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978-1-107-03094-7 - Banking in Crisis: The Rise and Fall of British Banking Stability, 1800 to the Present

John D. Turner

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Banking in Crisis

Can the lessons of the past help us to prevent another banking collapse in the future? This is the first book to tell the story of the rise and fall of British banking stability in the past two centuries, and it sheds new light on why banking systems crash and the factors underpinning banking stability. John Turner shows that there were only two major banking crises in Britain during this time: the crisis of 1825–6 and the Great Crash of 2007–8. Although there were episodic bouts of instability in the interim, the banking system was crisis-free. Why was the British banking system stable for such a long time and why did the British banking system implode in 2008? In answering these questions, the book explores the long-run evolution of bank regulation, the role of the Bank of England, bank rescues and the need to hold shareholders to account.

JOHN D. TURNER is Professor of Finance and Financial History at Queen's University Management School, Queen's University Belfast.

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Acknowledgements

According to Winston Churchill, writing a book begins as an adventure, turns into a toy, then an amusement, then a mistress, then a master, then a tyrant, and just before you are about to surrender, you decide instead to slay the monster. I understand where Churchill was coming from, but throughout the writing of this book and the decade or more of underlying research, I have received the help and encouragement of family, friends, colleagues, librarians, archivists and countless scholars.

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Above the doors of Cambridge University's Cavendish Physics Laboratory is an inscription from Miles Coverdale's 1535 translation of Psalm 111: 'The workes of the LORDE are greate, sought out of all that haue

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pleasure therein’. These words serve as my motto as a social scientist and an economic historian.

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