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**The City of London in Literature:**

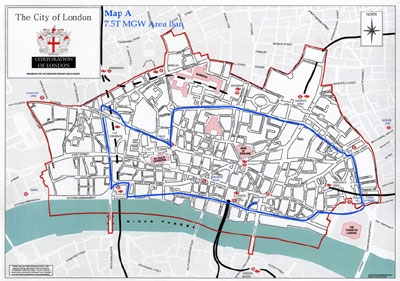
**Place, People and Pursuits**

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A) The City is London.



B) The City within London.



There is an enormous gulf between reality and perception whenever the City of London is discussed. On the one hand the City is seen by many as the economic power house of the UK economy, contributing around 10 percent of national income, making its preservation a key focus of government policy whatever the political persuasion of the party in power. On the other hand the City is seen as little more than a giant casino whose very existence threatens the economy in which it is located and undermines the political, social and even moral fabric of Britain. This polarisation has long existed and remains a puzzle despite the research that has been conducted over many years and the publications that have resulted. It might have been expected that a compromise position would have emerged that recognised the merits of both perspectives. One major reason why that has not happened is because the City of London means different things to different people. At one level the City of London is a physical place. Originally the City of London was all of London but over many centuries the population expanded far beyond the confines of what been a Roman city. Eventually the relative decline of the City in terms of its share of London’s population turned into absolute decline, as the residential population deserted it for ever more distant suburbs.

This transformation of the City of London, and its implications, has long been recognised. In the middle of the 19th century the eminent Victorian historian, Thomas Babbington Macauley, contrasted the City of London in his own day with what it had been two centuries before, in the mid 17th century. As he so eloquently wrote,

‘In the seventeenth century the City was the merchant’s residence....In such abodes, under the last Stuarts, the heads of the great firms lived splendidly and hospitably. To their dwelling place they were bound by the strongest ties of interest and affection.... The whole character of the City has, since that time, undergone a complete change. At present the bankers, the merchants, and the chief shopkeepers repair thither on six mornings of every week for the transaction of business but they reside in other quarters of the metropolis, or at suburban country seats surrounded by shrubberies and flower gardens. This revolution in private habits has produced a political revolution of no small importance. The City is no longer regarded by the wealthiest traders with that attachment which everyman naturally feels for his home. It is no longer associated in their minds with domestic affections and endearments. The fireside, the nursery, the social table, the quiet bed are not there. Lombard Street and Threadneedle Street are merely places where men toil and accumulate. They go elsewhere to enjoy and to expend.’ *Lord Macauley, The History of England,* 1848*.*

As the City ceased to be a community in which people lived and toiled it became identified with those who worked there, whether they were great merchant princes and eminent merchant bankers travelling in by carriage and train from the South and West or the humble clerks arriving on foot and omnibus from the East and North. The latter were too much of a mass to be identified as specific individuals whereas Rothschild was known to all because of his wealth and power. As a result it was Rothschild who personified the City in the first three-quarters of the 19th century. However, as these eminent bankers disappeared from the City none appeared to command the power and wealth that they had possessed. There places were taken by joint-stock companies with such names as the Midland Bank managed by Edward Holden who was an employee not an owner. The result was an identity crisis for the City in the late 19th century. Out of that emerged the City of today, defined not by the space it occupied or the individuals whose business was located there but the particular activities they pursued. No longer was it necessary to identify particular people as long as the business that they undertook possessed an identify of their own, such as a banker or broker, or the place in which they worked could collectively represent them, as with the Bank of England or the Stock Exchange. It was over the course of the century, beginning with the end of the Napoleonic Wars in 1815 and the outbreak of the First World War in 1914, that the City of London experienced this transition from Place to Pursuit with an interlude of People in between.

It is Pursuit that has left the most lasting legacy, as the City of today operates far beyond its physical boundaries, even within London, and none of those prominent in its affairs possess the near mystical powers attributed to a Rothschild in the early Victorian age. Nevertheless, it is this confusion between Place, People and Pursuit that continues to make it difficult, if not impossible, to reach a balanced verdict on the role played by the City of London within British economic, political and social life. Hence the reason that the ‘Occupy the City’ movement ended up being encamped outside St Paul’s Cathedral, and the vilification of such individuals as Bob Diamond of Barclays, Fred Goodwin of RBS, and James Crosby of HBOS even though the base of much of their operations was New York for the first and Edinburgh for the other two. How is it possible to protest against a pursuit which it neither localised nor confined to a few but is both global and undertaken by the many? As a result their protest was against global capitalism in general and bankers in particular. In that the City of London made an inviting target because it had both a physical location and widely regarded as sharing with Wall Street in New York the leading positions among the world’s financial centres. ( Ranked number 1 in the Financial Times, 25th March 2013).

The City of London has been one of the world’s leading financial centres over the last 300 years In the 18th century it shared pole position with Amsterdam and then with Paris in the 19th and New York in the 20th. Until the Second World War the City of London was also the leading international commercial centre, including shipping, but that element of its recent history if often ignored in favour of a focus on its purely financial activities. As late as 1911 only an estimated 48,066 of the City of London’s workforce was employed in financial services, or 13.5% of the total. This had risen to 124,407 by the mid 1960s, but even then it was only 34.5% of the total. Today the figure is around 151,000, or 41.4%, indicating the enduring importance of pursuits other than finance in the City, especially in such business and professional services as law and accountancy. What the City of London has exhibited over the centuries is an amazing capacity to re-invent itself time and again. After the Second World War the need for global commercial centres declined, as the business that they were responsible for became internalised within multinational corporations and government agencies. What physical trading of commodities that remained switched to locations offering light regulation and low taxation, such as Switzerland and, later Singapore. Faced with that challenge the City of London had no option but to change, which it did by building on its existing strength in banking and finance.

Despite this ability to transform itself and cope with one challenge after another, ranging from financial crises and world wars to the loss of Empire and Britain’s economic decline, the City of London has rarely received the praise of contemporaries. One of the few was Paul Einzig, impressed by the City of London’s ability to withstand the challenges of rival financial centres, including Berlin, Paris and New York, and so emerge triumphant in *The Fight for Financial Supremacy* (Paul Einzig, 1931). However, that is a rare exception and one that came from the pen of a foreigner who had the benefit of seeing the City of London from outside. In contrast, the use of novels reveal that the City of London rarely commanded the respect of the resident British population, especially as it became identified through the personification of those who worked there and then by the activities centred on the use of money alone. Novels provide a glimpse of the opinions of contemporaries which cannot be captured from facts and figures. Novels are also powerful opinion formers capable of generating perceptions that last over successive generations. Consider how the work of Dickens still shapes opinion regarding Victorian Britain, compared to copies of yesterday’s newspapers or the even more ephemeral outpourings found on social media. However, as a source for historians novels must be treated with a great deal of care.

Novelists writing about the City based their work on personal experience, evidence provided by friends and relatives, and the information and views expressed in contemporary newspapers and other media. They then added in their own prejudices, biases and opinions. Novelists also had to meet the practical requirements of producing a work of fiction and responding to the demands of the book buying public. A novel is not a factual report but a literary creation produced in the expectation of sale, and so must be treated as such. The novel is a product of the imagination conditioned by the world in which the writer lived. As such the City of London appealed to writers as a physical location because of the scale, intensity and nature of what took place there, which was beyond the ability of most to comprehend in detail. The City of London also contained individuals who made ideal characters for a novel because of the power they wielded, the wealth they possessed, and the interesting and varied lives that they were able to lead. Finally, the constant buying and selling, that was the hallmark of the City of London, provided writers with material that could be used to dramatic effect as fortunes were made and lost with huge consequences for all involved.

Place

Between 1851 and 1911 the residential population of the City of London fell from around 125,000 to 20,000. In contrast, the working population rose from around 170,000 in 1866 to 364,000 in 1911. (*The City of London Day Census: Report, 1911)* The process that was taking place was evident in many urban areas, as the pressure on the available land in central business districts drove people to live further afield and commute to work on daily basis. Accompanying this exodus of the residential population in the City of London was a re-ordering of the activities that took place there, with the gradual loss of much manufacturing and shopping as well. What was left was an increasingly focussed commercial and financial centre that operated at the wholesale rather than the retail level. By the 1850s the City of London was already becoming a remote and curious place to those who visited it. To Morrier Evans, ‘The City is a world within itself. Centred in the heart of the metropolis, with its innumerable capacities for commercial pursuits, it presents at first sight, to a stranger, a most mysterious and unfathomable labyrinth of lanes and alleys, streets and courts, of lanes thronged with bustling multitude, whose various occupations, though uniting in one grand whole, seem to have no direct association with each other.’ (D. Morrier Evans*, City Men and city Manners,* 1851). For those trying to describe the City of London as a place at the beginning of the 20th century the task was even more difficult, as it was a place to which people travelled to in the morning and then left in the evening. ‘...the City of London, whose resident population hardly equals that of Dover, but whose precincts over a million persons enter daily, Sunday excepted, on business bent.’ (A. H. Beavan*, Imperial London,* 1902*.*)

Many novelists writing in the mid 19th century continued to regard the City as a real community with an identity shaped by those who both lived and worked there. The result is a relatively balanced view of the City that recognised both its faults and its merits. To Charlotte Bronte, writing in 1853, ‘The City seems so much more in earnest: its business, its rush, its roar, are such serious things, sights and sounds. The City is getting its living – the West-End but enjoying its pleasure.’ (Charlotte Bronte*, Vilette,* 1853). Mrs Gore was also impressed by the City of London as a place at that time. ‘Basil proceeded through the gorge of a narrow court into a larger one, surrounded by high buildings, one side of which seemed occupied by a handsome old-fashioned dwelling house, and the other by a range of buildings, the basement story of which was appropriated to counting houses.’ (Mrs Gore*, The Money Lender,*1854)*.* One novelist who stuck to writing about the City of London as a Place was Charlotte Riddell, clearly impressed by its size and diversity. ‘Fragmentarily the City is nothing, but collectively it is gigantic;....’ (Charlotte Riddell*, City and Suburb,* 1861). Even in 1870 she continued to eulogise about the City as a place. ‘What a view of the City is to be had from Bankside! ... A place of churches, houses, streets, lanes, bridges of old as well as recent developments like the Cannon Street railway terminus and new wharves and warehouses.’ (Charlotte Riddell*, Austin Friars*, 1870).

By then the City was beginning to lose its identity as a Place where people interacted with each other at all levels and in different ways. Instead, writers increasingly focussed not upon the City but wrote instead about the East or West End of London, the growing suburbs or the world of country houses, as that was where people actually lived their lives. One of those was Walter Besant, whose interest was the East End. He noted in an 1883 novel, ‘There lies, not far from Capel Court, a mysterious world, the world of Finance.’ (Walter Besant*, All in a Garden Fair,* 1883). Another was Conan Doyle whose fiction rarely strayed into the City though much had a London location. In one of his novels published in 1899 the wife complained that’ I do hate the City of London! It is the only thing which ever comes between us.’ (Sir Arthur Conan Doyle, *A Duet with an Occasional Chorus,* 1899). Increasingly even novelists recognised that the City was where men went to work in the morning leaving their wives and family alone during the day, and so switched to locations containing these mixed communities, whether they were rich and poor. The City became a Central Business District devoid of the human interest that attracted writers and so they abandoned it when it was that type of material that their novels required.

People

That did not mean that the City of London was now wholly ignored by novelists because it contained other elements that fed their imaginations, especially the activities of the most prominent of those who worked there. None were more prominent than the Rothschilds. These were German Jews who, originating in Frankfurt, created in the early 19th century a European wide merchant banking dynasty with branches not only in the City of London but also Paris, Vienna and Naples as well as their place of origin. They became extraordinarily powerful and wealthy, as Reeves noted in 1887. ‘It is a name which conjures up in the imagination visions of untold wealth and unrivalled power, which appear so startling and amazing as to be more appropriate to romance than real life. It has become a household word synonymous with unbounded riches, and is as familiar to the ears of the struggling artisan as to those of the banker or trader.’ (John Reeves*, The Rothschilds: The Financial Rulers of Nations,* 1887). Lord Byron was one of the first to utilise the Rothschilds in his fiction. ‘Who hold the balance of the World?....  
Jew Rothschild, and his fellow-Christian, Baring.’ (*Lord Byron, Don Juan,* 1818/23*).* His lead was then followed by novelists who largely ignored the others who populated the City, including the vast army of clerks, the huge variety of brokers and agents, and the numerous merchants. Such people were largely anonymous and all lacked the combination of power, wealth and fame possessed by the Rothschilds. Disraeli’s based his character Sidonia, on the Rothschilds. Sidonia ‘…deals with the fortunes of kings and empires, and regulates the most important affairs of nations, for it is the counting-house in the greatest of modern cities of the most celebrated of modern financiers.’ (Benjamin Disraeli*, Tancred or The New Crusade,* 1847*).* They were also the modelfor Charles Lever in his 1869 novel. ‘The Nathanheimers own all Europe and a very considerable share of America…’ (Charles Lever*, That Boy of Norcott’s,* 1869). Similarly, for Trollope, writing in the mid 1870s.’Mr Brehgert was considered to be a very good man of business, and was now regarded as being, in a commercial point of view, the leading member of the great financial firm of which he was a second partner.’ (Anthony Trollope*, The Way We Live Now,* 1874-5)*.*

As the original Rothschild dynasty faded from the scene one of the legacies they left was the belief that City financiers were largely Jewish, and this became a prominent feature of the popular fiction in the late 19th and early 20th century. Israel Levi was ‘…an oily little Jew...’(Headon Hill*, Guilty Gold,* 1896);Benjamin Cohen, an ‘…ignorant, unmannerly vulgarian,…’ (Francis Gribble*, The Lower Life,* 1896); Lord Battersea/I. Z. Barnett, ‘…did not understand blood which was not his own,...’ (Hilaire Belloc*, Pongo and the Bull,* 1910); Alfred Morrison, ‘…a Jew to his finger-tips,...’ (E. Phillips Oppenheim*, Havoc,* 1912); Isaac Benoliel, ‘Behind those old tired eyes of his, he thinks as the East thinks.’ (A. E. W. Mason*, The Turnstile*, 1912); and Wallstein. ‘…the Jew mining magnate,...’ (Gilbert Parker*, The Judgement House,* 1913). Within the City there were always a number of prominent Jews, such as Barney Barnato in the 1890s, whose presence lent credence to a belief that Jewish financiers dominated the financial world. According to Grace Pettman, in a 1912 novel, the Jewish financier, Caleb Otto-Smith. ‘...seemed the embodiment of all that her City life had taught her to look upon with suspicion – greed of gold, speculation, and riches amassed by the toil and loss of others, and it might be even at the cost of their souls as well!’ (Grace Pettman*, A Study in Gold,* 1912). To Rider Haggard, writing in 1909, City people could all be classed as one. ‘To describe them is unnecessary, for they have no part in our story, being only financiers of a certain class, remarkable for the riches they had acquired by means that for the most part would not bear examination.’ (H. Rider Haggard*, The Yellow God : An Idol of Africa,* 1909). Increasingly these stereotypes of Jewish financiers were based not on real people such as the Rothschilds, or later figures like Barney Barnato, but on the myth that City financiers were largely Jews and often of foreign origin. The reality was that City financiers were mainly British and mainly non-Jewish, including may of the most prominent. The most high profile financiers of this era were those convicted of fraud, namely Jabez Balfour and Whitaker Wright, and both were English non-conformists. The successful prosecution of Whitaker Wright was led by Rufus Isaacs (later Lord Reading), a Jewish barrister, so neatly reversing the storyline so beloved by contemporary novelists.

The casual anti-Semitism found in novels about the City continued unabated up to the First World War, and even intensified over time, as it became a by-product of social changes taking place in Britain. The mass immigration of poor Jews from Russia and Eastern Europe from the 1890s onwards fuelled general anti-Semitism in Britain, especially in London as so many settled in the East-End. This spilled over into views on the City of London, because of its long-standing association with Jewish financiers, even though these recent arrivals confined their activities to such menial occupations as dealing in second hand clothes, tailoring or traditional activities such as diamond broking. Those Jewish financiers who arrived in the City from 1870 onwards were well established merchants, bankers and brokers from Western Europe with existing connections to the City. However, as foreigners their arrival contributed to that other element found in City novels of this period which was racism. In the late 19th century the City of London was rapidly emerging as the most important international commercial and financial centre in the world, making it a magnet for those whose business interests required global connections. Many of these were from Germany as they saw in the City of London a more convenient way of engaging in international trade and finance than through domestic centres such as Berlin, Frankfurt or Hamburg. Unfortunately their arrival coincided with heightened international tensions as a united Germany began to challenge Britain on the world stage. Those German Jews in the City were thus an easy target for novelists, allowing their importance to be magnified far beyond their actual number, as they could be linked back to the Rothschilds.

For J. A. Hobson, in his influential thesis on the causes of Imperialism, published in 1902, the actions of these German Jewish financiers offered an obvious explanation for why the British government had so recently fought an expensive war in South Africa and annexed the Boer Republics. ‘These great businesses – banking, broking, bill discounting, loan floating, company promoting – form the central ganglion of international capitalism… United by the strongest bonds of organisation, always in closest and quickest touch with one another, situated in the very heart of the business capital of every state, controlled, so far as Europe is concerned, chiefly by men of a single and peculiar race, they are in a unique position to manipulate the policy of nations. No great quick direction of capital is possible save by their consent and through their agency.’ (J.A. Hobson*, Imperialism,*1902*).* Such a thesis was entirely in keeping with the literature on the City as it saw Jewish financiers at the heart of all that went on there, giving them the ability to influence politicians and direct government policy. The problem was that even as Hobson was developing this thesis the power of these trans- European Jewish banking dynasties was waning. This was particularly true of the Rothschilds, as they had never established a branch in New York, and so were poorly placed to benefit from the enormous expansion of the US economy.

Of more general significance was the fact that banking as a business was becoming dominated by joint stock companies rather than individual families or partnerships. The Companies Act of 1856, and subsequent revisions, made it relatively easy to form a company with the liability for any losses limited to the investment made by the shareholders. This greatly reduced the risks of investors compared to partners. One of the areas that the joint stock company acts was applied was banking as it created the opportunity to create highly capitalised businesses that provided savers with the confidence that their deposits were safe, while investors knew that any losses were limited to the value of the shares purchased. As was observed in 1885, ‘Every succeeding year exhibits an increase in the proportion of the national wealth that has passed out of personal control into the control of joint-stock companies...the great industries of the country are passing rapidly out of private hands into the maelstrom of joint-stock management...one by one the merchant princes of a generation ago are either retiring from the field, or are converting themselves into companies.’ (*Blackwood’s Magazine* 137, 1885*)* The effect on banking was to force those that remained private, such as the City merchant banks, to focus on an ever narrower range of financial activities, such as the issue of stocks and bonds on behalf of governments and companies. This left the joint-stock banks to dominate the collection of savings, the making of loans, and the establishment of worldwide banking networks through which payments were made and received and money borrowed and lent on a daily basis. As early as 1904/5 the paid up capital of the 10 largest British joint stock banks was £135.5 million (Wardley, ‘Anatomy of Big Business’) compared to £23.5 million in 1914 for the total capitalof the 10 largest London merchant banks. (Ferguson, *The World’s Banker*). Even the smallest joint stock bank, Parr’s, had a capital greater than that of Rothschilds.

Faced with the increasing anonymity of the business that was taking place in the City of London the stereotypes used by novelists became ever more detached from reality. This transformation can be seen though the way William Powell Frith’s series of paintings dating from the late 1870s became the basis of fact by the early 1890s. In 1880 William Powell Frith exhibited 5 paintings at the Royal Academy entitled, The Race for Wealth. The subject of the paintings was a fictional City financier, whom he called the Spider. From his office in the City he promoted mining companies, lavishly entertaining prospective investors in his own home in the West End. These mining companies turned out to be worthless, and the Spider was prosecuted for fraud, convicted and sent to prison. In 1892 Montagu Williams made the observation that ‘There is no more remarkable being in the City of London, with its many curious trades and vocations, than the company promoter....the successful company promoters are enormously wealthy; they have palaces at Kensington or mansions in Grosvenor Square, besides charming places in the country, and are usually aspirants – and, it may be, not unsuccessful aspirants – for parliamentary honours.’ (*Montagu Williams, Round London: Down east and up west, 1892).* One of the people Williams describes in detail is Leopold Stiff, a City financier. The description given of the career of Stiff follows exactly that of Frith’s series of paintings in the Race for Wealth. There is no evidence that Leopold Stiff ever existed and there is no record of the Gull mine, which was one of the companies he was meant to have financed.

Pursuits

By the late 19th century the City was no longer recognisable as a community. The City had also become too complex, too large and too remote to be capable of being personified by single individuals. The great City dynasties, including the Rothschilds, were no longer the dominant force that they had once been. The Barings had to rescued from financial collapse in 1890 by intervention co-ordinated by the Bank of England. What replaced the City as a Place and the City as the haunt of powerful People was the identification of the City with the activities that took place there: the Pursuits. Turner wrote in 1902 that ‘London is the chief abode of the great god Money, whose throne, visible to all men, is in the heart of the City. From Queen Street and Guildhall to Gracechurch Street and Bishopsgate, from London Bridge to London Wall, lies a region in which the temples of the god cluster together in thick profusion. From here the greatest and the most numerous of his activities are conducted: for London, in spite of the rivalry of New York and the growing importance of Paris and Berlin as money centres, is still paramount as a headquarters of exchange and banking. (C. C. Turner*, ‘Money London’,* 1902)*.* The London Stock Exchange was the largest and most important in the world and the London money market was the means through which the world’s banks lent to and borrowed from each other. The City had become the clearing house for the world economy.

Though Trade and Shipping remained central to the City of London before 1914 it was global finance with which it became most closely identified in the eyes of the public. With the advent of the steam ship and the telegraph it was possible to conduct trade and shipping with regularity and certainty, so making it both routine and dull. The province of innumerable clerks who arrived each morning, left each evening, and did nothing of note in between. Also, City merchants had long been regarded as generally honest, playing a vital role in Britain’s export and import trade. In the late 19th century they were then joined by bankers. Retail banking had become safe and boring while its importance was widely appreciated. Contributing to this was the absence of bank failures as the numerous small banks that frequently collapsed were replaced by a few large banks that withstood every crisis and so were generally trusted. Merchant bankers were also considered respectable because they did not trade stocks and shares, being excluded membership of the London Stock Exchange. Though they were involved in the issue of securities these were mainly on behalf of governments or the largest companies, especially railways, which possessed a good track record of paying interest and dividends regularly while retaining their value. British merchant banks were also heavily engaged in the routine business of the finance of international trade, in which the City occupied a dominant position.

In Britain the term ‘Banker’ thus became a term of respect with even its own professional association, the Institute of Bankers, which was formed in 1879. This rehabilitation of the banker was reflected in Literature. According to Jerome K. Jerome in 1889, ‘George goes to sleep at a bank from ten to four each day, except Saturdays, when they wake him up and put him outside at two.’ (Jerome K. Jerome*, Three Men in a Boat,* 1889). In 1898 Merriman noted that ‘He was it must be remembered a mere banker – a person in the City where honesty is esteemed above the finer qualities of charity and benevolence.’ (H. S. Merriman*, Roden’s Corner,* 1898)*.* The one real flaw of bankers and banking was their lack of personality, in the eyes of P.G. Wodehouse. ‘There is a cold impersonality about a bank.’ (P. G. Wodehouse*, Psmith in the City,* 1910). This rehabilitation of the banker was not the case in the USA. There numerous banks continued to fail in every financial crisis, so accentuating the distress caused. New York investment bankers were allowed membership of the New York Stock Exchange and so were able to combine the issue of securities, mainly corporate stocks and bonds, with subsequent buying and selling activity, which exposed them to criticisms when prices fell. The result was that the investment bankers of Wall Street were distrusted because of their wealth, power and perceived ability to manipulate markets in favour of themselves (Geisst, *Wall Street: A History*).

In Britain novelists chose to use the relatively new occupation of Company Promoter as a by-word or the City of London in the 20 years before the First World War. The result was a very negative portrayal of the City as investors were quick to blame company promoters when businesses failed or share prices collapsed after reaching dizzy heights on the London Stock Exchanges. The City was portrayed as a place where innocent investors were duped out of their money by crooked financiers, through being persuaded to buy shares in worthless companies whether at the time of issue or subsequently on the London Stock Exchange. Such activities were more readily believed if they could be attributed to a powerful group of individuals set apart from the rest of society by being foreign, especially German, and/or following a different religion, notably being Jewish. The reality was that these company promoters were mainly English, using their connections to the wealthiest in society to persuade their friends and relatives to buy shares. Shares, unlike bonds, represented a direct stake in the business and so any return was dependent upon the profits generated. If the company failed shareholders usually lost all or most of their investment as what assets there were went to pay off the creditors, including those who had lent money to the business or had bought any bonds it had issued. Conversely, if the company turned out to be highly profitable shareholders could become enormously wealthy both through the dividends paid and disposal of some or all of the shares. It was the lottery associated with these shares that both generated public outrage when losses were made and encouraged investors to continue buying shares in newly promoted companies or on the Stock Exchange as prices rose. Among these companies nothing resembled a gamble more than the shares of potential new mining discoveries as every rumour fuelled media interest and provoked a spate of either buying or selling among the public. This was a time when public lotteries were prohibited and before the invention of the football pools.

Company promoters had already attracted some attention from novelists in the middle of the 19th century, sparked by the Railway Mania in the 1840s and the first wave of companies formed under the Limited Liability acts. Among the novels written in this period that featured company promoter were ones by Charles Dickens and Anthony Trollope, but a number of less well known authors were also attracted to the dramatic possibilities of company promotion.

Richard Rawlings in *Robert Bell, The Ladder of Gold, 1850*

Mr Merdle in *Charles Dickens, Little Dorrit, 1857*

Davenport Dunn in *Charles Lever, Davenport Dunn, 1859*

Mr. Barker in *Mrs Henry Wood, Oswald Cray, 1864*

Lawrence Barbour in *Charlotte Riddell, The Race for Wealth,1866*

Peter Black in *Charlotte Riddell, Far Above Rubies,1867*

Lord Staggerton in *Laurence Oliphant, Piccadilly, 1870*

Reginald Burdon in *Mrs Oliphant, At His Gates, 1872*

Augustus Melmotte in *Anthony Trollope, The Way We Live Now, 1874/5*

Gabriel Cassilis in *Walter Besant and James Rice, The Golden Butterfly,1877*

Tommy Gallaway in *Walter Besant, All in a Garden Fair,1883*

Geoffrey Defoy in *Frederick Wicks, The Veiled Hand, 1892*

At that stage the character of the company promoter was often modelled on real people in the City. However, from the mid 1890s onwards there was a spate of novels that had company promoters as either central or main characters. These novelists included some of the most famous and widely read of the era, including the likes of Ouida, E. F. Benson, Arnold Bennett, H. G. Wells, E, Phillips Oppenheim and Edgar Wallace. Though some of the novelists who wrote such books have long been forgotten, and even these particular works of the best known are little mentioned, they represent almost a distinct City literary genre. The company promoter became a stock figure in pre First World War novels introduced to ensure high drama as fortunes were made and lost and lives were transformed.

James Bond in *Mrs Aylmer Gowing, Gods of Gold, 1896*

Horace Vardon in *Headon Hill, Guilty Gold,1896*

Benjamin Cohen and Arnold Brabant in *Francis Gribble, The Lower Life,1896*

William Massarene in *Ouida, The Massarenes, 1897*

Frank Allington in *E. F. Benson, Mammon and Co, 1899*

Stormont Thorpe in *H. Frederic, The Market Place, 1899*

Pettifer, Son and Mandeville in *Major Arthur Griffiths, Ford’s Folly Ltd, 1900*

Wallaby-Jones in *S. Kuppord, A Fortune From The Sky, 1903*

Horatio Slynge in *Guy Thorne and Leo Custance, Sharks, 1904*

Bruce Bowring in *Arnold Bennett, the Loot of Cities, 1905*

William Dickson in *Florence Warden, The Financier’s Wife, 1906*

Edward Ponderevo in *H. G. Wells, Tono Bungay, 1909*

Caleb Otto-Smith in *Grace Pettman, A Study In Gold, 1912*

Scarlet Trent in *E. Phillips Oppenheim, A Millionaire of Yesterday, 1912*

Sir William Pilken and George Tremain in *Joseph Hocking, God and Mammon, 1912*

Rudyard Byng in *Gilbert Parker, The Judgement house, 1913*

Clifford Matheson in *Max Rittenberg, Swirling Waters,1913*

Giuseppe Guelfo and Sir Charles Olcott in *William Le Queux, Sins of the City, 1914*

Lewis and Gobleheim and Swelliger and Fiedman in *Edgar Wallace, The Admirable Carfew, 1914*

A flavour of the content of some of these novels can be gleaned from quoting from a few, though only a reading of the entire book can convey the central role that the company promoter, as a proxy for the City of London, played in these works. Written in the aftermath of the collapse of the boom in the shares of gold mining companies, the novel by Headon Hill indicates the low esteem that the company promoter was held. ‘Horace Vardon occupies a unique position in the City of London. Disliked, mistrusted – aye, even hated – by the solid, old fashioned magnates of the financial world, he was feared and bowed down to as well, because of the power he wielded and the number and magnitude of his undertakings. He was the Veiled Prophet of the City, sitting himself in the shade, and pulling the strings of infinite combinations that sometimes moved the uttermost ends of the earth.’ (Headon Hill*, Guilty Gold: A Romance of Financial Fraud and City Crime,* 1896). Major Arthur Griffiths, writing in 1900, was able to take a more holistic view. ‘He was still unknown in the higher circles of the City; not even his status as Pettifer’s partner could gain him the ears of those solid, shrewd fathers of finance who look askance at every new man, and are deaf to the most persuasive stranger’s tongue.’ (Major Arthur Griffiths*, Ford’s Folly Ltd,* 1900). Florence Warden in 1906 was even defensive, possibly reflecting the fact that she was the daughter of a stockbroker. ‘There are no worse things to be said of company-promoting than there are of any other sort of enterprise...only it is work which is done on a big scale, and so the ups and downs are great, and the noise is great at the rise and fall...It’s the bigness of the profits and the losses in City enterprises that makes people talk so much louder about them than about others.’ (Florence Warden*, The Financier’s Wife,* 1906).

There was some recognition in literature that not all in the City were crooked; that some companies turned out to be successful; that some shares rose in value; that some Jews were trustworthy and honourable; and that some foreigners played a vital role. However, those caveats were dwarfed by the overwhelming negative imagery found in most novels. Though the City of London was not the subject of Max Pemberton’s 1895 novel he could not resist taking a swipe at company promoters, and his views reflect the substance and tone of most pre-1914 City novels. ‘The City of London remained a byword for greed, corruption, and dishonourable conduct whenever the subject of company promotion surfaced, with the only fitting punishment for those who made their living by such means being a sudden and violent death.’ (Max Pemberton*, The Impregnable City,* 1890.) Despite the fact that a vast amount of routine commercial and financial activity took place in the City it was the actions of the company promoters, and the fluctuating value of the shares that they sold to the public, that became the obsession of novelist in the decades before the First World War. In particular novelists give the impression that it was selling the shares in those companies engaged in foreign mining that was virtually the sole business of the City of London at the time. Even by 1913 the paid-up capital of such companies amounted to only 1 percent of all securities quoted on the London Stock Exchange, indicating how marginal a business it was that was the focus of novelist attention.

The First World War was a major Tipping Point for the way the City was portrayed in Literature. After that War the City of London was increasingly challenged by New York as a rival financial centre. As a result it was Wall Street not the City that became the focus of media attention, especially before and after the Wall Street Crash of 1929. Within Britain there was also greater self regulation and then government control, particularly after 1945, and this removed many of the excesses that had fuelled hostility to the City in the past. The City became less volatile and less attractive to foreigners, so removing a number of elements that had fuelled the interests of novelists. Anti-Semitism, even of the casual kind, also became less acceptable following the revelations about the Holocaust. Also British banks withstood successive financial crises in the 20th century and so established a reputation for stability that was envied the world over. They did not lose that reputation until 2007/8. Instead, banks and bankers were criticised for their conservative behaviour, being blamed for failing to finance British industry. Company promoters disappeared as a distinct group as their business was absorbed by the merchant banks, which had long established a reputation for respectability and conservative behaviour.

Though the City of London still received the occasional mention from novelists this was often positive rather negative. E. Phillips Oppenheim even went so far as to praise a company promoter in his 1934 novel. According to him, Sir Julian Bott ‘... had sprung from the middle classes, had commenced life as a country stockbroker, inaugurated a Trust with an attractive name, bought up commercial undertakings one after the other, nearly every one of which had turned out to be successful. He had weathered two periods of depression and come out unscathed. The confidence which the British public is slow to give to a financier pure and simple had become his by right. (*E. Phillips Oppenheim, The Bank Manager,* 1934). During the Second World War the worst that could be said about bankers was that they were dull and devoid of humanity, as Ronald Fraser had Titian Woolacombe described by his teacher. ‘If you must go into a Bank, he said, I can’t stop it. God knows you’re not fit for anything else. A duller Boy, a Boy more exquisitely unfitted for any of the higher branches of human activity, I have never seen.’ (Ronald Fraser*, Financial Times,* 1942). After the Second World War the banker and stockbroker joined lawyers and doctors as trusted members of the community in the fiction of the time. According to the novelist H. C. Davis in 1960, ‘Bank Staffs, almost without exception, are law-abiding folk...’ (H. C. Davis, *Trouble in the Bank*, 1960). More generally, the City of London was ignored by writers because it generated little to excite the public through speculative bubbles, financial frauds, or the rise and fall of extremely wealthy individuals. The great era of the City novel was truly over.

Conclusion

The final word on the City of London’s place in Literature should, perhaps, go to the poet, Lord Byron. ‘O Gold! I still prefer thee unto paper, which makes bank credit like a bank of vapour.’ (Lord Byron*, Don Juan,* 1818/23*).*To those who populate the world of literature the City of London will always be seen ‘...like a bank of vapour.’ There is no problem with that as novels that described the daily routine of an accountant, banker, broker or lawyer would make dull reading. In the same way as crime fiction focuses on the exceptional events, such as murder, so do novels about the City. As a society we can appreciate both Literature and the City of London but not draw conclusions about the latter from the former. The business of the City of London is based on promises whether that involved paper money, stocks and bonds, derivatives, insurance contracts or the constant buying and selling and lending and borrowing that took place in its markets and Exchanges. This exposed the City to public attack when these promises failed to materialise, which they inevitably did from time to time. It was these failures that captured the imagination of novelists, especially the most spectacular as they involved a sudden loss of fortune, a run on bank followed by its closure, the collapse of great companies and the suicide, imprisonment or bankruptcy of prominent individuals. Like the City itself novelists thrive on volatility, and that is what was delivered in London before 1914. There was almost a City novel genre in the 20 years before the First World War. Another now appears to be developing in the wake of the Global Financial Crisis of 2007/8. However, that one will require the fuel of high profile criminal prosecutions followed by imprisonment or suicide to even begin to emulate the City’s place in the Literature of the past.

As long as the City of London is a complex and constantly evolving global financial centre, attractive to foreigners, it cannot expect to feature positively in works of literature. There will always be elements in the City that generate an adverse public reaction which is then picked up on by novelists. The City of London and Casino Capitalism are interchangeable terms but of little value without precision being attached to their meaning. As long as the perception generated in fiction does not result in government intervention that restricts the ability of the City to operate, then the consequences of how the City is perceived are of little importance, as was the case before the First World War. The City thrived before 1914 despite the hostility expressed in numerous novels. The task of a novelist is to write well and to appeal to readers and that requires imagination, literary skill and artistic licence, not factual accuracy, as in the balance sheet drawn up by an auditor. However, if government policy becomes a product of perception not reality then the City does have cause for concern. As such it might be fitting to quote a few words from the economist, J. M. Keynes. ‘I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. Not, indeed, immediately, but after a certain interval; for in the field of economic and political philosophy there are not many who are influenced by new theories after they are twenty-five or thirty years of age, so that the ideas which civil servants and politicians and even agitators apply to current events are not likely to be the newest. But, soon or late, it is ideas, not vested interests, which are dangerous for good or evil.’ (J. M. Keynes, *The General Theory of Employment, Interest and Money,* 1936)*.* Keynes was making the claim that it was the work of long-dead economists that influenced policy makers. However, the work of novelists, both dead and living, was, arguably, even more powerful in forming the views and attitudes of the population as a whole, especially during those early formative years. Without any possibility of contradiction it can be stated that a vastly greater proportion of the British population read novels than ever try their hand at the works of either Adam Smith or John Maynard Keynes.

Note

My twin track approach to the study of the City of London can be seen in a number of recent publications. These also contain references to more of my publications and the work of others on the subject of the City of London.

R.C.Michie, *Guilty Money: The City of London in Victorian and Edwardian Culture, 1815 - 1914* [Pickering and Chatto, London 2009] pp x, 1-278.

R.C.Michie, ‘The Emergence and Survival of a Financial Cluster in Britain’ in *Learning from some of Britain’s Successful Sectors: An historical analysis of the role of government.* [BIS Economics Paper No.6, Department of Business Innovation and Skills, 2010] pp 89 – 111

‘Gamblers, Fools, Victims or Wizards? The British Investor in the Public Mind, 1850 – 1930’ in D. R. Green, A. Owens, J. Maltby, J. Rutterford (eds)*, Men, Women and Money: Perspectives on Gender, Wealth, and Investment 1850 - 1930* [Oxford University Press, Oxford 2011] pp 156 – 183

‘The City of London and International Banking in the 19th and 20th Centuries: The Asian Dimension’ in S. Nishimura, T. Suzuki and R. Michie (eds), *The Origins of International Banking in Asia: The nineteenth and twentieth centuries* [Oxford University Press, Oxford 2012] pp 13 -54

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