

CURRENT SCHOLARSHIP

Between the 'Bank Screw' and 'Affording Assistance': Rules, Standards and the Bank Charter Act of 1844

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This article explores a dilemma at the centre of the monetary order: how to counter inflation eroding the value of money and simultaneously allow bank-created credit to meet the needs of an expanding economy. Building on recent scholarship on the history of money, the article analyses the Bank Charter Act of 1844 and the financial crisis of 1847 to reveal a response to this dilemma which continues to shape the modern context. That response relies on *ex ante* restrictive measures in a bid to limit the discretion of the monetary authorities and cultivate financially prudent behaviour. Yet the history of the mid-nineteenth century exposes the challenges faced by those who enforce such rules, challenges which tie the mid-nineteenth century to the post 2008 reforms in both the US and the Eurozone, and reveal the ongoing force of the dilemma: that simultaneous desire for both expansive credit and sound money.

Iain Frame, *Between the 'Bank Screw' and 'Affording Assistance'. Rules, Standards, and the Bank Charter Act of 1844*, *The Modern Law Review*, <https://onlinelibrary.wiley.com/doi/abs/10.1111/1468-2230.1246>