



332

.11

BAN

Book of England Administration 1715-1725





RESTRICTED. *Not to be communicated to the press or other unauthorised persons*

# THE BANK PICQUET

Its function and history

1963

The frontispiece is from a painting in the Bank Collection,  
THE GUARD MARCHES FROM THE BANK, 1939,  
by the late H. S. Kortright, R.B.A., a member of the Staff

“ AS SAFE AS THE BANK OF ENGLAND ” is a saying that many of us hear from childhood. It may indeed be heard throughout the world wherever English is spoken. What does it signify? It is an acknowledgment that the Bank of England is regarded as utterly reliable in all its undertakings, and anything entrusted to its care as completely safe and secure.

The Bank was founded in 1694, as a company in which any member of the public could buy shares: but in 1946 the Government acquired all the shares by Act of Parliament and the Bank is now owned by the Nation. Although not founded as a state institution, the Bank has been from its earliest days the banker of the Government; and this work, which has grown enormously, is the most important part of its business.

The Bank used also to do an active commercial business: but in the course of the years this type of business has been left to the commercial banks, with offices in the City of London and all over the country. The Bank is now recognised as the banker of these banks—they settle accounts between themselves by drawing on their balances at the Bank. This particular mixture of banking for the Government and the other banks has given rise to the idea of a “ Central Bank ”, a class of which the Bank of England is the most famous example.



There is a third side of the Bank's business which has greatly increased in importance, its international business. There are few countries whose Central Banks do not keep an account with the Bank of England, which does banking business for them in London.

One of the tasks which the Bank carries out for the Government is to manage the note issue. Just as the Royal Mint looks after the coinage, so all English paper money is printed and issued by the Bank of England—and there is enough of it in circulation to cover Hyde Park and Kensington Gardens roughly six times. Old notes are always coming in to be exchanged for new: and the Bank has to maintain large stocks of notes in its vaults to make this exchange, and to meet the peak demands of Christmas and other holiday seasons.

But Bank of England notes are of limited use for making payments abroad: and another responsibility of the Bank is the safe keeping in its vaults of quantities of gold which form part of what may be described as the Reserves of the Realm. These Reserves amount to about £1,000,000,000: so that even if only a small proportion of them were in the form of gold in the Bank of England its safe custody would be of the utmost importance.

That is by no means all the story: for as part of the work which the Bank does for the Central Banks of other countries, it holds vast quantities of gold for them also, which tends to increase year by year

as newly-mined gold is added to the reserves of the free nations of the world. Why should so much gold be held in London on behalf of other countries? Some of the reasons are:

(1) Gold is the one thing for which the money of any other country can always be obtained. The Gold Market in London is the most important in the world, and to hold gold with the Bank of England simplifies dealing in this market.

(2) The tradition of this country is particularly against social or political strife and the integrity of the British Government and the Bank of England is never questioned.

(3) The Bank of England is regarded as impregnable.

The gold is held in vaults which are equipped with the most elaborate security arrangements; but reliance on steel and extra-reinforced concrete, on systems of patrol and watching devices, might not be sufficient. The impregnability of the Bank is known all over the world to be backed by a military guard. It is to be a deterrent to the possibility of a well-planned aggressive attack that is the objective of the Picquet.

As a matter of interest, each individual bar of gold is marked with its identity, and this identity is known to its owner. When gold is sold in the market for an overseas Central Bank, or shipped elsewhere, the actual bars of gold are usually reported. This means that if a bar were misused or mislaid, this fact would become known in due course to its owner.

BARS OF GOLD IN ONE OF THE VAULTS

*Copyright Bank of England*







Finally, like other banks, the Bank of England houses all sorts of documents of value to their owners, and in particular what are known by bankers as negotiable securities of a value running into hundreds of millions of pounds. Here too it is the ambition of all who have the custody of such things, but on a smaller scale, to be “as safe as the Bank of England”.

Although the word “deterrent” has been used above, the origin of the Bank Picquet lay in more active conditions. It began on the 6th June 1780 when the Lord Mayor of the day requested the Secretary of State “for some Horse & Foot in order to protect the Mansion House and the Bank”. This was in the middle of the Gordon Riots: that day the mob had burned down Newgate Prison: and the next night they did indeed attack the Bank, but the military guard was in place and the mob was driven off with some fatal casualties. From that day to this the Bank of England has been provided with a nightly guard, generally found by one of the battalions of the Household Brigade fulfilling public duties in London.

In the course of the 19th Century it was suggested that the guard should be furnished from the militia but the Court of the Bank did not agree to the suggestion and said that they had great reason to believe that the military guard “was highly approved in foreign countries and they are considered a great Security to the property of the Stockholders, who

deem a Guard established from the King's Own Guards as a greater Security than any private Guard". The Court of the Bank to-day are of the same opinion in this matter as were their predecessors.

In the early days the march from Barracks to the Bank through the crowded streets caused annoyance to the public as the Picquet jostled the pedestrians off the pavement. As a result of complaints it was subsequently ordered that they should march in the roadway. Of more recent years this caused inconvenience to the traffic: but the sight of the Picquet marching through the streets was a valuable reminder to all and sundry that the Reserves of the Realm were considered so important as to justify protection by the Brigade of Guards. The present arrangements, using army vehicles, give a less obvious reminder but are more economical and more effective.

Until 1963 the Guard was mounted in Guard Order and sentries were posted in ceremonial manner. In 1963 the decision was taken to discontinue the ceremonial and since then the Guard has been mounted tactically in an order of dress more appropriate to its modern duties.

The strength of the Guard has varied over the years. The Guard has always been under the command of an officer and from 1780 until 1900 consisted of 34 Non-Commissioned Officers and Guardsmen. Between 1900 and 1918 there were two reductions and in 1919 the Picquet was increased again. The composition of the Guard was subsequently changed in 1933, 1948 and 1963.



THE GUARD MARCHES TO THE BANK, 1787

By James Gillray, the famous caricaturist,  
who is here protesting against the custom of marching  
two abreast along the pavement





Originally the Bank contributed towards the upkeep of the Picquet by providing great-coats and blankets, together with an allowance of bread, cheese and beer, whilst the officer was supplied with dinner. But from 1792 an allowance was made in cash to the Picquet in lieu. The current allowance is as follows:

			<i>Per night</i>
Sergeants	...	...	10s.
Corporals	...	...	7s. 6d.
Guardsmen	...	...	5s.

With the growth of the Bank of England's international responsibilities the importance of the Picquet as a real security guard has likewise grown. The words of the Field Officer in Waiting in 1800 apply with equal force to-day, when he spoke of the "duty the Troops owe to their King and Country, none of the least of which is in being assistant to preserve the grand Depot of National Treasure".



