Introduction

The economic and political devastation of the First World War transformed the international order. Against the backdrop of unprecedented upheavals – the postwar recession, mass unemployment, and the Great Depression; the rise of communism and fascism; disarmament and rearmament – the nations of Europe confronted an array of challenges that hindered overseas trade and commerce. In response, many countries worked to stabilize the global financial system by restoring the old orthodoxy of the prewar era and establishing new institutions in line with the doctrine of liberal internationalism. With the reconciliation of these seemingly disparate goals, Europe witnessed the restructuring of economic governance in an age of war, democracy, and depression.

Building upon the established view that the war led to a drastic shift in the relationship between politics and the economy, *The City's Defense* examines how British institutions adapted to the new realities of the interwar order. It focuses particularly on the centrality of the Bank of England in leading this transformation. As the government grappled with mass unemployment and a high national debt, and as the City's preeminence was increasingly questioned, the Bank began to accept responsibilities that actively advanced British financial interests abroad. Its subsequent policies reflected its continued, if not expanding, influence in the global economic system. Through its interventions, the Bank emerged as a key component of the state apparatus before its 1946 nationalization and altered expectations of what a central bank was meant to do.

The broader implication is to explain how the City maintained its position as an international financial center longer than previously known. Existing accounts have stressed how Britain was threatened, rivaled, or eclipsed as the global hegemonic power in the interwar years. With its economic output and military strength, the United States emerged from the destruction of war as the

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world's major commercial and industrial nation.[1] Economic historians have also used quantitative evidence, such as data on debt, trade deficits, and reserves held by central banks, to pinpoint exactly when the US dollar might have overtaken the British pound.[2] Yet beyond the statistical tools lies a narrative of resilience. Britain continually adapted to the changing conditions of global geopolitics, and the Bank constructed the financial architecture that preserved London's prestige throughout the twentieth century. With its reputation established over the prior century, the City benefited from many of its existing trade and commercial links, both within and outside an empire that had reached its territorial apex. Contextualizing these events in the broader history of the international order, *The City's Defense* demonstrates the role of the Bank in reshaping national, imperial, European, and global economic governance.

THE BANK REGNANT

In 1694, the Governor and Company of the Bank of England received a royal charter from the English crown. In exchange for a monopoly on the note issue in England, it raised a loan of £1.2 million to support the nation's wars with France. Forty years later, the Bank moved to its current location on Threadneedle Street, across from the Royal Exchange and in the heart of the City of London (Figure I.1). By the eighteenth century, the Bank had become involved in the circulation of Exchequer bills (a form of short-term debt issued by the state), in addition to the management of accounts on behalf of the government.[3]

Although legally a private institution that was owned and operated by shareholders, the Bank adopted a more public-oriented role as the manager of sovereign and the custodian of the nation's gold reserves. Britain's historic status as the "first industrial nation" had given the Bank the responsibility of maintaining confidence in the financial sector during moments of crises, even if its directors

[1] Adam Tooze, *The Deluge: The Great War, America and the Remaking of the Global Order, 1916–1931* (New York: Viking, 2014); Mary Bridges, *Dollars and Dominion: US Bankers and the Making of a Superpower* (Princeton and Oxford: Princeton University Press, 2024); Christopher M. Meissner, *One from the Many: The Global Economy since 1850* (Oxford: Oxford University Press, 2024), 126–131.

[2] Barry Eichengreen and Marc Flandreau, "The Rise and Fall of the Dollar (or When Did the Dollar Replace Sterling as the Leading Reserve Currency?)," *European Review of Economic History* 13, no. 3 (2009), 392–401; Barry Eichengreen, *Exorbitant Privilege: The Rise and Fall of the Dollar* (Oxford: Oxford University Press, 2011), 30–37; Jeremy Green, *The Political Economy of the Special Relationship: Anglo-American Development from the Gold Standard to the Financial Crisis* (Princeton and Oxford: Princeton University Press, 2020), 56–58.

[3] Anne L. Murphy, *Virtuous Bankers: A Day in the Life of the Eighteenth-Century Bank of England* (Princeton and Oxford: Princeton University Press, 2023), 5; Patrick K. O'Brien and Nuno Palma, "Not an Ordinary Bank but a Great Engine of State: The Bank of England and the British Economy, 1694–1844," *The Economic History Review* 76, no. 1 (2023), 309–310.

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FIGURE 1.1 The Bank of England and the Royal Exchange, 1800
Source: James H. Kernot, Bank of England [and the] Royal Exchange, Yale Center for British Art, Paul Mellon Collection, B1977.14.15256.

refused to acknowledge their advantageous position.[4] From 1844 onward, the central bank maintained an exclusive monopoly on the issuance of notes in England and Wales. A separation between its issue and banking departments also allowed it to maintain its dual position as a public authority and a private bank. The Bank thereafter emerged as the de facto leader of the London money market, overseeing an intricate network of financial institutions that included acceptance houses, discount houses, joint-stock banks, and merchant banks.

By the 1870s, the Bank had become an integral part in the functioning of the classical gold standard, a monetary regime that bound countries together in a system of fixed exchange rates. Adjustments to its main interest rate, the Bank Rate, helped to maintain parity between the British pound and a set amount of gold.[5] During severe global disruptions, including the Baring Crisis of 1890

[4] Peter Mathias, *The First Industrial Nation: The Economic History of Britain, 1700–1914* (London: Methuen & Co., 1969), 353–358.

[5] Walter Leaf, *Banking* (New York: Henry Holt and Company, 1927), 29–34. On the role of central banks in promoting financial stability, see Charles Goodhart, *The Evolution of Central Banks* (Cambridge, MA, and London: The MIT Press, 1988), 85–102; John D. Turner, *Banking in Crisis: The Rise and Fall of British Banking Stability, 1800 to the Present* (Cambridge: Cambridge University Press, 2014), 174–177, 201–203; Anthony C. Hotson,

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and the Panic of 1907, a rise in the Bank Rate aimed to curb speculative capital outflows and guard the Bank's reserves.[6] These reactions ensured the continuance of gold convertibility, as well as the broader stability of the liberal economic order.

Over the ensuing century, the Bank prioritized the interests of the domestic banking sector.[7] The succeeding calamities of the First World War and the Great Depression might have dealt a decisive strike to the primacy of the City as the world's financial center, but the central bank's role in the international financial system remained unparalleled. After the Second World War, the British authorities continued to promote the status of sterling as a world reserve currency.[8] Amidst major upheavals in the postwar years, from decolonization to devaluations, the Bank contended with repeated challenges to its authority. Indeed, the central bank, far from the apolitical body it may have wanted to be, often found itself beholden to party politics. As Chancellor of the Exchequer, Winston Churchill clashed with the Bank over its controversial

Respectable Banking: The Search for Stability in London's Money and Credit Markets since 1695 (Cambridge: Cambridge University Press, 2017), 94–110; Stefano Ugolini, *The Evolution of Central Banking: Theory and History* (London: Palgrave Macmillan, 2017), 7–13, 131–143; Ulrich Bindseil, *Central Banking before 1800: A Rehabilitation* (Oxford: Oxford University Press, 2019), 184–194.

[6] On both November 7, 1890 and October 19, 1906, the Bank raised its discount rate to 6 percent; George H. Pownall, "Bank Reserves, the Central Stock of Gold, and £1 Notes," January 27, 1892, in *Transactions of the Manchester Statistical Society* (London: John Heywood, 1891–1892), 39; Robert F. Bruner and Sean D. Carr, *The Panic of 1907: Lessons Learned from the Market's Perfect Storm* (Hoboken: John Wiley & Sons, 2007), 14–15.

[7] See, for instance, the Bank's responses to different financial crises in John Clapham, *The Bank of England: A History, 1694–1797, vol. 1* (Cambridge: Cambridge University Press, 1944), 224–236, 245–272; R.S. Sayers, *The Bank of England, 1891–1944, vol. 2* (Cambridge: Cambridge University Press, 1976), 387–415; John Fforde, *The Bank of England and Public Policy, 1941–1958* (Cambridge: Cambridge University Press, 1992), 141–164; Forrest Capie, *The Bank of England, 1950s to 1979* (Cambridge: Cambridge University Press, 2010), 531–545, 740–759; David Kynaston, *Till Time's Last Sand: A History of the Bank of England, 1694–2013* (London: Bloomsbury, 2017), 164–172, 513–527, 652–659; Harold James, *Making a Modern Central Bank: The Bank of England, 1979–2003* (Cambridge: Cambridge University Press, 2020), 300–309; Alain Naef, *An Exchange Rate History of the United Kingdom, 1945–1992* (Cambridge: Cambridge University Press, 2022), 128–144, 213–218. On the study of central banks as institutions, see Olivier Feiertag, ed., *Mesurer la monnaie : banques centrales et construction de l'autorité monétaire, XIXe–XXe siècle* (Paris: Albin Michel, 2005); Vincent Duchaussoy and Olivier Feiertag, "L'invention des banques centrales : organisation et gouvernance," *Histoire, économie & société* 4, no. 35 (2016): 4–7.

[8] Philip L. Cottrell, "The Bank of England in its International Setting, 1918–1972," in *The Bank of England: Money, Power and Influence, 1694–1994*, ed. Richard Roberts and David Kynaston (Oxford: Clarendon Press, 1995), 119–139; Catherine R. Schenk, *The Decline of Sterling: Managing the Retreat of an International Currency, 1945–1992* (Cambridge: Cambridge University Press, 2010); Sarah Stockwell, *The British End of the British Empire* (Cambridge: Cambridge University Press, 2018), 144–148, 173–177; Maylis Avaro, "Zombie International Currency: The Pound Sterling 1945–1971," *The Journal of Economic History* 84, no. 3 (2024), 919–920.

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interest-rate policy in the 1920s. Only in 1997 did the New Labour government, pressured by efforts to uphold the principle of independent monetary policy, grant the Bank operational independence in its day-to-day affairs.[9]

The goal of this book is to examine the Bank from the perspective of economic governance. It seeks to place the interwar central bank at the intersection of multiple spheres related to national, imperial, European, and global economic policy. At all these levels, the exigencies of the First World War challenged and redefined British hegemony. Initially responding to the July Crisis with ad hoc measures, the Bank adopted responsibilities related to wartime finance and economic diplomacy. It built upon the momentum spurred by the conflict to expand its operations into new areas, including imperial relations, foreign policy, and international monetary cooperation. What transpired in the two and a half decades after 1914 was the Bank's transformation from an institution primarily interested in the London money market to one increasingly concerned with the City's place in the global economy.

It is thus evident that any study of the central bank cannot be understood from the perspective of Threadneedle Street, the City of London, or even Britain alone. Recognizing the Bank's relations with other institutions, such as the Treasury, the private banks, or the London Stock Exchange, certainly offers useful insights into the domestic arrangements that once made Britain an economic powerhouse.[10] From an architectural viewpoint as well, the grandeur of its neoclassical façade designed by John Soane represented the wealth of the English (and later British) nation.[11]

[9] Sylvia Maxfield, *Gatekeepers of Growth: The International Political Economy of Central Banking in Developing Countries* (Princeton: Princeton University Press, 1997), 56; Michael Collins and Mae Baker, "Bank of England Autonomy: A Retrospective," in *The Emergence of Modern Central Banking from 1918 to the Present*, ed. Carl-L. Holtfrerich, Jaime Reis, and Gianni Toniolo (Aldershot: Ashgate, 1999), 21–22; John Singleton, *Central Banking in the Twentieth Century* (Cambridge: Cambridge University Press, 2011), 214–216; Graham Wilson, "Governance after the Crisis," in *The Oxford Handbook of Governance*, ed. David Levi-Faur (Oxford: Oxford University Press, 2012), 374; Sylviane de Saint Seine, *La Banque d'Angleterre : une marche erratique vers l'indépendance, 1977–2007* (Paris: Presses de Sciences Po, 2017), 337, 350–351.

[10] Ranald C. Michie, *The City of London: Continuity and Change, 1850–1990* (Basingstoke: Macmillan, 1992); David Kynaston, *The City of London, vol. 3: Illusions of Gold, 1914–1945* (London: Chatto & Windus, 1999); G.C. Peden, *The Treasury and British Public Policy, 1906–1959* (Oxford: Oxford University Press, 2000); Ranald C. Michie, *The London Stock Exchange: A History* (Oxford: Oxford University Press, 2001).

[11] H. Rooksby Steele and F.R. Yerbury, *The Old Bank of England, London* (London: Ernest Benn, 1930); John Michael Lloyd Booker, "The Architecture of Banking: A Study of the Design of British Banks from the 18th Century to Modern Times," (PhD diss., University of York, 1984); Eva Schumann-Bacia, *Die Bank von England und ihr Architekt John Soane* (Zurich and Munich: Verlag für Architektur Artemis, 1989); Iain Black, "Imperial Visions: Building the Bank of England, 1919–39," in *Imperial Cities: Landscape, Display and Identity*, ed. Felix Driver and David Gilbert (Manchester and New York: Manchester University Press, 1999):

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Yet even if the Bank embodied an institution of national importance, committed to domestic order and stability, its activities had global implications. Britain's naval and commercial hegemony characterized its "imperial century" (1815–1914).[12] Rather than determined by a singular ideology or grand strategy, the project of empire-building included vastly divergent experiences and different forms of colonial administration.[13] Economic interests underpinned this expansion, with British capital facilitating the construction of railways and canals, the installation of telegraph cables, and the rapid development of new trade routes abroad. By the early twentieth century, these developments allowed Britain to exert an unparalleled amount of influence across the world. With this infrastructure in place, the Bank was able to establish a global network that included officials in Geneva, experts in Paris, bankers in New York, lawyers in Vienna, politicians in Buenos Aires, and economists throughout the British Empire. Archival sources from these and other locations reveal how the City's interests extended beyond formal borders and across disparate regions.

Above all, the Bank's main endeavor was to defend the prestige of the City of London as an international financial center. Prior to the war, the interests of the private banking sector based in the Square Mile had largely determined the relationship between the economy and the state. Merchant banks, clearing banks, discount houses, and the central bank worked in tandem to maintain the pound's parity to gold in the prewar years. Although the revival of this system in the interwar years offered the most direct means of rehabilitating the economy, the central bank's actions were also compatible with a range of goals in the national interest: the maintenance of sterling's value relative to other currencies, the reinvigoration of British industry, the stabilization of prices, the coordination of imperial economic policies, and the restoration of disrupted trade networks across the world. It was the ability to manage all these priorities that confirmed the Bank's definitive status as the *primus inter pares* in the City.

Efforts to protect London's standing in the world formed the core of what may be defined as the Bank View. In this pursuit, the Bank implemented a wide array of interventions related to industrial policy, monetary reform, and intra-imperial cooperation. In many ways, these engagements aligned with the prevailing Treasury View, an ideological doctrine characterized by a fundamental opposition toward unemployment-reduction spending.[14] Both outlooks

96–113; Daniel M. Abramson, *Building the Bank of England: Money, Architecture, Society, 1694–1942* (New Haven and London: Yale University Press, 2005).

[12] Ronald Hyam, *Britain's Imperial Century, 1815–1914: A Study of Empire and Expansion*, 3rd ed. (Basingstoke: Palgrave Macmillan, 2002).

[13] John Darwin, *Unfinished Empire: The Global Expansion of Britain* (New York: Bloomsbury Press, 2012).

[14] While this book's intervention is to coin the term Bank View, the Treasury View has long been part of the historiography. See, for instance, Robert Skidelsky, "Keynes and the Treasury View:

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also supported the tenets of classical liberalism based on balanced budgets, free trade, and fixed exchange rates. Yet the usefulness of the Treasury View appears more limited in an analysis of broader economic considerations. Even if the Bank often agreed with the views espoused by the Treasury in the early 1920s, the onset of the Great Depression engendered a growing rift and, later, a significant departure from such ideas. It was true that the readoption of the gold standard in 1925 might have found support at the Bank and the Treasury, but it was only the former that advocated the independence of monetary policy. Further tensions materialized in the debates over the setting of the Bank Rate, a decision that both John Maynard Keynes and the Treasury found to be incomprehensibly opaque.

The Bank View thus comprises policies specific to the City's interests. Although originally a private corporation, the Bank formulated a response to the crises that fundamentally threatened London's place in the international order. Seeking to aid domestic industry, it advocated the rationalization and amalgamation of firms in manufacturing centers throughout the United Kingdom. Doing so might have revitalized Britain's once-prominent export industries in an era of industrial stagnation. As for the financial sector, the intricate network of British multinational banks and corporations had become increasingly vulnerable to domestic and international crises in the decades after 1914. It was, however, only the Bank, rather than the Cabinet or the Treasury, that advocated the implementation of exchange control, which involved restrictions on the convertibility of sterling into other currencies. By the late 1930s, the central bank had designed a set of economic policies that did not align with the views forwarded by the Treasury.

Nor was the Bank beholden to the demands of City bankers. Certainly, the restoration of orthodox principles represented the convergent interests of the Bank, the Treasury, and the City following the recession of the early 1920s. It also resembled the "Basel consensus" that emanated from the Bank for International Settlements in the 1930s.[15] At first glance, the work of all these

The Case for and against an Active Unemployment Policy, 1920–1929," in *The Emergence of the Welfare State in Britain and Germany, 1850–1950*, ed. W.J. Mommsen (London: Croom Helm, 1981): 167–187; G.C. Peden, "The 'Treasury View' on Public Works and Employment in the Interwar Period," *The Economic History Review* 37, no. 2 (1984): 167–181; G.C. Peden, "The Road to and from Gairloch: Lloyd George, Unemployment, Inflation, and the 'Treasury View' in 1921," *Twentieth Century British History* 4, no. 3 (1993): 224–249; Peden, *The Treasury*, 219–231; Mark Blyth, *Austerity: The History of a Dangerous Idea* (Oxford: Oxford University Press, 2013), 122–126; Clara Elisabetta Mattei, "Hawtrey, Austerity, and the 'Treasury View,' 1918–25," *Journal of the History of Economic Thought* 40, no. 4 (2018): 471–492; Clara Elisabetta Mattei, "Treasury View and Post-WWI British Austerity: Basil Blackett, Otto Niemeyer and Ralph Hawtrey," *Cambridge Journal of Economics* 42, no. 4 (2018): 1123–1144.

[15] Gianni Toniolo, *Central Bank Cooperation at the Bank for International Settlements, 1930–1973* (Cambridge: Cambridge University Press, 2005), 139–149; Martin Daunton, *The Economic Government of the World, 1933–2023* (London: Allen Lane, 2023), 32–33.

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institutions might have embodied the dominant influence of the financial establishment in determining the economic priorities of many European nations.[16] Yet these arguments belie the stark differences between and the varying objectives of the economic authorities in power. For instance, both the City and the Treasury strongly opposed an independent Bank Rate policy, deemed unfavorable to Britain's economic interests. In the 1920s, it was Reginald McKenna, chairman of Midland Bank, who denounced the central bank's mishandling of the gold standard and called for a close investigation into its operations.[17] While the Bank may have focused its work on maintaining the status of sterling as a world reserve currency, its view on how to achieve this goal greatly diverged from its counterparts in the City and in Westminster.

DEFINING ECONOMIC GOVERNANCE

To make these claims, *The City's Defense* builds on existing scholarship concerned with the history of global orders, liberal internationalism, economic diplomacy, and international relations. Since E.H. Carr's 1939 study, these works have continually reexamined the twenty years after the First World War from new perspectives.[18] In recent years, the study of global governance has undergone a major shift, emphasizing the post-First World War peace settlement as a fundamental turning point.[19] Indeed, when applied to the interwar years, the evolution of the international order remains essential for understanding the ways in which crises and their consequences shape the global economy.

The concept of an international order, as Glenda Sluga has shown, can be traced to the political vicissitudes that followed the Napoleonic Wars.[20] New

[16] Scholars have long argued that the goals of the City, Bank, and Treasury considerably overlapped. Cain and Hopkins claimed that the three institutions formed "a dominant gentlemanly capitalist culture," while Ingham has further suggested that the "City–Bank–Treasury nexus" defined the links between the state and economy. According to E.H.H. Green, the Bank acted as both a "quasi-state institution" and a "sounding-board of City opinions." See also Geoffrey Ingham, *Capitalism Divided? The City and Industry in British Social Development* (Basingstoke: Macmillan, 1984), 171; E.H.H. Green, "The Influence of the City over British Economic Policy, c. 1880–1960," in *Finance and Financiers in European History, 1880–1960*, ed. Youssef Cassis (Cambridge: Cambridge University Press, 1992), 203; G.C. Peden, "The Treasury and the City," in *The British Government and the City of London in the Twentieth Century*, ed. Ranald Michie and Philip Williamson (Cambridge: Cambridge University Press, 2004), 117; P.J. Cain and A.G. Hopkins, *British Imperialism, 1688–2015*, 3rd ed. (London and New York: Routledge, 2016), 484.

[17] "Transcript of Speech by Mr. McKenna at a Luncheon and Meeting of the British Engineers' Association," June 16, 1927, CAC McKenna Papers 9/21.

[18] E.H. Carr, *The Twenty Years' Crisis, 1919–1939: An Introduction to the Study of International Relations* (London: Macmillan, 1939).

[19] See, for instance, Peter Jackson, William Mulligan, and Glenda Sluga, eds., *Peacemaking and International Order after the First World War* (Cambridge: Cambridge University Press, 2023).

[20] Glenda Sluga, *The Invention of International Order: Remaking Europe after Napoleon* (Princeton and Oxford: Princeton University Press, 2021), 9.

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rules and practices concerning diplomatic relations formed the underlying framework of the Concert of Europe. Nearly a century later, the outbreak of the First World War and the ensuing dislocations strained the functioning of the international system. In its aftermath, unresolved tensions presented a significant obstacle to any sustainable peace settlement.[21] For one, the emergence of self-determination as a dominant mode of rule challenged efforts to revive the nineteenth-century order of European imperialism.[22] As international organizations extolled the tenets of liberal internationalism, their ideas, too, had to reconcile existing priorities of national sovereignty and multilateral cooperation with a wave of democratic ideals.[23]

However, only some of this scholarship has addressed economic aspects, even though these elements lay at the heart of many interwar issues. The initial shock of the July Crisis, the subsequent disruption to global supply chains, debilitating levels of national debt, exchange-rate volatility, and demobilization all had long-term effects on the international order. Finance was central to such problems, as inadequate wartime funding and later contentious debates over reparations hampered the prospect of a permanent peace.[24] The mismanagement of food supplies and other raw materials engendered a postwar humanitarian crisis, resulting in the displacement of millions across the

[21] Margaret MacMillan, *Paris 1919: Six Months That Changed the World* (New York: Random House, 2003); Patrick O. Cohrs, *The Unfinished Peace after World War I: America, Britain and the Stabilisation of Europe 1919–1932* (Cambridge: Cambridge University Press, 2006); Eckart Conze, *Die große Illusion. Versailles 1919 und die Neuordnung der Welt* (Munich: Siedler, 2018); Jörn Leonhard, *Der überforderte Frieden. Versailles und die Welt 1918–1923* (Munich: C.H. Beck, 2018); Klaus Schwabe, *Versailles. Das Wagnis eines demokratischen Friedens 1919–1923* (Paderborn: F. Schöningh, 2019); G. John Ikenberry, *A World Safe for Democracy: Liberal Internationalism and the Crises of Global Order* (New Haven and London: Yale University Press, 2020); Patrick O. Cohrs, *The New Atlantic Order: The Transformation of International Politics, 1860–1933* (Cambridge: Cambridge University Press, 2022); Madeleine Lynch Dungy, *Order and Rivalry: Rewriting the Rules of International Trade after the First World War* (Cambridge: Cambridge University Press, 2023).

[22] Erez Manela, *The Wilsonian Moment: Self-Determination and the International Origins of Anticolonial Nationalism* (Oxford: Oxford University Press, 2007); Adom Getachew, *Worldmaking after Empire: The Rise and Fall of Self-Determination* (Princeton and Oxford: Princeton University Press, 2019).

[23] Mark Mazower, *Governing the World: The History of an Idea* (London: Penguin, 2012); Glenda Sluga, *Internationalism in the Age of Nationalism* (Philadelphia: University of Pennsylvania Press, 2013); Glenda Sluga and Patricia Clavin, eds., *Internationalisms: A Twentieth-Century History* (Cambridge: Cambridge University Press, 2016); Madeleine Herren, *Internationale Organisationen seit 1865. Eine Globalgeschichte der internationalen Ordnung* (Darmstadt: Wissenschaftliche Buchgesellschaft, 2009); Daniel Laqua, "Transnational Intellectual Cooperation, the League of Nations, and the Problem of Order," *Journal of Global History* 6, no. 2 (2011): 223–247; Natasha Wheatley, *The Life and Death of States: Central Europe and the Transformation of Modern Sovereignty* (Princeton and Oxford: Princeton University Press, 2023).

[24] Gerald D. Feldman, *The Great Disorder: Politics, Economics, and Society in the German Inflation, 1914–1924* (New York and Oxford: Oxford University Press, 1997).

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continent.[25] How the nations of Europe coped with the consequences of the war – the collapse of four major empires, an unprecedented loss of human life, and the end of the old imperial order – opened new possibilities for reform.

After the war, central banks across Europe gained greater prerogatives as independent monetary authorities. While driven by their own national priorities, they forged a temporary alliance to enforce an orthodox agenda, endeavoring to recreate the conditions that underpinned the pre-1914 state of affairs. At one level, their efforts chiefly revolved around returning to the alleged stability of a bygone era, most notably through a regime of fixed exchange rates.[26] Both the operations of the gold standard and the relative openness of Europe to the free movement of people, goods, and capital had seemingly instigated an era of economic and social prosperity. Seeking to suppress the threat of inflation, central banks reaffirmed the benefits of economic orthodoxy at the Brussels (1920) and Genoa (1922) conferences.

Even so, the consequences of the First World War had severely limited the possible configurations of reform and created opportunities for more radical ideas of economic management. According to Charles Maier, stabilization efforts in the 1920s not only served as a means of restoring a prewar system, but they also prompted the fundamental reordering of politico-economic relations. Conservative forces in interwar France, Germany, and Italy extended wartime compacts that determined the balance of power among workers, industrialists, agriculture, and capitalists. In response to radical revolutionary ideas, corporatist agreements aimed to achieve a temporary form of economic stability, albeit at the expense of parliamentary democracy.[27] International organizations, from the League of Nations to the Bank for International Settlements, similarly adapted existing colonial institutions in an

[25] Patricia Clavin, "The Austrian Hunger Crisis and the Genesis of International Organization after the First World War," *International Affairs* 90, no. 2 (2014): 265–278; Mary E. Cox, *Hunger in War and Peace: Women and Children in Germany, 1914–1924* (Oxford: Oxford University Press, 2019); Emily Baughan, *Saving the Children: Humanitarianism, Internationalism, and Empire* (Oakland: University of California Press, 2022); Jamie Martin, "Raw Materials and International Order from the Great War to the Crisis of 1920–21," in *Peacemaking and International Order after the First World War*, ed. Peter Jackson, William Mulligan, and Glenda Sluga (Cambridge: Cambridge University Press, 2023): 266–285; Elisabeth Piller and Neville Wylie, eds., *Humanitarianism and the Greater War, 1914–24* (Manchester: Manchester University Press, 2023).

[26] Beth A. Simmons, *Who Adjusts? Domestic Sources of Foreign Economic Policy during the Interwar Years* (Princeton: Princeton University Press, 1994), 20–29; Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System*, 3rd ed. (Princeton and Oxford: Princeton University Press, 2019), 43–59.

[27] Charles S. Maier, *Recasting Bourgeois Europe: Stabilization in France, Germany, and Italy in the Decade after World War I* (Princeton: Princeton University Press, 1975). See also Charles S. Maier, *In Search of Stability: Explorations in Historical Political Economy* (Cambridge: Cambridge University Press, 1987), 161–168.

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era of democracy and mass politics.[28] By reviving old imperial arrangements, these institutions shaped contemporary debates over the meaning of national sovereignty in the post-Versailles order.

The structure of economic governance thus depended on new institutions working alongside old assumptions, existing norms, and inherited ideals. Defined hereafter as the rules, practices, and institutions that influence trade, commerce, industry, and finance, economic governance may refer to the specific set of arrangements that sustained the international order. It can take into account the shifting and conflicting goals of a multitude of stakeholders, including ministries of finance, business associations, multinational corporations, nongovernmental organizations, and international organizations.[29] From this perspective, the study of governance does not necessarily focus on any particular type of policy or state of international affairs. It is instead concerned with the broader roles and responsibilities of institutions that form the foundation of an economic system.

Moreover, the concept of economic governance itself does not ignore the political and social aspects of national autonomy or institutional norms. On the contrary, it seeks to understand these elements by analyzing the economic conditions that underlay them. For although the Bank may have wanted to remain distant from the political apparatus, it was ostensibly unable to do so if it wanted to defend the privileged position of the City. The rise of interwar liberal internationalism – broadly associated with varying definitions of collective security, rule of law, self-determination, democratic ideals, and the market-based economy – forced nations to reconcile their own domestic priorities with increasingly cooperative rhetoric. Meanwhile, the advent of mass democracy, tensions in parliamentary politics, and other electoral weaknesses further limited the ability to control public discourse at home. The Bank's response, nevertheless, raised an array of questions concerning the future of the economic order: To what extent did liberal internationalism, as propounded by the League of Nations, appeal to the conflicting and diverse goals of the Bank, the City, and the Treasury? What did sovereignty truly mean for new European nations navigating the international order? And how did the

[28] Jamie Martin, *The Meddlers: Sovereignty, Empire, and the Birth of Global Economic Governance* (Cambridge, MA, and London: Harvard University Press, 2022), 161.

[29] William K. Tabb, *Economic Governance in the Age of Globalization* (New York: Columbia University Press, 2004); Rodney Bruce Hall, *Central Banking as Global Governance: Constructing Financial Credibility* (Cambridge: Cambridge University Press, 2008); Arie M. Kacowicz, "Global Governance, International Order, and World Order," in *The Oxford Handbook of Governance*, ed. David Levi-Faur (Oxford: Oxford University Press, 2012), 689; Ellen E. Meade, "The Governance of Central Banks," in *The Oxford Handbook of Governance*, ed. David Levi-Faur (Oxford: Oxford University Press, 2012), 401; Manuela Moschella and Catherine Weaver, "Global Economic Governance: Players, Power and Paradigms," in *Handbook of Global Economic Governance*, ed. Manuela Moschella and Catherine Weaver (Abingdon: Routledge, 2014), 5–7.

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unresolved exigencies of a world war and a global depression lead to the fundamental transformation of economic governance?

Answering these and other questions requires evaluating the many components of interwar governance. The international order was not governed by a single institution working alone, but rather sustained by a network of various stakeholders. For many historians, the League of Nations has been the primary object of study for understanding interwar governance. It was an international organization that aimed to address disarmament, while also being concerned with a diverse range of affairs related to finance, labor, public health, and more.[30] Its Economic and Financial Organisation, in particular, facilitated numerous stabilization programs across Central and Eastern Europe, in addition to planning several world economic conferences.[31] Through its collaboration with central banks and national governments, the administrative apparatus of bureaucrats – including legal experts, economists, and technical specialists – sought to ensure the stability of the peace settlement imposed by the Treaty of Versailles.

Still, for Britain in particular, the interwar period was one of stark contrasts. At one level, the period heralded an age of mass democracy and popular politics. In the decade after 1918, women's suffrage and the expansion of the franchise promised unprecedented opportunities to groups previously removed from the political process.[32] The decline of the British aristocracy – whose

[30] Susan Pedersen, "Back to the League of Nations," *The American Historical Review* 112, no. 4 (2007): 1091–1117; Susan Pedersen, *The Guardians: The League of Nations and the Crisis of Empire* (Oxford: Oxford University Press, 2015); Sakiko Kaiga, *Britain and the Intellectual Origins of the League of Nations, 1914–1919* (Cambridge: Cambridge University Press, 2021); David Ekbladh, *Plowshares into Swords: Weaponized Knowledge, Liberal Order, and the League of Nations* (Chicago and London: The University of Chicago Press, 2022).

[31] Patricia Clavin, *Securing the World Economy: The Reinvention of the League of Nations, 1920–1946* (Oxford: Oxford University Press, 2013), 2–4. On the League's economic activities, see Éric Bussière, "L'Organisation économique de la SDN et la naissance du régionalisme économique en Europe," *Relations internationales*, no. 75 (1993): 301–313; Marie-Renée Mouton, *La Société des Nations et les intérêts de la France (1920–1924)* (Bern and New York: P. Lang, 1995), 469–475; Louis W. Pauly, *Who Elected the Bankers? Surveillance and Control in the World Economy* (Ithaca and London: Cornell University Press, 1997); Michel Fior, *Institution globale et marchés financiers : la Société des Nations face à la reconstruction de l'Europe, 1918–1931* (Bern: Peter Lang, 2008); Yann Decorzant, *La Société des nations et la naissance d'une conception de la régulation économique internationale* (Brussels: Peter Lang, 2011); Yann Decorzant, "La Société des Nations et l'apparition d'un nouveau réseau d'expertise économique et financière (1914–1923)," *Critique internationale* 52, no. 3 (2011): 35–50; Roser Cussó, "L'activité statistique de l'Organisation économique et financière de la Société des Nations : un nouveau lien entre pouvoir et quantification," *Histoire & mesure* 27, no. 2 (2012): 107–136; Yann Decorzant, "Banques centrales, banques privées et Société des nations (1919–1929)," in *Les banques centrales et l'État-nation*, ed. Olivier Feiertag and Michel Margairaz (Paris: Presses de Sciences Po, 2016): 355–377.

[32] On democracy in interwar Britain, see Helen McCarthy, "Whose Democracy? Histories of British Political Culture between the Wars," *The Historical Journal* 55, no. 1 (2012): 221–238; Julie V. Gottlieb and Richard Toye, eds., *The Aftermath of Suffrage: Women, Gender, and Politics*

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fortunes had been diminished by welfare reforms at the turn of the century, the long depression in agricultural prices, and the world wars – correspondingly demonstrated the possibility of social change without a violent revolution.[33] Yet Britain remained a divided society, internally plagued by deep-seated economic and societal inequities. Women, although enfranchised, lacked proportional representation in Parliament and faced severe disadvantages in the workplace. Meanwhile, inherited wealth continued to be concentrated among members of the aristocracy, the nonlanded industrialists, and, most importantly, financiers in the City.[34]

Unsettled problems in the domestic realm compounded issues in international affairs. To be sure, British hegemony had greatly benefited from a private banking sector that had survived the fallout of the global conflict largely unscathed. With new mandates, protectorates, and colonies in the Middle East and Sub-Saharan Africa, the empire had reached its greatest territorial extent after the First World War. However, the unsettled question of inter-Allied debts, the contentious debate over German reparations, and the loss of the status as the workshop of the world hampered efforts to engender a recovery from the slump. Such unresolved instabilities challenged Britain's ability to exert power on both the imperial and the international stage.[35] Amidst heightened competition with the United States, Britain's naval and financial supremacy appeared simultaneously under threat.

At the same time, British institutions strategically adapted to the broader changes in the international order. Foreign policy, for instance, evolved in response to the perceived shift in the balance of power. Similar to the prewar years, the Foreign Office continued to lead decisive negotiations over imperial defense, trade, and collective security.[36] The diplomatic apparatus itself became

in Britain, 1918–1945 (Basingstoke: Palgrave Macmillan, 2013); Helen McCarthy, *The British People and the League of Nations: Democracy, Citizenship and Internationalism, c. 1918–45* (Manchester and New York: Manchester University Press, 2013); Daniel Ziblatt, *Conservative Parties and the Birth of Democracy* (Cambridge: Cambridge University Press, 2017).

[33] David Cannadine, *The Decline and Fall of the British Aristocracy* (New Haven and London: Yale University Press, 1990), 702–704.

[34] W.D. Rubinstein, *Men of Property: The Very Wealthy in Britain since the Industrial Revolution* (London: Croom Helm, 1981), 61.

[35] David Reynolds, *Britannia Overruled: British Policy and World Power in the 20th Century* (London and New York: Longman, 1991), 105–111; T.G. Otte, "Introduction: British World Policy and the White Queen's Memory," in *British World Policy and the Projection of Global Power, c. 1830–1960*, ed. T.G. Otte (Cambridge: Cambridge University Press, 2019), 3–6.

[36] Zara Steiner, *The Foreign Office and Foreign Policy, 1898–1914* (Cambridge: Cambridge University Press, 1969); B.J.C. McKercher, "Old Diplomacy and New: The Foreign Office and Foreign Policy, 1919–1939," in *Diplomacy and World Power: Studies in British Foreign Policy, 1890–1950*, ed. Michael Dockrill and Brian McKercher (Cambridge: Cambridge University Press, 1996): 79–114; Fiona Venn, "In Pursuit of National Security: The Foreign Office and Middle Eastern Oil, 1908–39," in *The Foreign Office, Commerce and British Foreign Policy in the Twentieth Century*, ed. John Fisher, Effie G.H. Pedaliu, and Richard Smith (London: Palgrave Macmillan, 2016): 69–87.

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steadily more bureaucratic with its reliance on a trained civil service and highly specialized departments. Other government ministries turned to the League as an instrument for managing foreign relations.[37] The result was an economic order that drew on characteristics of the prewar imperial system, while also embracing the new language of liberal democracy and multilateralism.

Yet the multitude of views on the new international order – as envisioned in different ways by the Bank, the Foreign Office, the Treasury, Westminster, and the League – seemed incompatible as the interwar years progressed. The outbreak of the First World War had already compelled European states to experiment with various forms of economic warfare, from punitive sanctions to retaliatory tariffs, which threatened the viability of liberal internationalism.[38] As the remnants of the old order contended with visions of the new one, the interwar political system became increasingly fragile. In Britain, numerous electoral disturbances – the fall of the Liberals, the rise of Labour, and the failure of the Second Labour Government in 1931 – demonstrated the incapacity of party politics to resolve pressing domestic issues. Abroad, too, a virulent backlash against globalization in the form of tariffs, immigration barriers, and contractionary monetary policies destabilized an international state of affairs in which Britain had once maintained unquestioned supremacy.[39] Unable to reconcile obstacles related to debt, trade, and exchange rates with national priorities, the four major capitalist powers – France, Germany, the United Kingdom, and the United States – witnessed a breakdown of diplomatic relations and the emergence of their respective regional blocs.[40]

As a mediator between foreign governments and the banking sector, the Bank emerged as the chief representative of British interests abroad. Its officials praised the benefits of liberal economic orthodoxy in their discussions with their counterparts across Europe and the empire. Discussions over exchange-rate coordination and imperial preference were two contentious areas in which Britain's views were prominently featured. In this sense, the Bank continually adapted to the changing landscape of international relations

[37] Patricia Clavin, "The Ben Pimlott Memorial Lecture 2019: Britain and the Making of Global Order after 1919," *Twentieth Century British History* 31, no. 3 (2020): 340–359.

[38] Nicholas A. Lambert, *Planning Armageddon: British Economic Warfare and the First World War* (Cambridge, MA, and London: Harvard University Press, 2012); Phillip A. Dehne, *After the Great War: Economic Warfare and the Promise of Peace in Paris 1919* (London: Bloomsbury, 2019); Nicholas Mulder, *The Economic Weapon: The Rise of Sanctions as a Tool of Modern War* (New Haven and London: Yale University Press, 2022).

[39] Harold James, *The End of Globalization: Lessons from the Great Depression* (Cambridge, MA, and London: Harvard University Press, 2001); Robert Boyce, *The Great Interwar Crisis and the Collapse of Globalization* (Basingstoke: Palgrave Macmillan, 2009); Tara Zahra, *Against the World: Anti-Globalism and Mass Politics between the World Wars* (New York: W.W. Norton & Company, 2023).

[40] Patricia Clavin, *The Failure of Economic Diplomacy: Britain, Germany, France and the United States, 1931–36* (Basingstoke: Macmillan, 1996); Zara Steiner, *The Lights that Failed: European International History, 1919–1933* (Oxford: Oxford University Press, 2005).

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in unparalleled ways. Its ability to work with representatives at the League, throughout the empire, and on both sides of the Atlantic allowed it to maintain influence on a global scale. The concerted attempts to reconcile competing visions of political sovereignty and international cooperation led to the restructuring of the economic order.

THE AGE OF EXPERTISE

Since the end of the Second World War, unelected officials have shaped the architecture of the international monetary system. The 1944 Bretton Woods conference was a key inflection point in the rise of expert opinion and consensus, facilitating the construction of an Anglo-American order.[41] Ensuing negotiations between civil servants and technical advisers determined the priorities of numerous multilateral organizations, including the United Nations, World Bank, and the Organisation for Economic Co-operation and Development.[42]

Even earlier precedents of technical knowledge existed in the nineteenth century, when experts were integral to the development of the administrative state. As government officials throughout Victorian England and Bismarckian Prussia viewed specialized knowledge as a useful tool for the centralization of state capacity, they devised a language of neutrality that legitimized their existing authority.[43] The result was the rapid expansion of the state bureaucracy

[41] G. John Ikenberry, "The Political Origins of Bretton Woods," in *A Retrospective on the Bretton Woods System: Lessons for International Monetary Reform*, ed. Michael D. Bordo and Barry Eichengreen (Chicago and London: The University of Chicago Press, 1993), 157–158; G. John Ikenberry, "A World Economy Restored: Expert Consensus and the Anglo-American Postwar Settlement," *International Organization* 46, no. 1 (2009): 289–321; Benn Steil, *The Battle of Bretton Woods: John Maynard Keynes, Harry Dexter White, and the Making of a New World Order* (Princeton and Oxford: Princeton University Press, 2013), 160–199; Daniel Speich Chassé, "Towards a Global History of the Marshall Plan: European Post-War Reconstruction and the Rise of Development Economic Expertise," in *Industrial Policy in Europe after 1945: Wealth, Power and Economic Development in the Cold War*, ed. Christian Grabas and Alexander Nützenadel (Basingstoke: Palgrave Macmillan, 2014): 187–212; Daniel Susskind and David Vines, "Global Economic Order and Global Economic Governance," *Oxford Review of Economic Policy* 40, no. 2 (2024): 189–219.

[42] Amy L. Sayward, *The Birth of Development: How the World Bank, Food and Agriculture Organization, and World Health Organization Changed the World, 1945–1965* (Kent: The Kent State University Press, 2006); Matthias Schmelzer, *The Hegemony of Growth: The OECD and the Making of the Economic Growth Paradigm* (Cambridge: Cambridge University Press, 2016); Amy C. Offner, *Sorting Out the Mixed Economy: The Rise and Fall of Welfare and Developmental States in the Americas* (Princeton and Oxford: Princeton University Press, 2019); Christy Thornton, *Revolution in Development: Mexico and the Governance of the Global Economy* (Oakland: University of California Press, 2021); Margarita Fajardo, *The World That Latin America Created: The United Nations Economic Commission for Latin America in the Development Era* (Cambridge, MA, and London: Harvard University Press, 2022).

[43] Jill Pellew, "Law and Order: Expertise and the Victorian Home Office," in *Government and Expertise: Specialists, Administrators, and Professionals, 1860–1919*, ed. Roy Macleod (Cambridge: Cambridge University Press, 1988): 59–72; Till Düppe, "Les origines historiques

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in such varied areas as imperial governance, diplomacy, medicine, and social welfare.[44] In these areas, experts were able to amass technical information through colonial administrative bodies, thereby further enforcing their model of governance abroad.[45]

Yet expertise underwent an unprecedented, institutionalized, and transformational moment of triumph after the First World War.[46] Although many nineteenth-century forms of expertise aimed to justify imperial expansion, while later postwar variants were associated with globalization and development, the interwar years brought experts to elevated positions at the forefront of critical debates. In the United Kingdom, government departments grappled with their own priorities in the face of a global depression, compelling them

de l'expertise," in *Experts, sciences et sociétés*, ed. François Claveau and Julien Prud'homme (Montreal: Les Presses de l'Université de Montréal, 2018), 27–28.

[44] Recent works on the history of expertise include Martin Kohlrausch, Katrin Steffen, and Stefan Wiederkehr, eds., *Expert Cultures in Central and Eastern Europe: The Internationalization of Knowledge and the Transformation of Nation States since World War I* (Osnabrück: Fibre Verlag, 2010); David Edgerton, *Britain's War Machine: Weapons, Resources, and Experts in the Second World War* (Oxford and New York: Oxford University Press, 2011); Martin Kohlrausch and Helmuth Trischler, *Building Europe on Expertise: Innovators, Organizers, Networkers* (Basingstoke: Palgrave Macmillan, 2014); David Kennedy, *A World of Struggle: How Power, Law, and Expertise Shape Global Political Economy* (Princeton and Oxford: Princeton University Press, 2016); Julien Landry, *Les think tanks et le discours expert sur les politiques publiques au Canada (1890–2015)* (Ottawa: Les Presses de l'Université d'Ottawa, 2021); Jens Steffek, *International Organization as Technocratic Utopia* (Oxford: Oxford University Press, 2021).

[45] On expertise in European imperial governance, see John Eddy, "The Technique of Government: Governing Mid-Victorian Australia," in *Government and Expertise: Specialists, Administrators, and Professionals, 1860–1919*, ed. Roy Macleod (Cambridge: Cambridge University Press, 1988): 166–181; Timothy Mitchell, *Rule of Experts: Egypt, Techno-Politics, Modernity* (Berkeley: University of California Press, 2002); Joseph Morgan Hodge, *Triumph of the Expert: Agrarian Doctrines of Development and the Legacies of British Colonialism* (Athens: Ohio University Press, 2007); Helen Tilley, *Africa as a Living Laboratory: Empire, Development, and the Problem of Scientific Knowledge, 1870–1950* (Chicago and London: The University of Chicago Press, 2011); Sabine Clarke, *Science at the End of Empire: Experts and the Development of the British Caribbean, 1940–62* (Manchester: Manchester University Press, 2018); Florian Wagner, *Colonial Internationalism and the Governmentality of Empire, 1893–1982* (Cambridge: Cambridge University Press, 2022).

[46] This argument echoes the findings of other works on interwar expertise, including Didier Renard, "*Technocracy*, ou la science contre l'économie : un mouvement américain des années 30," in *La question technocratique : de l'invention d'une figure aux transformations de l'action publique*, ed. Vincent Dubois and Delphine Dulong (Strasbourg: Presses universitaires de Strasbourg, 1999): 19–33; Olga Hidalgo-Weber, "Expertise britannique à l'OIT dans l'entre-deux-guerres : enjeux politiques et transferts de savoirs," *Revue d'histoire de la protection sociale* 10, no. 1 (2017): 22–41; Olivier Feiertag, "Le signe des temps : l'invention de l'expert financier international dans l'entre-deux-guerres," in *Experts et expertises en diplomatie : la mobilisation des compétences dans les relations internationales du congrès de Westphalie à la naissance de l'ONU*, ed. Stanislas Jeannesson, Fabrice Jesné, and Éric Schnakenbourg (Rennes: Presses universitaires de Rennes, 2018): 275–289; Erwin Dekker, *Jan Tinbergen (1903–1994) and the Rise of Economic Expertise* (Cambridge: Cambridge University Press, 2021).

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to draw on the advice of outside counsel. Expertise proved capable of offering supposedly neutral and apolitical solutions to the economic slump. Exemplified by various authoritative bodies – the Economic Advisory Council, Keynes' Committee on Economic Information, and the Macmillan Committee – the proliferation of expertise demonstrated the growing interdependence between technical analysis and electoral politics.[47] These interwar antecedents expedited the emergence of economics as one of the most prominent social sciences in the postwar years.[48]

Collective problems facing the nations of Europe instigated what may be termed the Age of Expertise. In the era between the two world wars, advisory groups and specialized committees proliferated in response to destabilized markets, social unrest, and inflationary pressures.[49] A dependence on expert knowledge may have spread profusely in Germany, where the government had continually drawn on specialist advice through the Reich Economic Council and other advisory bodies.[50] As Adam Tooze has shown, the collection, analysis,

[47] On interwar economic knowledge, see Susan Howson and Donald Winch, *The Economic Advisory Council, 1930–1939: A Study in Economic Advice during Depression and Recovery* (Cambridge: Cambridge University Press, 1977); Donald Winch, "Economic Knowledge and Government in Britain: Some Historical and Comparative Reflections," in *The State and Economic Knowledge*, ed. Mary O. Furner and Barry Supple (Washington, DC: Woodrow Wilson International Center for Scholars and Cambridge: Cambridge University Press, 1990), 54–60; Knut Borchardt, "Wirtschaftspolitische Beratung in der Krise. Die Rolle der Wissenschaft," in *Die deutsche Staatskrise, 1930–1933. Handlungsspielräume und Alternativen*, ed. Heinrich August Winkler (Munich: R. Oldenbourg Verlag, 1992): 109–132.

[48] Alexander Nützenadel, *Stunde der Ökonomen. Wissenschaft, Politik und Expertenkultur in der Bundesrepublik 1949–1974* (Göttingen: Vandenhoeck & Ruprecht, 2005); Marion Fourcade, *Economists and Societies: Discipline and Profession in the United States, Britain, and France, 1890s to 1990s* (Princeton and Oxford: Princeton University Press, 2009); Lino Wehrheim, *Im Olymp der Ökonomen. Zur öffentlichen Resonanz wirtschaftspolitischer Experten von 1965 bis 2015* (Tübingen: Mohr Siebeck, 2021); Elizabeth Popp Berman, *Thinking Like an Economist: How Efficiency Replaced Equality in U.S. Public Policy* (Princeton and Oxford: Princeton University Press, 2022).

[49] Adam Tooze and Ted Fertik, "The World Economy and the Great War," *Geschichte und Gesellschaft* 40, no. 2 (2014), 232–233.

[50] On the politicization of expert knowledge in Germany, see Ronald Hitzler, Anne Honer, and Christoph Maeder, eds., *Expertenwissen. Die institutionalisierte Kompetenz zur Konstruktion von Wirklichkeit* (Opladen: Westdeutscher Verlag, 1994); Margit Szöllösi-Janze, "Politisierung der Wissenschaften – Verwissenschaftlichung der Politik. Wissenschaftliche Politikberatung zwischen Kaiserreich und Nationalsozialismus," in *Experten und Politik. Wissenschaftliche Politikberatung in geschichtlicher Perspektive*, ed. Stefan Fisch and Wilfried Rudloff (Berlin: Duncker & Humblot, 2004): 79–100; Lutz Raphael, "Zwischen Sozialaufklärung und radikalem Ordnungsdenken. Die Verwissenschaftlichung des Sozialen im Europa der ideologischen Extreme," in *Europäische Wissenschaftskulturen und politische Ordnungen in der Moderne* (1890–1970), ed. Gangolf Hübinger (Munich: Oldenbourg Verlag, 2014): 29–50; Agnes Laba, "Akademisches Expertenwissen als Ressource für die Politik. Die „Publikationsstelle Berlin-Dahlem" als Think Tank der nationalsozialistischen Expansions- und Vernichtungspolitik," in *Externe Experten in Politik und Wirtschaft*, ed. Felix Selgert (Berlin: De Gruyter Oldenbourg, 2020): 95–122.

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and distribution of statistics, notably through the Institute for Business Cycle Research, were processes fundamentally tied to the expansion of the modern state.[51] Similarly, politicians in France were drawn to the study of economic questions, embodied by the establishment of the National Economic Council in 1925.[52] Yet the particular circumstances in which expertise manifested itself in Britain must be understood not only as a political project in its own national context but also as an institutional phenomenon determined by global developments. Widespread threats to the prevailing order in which the British financial sector once dominated rapidly accelerated the acceptance of technical knowledge.

The Bank itself witnessed an even more profound evolution when it hired its first economic advisers. Distinct from bankers in the City, politicians in Westminster, and civil servants in Whitehall, experts were those from outside the traditional establishment at the Bank. They rarely had direct connections to the political elite, nor did they have familial ties to the premier merchant banks, such as the Barings, Grenfells, Huths, and Rothschilds. Instead, in-house advisers were able to offer technical views due to their experience in academia, the private sector, and international organizations. Their involvement allowed the Bank to assert its authority in areas it would not have otherwise entered. With its emerging interests in industrial intervention, imperial affairs, and foreign relations, the Bank could retain its jurisdiction over the global financial system through expert employment.

In defining the interwar years as the Age of Expertise, this book must also address a counterargument: Were experts simply hired to confirm existing priorities and justify established views? Opposing expert views was certainly a common way to assert power. It was Montagu Norman, the Governor of the Bank from 1920 to 1944, who once told an expert, "we have appointed you as our economic adviser; let me tell you that you are not here to tell us what to do, but to explain to us why we have done it."[53] In making this claim, however, Norman only attempted to give the illusion that he was the individual solely in control and that the employment of advisers was merely a means to an end. The Governor, in reality, depended on his advisers to help him make decisions and advise him on economic policy. He even reluctantly called the gold-exchange standard "a very abstruse and complicated problem which personally I do not pretend to understand."[54]

[51] J. Adam Tooze, "Weimar's Statistical Economics: Ernst Wagemann, the Reich's Statistical Office, and the Institute for Business-Cycle Research, 1925–1933," *Economic History Review* 52, no. 3 (1999): 523–543; J. Adam Tooze, *Statistics and the German State, 1900–1945: The Making of Modern Economic Knowledge* (Cambridge: Cambridge University Press, 2001).

[52] "Conseil national économique," *Journal officiel de la République française*, no. 14, January 17, 1925, 698–700; Alain Chatriot, *La démocratie sociale à la française : l'expérience du Conseil national économique 1924–1940* (Paris: La Découverte, 2013).

[53] Quoted in Kynaston, *Till Time's Last Sand*, 358.

[54] Norman to Strong, November 28, 1927, BoE ADM33/13 and FRBNY Strong Papers 1116.7, Part 2.

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Experts subsequently demonstrated their technical knowledge in a wide range of areas. Richard Sayers attributed the arrival of a "new caste of Advisers" to the abandonment of the gold standard in September 1931.[55] That the desire to debate and discuss the future of the pound drove the central bank to accept institutional change is clear from archival sources. Yet unelected officials had already been present in contemporary debates, such as those concerning reconstruction and monetary policy, for much of the 1920s. The Bank continually deployed its advisers to represent the Governor during his regular and sudden bouts of illness, as well as following his confrontational interrogation before the Macmillan Committee in 1930.[56] By acting as translators of economic terminology, experts were more adept at explaining technical topics on behalf of the entire banking establishment. Such contributions led Deputy Governor Ernest Harvey to admit that one of his advisers was "far more competent to give evidence to the [Macmillan] Committee than I am."[57]

This evidence thus challenges existing narratives that regard Norman as an independent source of power. Past historical works have mainly been concerned with the Governor's efforts to foster central bank cooperation and, by extension, influence the contours of financial diplomacy.[58] He holds an infamous and, at times, mystical allure in the public imagination, in light of his consultations with Swiss psychologist Carl Jung, his recurring mental breakdowns, and his links to Nazi-looted gold.[59] However, institutions are composed of more

[55] Sayers, *The Bank of England, vol.* 2, 417. Also quoted in Patricia Clavin, "'The Fetishes of So-Called International Bankers': Central Bank Co-operation for the World Economic Conference, 1932–3," *Contemporary European History* 1, no. 3 (1992), 285.

[56] Harvey to Siepmann, April 1, 1926, BoE OV33/42.

[57] "The Right Hon. Ernest Musgrave Harvey, K.B.E., Deputy Governor of the Bank of England," July 2, 1930, in Macmillan Committee, *Minutes of Evidence Taken before the Committee on Finance and Industry, vol.* 2 (London: H.M. Stationery Office, 1931), 173.

[58] Paul Einzig, *Montagu Norman: A Study in Financial Statesmanship* (London: Kegan Paul, Trench, Trubner & Co., 1932), 7–9; Paul Einzig, *Bankers, Statesmen and Economists* (London: Macmillan, 1935), 37–46; Henry Clay, *Lord Norman* (London: Macmillan, 1957), 474–489; Andrew Boyle, *Montagu Norman: A Biography* (London: Cassell & Company, 1967), 180–186; Lord Robbins, "Montagu Norman: A 'Monarch' in the City," in *The Evolution of Modern Economic Theory and Other Papers on the History of Economic Thought* (London: Palgrave Macmillan, 1970): 234–242; Philip Geddes, *Inside the Bank of England* (London: Boxtree, 1987), 33–36; György Péteri, "Central Bank Diplomacy: Montagu Norman and Central Europe's Monetary Reconstruction after World War I," *Contemporary European History* 1, no. 3 (1992): 233–258; Liaquat Ahamed, *Lords of Finance: The Bankers Who Broke the World* (New York: Penguin, 2009), 145–153, 220–233, 279–289; Piet Clement, "Institutionalizing Central Bank Cooperation: The Norman–Schacht Vision and Early Experience of the Bank for International Settlements, 1929–1933," in *The Spread of the Modern Central Bank and Global Cooperation, 1919–1939*, ed. Barry Eichengreen and Andreas Kakridis (Cambridge: Cambridge: University Press, 2023): 80–102.

[59] David Blaazer, "Finance and the End of Appeasement: The Bank of England, the National Government and the Czech Gold," *Journal of Contemporary History* 40, no. 1 (2005): 25–39; Paul Krugman, "The Curse of Montagu Norman," *The New York Times Blog*, December 18, 2009, https://archive.nytimes.com/krugman.blogs.nytimes.com/2009/12/18/

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than just their leaders, and a disproportionate focus on the Governor eludes the complexity of the decision-making processes that occurred behind closed doors.[60] Evidently, the presence of experts at the central bank explains how Norman was able to exert a degree of influence far beyond the capabilities of one individual. While setting overarching policy goals, he regularly consulted those around him on technical matters and relied not simply on the merchant banks in the City, but rather on a group of mid-level advisers who formed the Bank's intellectual inner circle.[61] Whether advising the government on monetary policy in South Africa, restructuring the system of taxation in Austria, or laying the foundation for a new central bank in Argentina, unelected officials had extended British economic power far beyond the Bank's walls.

Among experts, John Maynard Keynes has remained at the center of scholarship on economic theory and policy.[62] The extent to which fiscal policies of the 1930s resembled a demand-driven, Keynesian "managed economy" had once been the focus of such debates.[63] In the realm of monetary policy, Keynes'

the-curse-of-montagu-norman/; Philip Aldrick, "Was Montagu Norman a Nazi sympathiser?," *The Telegraph*, July 13, 2013, www.telegraph.co.uk/finance/bank-of-england/10214541/Was-Montagu-Norman-a-Nazi-sympathiser.html; Ben Quinn, "How Bank of England 'helped Nazis sell gold stolen from Czechs,'" *The Guardian*, July 31, 2013, www.theguardian.com/business/2013/jul/31/bank-of-england-and-nazis-stolen-gold.

[60] After one meeting with representatives from the Banque de France and the Reichsbank, Norman tasked Stewart and Siepmann to examine the policies of other central banks; Montagu Norman, Diary, February 25, 1929, BoE ADM34/18.

[61] See, for instance, his frequent meetings with Hjalmar Schacht in October 1932; Montagu Norman, Diary, October 4, October 5, October 6, and October 17, 1932, BoE ADM34/21.

[62] Keynes' interwar contribution to public policy has been documented in many works, including T.W. Hutchison, *On Revolutions and Progress in Economic Knowledge* (Cambridge: Cambridge University Press, 1978); Peter Clarke, *The Keynesian Revolution in the Making, 1924–1936* (Oxford: Clarendon Press, 1988); G.C. Peden, *Keynes, The Treasury and British Economic Policy* (Basingstoke: Macmillan, 1988); Alan Booth, *British Economic Policy, 1931–49: Was There a Keynesian Revolution?* (Hertfordshire: Harvester Wheatsheaf, 1989); D.E. Moggridge, *Maynard Keynes: An Economist's Biography* (London and New York: Routledge, 1992); Robert Skidelsky, *John Maynard Keynes, vol. 2: The Economist as Saviour, 1920–1937* (London: Macmillan, 1992); Frank Otto, *Die Keynesianische Revolution in Großbritannien (1929–1948). Zur Entwicklung der Finanzpolitik im Spannungsfeld von wirtschaftswissenschaftlicher Herausforderung, politischem Reformwillen und institutioneller Beharrungskraft* (Berlin: Duncker & Humblot, 1996); Matthias Peter, *John Maynard Keynes und die britische Deutschlandpolitik. Machtanspruch und ökonomische Realität im Zeitalter der Weltkriege 1919–1946* (Munich: R. Oldenbourg, 1997); James Ashley Morrison, *England's Cross of Gold: Keynes, Churchill, and the Governance of Economic Beliefs* (Ithaca and London: Cornell University Press, 2021).

[63] Derek H. Aldcroft, "The Development of the Managed Economy before 1939," *Journal of Contemporary History* 4, no. 4 (1969): 117–137; Donald Winch, "Britain in the 'Thirties: A Managed Economy?," in *The Managed Economy: Essays in British Economic Policy and Performance since 1929*, ed. Charles Feinstein (Oxford: Oxford University Press, 1983): 47–67; Roger Middleton, *Towards the Managed Economy: Keynes, the Treasury, and the Fiscal Policy Debate of the 1930s* (London and New York: Methuen, 1985); Alan Booth, "Britain in the 1930s: A Managed Economy?," *The Economic History Review* 40, no. 4 (1987): 499–522;

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proposals for a managed currency were vital in determining the proper role of a central bank.[64] Through all these contributions, he came to represent the ascent of economic expertise in interwar Britain. From his efforts to reduce inter-Allied debts after the First World War to the negotiations over the Anglo-American loan after the Second World War, the eminent Cambridge economist frequently used technical arguments to promote Britain's national interests. His participation on numerous government commissions and advisory groups was virtually without precedent.

Yet Keynes was only one figure in these contested realms.[65] In many respects, he operated in a different sphere of influence from experts at the Bank. He had become not only an economic expert in his own right but also a public intellectual following the success of *The Economic Consequences of the Peace* (1919) and his later contributions in *The Nation & Athenæum*.[66] This status made him accountable to a mass audience and open to public censure in ways that the Bank's experts were not. Indeed, the central bank evaded publicity when it threatened to undermine its work. The priority in India, for instance, was "not [to] participate in any public enquiry" or appear critical of existing government policy, while in New Zealand, the Deputy Governor suggested that

Roger Middleton, "Britain in the 1930s: A Managed Economy? A Comment," *The Economic History Review* 42, no. 4 (1989): 544–547; G.C. Peden, "Britain in the 1930s: A Managed Economy? A Comment," *The Economic History Review* 42, no. 4 (1989): 538–543; Alan Booth, "Britain in the 1930s: A Managed Economy? A Reply to Peden and Middleton," *The Economic History Review* 42, no. 4 (1989): 548–556; Jim Tomlinson, *Public Policy and the Economy since 1900* (Oxford: Clarendon Press, 1990), 9–13; Roger Middleton, *Government Versus the Market: The Growth of the Public Sector, Economic Management and British Economic Performance, c. 1890–1979* (Cheltenham: Edward Elgar, 1996).

[64] D.E. Moggridge, *British Monetary Policy, 1924–1931: The Norman Conquest of $4.86* (Cambridge: Cambridge University Press, 1972), 75; Susan Howson, *Domestic Monetary Management in Britain, 1919–38* (Cambridge: Cambridge University Press, 1975), 4–5; R.S. Sayers, *The Bank of England, 1891–1944, vol. 1* (Cambridge: Cambridge University Press, 1976), 131.

[65] For more critical assessments of attributing economic policy to Keynes, see Neil Rollings, "British Budgetary Policy 1945–1954: A 'Keynesian Revolution'?," *The Economic History Review* 41, no. 2 (1988): 283–298; Harold James, "What Is Keynesian about Deficit Financing? The Case of Interwar Germany," in *The Political Power of Economic Ideas: Keynesianism across Nations*, ed. Peter A. Hall (Princeton: Princeton University Press, 1989): 231–262; Mark Blaug, "Second Thoughts on the Keynesian Revolution," *History of Political Economy* 23, no. 2 (1991): 171–192; David Laidler, *Fabricating the Keynesian Revolution: Studies of the Inter-War Literature on Money, the Cycle, and Unemployment* (Cambridge: Cambridge University Press, 1999); Robert W. Dimand, "What Keynesian Revolution? A Reconsideration Seventy Years after *The General Theory*," in *Keynes's General Theory after Seventy Years*, ed. Robert W. Dimand, Robert A. Mundell, and Alessandro Vercelli (Basingstoke: Palgrave Macmillan, 2010): 287–311.

[66] For a recent examination of Keynes' influence, see Patricia Clavin, Giancarlo Corsetti, Maurice Obstfeld, and Adam Tooze, eds., *Keynes's Economic Consequences of the Peace after 100 Years: Polemics and Policy* (Cambridge: Cambridge University Press, 2024).

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the Bank's interventions should "be kept entirely secret."[67] To establish his legitimacy, Keynes published articles that reached a broad audience, whereas the Bank could use its existing status as a monetary authority to enforce its orthodox policies without resorting to such measures.

The argument presented herein does not imply that the Bank held a monopoly on all matters of economic governance. Officials were unable to impose a sterling-backed currency in South Africa, to halt the creation of a Reserve Bank of India branch in London, or to install one of its officials as the new Governor of the Bank of Canada. Nor were they immune to mistakes. Imperfect information continually hampered their ability to address many of the persistent issues before them. Archival evidence further reveals the extent to which the Bank depended on an intricate network of stakeholders to implement its reforms. It often deferred many public-facing duties, from taxation to rearmament, to the Treasury, whose leading financial experts, including Sir Ralph Hawtrey and Sir Frederick Phillips, turned the government department into an intellectual powerhouse in its own right. Yet in other spheres, such as imperial and foreign relations, the Bank's experts were more adept at establishing their authority. Throughout the 1920s, they took part in debates on reconstruction and currency stabilization alongside League officials. The aftermath of the 1931 crisis, far from seeing the end of the Bank's dominance, led to its expansion into new areas, such as industrial intervention and exchange-rate management. In this sense, the central bank had effectively forged its own version of governance, distinct from the Keynesian and Hawtreian perspectives on government–business relations.

Shifting the focus from Keynes and the Treasury to the Bank sheds additional light on the compatibility of expertise with democracy. In interwar Britain, the changing landscape of electoral politics, particularly with the expansion of the franchise, initiated frequent calls for political reform and a rejection of expert-led rule. "Gone to the experts" was one familiar adage used to indicate when a particular concern would be deferred to nameless and faceless individuals.[68] The Bank, no stranger to secrecy, may have been a national institution that operated outside the formally elected government apparatus. Yet even if it maintained little interest in providing an open or transparent forum for the voting public, the birth of mass democracy forced the institution to grapple with challenges to its disproportionate influence. Experts felt obligated to use technical language and employ statistical tools in its policy recommendations, often under the guise of efficiency and neutrality. This form of governance attempted to depoliticize the idea of the economy by emphasizing its "rational" or "self-regulating" dimensions.[69]

[67] Harvey to Thomas Wilford [High Commissioner of New Zealand to the United Kingdom], June 30, 1930, BoE G1/335; Henry Clay, "Note of Interview," July 14, 1934, BoE G1/308.

[68] "The Place for Experts," *The Times* 45639, October 9, 1930, 12.

[69] Florian Schui, *Austerity: The Great Failure* (New Haven and London: Yale University Press, 2014), 99–105; Clara Mattei, *The Capital Order: How Economists Invented Austerity and*

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At the same time, rather than viewing interwar economic policy as guided by a singular ideological force or set of underlying political motivations, this book seeks to engage with the diverse array of views, opinions, and actions of bankers and experts. It highlights the Bank's transformation from an institution ambitious to restore the pre-1914 era of economic liberalism to an entity imperative to the emergence of postwar managed capitalism. The interwar interregnum, in which no single ideology dominated, saw the central bank's responsibilities expand outside the traditional area of monetary management. Experimentation with more interventionist policies aligned with the government's evolving objectives, especially for recently enfranchised voting groups. Industrial rationalization, for instance, indirectly benefited the working classes, whereas general reconstruction aimed to raise the pound's purchasing power overseas. The Bank, to be sure, did not adopt these priorities due to its own inherent altruism, a regard for democratic processes, or a sense of moral obligation. Its goal was neither to open the central bank to a mass audience nor to prohibit its own modernization. Instead, the activities undertaken by the Bank, along with those supported by the City and welcomed by the Treasury, made economic orthodoxy compatible with the new global order. To defend its authority over the monetary system, the Bank inadvertently ended the interwar years as a more publicly engaged institution.

Through its interventions, the central bank emerged as one crucial part of a much broader evolution in global governance. It worked alongside new international organizations, such as the League of Nations and the Bank for International Settlements, to reshape the economic system. These institutions were able to design financial and legal institutions that drew on the prewar structures of imperial governance.[70] As European empires struggled to confront an era of self-determination and mass democracy, they found ways of exerting a degree of influence through debt commissions, development banks, and intergovernmental commodity programs. Still, by the 1930s, conflicting ideas and visions of how to reorganize global capitalism had ostensibly exposed its fragility.[71] The rules and agreements that once shaped the global economy effectively collapsed over the course of the Great Depression, causing many nations to adopt nationalist and protectionist policies.[72]

Yet any examination of governance must not only consider how governments and international organizations espoused different visions of internationalism.

Paved the Way to Fascism (Chicago and London: The University of Chicago Press, 2022), 203–204.

[70] Martin, *The Meddlers*, 11.

[71] On global economic orders and the role of ideas, see Or Rosenboim, *The Emergence of Globalism: Visions of World Order in Britain and the United States, 1939–1950* (Princeton and Oxford: Princeton University Press, 2017); Eric Helleiner, *The Contested World Economy: The Deep and Global Roots of International Political Economy* (Cambridge: Cambridge University Press, 2023).

[72] Daunton, *The Economic Government*, xxi.

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Nor should it focus predominantly on the intellectual history of economic thinkers without showing their direct influence on policy or practice. Although many works have described the structural political and economic forces that governed the interwar order, one should simultaneously contextualize such developments within the overlapping domestic, imperial, European, and global spheres. The Bank, as a national central bank in the heart of the City, a facilitator of imperial and European central bank cooperation, and an international monetary authority at the center of a complex economic system, was one such institution that confronted the instabilities of the new era. Its duties were certainly nationally oriented, steadfast in a commitment to maintain the gold-exchange standard. Nevertheless, the realities of the interwar order following the emergence of radical forces – nationalism, anti-imperialism, fascism, and communism – compelled the Bank to reevaluate its role within the global economy.

OUTLINE

Chapter 1 provides the historical context behind the Age of Expertise. It focuses on the development of the City of London during the first age of globalization in the nineteenth and early twentieth centuries. Although the economic order of the prewar years was hardly monolithic, it featured the consolidation of power among relatively few institutions based in the City. Vital to sustaining economic liberalism was the central bank, an authority once dominated by merchant bankers and industrialists. After the First World War, the Bank began to reconsider its position within the national and international financial system, leading many officials to turn to outside experts. To uphold the prestige of the City of London abroad, bankers conceded their own institutional dominance to their advisers.

Following the war, the Bank looked for those who could provide an intellectual defense of its policies. One of its unofficial advisers, Sir Henry Strakosch, is the subject of Chapter 2. As the Austrian-born managing director of a preeminent South African mining corporation, Strakosch endorsed the emerging Bank View in international fora. He defended the benefits of fixed exchange rates and balanced budgets as chair of the League's Financial Committee. He was also able to influence domestic politics by acting as a personal adviser to Jan Smuts and Winston Churchill. Through Strakosch's campaigns, the Bank could administer numerous monetary and fiscal reforms that culminated in the creation of new central banks throughout Central Europe and the British Empire.

These reforms set the precedent for the employment of economists at home. Chapter 3 shows how statistics provided additional legitimacy to the Bank as a monetary authority. The establishment of an in-house research department, the employment of a specialized staff, and the publication of a monthly report all embodied the growing institutional interest in the study of economics.

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With the arrival of highly regarded US economists, namely Walter W. Stewart and Oliver M.W. Sprague, the Bank further tested the value of expert opinion in setting monetary policy. As its advisers gained access to direct channels of influence, they were able to act as the interpreters of economic theory for the traditional banking elite.

Chapter 4 examines debates over the viability of the gold standard. Experts, while having little role in the return to or abandonment of the interwar gold standard (1925–1931), were responsible for providing the rationale behind monetary policy. The ideological strength of the Treasury View drove many contemporary concerns over domestic monetary management. In response to criticism forwarded by Keynes and the Treasury, the Bank aimed to defend a system of fixed exchange rates in which it remained at the center. Even after the 1931 crisis called into question the future of exchange-rate priorities, the Bank remained essential for defining a post-gold standard monetary order.

State interventions in industrial affairs also arose from the unresolved economic problems of the First World War. Chapter 5 assesses the contributions of one economist, Henry Clay, who crafted the Bank's industrial policy throughout the 1930s. Similar to Keynes and other contemporaries, Clay aimed to identify a "middle-way" policy between laissez-faire capitalism and socialism that addressed rising unemployment. He was tasked with advising the Bank on its project of rationalization, a process that involved closing unproductive firms and lending to small- and medium-sized businesses. Localized knowledge of regional production capabilities and unemployment, such as those affecting the Lancashire cotton industry, factored into his calculations. Clay's overarching theories on employment and wages thus served as the basis for the central bank's involvement in industrial affairs.

Other advisers attempted to export the British model of economic governance abroad. Sir Otto Niemeyer, a former Treasury official, arrived at the Bank in 1927. He had already acquired a reputation as an international financial expert through his experience as Controller of Finance and as a member of the League's Financial Committee. While employed at the Bank, he conducted a series of overseas missions to Australia, New Zealand, Argentina, and Brazil, where he advised national governments on the implementation of extensive monetary and fiscal reforms. He sought to establish a chain of Empire Central Banks that adopted orthodox policies and supported the global preeminence of the British pound. As described in Chapter 6, the Niemeyer missions upheld the City of London's status as a financial center through a network of independent central banks.

The apex of the Bank's influence followed the 1932 Ottawa Conference. Experts used the abandonment of the gold standard and the global Great Depression to justify the implementation of orthodox policies. Chapter 7 demonstrates how the creation of central banks in India and Canada emerged as a viable solution after Ottawa. The reforms allowed the Bank to

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enhance the prominence of sterling as a world reserve currency while also acting as concessions to foreign governments eager for economic recovery and national legitimacy. Through the Empire Central Banks, officials could simultaneously appease rising nationalism and advance their own goals. Further motivated by the collapse of the global economy into regional blocs, the Bank institutionalized a distinct form of monetary cooperation along imperial lines.

The enactment of exchange control marked the end of the interwar economic order. Chapter 8 details the role of the Bank in advocating this practice in the mid- to late 1930s. In contrast to Treasury officials and City bankers, the Bank's advisers were the main proponents of the policy. Conceived as a way of protecting the British pound at the outbreak of war, exchange control involved imposing restrictive measures on conversions and holdings of foreign currencies. Newly hired experts, including George Bolton, Henry Clay, and Harry Siepmann, sought to craft a version of exchange-rate management that contrasted with the authoritative policies devised in Germany and Argentina. With their implementation in 1939 and strict enforcement from 1940 onward, exchange control became the Bank's primary intervention on the eve of the Second World War.

Chapter 9 explores the rise of economic advice in the wartime and postwar years. In Britain, experts initially found themselves in a precarious position during the Second World War, partly due to political opposition to unelected officials. Yet following sterling's devaluations and a devastating IMF loan, the Bank again turned to economic advisers, primarily to lead diplomatic negotiations. With the development of economics as the leading social science, international organizations similarly relied on economists to encourage development and financial stability. These changes laid the foundation for a post-1945 order that drew on the precedents set by interwar central banks and the League of Nations. By exporting ideas of orthodoxy and defending the City's status as the world's financial center, the Bank could continue to shape the structures of economic governance throughout the twentieth century.

The Epilogue brings the history of the Bank to the present day. Although the beginning of the century has been characterized as an era of relatively stable growth, the onset of the global financial crisis (GFC) of 2007–2008 witnessed the return of interventionist central banks. The Bank initially responded to the crisis by lowering interest rates in an effort to inject liquidity into the financial system. It also worked alongside the European Central Bank and the Federal Reserve to implement an array of unconventional monetary policies to bolster global financial stability. As central banks have since confronted new challenges, including climate change, digital currencies, and rising inequality, they have continually adapted their policies and reimagined their roles as monetary authorities.

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