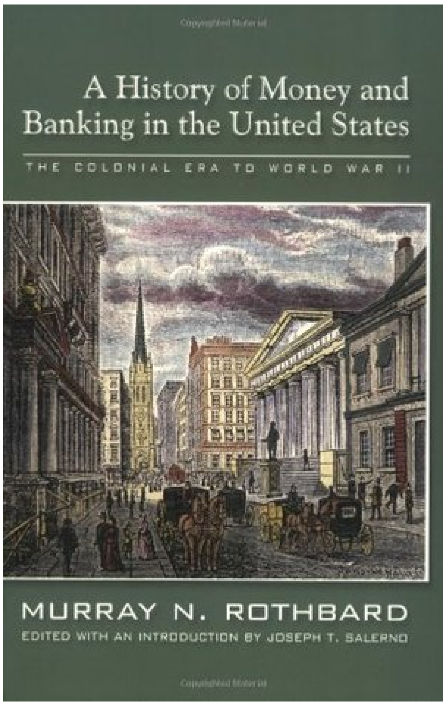

A History of Money and Banking in the United States: The Colonial Era to World War II

Murray N. Rothbard , Joseph T. Salerno (Editor)

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In what is sure to become the standard account, Rothbard traces inflations, banking panics, and money meltdowns from the Colonial Period through the mid-20th century to show how government's systematic war on sound money is the hidden force behind nearly all major economic calamities in American history.

Never has the story of money and banking been told with such rhetorical power and theoretical vigor. You will treasure this volume.

From the introduction by Joseph Salerno:

"Rothbard employs the Misesian approach to economic history consistently and dazzlingly throughout the volume to unravel the causes and consequences of events and institutions ranging over the course of U.S. monetary history, from the colonial times through the New Deal era. One of the important benefits of Rothbard's unique approach is that it naturally leads to an account of the development of the U.S. monetary system in terms of a compelling narrative linking human motives and plans that often-times are hidden, and devious, leading to outcomes that sometimes are tragic. And one will learn much more about monetary history from reading this exciting story than from poring over reams of statistical analysis. Although its five parts were written separately, this volume presents a relative integrated narrative, with very little overlap, that sweeps across three hundreds years of U.S. monetary history."

A History of Money and Banking in the United States: The Colonial Era to World War II Details

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From Reader Review A History of Money and Banking in the United States: The Colonial Era to World War II for online ebook

Joe Starr says

The title of this book is both facetiously misleading and subtly accurate. It is not THE history of money and banking; it is A history of money and banking. Even more so, it is ABOUT the history of money and banking. Deeply biased, and overly subjective, the author feeds us little bits and pieces of real life events, and then immediately proceeds to embellish the narrative with highly charged opinions, often to the point of patronization. I've never seen so many adverbs and adjectives in a "history" book before. What precious insight we receive into the world of finance, is overshadowed by the predictably forthcoming specter of the author's next flippant dismissal of objectivity towards the subject. I feel less learned about money and banking than I do about the actual author. I have lost all trust for what I've read here, and feel a great dissatisfaction over the time I have invested in this book.

That said, Libertarians will LOVE this book. It presents a clear agenda. Regulation is bad. Privatization is good. The free market will cure everything from teen pregnancy to hair loss. All hail laissez-faire economic policy. You won't find any dissenting views in this work. This (practically) propagandist narrative won't even entertain the concept of a different worldview or interpretation of history.

If you're looking for an actual history lesson, you'll be wise to skip this title.

Void lon iXaarii says

In the beginning I found the book a bit boring, maybe it simply was too many esoteric subjects of a time period I knew little about, but as it got into the 1900 and beyond I started to get more of the stuff and could relate to it better... I can't say for sure what it was but by the end of the book I was like "WOOOOW". Very deep insights and a level of rational analysis I have by now come to expect from Rothbard (man I wish I could find a new Rothbard writing about post 2k subjects but being as prolific and rationally deeply incisive. The way he sees the whole issue and the detached objectivity with which he analyzes the issues and incentives is quite fascinating.

The vast vaaast vaaast majority of books on banking and finance predictably come from inside the financial sector, either that or from government or government regulator wannabe perspectives, thus representing the particular incentives and interest points of those groups, something Rothbard quite insightfully observes. It's quite rare and priceless to have his perspective and flawless logic on these things, deconstructing the motivations, and incentives of the huge inflationist camps, be they in the government or industrial sectors. It's amazing to have such a clear thinker go through historic facts digging up interesting stuff, and the analysis he applies to historical periods is (to those willing to think the politically incorrect) surprisingly insightful for our days, and a good precedent of analysis and perspective of thinking.

Random memories:
- Rothbard's amazing perspective of the interest groups. I'm used to thinking and seeing things from the perspective of conservatives vs spend thrifts/socialists, and i was sure this would be the author's perspective yet instead he often talks of the different interest groups of the old money families, how different moves were meant to use the government to stab the competing ones, or the cases in which all old money groups united to use the government's power to take advantage of the public's ignorance/lack of power.
- it was delightfully spicy interesting to see him even take a stab at Milton Friedman via Irving Fisher's

personal inflationist debtor interests
- some great insights into international politics via the much more rational prism of economics and the interest groups behind politics, including the insightful talk about the incentives of the US for the war against Germany because of the trading interests

Overall I found it a fascinating book, an amazing study of history and full of great analysis insights. I would so like a book with this level of detached external analysis on more contemporary currency issues. So many of them today are just interest groups either of stock traders or government regulators, making the landscape so full of confusing propaganda and disingenuous cries... still looking for a Rothbard level intellect to hopefully write such a similarly insightful history of the 1980-2016+ time period. I really hope enough will be "declassified" and or/or another mind like Rothbard will surface that I may get such a great treat within my lifetime. This book was that good!

Bill says

Very good and informative book! It goes into detail on how our banking system originated and is structured today.

Daniel says

I got this as an audio book, and as a result, I had trouble following some of the more technical sections. My primary takeaway is this: nothing the Fed is currently trying to do is really new in American history. Nor has there ever been a "golden age" of economic and monetary policy in this country; money has always been the subject of government manipulation in favor of special interests.

Daniel says

I have thoroughly enjoyed several books by Murray Rothbard of the Ludwig von Mises school of economics. I could dwell on this history for an extended study, but alas I will move on. I am convinced the issues of monetary policy, the damaging intervention of the federal reserve system, and effects of inflation are among the most important issues facing us today. Democrats and Republicans seem equally unaware.

Royce says

Eye opener

Richard peels back the layers of public school propaganda and leads the reader on a journey of enlightenment about who pulled the strings and how we have arrived where we are in this world of perpetual war and failing economies.

Julie Browning says

Excellent book.

Sylvester Kuo says

Quite an intimidating book because of how extensive Rothbard had researched into the American history of money and banking. I knew the gist of it to enable me to debate, but this book is like a whole arsenal to debunk fiat money and central banking system. I've learned a lot but it was quite a difficult read because it doesn't really flow that well. Many of the quote from some unknown individuals could really be removed as they don't really help with the understanding of the history.

Nick says

OH BOY! I wish I hadn't audiobooked this because parts of it would have warranted a closer reading. Namely the technical parts. But I'll definitely be revisiting this in the future. Highlights were when he talked about the Suffolk system and other early American banking organizations which worked VERY differently from anything that exists in the modern day. Also, hearing about how American political history from the 1910s till WW2 was basically a war between the Rockefeller and Morgan houses was great. Particularly savory was when he talked about how the New Deal was basically a Rockefeller corporatist coup against the Morgans cloaked in "leftist" progressive intellectual language. And to think that all the anti-corporate types have bought into it... And of course hearing about the banking/monetary motivations for various wars including "the good war" of WW2 was quite worthy.

AAAnd also this just hammers home that the current financial crisis is anything but new or special.

Generally written in a really easy to follow manner, aside from a few technical bits which I'll need to go to the text to figure out wtf was going on. I simply cant do mental econ quickly enough to keep up with an audiobook.

read it here: http://mises.org/books/historyofmoney...

Listen to it here (I think) : http://mises.org/media/category/230/A...

Zachary Moore says

An excellent treatment of the baleful role that the banking-government complex has had on the history of the both the US and the rest of the world. Provides fascinating insight into the real reasons for a number of political disputes, popular debates and even wars that the US has been involved in throughout its history. The only complain I have against this book is the that, as an collection of originally separate essays,it becomes very redundant in places, especially as regards the history of US monetary policy from 1914-1945.

Bharath says

The best book on how banking evolved in the United States from the colonial era to World War II. Murray Rothbard also gives a lot of information on the motivation behind inflation. The book covers the First and Second bank of United States and the Federal Reserve. Lots of information. Ideal for someone who wants to learn the history but does not have a lot of knowledge on finance.

Jeff says

Really, only 4.5 stars, but I rounded up. This book is a flawed masterpiece. Its flaws are numerous and have been pointed out by others but to summarize: 1. The book could easily have been 40-50 pages shorter because common reiterations, some stylistic issues and numerous actual repetitions of facts. To be fair, the author died before this book was edited/ cobbled together and I suspect he was actually working on two separate books independently (one on gold, the other on banking) and these were cobbled together. 2. The author is a rabid “ hard monetarist” (I am not) and his constant value judgements were annoying. HOWEVER, the value of this book is two- fold for me. First, the scholarship is impeccable. The subject is treated exhaustively. I learned an enormous amount. 2. The author uses sociology and a neo Marxist framework to point out how banking policies really have been made by a select group of a few men, all of whom knew each other very, very well. This “ class” of men, while they may have disagreed on policies and on theory, all acted in their own self interests. They still do. Want to see the future of Bitcoin? Read chapter two about how the US centralized banking during the Civil War and why it did so.

Arsen Zahray says

Author's writing style is somewhat dry, and he uses far more names of historical characters than I cared to read or remember. Nevertheless, if I had to choose between reading "Confessions of Economic Hitman" and this book, I would choose this one. Author is a genuine economist, and his analysis and argumentation are sound.
I'm giving this book 5/5 rating based on pre 1930's history, which is really good and interesting. This is 80% of the book, and I have used this info to correct a lot of my mis-conceptions about the gold standard and pre-ww1 world. However, I feel that events and their interpretation after around 1935 need some more work. Either that, or he shouldn't have include those events at all. Regretfully, by now the point is mute.

Shira says

Now I'd probably rate this book a 2, but at the time, I enjoyed his style, or something...
Very elitist pov.
This book = Austrian School orientation;
p. 7 -Rothbard first to use interpretive appr. of Austrian monetary theory

p. 7 'praxeology' -" distinguishes Rothbard : In Rothbard's view, economic laws can be relied upon in interpreting these nonrepeatable historical events because the validity of these laws”or, better yet, their truthâ€”can be established with certainty by praxeology, a science based on the universal experience of human action that is logically anterior to the experience of particular historical" events econ.= science

--horse hockey!

P. 8 "new economic historians view history as a laboratory in which economic theory is continually being tested." cites 'Douglass C. North, a Nobel Prize-winner in economics' as pioneer in this method...
p. 9 North = positivist w/2 problems: 1. his method limited to quantifiable vs. motivation related issues Who benefits from changes in policies and institutions
2. (p. 10) -2nd flaw = claimed rel. betw. theory history

P. 9 --says new economic historians methods leave quanti. data unexplained, miss 'purposive actions ... aimed at ' goals

p. 10 North uses history as empirical data to gather stats to test theory - economic history always changing [[he says this like it's a bad thing...]

-Rothbard focuses on motives, dismisses, J. K. Galbraith, and insists that one must understand other values and goals

P. 24 'when the steel industry lobbies for higher tariffs or reduced quotas, no sane adult, and certainly no competent historian, believes that it is doing so out of its stated concern for the public interest or national security. Despite its avowed motives, everyone clearly perceives that the primary motivation of the industry is economic,'
-Marshall Plan was to 'promote and subsidize' US export strength

P. 25 -so contextual events don't matter? 'the fact that heavy speculation against the German mark accompanied its sharp plunge on foreignexchange markets is not significant for an Austrian-oriented economic historian seeking to explain the stratospheric rise in commodity prices that characterized the German hyperinflation of the early 1920s.' --since he has supply-and-demand purchasing-power-parity theory of exchange rates,
p. 26 instead, looks at German Reichsbank motives;
--hmmm, -so he says check the motives of the decision-makers, not other factors...

P.27 states must be oligarchies because: 1. ruling class extorts taxes from productive classes, and if too many become ruling class, system breaks down,
and
2. law of comparative advantage: not everyone is talented at ruling [reminnds me of Sugar Ray Leonard's comment on his talent = 'beating up on ppl']

p. 29 'The ruling class, however, confronts one serious and ongoing problem: how to persuade the productive majority, whose tribute or taxes it consumes, that its laws, regulations, and policies are beneficial; '
--mass tax resistance on large scale bad for ruling class; intellectuals convince public to submit (claim else anarchy chaos)
P. 47 Great Britain on silver standard colonial America: pounds pence shillings;
' shilling defined as equal to 86 pure Troy grains of silver' & legal tender; 'gold guinea, weighing 129.4 grains ... equal ... silver.' -> bimetallic standard -> Gresham's Law;
-said overvalued $ circulates, undervalued leaves (out of the country or into hoards)

P. 48 government does it w/privldg of legal tender '17th, 18th-century Britain, the government maintained a mint ratio between gold and silver that consistently overvalued gold and undervalued silver in relation to world market prices'
-loss of silver, flood of gold;

-Rural areas: north: beaver fur, wampum for Indian trade, fish & corn = money; rice =$ in SC, pound of

tobacco = VA currency via warehouse receipts w/full 100 % backing;
-urban & foreign trade: coins English & European (French
P. 49 'guinea, the Portuguese â€œjoe,â€? the Spanish doubloon, and Brazilian coins, while silver coins included French crowns and livres.'

-asserts no need for national gov monopoly on coinage: 'indeed foreign gold and silver coins constituted much of the coinage in the United States until Congress outlawed the use of foreign coins in 1857.' free market -> foreign coin circulate w/value proportion to market weights;

-'leading specie coin circulating in America was the Spanish silver dollar, defined as consisting of 387 grains of pure silver.

-says was no scarcity of specie despite constant complaints in colonies; admits 'true that England, in a mercantilist attempt to hoard specie, kept minting for its own prerogative and outlawed minting in the colonies; it also prohibited the export of English coin to America. But this did not keep specie from America, for, as we have seen, Americans were able to import Spanish and other foreign coin, including English, from other countries'
--[[somehow this strikes me as saying if we couldn't take pounds sterling from England into Bath, that we could get by in Bath via notes from other countries -not very likely...]]

-blames specie shortage on paper money issues via Gresham's law

-1642 MA dollar = 5 shillings; (led general colonial debasement) to attract more span. dollars to mk MA exports cheaper in dollar terms;
-> inflation & end of temporary export stimulus; English outlawed it in 1707;

P. 51 but they already had paper (MA = first in 1690 in Western wrld w/paper $ ...
not counting 'â€œcard money.â€? The governing intendant of Quebec, Monsieur Mueles, divided some playing cards into quarters, marked them with various monetary denominations, and then issued them to pay for wages and materials sold to the government. He ordered the public to accept the cards as legal tender, and this particular issue was later redeemed in specie sent from France.' ...)

-cites medieval China as first w/paper & printing;
-claims China had boom-bust too: See GordonTullock, Paper Money "Cycle in Cathay"

-MA 'plunder expeditions' against Quebec; lost this one, no loan from merchants - December 1690 printed lbs 7000 ; paid mutinous soldiers w/ pledge: 1. redeem in gold or silver from later tax collections 2. no new notes!
-says they lied in both: months later dropped issue limit -that's inflationary, yes...

-[[but 'the bills continued unredeemed for nearly 40 years.' not a problem,since lack of redemption was due to circulating use as currency w/benefits to local economy, imho...

-Feb. 1691 issued 40,0000 lbs more -> rapid depreciation vs. specie by 40% in 1 year
- 1692 made paper $ 'compulsory legal tender for all debts at par with specie, and by granting a premium of 5 percent on all payment of debts to the government made in paper notes.' -> via Gresham's L. specie left colony, drove up prices, hampered exports from MA;
-claims thus that paper issue was caused the shortage of specie, except that gee whiz, MA couldn't pay the guys in 1690 due to lack of specie in the first place!!

'in 1690, before the orgy of paper issues began, Â£200,000 of silver money was available in New England;

by 1711, however, with Connecticut and Rhode Island having followed suit in paper money issue, Â£240,000 of paper money had been issued in New England but the silver had almost disappeared from circulation.'
***----But where does he get these figures from??

---the later lack of silver does not mean paper caused the shortage -again, MA couldn't pay soldiers, BEFORE paper issue...

-He also neglects MD colony successfull issue (thus far...)
(seems he may have his own motives and point to make about fiat money...)

P. 53 gov benefited from paper which he alleges did not solve shortage...

This is only in New England, all accepting each other's notes (so what one does all must do...)

P. 54 cites MA, CT, NC & SC, RI & PA depreciations; detailed NJ -inflationary boom & deflationary depression as supply contracted;
1748 after war w/France parliament pressed to retire paper; 1751 New England paper issues prohibited -> 1764 all new paper issues prohib. & retirement of notes
RI only New England colony not to resume specie payment & retire notes rapidly

[I wonder what he means by a ' brief adjustment" to specie resumption...]
also how is he defining 'more prosperous' ?

P. 55 claims 'Rhode Island still on depreciated paper, the result was that Newport, which had been a flourishing center for West Indian imports for western Massachusetts, lost its trade to Boston and languished in the doldrums'
-claims in note 7 that RI exported inflation to MA via paper money [a bit like the Western world does via the US Dollar nowadays...]

-claims lower deflation via wheat prices for Boston than Philadelphia (specie vs. paper), stable exchange rates

***Finally mentions MD:
'8 If Rhode Island was the most inflationary of the colonies, Maryland's monetary expansion was the most bizarre. In 1733, Maryland's public land bank issued Â£70,000 of paper notes, of which Â£30,000 was given away in a fixed amount to each inhabitant of the province. This was done to universalize the circulation of the new notes, and is probably the closest approximation in history of Milton Friedman's helicopter model, in which a magical helicopter lavishes new paper money in fixed amounts of proportions to each inhabitant. The result of the measure, of course, was rapid depreciation of new notes. However, the inflationary impact of the notes was greatly lessened by tobacco still being the major money of the new colony. Tobacco was legal tender in Maryland and the paper was not receivable for all taxes. '

-clearly favors metal (specie) -gold or bimetallic?

P. 56 Private Bank Notes
-1st European banks in Venice 14th century (calls credit 'money lenders' who lent own savings)

-puts 1st England banks (lending other ppls savings) to 'scriveners' early 17th c: clerks of contracts bonds

-no deposit banks in England 'til mid-17th c after
P. 57 king Charles I confiscated lbs 200,000 in gold 1638 as 'a loan' - merchants using goldsmiths

warehouses in 1660's fractional reserve banking via receipts

[how many times have we heard this story, let us count the ways...]]
-note 12 cites Tullock 'Paper Money' on China 8th century fractional reserve banking

-cite MA Land Bank of 1740 alternative to gov. paper; 1741 Parliament outlawed land bank silver banks

P. 58 MA land bank backed by wealthy merchants & land speculators

P. 59 1775 Rev. War -Gouverneur Morris of NY landed aristocracy idea fiat paper $
-retire via future state taxes
-issued
$6 million 1775 (one year); Continental paper ; total $225 million 5 years
-dramatic depreciation against specie
[which specie -silver?]

P. 60 soldiers paid in Continentals -worthless, farmers forced to accept
p. 61 -by war's end all state paper withdrawn; loan certificates also used as currency, depreciated, remained as peacetime federal debt due to Robert Morris (Phil.) agitated for par redeemable debt & fed assumption of state debts
-claims reasons 1. subsidize speculators 2. to gain federal taxing power

P. 62 Morris disciple = Alexander Hamilton
-claims Morris wanted: strong central government, federal tax power, public debt payable by permanent taxes;
-'spring of 1781, Morris introduced a bill to create the first commercial bank, as well as the first central bank, in the history of the new Republic. This bank, headed by Morris himself, the Bank of North America, was not only the first fractional reserve commercial bank in the U.S.; it was to be a privately owned central bank, modeled after the Bank of England.'
-money backed by specie, but inflationary; opened 1782 w/it's notes good for taxes at par with specie; claims all other banks forbidden

--V. very interesting note 18: 'Morris candidly put it, this windfall to the public debt speculators at the expense of the taxpayers would cause wealth to flow into those hands which could render it most productive. The Power of the Purse: A History of American Public Finance 1776-1790 p. 124.

P 63
-bank lent to government to buy pub. debt, reimbursed via taxes
-also deposited all congressional funds, lent Congress 1.2million $
-depreciated outside Phil. (bank hq);
-end 1783 Morris had sold fed gov. stock
---note claims, in prev. Rothbard book, Morris embezzled lots for him & friends...

P. 64 end of Rev. war contraction of paper resumed imports (from G Britain he says...) - deflation by half by mid 1780's
-states trying to pay war debt w/out high taxes;
-again claims paper issues 'shortage' of money; cites NC: merchants had to accept local paper in NC but couldn't pay foreign creditors w/it.
-claims Bank of No America didn't help: Banks of NY & MA (Boston) both got regional

P. 65 monopolies -> expansion & then contraction of credit, making recession worse

-bimetallic coin -quotes Jefferson in J. Laurence Laughlin 1901: spanish silver dollar ubiquitousness -> dollar = basic US currency

- new Constitution (Article I section 8) coinage powers -> 'Coinage Act of 1792 on the recommendation of Secretary of Treasury Alexander Hamiltonâ€™s â€œReport on the Establishment of a Mintâ€? of the year before.25 '
-fixed 15-1 silver - gold, silver dollar & $10 gold eagle;
-problem = market fluxuations via Mexican silver mines -> '15.75-to-1. The latter figure was enough of a gap between the market and mint ratios to set Greshamâ€™s Law into operation so that by 1810 gold' -> gold leaving US, silver flooding US
-says 1810-1834 only had silver coin in US

p. 68 complex left 'of Greshamâ€™s Law, the United States was left, especially after 1820, with no gold coins and only Spanish fractional silver coin in circulation.32'
-alleges 'scarcity' of specie was made up...
-claims Hamilton allied w/Morris, continuation of Bank of No America: 'Bank of the United States in February 1791. The charter of the bank was for 20 years, and it was assured a monopoly of the privilege of having a national charter...'

p. 69 -'Bank of the United States engaged in massive temporary lending to the government, which reached $6.2 million by 1796' -> inflation (cites 'wholesale prices rose from an index of 85 in 1791 to a peak of 146 in 1796, an increase of 72 percent.34In addition, speculation boomed in government securities and real estate values were driven upward.35'
-loves to use the word 'pyramiding' as in pyramid scheme? ...
-claims commercial banks boomed: 'eight new banks were founded shortly thereafter, in 1791 and 1792, and 10 more by 1796.' -> 18 new banks in 5 years
--> 'grave constitutional argument, the Jeffersonians arguing that the Constitution gave the federal government no power to establish a bank. Hamilton, in turn, paved the way for virtually unlimited expansion of federal power by maintaining that the Constitution â€œimpliedâ€? a grant of power for carrying out vague national goals. The Hamiltonian interpretation won out officially in the decision of Supreme Court Justice John Marshall in McCulloch v. Maryland(1819).37'
-says Justice John Marshall repeated Hamilton's args in Dunne 1960 'Monetary Decisions of the Supreme Court'

p. 72 merchants favored recharter;
-note 41 says state banks also favored recharter, not restrained terribly by central bank...

P. 73 War of 1812 -New England against, few bonds;
-claims fed. gov. encouraged inflationary banks in rest of country, used those notes to buy goods in New England
--now he makes 'heroic assumptions' to guess estimate money stock in 1811...
*[note great methodology imho...]

P. 74 New England banks asking other banks to redeem in specie blamed for August 1814 suspending of specie payments 'to stop all redemption of notes and deposits in gold or silver' while operating
-calls a flagrant violation of property rights'

P. 75 says banks increased, reserves dropped, inflation major 1815
-claims other historians blame inflation on lack of central bank
-he blames Federal Government

-many Treasure notes; used as money and reserves (accepted for debts & taxes so it was quasi-legal tender)

P. 76 -> inflation & Gresham's Law drove specie to New England & abroad
-cites wholesale price increase especially w/imports
-set precedent for banks to ignore contracts during crisis
P. 77 -says free banking only when banks just like any other business, but they weren't ;
-complains 'Burdened by he tradition of allowing general suspensions that arose in the United States in 1814, the preâ€“Civil War banking system, despite strong elements of competition when not saddled with a central bank, must rather be termed in the phrase of one economist, as â€œDecentralization without Freedom.â€?46 '

P. 78 'bank note detectors' = monthly journals by 'money brokers' listing note - specie ratios of various banks
-wildcat banks just issued money & didn't redeem, located in hard to find places

p. 79 says if gov didn't allow banks to suspend specie payment this wouldn't have happened
-says money brokers often not welcomed in small towns by locals, blamed stranger for bank collapse
-panic of 1819: MD & PA passed laws requiring full redemption, but allowing ignoring of money brokers
-note 48
P. 80 -note 48 show VT & NY cases dubbing money brokers as money grubbers...
-GA banks pennies & oaths for specie;
-NC & MD not paying & charging licensing fees to money brokers

[[Obviously the locals see a problem with large redemptions from out of state; but if the point of money is to help the local economy, their POV is right...]]

P. 81 MD par laws and penalties only helped specie leave
-KY, TN, Missouri forced debtors to accept bank paper
-claims all states accepted bank notes for taxes or state debts
P. 82 quotes 'Philadelphia state Senator Condy Raguet, and the eminent English economist David Ricardo' letter: all USA either own bank stock or in debt to them...

P. 83 1816 Second Bank of US -opened January 1817, gave loan to NY, Phil. Baltimore & VA banks before they resumed specie payments
-mutual support agreement (he says = prop up state banks)

P. 85 paper stayed, specie (quotes Bray Hammond) better, but not good
P. 86 -claims inflation, lack of redemption in specie, & fraud, esp. in Phil. & Baltimore branches (esp. in Baltimore, he says)

P. 87 -says western & southern branches inflated notes & redeemed in NY & Boston
-blames Second Bank for inflation & expansion of state banks

P. 88 money ; credit expansion -> 'fullscale inflationary boom. Prices rose greatly in real estate, land, farm improvement projects, and slaves, much of it fueled by the use of bank credit for speculation: real estate.'
...[interesting: shaky state banks were good for locals, but centralizing on a North Eastern model would hurt planters; Banks owned the land...]]

Marcus Goncalves says

A great history about what money is and what banking systems, aided by political interests, do with it. ... and #capitalism is incorrectly blamed for it!?

Dan says

4 stars for a much-needed reference work that makes for a very dry read

The history presented is excellent. Very detailed. Rothbard's narrative provides explanation and commentary. Quite biased, just like every work of history. However I found this book quite difficult to wade through, and would only recommend it to the most serious student.

To one concerned with justice this book reads like a horror story, chronicling corrupt practices ad nauseam, the figurative godzilla rampaging around. Gory detail, minute and shocking connections after connections between historical power figures.

Michael says

Excellent account of monetary history and political intervention highlighting how we have ended up where we are today.

Don says

The most comprehensive history of money and banking in the United States, that I have read. You will be hard pressed to find a more detailed analysis of the chicanery perpetrated on the American public by the "Banksters". The three central banks in America's history - the First Bank of the United States, the Second Bank of the United States and the current Federal Reserve System (it is not federal, and there are no reserves), are all chronicled and discussed.

If such an accurate and factual tome were written about the subject of law, this would be referred to in a positive light as a "Horn book". In my view, the late Murray Rothbard wrote the Horn book on the ever elusive, much misunderstood subject of money and banking.

A must read for those concerned about your personal liberty.

Jeff says

I am very sympathetic to the material, but all the sections after the first bogged down in an overload of micro-detail. And it's not even economics micro-detail but just so many names and schemes.

Still, it's interesting to see the same old crap playing out in 1809 and 1909 that we see happening in 2009.

Some of Hoover's quotes in the book sound just like the stuff I'm hearing out of Obama and his team today.

Bob Shaffer says

Both tedious and infuriating, Rothbards work is nevertheless essential to gaining perspective on the modern use, and abuse, of currency. Detailing the nature of a "rigged game" from the birth of the nation forward, Rothbard offers us plenty to be angry about, and very little we can do about it.