

# INDEX

- Accumulation of reserves, 82  
*Advances in Behavioral Economics*  
(Camerer, Loewenstein, &  
Rabin), 120
- Agricultural exports, 10
- Agricultural production, 112–113
- Ainslie, George, 137
- Altruism, 138, 142
- Angner, E., 124
- Arboleda, Gonzalo, 22
- Argentina  
Argentine Congress, 56  
Central Bank of the Argentina  
Republic (BCRA). *See*  
Argentine Central Bank  
economic cycle, 57–62  
monetary form in, 46, 51*n*53
- Argentine Central Bank  
Board of Governors, 56  
British influence on, 62–65  
creation of, 55–77, 83–86  
evolution of functions, 86–90  
exchange policy and reserves of,  
66–69  
gold and its use, revaluation of,  
71–72  
heterodox, in periphery, 81–98  
mandate and instruments of,  
69–71  
need for, 57–62  
objectives of, 86  
Office of Exchange Control, 67, 68  
stages of monetary policy, 88–89
- Aristotle, 107, 109, 110–111, 116*n*8
- Artisans, 105–107
- Asset integration, 135
- Bacon, Francis, 111
- Balance of payments, 30, 31, 42, 48,  
49, 50*n*29, 58, 83  
Barrera's position on, 44–46  
classical theory, critique of, 32–37  
disequilibrium, 31, 39, 42, 44,  
51*n*47, 51*n*60  
imbalances, 4
- Banco Agrícola e Hipotecario, 95
- Banco Central Mexicano, 40, 50*n*22
- Banco de la Nación Argentina* (BNA),  
60–63, 65, 86, 89
- Banco de Londres y México, 33, 36,  
49*n*10, 50*n*22
- Banco Español del Río de la Plata, 72
- Banco Mercantil de Yucatán (BMY),  
30, 40
- Banco Mexicano de Comercio e  
Industria, 40
- Banco Nacional, 10–17, 19–22, 25, 26  
Board of Issuance, 16, 19, 21, 26  
semiannual profits of, 14, 15
- Banco Nacional de México (BNM),  
30, 33, 36, 40, 49*n*10, 50*n*22
- Banking crises of 1913, 44–46
- Banking Law, 64, 65, 70, 71, 73
- Banknotes, 31, 33, 36, 37, 41–44, 47,  
50*n*25  
circulation by denomination, 23  
classification of, 13, 14  
deficiency of, 15–16  
freedom of stipulation, 20  
issuance and incineration of, 22  
issuing banks, inspection of, 16–17  
list of, 16
- Bank of England, 37, 42, 45, 47,  
50*n*25, 61–65, 70, 72, 84, 91  
reform of 1844, 30, 44
- Bank of France, 42, 51*n*45

- Banque de Paris et des Pays-Bas, 31  
 Baring Brothers, 63  
 Baring Crisis of 1890, 60, 76n10  
 Barnes, Jonathan, 116n8  
 Barrera Lavalle, 4  
 Behavioral economics, 120–126, 128,  
 132–143, 144n1, 145n5,  
 146n11, 147n22  
 Berjemjillo, Andrés, 50n22  
 Bimetallism, 9, 42  
 Board of Directors of the Bank of  
 Colombia, 11  
 Board of Issuance of the Banco  
 Nacional, 16, 19, 21, 26  
 Botto, Carlos, 63  
 Boyle, Robert, 111  
 Brazil, 96n2  
 Brewer, Anthony, 105  
 British Charter Act of 1844, 44  
 British India, 30
- Caciquismo*, 9  
 Caja de Préstamos para Obras de  
 Irrigación y Fomento de la  
 Agricultura (Irrigation Works  
 and Agricultural Promotion  
 Loan Bank), 40  
 Calderón, Carlos, 20  
 Cantillon, Richard, 105  
 Capital controls, 82, 95  
 Caro, Miguel Antonio, 8, 13, 16,  
 17, 20  
 Carranza, Venustiano, 32  
 Casabianca, Manuel, 26n4  
 Casasús, Joaquín D., 30, 35, 49n2  
 Central Bank of the Argentina  
 Republic (BCRA). *See*  
 Argentine Central Bank  
 Central Bank of the Dominican  
 Republic, 94  
 Central Bank Report (1938), 88  
 Centralists vs federalists, 4  
 Centralization, 9  
 Certainty effect, 125–128  
 Churchill, Winston, 73, 85  
 Clay, Henry, 64  
 Coefficient of expansion, 85  
 Colombia  
   free banking and legal tender,  
   debate between, 9–12  
   government regenerator for legal  
   tender, political fight of, 12–24  
   National Party, 8  
 Comisión Económica para América  
 Latina (CEPAL), 4, 5n1, 49  
 Commission of Exchange Control, 84  
 Common difference effect, 125  
 Common ratio effect, 125  
 Consequentialism, violations of,  
 128–132  
 Conservatives vs liberals, 4  
 Constitution of 1886, 9, 13, 24  
 Constitution of Rionegro, 9  
 Conversion Caisse, 83, 84  
 Conversion Law of 1899, 97n4  
 Conversion Office, 97n7  
 Costa Rica, 96n2  
 Counter-cyclical monetary policies,  
 83, 84, 87, 89, 95, 96  
 Creel, Enrique C., 30, 49n3  
 Cuba, 96n2  
 Cumulative prospect theory, 133, 134,  
 135  
 Currency School, 44, 45
- Darwin, Charles, 104, 109  
 Dasgupta, Partha, 114  
*Das Kapital* (Karl Marx), 113  
 Decision-making  
   edition phase of, 134  
   evaluation phase of, 134  
 Della Vigna, Stefano, 120  
 de Pompadour, Madame, 105  
 Deutsche Bank, 31  
 Diaz, Porfirio, 30, 32, 35, 40, 44  
 Disposable class, 107  
 Dominican Republic, 83, 91  
   monetary reform in, 93–96  
 Dufoo, Carlos Diaz, 30, 49n4  
 Dynamic consistency, 130, 146n13

- Eccles, Marriner S., 82, 91
- Economic Commission for Latin America, 96
- Economic methodology, 121–125
- Economic rationality, 120, 121, 143
- Economics and language, 119–148
- Economy of nature, 109
- Ecuador, 91, 96*n*2
- Edition phase of decision-making, 134
- Elasticity of intertemporal substitution, 132
- El Salvador, 96*n*2
- England, 9
- Equity, 142
- Essai sur la Nature du Commerce en Général* (Richard Cantillon), 105
- Evaluation phase of decision-making, 134
- Exchange controls, 82, 84–87, 89–90, 92–96, 98*n*13, 98*n*14
- Exchange rate, 4, 45  
fluctuations, 36–37  
policy, 82, 89–90
- Expected utility, 129, 130, 133, 135–137, 144, 147*n*21
- Exponential discounting, 130, 137–138, 140
- Exponentially discounted utility, 129
- Export tax, 45
- Extract from ‘Corn’* (François Quesnay), 106, 116*n*6
- Fact/convention dichotomy, 122–124
- Fact/value dichotomy, 122–124
- Fairness, 142
- Farmers, 105–108
- Federal Reserve Board, 91
- Federal Reserve Missions, 97*n*3
- Federal Reserve of the United States, 83, 91, 92, 96  
Tenth Annual Report on the Principles of Monetary Policy, 96*n*1
- Fiscal Code, 13
- Foreign capital, support to Monetary Reform of 1905, 39–41
- Foreign-Exchange and Currency Commission (Comisión de Cambios y Moneda, CCYM), 31, 35–37, 40, 41–44, 47–49, 50*n*31
- Foreign-exchange markets, 45
- Foreign trade deficit, nature of, 39–41
- Foreign trade disequilibrium, 46
- France, 9, 38
- Franco-Prussian war of 1871, 38
- Free banking, 9  
and legal tender, debate between, 9–12  
model, 11
- Furtado, Celso, 5*n*1, 49, 50*n*29
- Game-theoretic issues, 145*n*3
- Gamonalismo*, 9
- ‘General Maxims’*, *The* (François Quesnay), 106
- Germany, 9
- Gold, 17, 25, 30, 31, 34–39, 45–48, 51*n*44–47, 51*n*60, 59, 61, 65, 66, 73–74, 76*n*28, 76*n*29, 97*n*4, 97*n*7  
currency, 31  
inflows, instability of, 57–58  
legislators refuse to obligate banks to redeem notes in, 41–43  
reserves, 85  
reevaluation of, 71–72, 73  
standard, 4, 10, 30, 34, 35, 37, 38, 41, 45, 46, 48, 51*n*46, 56, 57, 58, 62, 63, 66–69, 82–85, 91, 95, 96*n*1
- Gold Standard Act (Mexico), 34, 35, 41  
Article, 21, 51*n*46  
“Good neighbor” policy, 83, 95–96
- Grain Regulating Board, 61
- Great Britain, 56, 66, 67, 83

- Bank of England, 30, 37, 42, 44, 45, 47, 50*n*25, 61–65, 70, 72, 84, 91
- British Charter Act of 1844, 44
- gold currency, 31
- gold standard, abandonment of, 83
- influence on Argentine Central Bank, 62–65
- monetary system, 30, 47
- Great Depression, 60, 66, 68, 71, 73, 82–85, 90
- Grüne-Yanoff, T., 124
- Guatemala, 83, 91
- Haiti, 96*n*2
- Harberler, 90
- Heidl, S., 124
- Helvecia, 23–24
- Heukelom, F., 124
- Hirschman, Albert, 50*n*29
- History of economics, 120–121
- Holland, 9
- Homer Lee Bank, 22
- Honduras, 83, 91
- Household management, 109
- House of Speyer, 31
- Huerta, Victoriano, 32, 33
- Hueyo, Alberto, 63–64
- Human agency, 107, 113, 115
- Hume, David, 107
- Husbandmen, 105, 106, 116*n*7
- Hyperbolic discounting, 135–141
- Immediacy effect, 125
- Impatience, 123, 130, 131, 137, 140, 143
- Impulse control, 137
- Impulsiveness, 137
- Independence axiom, 129–130, 146*n*12
- Inequality aversion, 132
- Institute for the Liquidation of Bank Investments (ILBI), 71–73
- Inter-disciplinary, 123–124, 135
- International crisis of 1907–1908, 31, 33, 43
- International crisis of 1914, 58
- International crisis of 1928, 58
- International Monetary Conference (1933), 84
- International Monetary Fund, 94
- Inter-temporal preference reversals, 140
- Irrationality, 122, 124, 132, 134, 136, 140, 143, 145*n*4, 146*n*18, 147*n*22
- Jockey Club, 65, 76*n*19
- Jowett, Benjamin, 116*n*8
- Kahneman, Daniel, 120, 125, 126, 131, 133–135, 137, 140, 143, 144*n*1, 146*n*9, 146*n*17, 147*n*19
- Kemmerer, Edwin, 32, 48, 50*n*12, 82
- Keynes, John Maynard, 84
- Koerner, Lisbet, 109, 112
- Labastida, Louis G., 30, 49*n*6
- La Cuestión Monetaria en México* (The Monetary Question in Mexico), 32–33
- Landero y Cos, José, 30, 49*n*5
- Latin America
- central banking, 81–98
- monetary ideas, 3–5, 8
- See also* individual entries
- Lavalle, Francisco Barrera
- vision of Mexico's Monetary Reform of 1905, 29–52
- Law of Guaranteed Banks, 60, 76*n*10
- Lean-against-the-wind monetary policy, 87
- Legal tender
- arguments for and against, 18–19
- and free banking, debate between, 9–12
- political fight of government regenerator for, 12–24

- Legislators refuse to obligate banks to redeem notes in gold, 41–43
- Leng, Roberts & Co, 63
- León-Gómez, Adolfo, 24
- Limantour, José Yves, 35, 46, 52n64
- Linnaeus, Carl, 103–116  
*Linnaeus: Nature and Nation* (Lisbet Koerner), 109
- Liquidity, 58, 82, 84, 86, 93  
 informal restrictions on, 10
- Loewenstein, George, 124, 125  
*Lombard Street*, 37
- Loss aversion, 123, 135, 136, 143, 147n21
- Louis XV, King, 105
- Lyell, Charles, 109
- Macedo, y Pablo, 30, 34, 35, 46, 49n7, 52n64
- Madero, Francisco I., 31–33, 40
- Magnitude effect, 126, 127  
*Magnum opus*, 112
- Mallarino, Carlos Holguín, 16
- Manufactured capital, 104, 115
- Marx, Karl, 112, 113–114  
*Means to Prosperity, The*, 84
- Meek, Ronald L., 106
- Mejía, Dionisio, 15
- Mejía, José María, 15
- Merchants vs manufacturers, 4
- Methodological orientation, 121
- Mexican Revolution (1910–1920), 30–32, 51n52
- Mexico, 96n2  
 balance of payment disequilibrium, 31, 39, 42, 44–46, 51n60, 51n47  
 banknotes, 31, 33, 36, 37, 41–44, 47, 50n25  
 exchange-rate fluctuations, 36–37  
 Financial and Administrative Reorganization Committee, 32  
 Gold Standard Act, 34, 35, 41, 51n46  
 Ministry of Finance, 30, 32, 37
- Monetary Act of 1867, 38
- Monetary Act of 1905, 35, 41, 50n17
- Monetary Circulation Regulatory Fund, 35–39, 41
- Monetary Commission, 34, 35, 38, 41, 46, 49n5
- Monetary Reform of 1905, 29–52  
 silver currency, 30, 31, 33–39, 41–48, 51n45, 51n46, 51n54  
 variations in international price of silver, 36–37
- Mill, John Stuart, 112
- Ministry of Finance  
 Mexico, 30, 32, 37  
 of the Sovereign State of Cundinamarca, 12  
 of the Sovereign State of Tolima, 12
- Ministry of the Treasury, 13
- Mirabeau, Marquis de, 106
- Monetary Act of 1867 (Mexico), 38
- Monetary Act of 1905 (Mexico), 35, 41  
 Article, 1, 50n17
- Monetary Circulation Regulatory Fund, 35–39, 41
- Monetary doctors, 90–93
- Monetary Law of the Dominican Republic  
 Article, 17, 94n18
- Monetary Reform of 1893, 46
- Monetary Reform of 1905 (Mexico), 29–52  
 background of, 38–39  
 banking crises of 1913, 44–46  
 Barrera's critique of, 38–44  
 foreign trade deficit, nature of, 39–41  
 legislators refuse to obligate banks to redeem notes in gold, 41–44  
 Monetary Circulation Regulatory Fund, 41  
 one-peso silver coin, overvaluation of, 44

- reform to, 46–48
  - support of foreign capital, 39–41
- Monetary signs, 17
- Monetary Stabilization Fund (Fondo de Estabilidad Monetaria, FEM), 31, 37, 40, 47, 48
- Money and Economic Activity*, 90
- Money doctors, 55–77
- Multiple-selves model, 139
- Mun, Thomas, 105
  
- National Bank, 8, 9, 12, 13, 15–17, 19–21
  - banknotes, classification of, 13, 14
- National Catholic Party, 32
- Nationalisms vs regionalism, 4
- National Party (Colombia), 8
- Natural capital
  - distinguished from manufactured capital, 104
  - historical roots of, 103–116
  - Oeconomy of Nature*, 105, 108–112, 114, 115
  - originality, 104, 112–114, 115
  - self-generation, 104, 112–114, 115
- Natural Origins of Economics* (Margaret Schabas), 109
- Nature, 103–116
- Newton, Isaac, 42, 51n44
- Niemeyer, Sir Otto, 5, 82–86, 97n6
  - on creation of Argentine Central Bank, 55–77
- Novum Organum* (Francis Bacon), 111
- Núñez, Rafael, 8, 16, 25
- Nurkse, Ragnar, 73
  
- Oeconomy of Nature* (Carl Linnaeus), 105, 108–112, 114, 115
- Office for the Control of Exchanges (Oficina de Control de Cambios), 86
- Office of Economic Research, 75n1
- Office of Exchange Control, 67, 68
- Oikonomikê*, 109–110, 116n8
- O’Leary, Arturo Malo, 15
  
- Oligopolistic competition, 92
- One-peso silver coin
  - exchange rate of, 46
  - overvaluation of, 44
- Open market operations, 82, 97n8
- Optimism, 135
- Organization and Programme of Tasks of the Division for Economic Research for the Central Bank of Paraguay, 93
- Originality, 104, 112–114, 115
- Original prospect theory, 133
- Osorio, Nicolás, 14
- Other-regarding behaviors, 141–143
- Over time, 120, 126, 128–130, 137–141, 144
  
- Paper money, 9, 11, 15, 17, 19–21, 23, 24
- Paraguay, 83, 91, 98n16
  - Monetary Board, 93
  - monetary reform in, 93–95
- Pardo, Santiago Guarín y Emilio, 15
- Patriotic Loan, 60
- Peace Board, 23
- Pessimism, 135
- Philosophy of economics, 122, 132, 141
- Physiocrats, 104–109, 112, 114, 115
- Pinedo, Federico, 65, 82, 83, 85
- Plan for National Reactivation, The, 89
- Politics* (Aristotle), 116n8
- Polity of nature, 109
- Pollination services, 104
- “Positive economics” versus “standard economics,” 140
- Positive/normative distinction, 121–123, 140
- Powell, Frank, 56, 64, 82
- Prebisch, Raúl, 5, 49, 50n29, 82–96, 97n3, 97n6, 97n8, 98n14
  - monetary doctors and, 90–93
  - role in creation of Argentine Central Bank, 55–77, 83–86

- Prebisch–Singer hypothesis, 85  
 Preferences, 123  
 Prelec, Drazen, 125  
*Principles of Political Economy*  
     (John Stuart Mill), 113  
 Productive class, 107  
 Proprietors, 107  
 Prospect theory, 133–137, 140,  
     147n21  
     for risk preferences, 137  
 Public Treasury, 17  
 Purchasing power, 88, 89  
 Putnam, Hilary, 122, 123, 143  
  
 Qualitative challenges, 121  
 Quantitative challenges, 121  
 Quasi-hyperbolic discounting, 137–140  
 Quesnay, François, 105–108, 116n5,  
     116n6  
  
 Rabin, Matthew, 136  
 Rabin paradox, 136  
 Radicals, 9, 10  
 Rank-dependent utility, 135  
 Rastier, François, 123–124  
 Rationality, 122, 124, 132, 134, 136,  
     137, 140–144, 145n4, 146n17,  
     146n18, 157n22  
     economic, 120, 121, 143  
 Ray, John, 111  
 Reciprocity, 142  
 Reconstruction Finance Corporation  
     of the United States, 71  
 Rediscounts, 84, 86–87, 92  
 Reference-dependent preferences, 135  
*Réflexions sur la Formations et*  
     *Distribution des Richesses*  
     (Reflections on the  
     Formations and Distribution  
     of Riches), 107  
 Regeneration, 8, 16, 22, 24–26  
 Regenerators, 8, 9, 17  
     for imposing legal tender, political  
     fight of, 12–24  
 Ricardo, David, 30, 45, 49  
  
 Risk aversion, 132, 136, 143  
 Roca, Julio A., 97n4  
 Roca-Runciman Agreement of 1933,  
     67–68, 76n14  
 Roldán, José Camacho, 15  
 Roosevelt, Franklin Delano, 83  
 Rosa, José María, 97n4  
 Rosinago, José Manuel, 15  
  
 Sabana Railroad, 26n2, 26n3  
 Schabas, Margaret, 104, 109  
 Scherer, Hugo, Jr., 50n22  
 Scotland, 9, 44  
 Second World War, 69  
 Secretary of the Treasury of the  
     Union, 11  
 Self-centered welfare, 131  
 Self-generation, 104, 112–114, 115  
 Self-goal choice, 131  
 Self-interest, 120, 130  
 Self-welfare goal, 131, 141  
 Sen, Amartya, 122, 123, 130, 132,  
     141, 142, 143  
 Sign effect, 126, 127  
 Silva, Carlos Martínez, 16  
 Silver currency, 30, 33–39, 41–48,  
     51n45, 51n46, 51n54  
     variations in international price of,  
     36–39  
 Smith, Adam, 105, 109, 112–113, 114  
 Social distance, 127, 145n10  
 Sovereignty, 8, 25  
 Stauffer, Robert, 109  
 Strong, Benjamin, 82  
 Subutility function, 129  
*Systema Naturae*, 109  
  
 Tableau économique, 105  
 Tanco, Mario, 15  
 Taussig, Frank, 58  
 Technical assistance missions, 96n2  
 Temporal reference-dependence, 140  
 Tenth Annual Report on the  
     Principles of Monetary Policy  
     (Federal Reserve), 96n1

- Thaler, Richard, 120, 121, 125, 126,  
129, 137, 144n1, 147n21, 147n23
- Thornton, Henry, 30, 42, 45, 51n47,  
51n60
- Thousand Days War, 22, 25, 26
- Tornquist House, 72
- Torres, Carlos Arturo, 21
- Treasury, 83–86, 92
- Triffin, Robert, 73, 83, 89–96, 97n2,  
97n3, 98n14
- Turgot, Anne-Robert-Jacques,  
107–108, 113, 116n7
- Tversky, Amos, 120, 125, 126,  
133–135, 137, 140, 143,  
144n1, 146n17, 147n19
- Under risk, 120, 126–128, 129,  
133–137, 144
- United Nations, 5n1
- United States, 3, 9, 45, 56, 84  
Federal Reserve System, 83, 91, 92,  
96  
gold currency, 31  
gold standard, 38  
“Good neighbor” policy, 83,  
95–96  
National Banking System, 79
- Unmoved Mover, 107
- Unproductive class, 107
- Uribe, Carlos, 15
- Uribe, Guillermo, 15, 26n4
- Uriburu, José Félix, 63, 76n16,  
83, 85
- Value function, 135
- Venezuela, 83
- Violations of consequentialism,  
128–132
- Walker, James, 50n22
- Wallich, Henry, 83, 94, 97n2
- Walsh, Vivian, 122, 123, 130, 132,  
143
- Watson, Guy McOlvin, 64
- Wealth of Nations* (Adam Smith), 105,  
112
- Weighting function, 133
- Williams, John, 57, 58
- Worster, Donald, 111
- Young, Norman, 64