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**DEVELOPMENT OF FINANCIAL MARKETS AND INSTITUTIONS**

**READING LIST 12: THE FREE BANKING DEBATE**

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Winter 2021/2022

Required readings

J. G. Hülsmann, Has Fractional-Reserve Banking Really Passed the Market Test? *The Independent Review* 7, 3, pp. 399-422, 2003 ([available online](https://www.independent.org/publications/tir/article.asp?id=90)).

L. H. White, Accounting For Fractional-Reserve Banknotes and Deposits – or, What’s Twenty Quid to the Bloody Midland Bank? *The Independent Review* 7, 3, pp. 423-441, 2003 ([available online](https://www.independent.org/publications/tir/article.asp?id=91)).

G. A. Selgin and L. H. White, The Evolution of a Free Banking System *Economic Inquiry* 25, 3, pp. 439-457, 1987 ([available online](http://doi.wiley.com/10.1111/j.1465-7295.1987.tb00752.x)).

A. Fink, Free Banking as an Evolving System: The Case of Switzerland Reconsidered *The Review of Austrian Economics* 27, 1, pp. 57-69, 2014 ([available online](http://link.springer.com/10.1007/s11138-013-0211-2)).

Further suggestions

L. H. White, *Free Banking in Britain: Theory, Experience, and Debate, 1800-1845*, London: Institute of Economic Affairs, 1984/1995 ([available online](https://iea.org.uk/publications/research/free-banking-in-britain-theory-experience-and-debate-1800-1845)).

G. A. Selgin, *The Theory of Free Banking: Money Supply Under Competitive Note Issue*, Totowa, N. J.: Cato Institute, 1988 ([available online](https://oll.libertyfund.org/title/white-the-theory-of-free-banking-money-supply-under-competitive-note-issue)).

M. N. Rothbard, *The Mystery of Banking*, second edition, Auburn, Ala.: Ludwig von Mises Institute, 2008, Appendix ([available online](https://mises.org/library/mystery-banking/html)).

L. Davidson, Against Monetary Disequilibrium Theory and Fractional Reserve Banking *The Quarterly Journal of Austrian Economics* 15, 2, pp. 195-220, 2012 ([available online](https://mises.org/library/against-monetary-disequilibrium-theory-and-fractional-reserve-free-banking)).

J. G. Hülsmann, Free Banking and the Free Bankers *Review of Austrian Economics* 9, 1, pp. 3-53, 1996 ([available online](https://mises.org/library/free-banking-and-free-bankers)).