



# Worshipful Company of Arbitrators

The Mansion House

Thursday, 5 February 2009

The Rt Hon The Lord Mayor of London

Alderman Ian Luder

Master, Wardens, Sheriff, Ladies and Gentlemen:

Thank you so much Master for the Civic Toast and the toast to the Guests and for your support for the Lord Mayor's Appeal.

A hearty welcome to the Mansion House. Built in Hogarth's day, this is a house which could have benefitted from arbitration as its history of its building is one of constant conflict, grand and petty,

between the architect and just about everyone else involved in its building. Lots of pouting, foot stamping, threats to withdraw labour or payments. But finally in 1753 it all came together and we are the fortunate beneficiaries.

Now this evening, Master, you have kindly invited with the Lady Mayoress and me Sheriff George Gillon and his escort Delva Patman. We are all being looked after by the City Marshal, Colonel Billy King-Harman.

Arbitrators have to be a robust lot, dealing with all that macho testosterone in handling disputes. It reminds me of three other brothers who were fiercely competitive with each

other. As their mother became elderly and infirm they all met to decide how to handle the inevitable.

'Let me tell you what I've done for Mother' said the first one. 'I've built her a huge house!'

'That's nothing' said the second, 'I've given her a Rolls Royce!'

'Well' said the third, 'I can top both of you. You know how much Mother enjoyed reading the Bible. Well, now that she cannot see well, I have spent £100,000 to have a parrot trained to memorise the whole Bible. All she has to do is name the book, chapter and verse and this parrot will recite it!'

So the first one piped up and said 'I am sure Mother will like my present the best!'

'Says who?' said the second and so the third decided to ask their Mother which of these gifts she liked the most.

Time passed and eventually she wrote back.

'Maurice, the house you bought is so huge, I live comfortably in one room, but I have to clean the rest of it. Anyway, thanks.'

'Samuel, I am too old to travel, so the car just sits there getting rusty. Anyway, thanks.'

'But Daniel, that chicken! It was delicious!'

Now it won't have skipped your notice that we are in a serious financial crisis of breathtaking complexity. When Cicero had a financial crisis in 55 BC, his solutions were relatively simple:

- The budget should be balanced;
- The Treasury should be refilled;
- Public debt should be reduced;
- The arrogance of officialdom should be tempered and controlled;
- and the assistance to foreign lands should be curtailed lest Rome become bankrupt;
- People must again learn to work, instead of living on public assistance.

Now several millennia later we are sailing on very choppy and uncharted waters, but we must remember that the world is not flat and we will not fall off. Unprecedented amounts of fiscal

and monetary stimulus have been injected over the past four months and they, plus other measures, have to be given time to work.

And we may be in for more shocks, I am afraid. I think you will find my profession being very reluctant to sign off accounts without a considerable amount of work on disclosure.

But that is all about the past. What about the future? For my part, I see every reason for London-based practitioners and regulators alike to take the lead in inventing the new global future: new transparency, new responsibility and new regulation. And why not? The glory of the City is its ability to adapt. We may not be as good at anticipating as we thought we were, but we know how to adapt and prosper thereby.

Earlier this week at the International Bankers, I called upon them to make a contribution to the global solutions which will be needed adding to the UK's intellectual firepower as the UK takes over the G20 meetings. We have the brains, we have the experience and we have the process. All we need to do now... is do it. I know members of this Company are engaged in this exercise and congratulations go to you all.

Now take the matter of regulation. If the crisis has taught us nothing else, there are limits to what it can achieve. But here, as in every other mature market, the old mantra of 'light touch' is not going to resonate with legislators and opinion formers, and, I dare say, what we need to do as part of a global solution is to make cross-border regulatory co-operation a reality.

Investor protection is a good illustration of this. After what we have seen in Ireland, Germany and the UK no democratic government, of whatever political persuasion, can afford to let Mrs Smith of 14 The Avenue Hendon or Frau Schmidt of Freidrichstraße 17 Hannover, suffer any loss of their deposits as the result of the failure of a banking institution, whether that institution is domestic, or one located elsewhere on a web-based platform. That is why cross border regulatory cooperation will happen particularly for investor protection schemes.

In my travels this year to some 23 countries, I will urge politicians to transcend their instincts to revert to nationalistic, protectionist solutions and to remain committed to open and free economies – albeit well regulated. Our interconnectivity is real; we are no longer where we were and we must turn this global crisis into a global opportunity.

Back home, the City must retain its position and the British Government needs to avoid anything which risks making the City less welcoming around the world. Happily, there are some indications that the Government has learned not to kill the Golden Goose although it leers at it from time to time.

Tax and foreign entities is about right at the moment and another of London's strengths belongs to you arbitrators. Your world-wide reputation of scrupulous, speed resolution continues to earn for you recognition that you are a valued part of the City offering and we are glad of it.

Master, as I have already alluded, your Company is actively involved in finding solutions. We congratulate you on that and on all your many charitable initiatives as well as your burgeoning affiliations with the Armed Forces and Cadets.

I understand the Royal Navy is suggesting you take on a fisheries protection vessel in the North Sea. All well and good, except that your wonderful Clerk does not do cold weather and was rather hoping for a deck chair on *HMS Sun Tan*, somewhere in the Med. I think she will win, don't you?

But what I am keen to see is an Arbitrators City Dip team! I am hoping to widen participation in the City Dip. I swam for the Dip myself last year. And, believe me, if I can, anyone can – although some of my clients offered to sponsor me *double* not to swim – an offer I am happy to repeat this year.

Now I want to encourage Liverymen and Freemen through the good offices of the Clerks, to participate in their localities, or encourage their children and/or grandchildren to do so. A 10 year old getting sponsored to raise £10 by swimming ten lengths, would be an excellent thing, raising something for the Appeal, but hopefully getting them enthused about helping others, an attribute which they will develop going forward.

And speaking of young people, the following recently appeared in the classified advertisement section of the *Atlanta News* and I thought I would share it with you.

SINGLE BLONDE FEMALE seeks male companionship, ethnicity unimportant. I'm a very good looking girl who LOVES to play. I love long walks in the woods, riding in your pick up truck, hunting, camping and fishing trips, cosy winter nights in front of a roaring fire. Candlelight dinners will have me eating out of your hand. I'll be at the front door when you get home from work. Call, 404 555 6420 and ask for Susie. I'll be waiting.

Over 15,000 men found themselves talking to the Atlanta Humane Society about an eight week old Golden Labrador Retriever.

Master, again, our heartfelt thanks to you for your hospitality and generosity. And to that end, may I give you this photo frame with its golden coach on the top as a token of our gratitude and to remind you of the wonderful hospitality you have given us this evening - a transport of delight. Thank you.