Performing public credit at the eighteenth-century Bank of England

Credit was the foundation on which eighteenth-century Britain's economic and geopolitical success was built and much scholarly effort has been spent in seeking to understand how it operated.[1] Yet, despite this outpouring of interest, the most important of the myriad of eighteenth-century credit relationships – that between the public creditors and the state – has been neglected. We know that the national debt rose significantly over the course of the long eighteenth century exceeding £800 million by the end of the Napoleonic Wars. We know that the majority of the debt was held by individual Britons. Yet we know little of why those many thousands of public creditors trusted their capital to the eighteenth-century state and how they reached their decisions so to do. This article explores those issues.

The issue of trust in personal credit relationships has been addressed in seminal works by Craig Muldrew and Margot Finn. They differed in their chronological focus, emphasis and sources but their conclusions were not incompatible. Both emphasised the 'persistently social character' of economic relationships, whether they saw that sociability embedded in personal and community relations or based on evaluations of the outward signs of personal character.[2] There was also an agreement that, by whatever means, systems of credit encouraged individuals

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[1] For example: B. L. Anderson, 'Money and the Structure of the Credit in the Eighteenth Century', *Business History*, 12 (1970), 85-101; Margot Finn, *The Character of Credit: personal debt in English culture, 1740-1914* (Cambridge, 2003); Margaret R. Hunt, *The Middling Sort: commerce, gender and the family in England 1680-1780* (Berkeley, 1996); Craig Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (London, 1998); Tawny Paul, 'Credit, reputation, and masculinity in British urban commerce : Edinburgh, c. 1710–70', *Economic History Review*, 66 (2013), 226-248; Alexandra Shepard, *Accounting for oneself : worth, status, and the social order in early modern England* (Oxford, 2015); John Smail, 'Credit, risk and honor in eighteenth-century commerce', *Journal of British Studies*, 44 (2005), 439-56. With regard to public credit: Daniel Carey and Christopher J. Finlay, *The Empire of Credit: the financial revolution in the British Atlantic world* (Dublin, 2011); Gary W. Cox, *Marketing Sovereign Promises: monopoly brokerage and the growth of the English state* (Cambridge, 2016); P. G. M. Dickson, *The Financial Revolution in England: a study in the development of public credit, 1688-1756* (London, 1967); David Stasavage, *States of Credit: size, power, and the development of European polities* (Princeton, 2011);

[2] Muldrew, *Economy of Obligation*; Finn, *Character of Credit*. For a detailed comparison of the two standpoints see Tawny Paul, 'Credit and Social Relations Amongst Artisans and Tradesmen in Edinburgh and Philadelphia', unpublished PhD thesis, University of Edinburgh, 2011.

to behave in certain ways and marked people out when they did not behave in those ways. Even 'ill reports' could ruin a tradesman and, once lost, reputation was not easily recovered.[3]

Arguments about the ways in which the need to demonstrate credit-worthiness shaped behaviour also have been made with regard to the state. In the *True Briton* in 1723 the link between reputation and the operation of public credit was very explicitly drawn. It was stated:

> there must be an Appearance of Honesty at least, to raise this Credit to any considerable Height, so as to be lasting. The People or Nation that are Ambitious of it, should bear the nicest Reputation in the World; [they must] have every commendable Quality which embellishes Mankind.[4]

Modern scholars have also been concerned with these questions. Douglass North and Barry Weingast's 1989 article 'Constitutions and Commitment' and work that has followed has shown that the need to maintain significant funding streams shaped behaviour.[5] In order to build a reputation as a sound borrower, a state had to offer certain rights to its creditors and thus accept constraints on its own behaviour.[6] It had to maintain a degree of transparency in its financial dealings, to allocate revenue streams for the repayment of debts and, of course, to repay those debts on time. In this way a state built a sound reputation and ultimately reduced the costs of its borrowing.

In the case of the British state, there is evidence to demonstrate that this was a conscious process. From the turn of the eighteenth century successive governments sought, when

[3] Daniel Defoe, *The Compleat English Tradesman* (London, 1726), 119.
[4] *The True Briton*, 26 July 1723 quoted in Julian Hoppit, 'Attitudes to Credit in Britain, 1680-1790', *The Historical Journal*, 33 (1990), 319.
[5] D. North and B. R. Weingast, 'Constitutions and commitment': the evolution of institutions governing public choice in seventeenth-century England', *The Journal of Economic History*, 49 (1989), 803-832; G. Clark, 'The Political Foundations of Modern Economic Growth: England, 1540-1800', *Journal of Interdisciplinary History*, 26 (1996), 563-88; Cox, *Marketing Sovereign Promises*; Anne L. Murphy, 'Demanding credible commitment: public reactions to the failures of the early financial revolution', *Economic History Review*, 66 (2013), 178-197; N. Sussman and Y. Yafeh, 'Institutional reforms, financial development and sovereign debt: Britain, 1690-1790', *Journal of Economic History*, 66 (2006), 906-35.
[6] The most comprehensive summary of these arguments can be found in Mark Dincecco, *Political Transformations and Public Finances: Europe, 1650-1913* (Cambridge, 2011). See also Daron Acemoglu and James A. Robinson, *Why Nations Fail: the origins of power, prosperity and poverty* (London, 2013).

possible, to control and reduce costs, to improve administration and to pay down the debt.[7] Even in the midst of the wars against Revolutionary France, the Prime Minister, William Pitt, asserted that while it was necessary to attend to 'the vigorous and effectual prosecution of this war', this should not mean neglect of 'what likewise involves in it the permanent interests of ourselves and our posterity' and, as such, he pledged the government to continuing to set aside funds to honour previous commitments to pay down the existing debt.[8] Arguably, therefore, the state was, albeit on a grander scale, behaving like an individual eighteenth-century borrower in modifying its actions and nurturing its reputation to ensure that it was able to borrow and to borrow on favourable terms.

Yet, if we accept that the state modified its behaviour to attract lenders, a primary concern of those who study the operation of state finance should be the question of how the public creditor experienced and learned to trust that behaviour. Although neglected by economic historians and political scientists, this is a question that has been considered in the work of literary critics. This is hardly surprising given the outpouring of literature, both satirical and fictional, which accompanied, and responded to, what P. G. M. Dickon labelled the financial revolution.[9] Many literary scholars have drawn inspiration from J. G. A. Pocock's analysis of the financial revolution as being rooted in the imaginary. Pocock argued that since government was dependent on debt, and the debt could never be repaid, this rendered the state subject to the 'investor's imagination concerning a moment which will never exist in reality.'[10] Patrick Brantlinger similarly identified debt as a step in the 'invention' of the nation-state through a 'process of fetishistic misrecognition whereby debt, absence, and powerlessness are

[7] J. E. D. Binney, *British finance and public administration, 1774-1792* (Oxford, 1958); Richard Cooper, 'William Pitt, Taxation and the Needs of War', *Journal of British Studies,* 22 (1982), 94-103; Dickson, *Financial Revolution,* 157-248.
[8] Cooper, 'William Pitt, 95.
[9] Patrick Brantlinger, *Fictions of State: culture and credit in Britain, 1694-1994* (Ithaca and London, 1996), 48-49; Dickson, *Financial Revolution in England.*
[10] J. G. A. Pocock, *Virtue, Commerce and History: essays on political thought and history, chiefly in the eighteenth century* (Cambridge, 1985), 112.

transubstantiated…into their opposites – into wealth, a plenitude of laws and institutions, and power'.[11] These ideas about credit and debt would have been understood by contemporaries. Daniel Defoe suggested, credit was 'a Consequence, not a Cause; the Effect of a Substance, not a Substance'.[12] If this analysis is accepted, however, it means that public credit lay 'beneath the threshold of representation on its own terms', and thus it needed to be mediated and understood through social, political and economic discussion, chiefly in print, and most often through fictional and allegorical representations.[13]

Although I agree that fictional and allegorical representations of credit were important in shaping ways of understanding the state's credit-worthiness, I explicitly reject the notion that the national debt was an absence, impossible to observe. In this article I will offer an alternative view: a view of public credit witnessed, public credit as tangible display, and public credit as public performance. This performance was located at the Bank of England and witnessed by the 'citizen creditor'. What follows will show that the Bank of England acted to embody public credit through its architecture, internal structures, through the very visible actions of its clerks and the technologies that they used to record ownership and transfer of the national debt, and through the accommodation of the financial market within its walls. The Bank, by those means, allowed public creditors to interact with each other and to interrogate the financial stability and reputation of the state in the same ways that they could interrogate the integrity of a potential private borrower.

THE 'CITIZEN CREDITOR' AT THE BANK

Far too little is known about who owned the national debt during the long eighteenth century. Contemporary analyses were generally polemical and 'did not attain great precision'.[14]

[11] Brantlinger, *Fictions of State*, 20.
[12] Quoted in John F. O'Brien, 'The Character of Credit: Defoe's "Lady Credit", *The Fortunate Mistress*, and the resources of inconsistency in early eighteenth-century Britain', *ELH*, 63 (1996), 612.
[13] Ibid., 613.
[14] Dickson, *Financial Revolution*, 249.

Dickson's examination, which remains the only comprehensive attempt to date to define the public creditors and is confined to the first half of the eighteenth century, found that ownership was concentrated in London and the South East of England and that the debt was chiefly held by individuals. They came from the Church, the army, the civil service and the professions. Merchants and financiers were significant public creditors and, at the lower end of the ownership scale, artisans, tradesmen and craftsmen dominated. Women too were an important and significant minority of investors in the national debt.[15] Britain's debts were, therefore, in the hands of the 'citizen creditor', a term coined by James Macdonald, who also notes that this phenomenon has disappeared with the rise of the institutional investor. In the twenty-first century citizens certainly still retain an economic interest in their nation's debt but financial intermediation dissipates contact between borrower and lender and means that that today's public creditors are 'scarcely aware' of their relationship with the state. During the long eighteenth century what MacDonald calls 'the intimate compact between state and citizens' created by debt was obvious and understood.[16]

The Bank of England was not the only manager of the national debt but, as can be seen in table 1, by the end of the Seven Years' War (1756-1763) it was the primary site used by public creditors. The amount of the debt rose significantly with each subsequent conflict. By 1763 the combined total of the funded and unfunded debt stood at £133 million and at the end of the wars with America at £245 million. By 1819, following the conclusion of the Revolutionary and Napoloenic Wars, the debt stood at £844,000,000.[17] The number of public creditors rose in tandem with the outstanding debt. By the mid-eighteenth century there were

[15] Ibid., 301-2; 282.
[16] James Macdonald, *A Free Nation Deep in Debt: the financial roots of democracy* (Princeton, 2003), 471-472.
[17] B. R. Mitchell and Phyllis Deane, *Abstract of British Historical Statistics* (Cambridge, 1962, 401-02.

around 60,000 public creditors and by 1815 that number had increased to an estimated 250,000.[18]

Table 1: Agencies handling the national debt c. 1764[19]

	Principal Sum	%age handled	Annual Payments	%age handled
Handled at the Bank	77,265,945	69.85	2,682,163	70.72
Handled at South Sea House	27,125,310	24.52	829,507	21.87
Handled at East India House	4,200,000	3.80	127,687	3.37
Handled at the Exchequer	2,022,582	1.83	153,236	4.04
Total National Debt	110,613,836		3,792,594	

Source: J. H. Clapham, *The Bank of England: a history* (Cambridge, 1966), 103.

Public creditors commonly transacted their business in person. As early as the 1720s, Daniel Defoe described the 'prodigious Conflux of the Nobility and Gentry from all Parts of England to London, more than ever was known in former Years…[who] find it so absolutely necessary to be at Hand to take the Advantage of buying and selling, as the sudden Rise or Fall of the Price directs'.[20] It was possible to entrust the purchase and sale of debt and the collection of dividends to another but, as we shall see, the method of recording ownership of debt ensured that using an agent was risky.

[18] Dickson, *Financial Revolution*, 285; Ranald Michie, *The Global Securities Market: a history* (Oxford, 2006), 53.
[19] Amounts rounded to the nearest £1.
[20] Daniel Defoe, *A Tour Thro' the Whole Island of Great Britain*, with an Introduction by G. D. H. Cole (London, 1968), 338.

The Bank was not just the place where the public creditors went to transact their business with the state, throughout the long eighteenth century numerous commentators sought to conflate the two. Indeed, even long before the Bank had become the primary manager of the national debt, contemporaries sought to enforce its association with the state. A pamphlet published in 1697 set out clearly that any banking operation was required to have a sound foundation and the banker himself be a 'careful, cautious and honest Man…[who would not] launch out his money in many Foreign Adventures, or on doubtful Projects, or uncertain Funds'. The writer went on to assert that the only way the Bank of England could acquire such a reputation was through the support of Parliament.[21] Numerous publications took up the torch and linked the vitality of the Bank to the survival of the national debt and thus of the state. In 1711, in Joseph Addison's *Spectator*, credit, depicted in feminine form, was observed sitting on a throne at the Bank in a room hung with the documents of the constitution. She was depicted as sickly and assailed by phantoms of Anarchy and the Pretender but thereafter revived by phantoms of Liberty, Moderation and Prince George.[22] In this depiction the Bank and public credit were essentially one and the strength of the Protestant state was the only thing that could preserve both. By the 1780s Lord North 'could not imagine there was one man living, who, after the long experience of its utility, would deny that it was the duty of parliament to cement and strengthen the connection between the Bank and the public as much as possible.'[23]

Inherent in these discussions was the *need* to conflate Bank and state. Until its nationalisation in 1946, the Bank was a private company answerable to its shareholders and not a state institution. The contract between Bank and state, represented in the Bank's charter, might have been dissolved at a number of points during the long eighteenth century. When the charter was renewed it was done through a process of negotiation and with both sides seeking

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[21] Anon., *A Letter to a Friend concerning Credit, and how it may be restor'd to the Bank of England* (London, 1697), 1.
[22] Paula R. Backscheider, 'Defoe's Lady Credit', *Huntington Library Quarterly*, 44 (1981), 96.
[23] Quoted in J. H. Clapham, *The Bank of England; a history*, 2 volumes (Cambridge, 1966), I, 181.

to extract favourable terms.[24] Notably absent from those negotiations was any consideration of the public creditors. Yet, as Natalie Roxburgh asserts in her persuasive work on the representations of public credit, the Bank, and its continuing management of the national debt, did form part of an inferred 'contract' between the public creditors and the state. It was a contract that implied 'an economy of mutual benefit' and through which the state could be held to account to keep the promises that underpinned public credit.[25] That the Bank's directors recognised the role that was attributed to them is clear from in a report produced at the Bank in 1783 by a group of directors in which the authors reminded their colleagues of the

> immense importance of the Bank of England not only to the City of London, in points highly essential to the promotion & extension of its Commerce, but to the Nation at large, as the grand Palladium of Public Credit, we cannot but be thoroughly persuaded that an Object so great in itself & so interesting to all Ranks of the Community, must necessarily excite care & solicitude in every breast, for the wise administration of its Affairs, but principally and directly in theirs who are entrusted with the immediate management of them: We deem it therefore superfluous to say a single word to the Court with a view of inculcating a religious Veneration for the glorious fabrick, or of recommending a steady and unremitting attention to its sacred Preservation.[26]

The Bank was, therefore, the place most persistently associated with public credit and the place at which the majority of public creditors managed their dealings in the national debt. The institution's roles in this respect were asserted by a variety of commentators and accepted by the Bank directors themselves. The symbiotic relationship was such that many accepted the Bank's right to represent the state in matters of public credit. Indeed, Richard Price, writing in 1774, acknowledged that 'more depends at present on the wisdom and good conduct of the BANK DIRECTORS than on the whole Legislature. One wrong step in them would undo us'.[27]

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[24] J. Lawrence Broz and Richard S. Grossman, 'Paying for privilege: the political economy of Bank of England charters, 1694-1844', *Explorations in Economic History*, 41 (2004), 48-72.
[25] Natalie Roxburgh, *Representing Public Credit: credible commitment, fiction and the rise of the fictional subject* (London and New York, 2016), 41.
[26] Bank of England Archive [hereafter BEA], M5/213, Minutes of the Committee of Inspection, fos. 178-79.
[27] Richard Price, *An Appeal to the Public on the Subject of the National Debt* (London, 1774), xii-xiii.

The following sections will turn to the question of how the Bank's directors demonstrated that their 'wisdom and good conduct' could be relied upon.

ARCHITECTURAL MESSAGES

In a recent intervention, Tawny Paul has discussed how knowledge of an individual and their worth was used to give substance to lending decisions. In her analysis of North Atlantic trading relationships, she emphasised that creditors who brought debtors to court had a clear sense of their economic worth 'from the physical property they owned, to the specie they possessed, to the obligations they were owed, to the wages they derived from their occupations'.[28] Although doubtful of its efficacy, Margot Finn too has suggested that creditors sought 'to read a potential debtor's personal worth from their clothing, their marital status, their spending patterns and their perceived social status.'[29] Equally, the observation and demonstration of creditable behaviours did not always imply face-to-face contact. Indeed, as the economy grew increasingly complex and nationally and internationally integrated, means other than direct observation had to be employed. Paul emphasises a reliance 'upon trusted individuals who could mediate credit'.[30] Pat Hudson has noted the key role business letters played in establishing reputation at a distance.[31] In addition to tacit signifiers, such as handwriting and orthography, letter writers employed 'particular vocabularies' to prove their trust-worthiness and help build the communities to which businesses were built.[32] In all these instances individuals had to perform their credit-worthiness, establishing a reputation through visible displays of probity, careful husbandry and judicious management of their dealings with others.

[28] Paul, 'Credit and Social Relations', 250.
[29] Finn, *Character of Credit*, 21.
[30] Paul, 'Credit and Social Relations', 250.
[31] Pat Hudson, 'Correspondence and Commitment : British Traders' Letters in the Long Eighteenth Century', *Cultural and Social History*, 11 (2014), 527-553.
[32] Ibid., 535-537.

The Bank engaged in similar forms of performance on its own behalf and on behalf of the state. That performance began with the Bank's footprint on the City's landscape.

The Bank of England began life, in 1694, housed in rented accommodation, first in Mercers' Hall and when that proved too small in Grocers' Hall. Grocers' Hall was 'a very spacious, commodious place', it was close to the Royal Exchange and it served the Bank's purposes well.[33] The institution remained there for nearly 40 years only moving to Threadneedle Street in 1734. In doing so it moved away from its rather inconspicuous position in Grocers Alley, a small street off Poultry to a location that placed it opposite the Royal Exchange, closer to Exchange Alley and on a more or less direct route to the important commercial and financial centres in Cheapside, Cornhill, Leadenhall Street and Lombard Street.

The Threadneedle Street site was purpose-built and designed by the architect George Sampson. Within, the private space was larger than the public space and the Pay Hall (the commercial public area where London's business community came to make deposits and withdrawals, discount bills of exchange and exchange specie for the Bank's own notes) was larger than the transfer and stock offices.[34] In other words the Bank of England by the 1730s was still more concerned with its commercial role than its role as part of the fiscal-military state. Nonetheless, when designing the new buildings that made up the Bank during the eighteenth century, there is evidence to suggest that both its architects and its directors were concerned with the image its buildings and their adornments presented to the public.

The historian of the Bank's architecture argues that it was designed along lines that represented corporate virtue, security and probity and emphasised the institution's connections to the state.[35] The iconography within and outside of the building underlined that point and

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[33] Daniel Defoe quoted in Daniel M. Abramson, *Building the Bank of England: money, architecture, society, 1694-1942* (New Haven and London, 2004), 9.
[34] Abramson, *Building the Bank*, 34.
[35] Abramson, *Building the Bank*.

emphasised the Bank's usefulness to the country and its government. Thus the entrance to the Pay Hall was topped by a figure of Britannia pouring out the fruits of commerce from her cornucopia, while also carrying the shield and spear which symbolised the defence of the nation.[36] In Pocock's assessment virtue was assailed by commerce but in the image of Britannia virtue and commerce were inextricably and productively linked.[37] Visitors also witnessed a set of interiors that were grand and decorated with royal iconography as reassurance of the Bank's probity and connections with the state. It is notable that royal iconography was prominent, especially Henry Cheere's statue of William III, depicted as Roman emperor and on a pedestal inscribed:

> For restoring Efficacy to the Laws,
> Authority to the Courts of Justice,
> Dignity to the Parliament,
> To all his Subjects their Religion and Liberties
> And ascertaining them to Posterity,
> By the Accession of the illustrious Race of Hanover
> To the British Empire;
> To that most excellent Prince, William the Third,
> The Royal Founder of the Bank.[38]

The scholarly literature that emphasises the importance of the connections between the public creditors and Parliament, asserts that it was the security of a 'national' debt under the control of Parliament, rather than subject to the whims of the monarch, that conferred 'credible commitment' that those debts would be repaid.[39] Nonetheless, the Bank did, and indeed had since its foundation in 1694, emphasised its connections to the Court as well as Parliament.

The Bank's buildings were not ostentatious but its Palladian façade was an obvious physical contrast to the high and narrow brick, wood and stucco buildings that surrounded it.[40] As such, the Bank attracted attention. It was mentioned in tourist guides and traveller's

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[36] Ibid., 54.
[37] Pocock, *Virtue, Commerce and History*.
[38] John Fielding, *A Brief Description of the Cities of London and Westminster* (London, 1776), 3.
[39] North and Weingast, 'Constitutions and Commitment'.
[40] Abramson, *Building the Bank*, 57.

memoirs.[41] Thomas Malton found it to be designed to a 'tolerable good style, and the parts are simple and bold.'[42] M. de Colonne 'a foreigner of the first taste' thought it 'with no exception but St Paul's, to be the first architecture in London'.[43] Although of fashionably classical design, the Bank was an imposing, and some might have said intimidating, structure. Because of the need for security, there were no windows facing the street at ground-floor level so passers-by were presented with an elegant but essentially blank façade. Iain Black labels those windowless walls 'exclusionary', linking them to the Bank's aggressive protection of its privileges and monopoly position.[44] This view has some merit. The needs of security were relentlessly pursued during the period of expansion the Bank underwent from the 1730s to the end of the eighteenth century. This is evident in both the design of the new buildings and in the approach to the Bank's neighbours in and around Threadneedle Street. With regard to the latter, the Bank's directors took a number of measures during the mid- to late-eighteenth century to secure the surrounding buildings and land. In doing so, they made much of the need to enlarge the streets and passages around Threadneedle Street, making them more 'commodious' for visitors and customers.[45] But it is clear that risk-management, rather than convenience, was the priority. When this issue was raised during the 1760s, it was observed that the roads around Threadneedle Street were still too narrow and too close to the Bank with the risk that, especially in case of a fire, 'buildings, papers and property…may be in danger of being destroyed to the irretrievable loss of the publick'.[46] The effect of the clearance of the streets around the Bank was not only greater security from fire but also a building that stood out in its environment.

[41] See for example, Anon., *The Ambulator; or the Stranger's Companion in a tour round London* (London, 1774, ix. T Malton, *A Picturesque Tour through the Cities of London and Westminster* (London, 1742, 1792-1801).
[42] Malton, *Picturesque Tour*, 76.
[43] Quoted in John Booker, *Temples of Mammon: the architecture of banking* (Edinburgh, 1990), 5.
[44] I. S. Black, 'Spaces of Capital: bank office building in the City of London, 1830-1870', *Journal of Historical Geography*, 26 (2000), 357.
[45] See, for example, BEA, G4/23, fo. 167.
[46] W. Marston Acres, *The Bank of England from Within*, 2 volumes (London, 1931) I, 191.

Although the building may have been in some ways reminiscent of a fortress, it did send another clear message to those who used its services: capital invested here will be secure. This was certainly a message embedded in images and descriptions of the Bank but it was also a physical and visual experience available to visitors to the institution and its environs. The messages within the Bank's architecture were that it was both secure in the sense of being defended and defensible but also secure from the excesses and speculation that were synonymous with finance. The Bank offered an essentially polite façade that tied it to other places of legitimate and necessary commerce, like the Royal Exchange. Commentators certainly linked architecture, especially Palladian architecture, and business integrity. Thus during the 1720s Robert Morris argued 'So dependent is publick Business in Trading, Merchandize, etc. upon the flourishing Condition of publick Building, that while this is declining, the other must inevitably fall.'[47] Moreover, the Bank's decision, taken in 1724, to create purpose-built premises was undertaken in the wake of the South Sea Bubble and at the same time that the other great monied companies – the East India and South Sea Companies – were doing likewise. In Defoe's *Tour thro the Whole Island of Great Britain* there was discussion of the new South Sea House which was 'exceeding fine and large' and correspondingly expensive, thus a visible sign that recovery from the crisis of the Bubble was underway.[48] Equally, Walcot notes that in contemporary architectural theory, the appearance of a building equated to the appearance of an individual 'in its potential to reveal character'. Thus in Roger North's late seventeenth-century architectural treatise it was argued that:

> I can shew you a man's character in his house. If he hath bin given to parsimony or profusion, to judge rightly or superficially, to deal in great matters of small, high or low, his edifices shall be tincted accordingly, and the justness or imperfection of his mind will appear in them.[49]

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[47] Quoted in Clare Walcot, 'Figuring Finance: London's new financial world and the iconography of speculation, circa 1689-1763', unpublished PhD thesis, University of Warwick (2003), 103.
[48] Daniel Defoe, *A Tour thro the Whole Island of Great Britain* (London, 1724) 135 quoted in Walcot, 'Figuring Finance', 88.
[49] Roger North, Of Building [c. 1695-6] quoted in Walcot, 'Figuring Finance', 93.

While the exterior of the Bank communicated a message of security, the fortress analogy cannot be pushed too far because its buildings were essentially public spaces. This meant a careful balance between security and access. The decisions made in the aftermath of the Gordon Riots, which constituted a significant threat to the Bank, are illustrative of this point. From the late autumn of 1780 a military guard was stationed at the Bank during the hours of darkness. This move was resisted by the City's authorities who complained that it was a violation of its ancient privileges. The Directors' response was curt, the Guard was they said 'highly approved in foreign countries, and there considered as a great security to the property of the Stock-holders…And that the majority of the Proprietors [shareholders] appeared to be pleased with it'.[50] The Guard, therefore, would stay, and indeed was not removed until 1973, but when a military engineer told the Directors to erect 'strong and high' walls topped by 'flanking towers sufficiently high to command the roofs', it was a step too far.[51] The Bank had to be seen to be accessible to all, during office hours at least. And despite the attention of numerous doormen and porters, there is plenty of evidence that all manner of individuals did enter the Bank. Many sources emphasized the crowds and confusion in its public spaces. Thomas Mortimer's advice to visitors to the Bank's transfer offices was to 'be not dismayed at the wild uproar, and confused noise which will at first strike your astonished senses'.[52]

ORGANISATIONAL MESSAGES

For those visitors, negotiation of the Bank's spaces was complex enough that by the later eighteenth century it was possible to purchase the *Vade Mecum, or Sure Guide* which promised to present information 'extremely proper and useful for all persons who have any money

[50] BEA, M6/19 Memorandum on the introduction of the King's Guard.
[51] Abramson, *Building the Bank*, 86.
[52] Thomas Mortimer, *Every Man His Own Broker, or a Guide to Exchange Alley* (London, 1785), 133.

matters to transact in the hall of the Bank.'[53] Porters and door-keepers at the Bank were also on hand to assist. They were expected to be 'cleanly in their appearance, uniformly respectful and attentive in their Behaviour…[and give] every information to the Public in their Power, and directing them to the different offices'.[54] Yet, although negotiating the space inside the Bank might have been confusing to first-time visitors, the Bank's functions were placed clearly on display. From its early days in Grocers' Hall it provided banking in an open forum. Grocers' Hall, as described by Joseph Addison, allowed the public to see 'the Directors, Secretaries, and Clerks, with all other Members of that Wealthy Corporation, ranged in their several stations'. He was 'not a little pleased' to be able to observe 'the Parts they act in that just and regular Oeconomy.'[55] Addison was stretching the point as the Bank's functions, in Grocers' Hall and later in Threadneedle Street, were spread throughout the buildings and not all open to public view but certainly here, for the first time, was banking as 'public spectacle' in contrast to the more secretive processes of the early goldsmith bankers.[56]

By the later eighteenth century one of the most obvious of the messages conveyed by the inner workings of the Bank was the scale of the business of managing the national debt. Just 19 clerks had been employed when the Bank opened its doors in 1694. Numbers had increased to 96 in 1734, more than 300 during the War of American Independence and were to exceed nine hundred by the early nineteenth century.[57] This was more than double the white collar staff of the East India Company, which in 1785 had a staff of 159 clerical workers in London, and ten times the numbers employed by the large insurance companies: the Royal

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[53] Anon., *The Bank of England's Vade Mecum: Or Sure Guide* (London, 1782).
[54] BEA, M5/607, Old Book, Orders for Porters, fos. 6-7.
[55] Quoted in Roxburgh, *Representing Public Credit*, 87.
[56] Abramson, *Building the Bank*, 11.
[57] Anne L. Murphy, 'Learning the business of banking: the recruitment and training of the Bank of England's first tellers': *Business History*, 52 (2010), 150-168; John Giuseppi, *Bank of England: a history from its foundation in 1694* (London, 1966), 56; David Kynaston, *The City of London, Volume I, A World of its Own* (London, 1995), 30.

Exchange and Sun Assurance companies.[58] Indeed, the late eighteenth-century Bank of England was undoubtedly the largest private employer of white-collar workers in Britain, if not the world.

By the late eighteenth century, the largest office in the Bank was that which managed business in the 3% consols, the most ubiquitous and easily transferable of the instruments of the national debt. It is possible to reconstruct its business from the reports of a Committee of Inspection that was appointed in 1783.[59] That report shows there were 54 clerks at work in the office operating 22 ledgers & alphabets, 24 dividend books and 48 transfer books.[60] Their work was specialised, as was the work of their fellows throughout the Bank. It was also coordinated within and between offices to ensure efficient delivery of the service.[61]

Work at the Bank was efficient. Defoe offered the institution as a model for those in business to follow noting that its 'business is dispatch'd with such Exactness, and such Expedition and so much of it too…no Confusion, nobody is either denied or delayed Payment…No Accounts in the World are more exactly kept, no Place in the World has so much Business done, with so much ease.'[62] Lord North in 1781 praised its 'prudent management…judicious conduct, wise plans and exact punctuality'.[63] Punctuality which equated also to accessibility was important and was emphasised in numerous publications. Almanacs contained lists of opening hours at the Bank and offices of the other monied companies. *The Kentish Companion: or useful Memorandum and Account Book* offered in its

[58] H. V. Bowen, *The Business of Empire: the East India Company and Imperial Britain, 1756-1833* (Cambridge, 2006), 139; H. M. Boot, Real incomes of the British middle class, 1760-1850: the experience of clerks at the East India Company. *Economic History Review*, 52 (1999), 639. The EIC employed a total staff of over 1,700 if warehouse labourers and dock workers are included in the count. B. Supple, *The Royal Exchange Assurance: a history of British insurance, 1720-1970* (Cambridge, 1970), 70.
[59] BEA, M5/213, passim. Mortimer also explains the process, Mortimer, *Every man his own broker*, 137-145.
[60] BEA, M5/213, fos. 60-61.
[61] See BEA, M5/212, Minutes of the Committee of Inspection and M5/213.
[62] Daniel Defoe, *A Tour Thro' the Whole Island of Great Britain*, with an Introduction by G. D. H. Cole (London, 1968), 342.
[63] William Cobbett ed., *The Parliamentary History of England, from the earliest times to the year 1803,* 36 vols. (London, 1806-20), XXII, 517-20.

opening section 'An exact Account of the Days and Hours for buying and accepting, or selling and transferring, the several Stocks, or Government Securities'.[64] The Bank was indeed reliable in this respect. It operated six days a week from 9.00am to 5.00pm in most offices and it was often kept open for business on public holidays, mainly to facilitate commercial customers who wanted to discount bills or exchange or draw notes. It had set hours for the transfers of ownership of stock and for the collection of dividends.[65] Much effort went into maintaining a prompt service. Clerks in the 3% consols office claimed there was 'a constant rule in this Office to make no distinctions of persons, but to dispatch every one in the order he comes, as far as they are able to judge'.[66] Clerks were, therefore, outwardly at least, concerned with ensuring that delays were suffered equally regardless of social status or other distinction.

The Bank's work was also transparent. Its public-facing business took place in open-plan offices which allowed the process of maintaining and recording ownership of the public debt to be observed.[67] Ledgers were carefully kept and show very few errors or crossings-out and they could be called upon by customers who wished to observe their account and by notaries and attorneys acting on their client's behalf. Indeed, the clerks reporting to the Committee of Inspection emphasised that the notaries who came to inspect the foreign accounts did so daily at around 5 o'clock and that they expected to find the records up to date.[68] As Roxburgh asserts, the positioning of the clerks and their ledgers in the public's view said something about not just the procedures that could be witnessed but also those that were performed behind closed doors.[69]

[64] *The Kentish Companion: or useful Memorandum and Accompt Book* (Canterbury, 1775), 8.
[65] BEA, M5/212 and M5/213, passim.
[66] BEA, M5/213, fo. 61.
[67] I am indebted to Natalie Roxburgh for discussions about the transparency of the functions of the Bank of England, especially bookkeeping, and their value in demonstrating the integrity of public credit. N. S. Roxburgh, 'The Rise of Public Credit and the Eighteenth-Century English Novel', unpublished PhD thesis, Rutgers (2011).
[68] BEA, M5/213, fo. 68.
[69] Roxburgh, *Representing Public Credit*, 91.

The Bank was also visibly secure in not just its external façade but also in its internal systems. This was particularly necessary because the Bank operated what was known as the inscribed stock system, which simply meant that the transfer of any holding out of a stock-holder's name was achieved by record in the Bank's books and that the stock-holder's title was evidenced only by entries in the Bank's books. Thus no stock certificate was issued and although receipts were issued, these were only to act as a memorandum for the stock-holder. They were in no way legally binding.[70] The advantages of this system were that it was simple, quick and straight-forward. It fulfilled all the requirements then for the support of a liquid and efficient market. Moreover, no consequence was attached to the loss or theft of a stock receipt since the Bank itself held the only legally binding record of ownership.[71] But it meant that any public creditor entrusting their business to an agent had to be very sure of their good faith. And it meant that the pressure on the Bank to maintain accurate records and to protect those records was tremendous.

As such, security procedures to eliminate mistakes and prevent the loss of records were numerous. Each day an abstract of all transfers made was taken and put into the mail to be removed from the Bank overnight as a precaution against the loss of the records due to fire or some other accident.[72] Records that had to remain in the Bank overnight were stored in wheeled trucks that could be easily rolled out the Bank in an emergency.[73] The paper record of the Bank's business, the same paper record that could be observed by the public creditors, was to be protected at all costs. There were certainly gaps in the system, such as the failure to check signatures prior to the transfer of debt but the majority of procedures were consistent with maintaining the integrity of the record of the public debt whilst still providing a speedy service

[70] BEA, AC4/5, An outline of the history and working of the inscribed stock system, fo. 2.
[71] Ibid., fo. 3. So efficient was this system that it remained in place until the late nineteenth century.
[72] BEA, M5/213, fo. 32.
[73] BEA, M5/212, fo. 148.

to the public. The Committee of Inspection observed that 'so many checks [were] established as to render it scarcely possible that an error should be overlooked'.[74]

In every particular discussed above, it is possible to draw parallels between the behaviour of the Bank and the expected behaviour of individual debtors. In particular, the *Compleat English Tradesman*, Defoe dedicated a chapter to behaviour of individuals with regard especially to the maintenance of accounts noting 'when I see a tradesman that does not cast up once a year, I conclude that tradesman to be in very bad circumstances, that at least he fears he is so, and by consequence cares not to enquire'.[75] For Defoe exacting standards of bookkeeping meant that an individual or business was thriving. He also made the explicit link between diligent bookkeeping and credit, trust, and reputation. It was only he who gave no credit who could afford not to keep records. And he who kept no records could not prove his reputation. Credit depended on a strict attention to detail and the recording of title.

The public creditors would have participated in these procedures. They, like the Bank's clerks, were part of the performance of maintaining public credit. But the Bank not only engaged in physical and easily-interpreted displays of public credit, for those schooled by Addison's *Spectator* to look for allegorical representations of credit-worthiness the institution did not disappoint. Britannia became the Bank's symbol at its foundation in 1694 and in addition to being depicted in statuary, she was placed on all banknotes, on a variety of other documents issued by the Bank, and she was stamped on ledgers, transfers book and on the Bank's gold ingots. The Bank's Britannia would have been seen daily by its clerks, and she was in evidence for those who visited the Bank and those who used its notes, whether or not they visited the institution. Because of the ubiquity of the image of Britannia in other fora, she also cemented the Bank's links to both nation and public credit. Britannia was an image used

[74] BEA, M5/213, fo. 23.
[75] Defoe, *Complete English Tradesman*, 324.

repeatedly from 1688 as an emblem of the Protestant nation and she retained a strong connection to monarchy, in particular being associated with Elizabeth I throughout the long eighteenth century.[76] She was also used frequently to depict the state of the nation. Although this sometimes rendered Britannia vulnerable, in the Bank's depictions she was an icon that spoke of strength and stability. With her warlike iconography and close associations with trade, industry and profit she offered a clear statement of the Bank's aims and the conflation of those aims with the goals of the British state during the long eighteenth century. Indeed, Abramson argues that the use of Britannia as the Bank's emblem 'might even be read as implying the identity of the Bank of England *itself* as the nation's protector and provider.'[77]

Britannia's importance as the symbol which most represents the Bank is brought into sharp focus by contrasting her with another dominant female allegory, that of Lady Credit. Britannia remained an exemplary figure and, whether depicted as strong or vulnerable, was always above reproach. Lady Credit, on the other hand, was intensely volatile: one moment your friend and the next turning away from you. Borrowers were warned that you must be 'very tender of her for if you overload her, she's a coy mistress-she'll slip from you without any warning, and you'll be undone from that moment.[78] Joseph Addison also depicted the 'quick Turns and Changes in [Credit's] Constitution' and her tendency to 'fall away from the most florid complexion…and wither into a Skeleton'.[79] Sherman shows that Lady Credit quickly became depicted as a whore at the fall of a speculative market.[80] This inconstancy was applied not only to the imaginary Lady Credit but to the very real South Sea Company in the wake of the Bubble's bursting in 1720. Thus, one commentator raged:

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[76] Emma Major, *Madam Britannia: women, church, and nation, 1712-1812* (Oxford, 2012), 1.
[77] Abramson, *Building the Bank*, 54.
[78] Cited in T. Mulcaire, 'Public Credit: or the feminization of virtue in the marketplace', *PMLA*, 114 (1999), 1031.
[79] Cited ibid., 1033.
[80] S. Sherman, *Finance and Fictionality in the Early Eighteenth Century, Accounting for Defoe* (Cambridge, 1996), 157.

> The Chief Managers of a certain Stock may dress up their Darling Mistress once more, and send her into the World not without a tempting Aspect; but People who have already been Sufferers by their Schemes, will look upon her with a cautious Eye. A fine Lady, who had deceiv'd a Man once, will for the Future be treated as a common Prostitute.[81]

Another depicted the South Sea Company as having 'bewitch'd thousands to fall in Love with her…yet her Lust is not one bit abated; and She runs a whoring after new Lovers every day.'[82] Britannia did not fall in the way that Lady Credit and the Lady of the South Sea fell. Nor did the Bank. In James Milner's *Three Letters, Relating to the South Sea Company and the Bank*, the great monied companies, all written of in feminine form, were assessed with regard to their behaviour during the speculative boom of 1720. The Bank, in the final letter, was judged to be run by a 'Body of Men not addicted to the Scandalous Tricks of Stock-Jobbing.'[83] Post-South Sea Bubble the 'Lady Credit as whore' image was used frequently while the Bank's Britannia matured into the inviolable 'Old Lady of Threadneedle Street'. When her image was subverted, as it was in Gillray's caricature, *Political Ravishment,* the intention was not to condemn but, arguably, to elicit the sympathy and protection of the public for the Bank (see image 1). Thus, if public credit was surrounded by and understood through problematic allegories throughout the eighteenth century, here is one, much neglected, that is largely unambiguous: the symbol of Britannia.

[81] *The South-Sea Scheme Detected* (1720) quoted in S. Sherman, *Finance and Fictionality in the Early Eighteenth Century, Accounting for Defoe* (Cambridge, 1996), 53.
[82] Quoted in Walcot, 'Figuring Finance', 82.
[83] Quoted in Walcot, 'Figuring Finance'.

Image 1: James Gillray, *Political-ravishment, or the old lady of Threadneedle-street in danger!*
© The Trustees of the British Museum.

The performing of credit at the Bank of England demonstrated to public creditors that their savings were in safe hands but it does raise the question of how necessary was this display in maintaining confidence. North and Weingast's arguments, in particular, have been powerful in asserting the easy acceptance of public indebtedness, the importance of allocated tax funds in creating 'credible commitment' and the embeddedness of property rights in the eighteenth-century state.[84] This is misleading. A more careful reading of the relevant scholarship shows that the creditworthiness of the state continued to be contested throughout the eighteenth-century. Each successive conflict raised the debate about the nature of the national debt and the

[84] North and Weingast, 'Constitutions and Commitment'.

likelihood of imminent state bankruptcy.[85] Tax funds that were supposed to support the debt were often underpaid, even towards the end of the eighteenth century. In the midst of the War of American Independence the tax funds allocated to pay the debts incurred stood in arrears to the tune of more than £2,000,000 and outstanding exchequer bills, issued in anticipation of tax revenues stood at £4.5 million, while the taxes budgeted to cover were supposed to yield £2.5 million and it was known that the funds, the land and the malt tax, usually fell short.[86] Property rights were violated in numerous ways, sometimes with the best of intentions. Henry Pelham's conversion of the outstanding debt in 1750, which created the 3% consolidated annuities, is a case in point. At that time the interest paid to the public creditors was forcibly lowered and the terms of their loans renegotiated.[87] The resolution of the South Sea Scheme had required similar sacrifices.[88] Julian Hoppit has uncovered a number of cases throughout the eighteenth century in which the property rights of British subjects were undermined, noting that 'to them there was precious little "credible commitment"'.[89] The integrity of the public funds was, therefore, at risk and did need to be demonstrated. The Bank's role and the transparency, regularity and efficiency of its management of the debt was, therefore, very necessary.

MANAGING THE MARKET

In one part of the Bank, however, the demonstrations of trustworthiness were compromised. Although the habit is of unknown origin, stockbrokers regularly used the transfer offices of the Bank of England, the South Sea Company and the East India Company as marketplaces.[90] The

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[85] Takuo Dome, *The Political Economy of Public Finance in Britain, 1767-1873* (Abingdon, 2004).
[86] Earl A. Reitan, *Politics, Finance, and the People: Economical Reform in England in the Age of the American Revolution, 1770-92* (Basingstoke, 2007), 134.
[87] Dickson, *Financial Revolution*, 228-241.
[88] Ibid., 157-198.
[89] Julian Hoppit, 'Compulsion, compensation and property rights in Britain, 1688-1833', *Past and Present*, 201 (2011), 125.
[90] S. R. Cope, 'The Stock Exchange Revisited: A New Look at the Market in Securities in London in the Eighteenth Century', *Economica*, 45 (1978), 3.

Bank of England was the largest of those spaces because it was the primary manager of the state's debt but also because it provided a dedicated space for trading. Robert Taylor's rebuilding of the Bank during the 1760s included the construction of a new set of offices for the transfer of securities and payment of dividends. It also shifted the balance between public and private. With the new buildings the amount of public space at the Bank exceeded that of private space. The stock transfer offices were arranged around a large rotunda, a domed, circular hall, 62 feet high and wide.[91] The two southern halls served the 3% Consols, while in the northern halls were registered Bank stock transactions and dealings in the 4% Annuities. The Rotunda quickly became the 'Brokers' Exchange', a space used by the brokers and jobbers as a marketplace for the buying and selling of the Bank's shares and government securities.

As can be seen in Thomas Rowlandson's 1792 image of the Rotunda, the new open space contrasted with the chaos of Exchange Alley and its environs in terms of the style but much else remained the same: noise and confusion reigned. As one contemporary put it: 'a vast crowd of Stock-brokers, Stock-jobbers, and other persons having business in the Funds, daily assemble to make purchases, drive bargains, &c'.[92] On high volume days the business even spilled out into the transfer halls. Rowlandson's image does indeed present a crowded and overwhelming space with pockets of frenetic, and undoubtedly, noisy behaviour. Figures are open-mouthed, suggestive of their calling out their interests. The market is also clearly dangerous to some users, with women, often characterised as vulnerable investors, seemingly depicted as alone and assailed by male brokers. The Bank's own records also noted the crowds, the crush and the cacophonous noise. In the Bank's porters' written orders notice was taken of beggars, street sellers and street entertainers in the Rotunda.[93] In 1783, Mr Vickery of the 3 per cent Consol office recommended the attendance of a number of Bank porters to 'keep an eye

[91] Abramson, Building the Bank, 70.
[92] Quoted in Abramson, *Building the Bank*, 70.
[93] BEA, M5/607, fos. 2-3.

upon persons loitering about'.[94] Extant sources also contain several mentions of thieves operating in the Rotunda. The Minutes of the Committee of Inspection reported the activities of a pick-pocket who had robbed a lady of 30 guineas.[95] The Old Bailey Proceedings Online offers a report of John Smith, a stock-broker who while going about his business at the Bank of England at 'about twelve o'clock [when] there is generally a very great croud [sic]', was robbed of a silk handkerchief.[96]

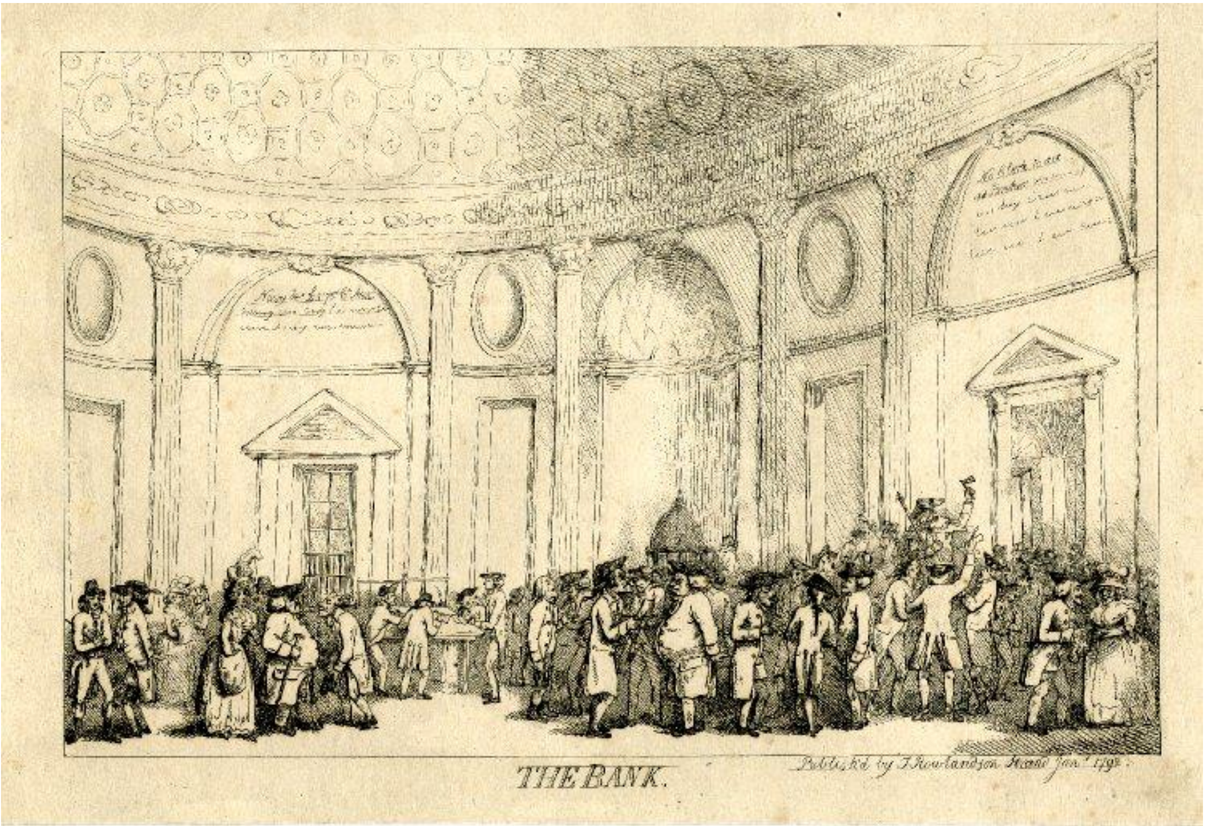

Image 2: Thomas Rowlandson, *The Bank* (London, 1792), showing a view of the Rotunda.
© The Trustees of the British Museum.

Yet, if the Rotunda was a place where you might be as likely to lose your pocket-book as make a fortune speculating in the stocks, it was nonetheless an exciting and intriguing environment. Indeed, to borrow a phrase from historians studying leisure spaces, it was a place

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[94] BEA, M5/213, fo. 120.
[95] BEA, M5/213, fo. 120.
[96] *Old Bailey Proceedings Online* (www.oldbaileyonline.org, version 7.2, 21 January 2018), October 1783, trial of JOHN DAVIS (t17831029-41).

of 'social theatre'.[97] The financial market was a place where brokers, jobbers, speculators and investors 'performed' their roles and could be observed to do so and where the combination of these performances acted to create what might be described as a theatre of public credit, where the participants were both actors and audience. This point is underlined by the architecture of the Rotunda which echoed that of places of commercialised leisure such as Ranelagh Gardens, the music room at Vauxhall Gardens and the domed ballroom at Oxford Street Pantheon.[98] It is also reinforced by the fact that the Bank, along with other financial and commercial buildings, was a popular tourist destination. Visitors came to experience one of London's landmarks and view the workings of the financial market. An early nineteenth century guidebook advised visitors to the Bank that 'Here, from the hours of eleven to three, a crowd of eager money-dealers, assemble, and avidity of gain displays itself in variety of shapes, truly ludicrous to the disinterested observer'.[99] This fascination with the market is also expressed through its presentation in fiction and in the theatre. As Leemans suggests, bourses and exchanges provided a rich environment for playwrights lending them lively, noisy and fast-paced scenes and numerous stereotypes to draw on.[100] Such plays were a popular draw for audiences and performed numerous functions, including informing audiences what speculation was all about, providing explanations of the schemes put forward by speculators and, of course, providing a moral for their audiences when speculations collapsed.

From the Bank's perspective, however, the performance in the Rotunda needed to be managed. The Directors were well aware that the financial market was a compromised space, not just a danger to the physical security of its participants but also a danger to the security of

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[97] Borsay, P., 'A room with a view: visualising the seaside, c. 1750-1914', *Transactions of the Royal Historical Society*, XXIII (2013), 181.
[98] Abramson, *Building the Bank*.
[99] Ibid., 74.
[100] Inger Leemans, 'Verse Weavers and Paper Traders: financial speculation in Dutch theater' in William N. Goetzmann et al eds., *The Great Mirror of Folly: finance, culture and the crash of 1720* (New Haven and London, 2013), 182.

the nation because it operated to raise costs during periods of war. Defoe railed 'whenever any Wickedness is it Hand, any Mischief by the worst of the Nations Enemies upon the Wheel, the Stock Jobbers are naturally made assistant to it, that they become Abettors of Treason, assistant to Rebellion and Invasion'.[101] Thomas Mortimer later argued that stock-jobbers were responsible for the circulation of 'fake news' and he provided long digressions into how unwitting investors could lose money because of the machinations of the rumour-mongers. He warned his readers that it was 'impossible for any broker, who is a jobber (and there are but few that are not) to give candid, impartial advice'.[102]

Aware of the apparent dangers of the market, the Bank's directors tried to ensure its two businesses did not mix. From the Rotunda there was no direct access to the main interior of the Bank and not even to the Pay Hall. Those wishing to conduct other sorts of business at the Bank and even its own clerks had to either access the east wing directly from the street or if coming from the interior to walk through the Bank's courtyard in order to access the new east wing. The market was kept separate. Nor was anarchy allowed to reign. The Bank's porters were ordered in respect of the Rotunda to suppress any disorderly behaviour 'and to preserve peaceable conduct as much as possible'![103]

Yet, the very elements that allowed public credit to be observed at the Bank compromised the institution's distance from the market. The open plan offices that represented transparency and accountability also allowed brokers who were familiar with the system to go behind the desks and peruse the ledgers whenever they pleased. The clerks protested but, as Mr Vickery of the 3% consols office noted, 'there are 2 or 3 Gentlemen of the first consideration in Trade who persist in doing so, notwithstanding his remonstrance against it'.[104] Most problematic of all though was the blurring of the lines between the Bank and the market that

[101] Daniel Defoe, The Anatomy of Exchange Alley: or, a system of stock-jobbing (London, 1719), 23.
[102] Mortimer, *Every Man His Own Broker*, 122.
[103] BEA, Order Book for Porters, M5/607, fos. 2-3.
[104] BEA, M5/213, fo. 64.

flowed from the Bank itself as the clerks who worked in the transfer offices supplemented their incomes by acting as brokers and jobbers.

Paid involvement in the financial market by its own clerks was banned by the Bank for a number of reasons. It distracted the clerks, led to problems with the jobbers and brokers and was incompatible with the Bank's attempts to assert its distance from the market. In the 1783 Committee of Inspection's assessment, clerks who did indulge were in danger of having their minds seduced 'from regular employment in an easy service, & attaching them to objects inviting though dangerous…'.[105] But they discovered that the rules were commonly flouted. Hence when the Committee took testimony from the clerks themselves Mr Aldridge confessed that he had now and again acted as a broker but had never jobbed. Mr Windsor said he had acted as a broker and although he had not jobbed recently, 'he has now & then sold & bought a little stock which he has held for his friends'. Mr Crockford allowed that 'he had made Bargains in Stock for time, both on his own account & on that of his Principals'.[106] In fact, nearly all the clerks interviewed admitted some involvement in the market. They all also attempted to claim that they did not know of any order against acting as a broker.[107] This seems disingenuous at best. Samuel Beachcroft's governor's diary, which covered the period from 1775 to 1777, contained a number of references to anonymous informers against clerks acting as jobbers and brokers, suggesting that this kind of activity was brought to the Bank's attention on a regular basis.[108]

The question is whether any of this mattered for the maintenance of public credit and the answer is that it did but not in the ways that might be imagined. A number of scholars have

[105] Ibid, fos. 173; 154.
[106] Ibid, fos. 67; 84; 85.
[107] Ibid, fo. 96.
[108] M5/451: Samuel Beachcroft Governor's diary, 1775-1777, fo. 76.

now argued that the maintenance of public credit depended on the secondary market.[109] A liquid market facilitated the negotiation of value of the state's offerings, gave the public creditors a forum for expressing their views through the purchase and sale of securities and kept the state aware of market opinion through price movements. An active secondary market also encouraged a broad range of investors who were willing to make both short- and long-term investments in the debt. Even during the early eighteenth century the national debt was used not just by speculators but also for the purposes of creating nest-eggs, dowries, retirement funds and facilitating intergenerational transfers. This diversity of actors and interests created a market which gave public creditors the assurance that they could liquidate their holdings at will. This was clearly understood by contemporary commentators on the national debt who extolled the virtues of an open market where people could complete their transactions with 'ease, readiness and dispatch' and 'change their Property without Difficulty, and at a Small Expense'.[110] It also offers a stark contradiction to Pocock's argument discussed in the opening section of this article, that, since debt would not be repaid, the nation's debt, and thus the state itself, was subject to the 'investor's imagination' of a moment that could never exist in reality.[111] Of course, it mattered very little for the individual investor whether the debt would ever be repaid. Their concern was simply whether dividends were paid on time and whether the debt could be alienated at will. At the Bank, courtesy of its accommodation of an otherwise troublesome financial market, the latter would be realised with ease. In the Rotunda, the 'imaginary' which so troubled Pocock became noisy, aggressive, risky, somewhat unsavoury, but remarkably efficient, reality.

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[109] A. M. Carlos and L. Neal, 'The micro-foundations of the of the early London capital market', *Economic History Review*, 59 (2006), 498-538; Murphy, A. L., 'Demanding credible commitment: public reactions to the failures of the early financial revolution', *Economic History Review*, 66 (2013), 178-197.

[110] Anon., *Reasons Humbly Offered to the Members of the Honourable House of Commons* (London, 1756?) quoted in Stuart Banner, *Anglo-American Securities Regulation: cultural and political roots, 1690-1860* (Cambridge, 1998), 97; Anon., *Some Considerations on Public Credit and the Nature of its Circulation* (London, 1733) quoted ibid., 103.

[111] Pocock, *Virtue, Commerce and History*, 112.

CONCLUSION

By 1819 Britain's debts stood at £844,000,000 much of it held by the 'citizen creditor'. The relationship between the citizen creditor and the state was, therefore, the most important credit relationship of this period. Yet, the manifest contemporary uses of allegory to describe public credit have led literary critics – the scholars who have engaged most often with these issues – to characterise public credit as something imagined. Representations of credit certainly mattered. They appeared in many media: novels, the theatre, satire, ballads and poetry. They had impact, especially during times of crisis. They had an educative value, teaching the public how to view credit and introducing ways of understanding the actions of financiers. But we should not neglect the other lessons writ on the sites where credit was performed and which demonstrated an alternative view of public credit as worthy of the trust and investment of the 'citizen creditor'. At the Bank of England, public creditors could experience, witness and even be entertained by the operation and performance of public credit. This told them something about the credit-worthiness of the state and, crucially, it did so in ways that they were used to trusting when assessing private credit.

At the Bank the public creditors' gaze was drawn to the crowds symbolizing a body of agreement about the reputation of the borrower; they could observe the physical appearance of the borrower: solid, affluent, but not ostentatious enough to prompt concerns about profligacy; and they could witness the integrity of the borrower, symbolized by the transparency and regularity of the Bank's book-keeping processes. In some ways this was compromised by the presence of the market at the Bank but in other ways the power of the market reinforced relevant messages. Of course, it was deeds that mattered in the end. The fact that the state continued to pay interest on its debts was the factor that ultimately made its financial promises credible. But the Bank also served as the site where the public creditor and the potential public creditor could witness that in operation. The Bank of England, therefore, in its external and internal architecture, in the iconography that it used, in the way it organised its offices and businesses and in the, perhaps deliberate, personification of the Bank as Britannia offered important ways for the public creditors to observe, explore and test the reputation and credit-worthiness of the state. It also offers an important way for scholars of the Financial Revolution to challenge ideas of anxiety around the world of public credit. Read through representations and paper, public credit seems ephemeral and problematic. Read through the Palladian architecture of the Bank and the technologies used by its clerks, public credit is endowed with a permanence and solidity that allows us to appreciate how and why many thousands of public creditors were willing to invest in the British state.