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**Gresham Special Lecture**

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***COMMERCE AND CULTURE  
IN THE LATE TWENTIETH CENTURY***

*delivered by*

***Dr Charles Saumarez Smith***

*at Mansion House*

*Tuesday 8 May 2001*

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Gresham College, Barnard's Inn Hall, Holborn, London EC1N 2HH

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# Gresham Special Lecture 2001

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## COMMERCE AND CULTURE IN THE LATE TWENTIETH CENTURY

My Lord Mayor, ladies and gentlemen, I was extremely honoured to have been invited to give this year's Gresham Special Lecture, particularly so when I read the list of those who have given previous lectures in the series. I have long been aware of the role of Gresham College in fostering the spirit of scientific and commercial enquiry in the early days of the formation of the Royal Society. But I had not previously realised the extent to which it had revived itself in the nineteenth century and has continued operating into the twenty-first century, keeping alive the spirit of Thomas Gresham in its support for free public discussion of relevant topics of the day.

I thought that I would choose as my subject for this lecture an issue which I hope is true to the spirit of Thomas Gresham, an issue which has lain at the heart of British history at least since the sixteenth century: that is, the relationship between commerce and culture. I do not propose to concern myself solely with the narrowly technical issue of commercial sponsorship of the arts, although this subject is certainly deserving of historical and cultural analysis. Rather, I am interested in a particular aspect of the relationship between commerce and culture in the last half century: that is, the way in which society values and respects those, on the one hand, who work in the public sphere, either in Whitehall or in the arts; and the way in which society values and respects those who work in the private sector, in the worlds of finance and the City. I have become interested in the course of working at the National Portrait Gallery in what I regard as a deep shift in the way that society accords respect to individuals working in society from those in the public sector to those in the private. This is a shift which has not been much studied or analysed since the work of Martin Weiner in the early 1980s when he argued in *English Culture and the Decline of the Industrial Spirit* that one of the problems which inhibited the development of the British economy in the twentieth century was the low valuation placed upon achievement in the worlds of finance or industry. I want to look at the extent to which this has changed over the last thirty years, which I think it most certainly has.

Briefly, my argument is going to be that, over the last thirty years, there has been a switchover between commerce and culture, whereby the City - at least in my experience of it - has become much more conscious of its cultural responsibilities, much more guided by what one might regard as cultural values, much more humanistic in its ethos, recognising the importance of creativity and the intellect in the way that it operates and in the way that it seeks to recruit the best talent. The cultural world, on the other hand, has become much more narrowly commercial; much more obsessed by its economic value and financial performance; much more beholden to the commercial world for its survival; and that the cultural world has correspondingly declined in a sense of its own

public value, a sense of what it can contribute to society, while the world of finance has correspondingly advanced in public esteem. I want to spend the bulk of this lecture exploring this thesis, before considering, at the end, what might be its implications and the extent to which it can be regarded as a public benefit. I am going to try to do so non-judgmentally as a fact of history. And I am going to refer at times to works in the National Portrait Gallery, because the National Portrait Gallery is a public institution which is required by the circumstances of its mandate to represent those people who are regarded as of national esteem. It is one of the theatres in which the changing nature of that esteem is worked out. Sadly, I am not able to show slides this evening, but I hope that most of the portraits I refer to are familiar and I can at least describe them.

Before I propose this thesis, I want to give a sense of long historical perspective to the phenomenon I want to describe: that is, that a sense of the relative importance of the worlds of commerce and culture and the ways in which achievement in the world of finance has been publicly esteemed are not, by any means, new issues in British history. They go back at least to the era of Sir Thomas Gresham. At the National Portrait Gallery, we hang a portrait of Gresham, as he deserves, prominently in our new Tudor Gallery, nearly adjacent to the great Ditchley portrait of Queen Elizabeth, whose financial interests he served so well and whom he was able to entertain at his country seat at Osterley, when, like so many city merchants before and since, he converted the profits of a life spent in the Bourse at Antwerp by purchasing a country estate. His presence so prominently in the collections of the National Portrait Gallery is a recognition that a major financier belongs in the national pantheon, not only for his contribution to the economic fortunes of the mid-century Tudor state, but also for his role in the establishment of the Royal Exchange and for his legacy in the foundation of Gresham College. At the same time, if one examines the life of Thomas Gresham, then one very quickly discovers a sense of the ambiguity in the social and cultural position of the great merchant in the late sixteenth century: a desire to launder the profits of the counting house through philanthropy; a sense of anxiety that he was not accorded the public esteem which he felt he deserved; and a recognition, in making his will, that it was important that the City, which he had served so well during the course of his life, should acknowledge the value of the life of the mind by the establishment of a new university. Already, exemplified in the life of Thomas Gresham are a number of the themes and issues which I want to address.

Let me now move rather rapidly forwards to the second half of the twentieth century, the period to which I want to devote my political and cultural analysis. If I think back to the 1960s and 1970s or, more broadly, to the post-war period, then it would appear to me evident that, in the long seesaw in the relative valuation of commerce and culture, then culture - by which I mean a sense of the independence and autonomy and significance of specifically cultural values to public life - then had the upper hand. There was a sense in the public sphere of the importance of the life of the mind, the value of free, intellectual enquiry as a key component of a liberal democracy, a recognition of the contribution made to public debate of the academic and the public intellectual, and of the essential importance of the universities, both old and new, and of the contribution which they could make to affairs of state. This is a world and a set of public values which was admirably described by Noël Annan in his book *Our Age*, published in 1990 at the end of a long career as a public administrator - in his forties as Provost of King's College, Cambridge and in his fifties as Provost of University College, London. He wrote the book with a sense of nostalgia, as well as of, perhaps redundant, apology. The period which he described was one of - to quote the title of a famous work of sociology



of the late 1950s - *The Rise of the Meritocracy*, when academic ability was assumed to lead to a career in the service of the public, if not in the new universities, then in the media or the civil service. It was a period when, importantly, the civil service was still expected to recruit, following the spirit of the Northcote-Trevelyan reforms in the early 1850s, the most able and intelligent graduates as they emerged from the universities and when public service was still esteemed as lying at the heart of a well ordered society.

I can perhaps illustrate this period in the life of the nation by referring to two portraits in the collections of the National Portrait Gallery. The first is a portrait of Lord Redcliffe-Maud by Ruskin Spear. I recollect soon after I was appointed as Director, a journalist saying to me that one of the things he loved about it as an institution was the fact that nowhere else in the world would a bowler-hatted, senior civil servant, complete with furled umbrella, pin-striped trousers and slightly crumpled briefcase, have a place in an institution which regarded itself as a pantheon of national heroes. But, of course, Lord Redcliffe-Maud, the first full-time politics don at Oxford, recruited to the civil service from the Mastership of Birkbeck College in the early days of the second world war, Permanent Secretary to the Ministry of Education in 1945, author later of the Redcliffe-Maud Report on the reform of local government, and ending his days as Master of University College, Oxford was, in many ways, the epitome of the post-war public servant. He was described by Robert Armstrong in his obituary for the *Dictionary of National Biography* as: "discreet, wise, entertaining and incorruptible; and he had in high degree the traditional attributes of the distinguished public servant: intelligence, high-mindedness, dedication and a capacity for sustained hard work". I like the carefully chosen Latinate of Robert Armstrong's phraseology, so perfectly exemplifying the fine tuning in the use of mandarin English, which was regarded as the essential characteristic of the postwar civil servant.

The other portrait that I want to allude to in order to illustrate this era in British history is a portrait, which was commissioned by the Board of Trustees of the National Portrait Gallery when they first began to commission portraits in the early 1980s. It was of the three most recent secretaries to the cabinet, Lords Hunt, Trend and Armstrong, the then three most senior living civil servants. It is almost a parody of an era when it was still believed that power, status and intellectual authority might reside in the upper echelons of Whitehall.

Meanwhile, if one looks to characterise post-war attitudes towards the city and if one is to believe the recent, fascinating book by Philip Augar on *The Death of Gentlemanly Capitalism*, the 1960s and 1970s were a period of relative torpor in the life of the City, an era of the late start and the liquid lunch, when those who were not necessarily especially academic were able to make a good living in a not too arduous manner, doing a job which was acknowledged to have an important contribution to the economy of the nation. But the individuals involved were expected to be motivated more by self-interest than by a belief that they were contributing more broadly to the public realm. And the wealth which was made by those who worked in the City at that time was not disproportionate to those of other professions, partly owing to the relatively amateur ways in which money was made and partly owing to the penalties of redistributive taxation.

If one is looking for a way of documenting the relative public standing of those in the political, cultural and artistic world as compared to those in the City at this period, then it is intriguing to look back on a project which was undertaken jointly by the National



Portrait Gallery and the *Sunday Times* in 1979 in order to document those whom they described as 'The Great British'. In amongst the politicians and theatre producers, the authors and the Nobel prize scientists, there are only two people who can remotely be described as belonging to the world of business. The first was Lew Grade, who was photographed by Arnold Newman, the American photographer, cheerfully holding a large cigar in his hand and, interestingly, with framed dollar bills on the bookcase behind him. He looks like a parody of the post-war image of the businessman. The other was Sir Freddie Laker, the entrepreneur who was one of the first people to begin to break down the monopoly of the skies. In this photographic project undertaken to document the fifty people most important to the life of the nation in 1979, there was not a single economist, banker or financier. The City, in other words, was simply not represented.

I wish that I was able to demonstrate the extraordinary contrast between the two photographs of the businessmen with the photographs of those people who were chosen to represent great public achievement in the arts. There is a photograph of Lord Clark of *Civilisation*, sitting in the window of the library of his country seat at Saltwood Castle in Kent, the epitome of the worldly scholar, highly successful in the public sphere, but still able to survey the world with a certain superiority. There is another photograph of Sir John Pope-Hennessy, the former Director of the Victoria and Albert Museum, at home in his flat in New York, to which he had emigrated in the late 1970s after a brief and rather unhappy period as Director of the British Museum. These two photographs beautifully exemplify my general point: that, at this period in the arts, there was no lack of self-confidence and self-esteem. On the contrary, these two figures are highly representative of some of the characteristics of the arts in the post-war period: the belief in the value of public subsidy in order to secure the independence and autonomy of the arts; the idea that cultural value should be determined entirely independently of the size of the audience or commercial success; the importance of a deep knowledge of history to an understanding and appreciation of contemporary art; and that, essentially, the arts should be free of political interference as one of the prime characteristics of the post-war political settlement in the west.

This photographic project of who were the leading figures in Britain in 1979 has a certain historical resonance because it was, of course, in 1979 that the incoming Conservative government began to make its determined and ultimately successful attempt to swing the pendulum in the relative balance between commerce and culture back towards commerce. Now, I do not feel it is for me to trace the impact which the Conservative government had on the City in the early 1980s in its liberation of the market in the lead-up to Big Bang. Nor am I sufficiently well qualified to do so. There is, I am sure, already a substantial literature on the subject, which will no doubt be added to in the future. But I can describe some aspects of the Conservative government's impact on the arts and culture, which was essentially a calculated one: that is, that in its determination to reduce the then high levels of public expenditure on the arts, it chose to pursue a policy, not always successfully, of capping public subsidy. It attempted to find ways of ensuring that the difference was found through a system of plural funding; through a much more efficient, commercial performance; by increasing direct charges to the users of the arts in place of subsidy; and by a combination of commercial sponsorship and private philanthropy, although the government in this country has always stopped short of introducing the type of tax incentive which would permit private philanthropy to operate more completely on the American model. These policies shifted the balance in the relationship between commerce and culture, making culture necessarily a supplicant to commerce.

These policies have been pursued, I think, successfully in all arts organisations over the last twenty years. I thought that I would describe briefly how they have operated at the National Portrait Gallery as a case study of the change from institutional autonomy to one in which techniques of business management have necessarily played a much larger part. If I look back on the history of the National Portrait Gallery during this period, then it can be seen progressively to have increased the level of its self-engendered revenue from its own activities, so that now 35% of our annual operating budget is independent of public subsidy. We run a successful picture library, which operates by exploiting the sale of reproduction rights. We run a shop which aims to follow the best possible commercial practice, although occasionally it feels itself to be limited in doing so by some of the obligations of operating within the constraints of a public sector organisation. We let out the Gallery most evenings of the week for commercial hire. We seek sponsorship for all our exhibitions and have a good track record in securing it. In other words, like all arts organisations over the last twenty years, we are now dependent on the City for our survival.

Most obviously, we have also benefited from private philanthropy in modernising the institution. In a major campaign of fund-raising in the early 1990s, the Gallery secured generous donations from, amongst others, Lord Wolfson for our new ground floor exhibition gallery; from Drue Heinz for our Heinz Archive and Library; from Vivien Duffield of the Clore Foundation for our Clore Education Studio; and from Dame Shirley Porter for the Porter Gallery. More recently, we embarked on a second major, and equally successful fund-raising scheme, in which we secured further, very generous donations from Lord Wolfson and Drue Heinz for our new Tudor Gallery and a remarkable donation of £2.75 million, at the time one of the largest single private benefactions to the arts, from Christopher Ondaatje, who, I'm pleased to say, gave us money before he did to the Labour Party.

Quite rightly and appropriately, we honour these individuals for their gifts. Whereas in the 1980s, the Trustees of the National Portrait Gallery commissioned a group portrait of the Cabinet Secretaries, who ultimately represented the source of its funding, now we are much more likely to commission portraits of our major donors. For example, before the opening of our new Ondaatje Wing, we commissioned a composite, computer-generated portrait of our donors to display at the time of the opening of the new wing, which showed them in our old Tudor Gallery. It included Vanni Treves, who was chairman of our development board and secured for us a generous donation from the 29th May 1961 Charitable Trust, before going on to become chairman of Channel 4 and of Equitable Life. Next to him, is Lord Wolfson; seated, Drue Heinz; standing in the foreground, Christopher Ondaatje; seated, Gary Weston; and, to the right, Lord Rothchild and Eric Anderson as representatives of the Heritage Lottery Fund. I love this portrait. It conveys so beautifully the character of philanthropy, its confidence as well as something of its reticence. These are people who know that they have put their money to good use and are proud of it. They are people who know that esteem in society now attaches itself, with good reason, to those who give their money to good causes.

Now, where, you may ask, is this argument leading us? I said at the beginning that I wanted to look at the way that the financial sector has acquired some of the characteristics of the cultural sphere, a sense of cultural self-confidence; and I have been using the collections of the National Portrait Gallery as an institution which is required by its mandate to reflect the way in which society accords esteem. There can be no dispute, I think, that, at least in the collections of the National Portrait Gallery, the



individual achievement. The City is regarded as the engine of public, as well as of private, benefit.

Meanwhile, at the other end of town, the world of Whitehall languishes. I have only once been into the Treasury and it left an indelible impression on me, of long corridors filled with the forgotten officials of a lost Empire, too impoverished in its own sense of its importance to have spent any money on itself for several generations, with nameplates on the doors demarcating long forgotten initiatives of governments which have now passed away: not full of thinkers planning the future, but of the apostles of red tape, planning some new way of constraining public initiative and throttling the freedom and powers of invention of those who are employed by the state. It has been hoped to solve the problems of the public sector by the importation of the disciplines of the private sector. But this has been done by aping the form but not the content, by assuming that measurement is what is important and not intelligence and achievement. The cultural sphere is now looked to not for what it achieves culturally, but for what it might contribute to the economy, weighed down by performance indicators, driven by the demands of the marketplace rather than by a belief in the integrity of its own cultural content. In other words, culture has gone commercial, not necessarily to its own benefit.

I began this lecture with Sir Thomas Gresham. I want to end it with what I understand were the ideas and beliefs which animated the foundation of Gresham College: that is, with a sense of the desirability of mutual respect between the worlds of commerce and culture. It is obviously right that there should be a proper sense of valuation of what commerce can contribute to the world, a recognition of the importance of the intellect to creative, commercial decision-making. I have enjoyed and appreciated the contact that I have had with those in the world of finance, who seem to me often to have those qualities which I used to expect and find in the universities, the intellectual detachment which goes with a high level of analytical skills, as well as breadth of experience. But, at the same time, I worry about a loss of self-belief of those in the public sphere, a sense of demoralisation, of low public valuation, that culture would be better run if it was run like a second-rate business, without any recognition that culture values freedom and autonomy and self-determination and that culture can pose its own questions to democracy.

I do not wish to be a Jeremiah. But I feel that these are questions worth asking and I do not hear them being asked. And I cannot help but look back to the period when Gresham College encouraged a sense of active cross-fertilisation between those in the city and in government, between architects and scientists and those whom one might regard, like Samuel Pepys, as public servants. They felt that they had much to learn from one another and that the life of the mind was worthy of respect. I wish I felt that we had retained a sense of that mutuality of respect, rather than, as I have tried to describe in the course of this lecture, swinging over the last half century from a lack of any proper valuation of commerce to a position where commerce is king. Neither position is sensible. We both have much to learn from one another.

# G R E S H A M

## COLLEGE

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An independently funded educational institute, Gresham College exist

- to continue the free public lectures which have been given for 400 years, and to reinterpret the 'new learning' of Sir Thomas Gresham's day in contemporary terms;
- to engage in study, teaching and research, particularly in those disciplines represented by Gresham Professors;
- to foster academic consideration of contemporary problems;
- to challenge those who live or work in the City of London to engage in intellectual debate on those subjects in which the City has a proper concern; and to provide a window on the City for learned societies, both national and international.

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