

# Credit and State Theories of Money

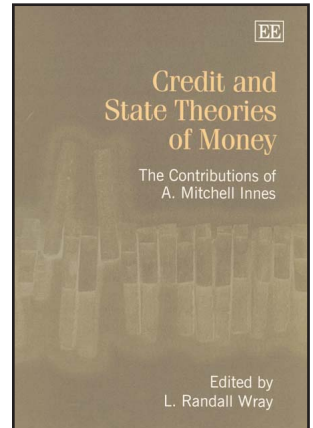
The Contributions of A. Mitchell Innes



Edited by **L. Randall Wray**, Professor of Economics and Senior Research Associate, Center for Full Employment and Price Stability, University of Missouri, Kansas City

*'Most monetary economists today have probably never heard of A. Mitchell Innes, but they should have done. Randall Wray and his colleagues have provided an invaluable service in mapping out the "road not taken" in monetary economics in such detail. Moreover, this is not just a matter of antiquarian interest. The consequences of the profession's unquestioning acceptance of the more traditional, but arguably quite erroneous, conception of money have been profound, with directly negative consequences for the contemporary understanding of the functioning of capitalism and for policy advice.'*

– John Smithin, York University, Canada



*'In Credit and State Theories of Money, Professor Randy Wray continues and extends the influential tradition established by his path-breaking contribution Money and Credit in Capitalist Economies (1990). The focus in the current book is on the work of A. Mitchell Innes and his contributions in the early 20th century which "had caught Keynes's eye". This focus enables this important contribution to push the frontiers of our knowledge on monetary and credit phenomena both in terms of analysis and of their historical development.'*

– Philip Arestis, The Levy Economics Institute of Bard College

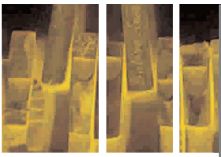
In 1913 and 1914, A. Mitchell Innes published a pair of articles that stand as two of the best pieces written in the twentieth century on the nature of money. Only recently rediscovered, these articles are reprinted here for the first time. In addition, five new contributions analyze and extend the approach of Innes in a number of directions by including historical, anthropological, sociological, archeological, and economic analyses of the nature of money.

The original articles by Innes contained two quite different approaches to money – what might be called the credit approach (later developed in a much less satisfactory manner by J.A. Schumpeter) and the state money approach (also called Chartalist and adopted by J.M. Keynes and by G.F. Knapp). This volume shows how the credit and state money approaches can be integrated to shed light on the origins of money, but more importantly, how they can be used to understand the way the modern money system operates. In addition to the articles by Innes, the volume contains chapters by John Henry, Geoffrey Ingham, Michael Hudson, Geoffrey Gardiner, and L. Randall Wray. An introduction by L. Randall Wray and Stephanie Bell provides an overview and a short biography of Innes.

This authoritative collection of papers is a must-read for economists, policymakers and students interested in the history of economic thought, monetary policy and economic theory.

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(contents on reverse)



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## Credit and State Theories of Money

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