

Volume III

After the Gold Standard, 1931-1999

1931 September 20

Confidential telegram from the Deputy Governor of the Bank of England, concerning the decision of the United Kingdom to go off the gold standard. The UK was forced to break its link to gold in September 1931. This cable is one of the many sent out that day informing the Bank's foreign and domestic correspondents of the radical change in the Government's policy.

1. I regret to inform you that the Bank of England are compelled to suspend the sale of gold in accordance with their obligation under the Gold Standard Act [of] 1925. The necessary legislation is to be introduced into Parliament forthwith. No restrictions will be placed on the free disposal of any gold held in this country on behalf of foreign customers, nor of any gold which may be sent to this country for custody on foreign account or for sale in the market.
2. The London Stock Exchange will be closed tomorrow for one day but there will be no Bank Holiday.
3. The Banks will carry on business as usual and no banking trouble is anticipated here.
4. I am trying to pass this information to you by telephone but send this cable in case I should not be able to reach you otherwise.

Source: *Bank of England Archives*, OV48/9, 1538/4, nos. 12a and 13a.