

## Volume II

### The Heyday of the Gold Standard, 1820-1930

1833 August 29

**Bank of England Act, 1833:** 'An Act, for giving to the Corporation of the Governor and Company of the Bank of England certain Privileges, for a limited period, under certain Conditions'. Under the gold standard, the Bank of England, in exchange for the privileged position it was granted within the British banking system, was obliged to redeem its notes in "legal coin"—i.e. gold and silver. The Bank remained under this obligation until the passage of the Gold Standard Act of 1925.

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Section 6. And be it further enacted, That from and after the First Day of August One thousand eight hundred and thirty-four, unless and until Parliament shall otherwise direct, a Tender of a Note or Notes of the Governor and Company of the Bank of England, expressed to be payable to Bearer on Demand, shall be a legal Tender, to the Amount expressed in such Note or Notes, and shall be taken to be valid as a Tender to such Amount for all Sums above Five Pounds on all Occasions on which any Tender of Money may be legally made, so long as the Bank of England shall continue to pay on Demand their said Notes in legal Coin. . . .

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