



In search of “the Holy Grail of permanent price stability”: How the Bank of England communicates trust via story and argument

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Abstract

This research paper examines the communication strategies adopted by the Bank of England to create trust in financial markets using narrative and argument. The corpus under scrutiny consists of 71 speeches delivered by Governors of the UK Central Bank – the Bank of England – at the Mansion House in the City of London, from 1946, when the Bank was nationalised, to 2016, shortly before the Brexit referendum. The question of how story and argument are used to create trust is analysed using three narrative threads deployed by successive Governors of the Bank of England in the annual Mansion House speech: the myth surrounding the City, the travails of Britain inside and outside of Europe and the “story of monetary policy”. This research, which lays bare the discursive techniques underpinning institutional trust, aims to provide an insight into the symbolic power of language and modes of authority and legitimation.

Keywords

specialised discourse, trust, argument, narrative, Bank of England, Governor, Mansion House

1 Introduction

It is perhaps no coincidence that the early English corporation emerged at the same time as the novel at the end of the seventeenth and beginning of the eighteenth centuries. Daniel Defoe, writer of early modern fiction, describes his era as “the Projecting Age” when a frenzy of new “projects” swept through London. The Bank of England (BoE) was one such project, founded by William Paterson and other Whig merchants in 1694 as a limited liability corporation. Hamilton and Parker (2016) draw a parallel between the BoE and *Moll Flanders* (published in 1722), two audacious undertakings mixing fiction and finance with the aim of “projecting” trust amidst inventivity and chaos. The techniques used for establishing credibility, albeit invariably bold in ambition, owed more to sleight of hand than rationality. They included enabling the BoE to challenge the role of the Treasury, convince Parliament to let it issue legal tender, secure its independence from the King, and ride out the South Sea Bubble unscathed in 1720, inventing along the way the nation-

al debt as an “act of imagination” (Hamilton & Parker, 2016, p. 14). Naming the BoE as “The Governor and Company of the Bank of England” in its first Royal Charter projected trust further by introducing the reassuring figure of a guide and protector to the institution whilst granting the BoE a nationwide status when it was still, to all intents and purposes, a local bank.

This paper explores the ways in which the BoE still attempts to communicate trust with story and argument in the post-war United Kingdom. The material underlying the study is a collection of speeches delivered by successive Governors of the BoE at Mansion House, the residence of the Lord Mayor of the City of London, over a period of 70 years, between 1946 and 2016. The Mansion House speech, as it is often dubbed¹, is the oldest form of communication by the BoE, an occasion for the Governor to look back on previous years and attempt to make sense of past events

1 The official name of the event hosted at Mansion House is “the Lord Mayor’s Banquet for Bankers and Merchants of the City of London at the Mansion House, London”.



as well as impart his² vision of the future. The Governor's aim is to show that the nation's finances and the national currency are in safe hands, in short to inspire trust.

The audience for this speech is multi-layered: it spans beyond the 300 or so City guests who physically attend the banquet as the Governor also addresses the financial markets participants who monitor closely central bank communication for hints and guidance, the press, which relays the salient points of the speech, and a wider public, whose concerns range from wages and savings to spending plans. The audience therefore comprises concentric circles of stakeholders with varying degrees of interest and expertise.

Press briefings are handed out in advance and media representatives attend the evening although the Governor does not hold a press conference on this occasion. Since 2011, the speeches have been broadcast to coincide with the main evening news and may be viewed live on rolling news (on BBC News or BBC Parliament, both online and on television). Imparting trust to such a varied audience requires a number of discursive strategies which include storytelling.

This paper aims to demonstrate how the Governor seeks to conjure up trust via narrative and argument in his Mansion House speech. The first sections cover the theory and method which underpin this study. The sections that follow analyse three narrative threads (the myth surrounding the City, Britain's travails inside and outside of Europe and the story of monetary policy) deployed over 70 years by successive Governors of the BoE, the objective being to examine more closely the discursive techniques and strategies at work within each thread.

2 Theory

The theoretical frame mobilised for this study draws from various specialists of narration, argumentation and trust. Narratives are moral constructs with values

embedded in their structure, characters or actions that are intended to shape human experience. The hero on a quest, to which the title of this paper alludes, is one of the enduring characteristics of narratives in folk tales (Propp 2015).

Argumentation is defined as a means of influencing others. Converting others to a point of view is best achieved, as Aristotle demonstrates in his *Rhetoric* (384 BC–322 BC/2007), by adapting to audience and context via a skilful mix of *logos* or reason, *pathos* or emotions and *ethos* or authority and thus credibility. Alternatively, as Charteris-Black (2011) puts it: “having the right intentions” (*ethos*), “thinking right” (*logos*) and “sounding right” (*pathos*). He adds to the triad: “telling the right story” which he describes as fitting the three traditional artistic proofs into “shared mental representations” (p. 14) via a number of discursive strategies.

As regards the links between narration and argumentation, Klimis (2008) demonstrates that there is no dichotomy between *mythos* and *logos* in Homeric epics as myth simply conveys another type of rationale. Narration in sacred texts is used as a vehicle to justify privileges or transmit technical knowledge among fraternities of tradesmen, of which the City's medieval guilds are a distant legacy. Contemporary specialised discourse is not exempt of narrative features: Resche (2016) explores such “narrative moments” in scientific, medical, military or business discourse as attempts to make sense of reality via story, myth, tales, anecdotes, mimesis, or analogy.

Trust is described by Luhmann et al. (2017) as a mechanism that helps us reduce social complexity. Trust has acquired a social function in modern societies where anonymous transactions have become the norm, replacing trustworthiness in people. Simmel (2011) studies the example of money which grounds the abstraction of value into something concrete via a daily act of trust involving “quasi-religious faith” (p. 179). Möllering (2006) further analyses this state of “suspension” enabling a state of favourable expectation of others as an on-going process which is far from irrational: it may only be reached with a com-

² All Governors to date have been male.

Table 1: Corpus of Mansion House speeches by Governors of the BoE (1946–2016)

Governors of the Bank of England (years correspond to dates of speeches)	Number of speeches	Tokens	Types	Average speech length
Lord Catto (1946–1948)	3	5.108	1.201	1.702
C. F. Cobbold (1949–1960)	12	14.371	2.332	1.197
Lord Cromer (1961–1965)	5	12.155	2.191	2.431
L. O'Brien (1966–1972)	7	16.788	2.767	2.398
G. Richardson (1973–1982)	10	22.755	3.140	2.275
R. Leigh-Pemberton (1983–1993)	11	18.088	2.924	1.644
E. George (1994–2002)	9	17.437	2.564	2.564
M. King (2003–2013)	11	23.928	3.442	2.175
M. Carney (2014–2016)	3	12.110	2.802	4.036
TOTAL	71	142.740	23.353	2.199 (av)

Note. The term “token” refers to the total number of words in the corpus regardless of how often they are repeated. “Type” refers to the number of distinct words. “Average speech length” is measured in tokens.

bination of “reason, routine and reflexivity” (p. 110). Möllering makes another key point on the role of institutions as promoting trust, indeed as substitutes for trust, and on the social construction of trust: he observes that society and its actors are socially constructed and perform a “kind of drama” as they “put up façades and dwell in myths and ceremony” in order to preserve their fiction as reality (p. 114).

The implications of these approaches for the BoE as a source of authority in the domain of economics and finance are clear. As an institution, it has to project trust by creating a convincing enough narrative so that other institutions and people are prepared to take decisions about future uncertain events. Central bank communication is highly calibrated in order to address such uncertainty and manage the expectations of economic agents within the BoE’s broader remit of monetary and financial stability. The speeches made by the Governor of the BoE at the Mansion House are expected to shape the expectations of financial markets, households and businesses in order to make decisions in the absence of complete knowledge.

3 Method

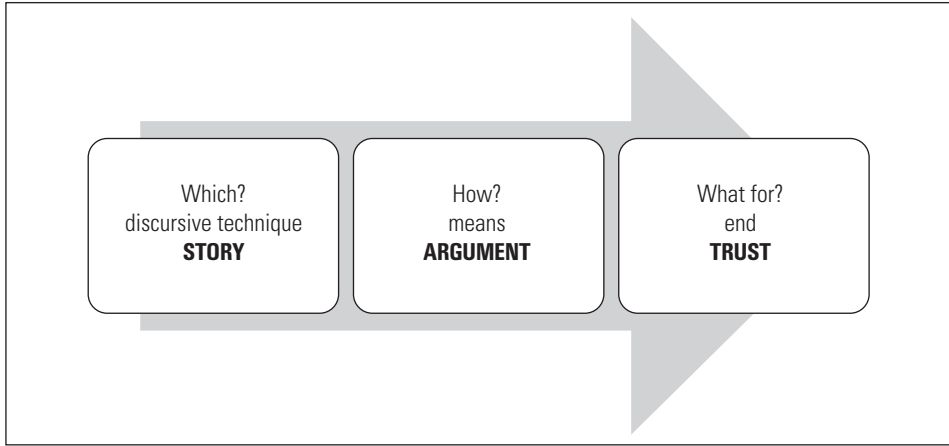
The corpus used for this research spans 70 years, from 1946, when the BoE was nationalised, to 2016, shortly before Brexit. The Mansion House banquet was held

without interruption³ over the period under study. It is a collection of 71 speeches delivered at the Mansion House by nine successive Governors (Table 1). The length of the speeches and Governors’ term in office vary; however, the setting of the event, the material conditions of the delivery and the ritual of the evening are immutable. The speeches belong to a specific genre of discourse within central bank communication as they pursue the same “communicative purposes” (Swales, 1988, p. 212). The end goal is conserving or building trust in the monetary system and prudential regulation to allay fears in times of crisis or pre-empt bouts of panic.

The method adopted for collecting and analysing data includes two phases. First, the narrative moments which run through the speeches are identified and grouped under broad narrative threads. Amongst those threads to emerge from this exploration phase are the myth surrounding the City, the adventures of Britain inside and outside of Europe, and the story of monetary policy. Then, in phase two, the excerpts within each group are analysed as part of a demonstration (Figure 1) to highlight *which* narrative techniques are used (i. e. myth, story, anecdote,

3 Prior to 1946, the banquet had to be cancelled on several occasions owing to World War II. In 2017, the banquet was postponed as it was deemed inappropriate in the context of the Grenfell Tower tragedy and was rescheduled three days later as a breakfast gathering.

Figure 1: Exploration technique of narrative patterns



allegory etc.), what argument they aim to convey (in order to understand *how* trust is constructed) as well as the specific goal they pursue (to answer the *what for* question surrounding the kind of trust which is called for).

The objective is to decode the discursive mechanism enabling the speaker to convey trust via story and argument. The study includes a diachronic dimension taking on board the evolution of narrative techniques over a period of 70 years.

The next three sections offer detailed explorations of the three narrative threads identified in the corpus. These threads of the myth surrounding the City, Britain and Europe and monetary policy weave together to form an evolving story where successive Governors set out their stall, with the aim of winning the trust of markets and market participants.

4 The myth surrounding the City

The City of London regularly comes under fire for representing the narrow interests of finance at the expense of British industry or ordinary Britons, as illustrated in the backlash against bankers in the wake of the 2008 financial crisis. Building the myth surrounding the City in Mansion House discourse helps the BoE to mitigate the effect of such accusations levelled against

the banking community, among which the specialised discourse emerged.⁴ This first narrative thread requires an exploration of myth and ritual.

4.1 Myth and ritual

Myth is a body of traditional storylines involving gods and heroes. According to structural anthropologist Levi-Strauss (2003, p. 233), myth is built on “*mythèmes*” or minimal units of narrative structure combining a character, an event and a theme. Myth relies on the complex reassembly of these units. The myth surrounding the City is woven from a complex web of *mythèmes* via references to great historical figures with a connection to the Bank or the City, or more generally to British culture for a wider appeal to audience.

Ritual in human cultures is “a tool to communicate narratives and beliefs” (Stephenson, 2015, p. 17) with a modelling dimension: Handelman (1998) names large-scale ceremonial rites “events that model” (quoted in Stephenson, p. 51), either by reinforcing values and systems or by spurring on change via new value models.

The ritual of the Mansion House event includes a banquet, toasts to the monarch and to the prosperity of the public purse, the passing of a loving cup (in ear-

⁴ On specialised varieties of English and discursive communities as social constructs, see Van der Yeught (2016).

lier times) and speeches. The Governor's speech is a response to the final toast of the evening which is addressed "to the bankers and merchants of the City of London and the health of the Governor of the Bank of England". Such ritual forms part of situational data to which Bourdieu (2014) refers as the "liturgical conditions" of speech production. They include rites, etiquette and decor which confer authority to the spokesperson: the Lord Mayor's mace before which the Governor stands when delivering his annual speech at Mansion House is an attribute of power reminiscent of the *skeptron* which grants the Homeric orator the power of speech in Ancient Greece (p. 161).

Claiming that the language of authority resides first and foremost in the social conditions of production, Bourdieu positions himself against speech act theory (Austin, 1975) which focuses only on the words which are uttered to denote illocution. Kerbrat-Orecchioni (2008, p. 175) reconciles both approaches recommending that the "totality of the material which make up the utterance" is taken into account when analysing the performativity of language.

4.2 Situation of communication and discursive community

The speech setting itself provides situational elements which feed into the construction of the myth surrounding the City. Mansion House is located at the heart of the Square Mile, opposite the Bank of England. The Corinthian columns and pediment which adorn its façade, displaying an allegory of the City and the Thames, feature on invitations to the banquet dating back to 1947, 1948 and 1951 (BoE archives H1/83). Inside the Mansion House, the venue for the Governor's speech known as the Egyptian Hall is decorated with Antique statues of Roman figures including Alexander the Great and British poets. Large stained-glass windows depict scenes which enshrine the City's independence from government, including the Lord Mayor attending the signing of Magna Carta and Edward VI's procession from the City on his coronation.

Further elements of the ritual and pageantry which add to the building of the myth include the dress code and table layout which set the evening apart. Dressing up is part of the ritual: the Lord Mayor wore a colourful ceremonial robe, a tricorne and a gold chain, while the speakers and the City guests had to obey a strict dress code: white tie until 1996, replaced by black tie. Transgressions as regards the dress code made headlines when Gordon Brown as Chancellor wore a mere lounge suit in 1997, albeit Mark Carney, as the first non-Briton heading the BoE, initiated with Chancellor Osborne a more relaxed dress code to little protest in 2015. As for the table layout, the T-shaped rectangular banquet tables are conducive to storytelling as guests sit towards the speaker. As the first circle of the audience and members of the discursive community, they are more likely to be receptive to the message, bearing in mind the press attends the evening (all at the same table in the past) but is not given a chance to challenge the speakers as no press conference is held afterwards. The upshot of this decorum is that the professional and discursive community in attendance is more likely to cooperate in Grice's sense (1991). The City is not simply a geographical location, it is also a metonym for British workers whose livelihood depends on banking and finance. City liveries are represented by wardens, sheriffs or aldermen whose titles go back to medieval times, and which find their way into the opening greetings of the Governor's Mansion House speech.

Selected excerpts from Mansion House speeches in the next section show how the myth surrounding the City is constructed in the discourse and contributes to a rich scenography (Charaudeau & Maingueneau, 2002) via narration and argument with the aim of communicating trust.

4.3 Building a myth around the City

Drawing from the situation of communication and common goals shared with the discursive community, Mansion House speeches subtly weave the myth that the City is a place of exception and worthy of trust, a discourse which is designed to

help City institutions ride through change or crisis unscathed.

In the words of BoE Governors:

1. We lesser mortals can only read what Lord Keynes has left us with ever increasing interest and understanding. [...] ... our great and ancient City. (Catto, 1946)
2. Unfortunately it is only the battles and the occasional abuses which attracts publicity, most of them taking place very much on the outskirts of the Square Mile. (Cobbold, 1959)
3. As 113th Governor of the Bank of England I owe much to those predecessors who established such a unique standing in the world of the Old Lady of Threadneedle Street. (Cromer, 1965)
4. We have a flexible and sophisticated financial system whose skill is trusted the world over. [...] All this is, if you like, an aspect of the theme of national unity. (Richardson, 1974)
5. The scale of malpractice must not be exaggerated. The incidents are warts on an otherwise healthy system. (Richardson, 1976)
6. I am glad to have the opportunity at the beginning of my response to pay public tribute to you, and your team at Lloyd's, for the Herculean efforts that you have made to re-establish the foundations of that great City institution. (George, 1996)
7. Twenty years ago, the City was anxiously awaiting its revolution – Big Bang. [...] Few in 1986 could have imagined how much the City would change and how far its domain would extend – from Canary Wharf to the West End, no longer a single Square Mile but a banker's dozen. (King, 2006)
8. We who work in the financial sector have much to do to regain the trust of those who work outside it. "My word is my bond" are old words, but they were important. "My word is my CDO-squared" will never catch on. (King, 2009)
9. Lord Mayor, the wheel may have come off your carriage at last year's installation, but then we saw your characteristic ability to turn

every situation to advantage as you returned in triumph to Mansion House in a Land Rover. As the City too faces the challenge of turning disaster into triumph, it would do well to follow your example of how to "treat those two imposters just the same". (King, 2013)

10. For too many, the City stopped at its gates, though its influence extended far beyond. (Carney, 2015)

As excerpts from the Mansion House corpus show, the parallel between the City and its "ancient" model of the Greek fortified *polis* comes through as emphasis is laid on geography and boundaries, as though wrongdoing necessarily occurs only on its "outskirts" and nowhere within the sights of the "Old Lady". The 1946 nationalisation of the BoE, "Big Bang" in 1986, the Names scandal at Lloyd's in the 1990s or the 2008 financial crisis are trials which the City always meets with triumph, just as the Lord Mayor manages to parade in style despite a broken wheel to his carriage. In between crises, the mantra that the City is "great", "unique" or "sophisticated" is reinforced by timeless mottoes and heroes. The many references to previous BoE Governors, City figures and British heroes who contribute to the shaping of British identity, rubbing shoulders with Greek gods, are listed in Table 2.

The narrative palimpsest of *mythèmes* derived from British history and mythology contributes to the elaboration of a number of arguments which fulfil three functions in the trust building process: they aim to entrench the uniqueness or apartedness of the City with a view to protecting it from government interference or sanction; they seek to build a sense of national unity and identity around the City; finally, they carry a praxeological dimension. Praxeology here is to be understood in terms of the study of practices (Hieber, 2017), the professional and ethical practices which apply (or should apply) in the City. This last point may explain why a Canadian, the first non-British Governor appointed to run the Bank, in challenging City practices in his 2015 Mansion House address refers

Table 2: How trust is built via the myth surrounding the City

Narrative techniques and strategies	Arguments	Trust
British “heroes” John M. Keynes (7) Montagu Norman (4) Adam Smith (3) Walter Bagehot (2) Francis Baring (1) Christopher Wren (2) William Wordsworth (2) Robert Clive (1) Rudyard Kipling (1) William Shakespeare (1) Horatio Nelson (1)	The City has endured the test of time and therefore will survive new crises The City is a symbol of national unity as it stands for shared values Integrity prevails in the City The City is unique The City has its own rules	The City deserves: authority legitimacy autonomy National unity Praxeology
Mythology Scylla and Charybdis (5) The Fates (1) Ulysses (1) Hercules (1) Phoenix (1)	Wrongdoing in the City is an exception to the norm	
Motto “My Word is my bond” (1) (London Stock Exchange)		

Note. Figures in brackets show number of mentions in Governors’ speeches from 1946 to 2016.

pointedly to the “widespread mistrust” they aroused among the British public.

The narrative strategies behind the myth of the City essentially aim to play down the buccaneering side of the City, which was inherited from an earlier “Age of Projection”: coating British finance with the veneer of a mythical past helps shift potential blame and thwart regulation.

5 The travails of Britain inside and outside of Europe

The second narrative thread explored in this paper follows Britain’s tumultuous relationship with Europe and yields interesting findings on the framing of the European construction by financial experts through the voice of the Governor. Whereas elites in Europe promoted right from the outset a progressive interpretation of the European construction, discourse by British elites retained a more pragmatic outlook.

5.1 Grand narrative versus pragmatism

Investigating the “historical sequence leading to [...] a Eurosceptical discursive hegemony”, Crowley (2015, p. 74) anal-

yses how Britain’s eventual settling for a eurosceptic position was in tune with an enduring “Burkean belief in minimal state regulation”. Instead of attempting to tell the “grand narrative” (Lyotard, 1979) of the European construction favoured by politicians, the BoE charts progress in the European project as a series of disjointed narrative moments. This choice has pragmatic grounds: having gone on strongly for over 300 years, the BoE minds its own survival, which came under threat from the ECB (European Central Bank).

From 1973, when the UK joined the EEC more out of economic necessity after two failed attempts, to 1992 with sterling’s forced departure from the ERM (Exchange Rate Mechanism), efforts were made to reconcile diverging views over Europe. After the turning point of 1992 (which is also the year the Maastricht Treaty was ratified), the European question gradually moves to the margins of Britain, “outside the realm” (Crowley, 2015, p. 88), in the discourse too.

5.2 A pragmatic and prescient discourse

A short collection of speech extracts from the Mansion House corpus provides examples of the view of Britain’s membership of

European institutions held in specialised economic discourse:

1. But, in war, restriction became inevitable, although we maintained a large measure of convertibility within an area which came to be called “the Sterling Area”. Because of that name some people imagine it to be a kind of Empire Pool. (Catto, 1947)
2. Unfortunately one still hears stories of enquiries from abroad meeting either such dilatoriness in handling, or such extended delivery dates, that foreign buyers meet their needs in other markets with a mere fraction of the delay. (Cromer, 1962)
3. With these ingredients it would take so little in new and forward-looking attitudes to enable us again to lead the world. (O’Brien, 1966)
4. I believe that these brighter prospects will be enhanced by the United Kingdom joining the Common Market. The long and frustrating history of negotiation was crowned with success in the spring and the House of Commons is to give its verdict next week. (O’Brien, 1971)
5. Obviously there will be problems and costs for this country associated with membership. Equally, however, it is clear that there will be benefits and, above all, opportunities. [...] And we must think of the longer-run consequences for this nation not only of joining the Common Market but also those of staying out. (O’Brien, 1971)
6. Both the opportunities and the dangers which we face are enhanced by the immediate prospect of our entry into Europe. In less than eleven weeks we shall be members of the enlarged community. If our own economy is under firm command, it will provide a springboard to take advantage of all the new opportunities offered by this historic move. (O’Brien 1972)
7. We start from different – in some ways opposite – starting points: we from a largely unwritten system, they from enacted laws. There is need for a philosophical reconciliation as well as adaptation and adjustment in practice and technique. (Richardson, 1973)
8. So in terms of income per head we have now fallen behind the EEC countries save Italy and Ireland, by a margin that appears to be widening. (Richardson, 1978)
9. Much water has flowed under the bridge since we met here last year. And the re-building of the credibility of our counter-inflationary policy is still underway. The suspension of membership of the Exchange Rate Mechanism was clearly a major disturbance. It was a shock; it was a shock to confidence; and it was a shock to a framework for monetary policy which had become highly visible and easily understood. (Leigh-Pemberton, 1992)
10. The Euro-area crisis has had more dramatic moments, in which the ultimate resolution seems to be at hand only to be confounded by subsequent events, than there are episodes in *The Killing*. And the Danes aren’t even members of the euro area. Perhaps the sequel will be the provision by the ECB of liquidity as the bridge to the other side of the crisis. (King, 2012)

Evocation of Churchill’s first circle⁵ features prominently in the early speeches of the corpus as Britain struggles to maintain a “Sterling Area” (allowing participant countries to hold their currency reserves in sterling rather than dollars) which drains its domestic resources and increases its balance of payments deficit. Despite protests from the Governor that the shadow of the British Empire does not in any way lurk behind this rival agreement to Bretton Woods, a desire is nevertheless expressed “again to lead the world”. The bid to join the EEC gains momentum in the 1960s with concerns arising over the UK’s growing reputation abroad for poor performance and productivity (“foreign buy-

5 Winston Churchill (1950) envisioned Britain’s distinctive place in the world after World War II at the heart of three circles: those of the Commonwealth, the United States and Europe. See Crowley (2015, p. 92) for the enduring appeal of the “three circles” approach amongst politicians as regards the UK’s positioning in the world.

Table 3: How trust is built via the narrative of Britain’s European adventure

Narrative techniques and strategies	Arguments	Trust
Churchill’s “three circles of influence” SWOT analysis <i>Torschlusspanik</i> “we” vs. “they” Euro soap opera	British self vs. European other	pragmatism

ers meet their needs in other markets with a mere fraction of the delay”).

The narrative of the accession finally boils down to a “long and frustrating history of negotiation” while the merits of membership are assessed in what resembles a SWOT analysis as “problems and costs” need to be balanced with “benefits and above all opportunities”. There are calls for “reconciliation” between different traditions with “opposite starting points”. The narrative on Europe which emerges from the BoE Governor’s speeches hesitates between the threat to national identity – “they” (as alien) versus “we” –, and the single market as an economic necessity. As soon as accession takes place, the “philosophical” dimension of the relationship clashes with “practice and technique”. Efforts to tell a cohesive narrative are dealt a major blow with the forced departure of sterling from the ERM on 16 September 1992 (“Black Wednesday”). Terms such as “disturbance” then “shock” repeated three times in the Governor’s 1992 Mansion House speech seem designed to pin the blame on outside forces (“it was not something which we had sought”) rather than examine the conditions of entry into the mechanism Britain negotiated belatedly (over ten years after its inception, having declined to join in 1979). In 2012, the euro-area crisis is witnessed from afar as if it were a soap opera with “dramatic moments”, “episodes in *The Killing*”, and a “sequel”.

The final Mansion House speech of the corpus, delivered on 16 June 2016 one week before the referendum vote, barely touches upon the issue of Brexit because of purdah rules, yet the Governor urges its multi-layered audience to read the MPC (Monetary Policy Committee) minutes published on the same day to find out

about risk assessment and contingency plans around the referendum. The “whiff of revolution in the air”, which applies to FinTech, the main topic of the speech, could be read as a warning of things to come, the Governor advocating “reformation” instead.

Far from weaving grand narratives of European construction, pragmatism (Table 3) emerges as the main strategy behind the narrative moments recounted at Mansion House. The popular vote to leave the EU on 23 June 2016 was ultimately beyond the remit of the BoE. By contrast, an area where the BoE’s hands are less tied is that of monetary policy.

6 The story of monetary policy

Monetary policy is the main activity of a central bank. The BoE has used a number of tools to shape monetary policy over a period of 70 years, such as changes in interest rates, its management of bank reserves or buying and selling government bonds. Since the 2008 financial crisis, unconventional instruments such as quantitative easing or Funding for Lending have been added to the toolkit. Yet the credibility of monetary policy remains more than a technical question of which tools to deploy, and the Mansion House speech provides the Governor with an opportunity to impart trust in the policy he pursues by “telling the right story” (Charteris-Black, 2011, p. 14). However, the narrator of this story does not have free rein over monetary policy: the BoE ultimately reports and is accountable to the Treasury. Independence and accountability therefore bear on the way the tale is told and how the story ends.

6.1 Independence

Central Bank Independence (CBI) is a catchy way to refer to a form of relative autonomy from the political power (de Saint Seine, 2017). The remit of the BoE has fluctuated over 70 years, expanding or contracting depending on the incumbent government. The BoE was granted its operational independence by the newly elected Labour government in 1997; however it was dealt a major blow at the same time when its role as a supervisor of commercial banks was unexpectedly cut short – before being finally restored in 2010 in the wake of the 2008 financial crisis and expanding ever since.

Besides this fluctuating mandate which turns the Mansion House speech into a delicate exercise opposite the Chancellor of the Exchequer, the Governor holds another unofficial but acknowledged role, that of leader of the City, commanding authority over a community which has thrived on pushing the boundaries of innovation and regulation ever since Defoe and Paterson's *Projecting Age*: the "Governor's eyebrows" were meant to keep financial actors on their toes when the City was essentially a domestic community and still signals authority to City participants, albeit to a lesser extent (Kynaston, 2012, p. viii).

6.2 Restoring balance

If the Governor communicates as little as possible at Mansion House in the 1940s as "silence" is then deemed necessary to conduct an effective monetary policy, the next Governors acknowledge the need to tell the official "story" of monetary policy lest "folklore" hijacks the main message. Greek references to "chorus" and "catharsis" point to a staged performance at Mansion House while bad news become "a sombre recital" or a "jeremiad" and financial hardship is broached as "episodes".

1. The Governor of the Bank of England must of necessity belong to the "silent service". (Catto, 1946)
2. It is time that that hoary old bit of folklore was laid to rest. (O'Brien, 1966)

3. There are other indicators, and they do not all tell the same story [...] At the time, these were widely acclaimed with a chorus of assent and very little qualification. (Richardson, 1973)
4. I start with this sombre recital, not to pronounce a jeremiad [...] (Richardson, 1975)
5. The ensuing catharsis of financial difficulty and readjustment is historically a feature of such episodes. (Richardson, 1976)
6. The moral of what I have been saying is plain [...] I have told an unvarnished tale. (Richardson, 1976)
7. The story of monetary policy over the past decade has been the search for a "nominal framework". (Leigh-Pemberton, 1993)
8. Counter-inflationary credibility cannot be acquired by tying oneself to the mast when the conditions are so adverse that the mast breaks in the wind. (Leigh-Pemberton, 1993)
9. [pundits] and their clients will have the authentic story of our discussions only six weeks after the meetings. (George, 1994)
10. It is true that central banks everywhere these days see the Holy Grail of permanent price stability as their overriding immediate responsibility. And the Bank of England is no exception. (George, 1996)
11. We risk either being blown onto the Scylla of excessive domestic exuberance or sucked down by the Charybdis of external weakness. (George, 2001)
12. Since those days, the Bank, believe it or not, still has a weather vane in its Court room. (King, 2005)
13. It may say champagne – AAA – on the label of an increasing number of structured credit instruments. But by the time investors get to what's left in the bottle, it could taste rather flat. (King, 2007)
14. However tempting, I will lean on Canada not for restoration but for a nautical analogy to describe how we can address the challenges

Table 4: How trust is built via the story of monetary policy

Narrative techniques and strategies	Arguments	Trust
The “Ken and Eddie show”	Anchoring	Reducing uncertainty
Narrating a personal journey	Making up for time lags	Forward Guidance
Crisis narratives	Transparency and accountability	Paradigm change
Metaphors and paradigms	Independence	

we now face [...] Unlike a canoe trip, the quest for economic balance never ends. With economies and markets always moving between equilibria, it is the journey that matters. (Carney, 2014)

The “story of monetary policy” in Britain over the past 70 years resembles a tale by Propp’s standards (2015): disequilibrium in the country’s finances, the personal journey of the Governor’s first speech at Mansion House (Harris, 2016), the Medieval “quest for the Holy Grail of price stability”, the Homeric trial of “tying oneself to the mast”, a friendly rivalry with the Chancellor in the guise of the “Ken and Eddie show”⁶ and the delayed disclosure of the “authentic story” of their discussions as well as catch-22 options presented as *Scylla* and *Charybdis*. Beyond the injection of drama into monetary policy, such references provide the Mansion House speeches with a rich palimpsest of cultural references from authoritative works.

Before independence, the “tale” sometimes comes with a “moral” as the Governor knits his eyebrows. Post-1997 however, when the setting of interest rates is delegated to the MPC, the emphasis is on a more elusive “quest for economic balance [that] never ends”, hoping the wind blows in the right direction. The reference in the corpus to a “weather vane” which is

6 The Ken and Eddie Show is how the press affectionately dubbed the monthly meetings on interest rate policy which ran between 1992 and 1997 between the BoE Governor, Eddy George, and the Chancellor of the Exchequer, Kenneth Clarke. The minutes of the meetings were published from 1994 and drew a lot of attention as the two strong personalities often clashed, the Governor advising an increase in interest rates, and the Chancellor often rejecting his advice (Coyle, 1997).

still kept in one of the Court rooms of the BoE harks back to the days of Defoe and Paterson,

a time when communication between the Bank and the City was simpler, when one of the main drivers of the demand for credit was the direction of the wind, easily observed by all, which indicated when conditions were favourable for ships to enter or leave the Port of London. (Mansion House corpus, King, 2005)

Today’s uncertain world is both more complex and yet not so different from the Projecting Age: the fate of the project still relies on trust (and a good story).

The final quote refers to “analogy”: this is the tip of the metaphor iceberg which requires a separate study (see Harris, 2018). Metaphor usage in Mansion House speeches matches and drives paradigm shifts from the Keynesian to the neoliberal frames. The mechanistic and biological metaphorical veins (Resche, 2013) pinpoint first, second and third order change (Kuhn, 2008 & Hall, 1993), morphing into narratives that signal paradigm shifts. Table 4 shows by what means the narrator, as the source of authority, tells the tale of monetary policy.

Comic sketches from the Ken and Eddie Show, personal journeys (on foot via Hyde Park and past Westminster to the Bank in 2004 for M. King, onboard a canoe across choppy waters for M. Carney in 2014), narratives of the 2008 financial crisis as parties where the champagne which is served is not up to what is written on the label, or metaphors of disease, machine, nature or construction are vehicles to bolster and broaden the Bank’s message.

Forward guidance is both an unconventional monetary tool⁷ and an apt way to describe the role of the Governor. Building trust with a story not only calls for coherence and agency. Jowett and O’Donnell (2014) have shown that a convincing message involves exploiting existing beliefs and values rather than introducing new ones as people are reluctant to change their views in a context of uncertainty. They call these “anchors”. Stories with heroes and hurdles are such anchors to which the audience is likely to relate through a common heritage and a shared sense of identity.

7 Conclusion

For the Governor of the BoE at Mansion House, the conditions for effective communication with a view to building trust involve combining story and argument via discursive modes such as myth, grand narratives or tales. These contribute to the framing of key issues such as the integrity of the City, the UK’s post-imperial destiny and the making of monetary policy. This feature of specialised discourse, when viewed from a diachronic perspective, sheds further light on how narratives change over time to reflect or drive paradigm change.

Communicating trust therefore goes beyond a mere public relations exercise for the BoE and its Governor. In a world of dynamic destruction where new technologies supplant traditional types of trading and transactions, and governments and regulators come and go, the BoE remains firmly at the centre, in more ways than one, of one of the world’s few global financial centres. Other bodies may discharge similar functions and face similar challenges but none have done so longer than the Old Lady of Threadneedle Street, a name which itself has passed into the lore of the City.

As the revamped BoE website shows⁸, it remains the figure of the Governor shap-

ing the BoE’s communication strategies and message. More generally, the Governor’s use of techniques of communication fits within a broader social and financial context underpinning day-to-day dealings, dialogue and directives.

Such discursive regimes derive from and support authority, more specifically, among the various modes of authority and legitimation in Weber’s typology (2015), the traditional and legal/rational modes of authority. This fits within a wider British tradition which has been generally successful in combining those two regimes, thus avoiding recourse to the start-up, self-foundational mode of charismatic authority. The Bank of England, a quintessentially British institution, emerges as part of this tradition through its action and above all its words. Such research provides an insight into the symbolic power of language and its continuing use. This is perhaps no better evidenced than on the BoE’s own banknotes, now made of polymer, but bearing still the legenday inscription “For the Governor and the Company of the Bank of England”.

Corpus

Speeches delivered by Governors of the Bank of England at the Banquet given by the Lord Mayor for the merchants and bankers of the City at the Mansion House, London (1946–2016)

1946–1959: BoE archives, G13/1

1993–1996: BoE archives, 7A320

1960–1992 and 1997–2016: BoE website (www.bankofengland.co.uk)

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7 One of the ways of converting low short-term interest rates into a promise of lower long-term interest rates.

8 www.bankofengland.co.uk, consulted on

05/01/2018 (the new home page features a large picture of the Bank with a link to a film of the Governor entitled “Latest from the Governor”).

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