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‘International bimetallism and the political economy of gold in Victorian Britain, 1873-1901’

For most of the nineteenth century, the gold standard commanded cross-party approval as the foundation of Britain’s monetary system. In the Great Deflation of 1873 to 1896, this long-established consensus was called into question by advocates of an international bimetallic treaty. British currency reformers campaigned under the banner of the Bimetallic League to replace Britain’s gold currency with a joint standard of silver and gold legal tender. The underlying clash of orthodox versus heterodox monetary ideas raged for two decades in Britain’s financial press, before developing into a divisive electoral issue during Lord Rosebery’s premiership. Existing accounts of the ‘Bimetallic Controversy’ conventionally portray the defeat of bimetallism as a conflict between rentiers and producers, in which the City of London’s influence in Westminster prevailed over the interests of British farmers and industrialists. The City’s ‘hegemony’ in policy circles, however, has thus far been theorized on a remarkably thin source base, and scholarship on bimetallism is indicative of this discrepancy.

This paper presents a revised angle on the ‘Bimetallic Controversy’ by drawing on new archival research into the campaigns of the British Bimetallic League and its counterpart, the Gold Standard Defence Association. It re-examines the debate’s political dynamic by analysing the membership, organisation, endowment and campaign tactics of the Victorian gold standard lobby. By assessing the lobby’s parliamentary and print agitation, the paper illuminates the strategies employed by gold standard supporters in order to promote their cause with the electorate and at varying levels of government. Contrary to the rentiers-producer narrative, the paper reveals that the bimetallic question not only upset traditional party loyalties; it also aroused fierce disagreements among members of British finance and commerce. The paper’s findings expose a rift in monetary opinion which divided the City of London and the Bank of England, as well as cutting across political camps, company boards, and family firms. Its analysis thus refines existing accounts of sectoral interests in Victorian Britain, while expanding on the role of pressure groups in shaping the political economy of gold.