

Whatever Happened to London? A Tale of Two Cities.

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For the first 1500 years of its civic life, London conformed to the European pattern of urban development as a self-governing city, free from feudal Lordship and hospitable to the civic virtues of legality, trade, democratic self-government and professional association. Founded and inhabited by the Romans, it is unsurprising that Roman law and practice became the basis of its institutions and political language. The status of 'citizen' was established by the Romans and retained throughout each subsequent era. The City also adopted through its democratic ward system and court hustings many aspects of Saxon civic practice. The 'folk-mote', for example, was a regular meeting of all Citizens at St Paul's Cross, called by the ringing of the bells where matters of common concern would be discussed and voted upon. This formed the basis of the Corporation of London and founded its position in the Ancient Constitution.

By 1066 the City of London had durable institutions, established legal and democratic procedures and enjoyed a unique status within the body politic. Its importance within the polity can be gleaned from its claim to appoint kings as well as elect its own officials. It was also the only institution to survive the Norman conquest with its civic inheritance intact and its customs undisturbed. While laying waste to the rest of the country, the Conqueror 'came friendly' to London, recognised the liberties of its Citizens, pledged himself to the defence of their freedoms and fortified the City against barbarian attack. The Tower of London was built as a reminder of the consequences of rebellion but London's special status within the constitution was upheld by a stream of charters and privileges that protected the City of London from external interference and recognised the antiquity of its customs.

In Magna Carta, not only are the rights of the 'whole body' of Citizens respected but the Mayor of London was designated as one of two guarantors charged with ensuring that the Crown kept its side of the bargain. The Corporation of London, which announced itself as a 'commune' in 1191 was recognised as one of the great institutions of the Ancient Constitution, a guarantor of the liberties of 'free-born Englishmen' with a place only one step below the Sovereign. The combination of

wealth, functioning democratic and legal institutions, as well as an effective system of civic militias meant that the Crown could never subordinate the City of London to its rule. London taxed itself, judged itself and governed itself. In this way the most cosmopolitan city in England, carved out of a forest by the Romans as their Imperial Capital became the custodian of the ancient liberties of the English People and the champion of common law against encroachment by the State.

London also became, once again in accordance with general European development, a city which recognised guilds and professions as central institutions in the body politic. **The Corporation was built upon the guilds as democratic units of the city and it was in the twelfth century that the Guildhall itself became the centre of London Government. The crafts had a professional status in that market entry was dependent on completing an apprenticeship, the reward for which was the granting of citizenship.**

In the late 16th and 17th centuries, however, London began to diverge drastically from other comparable European cities.

From the 1580s, London became home to ten thousand internal refugees each year, most of them displaced by enclosure in the North and Midlands. By 1625 London had four hundred thousand inhabitants making it twenty times larger than any other English city. In 1632 the Crown asked the Corporation to extend its ancient privileges and institutions to the new areas of London but the Corporation refused the offer. Instead of expanding and extending its democratic practices and legal protections to the new inhabitants living without civic status in the suburbs of Westminster, Clerkenwell, Whitechapel and Southwark, the City of London turned its back on London as a City. The 'great refusal' of 1637 defined the modern history of London as a Tale of Two Cities. Instead of seeking to integrate the new arrivals, the Corporation put large resources into transferring its unwanted excess population to the Ulster Plantation and the Corporation of Londonderry which were established for that purpose. The Bowler hats and umbrellas of the Orange Orders are derived from their sponsorship by the Corporation of London.

The 'great refusal' was the most important moment in the history of London as a City. From that point on the people of London lacked any democratic unitary

municipal authority. Business, and most particularly finance, in contrast, had the most ancient political institution in the kingdom at their disposal.

The Stuarts made two serious attempts at London Reform, one led to the execution of the King, the other, an attempt by Charles II to establish that the Monarchy was the source of the Corporation's authority, to their replacement by William and Mary whose Second Charter in 1690 leaves no doubt as to who were the greatest beneficiaries of the Glorious Revolution. It declared:

That the Mayor, commonalty and citizens of London shall for ever hereafter remain, continue and be, and prescribe to be, a body politic, *in re, facto, et nomine* ... and shall have and enjoy all their rights, gifts, charters, grants, liberties, privileges, franchises, customs, usages, constitutions, prescriptions, immunities, markets, duties, tolls, lands, tenements, estates and hereditaments whatsoever.

The 18th Century was truly a glorious epoch for the City and its Corporation. While the rest of London struggled along without any democratic civic structures, as what the London reformer James Beal called 'an unconstituted aggregation of disunited people', and the apprenticeship clause in the Statute of Artificers was abolished depriving skilled workers of any professional status, the Corporation retained control of the assets granted to the citizens of London over six hundred years, as well as their rights and institutions. Its West-End freeholds were coming good, its overseas investments were returning well, political insubordination became punishable by death or deportation, as was any interference with private property. The Corporation was re-affirmed emphatically to its rightful place as the appointer of monarchs and the custodian of the liberties of the English people. Conflict, however, remained between the Corporation and the Crown and two very different concepts of state and empire developed, one based on 'free trade' and championed by the Corporation, the other based upon prerogative rule and the sovereignty of the Crown. The future lay with free trade and not mercantilism, with democracy and not personal rule, with toleration and not religious uniformity, with the City and not the State, with the United States and not the United Kingdom. The City of London supported George Washington and provided both funds and men for the cause. The citizens of London in common Council Assembled reminded the King, to the point of treason, that it was they and not he who had won the Civil War.

Even as Parliament displaced the Crown as the fundamental unit of sovereignty and democracy displaced the Divine Right of Kings as the principle of legitimacy, the British State still refused to subordinate the Corporation of London to national laws and practices. Its assets and its ancient privileges remained untouched. The reason for this is straightforward. The State depended on the support of the City of London for financing its military objectives abroad. The Corporation ensured that those political objectives were financially defined and that there would be no interference with its internal constitution at home. 'Free-Trade Imperialism' was born within a culture of 'gentlemanly capitalism'. Wall Street and the City, rather than Washington and Westminster formed the basis of the special relationship and brokered the peace between the British and the United States after the American War of Independence.

The City survived each wave of Victorian Municipal Reform. The City of London avoided entirely the 1835 Royal Commission which transformed civic government across the rest of the country. A City of London Supplement was produced in 1837, which argued that the freedom was anachronistic, the Court of Aldermen oligarchic and the distribution of seats in the wards inequitable but it was not acted upon.

The 1854 Royal Commission proposed that the Mayor should be elected by Common Council, that the Court of Aldermen be abolished, that the wards be reduced in number, that the police forces be merged and the accounts of the Corporation published. The result was that the Court of Aldermen remained, they provided the Mayor, the wards remained undisturbed and the police force was kept separate. The Corporation's assets, its property inventory and financial portfolio remain unpublished.

The institutional division of London was finally constituted through the establishment of the London County Council (LCC) in 1889. The penultimate Victorian onslaught upon Corporate privileges had been a ferocious and bloody encounter which ended in Parliamentary censure but political victory for the Corporation. The Corporation hired thugs to break up the meetings of the London Municipal Reform League. They paid agent provocateurs. They misled Parliament. The Corporation of London, did not, however, form the basis of a unified City of

London. London was not to have city status. The LCC had no authority in the City, could not describe itself as a City authority, and was based upon a loose federal structure. The County Council was ruled from County Hall.

The reformers, however, had one last throw of the dice when the Liberals were elected under Roseberry on a platform which included the integration of London into an incorporated metropolis. They ordered a Royal Commission which recommended that 'The Old City and county of London should be merged in a new Corporation of the City of London'. They recommended that all the ceremonies and traditions should be transferred to the new body as well as its assets, rights and privileges. A Bill was prepared but before it could reach Parliament the Conservatives were elected in 1895 and the Bill died.

Despite its disadvantages and limited powers the LCC developed into a significant municipal authority, which played a particularly important role in the development of the Labour Party. It was London that gave Labour the governmental platform on which it could build its claims to power during and after the Second World War. It claimed a record of 'solid and sound achievement in the greatest municipal authority on the world'. These included increased access to schooling and significant improvements in sanitation and housing.

The first half of the Twentieth Century were altogether more troubling for the Corporation than the previous five centuries combined. Socialism, globally and locally, while not precisely a haunting spectre was still a realistic possibility. The Bolshevik Revolution, The Great Depression, the presidency of Roosevelt and his assault on the 'old fetishes of so-called international bankers', were each singularly worrying but cumulatively ominous. Then there was the election of a Labour Government in 1945 committed to Keynesian institutions of global economic governance, the nationalisation of the Bank of England, mining, gas, electricity and other essential utilities, and a progressive tax policy. All combined with decolonisation. The British State for the first and only time in its history adopted a substantive idea of the economy and subordinated the fiscal economy to needs. The Soviet Union was hard enough to stomach as a war ally, the Labour Government seemed far worse as its domestic partner in times of peace. The Labour Government did not, however, interfere with the political institutions of the City, wishing to avoid

constitutional change through concentration on the economy but Atlee was unambiguous in his approach to the City. He wrote:

Over and over again we have seen that there is in this country another power than that which has its seat at Westminster. The City of London, a convenient term for a collection of financial interests, is able to assert itself against the Government of the country. Those who control money can pursue a policy at home and abroad contrary to that which has been decided by the people. The first step in the transfer of this power is the conversion of the Bank of England into a State institution. (C. Atlee, *The Labour Party in Perspective*, Gollanz, London, 1937, pp. 80-81.)

With the election of the Conservatives in 1951, however, the wheel turned and it was no longer the Corporation that faced abolition, it was the LCC. The Herbert Commission of 1957 was a watershed in Corporation history and it stated enigmatically and unambiguously that ‘logic has its limits and the position of the City lies outside them.’ In 1963 the GLC was created, administering an area more than three times the size of inner London. There was also an amalgamation of local boroughs into units of administration far exceeding in scale anything remotely linked with the word local. Hundreds of thousands of people lived within local authorities larger than most other British Cities.

Each Labour Manifesto until 1997 included a commitment to confront the power of the City in the body politic by abolishing the Corporation of London, but the threat of capital flight and currency collapse did their work each time. The Governments of both Atlee and Wilson were hit, and hit hard, by a sterling crisis and the need for internal investment. Britain’s balance of payments, its place at the top table, its economic performance were increasingly dependent on invisibles; invisible exports, invisible earnings, and the power of the City of London became invisible. The City did not have an MP of their own and yet they could set the parameters of government policy. The Wilson Government drifted away from manufacturing towards an acceptance of the priority of finance.

The Heath Government, if anything, reverted to a more balanced approach to the relationship between manufacturing and finance, supporting British Leyland, for example, with public subsidies. This was the heresy that the group who became known as Thatcherites could not forgive. They argued that a mixture of sentimentality and cowardice rendered Heath powerless before the political might of

trade unions and industrialists which led to successful racketeering in terms of subsidies and unfair competitive advantage, the most extreme form of which was nationalisation. When it came to political priorities they argued that it was best to let the market decide.

Amidst the enormous swelter of writing on Thatcherism, its most important characteristic can be obscured. Thatcherism was based on the absolute primacy of not only the financial sector within the economy and the subordination of the manufacturing economy along with the social life and institutions that surrounded it, it was based upon financial calculation as the measure of all value. The domination of London as a city by the City of London became absolute during this time. The fury of Thatcherism wreaked its vengeance upon London and the outcome was decisive.

The GLC, as the LCC had been before, was a democratic municipal institution, which was charged with the responsibility of representing the common good of Londoners. Its powers were still considerably weaker than any other European, or American City of comparable size, its planning powers were circumscribed by Westminster, its Police Force under the control of the State and not the Municipality and its borough councils, larger and more powerful in relation to the civic centre than was the case elsewhere. The GLC did have responsibilities in transport, housing, environmental protection and education and upheld the non-commodity status of its citizens through attempting to provide public goods such as cheaper transport, taxes on polluters and increased public housing. It was abolished in 1984. The attempt at establishing structures of democratic governance in the administration of London as a City lasted for less than a hundred years. The idea of a City Council made up of representatives from each locality was eliminated and London, alone among European Cities had no democratic civic authority and it was London as a City that had to bear the consequences of lacking a powerful municipal body that could promote the public good, represent its interests at home and abroad and govern itself. Indeed, its inherited status; its assets, institutions and privileges, are used exclusively in the service of the financial interest.

The necessity of balancing budgets and the lack of any common institution that could uphold any notion of citizenship led to a storm of commodification in all aspects of London's life. London was affected as badly as any other manufacturing

area, and then more, as a wave of migrants from other areas of the country fleeing poverty and unemployment hit the suburbs. The latter decades of the 20th Century witnessed an increasing degradation of the civic and environmental fabric of London's life. School playing fields were sold off, as were many schools, town halls and recreational spaces. The privatisation of British rail led to enormous sales of land before the knackered track was handed back to the State. The 1990 Town and Country Planning Act deemed planning laws to be 'subjective' and the business interest became dominant. Ugly, cheap and dangerous developments, most particularly relating to fast food restaurants, flourished. Conservative figures as senior as Geoffrey Howe, Thatcher's Chancellor in the high tide, claimed that the abolition of the GLC was 'wrong'.

New Labour, however, were less emphatic in their response. They wanted no return to the 'bad old days' of the GLC and even forbade the repossession of County Hall in order to emphasise the fresh start. New Labour defined itself by its new relationship with the market in general and the City of London in particular. It recognised the Corporation as the representative of the financial interest. Finance has maintained its stranglehold over the Treasury, and the Treasury over Government policy. Fiscal orthodoxy subordinates productive practices in the economy in the same way as office spaces replace residential places throughout the City Fringe. London has indeed become a Capital City, a city where only money matters and where only the Financial interest has a terrestrial administration to support its lobbying.

The Corporation of London is now more powerful than it has been for a millennium. It has never been wealthier. Locally it dominates its impoverished neighbours and seeks to expand its property interests at its borders with a view to a depopulated financial district stretching from, in the words of Dame Judith Mayhew, 'Victoria to Canary Wharf'.

If the first act of the Attlee administration was the subordination of the Bank of England to political control, the first act of New Labour was to release it. The negotiations around the formation of the new Greater London Authority (GLA) and the assumptions of the London Plan reveal the extent to which the Corporation has dominated the definition of London's future and the parameters of 'regeneration'.

The establishment of a 'city-wide' Mayor for a 'world city' did not include any authority for the new Mayor in the City of London itself. He is, definitionally, the suburban mayor, with no access to the City Cash or any effective resources or powers. The disparity between the two cities can be shown in the representation of councillors in the two cities. The Common Council of the Corporation has 124 members representing five thousand eight hundred and eighty people, in other words one representative for every fifty two people. The GLA has one representative for every eight hundred thousand people. The GLA is an expression of an entirely managerial and administrative notion of civic governance. The system is based upon the election of an individual, the Mayor, and a twelve person authority which functions in an ill defined no-mans land between advisory body and watchdog. The Borough Councils remain the democratic units of authority and thus the Mayor is unsupported by democratic institutions.

When Tony Blair was elected in 1997 he announced that modernisation and fairness were to be the two guiding principles of government policy. These two principles were to be complemented by three public sector directives which can be summarised as 'accountability', 'diversity' and 'human capital development'. The Mayoralty and the GLA were New Labour's contribution to the modernisation of London, The City of London (Ward Elections) Act 2002 was the Corporation's response to the Government's request that it 'represent more fairly the various interests of the square mile'. What did it contain?

First, it established a legislative innovation unprecedented in English history. Clause Four of this new Act bases the **size** of a companies vote, the number of votes it will be allocated in elections to the Corporation of London, on a human unit – the workforce – which has no civic status other than as a unit of calculation. The only comparable franchise, which based the size of a voting entitlement on a human unit that had no civic personality and was entirely mute, was the voting rights accorded to the owners of chattel in the Antebellum American South at the time of the American Revolution.

There is no hint of jargon here about accessibility and inclusiveness, diversity and accountability, human capital and stakeholding. When the matter was serious and relates to the pure representation of the business interest in the richest and oldest

political authority in the world, when it comes to having a political authority 'dedicated to the business city' there was only one interest promoted by this bill, and that was the financial interest as interpreted exclusively by the management of corporations. The New Corporatism indeed.

The adoption of the slavery franchise, in order to ring-fence the interests of capital, is surely the strongest message from New Labour about how far it was prepared to go in order to strengthen and deepen its relationship with the business city. It indicated a level of subordination and wishful thinking that came to be fateful for the government when

The House of Lords Select Committee report was 'particularly concerned' about the type of franchise adopted. They refused to pass the Bill until the Corporation of London produced guidelines which ensured that management would 'consider the views of the workforce'. It ordered the corporation to 'further develop the guidelines ... to include a reference to the process for appointments of voters by qualifying bodies being open and clear.' It could not, however, oppose the will of the Commons. A committee which included the 9th Earl of Arran and Lord Marsh, took a more benign view of the status of the workforce than the Labour Representatives in the Commons. The Lords Committee struggled to give some human form to the unit of calculation but fell significantly short of the 'human minimum' which requires a recognition of volition and voice.

The result of all this means that there are, in effect, two Cities; both called London. One is a real City with a great Cathedral, a Guildhall, a Mansion House, a dense network of democratic vocational and civic institutions, clean streets and a well-funded police force; but a population smaller in size than Norwich in the 9th Century. The other place called London is a collection of boroughs with neither sufficient funds to meet their mandatory responsibilities nor the democratic authority necessary to curtail lawlessness and civic degeneration but which is, nonetheless, home to more than eight million people.

It is widely assumed that England developed the first sovereign nation state under the Tudors, in which all aspects of national life, civic and religious were subordinated to the authority of the King in Parliament. The history of the

Corporation of London indicates that there was a significant exception to that story which was to have a profound effect on the development of the British economy and society. The particular strength of the Treasury and the Navy in the administration of the British State and the 'free trade imperialism' that characterised its Empire indicate the power of the City of London to shape the State and economy that came to surround it. Its status in the Ancient Constitution, its wealth, the dependence of the State on the invisible earnings it generated and the institutional capacity to pursue a single interest with relentless persistence through time meant that its political power has not been challenged since the seventeenth century. The financial crash has exposed the dependence of the British economy on the financial sector and the City of London. There is a need to restore trust in its institutions and practices and rebalance the British economy to lessen the effects of another financial calamity. The creation of a unified City of London that represented its people as well as the financial interests of its banks may be a good place to start. There is no balance of interests in the corporation, there is no equivalent of the King in Parliament and it is necessary to re-establish that within the City of London Corporation.

It is telling that the privileges and status of the money interest is rigorously defended. The Alderman, Common Councilmen, the Lord Mayor and the Livery are all scrupulous in defending their status, customs and prerogative from time immemorial, but the same does not apply to the Billingsgate porters who have recently been stripped of their birthright. The status of portreeve, or porter, precedes that of Mayor and is its origin. It was the portreeve of London, accompanied by its Bishop who met the conqueror at the gates of the City and ensured that the Conqueror came friendly. It the portreeve who ensured that London was governed ethically and effectively, supervising economic as well as political regulation. He preserved a political status in an essentially contractual port economy. The porter regulated the port, enforced the law when it was always cheaper to break it. The status of porter is the origin of the Mayoralty and the executive force of the Corporation. Once again the workers interest has been sacrificed, once again economic regulation has been sacrificed, and once again it is being financed by the Mayor's fund, the assets of which we do not know and have no right to ask to see. What we do know is that they are based on the civic inheritance of London as a City, not a financial lobby group who pursue their own interests alone. The fate of the Billingsgate porters is

fundamental for the political governance of London. In showing that the most ancient status can be discarded, the Billingsgate porters are exposing that the Corporation does not honour its traditions and customs but wishes only to exclude those Londoners who are not wealthy from their rightful citizenship.

The democratic restoration of the City of London Corporation to include all of London, deny capital an institutional lobbyist deep in the structure of the British State and renew urban citizenship could provide a good starting point for the renewal of civic democracy.