic of 1907.”](#) *Southern Economic Journal* 56 (3): 639-49.

Breckenridge, R. M. 1895. [*The Canadian Banking System, 1817-1890*](#). New York: The American Economic Association. Especially chapter X.

4. Regulatory Causes of the Great Depression.

Reed, Lawrence. [*Great Myths of the Great Depression*](#). Mackinac Center for Public Policy, 1998 (Revised 2005)

Powell, Jim. *FDR’s Folly: How Roosevelt and His New Deal Prolonged the Great Depression*. New York: Crown, 2003.

Powell, Jim. [“Not-So-Great Depression.”](#) *National Review* January 7, 2009.

Friedman, Milton, and Anna J. Schwartz. [*The Great Contraction*](#). Princeton: Princeton University Press, 1963.

Selgin, George, and William Lastrapes. 1997. [“The Check Tax: Fiscal Folly and the Great Monetary Contraction.”](#) *Journal of Economic History*.

[“Closed for the Holiday: The Bank Holiday of 1933.”](#) Federal Reserve Bank of Boston.

Wigmore, Barry. 1987. [“Was the Bank Holiday of 1933 Caused by a Run on the Dollar?”](#) *Journal of Economic History* 47 (3): 739-55.

Taylor, Jason E., and George Selgin. 1999. [“By Our Bootstraps: Origins and Effects of the High-Wage Doctrine and the Minimum Wage.”](#) *Journal of Labor Research*, Fall 1999.

Hazlitt, Henry. 1933. [“The Fallacies of the N.R.A.”](#) *The American Mercury*, December.

Higgs, Robert. 1992. [“Wartime Prosperity: A Reassessment of the U.S. Economy in the 1940s.”](#) *Journal of Economic History*.

Cooke, Morris, et al. 1936. [“Report of the Great Plains Drought Area Committee.”](#)

5. Alternatives to Central Banking

Selgin, George, and Lawrence H. White. 2000. [“Why Private Banks and not Central Banks Should Issue Currency, Especially in Less Developed Countries.”](#) Online Library of Economics and Liberty.

[Selgin, George, and William Lastrapes. 2007. “Banknotes and Economic Growth.”](#) Working paper.

Helleiner, Eric. 1998. [“Electronic Money: A Challenge to the Sovereign State?”](#) *Journal of International Affairs* 51.

White, Lawrence H. 2008. [“Is the Gold Standard Still the Gold Standard among Monetary Systems?”](#) *Cato Briefing Paper* 100, February 8.

Garrison, Roger. 1985. [“The Costs of a Gold Standard.”](#) In *The Gold Standard: Perspectives in the Austrian School*, ed. Lew Rockwell.

Hanke, Steve H. 2002. [“On Dollarization and Currency Boards: Error and Deception.”](#) *Policy Reform* 5 (4): 203-22.

Selgin, George. 2005. [“Currency Privatization as a Substitute for Currency Boards and Dollarization.”](#) *Cato Journal* 25 (1) (Winter).

Selgin, George. 1993. [“In Defense of Bank Suspension.”](#) *Journal of Financial Services Research* 7 (4) (December).

Shah, Parth. [“The Option Clause in Free-Banking Theory and History: A Reappraisal.”](#) *Review of Austrian Economics*, September 1997.