THE RISE OF PUBLIC CREDIT AND THE EIGHTEENTH-CENTURY ENGLISH

NOVEL

by

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ABSTRACT OF THE DISSERTATION

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It is no coincidence that the novel and public credit both emerged in the early part of the eighteenth century. The epistemological problem of belief unites both economic and novelistic discourses through the language of trust and credit. Unlike private credit, public credit did not operate with the assumption that repayment of the national debt was possible. The Bank of England issued more paper credit than it had bullion to back it, assuming that all creditors would never redeem their notes at once. Because public credit was therefore inherently problematic, writers often took recourse to literary techniques in order to render it coherent to the public whose trust was a factor in its success. Fiction can also prove credible without requiring a ground in empirical reality, much like public credit (which entails a translation of trust in tangible people to trust in abstractions meant to stand in for people: the Bank, the nation, the state, the public, and so on). Part of what makes the novel just that is its capacity to produce a virtual truth through its own narrative strategies, one that requires no tie to the empirical world that the work purports to represent. That is to say, virtue in the novel and virtue in public credit are both virtual. Examining the novel gives us insights into the way public credit works, and also into the way the discourse of political economy obscures its internal problems and contradictions.
Dedication and Acknowledgements

This piece of writing is dedicated to Dr. Peter Mathews and to Dr. Martin Ritter.

Special thanks to Dr. Christopher Flynn, my friend and mentor, for introducing me to Daniel Defoe and the eighteenth-century English novel. I thank Dr. Greg W. Zacharias, for believing in the value of academic work, and for believing in my capacity to undertake such work. And thanks to my very generous dissertation committee.

A version of Chapter 3, entitled “Rethinking Gender and Virtue through Richardson’s Domestic Accounting,” will be published forthcoming in *Eighteenth-Century Fiction*.

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Introduction

Studies on the eighteenth-century English novel have often attempted to understand the genre as it develops into its modern form by examining the role played the advent of “capitalism,” a term first used in the nineteenth century to describe a socio-economic reorganization in which property or capital became privately-owned, replacing the feudal system that had existed before. These studies have provided a way for understanding the social, political, and economic forces that contributed to the way the novel came to take shape. Influential critics on this topic often cite Ian Watt’s *The Rise of the Novel* (1957). For Watt, the novel genre begins with Daniel Defoe’s fictional œuvre in the 1720s and the economic individualism inherent in these works. Watt argues that society must value the individual in order for the individual’s plight and progress to become endemic to the type of fiction we now call the novel, and valuing the individual is only possible with the advent of capitalism and the rise of the middle classes (60). With capitalism comes the release of social ties from their traditional feudal bonds, an emergence of secular values that grants importance to individuals in the here-and-now (rather than in the afterlife), the emergence of a marketplace in which printed works can be bought and sold, the arrival of a public that is addressed in these printed works, and the rise of literacy which promotes the consumption of texts.

Each of these separate events emerges distinctly, with its own historical trajectory, and yet each comes together to make the novel possible. But, “individualism,” the
“marketplace,” the “public,” and all other associated terms do not quite allow us to understand what it is about capitalism, as a category or an event in itself, that contributes to the rise of the novel. Instead, these terms always lead us back to understanding a set of diverse historical forces. Homing in on capitalism as an economic force, critics have also focused their attentions on a certain discourse whose function was to discuss the nation’s management of its wealth, including its credit and its debts, much like that of a household: political economy.

If there was a science of capitalism in the eighteenth century, that science was political economy. This raises the question of why I do not use political economy as a starting point for my own analysis of the novel. The short answer to this question, one which will become more apparent further on, is that political economy only begins to “make sense” of capitalism after the novel emerges. The process of “making sense” of capitalism is fraught with contradiction and debate in the period in which the novel comes into being (and perhaps still is to this day). In order to get closer to the way capitalism contributes to the rise of the novel, this project seeks to examine a particular form of credit that historians argue is a significant turning point in the history of capitalism in England: public credit. By understanding public credit specifically, by attempting to make sense of it as a coherent form, we might then even better register the relationship between capitalism and the novel.

A transformative period in the history of capitalism is what historian P.G.M. Dickson and others have called the “financial revolution,” a period in which financial mechanisms, such as banks, became more crucial for trade and business. The financial
revolution in (and just before) the 1690s featured the establishment of public credit, when measures were taken to create a system of long-term borrowing for the English government through the creation of the Bank of England in 1694 (Dickson 57). While public credit is, in its most basic manifestation, a loan that the Bank provided for the state, it took on another form that reached a larger proportion of society through the printing of paper money. One unintended consequence of the establishment of public credit through the centralized Bank was a gradual proliferation of credit mechanisms to people who did not use them before. While, in the seventeenth century, bills of exchange and other forms of paper currency were circulated by merchants and tradesmen, paper credit was not used by most of the public until the end of the century when smaller notes were printed. In the beginning, not all people found public credit acceptable – it was seen by some to be a partisan project, one which empowered finance in the City and also Whigs in parliament, since parliament signed off on the Bank’s charter and its subsequent renewals (Dickson 29). But by the end of the century, especially after the Seven Year’s War, there was a shift whereby more people accepted the permanent national debt (de Bolla 114). Analyzing this particular feature of capitalism historically (diachronically and synchronically) rather than scientifically (only synchronically) provides us with materials for understanding an important ideological and epistemological transformation.

Political economy, a written discourse about the way a nation manages its wealth, might be said to emerge in the late seventeenth century with the numerous pamphlets on trade, credit, and commerce by writers such as Thomas Mun, Charles Davenant, and William Petty. Sir James Steuart’s *An Inquiry into the Principles of Political Economy*
discusses the way a commonwealth organizes its wealth, and is one of the first texts in English to use the term political economy explicitly (OED). As public credit evolves, political economists describe it as a natural offshoot of national wealth management. Public credit is a key mechanism within the discourse of political economy, a means of abstracting debt relationships between individuals into a system, one mediated by the Bank of England.

In the last couple of decades, literary critics and historians have made important connections between the co-emergence of the novel and political economy in the late seventeenth and early eighteenth centuries. James Thompson’s Models of Value (1996), for example, argues that the early novel explores values emphasized by political economy when the crucial instruments of public credit (such as paper money) in England first were created (54). Thompson argues that, “just as the novel is that discourse that describes or imagines and so constructs privacy and domesticity, political economy is the discourse that imagines or describes civil society and publicity” (27). Martha Woodmansee’s and Mark Osteen’s collection similarly argues that “the science of political economy emerged concurrently with the rise of the quintessentially bourgeois literary form, the novel” (5).

Works linking the novel to political economy imagine a sort of novelistic credit, one which parallels the way credit is defined and described by political economy. These synchronic analyses miss the way political economy gradually comes to utilize empirical method. Political economy, in other words, seems less “scientific” in the late seventeenth and early eighteenth centuries than these critics suggest.

Variations of this term are used earlier, however. Robert Murray, for example, uses the term “politick oeconomy” in his A Proposal for a National Bank [1694].
In different ways, both Joyce Appleby’s *Economic Thought and Ideology in Seventeenth-Century England* (1978) and Mary Poovey’s *A History of the Modern Fact* (1998) emphasize the way political economy came to provide the public with a notion that every interest was being served through trust people came to have in scientific method. This empirical demonstration also developed a growing public trust in an abstract, virtual state. Appleby argues that the “scientific mode of observation and analysis, once adopted, created its own demands, and economic reasoning became integral to the modern transformation of England” (128). As a written discourse backed up with the authority of scientific method, political economy helped persuade people that individual interests were all served equally. For Poovey, the descriptive nature of political economy, grounded in double-entry book-keeping, ensured that people believed the workings of the economy were politically neutral: “For [Adam] Smith, description, which is the primary instrument of history, is relatively neutral; it aspires to transparency rather than distortion” (243). In other words, political economy served as a written discourse with a “neutral” and “descriptive” form, one that enticed people to believe that the state’s role in organizing economic activity was fair in the way that it overcame problems of competing political interests that helped fuel civil wars in the seventeenth century. Political economy functioned to produce trust in public credit, and, I argue, must be read separately from public credit for this reason.

Since political economy presupposes the abstraction of credit relations into quantitative forms, ones that can be represented by a numerical ledger, one would suspect that the novel, too, engages these forms in a similar way, a means of literary analysis
taken on by critics such as Thompson. My work complicates this sort of argument, 
insofar as I argue that the quantitative method often used by political economy does not 
immediately produce belief in the system of public credit. Political economy is a 
mutually reinforcing discourse: through its method, it seeks to justify the very object of 
its inquiry. What one misses when one studies the discourse of political economy as a 
self-sufficient totality is the fact that a large proportion of the population did not support 
public credit nor did people immediately trust quantitative mechanisms. Reading the 
new novel next to the rise of public credit (rather than political economy – a broader category 
that presupposes that public credit is already up and running) helps us to see a dissidence 
that becomes significant for understanding the rise of the novel.

In other words, using political economy as a lens for understanding the emergence 
of the novel can be problematic because the former is very much a work in progress. 
Principles of political economy had not yet achieved a popular consensus, and the same 
holds true for the developing novel. Thompson, for example, equates political economy 
with the general equivalent status of paper money in order to read value in novels 
emerging as a parallel to political economy (41). One problem with his method is that he 
must take for granted the discourse as unified and self-sufficient in his analysis. The 
method does not allow us to see the way political economy itself gradually came to 
justify an emphasis on fiscal activity over more traditional relationships, such as charity, 
barter, and the gift economy. The difference might be marked by Karl Marx’s attention to 
the difference between simple commodity production (C-M-C) that would obtain in a 
traditional exchange relationship and the general formula for capital (M-C-M, and then
M-C-M’, where the M’ designates the necessity of extracting surplus value from the monetary investment at all times) (247, 251). And this justification, an acceptance of the form of capital (to use Marx’s terms), took time to develop. One can only see this by looking outside of the totality of political economy.

This project is heavily indebted to critics who have already established a groundwork for examining the novel in relation to credit more generally. In these readings, credit gets articulated through an older, more traditional notion of trust: more broadly, quantitative or fiscal credit is differentiated from qualitative credit, or “trust,” that obtains in traditional social relations. Deidre Lynch’s *The Economy of Character* (1998), Margot C. Finn’s *The Character of Credit* (2003), Catherine Ingrassia’s *Authorship, Commerce, and Gender* (1998), Sandra Sherman’s *Finance and Fictionality* (1996), and other critical and historical studies have all explored the way dual modes of credit serve as two emergent discourses taken up by the novel. These studies acknowledge an increased use of fiscal credit in the eighteenth century, and focus their analyses on the way credit works through its various forms that facilitate trust between individual agents. Given the varieties of credit illuminated by these analyses, we begin to see how a new vocabulary of terms emerges in the wake of the financial revolution.

The epistemological problem of belief unites both economic and novelistic discourses through the language of trust and credit. This set of terms becomes quite complex once we begin to examine the difference between public credit and private credit, however. Public credit, as it comes into being, as it emerges, is fraught with contradiction. And these contradictions are why early political economists have a
difficulty in rendering it explanatory justice. At one level, public credit functions like private credit, insofar as it is grounded on an assumption of repayment through the logic of double-entry book-keeping. But, unlike private credit, its period of time for repayment is indefinite. The Bank (the main creditor from about 1720) issued more paper than it had bullion, assuming that all creditors would never redeem their notes at once. This meant that the locus of trust in public credit must exist elsewhere. Part of what we see as an attempt to solve this problem is the use of other abstractions, such as the “public good,” the “public interest,” or the “public faith,” terms that carry over from the seventeenth century in order to suggest that all interests are served under the post-Civil War political regime.

Public credit helps us to understand what is at stake in the rise of the novel because consolidating indebtedness through a national creditor drastically transforms social relationships. But a particular institutional form this national creditor takes, the Bank of England, serves as a way of mediating between the abstract system of credit described by political economy and the concrete world of trust through which traditional social relationships are organized. The Bank is simultaneously a physical presence that helps the public trust public credit, but it also performs a set of institutional practices that render all credit relations virtual through an elaborate system of double-entry book-keeping. Trust and credit, in other words, cannot be completely disaggregated. Rather than moving from trust to credit, I argue, we observe a translation of trust in tangible

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2 While one should not conflate public credit with the Bank’s note issue (since there were other public creditors and since paper credit was also used by smaller country banks), by 1720 the Bank had begun to issue notes in an unprecedented way.
people to trust in abstractions meant to stand in for people: the Bank, the nation, the state, the public, and so on.

My work breaks from critics such as Lynch, Finn, Ingrassia, and Sherman insofar as I show how fiscal credit relationships between individuals in the novel might be read with another layer: the emergence of a social imaginary that allows individuals to come to believe in the type of credit they are using. Michael McKeon argues that what made credit so mysterious was that its objective possession depended on its subjective perception: the public is to the private as the objective capital is to subjective credit. The problem of credit – the fact that its highly consequential actuality is grounded in an insubstantial virtuality – therefore makes it ideally suited to narrative virtualization. (Secret 444)

While most studies on credit and the novel have discussed the subjective perception of credit, I will emphasize the “insubstantial virtuality” that McKeon describes, one that is tied to public credit in particular. It is because of the inherently problematic nature of public credit that it becomes virtualized through narrative. Virtue, implying an immanent quality in something or someone, cannot be the ground for public credit for the reasons I describe above. And we also find that virtue is a poor ground for the novel. Virtue is the effect of production and not an interior quality captured by empirical method or the true history. Part of what makes the novel the novel (and not the romance or the true history that came before) is its capacity to produce a virtual truth through its own narrative strategies, one that requires no actual tie to the empirical world that the text is meant to represent. That is to say, virtue in the novel and virtue in public credit are both virtual.

What analyzing public credit allows us to do is to understand the way novels engage in and adjust to what theorists have described as the emergence of a “public.” The
broader thesis is by now familiar. Jürgen Habermas’s The Structural Transformation of the Public Sphere (first published in English in 1989) might be said to have opened this mode of inquiry with its investigation of the bourgeois public sphere:

The bourgeois public sphere may be conceived above all as the sphere of private people come together as a public; they soon claimed the public sphere regulated from above against the public authorities themselves, to engage them in a debate over the general rules governing relations in the basically privatized but publicly relevant sphere of commodity exchange and social labor. (27)

The imagination of individuals united as a public through print meant that people envisioned a whole nation in which they participated. Like Habermas, Benedict Anderson seeks to understand the origins of nationalism through a concept of an imagined community. “It is imagined because the members of even the smallest nation will never know most of their fellow-members, meet them, or even hear of them, yet in the minds of each lives the image of their communication” (15). Finally, Charles Taylor defines the modern social imaginary to describe the way people conceive of social surroundings, a “common understanding that makes possible common practices and a widely shared sense of legitimacy” (23). Public credit is related to these three noteworthy narratives about modern virtual communities. Like a public sphere, a nation, or a social imaginary, public credit attempts to unite people virtually through a method of abstracting particulars.

For early novelist Daniel Defoe, credit is a multi-faceted, even ambivalent term. Analyzing his The Compleat English Tradesman (1726) helps us to understand his relative confusion in describing the relationship between public and private credit. On the one hand, credit is produced through quantitative calculations within the tradesman’s
accounting ledger. On the other hand, the qualitative character of the tradesman holding the ledger matters for another person’s capacity to trust the ledger. Fictions about a tradesman, in other words, play a role in his creditworthiness. Since Defoe argues that public credit and private credit work the same way, one would expect that fictions help to constitute the former, as well. Defoe’s somewhat inconsistent reading of public credit, especially in *The Review* (1704-13), highlights the role played by historical fictions describing the stability of the state – but these fictions, by their nature, cannot be like the “gossip” that informs private credit. These fictions require literary personification in order to teach the public about virtual mechanisms that nonetheless transform and determine concrete situations in real life. Lady Credit is a prime example of this. The fact that credit is inherently problematic leads to its literary embodiment.

Public credit’s contradictions, in other words, compel Defoe to use fictional characterization to give it a tangible, coherent form. This is where Defoe's writings on credit begin to dovetail with his fictional writings – his novels. In his prefaces, Defoe argues that his novels are true histories rather than romances. But the way *Robinson Crusoe* (1719) is structured undermines the possibility of the novel being grounded in historical fact. And yet, the novel remains “credible,” even if the reader does not believe that what she reads matches a historical or empirical reality. What happens, as Defoe plays with the contradictions of credit, is that the true history seems no longer necessary – fiction can prove credible without requiring a ground in empirical reality, much like public credit.
The Bank of England is another agent that produces trust in public credit. The Bank’s physical presence helps to mediate between the abstract and the concrete, trust in double-entry book-keeping and trust in a handshake. But while the Bank takes on a tangible form that the public can see, its role in managing public credit nonetheless remains virtual insofar as the series of devices necessary for the latter remain partially hidden from view. The Bank may be concrete, but it nonetheless does the work of other fictions that help the public trust public credit. It is, in other words, a tangible structure whose purpose is to produce belief in something virtual. To this end, it must maintain an appearance of virtue, a category related to belief, trust, and credit, terms which get explored through controversies in the development of the novel.

The way “the Pamela controversy” unfolds parallels the Bank’s own concerns with conveying virtue to the public. *Pamela* (1740), I argue, attempts to convey a sense of the protagonist’s virtue through a formal representation that mimics accounting. Just as the Bank is believed to be virtuous because of the way it puts its accounts in order, Pamela is meant to be virtuous partly because of her practice of keeping accounts. Virtue is registered formally in the novel just as it is registered formally and systematically by the Bank. But, in both cases, virtue can only be virtual. The novel as a “documentary history,” one that pretends to be grounded in empirical reality, can be explained partially by the prevalence of trust in double-entry book-keeping. But, as in Defoe’s writings, trust in the form that quantification takes is insufficient, and this problem is part of what is at stake in the ensuing responses to *Pamela.*
By the middle of the century, the virtue of the Bank and the system of public credit seems to be taken for granted by writers such as political economist Sir James Steuart. But novelist Sarah Fielding’s *David Simple* (1744) explores what is at stake for social relationships by adopting the quixotic form of earlier novels to modern social questions. Here, I argue, public credit operates implicitly in the setting of Fielding’s novel, which asks the question of whether it is possible to return to an older mode of friendship, one not predicated on individual interest and competition. In so doing, Fielding points to Threadneedle Street (the location of the Bank and the Royal Exchange) as the origins of modern social problems. Mimicking the way political economy virtualizes actual people in describing the system of public credit, Fielding “depersonalizes” particular characters in order to test the system in which any actual person might find himself. The result of this test is quite sombre: systematized trust leads to the collapse of social relationships and an inability to return to an older value system. The type of novelistic credit that Fielding produces, the type of meaning that makes her novel credible, is at odds with that of public credit. At the level of form, Fielding’s novel replicates the systematization of trust that it critiques at the level of content, and in so doing, calls into question the notion that virtue and virtualization can be equivalent.

Credit, explored through narrative virtualization, also gets described and reflected upon within the content of the novel. Analyzing public credit as a structural change to which political economy and the novel both respond helps us to fine-tune the way we understand individualism inherent in the novel genre. The rise of the novel is also a product of the rise of a public credit system, one which transfers the belief and trust
people have in tangible others to trust in a virtual realm. The novel is not merely a celebration of individualism, but also a way of coping with a drastic shift after quantitative credit gradually replaces qualitative contact, after concrete trust begins to give way to virtual imagined communities.

Historicizing the novel through the rise of public credit adds another layer to the body of knowledge relating to the rise of scientific empiricism, capitalism, and political economy. Each of these discourses describes systems whose ends are the abstraction of particulars from lived experience. Breaking with other studies on the novel and political economy, I have chosen to analyze the novel next to the emergence of public credit in order to draw out the way it took time for trust in the system to develop. Examining novels as different responses, both critical and compliant, with the epistemological change that ensued after the establishment of public credit allows us to mark their difference from the discourse of political economy, which takes as its premise the naturalness of credit that is, for many of these novels, not only unnatural, but antithetical to the interests of the individual characters they describe.
Chapter 1

The Rise of Public Credit

Political economy, a framework critics have used to understand the eighteenth-century novel, might be defined as a discourse on managing a nation’s income and wealth, one grounded in quantitative method. While Sir James Steuart and Adam Smith use the term “political economy” explicitly to characterize their writings, thinkers in the seventeenth century, such as Charles Davenant and William Petty, use similar methods and, for this reason, might also be called political economists. One structural difference that makes earlier writings on political economy dissimilar from later ones is a more developed system of public credit, one that ties the state to banking and other financial mechanisms. The definition of wealth changes with the advent of public credit, which entails the use of paper money rather than coin or bullion for trade.³

The particular form public credit took became possible through the establishment of the Bank of England in 1694, a private organization that became more closely affiliated with the state as the century progressed. The Bank of England can help us understand the emergence of public credit because it evolves in distinct stages with the development of concrete, material technologies that tie it closer to the state. This entails the use of double-entry book-keeping, which abstracts concrete relationships between

³ Recent commentators have pointed out a correlation between new definitions of wealth and the advent of political economy. Steve Pincus argues that the revolution in 1688 produced a revolution in political economy, in which the Whig definition of wealth (grounded in labor rather than in land) emerged as victorious (393).
debtors and creditors into a system. With the rise of public credit, the traditional conception of credit changed from a familiar handshake between two trustworthy associates to a belief in the power and the authority of the state. But for this to happen, citizens of the state had to trust its creditworthiness, an attitude that sharply contrasts with the political tumultuousness of the seventeenth century.

The establishment of public credit was controversial, and contemporaries debated over whether it served a “public good.” This sort of language, present in most discourses on public credit, evokes a notion that each individual could benefit by being counted as part of an aggregate. Public credit requires this sort of virtual language to justify itself, and this language comes out of a particular historical development just before the financial revolution. I describe below a general process by which public credit, first seen as serving particular interests, evolved into a general system that can later be described somewhat coherently by the discourse of political economy. Despite the turn toward empirical method, however, a qualitative basis pervades discourses on public credit, one grounded in public opinion rather than quantification. The Bank of England as an institution – a tangible, concrete building that develops a character of its own – helps to bring public opinion around to trusting public credit. But, because opinion is ultimately what sustains it, public credit is inherently problematic and difficult to define in its early stages.

Economically- Constituted Property
One way of understanding the way public credit came into being is to note a shift whereby property, once provided politically by monarchs and lords, became valued and constituted in economic terms. Robert Brenner discusses a process by which politically-constituted property waned with the emergence of economically-constituted property. The merchant class, whose right to trade internationally was sanctioned by monopolies protected by the crown, initially brought a new form of wealth into the realm whose value was determined by various forms of credit, such as bills of exchange. This had an unintended consequence of empowering landholders in new ways. They could refrain from depending on the monarchy to provide alternative opportunities for income through offices and other perquisites. The upshot was that … English landlords ceased to require forms of state, of political community, either local or national, that had as one of their central functions the economic support of the members of the dominant class by means of the maintenance of _politically constituted forms of private property_. (651-52)

Landholders, in other words, began to depend on a market rather than state power for their land and livelihood. Ellen Meiksins Wood summarizes the important implications of Brenner’s analysis: “Brenner’s principal questions, then, were these: how was it that old forms of ‘politically constituted property’ were replaced in England by a purely ‘economic’ form” which then contributed to a “a distinctive pattern of self-sustaining economic growth?” (50). This new economic order contributed to a major ideological shift whereby the solutions to political and social problems gradually came to be worked out in economic terms, and this had to do with the strengthening of a self-sustaining marketplace distinct from political power.

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4 The crown allowed merchants to buy cheap and sell dear by protecting sanctioned monopolies. These “merchants were dependent on politically-constituted private property and the monarchy was prepared to create and maintain this for them in exchange for political and financial support” (670).
Trade and land ownership were both transformed in this turn to the economically-constituted power of the marketplace. Wood suggests that English agrarian capitalism emerged out of the necessity for members of the gentry to improve their land in order to compete and survive, thus producing the conditions of possibility for the modern wage laborer (70). Before the middle of the seventeenth century, peasants lived on the land in customary relationships with a landlord. In 1646, an official ordinance abolished feudal tenures, formalizing what had taken place in the years during the transition to economically-constituted property. As feudal tenures were gradually dissolved, peasants who had been allowed to subsist on the land were forced to sell their labor (as their only property) in order to pay rent. People who had no landed property were forced out of necessity into working for money, for there became fewer and fewer spaces for people to survive without land ownership. In this way, economically-constituted property began to encompass more than just landholders and merchants, but peasants as well. By the end of the seventeenth century, English citizens were already governed by a system of exchange mediated by money, what we might call a market. But money still meant, for the most part, coin and bullion. Bills of exchange were still restricted to merchants and bankers.

The causes of the English Civil War, which took place between 1642 and 1651, are heavily debated by historians. A general consensus seems to be that the grounds for war were simultaneously economic, political, and religious. Monarchical power had declined under James I, who was seen to advocate recklessly absolutist doctrine, or the divine right of kings, often at the expense of his constituents (Hunt 3). Charles I, like James before him, shared this belief, and even dismissed parliament when its interests
conflicted with his own, which had the effect of “pinning himself into a financial corner” by forcing him to raise taxes against the will of many of his constituents (Hunt 18). The political power struggle mapped onto a religious one: Anglicans (supporting the king) were pitted against puritan factions, which tended to be comprised of the “middling sort.”

In three separate wars in this period, royalists supporting the king fought against parliamentarians. Before the war, parliament’s role in the government was called into question, for its power to grant the monarch supplies was the principle reason for Charles I’s decision to turn to “personal rule” when parliament failed to oblige him. After the war, however, the king’s power weakened when parliament took control of the commonwealth’s finances.

One way of reading the origins of the Civil War is through tensions created by the establishment of the economically-constituted power. Without having access to credit, the king lacked certain powers, which undermined his ability to govern. Economically-constituted property, rather than the king’s royal status alone, became necessary for effective rule. Like James before him, Charles I lacked credit for financing ongoing wars. City money-lenders refused to help him on the ground that he would not be able to repay them (C. Hill 106). The “personal government of Charles I broke down … because it lost the confidence of the propertied classes. There were no safe investments under the English ancien régime” (C. Hill 106). In executing Charles I in 1649, the army resolved to behead him because his government was not in tune with the interests of the commonwealth. Rather, the king was perceived to be pursuing his own private interests, raising taxes without parliamentary consent and proroguing when it conflicted with his
military and financial interests. Reflecting on the execution of the king and the ensuing political instability, some Civil War thought emphasized the role of the government in protecting the interests of each individual.

Thomas Hobbes can help us begin to understand the way a notion of “the public good” becomes a key term through which seventeenth-century thought makes sense of political authority. In *Leviathan* (1651), the function of a commonwealth is to protect property, which is ultimately the cause of war (142, chap. XXI). Hobbes’s model of the state of nature theorizes an invasion of “each by each.” Each individual is naturally inclined to usurp the property of the next. For Hobbes, the solution to the problem of the inherent instability in the state of nature is that each subject forms a contract with the Leviathan. Hobbes imagines the role of the state to be a complex of social, commercial, political, and religious relationships that unites people, protecting people from the natural tendency to invade one another, a situation that would upset the balance of the whole.

But there is another side to Hobbes’s description of the state of nature and the ensuing formation of civil government. In the frontispiece to the volume, one observes a king holding a sword and a scepter. Covering the king’s body are countless individual constituents that imbue him with a protective armor. The figure of the king, symbolized by constituent power through the tiny bodies that make up his own, hovers over other symbols of prosperity, security, and wealth.
While people surrender themselves to the Leviathan in Hobbes’s absolutist political theory, the symbolism in the frontispiece is revealing: it is not a surrender to absolute or arbitrary power, for the Leviathan is already configured as a power constituted by the individuals it is meant to serve and protect.

Other Civil War thinkers use a similar assumption in theorizing a ground for political power. In *A System of Politics* (published posthumously in 1700 but written decades earlier), Thomas Harrington follows a Hobbesian premise when he writes: “All government is interest, and the predominant interest gives the matter or foundation of the government” (271). For Henry Ireton, a key contributor to the Putney debates (an ongoing discussion between members of the New Model Army on the topic of the new constitution), the future of political stability was tied to an understanding of political
power produced by “permanent interest” in the commonwealth. How does one determine who is permanently interested or not? Through the ownership of property (Woodhouse 109). If one owns land in the commonwealth, he must be interested in the whole of the commonwealth. Interest becomes even more clearly defined in Ireton’s argument: it is through property ownership that one can be said to have an interest.

For John Locke in his *Second Treatise of Government* (1690), owning landed property is a natural right, one that comes from mixing one’s labor with one’s body (i.e., with nature) in order to improve it (306, chap. V, sec. 27). Property ceases to be common “naturally,” but it is not alienated without the consent of others. Locke writes:

’Tis true, in *Land* that is *common* in *England*, or any other Country, where there is Plenty of People under Government, who have Money and Commerce, no one can inclose or appropriate any party, without the consent of all his Fellow-Commoners: Because this is left common by Compact, *i.e.*, by the Law of the Land, which is not to be violated. (310, chap. V, sec. 35)

Further, the political power of civil government, and the property it sustains, comes “only from the Public Good” (286, chap. I, sec. 3). Unlike Hobbes, Locke assumes that mankind in a state of nature is free and equal, and it is only corrupted by bad governments and arrangements of property not in accordance with a public good.

There seems to be a sea change in political thinking between Hobbes’s and Locke’s respective social contracts. For Hobbes, the people are the problem; for Locke, it is the government. In either case, the public good becomes the measure by which one gauges political legitimacy. Locke says that the right to rebel is justified in the final chapter of the *Treatise*, for if natural rights to property are taken from people, the people have a natural right to insubordination (446, chap. XIX, sec. 243). A state is only secure if
its ruling authorities ensure (or at least persuade citizens) that they are serving a public
good, one that is increasingly configured in terms of serving the interests of individual
members of the commonwealth.

In the cases of Hobbes, Ireton, and Locke, there is already evidence of an
ideological shift, one that had been fomenting under the Stuart monarchy, whereby
absolutism (at least in the sense of monarchical power alone) is no longer feasible
because the interests of those holding property is what imbues the monarch or the state
with authority. Political power is only viable when the monarch heads a commonwealth
whose interests he upholds and preserves. Locke and Ireton register this interest explicitly
in terms of landed property. But what Brenner shows us is the extent to which this landed
property is already beginning to become configured economically.

Interest and Ideology

The notion of interest is key to understanding the rise of public credit. While
interest eventually becomes a term that economists use to posit the way individuals
within a marketplace get counted as an aggregate, it was not until the nineteenth century
that the term carried this connotation. Earlier, interest was a pejorative term, one that
meant pursuing one’s advantage without moral consideration, often at the expense of
others. But as the eighteenth century progressed, this ideology waned. Interest came to
encompass more than those with permanent land, but those who had property by way of
an emergent marketplace.
Joyce Appleby defines *ideology* as shared beliefs by contrast to beliefs that serve particular political interests. This definition is pertinent to the thesis on the transition to economically-constituted property: people act on their own interests without explicitly or consciously serving a political power. The attitude of pursuing one’s interests changed previously-held customary relationships between people, and became increasingly configured in quantitative terms (6). For example, the notion that the poor were to be cared for by the more affluent faded around the middle of the century, signaling what Appleby calls the retreat of a “moral economy.” People began to pursue their own profits, which was hitherto thought to be an un-Christian or amoral motive (70).

Albert O. Hirschman argues that, by contrast to arbitrary decision-making by a political sovereign, economic expansion was seen to improve the political order because *interest*, still a pejorative term in the seventeenth century, came to be seen as natural, calculable, and rational by the early nineteenth century:

‘Interests’ of persons and groups eventually came to be centered on economic advantage as its core meaning, not only in ordinary language but also in such social-science terms as ‘class interests’ and ‘interest groups.’ But the economic meaning became dominant rather late in the history of the term. … [I]t comprised the totality of human aspirations, but denoted an element of reflection and calculation with respect to the manner in which these aspirations were to be pursued. (32)

But this ideological transformation was messy. For one, older, more traditional notions prevailed in some places more than in others. E.P. Thompson, who also emphasizes the retreat of a moral economy, argues that “the notion of ‘economics’ as a non-normative object of study, with objective mechanisms independent of moral imperatives, was separating itself off from traditionalist theory during the mercantilist period, and with
great difficulty” (270). Despite the tendency to think in terms of aggregates, as one does when one posits an “economy,” customary relationships between rulers and the poor prevailed – if the rulers denied their poor, for example, they might undermine their own legitimacy by doing so (270). Local customs with their accompanying moralities often took precedence over the newer emphasis on economy.

The general imagination of an aggregate – a nation, a market, or an economy – came much later. J.A.W. Gunn argues that the ideology that interests were served (and the imagination of a public that should accompany it) did not take place until the eighteenth century (327). He writes: “The literary formula of describing the public interest as a ‘sum’ of particular interests was not common until the late eighteenth century, although the same message was often expressed much earlier in different language” (327). The slow transition to the ideology of counting interests that make up an aggregate that seems to dominate later discourses helps us to understand the rocky evolution of public credit, an institution that requires an ideology of individual interests and an accompanying notion that, taken as an aggregate, such interests come to serve a public good.

The transformation from a moral economy to one of a “public good” configured through the management of individual interests in an aggregate is, in part, facilitated by the establishment of permanent public credit. Early documents on the establishment of national debt use the same rhetoric of the “public good” I analyze in the political writings in the seventeenth century. What I describe as a general transformation of ideology based on understanding interests through an aggregate gets taken up by respondents to the English public credit system. By the end of the eighteenth century, political economy
describes this system of interest as acceptable – natural, even. But over the course of the
eighteenth century, the debate over public credit reveals that the moral economy Appleby
and Thompson describe is still present, fueling a debate over whether public credit
actually serves the public good, or if it merely serves the interests of a few. This is the
first reason I argue that public credit, rather than being the smooth system described by
political economy, is in fact problematic.

Trust in the State

The establishment of public credit represents a further stage in the development of
economically-constituted property, for the economic investments of individuals begin to
support the state’s functioning. In *The Machiavellian Moment* (1975), J.G.A. Pocock
writes:

In what has been called the ‘financial revolution’ that began in the nineties, means
were found of associating the national prosperity directly with the stability of the
regime, the expanding activities of government – and most significant of these –
the prosecution of war. The institutions of the new finance, of which the Bank of
England and the National Debt came to be the most important, were essentially a
series of devices for encouraging the large or small investor to lend capital to the
state, investing in its future political stability and strengthening this by the act of
investment itself, while deriving a guaranteed income from the return on the sum
invested. With the aid of the invested capital, the state was able to maintain larger
and more permanent armies and bureaucracies – incidentally increasing the
resources at the disposal of political patronage. (425)

What Pocock points out here is the way public credit is not directly tied to political
power, but to a series of seemingly politically-neutral “devices” that encourage
individuals acting on their own interests to invest in the future of the nation. But this
required a change in thinking about indebtedness, one that came with a change in thinking about the state.

Attitudes about indebtedness changed with the end of the moral economy Appleby and Thompson describe. In *The Debt Book*, published in 1625, Henry Wilkinson writes vehemently against contracting a debt, arguing that the only ethical debt one should have is loving others – borrowing money is not only wrong, but dangerously addictive, because

debt is a consumer of credit and state, of goods and good name, however some men thinke the contrarie, yet there is no question to be made. How often do we see, that as after the biting of an Aspe, the man smitten fals asleep, but the poison disppeareth it selfe through everie member till the whole bodie be poisoned: So after debt contracted, specially upon the hard tearmes of usurie, or ill conditions the debter is lulled a sleepe by the sweetnes of the present supply, but the debt passeth as a poison through every part of a mans substance … till all be turned into debt … Yet for all that; as the dropsie-man delighteth in abundance of drink, though most hurtfull in that disease, because it satisfies the present appetite: so men in debt already are willing to continue, yea to multiply the same, (because thereby their present need is served) though it be never so pernicious in the conclusion. (67-8)

The treatise, dedicated to Charles I, insists that indebtedness is fundamentally problematic. Other pamphlets reflect similar ideologies. In *The Worth of a Peny, or, A Caution to Keep Money* (1667), the author writes that “Misery is ever the Companion of borrowed Money. Hereby a man is made cheap, and undervalued, despised, deferred, mistrusted, and oftentimes flatly destroyed” (9). Debt is not only a moral problem; these writers argue that going into debt inevitably entails personal financial ruin. It is bad, in other words, for one’s own interests.
But this attitude, for the most part, changed after the Civil War. The economically-constituted power Brenner describes entailed using money to value property, labor, and land. The increased use of money – and the fact that money mediated more relationships than ever before – also meant that it became more scarce. Coin shortages, along with the accompanying problem of coin clipping, abounded. At the level of state, this shortage was felt to be utterly detrimental. The government began to experiment with permanent debt mechanisms in order to remedy this cash-flow problem. Michael Braddick argues that the groundwork for a permanent national public debt lies in the 1650s and 1660s through the expansion of the tax base so that the flow of funds was taken “out of the hands of the monarch by means of appropriation and audit” (44). This was a significant turn of events, because, while the monarch was still not believed to be trustworthy, an evolving system of checks on the crown (i.e., through the strengthening of parliament), became more so.

But another solution was in the making, one that proved effective in establishing a permanent national debt. When confronted with the question of a money shortage in 1682, William Petty recommended the following: “We must erect a Bank, which well computed, doth almost double the Effect of our Coined Money: and We have in England Materials for a Bank which shall furnish Stock enough to drive the Trade of the Whole

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5 The notion that debt was a moral problem and a precursor to financial ruin nonetheless persisted in some circles.

6 Braddick shows how the government even attempted to use the exchequer as a credit mechanism. In the middle of the seventeenth century, the need for borrowing increased, and the fiduciary order was invented to accommodate the crown. “This was a credit note secured against the credit of the exchequer as a whole, not against a particular source of revenue. It was secure as long as not all were presented at once, and in this respect resembled paper money. It circulated among the commercial population and was respected as a means of settling accounts, so long as the credit of the exchequer remained good. Unfortunately too many fiduciary orders were issued and their holders lost confidence” (41).
Commercial World” (*Quantulumcunque* 7). Petty advocates supplementing scarce coinage through the establishment of a separate bank. Petty’s use of the word “effect” reflects an acceptance that credit could supplement money, which was then thought to be based in the intrinsic value of bullion. Indeed, paper credit would *serve as* money. In his proposal, Petty describes a concrete mechanism that allows for the extension of credit: a bank is an institution, a building, and also a virtual system of producing credit. But a government-sanctioned bank was not enough to set up a system of permanent national debt, for there was still a lack of trust in governing authorities.

The Glorious Revolution was a turning point in the possibility for establishing a permanent national debt. With the overthrow of James II and the transfer of power to William III and Mary II came changes in financial policy. By 1688, there was a need to take out long-term loans, and the system had developed to allow for this (Dickson 45). The public debt originated, to a large degree, from the practical need of William III to finance war with France, obliging England to become what John Brewer calls a “fiscal-military state” (xxi). Prior to the Glorious Revolution, the crown had control of the state’s purse strings; after the events of 1688, the king’s power became more limited, and this allowed parliament to undertake financial innovations (Broz and Grossman 54). “The fact that Parliament guaranteed all these loans made them ‘debts of the nation’ or ‘national debts,’ and both Englishmen and foreigners were quick to realize that this change from merely royal security was extremely important” (Dickson 50). The new stable regime
partly solved the problem of lack of trust in the government. With a weakened monarch and a strengthened parliament, the credit system seemed more credit-worthy. Fernand Braudel writes that without “this takeover of the financial machinery of the state … England would not have been able to develop as she did a credit system that worked” (526). The establishment of a debt that was for the “nation” rather than for the monarch alone implied that it served the public interest, and not just that of the monarch.

The Idiosyncrasies of the Bank of England

The Bank of England, conceived by William Paterson and Michael Godfrey, was formally established in 1694 through an initial £1,200,000 subscription “upon a fund of Perpetual Interest backed by parliament charter” (Guiseppi 10). When the Bank received its first charter, it was not consciously envisioned as a permanent institution designed for central banking functions in mind, as are modern state banks, argues H.V. Bowen (1). After all, it was still required to apply to parliament for renewed charters. Between 1696 and 1781, the Bank applied for six short-term renewals. Establishing public credit meant

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7 Ann Murphy, examining the emergence of the English financial markets, argues against the notion that it was solely the change in monarch that allowed for the establishment of a permanent national debt. She argues that “the financial promises of the post-Glorious Revolution government were no more credible than those of previous Stuart monarchs. Indeed, credible commitment was not offered from above by the institutions of government, it was demanded from below by those who invested in the public funds and it was supported by the creation of an active secondary market in government debt” (Origins 5). In her reading, a credit system had already been established when the Glorious Revolution took place; the crown then harnessed its power.

8 It was not only that the nation was in debt, after all, but that the nation was trusted as credit-worthy. Perhaps this partly attests to the terminological slippage between “national debt” and “public credit.”

9 The government also took massive loans from the East India Company and the South Sea Company (established later in 1711), creditors whose importance gradually waned over the course of the eighteenth century.
that the spending power of the British government increased by 34% in the 1690s and by about 40% in the eighteenth century (Braddick 44). The Bank strengthened the state, allowing it to surmount the economic problems it faced in the previous century, and the state strengthened the Bank, producing over the next century what we now call capital, “the effect” of coin, in the form of credit. However, despite the rebuilding of trust in the government around the time of the Glorious Revolution, the Bank had to produce a trust of its own. For circulating “the effect” of coin rather than coin itself carried with it its own risks, and this is a second factor in why I argue that public credit is inherently problematic.

J.L. Broz and R.S. Grossman argue that, by contrast to other important modern institutions, the Bank came into being by “contracting under uncertainty” in the beginning, but gradually became a “linchpin of credible public finance” (50). While the Bank borrowed protocols from other banks of its time, it differed from the banks of Amsterdam, Venice, and Genoa in a fundamental way. Whereas the large Continental banks, ones which predate the existence of the Bank of England, were banks of deposit and exchange, the Bank of England was set up as a bank of issue from its outset (Richards 136).

Paterson and his associates saw that there was not and could not be a subsidiary currency which was not assured on a basis of the precious metals. They saw that it was possible to circulate paper currency, and this to an amount which was considerably in excess of the specie on which it was at any moment actually supported, in other words that it is possible and expedient to circulate bills, payable on demand, … [without assuming] that the demand for payment would be an immediate claim, and that this suspended liability might be an addition to the currency, and a source of profit for those whose credit enabled them to float it. (Rogers 71-2)
While it was impossible for the Bank to back all of its paper issue on coin (since the shortage of coin was the problem from the outset), Paterson used a principle of “suspended liability.” In other words, the Bank issued paper that promised to be redeemed for cash when given notice, but relied on its own credit to ensure that these bills would be trusted. The Bank purported to give in its bills the equivalent of what it had received, but it never pretended to take the deposit for any purpose than that of trading with it. It never professed to make its issues square exactly with its coin and bullion, though of course it made its liabilities square with its assets, plus the capital of its shareholders, and in time, plus its rest or reserve i.e. its accumulated and undivided profits [. ] … It coined, in short, its own credit into paper money. (Rogers 9)

This point is crucial. While the Bank accounted for its own issuing of coin, it profited not from coin, but from investments in it. It used credit from these investments (and the public belief that the Bank was credit-worthy) to continue the process of issuing paper without enough coin to back it. The assumption that all paper would be not be called for redemption was based on a presupposition that the Bank would remain credible, that people’s trust in it would not compel them to redeem paper for coin – public opinion, for this reason, needed to be on the side of public credit.

By “coining its credit into paper money,” the Bank solved the money shortage problem. Depositors were allowed three methods of investment, the most significant being the “running cash note,” which meant that they were issued a receipt for their deposit. These paper receipts, partially printed, were usually given in exchange for coin. A cashier would write by hand the name of the depositor and the amount, but, from the

10 This method of turning a profit depended on a wager that not all investors would seek redemption at any single time. The financial sector did not invent this method, for it is preceded by a more general exploitation of human labor, one which grew out of the transition to economically-constituted property.
outset, the notes included the words “or bearer” so that they could be circulated from person to person. It was this “running cash note” that developed to become paper money. The notion that there need not be a supply of cash ready at hand (coin or bullion by contrast to paper – the two terms are disaggregated in the writings of this time) was problematic in varying degrees throughout the century. If the public perceived that the Bank would not be able to pay out in bullion, a run on the Bank might ensue.11

Early commentators recognized that this sort of paper money was unique. In *A Letter to a Friend Concerning Credit of the Nation* (1694), the anonymous author writes:

> Any Banker’s Notes pass currently in all Paiments, and are esteemed equal to Money; and not because Men do generally believe, that a Banker hath always Money lying by him to pay all his Debts, though they should be demanded all at once … if a Banker should do so, from whence could he get Profit to maintain Tellers, Book-keepers, Porters, pay great Rents, and get something over and above to reward his Care and Pains? (1)

Built into the plans for the Bank was an idea that paper currency could circulate without the exact amount of coin and bullion necessarily backing it. The Bank itself had an interest – and this was to profit. It was up to the Bank to maintain its public image in order to do so.

The Bank, besides being an institution – a set of internal practices or a “series of devices” that allowed it to issue paper money and to provide a loan to the government – was more than just that. The Bank also had a physical embodiment – a concrete, stalwart building located in the City. Such geographical and architectural decisions served to

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11 But the perception that a run was possible had, ironically, the effect of strengthening the monopoly of the Bank. Over time, the commonwealth realized that the Bank had to be a monopoly and immune to competition because competition produced mistrust by causing people to demand payment all at once when they saw others transferring investments to a competing bank in search of the best rate. Further, when parliament considered proposals for a land bank, or floating the national debt on landed property, investors started to hesitate in leaving their investments with the Bank of England (Rogers 76).
galvanize public trust. While its institutional practices were grounded in double-entry book-keeping and quantitative forms of credit, the Bank’s public “face” was qualitative.

**A Clash of Interests**

One limit to Pocock’s famous argument, that “the first chapter in the history of political economy is also a further chapter in the continuing history of civic humanism” is that he aligns virtue with what the Whigs – the winners in this history – accomplished (Machiavellian 426). The type of power that emerges in the wake of the Civil War, one that comes from individual interests being served by the state, helps to explain the early development of public credit. But, as thinkers began to reflect on the way it worked, they also began to question whether it actually served a “public good.” Pamphlets in support of the Bank used the rhetoric of the “public good” and the public interest to justify its existence. *A Letter to a Friend* is “Written by a Member of the said Corporation, for the Publick Good of the Kingdom.” Paterson’s proposal for the Bank, published in 1694, uses the language of private and public interest in order to argue that the Bank’s private status as the government’s creditor is not problematic: “Thus a Society of Private Men will be obliged by their Estates and Interests, to strengthen and corroborate the publick Security of this Bank” (11). Individual people looking out for their individual interests serve as Paterson’s guarantee that the institution will remain secure, and serve both its private investors and the public effectively. Paterson’s proposal for the Bank thus reflects the newer notion of interest to which Hirschman alludes, one that will resurface again later in
Bernard Mandeville’s *Fable of the Bees* (1705, 1714), a work subtitled “private vices, public benefits.” Interest has begun to transform from a dangerous passion to a rational motivator of society.

But a general acceptance that public credit served the “public good” took time, and resistance to this notion often got mapped onto political difference – to party difference, in fact. The Bank’s private status was controversial at its outset – in part, because it was not perceived as serving the interests of the entire public.¹² In political terms, one reason the Bank was so controversial was because a parliament-sponsored project led to the empowerment of a particular political party. The Whigs had been instrumental in enabling William of Orange to take the throne in the Glorious Revolution. And Sir John Houblon, the Bank’s first director, was a Huguenot merchant and Whig. In a sense, the political empowerment of City interests through public credit strengthened the political factions empowered after the Glorious Revolution:

The personal finances of shareholders, annuity holders, and lottery loan holders were therefore joined to those of the post-1688 regime and they required an interest in the stability of that regime. The state’s financial system was more than just an extractive machine, an engine of state, because it also helped build up a political constituency in support of the post-1688 Protestant regime. (Carruthers 87)

Not only did some of the public see particular private interests being served, but they saw the interests of the Whig party, the “monied interest,” bolstered by the establishment of public credit.

¹² Parliament sought to protect the public interest by inserting into the charter a clause that specified that the Bank could only lend to the government with parliamentary consent. This helped the bill pass but did not completely eradicate public concern (Rogers 11).
Historians describe a circular relationship between the Bank (and the City) and particular political interests in the government. Phillip Geddes writes:

The growing stability of the Bank was based on its perennial value to the government. It was a virtuous circle: the Bank’s shareholders, City merchants in the main, lent money to the Government to wage wars. These wars increased Britain’s commercial influence and opened up new areas for trade, from which these same City merchants profited. The Government of course paid interest on these loans. But that was not the Bank’s only source of income. Its note issue, a profitable business, was tied to government loans – the more money the Bank lent to the Government, the more notes it could issue. In essence this meant that every pound invested in the Bank earned its keep twice over. (15)

The Bank was initially beneficial to the state because it allowed the state to wage war, but this meant that the interests in the City came to support this sort of political policy. The “fiscal-military state” that Brewer describes helped to create the City, and the City’s capacity to influence politics in itself was controversial (250). Questions of economic unfairness also played a role in the critique of public credit. Through the creation of the Bank, the government supported the existence of a private business which served the economic interests of particular people. Public credit was thought by many contemporaries to be problematic because it catered specifically to a group of people located in the City of London, where goldsmiths had historically set up shop. The fact that public credit was thought to serve particular political and economic interests (rather than the interests of the entire public) is the third reason why I suggest public credit was problematic.

A few commentators specifically condemned the way the Bank and City interests benefitted directly from government support. For example, *A Short View of the Apparent Dangers and Mischiefs from the Bank of England*, published in 1707, argued that the
Bank merely pursued its own private interests rather than acting on behalf of a public good (8). In 1753, Patrick Murray, Lord Elibank, not unlike Wilkinson earlier in the seventeenth century, likens public credit to a bodily parasite:

The landed and trading interests, like that of the different members of the same body, are inseparable. … Whatever hurts the one, must affect the other: but the public debt is like some leeches, which will suck the blood from the whole body, whatever member they are applied to, and will never quit hold while there is a drop left. (2)

Positing the two sets of interests (landed and trading) as part of the “same body,” Elibank worries that public credit will drain both of their respective livelihoods. He suggests that public credit affects all interests – and all interests will suffer from the public debt.

Some critics of public credit argued against it not for its own sake, but because it became connected to abstract financial mechanisms that were not grounded in a tangible reality, but in the interest-driven machinations of a few. For Jonathan Swift (and for Daniel Defoe, who I will discuss in the following chapter), it was not the national debt itself, but the way it became tied to stock-jobbing.

By this means the Wealth of the Nation, that used to be reckoned by the Value of Land, is now computed by the Rise and Fall of Stocks: and although the Foundation of Credit be still the same, and upon a Bottom that can never be Shaken; and although Interest be duly paid by the Publick, yet through the Contrivance and Cunning of Stock-Jobbers, there hath been brought in such a complication of Knavery and Couzenage … as were never known in any other Age or Country of the World. (6-7, Examiner 13, 2 November 1710)

Here, Swift worries about the damage public credit (and the market mechanisms increasingly attached to it) has the capacity to render to the whole of the nation when it is so closely attached to the gaming of the stock-jobbers.
While the Bank in particular became a target of attack because of the empowerment of military-fiscal interests around the City, public credit in general also became an object of critique. Some were not concerned with the Bank itself but worried more broadly about the effects of a credit system. Many condemned the permanent national debt as a cause of indolence and profligacy, discouraging people from entering into honest trade and enterprise (Hargreaves 89). In addition to the debate over whose interests were actually being served by public credit, therefore, there was also a moral debate over the impact of public credit on society, one that was cast in different terminologies.

In summary, I am pointing to three reasons why public credit, rather than being a self-sufficient system, seemed more of a problem to be worked out: 1.) the persistence of a traditional moral economy that was at odds with the ideology of “interest” that allows credit to be virtualized, 2.) the fact that the Bank produced “the effect” of coin without substantial bullion backing it, and 3.) the worry that the relationship between the Bank and the state served particular political and economic interests rather than the “public good.”

Public Credit and Political Economy

Despite its lack of intention of becoming a central bank, the Bank of England’s archives provide evidence that the initial loan the government took out would probably be permanent. Early documents discuss the debt and the government’s attempts to
develop a sinking fund, a second fund accumulated to amortize the debt in order to reduce it over the course of the century. By 1786, Prime Minister William Pitt the Younger established such a fund for sinking the national debt. But after the war with France at the end of the century, this plan fell apart and was abandoned by 1823 (Hargreaves 155). By the end of the century, it seems almost impossible to imagine the nation without public credit and all that it entails. And public credit as a permanent functional system is presupposed in later writings of political economy.

Rather than beginning with the usual suspects authoring the documents we call works of political economy, such as with Smith or Steuart, I will start with a lesser-known response to a famous critic of public credit. For David Hume, public credit was inherently problematic. Hume’s “Of Public Credit” (1752) was highly influential, and argued that the establishment of public credit was to the eventual ruin of the nation. He insisted that bankruptcy would follow from the national debt, and that public credit risked the fortunes of multitudes for the benefit of a few (360-1). In Characteristics of the Present Political State of Great Britain (1758), an anonymous author responds to Hume, arguing that public credit has “natural” limits, and that the public should not worry on this ground: “Credit can never be given without end. None will give credit but to men of integrity, prudence, and activity, or to men of substance. Here then are natural checks and limits, beyond which credit will not be extended” (28). In this passage, the author utilizes the notion that the tendency to follow one’s interest leads to natural checks on the system. The author’s further arguments begin to resemble later writings of political economy in
providing a description of a self-regulating, natural system that the public has no reason to fear.

With the premise that the system of public credit has natural checks, the author of *Characteristics* grounds his argument in support of public credit on an assumption that conditions for bad credit may have existed in the past, but these are no longer relevant because of the “natural” prudence of individual creditors. In so doing, he links confidence in the credit system to having confidence in the nation at large, or at least in an aggregate of prudent investors. Having this confidence, in itself, is a boon to the individual constituents of the nation:

A private man may be obliged to borrow, and may borrow with great advantage to his private affairs. The same thing holds in the case of a nation. … If the people have confidence in the Government, the securities given by the Public, bearing a certain interest, may not only become a fund of paper-money, which may be easily transferred from hand to hand, but become so convenient for merchants or others, that they may very reasonably rise above par. Thus there may be a solid foundation for stocks and public funds. (47)

“Rising above par” implies growth and a capacity for individuals to profit. It is as if the author prescribes having confidence in the nation for the end of economic progress for its individual constituents. It is, in other words, in one’s interest to have confidence in the nation. But this prescription is justified by the political stability of the nation, owing to a circular relationship between politics and economy. To further prove this point, one only needs to read further. In a later section, the author uses historical examples to posit that the government *has already* achieved the confidence of its people:

When a free government is able to contract great debts by borrowing from its own subjects, this is a certain sign, that it has gained the confidence of the people. … ’Tis by this firm credit, among other things, that the Government ever since the Revolution has been remarkably distinguished from the Government during the
four preceding reigns. … Before the Revolution the nation could place no confidence in the administration; for they were continually giving them ground of jealousy, and were secretly undermining, or openly invading, their constitution. (53-4)

The prescription of the earlier passage here morphs into a description of why public credit is already stable and hence why individual confidence is justified – going beyond the necessary presumption of individual prudence to that of the dependability of the whole system. Political economy, as its name suggests, connects the economic and political factors that come together to create the trust necessary for public credit.

In addition to this political argument, one that gives readers a reason to trust public credit, political economists utilize a method that, according to some critics and historians, is implicitly trustworthy. When one traces the development of public credit, one finds that certain methods grounded in quantification persist. Pamphlets addressed to members of government flourish well before the establishment of the Bank of England, such as the famous debate over the virtues of a balance of trade, one that requires the quantification of imports and exports, in the writings of Edward Misselden, Thomas Mun, and Gerard Malynes in the 1620s. Later in the seventeenth century, for the end of promoting the public good, Petty appeals to the “common interest” and the “Public Welfare” in the introduction to his *Political Arithmetic* (1690) (5). His work strongly advocates “the uses of knowing the True State of the People, Land, Stock, Trade, &c” (66). And, as the title suggests, arithmetic is a fundamental means for achieving this end.

Petty’s method breaks from previous traditions by relying on quantitative measurements as empirical proof. He writes:
The method I take … is not yet very usual. For (instead of only using comparative and superlative words, and intellectual arguments) I have taken the course (as a specimen of the Political Arithmetic I have long aimed at) to express myself in Terms of Number, Weight, or Measure; to use only arguments of sense, and to consider only such causes as have visible foundations in Nature: leaving those that depend upon the mutable minds, opinions, appetites, and passions of particular men, to the consideration of others. (7)

Using numbers, Petty argues, helps a nation understand its national resources and can plan accordingly. Economic historian Andrea Finkelstein points to Petty’s *Political Arithmetic* as a major turning point in economic history because, in this work, using numbers begins to take on an authority of its own, one that gradually comes to be regarded as being more trustworthy than the authority of particular political interests. Petty’s “political arithmetic,” according to Finkelstein, “described the political economies of England and Ireland the way bookkeeping described the political economy of a business or household. In this sense, seventeenth-century economics was political economics because it described the economy of the *polis*, the commonwealth, the political community” (252). Political economists in the eighteenth century rely on double-entry book-keeping in the way Finkelstein describes. Writers within the discourse examine trade like their seventeenth-century predecessors, but also must account for public credit, which allows people to use (in Petty’s terminology) the “effect” of coin to engage in such trade.

Stuart published his *Inquiry into the Principles of Political Economy* in 1767, a work which many economists consider to be the first properly systematic treatment of modern economic principles. In this work public credit is fully understood as a functional, operative system: “Credits and debts are … inseparable, because they
necessarily imply each other,” writes Steuart (4:125). He does not question the validity or the virtue of the Bank of England; rather, he likens it to any other private economic institution: “The bank of England is to the exchequer, what a private person’s banker is to him. It receives cash of the exchequer, and answers its demands” (4:247). Steuart does not provide a historical account for the Bank, nor does he address arguments that questioned the virtue of public credit. Public credit exists self-evidently. Steuart’s task is to describe to readers how it works.

Steuart dissects credit as if it is a natural entity mankind has only recently discovered, no different than any other object of scientific inquiry. Steuart breaks credit down into three component types: private credit, mercantile credit, and public credit.

Public credit

is established upon the confidence reposed in a state, or body politic, who borrow money upon condition that the capital shall not be demandable; but that a certain proportionall part of the sum shall be annually paid, either in lieu of interest, or in extinction of part of the capital; for the security of which, a permanent annual fund is appropriated, with a liberty, however, to the state to free itself at pleasure, upon repaying the whole; when nothing to the contrary is stipulated. (4:160)

This precise definition reflects Paterson’s early proposal for the Bank of England. But, rather than derive this justification historically (as I have done in my own treatment of public credit) Steuart gives it the same rhetorical value as he does the other forms of credit. The Inquiry differs from the other writings I discuss above insofar as it presents public credit as a natural entity to be described and understood rather than as an institution to be supported or criticized.

By the time he published An Inquiry into the Nature and Causes of the Wealth of the Nations in 1776, then, the way had been paved for Smith to claim as though self-
evident the existence of a “system of natural liberty” (687, chap. IV, sec. IX, par. 51). But rather than reading Smith as a proponent of a self-sustaining economy as modern economists often do, I argue that in The Wealth of the Nations we can glean the way the inherent problems of public credit, the fact that it is tied to public opinion rather than “nature,” render it necessary for Smith to advocate for government regulation. His treatise is a prescription for how to dismantle mercantilism by embracing the commercial type of political economy. And yet, despite his polemical project of advocating free trade without government restriction, The Wealth of Nations describes a political apparatus that allows paper money to be recognised as a form of generally-accepted credit.

Smith’s polemic develops the link between the banking system and the commonwealth’s role in ensuring stability of credit. While he is adamant in his attack on monopolies that undermine a “natural” price for goods (79, chap. I, sec. VII, par. 28), he nonetheless insists that the “stability of the bank of England is equal to that of the British government” (321, chap. II, sec. II, par. 85). For the Bank Smith makes an exception to his attack on monopolies. In this case, the centralized bank (that had not hitherto been a part of the state) is necessary; if paper money is abused, it can be a detriment to the commonwealth. One might note the ambivalence in the following passage: “The commerce and industry of the country … cannot be altogether so secure when they are … suspended upon the Daedalian wings of paper money as when they travel about on the solid ground of gold and silver” (321, chap. II, sec. II, par. 86). Even though public credit is the object of scientific discourse like any other natural system, here Smith admits the need for an overseeing authority that regulates paper money.
The insubstantial quality of paper money is like that of public opinion; it is part of a virtual system that depends on the faith of its participants (i.e., their willingness to have confidence in it). When public confidence is high, paper money is equal to coin or bullion: “A paper money consisting in bank notes, issued by people of undoubted credit, payable upon demand without any condition, and in fact always readily paid as soon as presented, is, in every respect, equal in value to gold and silver money; since gold and silver money can at any time be had for it” (324, chap. II, sec. II, par. 95). But Smith does not delve into what happens when public opinion wanes, even though strong public confidence seems a necessary condition for equating the “effect” of coin with coin itself. Rather, Smith advocates the need for strong ties between the Bank and the state, a relationship that manages the public perception that the “effect” of coin really is equal in value to gold and silver.

Public Credit and Public Opinion

Public credit, resulting from a century of revolution and an ensuing ideology that counting individual economic interests serves the public good (which, in turn, leads to political stability), brings together discourses on politics and economics. The doctrine that the pursuit of individual interest is beneficial for the whole of society will eventually transmogrify into something like Smith’s principle of the *laissez-faire* “invisible hand” (456, chap. IV, sec. II, par. 9). Political economy presupposes an ideology of interests I discuss above. But rather than using persuasive rhetoric to get across this point,
political economy utilizes a *disinterested* method, relying on quantification and description. Political economy tames critiques of public credit by emphasizing the latter’s “natural” propensity to self-regulate. And yet, even within its more scientific method, political economy must also acknowledge the central role public opinion plays in the constitution of public credit.

As early as 1696, Charles Davenant emphasizes the utter necessity of pleasing the public for the survival of the government and its credit mechanisms:

> If men begin to entertaine an ill Opinion of the State of Things, If the Nations Debt is Suffered to Swell beyond all Compass, If they See Private Property is not at all made the Common Care … the People will despaire of the future, and draw out their Effects, as soon as possible out of Public hands, into their own Possession, which at once must sink all Sort of Credit, and with its ruine, hazard the very being of the Government. (*Memoriall* 78)

Davenant points to a potential problem in the emergent public credit system: it is based on a public’s perception of the future. If the perception turns negative, individuals will “draw out their effects” from the public fund into their own personal hands.

But this has implications at the level of state, as the aforementioned author of *Characteristics* goes on to suggest. By linking confidence in the government to the success of public credit, the author reveals a very modern principle: that public opinion matters, and it is even the ground of a healthy credit system – and, by extension, a healthy nation.

This confidence of the people arises from the most obvious and palpable appearances, and is founded on the most just and reasonable grounds. Since the Revolution, our princes have avoided those rocks on which their predecessors ran with precipitation. … Great regard is paid to the general opinion of merchants and of the people. … [S]uch is the lenity of the British Government, such their regard to the voice of the Public, that, tho the people, perhaps, had no just reason to have been uneasy on account of the law itself, yet if this law was not thought of
importance enough to justify the suffering them to remain uneasy under it, it has been known, that, the very next session of parliament, the ministry have made the motion to repeal it. (61)

Public credit is also supported by political confidence in the government. To keep people confident (and to keep the nation wealthy and prosperous through public credit), the government must, in turn, account for public opinion. While there were doubters (and perhaps there are to this day), the idea of a circular credit system that is self-regulating because of the “natural” limits of credit and the representative government that accounts for public opinion becomes presupposed in writings on political economy.

This exemplifies how the market is intertwined with the other two principle aspects of the modern virtual public: the public sphere and representative government. Because public credit is susceptible to public opinion, a public imaginary is implied, one whose development has been described by Benedict Anderson in his notion of the “imagined community” (15), Jürgen Habermas in his “bourgeois public sphere” (27), and Charles Taylor in his “modern social imaginary” (23). Public credit, because it is governed just as much by public opinion just as it is by quantification, requires individuals to imagine themselves united as a collective, in a nation, a marketplace, a commonwealth, or an economy. Because public credit is based on the imagination of the public, political economy alone cannot do justice to helping us understand its origins.

Public credit may be an abstraction governed by the imagination of the public, but it also gets represented in the emergent public sphere through virtual media. In what follows I argue that public credit gets embodied through the Bank of England, which

13 McKeon writes: “The abstraction of the market went hand in hand with the abstraction of the economy, the self-willed activity of private citizens, from the political and public authority of the state” (Secret 27).
serves as an imaginative vehicle for the public to believe in the security of the system and the strength of the state. Secondly, I show how fiction also serves as an imaginative vehicle for understanding credit. Reading the novel next to the rise of public credit, a “series of devices” (to use Pocock’s terminology) of providing the “effect” of coin, helps us to understand what Gunn, Thompson, and Hirschman describe when they argue that the ideology of interests takes time to develop: not all people subscribe to the ideological shift that is required for public credit to survive in the eighteenth century. The early novel helps us to digest the process by which public credit comes to revolutionize social relationships as people begin to shift their trust from actual people to the “series of devices,” ones which get a concrete embodiment through the structure of the Bank and a literary embodiment through fiction.
Chapter 2
Public Credit and the Rise of Novelistic Credibility

In the seventeenth century, credit was used more regularly than it had been before. This was partly due to the scarcity of bullion, but also had to do with the fact that more people traded. In order to be successful as a tradesman or as a merchant, it became necessary to have access to credit instruments. “Credit was increasingly becoming the indispensable tool of the merchant’s trade,” writes Fernand Braudel. “His own capital, the ‘principal,’ was rarely sufficient for his needs” (384). And the necessity of using credit in addition to capital for staying afloat also entailed the establishment of a permanent public credit system at the level of state. Public credit became crucial for the success of England in the Nine Year’s War (1688-1697).

But this distinction I am describing, between public credit and private credit, is already problematic. Private credit implies trust between actual people, trust that whatever one borrows – whether it be money or goods – one will repay in a given period of time. By contrast, public credit began, in part, as a loan to the state, but later developed into a system that produced paper currency that could be circulated in lieu of bullion or goods.14 While, in theory, the bearer of the paper could take the note to a bank to exchange it for bullion, in practice this was not often the case. The use of quantitative instruments grounded in double-entry book-keeping meant that the debt could be deferred

14 However, paper credit was not always connected to public credit. Paper money was also issued by country banks in this period, and this sort had little to do with the public debt.
indefinitely. Public credit delays repayment of the loan to a future time that is never specified (even though a belief in eventual repayment – one necessary for credit to exist at all – is what makes it possible). This opens up several lines of inquiry. In this chapter, I will explore public credit as a problem based on this fundamental difference. How did the public come to accept a form of credit based on an indefinite deferral of payment? Second, while quantification is the means by which paper circulates as money, why do numbers attain the value they do when the public cannot always see the empirical realities they purport to represent?

In attempting to answer these questions, I will propose that public credit is not a system of self-evident value, but one whose value comes from fiction, a fiction that helps to constitute belief in “the public” as such. And these sorts of fictions, in turn, get taken up by the novel as it begins to separate itself from the true history, an earlier form of fiction. Novelistic credit, in other words, no longer requires a tie to empirical reality, but, with a sort of credibility of its own, produces truths and values that the public comes to accept. Examining the way Daniel Defoe attempts to describe public credit when it is still quite nascent helps us to expose its inherent contradictions, and also helps us to see how the novel develops along with these contradictions.

The Rise of Quantification

While many private credit instruments predate the founding of the Bank of England, such instruments became increasingly dependent on this institution, the Bank of
Scotland (founded in 1695), and the City interests that relied on these national banks. People in the eighteenth century also relied on regional banks outside of the City, issuing their own paper credit as a result of the high demand for it (Rowlinson 46). “Paper credit became more prevalent and the forms it took more diverse; by the end of the [eighteenth century], private bankers’ notes circulated alongside the various Bank of England sealed bills and running-cash notes, as well as lottery tickets and exchequer bills” (Glaisyer 6). Randall McGowan argues that 1729 is an important year for understanding the significance of paper credit in particular, for in this year people who forged Bank of England notes faced the death penalty rather than punishment by other means (110). For McGowan, this legislation signifies a shift where paper credit backed by the Bank became a stable form of currency through its protection by government.

The quantification of credit, numerical book-keeping rather than the traditional means of ascertaining credit-worthiness through qualitative reputation, leads to the objectification of interpersonal trust through paper money. Because people eventually believed in the virtue or stability of paper credit, it was able to function as money, a process that Matthew Rowlinson argues is part of “the abstraction and rationalization of British currency on a national basis” (43). The transition to paper money, according to Rowlinson, is the early history of the monetization of English currency, a quantification of indebtedness dependent upon the abstractions inherent in double-entry book-keeping. And this dependence on abstract quantification drastically transformed circulation. “The abstraction of circulating credit from the metallic circulation [of money] was a material

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practice, or rather the sum of many material practices, which … had as one of their
effects the reshaping of the space of circulation itself” (43). Circulation was reshaped in
such a way that it not only extended to more people, but also transformed goods into
commodities with quantitative value. Rowlinson points out that paper credit in the early
period was heterogeneous (49). Bank of England notes circulated in London, but other
regional Banks produced their own paper currencies that circulated in their respective
areas (49).

A bank can sustain a local paper circulation only on the condition that it is always
ready to exchange its own notes for money that can be used elsewhere. The
heterogeneous British paper currencies therefore articulated not only their
differences from one another, but also their identity as different instances of a
single abstraction. Even when these currencies, as they passed from hand to hand,
supported regionally specific forms of class identity, they also remained oriented
toward another circulation external to their own, with respect to which they
functioned as a sort of place-holder. (50)

The fact that a pound sterling could be rendered abstractly and quantitatively, for
example, meant that it could assume multiple forms (54). For the proliferation of paper
credit, therefore, the abstraction of precious metals into quantitative figures in a ledger
was necessary.

The rise of quantitative accounting is part of an even greater phenomenon – the
rise of empirical epistemology and efforts to practice scientific method. Mary Poovey’s
*History of the Modern Fact* (1998) positions accounting as a fundamental precursor to
other scientific methods because of its formal ability to produce facts. According to her
argument, because of their seeming neutrality and disinterested basis, facts replaced the
traditional use of persuasive rhetoric. Because numbers
constitute the units of a system of knowledge production that is biased toward
deduction – that is, mathematics – numbers inevitably carry within them the
traces of a certain kind of systematic knowledge: to assign numbers to observed
particulars is to make them amenable to the kind of knowledge system that
privileges quantity over quality and equivalence over difference. (4)

What Poovey describes here is the way numbers, placed in a ledger system, come to be
trusted to convey the empirical reality they are purported to represent. In theory, each
particular observed can be represented by the ledger. And we trust the number not for its
own sake, but for its place within a ledger.

Numbers, and, in particular, the formal way in which they are implemented in a
ledger, came to be trusted over more rhetorical forms of persuasiveness. But this comes
with a risk: “Because double-entry bookkeeping’s sign of virtue – the balance – depended
on a sum that had no referent – the number added simply to produce the balance – the
rectitude of the system as a whole was a matter of formal precision, not referential
accuracy” (55). In describing this self-sustaining formal system grounded in form rather
than referential accuracy, Poovey implies that the deducted number may not be tethered
to the real. But this is nonetheless the way modern credit (and, for Poovey, modern
empirical method) comes into being.

Paper credit is not the first instance of trust being abstracted through the
mechanisms of double-entry book-keeping. A numerical abstraction is already implicit in
bullion, which is why Karl Marx bases his analysis of money through an examination of
gold; it already has a universal value due to its measurability (188). In this sense, the process of abstraction happens even earlier than the paper money Rowlinson describes, and this allows people to think of the complicated network of creditors and debtors to be measured by bullion. How, then, is paper different from metals that exist in an abstract and quantified form? Whereas gold has already achieved status as having value, paper is meant for circulation alone. This difference might be formulated along the lines Marx provides when he differentiates between money, which is used to buy commodities (C-M-C), and capital, which is used to buy commodities for the purpose of attaining more capital (M-C-M). Paper, because it is intrinsically valueless, only has value when it circulates as capital. But what allows it to circulate is more than quantification alone; its universal standard comes from another virtual register, one grounded in the “public faith” or “public opinion,” terms that imply people believe paper can be redeemed for gold, but they also believe this to the extent that they would not demand that their paper be redeemed for cash.

When we attempt to read this period in economic history, it is difficult to understand the seeming contradiction: how can currency be based on both quantitative abstractions and qualitative trust? Today, paper credit circulates as money; it is money – its quantitative value is not questioned (at least not in daily transactions), and this quantitative value is the basis for the monetary system. Reading Defoe’s œuvre, I argue, helps us to see the extent to which fiction manages both public credit and private credit.

16 Marx argues that one reason for their serving as universal value is because these precious metals have standard weights and thus a recourse to universal measurement (191). And yet, custom is insufficient by itself to maintain this universal value: “Historical processes have made the separation of the money-name from the weight name into a fixed popular custom. Since the standard of money is on the one hand purely conventional, while on the other hand it must possess universal validity, it is in the end regulated by law” (194).
Printed fiction is another mode of virtuality in an emergent public sphere. Benedict Anderson’s “imagined community” (15), Jürgen Habermas’s “bourgeois public sphere” (27), and Charles Taylor’s “modern social imaginary” (23) are all made possible through another form of abstraction whereby people imagine themselves to be connected to a state, a nation, or a public. Understanding the relationship between the fiction and the quantitative accounting that supports modern credit helps us to further register what is at stake in the larger transition from feudalism to capitalism.

From Trusting Bullion to Trusting Paper

Paper credit, which had been used in England since the middle of the seventeenth century, became more common after the establishment of the Bank of England. According to the OED, one early use of the term paper money (as opposed to paper credit) was by British merchant and early political economist John Pollexfen in 1697. In his A Discourse of Trade, Coyn, and Paper Credit, Pollexfen describes a process by which the nation became capable of “making Paper to pass for Money” (63). Attributing the increased use of paper credit to not having enough circulating coin, Pollexfen discusses a shift whereby the government needed to secure paper money because it became necessary for commerce. “The striking of Tallies for the supply of the Publick hath been long practiced here, and by Authority, but Paper Credit for the carrying on of Commerce is new, and hath been left (till of late) to take its own way, though a matter of
great importance, and well worth the care of the Government” (64).17 With the use of paper money, writes Pollexfen, “the Interest of the Banks being so interwoven with the Government, … the Public Faith must be their support” (64). While goldsmiths and bankers issued notes as forms of paper credit since the middle of the seventeenth century, the new improved paper credit, or paper money, is “grounded on the greatest Publick Faith” (68). Paper money is but one instance of public credit, but might be said to be positioned at the interstices of public and private credit because, while it emanates from the sort of “publick faith” Pollexfen describes, it is also used to mediate private transactions. It is simultaneously grounded on the abstractions of accounting and on public trust, another abstraction (as is the emergent sense of the “public” itself). The very idea of the public generalizes from particular instances of qualitative trust to an abstraction. And qualitative trust was precisely what was at stake in the circulation of bullion.

By the 1690s, England faced a crisis over the shortage of coinage. Partly because of an expansion of trade, more money was required to carry out day-to-day business. The shortage compelled people to manipulate the physical form of coined bullion, which had the effect of producing distrust in the currency itself. To make money go further, those equipped with the right tools could clip coins, debasing the intrinsic value. However, it was not just the unadulterated appearance of coin that allowed it to circulate. People often looked up from the coin they held in order to evaluate the character or appearance of the person holding it. If a person trusted another in a given transaction, having faith in the

17 Exchequer tallies were used since the medieval period to register the collection of taxes. They were discontinued in the early nineteenth century.
other person’s reputation rather than in the measure of the bullion, the clipped coins would circulate despite their noticeable lacking in intrinsic value. Deborah Valenze argues that “a great deal was left up to the individual in determining the actual value of any given coin” (39). In the case of clipped coins, there were two conflicting mechanisms of trust. On the one hand, people measured the amount of bullion left in the coin and thus had recourse to universal standards, beyond the particularity of the transaction taking place. On the other hand, and what took place in practice according to Valenze, was that people trusted others whose reputations guaranteed that the money contained the bullion it purported to have by its stamp. Valenze’s research suggests a sort of double-think about what money signified: was money itself to be trusted or did it signify the trust one had in an exchange partner?

One famous debate between John Locke and William Lowndes (then secretary to the treasury) over the value of money in the 1690s reveals a strong set of differences as to what renders money valuable, and this debate can help us understand why paper credit can eventually be called money. Bullion, seen as intrinsically valuable and measurable by weight, was very different from a piece of paper promising the bearer an amount of bullion in the given weight. In this debate, Locke took the position that money is valuable because of the amount of bullion within it, while Lowndes argued that the stamp on the coin held a greater significance. This debate resulted in the “Great Recoinage of 1696,” in which Locke’s position prevailed – debased coins were recalled and new, “milled” coins were minted with the proper amount of bullion according to the stamp.
According to Locke, a first subscriber to the Bank of England, money should consist of the bullion it purports to have by stamp because this is the only way to ensure that it is universally valued, for gold and silver have intrinsic value. Locke’s *Some Considerations of the Consequences of Lowering of Interest, and Raising the Value of Money* (1692) sparked a fierce debate in parliament. Locke also published *Short Observations on a Printed Paper* (1695), *Further Observations Concerning Raising the Value of Money* (1695) (an essay refuting Lowndes’s *A Report Containing an Essay for the Amendment of Silver Coins* [1695]), and *Several Papers Relating to Money, Interest and Trade* (1696) in the ensuing years. In *Short Observations*, Locke writes:

Money has and will always have its Value from the Quantity of Silver in it, and not from the Stamp and Denomination, as has been already proved, and will some time or other be evidenced with a witness in the clipp’d Money. And if it were not so, that the Value of Money were not according to the quantity of Silver in it, i.e. that it goes by weight, I see no reason why clipping should be so severely punished. (61-2)

For Locke, the case of clipped coins provided evidence that money got its value from a quantity of intrinsically-valuable bullion within it. But this evidence came not from the fact that money circulated alone, but, namely, from the government’s response to clipping coins – the government, through the law, tacitly agreed that bullion is the source of its value (otherwise the law would make no sense).

But with regard to credit, there was not yet a belief in the circulation of credit as money. Locke’s contemporaries wrote extensively on the nature of credit, which came to take on the same function as money because it circulated. In *A Memoriall Concerning Credit* (1696), Charles Davenant argues that the artificial wealth – credit – created by paper money made “us less feel the want of that real Treasure” (68). Credit here is
described as a subjective lack of actual bullion, and despite the fact that it circulates, is not to be equated with actual bullion. In other words, credit and money are not synonymous; indeed, their distinction is at the heart of Davenant’s analysis. He describes credit as a fungible and unstable entity. In *Discourses on the Public Revenues and on Trade* (1697), Davenant expands his theorization on credit: “Of all beings that have existence only in the minds of men, nothing is more fantastical and nice than Credit; it is never to be forced; it hangs up on opinion; it depends on our passions of hope and fear; it comes many times unsought for, and often goes away without reason; and when once lost, is hardly to be recovered” (151). Whereas money has already taken on a universal measurable standard of value, credit is grounded on the subjectivity of the masses – the stability of credit is for Davenant always in question. Like the gold or silver that, according to Locke, people tacitly consent to circulating, credit has the capacity to evoke a public’s trust. But credit can also produce mistrust because it is dependent on opinion and other irrational mechanisms.

However, reading Davenant further, credit does not only fluctuate based on the irrational whims of people; it also has a more rational ground, and this has to do with the government producing confidence in its public through a virtuous management of funds. In the *Discourses*, Davenant describes the way in which a government is capable of producing public confidence when he argues that

> when it can be made appear, there is a fund sufficient to satisfy all pretensions, men’s minds will become quiet and appeased; mutual convenience will lead them into a desire of helping one another. They will find, that no trading nation ever did subsist, and carry on its business by real stock; that trust and confidence in each other, are as necessary to link and hold a people together as obedience, love, friendship, or the intercourse of speech. (152)
This passage opens up several lines of inquiry. First, using a “fund” implies a material basis for public credit – it is a tangible entity, but one that individuals of the public cannot see for themselves. Since public credit uses accounting mechanisms to keep track of creditors and debtors, there “is” a fund, but it exists only if all investors do not pull out at once. The public, as a group, must trust that the fund exists in order for public credit to remain stable. Second, Davenant asserts that trust in other citizens of the nation was already part of trade relationships to begin with, for no one has ever been dependent upon “real stock” by itself. Credit is subjected to opinion, but the members of the nation have always already trusted one another through the act of engaging in commerce. We have already tacitly consented to credit, Davenant’s writing suggests, why not acknowledge it? Finally, Davenant’s use of the word “public” implies that there are multiple individuals that come together to form an aggregate served by this material fund that is nonetheless dependent on opinion.

Problematizing a Quantitative Ground for Credit

Perhaps overlooking the necessity of “public faith” or “public opinion” in the gradual development of public credit, critics, economic historians, and social scientists have often used circulating money, with a quantitative basis for its value, as a means for explaining or understanding modern social organization. Some traditions in sociology, for example, have supported the notion that a social system can be based on money. Writing in the latter half of the twentieth century, Niklas Luhmann argues that money, truth, and
power all presuppose trust (51). He writes: “Anyone who has money has no need … to trust others. Generalized trust in the institution, then, replaces, through one all-inclusive act, the countless individual, difficult demonstrations of trust which would be necessary to provide a sure foundation for life in a co-operative society” (51). Money is central to Luhmann’s concept of the modern social system because it makes it possible to trust in the future, reducing what he calls “social complexity,” which is the function of any social system. Money, in other words, reduces one’s need to evaluate another person on a qualitative basis. Luhmann reflects here on the contemporary world and offers no account of its historical emergence. Georg Simmel’s *The Philosophy of Money* (1900) similarly argues that money “objectifies the external activities of the subject which are represented in general by monetary transactions, and money has therefore developed as its content the most objective practices, the most logical, purely mathematical norms, the absolute freedom from everything personal” (128). The “freedom from everything personal” comes from a notion that quantitative value has the capacity to translate subjective experience, or the purely subjective significance of any object, into objectively-understandable terms (79). And quantification is what mediates this process. In both of these theories, money is equated with an abstraction grounded in quantification, a value that is universally trustworthy and thus reduces the necessity of translating subjective relationships. Money, in other words, translates social relationships into a universal language by removing personal, qualitative variables.18 I am arguing that it is necessary to historicize these theoretical claims because, with the emergence of public credit, the

18 And, as Michael McKeon points out, this sort of “disinterestedness” is part of a greater transformation in epistemology from that which separates out the subject from the object of knowledge (*Secret* 386).
circulation of money becomes dependent on fictions outside of quantification before it becomes fetishized in the period Simmel and Luhmman are writing. It is for this reason necessary to register the historical transition that happens to money with the rise of public credit.

One of the stand-out texts in the genre of historicizing credit is Craig Muldrew’s *Economy of Obligation* (1998), which argues that one must account for the different ways people trusted one another before credit was well-developed. While the majority of economic analyses of markets are grounded in rational choice theory, Muldrew characterizes a “public means of social communication and circulating judgment” in earlier local lending networks facilitated by local markets within small communities, one that contrasts to the later impersonal system of finance (3). Arguing against the functionalist (rather than historicist) method of Luhmann and others, he maintains that there was no circulating capital in the modern sense of bank money until the founding of the Bank of England, and thus “the market cannot simply be interpreted mathematically as an abstract means of exchanging goods on the basis of individual desire or self-interest” (5). Muldrew examines the instability of the so-called credit system that operated before, during, and after the financial revolution, and he analyzes the stunningly large number of cases of litigation between creditors and debtors in order to suggest that people did not know how to use credit at first, and that the system took decades to become stable and trustworthy (199). When merchants and tradesmen began to use the new quantitative financial instruments, they relied on a qualitative means of knowing how and when to trust each other. The trust they had acquired from earlier networks, and
the model they used to derive such trust, governed their transactions even though quantitative credit instruments were at their disposal.

What emerges in Muldrew’s work on credit is a strong emphasis on reputation. Despite a gradual shift to a quantitative means for trust, reputation is what governed trade practice. Margot C. Finn, like Muldrew, emphasizes the importance of reputation as a way of understanding early modern credit. Finn argues that people form qualitative conceptions of what others are like, whether they are credit-worthy, and this requires an analysis of “character”:

Where early modern debt relations had been predicated on conceptions of mutual trust, modern consumer credit was shaped most decisively by notions of personal character. … Perceptions of personal worth, in turn, registered the successful use of goods and services obtained on credit to construct creditworthy characters. Credit thus reflected character, but also constituted it. (18-9)

Finn, like Muldrew, challenges the thesis that credit, even as a form of money, can be grounded on quantitative abstractions alone. Rather, credit is a product of character and reputation, two qualitative registers. Finn and Muldrew both respond to the functionalist position, one that assumes a standard, transhistorical definition of money based on its use in “economic” life alone. One problem with this position is the assumption of an “economy” that is still quite nascent, but one that nonetheless grows into itself in the eighteenth century.

Poovey’s *Genres of a Credit Economy* (2008) begins the process of historicizing the value of paper money, qualifying many of the claims made in her *History*, by arguing that with the establishment of a “credit economy” there emerges a distinction between fact and fiction as separate modes of writing (3). This distinction is necessary for the use
of paper credit as a monetary token, but also informs the evolution of literature in the period (87). By establishing paper credit as a trustworthy genre, argues Poovey, paper became naturalized as a monetary instrument (89). Paper credit was no longer writing about value, but became an embodiment of value. Part of the problem with paper money was that it had to be policed in order to preserve its factual status, Poovey acknowledges; the empirical method she describes in the History is insufficient to sustain a credit economy. Credit cannot rely on quantitative means alone, but must be policed and regulated by the Bank and the state.

In each of these revisionist accounts, we see that credit does not work through the power of quantitative abstraction in accounting practices alone. While accounting and quantification play a large role, reputation (one that may be ultimately based on a fiction) remains of fundamental importance to the tradesman. This echoes what Davenant and Pollexfen say about public credit, as well – public faith in the nation serves as a correlative to trusting the reputation in a fellow tradesman. And reputation cannot be purely quantified. For Defoe, credit was just as much a social phenomenon based on trust as it was about keeping exact accounts. In Defoe’s understanding of credit, there is a qualitative supplement to the smooth functioning of a quantitative system of accounting, and this qualitative supplement is, ultimately, a fiction.

Lady Credit and the Public
Reading Defoe’s œuvre, one finds that he envisions a tight (if a bit confusing) relationship between public and private credit. Defoe examines both types in *The Review* (1704-13), a periodical famous for its allegory featuring the figure of Lady Credit. His *The Compleat English Tradesman* (1726), a manual on how to be an effective merchant, spends pages discussing a necessary literacy in using the instruments of private credit, advertising itself as a way of educating merchants inexperienced in using credit and unaware of the importance of keeping accurate accounts. Credit is just as essential for the working of the nation as it is for the private tradesman, he goes on to argue. He gives an account of the problem of public credit in the time of Charles II and William III, credit that parliament restored in a way similar to the effective tradesman. Parliament recovered credit by “the same method [as] a private person,” by doing “justly, and fairly, and honestly, by everybody” (241). Unlike the tumultuous seventeenth century, Defoe argues that the government has now restored credit in the same way as a private merchant might. The public correlative to reputation in Defoe’s interpretation of history, it seems, is the perception that the government is acting in the interests of the public good. While describing how to be virtuous at the level of private credit, Defoe argues that the government *is already now* virtuous at the level of public credit. Unlike private credit, which requires a feeling of trust in a tangible person, public credit requires the belief in a virtual product of discourse, a nation or a public. This means that public credit and private credit cannot operate through the same logic, and this problem surfaces in various ways when one reads Defoe critically.
A critical consensus is that Defoe’s fiction and non-fiction are both preoccupied
with economic questions, but there is less agreement as to Defoe’s precise position.
Maximillian E. Novak notes that there “was hardly a cause that Defoe espoused which he
did not eventually attack” (4). Defoe’s personal experience as a businessman meant that
he took up well-informed questions on the topic of credit in an economic climate that was
radically changing. Defoe was bankrupt in 1692 and again in 1706, and he therefore also
had a personal investment in writing about credit (Schaffer 13). Despite Defoe’s
somewhat fickle political views, he was clearly invested in preserving and even
strengthening public credit, and he used his writings to teach people how credit functions
with the hopes of making it more sound.

Novak calls Defoe a mercantilist, albeit a complicated one (5). While
mercantilism is not usually associated with economic individualism, Defoe was for the
individual as much as he was for the nation. “Because he believed that England’s national
wealth depended on the riches of private men, his main concern was actually for the
individual within the state rather than for the state itself” (Novak 12). Novak here
conflates the terms “nation” and “state” to suggest that both are made up of individuals.
Defoe allows us to complicate this equivalence by showing that the public, a virtual term
that emerges at the same time, has yet to see itself being served by state interests. As I
discuss in Chapter 1, the public was still reeling from the political crises of the
seventeenth century. Defoe’s “individualism” is also an attempt to turn individuals into
believers that they are part of a nation of commerce. Defoe’s economic didacticism
comes from a belief in the relationship between public and private credit, but one that did
not seem self-evident to contemporaries on account of partisan struggles.

Defoe’s Review becomes increasingly preoccupied with questions of credit. Set up
to discuss “the matter of our English Trade” in its earliest issues, the Review came to
examine English politics and war. But, Defoe eventually shifts his focus from military
strategy to national finance in a period when investors worried about what B.W. Hill
describes as a “loss of the City” resulting from a transfer of power from the Whigs to the
Tories (395).19 Especially from 1709 to 1711, Defoe emphasizes the importance of both
public and private credit, and spends many pages describing how credit works in addition
to prescribing right and wrong ways of using it. Defoe’s attention to the importance of
public credit might be explained, at least in part, by the fact that the Review was
established by Robert Harley, the Chancellor of the Exchequer from 1710 to 1711. Whig
and Tory partisanship was particularly troublesome in 1710, after a high-church Anglican,
Dr. Henry Sacheverell, was tried and convicted for preaching a seditious sermon accusing
the government of failing to punish non-conformists. Riots ensued, and factions in this
violence mapped onto religious and political positions. This incited a mob composed of
Tories who railed against “Whig and immigrant Bank directors” along with dissenting
preachers (Holmes 84). Hill writes: “The Tory rejoicing which greeted the triumphant

19 Hill writes that the outcome of this political crisis of 1710 and 1711 ended well for the City and for
public credit: “A Tory Parliament had been persuaded to undertake maintenance of the national debt, and
the Whig City to resume its role as the nation’s creditor. Both politically and financially these were
important developments for the future; politically because they removed a fear that public credit could
crumble as the result of a change of government, financially because the form of organization developed by
the ‘monied interest’ since the Revolution was acknowledged and even protected by a ministry which
represented the City’s greatest critics, the landed gentry. The outcome was a consequence of the ultimate
good sense of all parties in recognizing that common interest rose above the rivalry of factional
interests” (411).
Sacheverell throughout England was bound to alarm the City of London, whose strong element of ultra-Whig religious Dissenters had long been the target of Sacheverell’s polemics” (399). Defoe’s response to this discord was to describe the way public credit and private credit are interdependent in order to show that factionalism endangers the interests of all individuals.20

The two terms, public credit and private credit, cannot be entirely separated from one another. In an issue of the *Review* dated 26 December 1710, Defoe discusses this relationship. While private credit historically pre-exists public credit, Defoe argues that the former is utterly dependent on the latter, for “all Pubiick [sic] Credit is deriv’d, tho’ at some distance, from private Credit, and yet it reciprocally Contributes to the Support of its said remote Parent” (470). But conversely, public credit requires private credit in order to thrive because the former is dependent on the wealth of the nation’s constituents: “If private Credit falls off, the Stock, the Trade, and by Consequence the Wealth of the Nation decays; and if the Trade of the Nation dies, the Fund of Publick Credit fails” (470). Here, individual private credit seems to “add up” to public credit, but is also derived from it.

In Defoe’s merchant-focused analysis of the public good, credit is necessary for the whole of the nation, not just for particular interests. After arguing for the connection

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20 Critics have often attempted to read Defoe’s involvement with the Tori government as an attempt to restore trust in the public credit system. Katherine Clark attributes Defoe’s concerns with credit to a general worry about the decay of “meaning” as a fallout from partisan politics: “Defoe’s concern about signs losing their meaning was at its most intense at times of instability in the Stock Exchange, as in 1710 and 1720 when politicians sought to manipulate the national debt for partisan purposes. For Defoe, this had an epistemological significance beyond political tactics” (97). Further, she writes: “In the wake of the Sacheverell trial, the Whigs’ failed attempt to use credit as a political weapon, and [Defoe’s] own increasingly awkward position as a propagandist for the Tory government, Defoe was also more aware than ever of the distortions that party politics could inflict upon money and meaning” (112).
between public and private credit, Defoe also explicitly condemns political factionalism in the same issue of the *Review*, arguing that all individuals are supported by the same system of public credit. To these assertions, Defoe adds a third and significant term. “Power” is also a factor in the interconnected relationship between public and private credit: “Publick Credit Supports Power, Power Supports Commerce, and Commerce Credit; an endless *Circulation* runs through these things, their Affinity, Connection, and Dependance is such, that they ever Influence one another, and rise and fall together” (471). Defoe thus presents a triad of terms: commerce – credit – power. Reading on, one finds that *The Review*’s underlying polemic aims to get all political interests in a general agreement on the necessity of managing public credit. “Credit is the Health of Every party, ’tis a general Good; whatever your private Feuds are, whatever your Party Quarrels are, you should join her. For you are all concern’d in it” (471). Here, Defoe refers explicitly to public credit (although what is implied is that a neglect of public credit entails the loss of private credit). He then addresses explicitly the Tories and Whigs. “Gentlemen, you that are Ruining the Publick Credit, you are at War not with Tories, not with Whigs, but with Trade; you are at War with Industry, at War with general Improvement; in short, in some respects, you are at War with Mankind” (471). Without the support of both parties, public credit (and thus private credit, according to Defoe’s logic) suffers. The third term, power, can then be read as the political apparatus that thrives when the system of credit and commerce function accordingly. A political consensus helps to provide public credit with the reputation of stability it requires. Power is a byproduct of consensus rather than a cause.
But the argument supporting public credit comes with a caveat: it must be managed in the same way, with the same techniques, as private credit. In the same period that Defoe was beginning to advocate for public credit in *The Review*, he published *An Essay Upon Publick Credit* (1710), which claims to be authored by Harley. In this pamphlet, he elaborates on the necessity of public credit, and continues his argument that public and private credit should be treated in the same way, for “experience tells us the same thing in all Cases, whether private or publick, Personal or National” (13). Public credit, like private credit, is a matter of “Management” (21, 23). Credit, generally, “is produc’d, and grows insensibly, from fair and upright Dealing, punctual Compliance, honourable Performance of Contracts and Covenants, in short, ’tis the Off-spring of universal Probity” (9). Defoe uses terms such as “probity,” “punctuality,” and “exactness” repeatedly when referring to both public and private credit. “Our Credit in this Case is a Public Thing; it is rightly call’d by some of our Writers, NATIONAL CREDIT; the Word denominates its Original; ’tis produc’d by the Nations Probity, the Honour and exact performing National Engagements” (15). This emphasis on exactness and probity is reiterated throughout the document (16, 20, 21, 23). The virtue of these terms is to “put Life into the Nation” and help “those People that had Money think it as safe, as well deposited, and the Principle in as good Hands as in their own” (18). Referring to credit as a feminine object, suggesting that a person’s money is in “good hands” begins to do the work of rendering that which is abstract concrete, albeit through a literary vehicle. Even when he is not using the more famous figure of Lady Credit, figurative language slips in. But this passage also suggests another problem in the constitution of public credit:
because it is indefinite, because it is not a matter of getting repaid in a given period of
time, we must transfer our trust to the nation – hence the term “national credit.”
Investments are not actually “in” someone’s hands – it is only a metaphor. But without
this metaphor, public credit does not make sense.

Defoe’s allegorical use of Lady Credit begins as early as 10 June 1706. Most
critics emphasize Lady Credit when they write about the Review. Sandra Sherman notes
the way “Lady Credit can be no (consistent) lady because, embodying the whimsicality of
the market, her female ‘honesty’ is a punning, metaphorical register of the mercurial
honesty of marketplace representations” (40). The Lady, a concretized figure representing
credit, is shifty because she is not managed properly. The literary figure of Lady Credit
incarnates the “reputation” of the system, but is separable from it because she can be
transformed by the way it is managed. Michael McKeon calls Lady Credit an example of
“narrative concentration” (Secret 447). He defines this as “a technique for reducing
broadly conceived and widely ramified narratives to stories of simpler scope and more
circumscribed dimensions” (Secret 437). Lady Credit becomes a single figure – a literary
character – to stand in for a series of devices, the complex of techniques, of abstracting
debt relationships between individuals into a national debt.  

On Thursday, 16 June 1709, Defoe provides a long history of public credit, the
“Coy Mistress of Treasure” that the public must manage. This coy mistress has a diet of
“Flowing Cash, unquestion’d Funds, punctual Compliances, Faithful, exact Payments,
Due Interest, and, which is the Foundation of all, Intrinsec Value” (127). Even in his

\[\text{21 In an issue of the Review dated 10 January 1706, Defoe states that in some countries Lady Credit is}
\text{called “honour,” evoking the more traditional notion of trust (17).}\]
depiction of Lady Credit, given to her whims, Defoe emphasizes the accurate management of quantitative contracts. It is only certain aspects of the market, and not (as Sherman suggests) the market as the whole that renders Lady Credit shifty – she has certain enemies that do this. Some enemies of this “mistress” are the stockjobbers, whose propensity to speculate on the future means that the value of these quantitative contracts becomes threatened (127). As the metaphor of Lady Credit and her extended “family” (such as Virtue, Reputation, and Prudence, for example) develops, so too will Defoe’s insistence that what nourishes credit is a combination of accountability based on proper business practice and the maintenance of a trustworthy reputation. What hurts the Lady is a government that will not protect her by ensuring that she stays grounded in a solid reputation, and not on the speculative practices of the stock-jobbers.

Lady Credit, as a figure, is not inherently fickle, but can be subjected to outside influences that render her problematic. Defoe’s less figurative economic writings often distinguish between credit that is false or grounded problematically and that which is genuinely trustworthy. Simon Schaffer writes that a “large proportion of his massive output concerned itself with the manufacture of creditworthy testimony to matters of fact; the role of stable credit as the foundation of England’s polity; and the manipulation of unstable credit by cunning statesmen and mercenary jobbers” (14). Defoe also distinguished credit based on visible goods and previous exchange relationships from the more unstable credit that stockjobbers manipulated to their own ends (Schaffer 30). Schaffer’s use of the word “manufacture” is telling: Defoe produces trust in credit insofar as it is grounded on past precedents that have proven stable rather than the speculations
on an unknown future taken up by stock-jobbers. There is an element of temporality here
that should be noted: despite supporting a permanent public credit system, one that
unifies all creditors into a system indefinitely, he grounds the efficacy of this system in
past creditworthy mechanisms.

Within Defoe’s œuvre, stock-jobbing provides an example of how quantitative
abstractions of credit can be manipulated for the use of particular interests. Defoe thus
condemns basing credit on “irresponsible” stock-jobbing. In his _Hymn to the Pillory_
(1703), a satire Defoe wrote in prison the year a glass business for which he did the
accounts failed, he worries about the false notion of “intrinsic value” grounded in
account books. In this satirical piece, Defoe condemns a new way of handling “intrinsic
value” by a means that leads to instability.

*Jobbers, and Brokers of the City Stocks,
With forty Thousand Tallies at their backs
Who make our Banks and Companies obey,
Or sink ’em all the shortest way.
T’Intrinsic Value of our Stocks,
stated in our Calculating Books;
Th’ Imaginary Prizes rise and fall,
As they Command who toss the Ball.* (10)

The “public” in this stanza is buried in the possessive form of “our.” From Defoe’s
perspective, preserving the public good again means protecting commerce – and stock-
jobbing poses a direct threat to this sector. Defoe reveals his concern about relying on a
form of “intrinsic value” that is not really universally valuable. His use of this term is
facetious: this sort of value brings about “imaginary prizes” (ones which are not even
necessarily valuable as speculations) for a select few, and, by this, he does not mean
prizes for honest merchants or tradesmen. Nor does he mean prizes in tangible goods. He
means a form of credit that is not trustworthy, one which lives in the accounting ledger and is only used for speculation. Defoe’s refusal to use the ledger in a corrupt way protects the future-oriented credit economy, preserving both the system and the reputation of the individual.

This passage on stock-jobbing evokes an image of double-entry book-keeping quite the contrary to the one Poovey describes in *A History of the Modern Fact*. Quite the opposite of trusting the balance in the “calculating book,” Defoe acknowledges that accounting is capable of producing false value, and this is to the detriment of both the nation and the public, for these concepts get translated through a concept of commercial progress that “trickles down” [or up] to all in Defoe’s understanding. In short, accounting cannot be equated with credit. And yet, quantification is nevertheless part of the “probity” and “exactness” that Defoe values.

The Role of Fiction in Accounting

Despite his concerns over the use of quantification by the stock-jobbers, Defoe was preoccupied with the virtues of exact accounting practices. He praises the Bank of England for its perfect ledgers (*Tour* 11) and he maintains that the proper use of reckoning is central to being an effective merchant or tradesman (*Compleat* 15). But *The Compleat English Tradesman* also spends pages teaching the reader how to behave socially in order to maintain one’s reputation, and even includes pages of fictional scenarios in which people’s reputations are damaged by word of mouth or by the
appearance of social improprieties. The text produces an interesting tension: on the one hand, it argues for the necessity of learning arithmetical skills to keep one’s account books. This is, after all, how credit instruments work. In this regard, Defoe extols the virtues of abstraction. On the other hand, the manual provides an analysis of social propriety, teaching readers how and why to trust one another in qualitative terms. And Defoe uses fictional scenarios to achieve this.

*The Compleat English Tradesman* is one of many texts published in this period whose purpose was to educate the public on how to keep accounts, among other practices necessary for learning the art of management. While such texts on becoming a merchant or engaging in commerce date back to the Restoration, works in this genre were published in increasing numbers by the late seventeenth and early eighteenth centuries (Glaisyer 5). The proliferation of these texts in the period serves as evidence of the necessity of promoting literacy and numeracy in using the new instruments of credit. But accounting was not only a practice for the businessman, for it had a deep connection to the other modes of empiricism emerging in the period.

Accounting was understood by many of Defoe’s contemporaries as having arisen on the same rational principles as other sciences. *The Gentleman Accompant* (1721), written “by a person of honour” (a traditional word for conveying trustworthiness) and advertised as a way of teaching the gentry and nobility to manage their own accounts and to understand accounting for the “Publick Affairs of the Nation,” argued for the importance of “a method so comprehensive and perfect, as makes it worthy to be put among the Sciences” (1). In this manual, the author argues that it is of the utmost
importance to learn how to keep accounts: “To justify this Character of Regular Accompting, I need only say, That Method comprehends all other Methods” (3). The notion that accounting “comprehends all methods” implies that it is a self-sufficient system. Defoe, by contrast, suggests that accounting, while central to credibility, requires a supplement in order to become trustworthy. Defoe’s understanding of accounting, in other words, precludes the possibility of it becoming a self-sufficient and self-regulating system because the value of the ledger cannot be detached from the reputation of the person holding it. The method cannot “comprehend all methods,” as the author of The Gentleman Accomptant argues, because accounting requires a supplementary form of trust in order to be counted as trustworthy.

The necessity of keeping exact and regular accounts has only become important in recent times, begins The Compleat English Tradesman. While before, a tradesman could remain ignorant of certain business practices, Defoe argues, in modern times it is necessary to learn about the nature of private credit (and the method of double-entry book-keeping that is used to calculate, measure, and produce it) in order to stay in business (4-5). An entire section of The Compleat English Tradesman is dedicated to the problem of over-trading, or over-using credit. One should not overuse credit, for “credit is stock, and, if well supported, is as good as stock, and will be as durable” (48). Used correctly, credit is as powerful as any other form of stock (what we might call circulating “capital”).

In former times, Defoe writes, people used to cast accounts once a year. This is no longer the case – the process must now be continual, marking a shift in the temporal
structure of credit. Defoe warns his readers that a “tradesman without his books, in case of a law-suit for a debt, is like a married woman without her certificate” (198). It is now the tradesman’s responsibility to have at all times a knowledge of how much he owes and how much is owed to him. The ledger, a sort of mirror for consolidating one’s identity, is necessary for understanding where one stands in relation to another merchant, and this knowledge may need to be summed up at any given time. Because numerous tradesmen fail due to ignorance of how these credit instruments work, Defoe argues for learning double-entry book-keeping.

A tradesman’s books are his repeating clock, which upon all occasions are to tell him how he goes on, and how things stand with him in the world; there he will know when it is time to go on, or when it is time to give over; and upon his regular keeping, and fully acquainting himself with his books, depends at least the comfort of his trade, if not the very trade itself. If they are not duly posted, and if every thing is not carefully entered in them, the debtor’s accounts kept even, the cash constantly balanced, and the credits all stated, the tradesman is like a ship at sea, steered without a helm; he is all in confusion, and knows not what he does, or where he is; he may be a rich man, or a bankrupt – for, in a word, he can give no account of himself to himself, much less to any body else. (15)

Book-keeping is not only for the practical use of the debtor or the creditor, but for keeping a peace of mind, a clear conscience, by knowing exactly where one stands in a relationship of credit with another merchant or tradesman. The possibility that one might need to produce the account at any given time explains why Defoe argues that books should be kept with diligence and regularity.

A puritan ideology underlies likening the ledger to a clock and emphasizing that book-keeping is at the heart of trade. Consciousness of one’s own numerical reckoning is analogous to being right with God, evoking a notion of one’s indebtedness to God prevalent in Christian thought. But there is another puritan element in the *Tradesman,* and
that is using the technique of plain style. Speaking or writing plainly will become important for my argument in the next chapter. Here, I want to emphasize the importance of plain style as a “universal language.” Clarity, to oneself and to others, is essential to the universal readability of double-entry book-keeping, but also part of what Defoe calls the “trading style” of “easy, plain, and familiar language” (23) because trade needs to be carried out in a “universal language” (25). What is inside the ledger is important, but it is so because it is legible to others trading. Defoe’s use of plain-style diverges from its precursors because it requires numeracy. Book-keeping is essential to the way Defoe understands credit because all other merchants and tradesmen recognize its value.

But there is another layer to the type of “legibility” Defoe describes. Defoe spends pages discussing social interactions, some of which seem at first not to have anything to do with trading practices. One chapter warns about ruining a fellow tradesman’s reputation (and thus business) by word of mouth alone. Doing so can harm a tradesman’s credit, “the life of his trade; and he that wounds a tradesman’s credit without cause, is as much a murderer in trade, as he that kills a man in the dark is a murderer in matters of blood” (132). Ruining a tradesman’s reputation is tantamount to ruining his credit. One can do this with a reason, but one can also maliciously scheme against another, and it is this sort of slander that can be just as damaging: “A story raised upon a tradesman, however malicious, however false, and however frivolous the occasion, is not easily suppressed, but, if it touches his credit, as a flash of fire it spreads over the whole air like a sheet; there is no stopping it” (142). Reputation can be made or broken through storytelling, through fiction, and these fictions also have the capacity to transform credit.
Inserted within *The Compleat English Tradesmen* are fictional examples that demonstrate the way reputation works as a supplement to the ledger. The necessity of maintaining one’s reputation is captured by the way Defoe uses a dialogue about people talking about the trustworthiness or credit of a merchant (65-9, 138-141, 144-46), and a dialogue between a husband and a wife over the husband lamenting his possible ruin (99-104). In each case, what people say about the tradesman has the effect of building or destroying his credibility. The passages work as conversations of dialogue, taking the reader from straight exposition to a fictional form in order to help her imagine the way reputation works. This technique operates in a way similar to some of Defoe’s novels, such as *Moll Flanders* (1722) and *Roxana* (1724), which feature protagonists whose respective progress depends on the way they are perceived (rather than the money or status they actually possess).

Despite an emphasis on book-keeping elsewhere, Defoe’s discussion of what might now be called “gossip” shows that ultimately interpersonal trust underlies credit. A change in qualitative trust (whether grounded or not) can lead to a change in quantitative credit. The use of fiction within Defoe’s didactic treatise means that he can convey the possible non-abstract, qualitative basis for credit. In other words, fiction helps teach his readers the component of credit that is not based on accounting, but on the older notion of trust or reputation that still underlies credit transactions. What I am calling a supplement is not a prior ground, but a product of transactions that turn out well, ones that can be accounted for through fiction.
The conclusion the reader draws from *The Compleat English Tradesman* is that two forces, traditional trust and fiscal credit, are both necessary for providing the overall credibility for staying in business. Credit as reckoning in an account ledger is only part of what is essential. This intimate relationship between trust and credit gets further elaborated when Defoe discusses what to do when one is on the verge of going bankrupt:

“In a word, I speak it to every declining tradesman, if you love yourself, your family, or your reputation, and would ever hope to look the world in the face again, break in time” (59). Through the logic of accounting alone, if one cannot pay one’s debts, one then loses credit with a fellow tradesman. However, according to Defoe, this is not necessarily the case, for “when a man breaks in time, he may hold up his face to his creditors, and tell them, that he could have gone on a considerable while longer, but that he should have had less left to pay them with, and that he has chosen to stop while he may be able to give them so considerable a sum as may convince them of his integrity” (59). “Breaking in time” ensures that a tradesman remains honorable in the eyes of his creditors, but, without the “legibility” of the ledger, there is no means for demonstrating one’s honor to the said creditor. Defoe lays out what “breaking in time” looks like, an act that requires producing the actual account ledger to the creditor.

But in a surrender the case is altered in all its parts; the debtor says to his creditors, ‘Gentlemen, there is a full and faithful account of all I have left; it is your own, and there it is; I am ready to put it into your hands, or into the hands of whomsoever you shall appoint to receive it, and to lie at your mercy.’ This is all the man is able to do, and therefore is so far honest; whether the methods that reduced him were honest or no, that is a question by itself. (130)

The ledger, showing the quantitative value of what the tradesman still possesses, is proof of what he has to offer his creditor. Whatever the circumstances of his breaking, he “will
come off with the reputation of an honest man, and will have the favour of his creditors to begin again, with whatever he may have as to stock” (131). Defoe points to a qualitative, perhaps even fictional ground for credit (in the sense that fiction does not have to be an untruth, but a story). This act, over and above accurate reckoning within the ledger, suggests that part of preserving private credit is the maintenance of a sound reputation.

The ledger is but one means for producing trust in Defoe’s conception of credit, and does not have the scientific status that would be the necessary ground for a self-regulating, self-adjusting economic system that thinkers, such as Poovey, posit. While Defoe’s *Compleat English Tradesman* can be read in the genre of writing about credit like *The Gentleman’s Accompant*, it also breaks from this tradition (and, indeed, from modern traditions presupposing a subsumption of all values into abstract quantitative figures) by theorizing why the ledger is valuable in social terms dependent on fictional narrative. The ledger does not “produce” credit by hearkening to the universal values of abstraction, for this is the very process that gets the nation in trouble when these same values become used by stock-jobbers. Instead, the ledger holds symbolic value for the merchant or tradesman because it is legible to other merchants and tradesmen.

While *The Compleat English Tradesman* emphasizes private credit, it also argues that public credit works through the same methods used by a private person, by doing “justly, and fairly, and honestly, by everybody” (241). As I discuss above, public credit and private credit are meant to work in the same way. And yet, Defoe’s exegesis on private credit opens up a set of problems. Does what Defoe says about private credit, especially with regard to the way reputation is constructed, work at the level of public
credit? When one breaks in private credit, credit can be restored if there is belief that the person is being honest by breaking in a timely manner. It is difficult to apply this logic to a public credit system, in which the creditors do not expect repayment and the debt is prolonged indefinitely.

When Defoe discusses public credit in *The Compleat English Tradesman*, he cannot take recourse to the same logic. Rather, he provides a narrative about the way public credit was restored by parliament, one that took place in the past and is no longer a problem (241). While, in his discussion of private credit, he emphasizes an ongoing process of remaining credible, public credit is already credible because of the way government has changed since Charles II. This difference reflects the fundamental problem I refer to earlier: one cannot understand public credit through private credit because the nature of the indebtedness is very different. To justify the former, Defoe tells stories about the nation, narratives about how England’s public credit system became creditworthy.

Defoe’s œuvre complicates the automatic leap historians and critics make when they equate accounting with the abstract re-organization of social relationships. While public credit radically changes private credit by making accounting standards more prevalent, older models of trust serve as supplements to the believability of the ledger. What Defoe shows us is the way that the transition to quantitative values mediated through a formal system that seems inherently trustworthy is also accompanied by the rise of virtuality in other forms, and is even tied to the virtual public (“the public good,” “the public faith,” “the nation,” etc.). The problem is that public credit cannot then have
self-evident value; fraught with contradiction, it must be produced as trustworthy through the fictions that come to help people make sense of it, whether it be through histories about the nation or through figures that embody the virtuality of the system. The figure of Lady Credit is but one example of this. We might examine Defoe’s novels for other examples.

The Role of Accounting in Fiction

Critics have often looked to Defoe in attempts to account for the rise of the novel. While Ian Watt’s *Rise of the Novel* (1957) tends to focus on the way individualism informs the emergence of the novel form, McKeon’s *Origins of the English Novel* (1987) examines the instability of literary genres and social categories in this transformative period in order to work out the way the novel differs from its predecessor, the romance.22 McKeon argues that Watt’s definition is insufficient in explaining emergence the novel as a genre. He argues that “one central problem that Watt’s unusually persuasive argument has helped to uncover is that of the persistence of romance, both within the novel and concurrently with its rise. And behind this lurks a yet more fundamental problem, the inadequacy of our theoretical distinction between ‘novel’ and ‘romance’” (3). Whereas the romance was classified by contemporaries as a “history without truth,” the novel came to be defined through the category of the “true history” (27). For McKeon, the novel form culminates through “the *Pamela* controversy” in the 1740s, which engages

22 Or, as McKeon puts it, the project of defining its form is to understand the novel’s “capacity to change without changing into something else” (*Origins* xiii).
contemporaries in a debate on the relationship between truth-telling and social position through its formal construction as a “documentary history” (357). Those skeptical of the possibility of writing a true history, the “extreme skeptics,” push their critique so far that they ultimately argue the “impossibility of narrative truth as such” (119). It is in this way that the novel becomes a “generic instrument for propounding an expanse of epistemological and socio-ethical problems whose breadth encloses the field of possibility defined by the dialectical relations between naïve empiricism and extreme skepticism and between progressive and conservative ideology” (xix).

From a debate over what constitutes novelistic belief, then, comes a theory of realism whose end is not about strict empiricism, but about a higher moral — something like poetic justice — supporting particular ideological outlooks. The move from the stark distinction between the true history and the romance and what is later called the novel can be grasped through the problems in describing public credit, in the contradictions that emerge when Defoe attempts to render it analogous to private credit. Just as public credit is questionable because it cannot be tethered to the “real,” the novel, another product of the virtual public, comes into its own because its credibility no longer depends on an existing correlative in empirical reality.

Without the concrete representations facilitated through literary devices, public credit seems to be a set of contradictions, and this helps us understand Defoe’s use of Lady Credit. In order for readers to make sense of public credit, Defoe mobilizes Lady

23 “The Pamela controversy,” a topic of the next chapter, was a literary debate that took place after Samuel Richardson published Pamela in 1740. Respondents distrusted that the eponymous protagonist, a servant, had really maintained her virtue when her master seduced her. Parodists wrote counter-narratives in order to suggest that Pamela was not who she appeared to be.
credit as a means for understanding the public through the private. John F. O’Brien argues that the type of credit endemic to Defoe’s writings helps us to understand why Lady Credit is neither public or private, but moves between both registers. He writes:

This ability of ‘credit’ to shuttle between private and public is never openly proclaimed or justified, but it is nonetheless Defoe’s crucial move, one that the Lady Credit emblem silently enables and secures. With that figure, Defoe is able to reimagine the public sphere in terms of the private, as Lady Credit’s gender induces the reader to interpret ‘credit’ in the first instance as analogous to individual honor. (616)

The imagination of the public in terms of the private through Lady Credit can help us read Defoe’s fiction. If credit in the private sphere works the same as it does in the public sphere, one might then expect that quantification also plays a role in Defoe’s fiction as it does his other writings. And numbers do play a role, even though they are subsumed by the qualitative ways they are framed. Like The Compleat English Tradesman, Defoe’s novels explore the relationship between fiscal credit and traditional reputation. But, while fiscal credit becomes increasingly important, it is also supplemented with, and even constituted by, fiction.

O’Brien points to Roxana as a key example of the way this credible framing works in Defoe’s fiction. Roxana, or The Fortunate Mistress, begins with a preface that states “that the foundation of this is laid in Truth of Fact; and so the Work is not a Story, but a History” (1). Here, Defoe attempts to distinguish this narrative from the romance by suggesting it is grounded in empirical reality. But because the “history” is written in first person from the perspective of the woman whose credibility is at stake throughout the novel, the preface must go on to claim that the writer is acquainted with the lady, and that this might “be a Pledge for the Credit of the rest” (1). The preface, in other words,
requires that someone outside of Roxana’s perspective, someone already established as having honor, validate her story in order to give it the status of the true history. O’Brien writes:

But nonetheless the investiture of credibility in certain individuals ultimately served to put an end to the otherwise endless battle of maxim and countermaxim, and it is thus fully consistent with the culture’s norms for truth-production that the claims to credit of Defoe’s narrative would rest ultimately on the writer’s acquaintance with persons rather than with facts. (606)

O’Brien’s understanding of novelistic credibility in Defoe’s œuvre is similar to my own reading of The Compleat English Tradesmen: in the end it is the reputation of the person speaking rather than the “fact” alone that produces credit.

O’Brien’s reading works with other fictions as well. In A Journal of the Plague Year (1722), Defoe uses a first-person narrator to discuss the drastic impact of the plague on the city. In order to establish that the narrator is authoritative, Defoe includes in the title page information about the account, which is “Written by a Citizen who continued all the while in London.” Further, the account is “never made public before” – the text offers to bring to light an account of what happened before newspapers and other more recent devices in the emergent public sphere, and is signed by “H.F.,” producing the fiction that it is authored by someone who lived through the actual plague. This time, it is not so important that an honorable person be the author, but that the author was present to witness the events.

What makes the Journal different from Roxana is the way it uses numbers, even presenting them as pseudo-statistical accounts that are embedded within the narrative’s text. By contrast to the narrator’s description, the Journal describes superstitious citizens,
people who attempt to inflame the anxiety of others, hearsay about people infecting others with the plague, and other forms of chaos brought about by public panic. “The apprehensions of the people were … strangely increased by the error of the times, in which, I think, the people, from what principle I cannot imagine, were more addicted to prophecies and astrological conjurations, dreams, and old wives’ tales than ever they were before or since” (30). Over and against this mass panic produced by the fear of others, the narrator cites pseudo-statistical information on the number of dead (13-14, 55, 104, 119, 123, 158-9, 191-93, 208). This information, the reader gleans, comes from credible sources outside the narrator’s perspective. The narrator himself does not count the dead, but instead uses statistics that are already credible to ground his version of the way the plague has transformed London.

The numbers, which Defoe is thought to have borrowed from actual records from the event, have the effect of grounding the narrator’s account, making it seem trustworthy – a true history rather than a romance. This use of numerical proof in the novel competes with the panic and chaos from the circulating fear-based hearsay described within. Numbers can also produce panic, but when they come from an authoritative source, they become instrumentalized as trustworthy empirical proof. The Journal, much like Roxana, shows how credibility rests on reputation. But, unlike Roxana, it uses quantification to convey a credible empirical reality.

Defoe does more than extol the virtue of numbers in Robinson Crusoe (1719) – his novel uses casuistry, case-based reason, to make a claim about Crusoe’s eventual progress. By the end of the novel, Crusoe achieves wealth, experiences a spiritual
conversion, and eventually returns to England. Reading Robinson Crusoe allows one to complicate O’Brien’s alignment of novelistic credit with reputation. In the end, it does not matter so much that Defoe’s novels are “true” insofar as they are historically accurate. Novelistic fiction produces truths that are “higher” than historical or empirical accuracy, ones with a sort of spiritual credibility.

In the preface of Robinson Crusoe, which is similar to Roxana, Defoe writes that the “editor believes the thing to be a just History of Fact; neither is their any appearance of Fiction in it” (3). The reader is meant to believe that the account is historically believable, but this notion later gets complicated by the way the narrative unfolds. This has to do with the formal way the narrative is presented; the main narrative reflects on another narrative within. In addition to the retrospective narrative which we are told is a “true history of fact,” Crusoe keeps a journal, whose purpose is to help him keep track of, to account for, proceedings on the island, one that also serves as a true document, a material witness, to the experience. But this journal has the paradoxical effect of rendering the main narrative less trustworthy as a true history.

Robinson Crusoe attempts to render its protagonist trustworthy through the type of credit Defoe advocates when he discusses “probity” and “exactness” in The Review. When Crusoe is stranded on the island, he keeps track of his time in a strict manner. Crusoe describes in detail the use of accounting procedures, correlating strict double-entry book-keeping with the progress made. The desire to keep accounts is present from the beginning of the novel, just after the shipwreck. Before Crusoe finds pen and ink in the ship, he finds a way of “reckoning” by other means: “After I had been there about Ten
or Twelve Days, it came into my Thoughts, that I should lose my Reckoning of Time for want of Books and Pen and Ink, and should even forget the Sabbath Days from the working Days; but to prevent this I cut it with my Knife upon a large Post, in Capital Letters” (55). This resembles the need for accounting in *The Compleat English Tradesman* when Defoe argues that the tradesman’s books are like a “repeating clock.” Crusoe may be utterly alone, but he never knows when he will be asked for an account of himself, much like the tradesman.

After taking an inventory of his goods from the shipwreck, Crusoe uses instruments of reckoning from the ship in order to keep track of his scarce resources: “I found Pen, Ink and Paper, and I husbanded them to the utmost, and I shall shew, that while my Ink lasted, I kept things very exact” (56). After 27 years of being on the island, Crusoe claims that his management had been exact – his “repeating clock” had been effective: “But as for an exact Reckoning of Days, after I had once lost it, I could never recover it again; nor had I kept even the Number of Years so punctually, as to be sure that I was right, tho’ as it prov’d, when I afterwards examin’d my Account, I found I had kept a true Reckoning of Years” (209). This demonstration has, on the one hand, the capacity for teaching the reader to trust the narrative. But novelistic credibility is not so simple, and reading on we find out why: the novel draws attention to its own form through its use of the journal – it is self-reflexive – and in so doing calls on the reader to see if the journal matches the reality whose time it purports to be reckoning with the probity and exactness that Defoe values.
Ironically, it is the journal’s attempt to ground itself empirically in quantitative terms (by accounting for time, for example) that renders it problematic for believing that the narrative is a true history. McKeon argues that a dilemma of “quantitative completeness” characteristic of contemporary empiricism in the journal undermines the novel’s historicity: “But since at least the first few weeks of the journal must be a retrospective re-creation of events, they have the ambiguous power both to confirm the historicity of those events by referring back to them, and to undermine their factuality by providing an alternative version of ‘what happened’” (*Origins* 316). Citing moments when there is a discrepancy between the journal and the main narrative, such as in descriptions of the weather on particular days and in the order in which Defoe takes on certain tasks, McKeon argues that the journal violates the narrative’s claim to being based in historical reality (*Origins* 316). Grounding the text in accounting here undermines a certain type of credibility, and whether the novel lives up to its status as a true history becomes problematized.

But what *Robinson Crusoe* goes on to do, and what it does not need a ground in empirical reality to do, is to teach readers higher truths, ones that are “credible” despite being detached from tangible, historical/empirical specificity. Accounting in *Robinson Crusoe* does not merely serve an empirical purpose, in other words. Defoe employs the very form of practical accounting to moral ends, borrowing from the tradition of the spiritual autobiography. Crusoe begins to balance less material goods – that is to say, virtues – against negative aspects of his stay on the island to determine the value of his present predicament: “I began to comfort my self as well as I could, and to set the good
against the Evil, that I might have something to distinguish my Case from worse, and I stated it very impartially, like Debtor and Creditor, the Comforts I enjoy'd, against the Miseries I suffer'd” (57). The page is divided into two columns, emulating the form of a ledger.

In one column Crusoe lists the evils and in the other he lists the good, finding his reckoning “on the Credit Side of the Accompt” (58). The novel no longer merely offers a daily account of his household management, but engages a means of calculating the moral value of his own predicament based on credit and debt, categories which are
implicitly quantitative because they are registered on a grid and balanced as pseudo-
numerical values.

While Defoe embraces the quantitative form of double-entry book-keeping in his
fiction, a higher mode of spiritual book-keeping suggests the inadequacy of quantification
by relating the form to higher, non-empirical things. *Robinson Crusoe* may not be read as
having a ground in empirical or historical reality (as its preface claims), but it ultimately
serves as a means for producing another sort of credibility. Readers come to understand
the moral value of Crusoe’s experience rather than needing to rely on an empirical ground
for the narrative.

The novel, like credit, utilizes a particular form to convey meaning. But, unlike
credit, the novel cannot pretend to be quantitatively complete. Perhaps, though, the same
can be said about public credit, which requires public opinion to be on its side in order for
it to function. After all, the type of currency that results from it is not tethered to the real.
Knowing this, people nonetheless came to utilize it out of a belief in a higher truth that
they are part of a public already configured as trustworthy. Both the novel and public
credit operate at the level of the virtual. Neither are actually grounded in empirical reality,
but the effect of each produces truths that have value. In what follows, I will argue that,
as the novel continues to employ the form of accounting to produce belief, this sort of
belief will be called into question. Just as *Robinson Crusoe* loses its claim to historicity,
Samuel Richardson’s *Pamela* (1740) will lose its claim to virtue.
Chapter 3

The Bank of England and the Rise of Novelistic Virtue

When does formal criticism become relevant to understanding the rise of the novel? This chapter suggests that a formal approach to the novel is needed when form itself becomes a marker of “virtue,” a term critics have argued is at the heart of what has been called “the Pamela controversy.” The relationship between form and virtue emerges historically when the formal practice of accounting, necessary for the rise of public credit, becomes a means for producing belief. The Bank of England, one agency that establishes public credit for a nation still unsure of the virtue of paper money, relies on its formal presentation of trust-worthy accounting in a way similar to Samuel Richardson’s *Pamela: or, Virtue Rewarded* (1740).

In Chapter 2, I discuss the way public credit requires fictions – ones that operate on a virtual register – because of its inherent contradictions. While necessary, accounting is insufficient. Public credit may be grounded in the same basic principles as private credit, but, because it is an indefinite loan utilizing paper money that never amounts to the bullion backing it, it requires the public’s trust. And this trust is produced, in part, through discourses in the emergent virtual public sphere. A fiction is required to produce trust in a ledger whose purpose is to manage an indefinite loan, and the Bank, too, conveys this fiction; it is a physical building whose layout and internal procedures help to facilitate trust in public credit. In this chapter, I will analyze the way this particular
institution helps to produce a fiction that public credit is sound by analyzing how the
Bank of England operates. The type of virtue that the Bank attempts to convey to the
public parallels the way virtue is constructed formally in “the Pamela controversy,”
allowing us to see the extent to which the fictions required for understanding an
inherently problematic public credit system get recapitulated in the early novel form.

The Form of Virtue at the Bank of England

In 1694, the Bank of England was established to serve as one of England’s
creditors for financing its ongoing wars. This establishment was the first of its kind; the
Bank was explicitly designed for the purpose of lending to the Exchequer. In the early
eighteenth century, England had three major creditors: the South Sea Company, the East
India Company, and the Bank. The South Sea Bubble in 1720 resulted in the
strengthening of the Bank as England’s major public creditor. The Bank, fortunate
enough to resist buying overpriced stock in the South Sea Company just before the
Bubble, led in the financial bail-out. At this point, Robert Walpole handed over more
power to the Bank (Abramson 24). By 1734, the Bank moved to Threadneedle Street to
be just across from the Royal Exchange. George Sampson, the Bank’s architect, designed
the first building in world history to be built for the purpose of serving as a bank. As
Daniel Abramson’s research suggests, the building is of great importance in the history of
capitalism because of its ability to produce confidence in the public that the Bank was
serving the public good. As I discuss in Chapter 1, there were several reasons why
members of the public did not accept public credit, and the Bank’s physical presence helped to combat public mistrust.

One reason public credit was attacked was that it was thought to serve the interests of particular people, rather than the whole of the public. Its very structure, its architectural form, was designed to separate interested businessmen from the Bank itself, which needed to appear disinterested in the public imagination. The Bank had to give the impression of keeping fair and tidy accounts, and its architectural organization did just that.

The Accountants Office accommodated the Bank of England’s book-keeping functions and so symbolized more than any other space in the complex the nation’s probity and integrity. Sampson thus helped sustain the Bank’s corporate virtue by spatially quarantining stockjobbers and traders away from the rest of the building, its staff and clientele. (Abramson 52)

The building’s layout meant that administrative and market functions were kept separate so that the public would not question whether the Bank had any conflicts of interests.

“The spatial clarity of Sampson’s plan embodied the Bank of England’s desired institutional virtue. … Sampson’s building thus functioned as an instrument for producing trust, the Bank of England’s most priceless asset” (Abramson 53). The building, therefore, served as a marker of virtue in a climate that questioned the stability of paper money and the financial, political, and social implications of the burgeoning public credit.

To gain the public’s trust, the Bank not only had to balance its books correctly, but also had to convey its virtue (i.e., its “disinterestedness”) in spatial terms. Members of the public could visit the Bank and be assured that their money was safe by seeing the way the Bank was designed.
The impression of keeping good accounts, one partially conveyed through intentional decisions in the formal architecture of the Bank, meant that people might then believe in the integrity of the actual account books. It took a long time for the Bank to find and train tellers who had the impeccable mathematical skills required for the job (Murphy “Learning” 157). However skilled or precise the accountants were in actuality, they held a reputation of being unquestionably dependable. Daniel Defoe praised the Bank as a model for all businessmen to follow. At the Bank,

business is dispatch’d with such exactness, and such expedition and so much of it too, that it is really prodigious; no confusion, nobody is either denied or delayed payment, the merchants who keep their cash there, are sure to have their bills always paid, and even advances made on easy terms, if they have occasion. No accounts in the world are more exactly kept, no place in the world has so much business done, with so much ease. (Tour 1:11)

Defoe’s emphasis on “exactness” and “ease” sheds light on components of the Bank that were important for the flourishing of public credit. The impression of exact accounting played a significant role in the reason why the Bank of England gradually became England’s primary creditor in establishing the national debt; the accountants had such a solid reputation that the Exchequer Office in Whitehall increasingly handed over portions of publicly subscribed shares (Murphy “Learning” 157).

Within the building, the account books themselves served as indicators of virtue. These account books were more important than anything else in the Bank, at least according to its early policies. The Bank required that a porter live on site at all times so that, in case of a fire, he could save the priceless ledger. “Damage to the Bank’s books could erase thousands of stockholders’ wealth, substantially injure the nation’s public credit and financial stability, and likely put an end to the Bank of England
itself” (Abramson 14). Before the Gordon Riots of 1780, the Bank did not arm itself against robbers or intruders. However, extreme care was taken regarding the preservation of the account books, revealing that the fundamental capital of the Bank lay in its perceived mastery of the algebra of double-entry book-keeping, or accounting.

The Bank of England was meant to serve as the government’s creditor but was also opened with the design of lending directly to members of the public. The Bank’s General Court records indicate that the issuing of cash, in the form of paper money, was intended from its opening. The Bank opened its first accounting ledger in the summer of 1694.²⁴ On the top of the first page next to the date is inscribed Laus Deo, or “Praise be to God.”

These gigantic royal folio tomes utilized the form of the codex, open pages side by side, to register credits and debts. The left page registered “cash paid to” and the right

²⁴ According to the General Courts, the “form of Note to be given for borrowing the 20% was approved” in June of 1694 (General Courts ADM 30/47).
registered “credits by.” The far left side of each page was used to calculate balances of credit or debt respectively and the far bottom right side kept a running total. Sub-calculations (for example, if multiple payments or credits were received through the same creditor or debtor) were performed in the memo section and then carried over to the ledger space. Keeping a running balance by glancing at the two pages simultaneously, a clerk could get a sense of the Bank’s available funds almost instantly (or at least with the help of some quick arithmetic).

But the ledger was not the only apparatus to ensure the Bank remained trustworthy – the ledger had to be regulated by very explicit rules. Correct accounting required a physical process of coordinating multiple human beings and multiple pieces of paper. To manage this feat, the Bank created written house rules for all employees to follow. One internal cash office protocol memo, dated 19 October 1727, specifies the following:

That the Cash Office be enlarged … That Six persons be employed at the drawing acctts offices … That two Check Books be kept, One by Way of Dr and Cr, the other by way of Addition & Subtraction … That Additions be made in the Book of Dr & Cr at every four Lines … That the Person who adds shall put the letters of his Name against the Addition … That a proper time be sett a part, when the Cheque Ledgers are not in use in the Hall, to prick the posting against the Ledger in the accounting office … That the ledger be locked up every Night. (Minutes 6A30/1)

Pricking, or poking small holes in the parchment, ensured that the ledger lines lined up. Without straight lines, one could not ensure that the proper figure be added or subtracted. Not only was competent arithmetic important, but coordination of all employees in a systematic way was necessary for calculations to be carried out properly.
The folio-sized tomes, regulated by an increasingly systematized internal procedure, were kept behind the teller’s counter and in public view, which meant that potential borrowers and lenders could see the tellers registering all credits and debts by glancing at the open book. This massive open tome, visually presenting both sides of the register, was important for a public whose trust was a question for the Bank’s success. The ledger was kept just behind the counter, where anyone who happened to enter the Bank could see it. More important than the accuracy of the tellers and accountants, therefore, was the public perception of this accuracy. The placement of the giant tomes in public view symbolized the practice of accounting that was done behind the scenes and described in the Bank’s internal protocols.

In double-entry book-keeping, the function of the zero balance (the part of the account that is formally authoritative) can help us understand how the novel develops in the eighteenth century. As I discuss in Chapter 2, in *A History of the Modern Fact* (1998), Mary Poovey argues that the neutrality of the accounting ledger takes over the authority of classical rhetoric: “Even though number was not in itself the sign of virtue, arithmetic, which followed its own formal rules, constituted a system in relation to which one could judge right from wrong. … The precision of arithmetic replaced the eloquence of speech as the instrument that produced both truth and virtue” (55). In Poovey’s argument, what is significant is not the amount of wealth a ledger indicates, but the form the calculation takes to arrive at that number. Form produces virtue. But Poovey limits her definition of “form” to arithmetic.
In the middle of the century, it is the virtue of the character that drives the ideological and formal development of the novel. Significantly, however, the novel does not require numbers in order to utilize the authoritative form of the account. And this allows us to complicate Poovey’s alignment of virtue with arithmetic. Form is more than the ledger, but also serves as the means by which we can trust the ledger to begin with. Quantification, or arithmetic, is necessary but not sufficient. Like the Bank, the novel only need gesture toward the form of accounting to convey virtue – it is, in other words, the perception of following formal rules (rather than the rules in themselves) that produce trust.

The Form of Virtue in the Novel

“The Pamela controversy” is particularly ripe for understanding the impact of public credit on the form of the eighteenth-century novel because what is at stake in the debate is the following set of questions: What constitutes virtue? How can it be signified? These are questions not unrelated to the ones Sampson faced when designing the new building for the Bank, and the ones the Bank’s board of governors grappled with when they made it required protocol for the porter to protect the paper ledgers at all costs. Virtue, I argue, is at least in part constituted through the form of accounting in the debate that ensues after the publication of Pamela in 1740. And by “form of accounting,” I mean not only arithmetical double-entry book-keeping, but also formal decisions about spatial
representation that produce trust. The ledger is a *legible* figure for the public’s understanding of trust. And this figure gets utilized in the early form of the novel.

At one level, Ian Watt has already addressed the relationship between the rise of the novel (and the ideology of individualism inherent to it) and accounting:

> Book-keeping is but one aspect of a central theme in the modern social order. Our civilization as a whole is based on individual contractual relationships, as opposed to the unwritten, traditional and collective relationships of previous societies; and the idea of contract played an important part in the theoretical development of political individualism. (63-4)

But more than Watt, who never fully articulates what makes the novel formally different from narrative fictions that come before it, I am following the work of Michael McKeon, who suggests that the novel comes into being because so-called economic individualism (and the progressive ideology it entails) meets with resistance that gets articulated through formal innovations.

My concern here will be with two of the terms McKeon describes in *Origins of the English Novel* (1987), what he calls “progressive ideology” and “naïve empiricism” (171). The novel emerges by linking virtue at the level of content with truth-telling at the level of form (20). It is important for Richardson’s progressive ideological praxis that Pamela is virtuous at the level of content, and he employs formal strategies to ensure that readers believe her to be virtuous. The form of the novel is inseparable from its ideological perspective. Respondents to *Pamela* will manipulate the content of the novel in order to suggest that mere form cannot be read without skepticism. In other words, Richardson’s progressive ideology is connected with naïve empiricism, and his technique is shown to be naïve by the responses to it that follow. Critics of *Pamela* treat
the novel with what McKeon calls extreme skepticism, which is a product of conservative ideology (the same conservative outlook which often condemned paper money and public credit). For McKeon, it is this dialectical relationship between conservative and progressive ideologies that are crucial to the formation of the genre. At an historical moment when national accounting becomes endemic to the functioning of the commonwealth (or at least City interests within it), *Pamela* utilizes a similar mechanism to reflect the progressive ideology that accompanies it.

At the level of content, mid-century domestic novels emphasize the female virtues of household economy. Significantly, Richardson’s protagonists are both reported to be excellent accountants and managers of the household. In the eighteenth century, instructional books began to surface whose purpose was to educate women in arithmetic and accounting methods. Such works as *The Accomplish’d Housewife* (1745), *The Young Ladies Accountant*, and *Best Accomplisher* (1771), and the annual editions of *The Ladies’ Compleat Pocket-Book* and *The Ladies’ Own Memorandum Book* were marketed to help women keep track of personal and familial accounts. Such manuals serve as a combination of diaries, journals, and numerical registers, teaching the management of both fiscal and social debts. Rather than using double-entry columns of “debt”/“credit,” ledgers of the domestic memorandum book read “received”/“paid” and were often circulated to friends (Conner 54). Keeping track of one’s daily whereabouts in a diary or register conflated social conduct book habits and quantitative practices of accounting used in double-entry book-keeping.
To put it simply, Richardson’s novel explores a double meaning of the words *accounting* and *tell*, terms which have implied both narration and fiscal counting since the fourteenth century (*OED*). Rebecca Elisabeth Connor’s work explains the relationship between the account as first-person narrative and fiscal reckoning in the household.

Discussing the double meaning of the terms *account* and *tell*, Conner writes:

> If to secure one’s property is in some sense to stabilize one’s history, then the desire to account surely springs from a comparable impulse. And the account – be it spiritual, financial, or narratival – stands as testimony to and template of the individual. All of which would seem to indicate that financial accounting represents a record of experience not dissimilar to the ‘recording’ inherent in narration itself. (45)

Besides each of their initial claims that the letters are not fictional, *Pamela* and *Clarissa* (1748) get the reader to believe in the virtue of their respective eponymous protagonists through their “recording” techniques of writing epistles “to the moment,” a practice which seems disinterested in part because the writer has no time to manipulate the truth. In these epistolary novels, the inner selves of the characters are brought out for the scrutiny of the virtual public. The link between desert and accounting becomes a central ideological question: does Pamela posses real virtue whose reward (i.e., upward mobility) is justified? Does Clarissa, despite her false step of absconding with Lovelace, act with propriety? Henry Fielding, Eliza Haywood, and John Cleland (respondents in “the *Pamela* controversy”) imitate the form of accounting utilized by *Pamela* and but then render the content very different from that of Richardson’s novel. The result is that characters cannot be credited as virtuous by the same means as Pamela. These parodies provide ironic critiques of Richardson’s non-ironic project by illuminating the weakness of the form of the account as a means for conveying virtue. This extreme skepticism
towards the form entices readers to reread Pamela, and to ultimately question an ideological alignment of form – more precisely, the form of accounting – with virtue.

The Form of Pamela’s Virtue

What is at stake in Pamela is that the reader believes that Pamela refuses her master’s sexual advances because she is truly virtuous (and without an “interested” ulterior motive). It is important that she stays out of debt or obligation to him because by accepting any gifts she might end up owing to him that which he desires: to become his mistress. In this sense, she desires to maintain a zero balance with Mr. B. By the end, her supposed virtue is the reason that Mr. B marries her and also why his family comes to accept the marriage. If readers do not really believe Pamela to be virtuous, it would seem Mr. B was duped into marrying beneath him by a woman only pretending virtue in order to achieve social mobility. Her letters to her parents (and later her personal journal) provide evidence that she is constantly trying to avoid Mr. B’s attempts to give her gifts, to seduce her, and to make her his mistress.

In one sense, Pamela works very much like Defoe’s Robinson Crusoe (1719), insofar as one text, the “inside” text of the journal, is meant to corroborate the empirical reality that “outside” text describes. Letters that make up the form of Pamela are also folded into its content. To be more specific, Pamela’s narrative describes the letters as material objects that she sews to her clothing in order to hide them from Mr. B. John B. Pierce’s argument that “Pamela’s appeal to authority resides in the mediated form of the
‘Text’ helps to explain why the materiality of the letters is important in order to produce the reader’s trust in what Pamela writes (10). Pierce writes: “She bypasses questions of subjectivity perhaps because it is her own subjectivity that is at stake. The ‘Text’ acts as an objectified form for Pamela, having a reflective security and stability produced from but outside the constant threats to her virtue” (10). The text, serving as a material form, is supposed to represent the content of Pamela’s subjectivity. The material status of the letters in itself holds a rhetorical force. In Pamela’s letters, Richardson goes a step further than Defoe in Crusoe’s journal because the former requires us to trust the accounting in the “inside text” in order to believe in the conclusion of the “outside text.” In other words, novelistic credibility is at stake in *Pamela* in a way that it is not in *Robinson Crusoe*. But we need to examine the way the epistolary form gets modified by Richardson to supplement the intrinsic believability of the material letter.

Richardson’s *Familiar Letters on Important Occasions* (1741) was begun before *Pamela* and was meant to teach the art of letter-writing. Richardson was working out the formal importance of credible letter-writing prior to the construction of his major novel, and these formal concerns persist in his fiction. *Pamela* differs radically from the epistolary narratives which precede it (such as, for example, Aphra Behn’s *Love-Letters Between a Nobleman and His Sister* [1684-85]) because the reader (and Mr. B) must believe that Pamela is virtuous through her letters so that she deserves the reward of marrying up socially. But this requires Richardson to do something to ensure his readers trust Pamela’s letters; no third-person narrator can be used to ensure that the reader gets a complete picture (as in the case of *Love-Letters*). Instead, the fact of staying out of
obligation to Mr. B (maintaining a zero balance) is reflected through the representational strategies though which Pamela conveys to the reader her actions. The formal quality of “writing to the moment” implies that Pamela cannot be duplicitous. She merely reports the facts of her subjectivity as they occur. Further, her narration is continuous and ongoing, and it eventually turns into her journal.

Critics have already pointed to the way fiscal indebtedness underlies Pamela’s behavior and predicament. Catherine Ingrassia writes how readers “see numerous examples of her accounting abilities, her shrewd financial assessment of other (typically male) characters, and her recognition that most aspects of the socio-cultural world are determined by the absence or presence of money” (303). Pamela is attuned to indebtedness throughout the novel. Her parents are in debt, after all, and this is why she refuses to take on new debts and keeps her accounts in order. In fact, Pamela’s skills as a household manager and accountant are introduced on the first page of the novel. In the very first letter to her parents, Pamela writes of how her mistress had taught her how to cast accounts: “As my Lady’s Goodness has put me to write and cast Accompts, and made me a little expert at my Needle, and other Qualifications above my Degree, it would have been no easy Matter to find a Place that your poor Pamela was fit for” (11). This skill has social implications: it sets her apart and above other servants. She has the much valued skill of the gentle woman. But it also has implications for the way the novel is to be read: these skills in accounting help us trust her narrative. As we will see, while

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25 Ingrassia thinks of Pamela as a domestic stock-jobber because of her attention to her future worth, like a speculative investment. She gets Mr. B to invest in her through the “paper credit” of her journal (304).
accounting may be above her station, what she accounts for shows that she is acting within her station with the propriety proper to her.

Richardson uses the word “account” 83 times throughout the course of the novel. Further, Richardson draws the reader’s attention to accounting in the end of the novel, after Pamela has married Mr. B. Here, she discusses the form of the account explicitly once she is in charge of money:

I am resolv’d to keep Account of all these Matters, and Mr. Longman has already furnish’d me with a Vellum-book of all white Paper; some sides of which I hope soon to fill, with the Names of Proper Objects: And tho’ my dear Master has given me all this without Account, yet shall he see, (but nobody else) how I lay it out, from Quarter to Quarter, and I will, if any be left, carry it on, like an Accompant, to the next Quarter, and strike a Ballance four times a Year, and a general Ballance at every Year’s End. (471-2)

In the final pages of *Pamela*, passages narrated by a seemingly objective editor rather than through the letters themselves, one learns not only of the whereabouts of each character, but one is provided with a series of morals: “And they charm’d every one within the Circle of their Acquaintance, by the Sweetness of their Manners, [and] the regular Order and Oeconomy of their Household” (499). One of these morals extols the virtues of the household economist and advocates emulating Pamela’s accounting skills: “From the *Oeconomy* [Pamela] purposes to observe in her Elevation, let even *Ladies of Condition* learn, that there are Family Employments in which they may, and ought to, make themselves useful, and give good Examples to their Inferiors, as well as Equals” (502). Richardson’s 1742 sequel further explores Pamela’s virtues in the household, perhaps attesting to the reason he removed this editorial ending in subsequent editions.
If what is at stake in the doubting of Pamela’s virtue is the possibility that she might be attempting to extract property from Mr. B (a position taken by the pre-reformed Mr. B and Antipamelists alike), what matters is that Pamela accounts for own property well. In fact, she does just this – she produces a zero balance very early in the novel. Here, she separates her true property from the property that does not match her station when Mr. B begins to make sexual advances and she prepares to return home. To show that she owes him nothing, she separates her own clothing from that which does not belong to her. She tells Mrs. Jervis: “I had no Cloaths suitable to my Condition when I return’d to my Father’s; and so it was better to begin here, as I was soon to go away, that all my Fellow-servants might see, I knew how to suit myself to the State I was returning to” (55). This is less a matter of monetary ownership than one of appropriation to social degree, or evidence of her social propriety.

The way Pamela writes, which might be called puritan “plain style,” a type of writing also used by merchants and scientists, is a formal correlative to the way she registers her social propriety through dividing her clothes. The prefatory material, composed by a fictitious editor who compiles Pamela’s letters and authoritative readers who reflect upon them, emphasizes the “beautiful Simplicity of the Style, and a happy Propriety and Clearness of Expression (the Letters being written under the immediate Impression of every Circumstance which occasioned them …)” (5). In the second prefatory letter, the author contrasts Pamela’s writing to eloquent writing that might “disguise the Facts, marr the Reflections, and unnaturalize the Incidents” (9). By contrast, the novel is persuasive (at least according to its own paratext) because it represents
“Pamela as Pamela wrote it; in her own Words, without Amputation, or Addition” (9).

Plain style, pioneered by the seventeenth-century merchant Thomas Mun, was grounded in experiential knowledge and avoided eloquence and rhetoric, and is often associated with good business practice and tidy accounting.26 The novel’s paratext also makes the parallel to clothing: “Such a Dress will best edify and entertain. The flowing Robes of Oratory may indeed amuse and amaze, but will never strike the Mind with solid Attention” (9). Like Pamela’s narrative, one that is not overdressed, Pamela ensures that her body is not inappropriately dressed with clothing that is not rightfully hers. Pamela, owning herself properly, acts with propriety. Pamela prepares Ms. Jervis and Mr. B for her assumed departure through physically registering her lack of indebtedness, her zero balance, to them.

But, like the Bank, accounting by itself is not enough to convey virtue: accounting must be presented to, produced for, others. To ensure that Mrs. Jervis and Mr. B notice her propriety, Pamela makes a formal choice in representing her act. She separates the clothing into three distinct piles. She writes: “I took all my Cloaths, and all my Linen, and I divided them into three Parcels; … I beg you will look over my poor Matters, and let every one have what belongs to them; for, said I, you know, I am resolv’d to take with me only what I can properly call my own” (77). In the first pile, she places things her mistress gave to her. In the second, she sets aside gifts from Mr. B. In the third, she places items she brought with her, and thus rightfully owns: “But, said I, come to my Arms, my

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26 Plain style and accounting both have a tie to the emergence of the empirical sciences. Thomas Sprat calls for a one-to-one relationship between words and things in his History of the Royal Society (1667, 1702). One should “reject all the amplifications, digressions, and swellings of style: to return back to the primitive purity, and shortness, which men delivered so many things, almost in an equal number of words” (113).
dear third Parcel, the Companion of my Poverty, and the Witness of my honesty; and may
I never deserve the least Rag that is contained in thee, when I forfeit a Title to that
Innocence that I hope will ever be the Pride of my Life” (79). The explicit enumeration of
these piles stresses the truly formal way she achieves a zero balance. There is nothing left
over, and the reader has nothing with which to impute her impropriety. By separating her
clothes into what does and does not belong to her, she creates a sartorial register for Mr.
B and the reader to prove she owes the former nothing.

The form of the zero balance is not merely folded into the content of the novel,
but also structures the form of an important discursive exchange between Pamela and Mr.
B. The piles of clothing, visual indicators that Pamela has cleared her debts and is thus
free to leave, might be compared to the way she (and even the printed pagination of
Pamela) structures Mr. B’s proposed contract with her later in the novel. Mr. B lays out
the terms of his proposal that Pamela become his mistress through a numbered format,
offering to settle her with money and property if she accepts his offer (188-92). The first
two pages of the contract and its refusal appear thus:
Thought of, but you'll see how they are accommodated to what should have most desir'd, could I have honestly promoted it, your Welfare and Happiness. I have answer'd them, as I'm sure you'll approve; and I am prepared for the worst: For tho' I fear there will be nothing omitted to ruin me, and tho' my poor Strength will not be able to defend me, yet I'll be innocent of Crime in my Intention, and in the Sight of God; and to Him leave the avenging of all my Wrongs, in his own good Time and Manner. I shall write to you my Answer against his Articles; and hope the best, tho' I fear the worst. But if I should come home to you ruin'd and undone, and may not be able to look you in the Face; yet pity and inspire the poor Pamela, to make her little Remnant of Life easy; for long time shall not survive my Distress. And you may be assured it shall not be my Fault, if it be my Misfortune.

To Mrs. Pamela Andrews. This is my ANSWER.

The following ARTICLES are propos'd
1. to your serious Confinement, and let me have an deputation, in
2. Writing, to him;
3. that I may take my reflexions accordingly. Only remember,
   that I will not be trifled with; and
4. what you give for Answer, will absolutely
   decide your Case,
5. without Expectation of further TROUBLE.
6. I, IF you can convince me, that
   the hated Purdon has had no Encouragement
   from you in his Addresses, and that you have
   no Inclination for him,
   in Preference to me, then I will offer the
   following Proposals to
   you, which I will punctually make good.

VIRTUE REWARDED.

AS to the fifth Article, Sir, I may believe me (that I may not deserve in your Opinion), the opprobrious Crime of wanton and unkind, and such-like) to declare solemnly, that Mr. Williams never had the least Encouragement from me, as to what you hint; and I believe his principal Motive was the apprehended Duty of his Parents, quite contrary to his apparent Intent, so as I ventured to think in Diftere. You may, Sir, the rather believe me, when I declare, that I know not the Man breathing I would with so much, and that the only one I could honour more than another, is the Gentleman, who, of all others, seeks my everlasting Dishonour.

II. As to your second Proposal, let the Consequence be what it will, I
   yield.

Fig. 4. Mr. B's proposals and Pamela's refusals.
Source: British Library (Cup.403.y.8)

What is striking is the way each proposal is paginated alongside a response from Pamela, who declines each proposal with an explicit reason. The form of this passage resembles a ledger because each proposal attempts to put Pamela in Mr. B's debt, and each response clearly negates the debt. By scanning the contract, the reader quickly finds that Pamela has maintained her propriety. As in an accounting ledger, Pamela persuades through producing a zero balance.

Despite the way Pamela mobilizes the form of the zero balance, Pamela's letters are moving, even in their simplicity, and it is because they are moving that Mr. B sympathizes and is converted to believing her. Her accounts seem to bear witness to her honesty, and many details convey a sense of spiritual torture and despair. Pamela's
account of her near-suicide by the pond, for example, has an impact on Mr. B because he no longer believes she is manipulating him. Lady Davers, at first skeptical of Pamela’s intentions, is likewise moved by her narrative account (455). Pamela’s accounts have proven her deservedness, and have also caused Lady Davers to accept her. Thus, it is a combination of the factual and the subjective that allows for the plot of Pamela to work: the story of her heart is counted as a fact.

**Accounting and “the Pamela Controversy”**

One reason that the novel is subjected to immediate critique is that Pamela’s accounts are presented as factual and yet are so utterly moving. William Warner argues that the publication of Pamela resulted in a “media event” whereby the public could not help but respond to Pamela (178). Titillating, entertaining details are co-opted into similarly didactic projects, making readers reflect on whether they had been duped into sympathetic identification for and/or critical judgment of the protagonist (Warner 22).

The anonymous Pamela Censured (1741), for example, accuses the novel of being pornographic, exposing the “Most Artful and Alluring Amorous Ideas.” Much of “the Pamela controversy” hinged on whether the truth of her letters (and thus her virtue) was in fact to be believed. Thomas Keymer and Peter Sabor write: “Pamelists and Antipamelists concerned themselves with the obvious areas of dispute opened up by the ambiguities of Richardson’s presentation: Pamela’s motivation, her veracity, her piety. … Pamela was not only a novel but also a site of ideological contestation” (Controversy
This ideological contestation is tied to a debate about the form through which it is presented. The story of Pamela’s heart that is counted as fact, garnered by its formal construction (and the way the particular form of accounting gets folded into its content), creates the famous debate about literary technique. And this debate might also be discussed through understanding the way the form of accounting is utilized in subsequent works.

To undermine Pamela’s factual pretenses, parodists wrote counter-narratives with counter-facts. Pamela, dated in 1741, was published anonymously in 1740. By January of 1741, a second edition was already announced, and by March, a third. Each subsequent edition contained an editorial apparatus praising the novel. Five fictional responses were published immediately after Pamela appeared in 1741: Henry Fielding’s Shamela, Eliza Haywood’s Anti-Pamela, James Parry’s The True Anti-Pamela, Charles Povey’s The Virgin in Eden, and the anonymous Memoirs of the Life of Lady H—— (Keymer and Sabor Marketplace 83). Versifications, plays, prose responses, sequels, and graphic representations followed in ensuing years. Of these original five, Fielding’s and Haywood’s counter-narratives emulate the epistolary form of Pamela and can be considered as parodic imitations of the type of account I discuss.

Fielding’s Shamela not only emulates the epistolary structure of Pamela but the promotional apparatus as well, using Parson Tickletext and Parson Oliver as correspondents debating the value of the work. The letters themselves replicate the form of those in Pamela, only to suggest that the letters included in the original narrative had been partial, incomplete, and even fabricated. The title page claims that the text is a “full
Account of all that passed between her and Parson Arthur Williams” containing “exact Copies of authentick Papers.” The letter as a documentary object is once again preserved as the material witness to the facts. The epistolary form, one that helps us trust Pamela, is mobilized to make readers skeptical of her virtue when we are given a new set of contexts.

At the level of content, the reader learns that particular details had been wrong in the original Pamela. Pamela’s name is actually Shamela. Her mother is actually a whore rather than a pious Christian. And Pamela has been pursuing an illicit sexual relationship with Parson Williams the entire time, acting in order to get Mr. Booby to invest in her through marriage. Even the way Shamela pronounces the word virtue as “vartue” undermines the original’s self-representation. By contrast to Pamela, who presents herself as being disinterested, Shamela is utterly interested. And we learn that the difference between these two terms is merely a matter of presentation.

Significantly, in contrast to Pamela, Shamela is a poor accountant. After her marriage, Shamela says: “I believe I shall buy everything I see. What signifies having money if one doth not spend it … . It would be hard indeed, that a woman who marries a man only for his money, should be debarred from spending it” (331-2). This differs drastically from Pamela’s comments on household management throughout the novel, especially at the end when she discusses meticulously accounting for all of her purchases (471-2). Even though the novel borrows formally from Pamela, Shamela explicitly refutes the necessity of maintaining a zero balance. Shamela, unlike Pamela, only thinks
on one side of the ledger; Mr. Booby plays no role for our understanding of the
protagonist as Mr. B does.

In Haywood’s *Anti-Pamela*, Syrena Tricksey writes to her mother asking for
advice on how to extract money from various men. Syrena’s mother coaches her not to
follow her passion but instead her economic interest: “No Woman ever made her Fortune
by the Man she had a sincere Value for” (19). Syrena’s mother, by contrast to Pamela’s
parents, who warn about losing her virtue, warns her not to lose her value. Once again,
the language of accounting returns. This time, however, it is used for explicitly fiscal
ends. Syrena manages her accounts only in order to marry a rich man: “The Motives of
her behaving in this Fashion were two; the first was to get as much as she could of him,
before she granted him any material Favour, having an After-game in her Head to play
upon him; and the other was, that she had another Lover whom she found her Account in
managing” (113). Here, managing accounts has become a mere trope, subverting the
alignment of accounting and virtue and thereby collapsing the model of virtue in
Richardson’s novel.

By using accounting as a trope to stand in for virtue, John Cleland’s *Memoirs of a
Woman of Pleasure* (1748-9) serves as a serious, non-ironic imitation of *Pamela* when a
prostitute is rewarded, like Pamela, for something like virtue. Pursuing the point of
*Pamela Censured*, in which the anonymous author illustrates the sexually alluring (and
thus corrupting) undertones to *Pamela*, *Memoirs* is utterly and explicitly titillating.
*Memoirs* describes what might now be classified as homosexual sex, heterosexual sex,
premature ejaculation, masturbation, fellatio, voyeurism, S&M, rape, revenge sex,
spooning, group sex, deflowering, fake deflowering, and sex with the mentally challenged. All this begs the question, if Cleland’s pornographic novel can also be included in a list of Pamela parodies, what can possibility be the link?

These very different novels have one thing in common: the way virtue can be signified through accounting. While the first volume describes Fanny’s learning how to be a prostitute, the second volume of Memoirs foregrounds household economy, a topic that the last quarter of Pamela and the entirety of Richardson’s sequel, Pamela in Her Exalted Condition (1742), pursue. Fanny Hill’s experience in the house of Mrs. Cole serves as a training ground for the ideal domestic female. Becoming domesticated in the household contributes to the possibility of marriage (and thus the exaltation of virtue even despite her sexual immorality) at the end of the novel. Through the way in which she learns to manage her body and her pocketbook, Fanny enacts a Pamela-like practice of legitimating her upward mobility by insisting on her own virtue.

Mrs. Cole’s household is what enables Fanny eventually to marry the man who initially deflowered her – Charles – despite their gap in social status. Managing a small household of her own, however, is only the first step towards her eventual success in marriage. The second factor that renders Fanny marriageable is her coming into financial affluence. Fanny’s final client, a wealthy man who remains nameless, bequeaths her money because he respects her for her artless, disinterested companionship. This final non-marital sexual relationship makes explicit the domestic virtues Fanny learns at Mrs. Cole’s. The fact that the gentleman has left Fanny his possessions results from the training she had received from her mentor: “I owed his opinion of my management of the
vast possessions he left me to what he had observed of the prudential economy I had learned under Mrs Cole” (212). Significantly, Fanny ends up with the man who took her virginity – Charles has hit financial hard times, and she redeems him from financial loss at the same time as he redeems her from whoredom. Charles, according to Fanny, is “broken down to his naked personal merit” while she has improved her social status by coming into financial affluence (217). The social playing field is leveled in the last few pages of Memoirs.

By the end of the narrative, not only has Fanny managed to balance her account of virtue and vice, she also learns to balance the pleasures of the mind with those of the body in her achieving social propriety. Indeed, the virtues of propriety seem to “count” more than the sexual vices that pervade the novel. Fanny’s account of coming into a state of self-ownership through Mrs. Cole’s influence modifies the sort of virtue that Richardson puts forth in emphasizing the domestic realm of Pamela. Fanny Hill, unlike more subversive parodies of Pamela such as Shamela, takes on a narrative view of virtue that allows the reader to “balance” the explicitly pornographic elements of the text with the knowledge that Fanny has attained propriety. In other words, the novel, full of erotic sexual acts, nonetheless legitimates itself by teaching the reader to manage herself. But because the novel is full of titillating acts of sexual transgression, its definition of virtue must extend beyond that of mere virginity.

As soon as Pamela appeared, therefore, parodists were co-opting accounting in order to use it for various ends, showing how accounting cannot be aligned strictly with virtue; indeed, accounting even seems to have the capacity to transform definitions of
virtue. But the literary debate over the way *Pamela* attempts to convey virtue opens up the novel for development in an unprecedented way. We might observe, for example, the way Henry Fielding’s *Joseph Andrews* (1742) begins as another *Pamela* parody but then loses interest in critiquing *Pamela* and develops into a narrative of its own, exploring a sort of male virtue in the character of Joseph. And yet, at no point does *Joseph Andrews* pretend seriously that it is grounded in empirical reality. Fielding is content to simulate virtue through fiction; he produces virtue not through insisting on historicity, but by approximating it through narrative – virtue is virtual. However, even as other authors begin to embrace the virtualization of virtue, or virtue that can be approximated through fiction even if it has no basis in reality, Richardson discovers the virtual by hanging onto the form of accounting.

**A Proliferation of Accounts in *Clarissa***

Despite the ways contemporaries utilize accounting to transform the definition of virtue put forth in *Pamela*, Richardson does not abandon the form of accounting in its critical aftermath. On the contrary, he refines it (and despite Cleland’s innovation, preserves the alignment of female virtue with sexual propriety). This is demonstrated by the way his contemporaries often mark a formal and ethical difference between *Pamela* and *Clarissa*. For example, an anonymous critic (“a LOVER of VIRTUE”) writes: “I think your writings have corrupted our language and our taste; that the composition of them all, except Clarissa, is bad; and that they all … have a manifest tendency to corrupt
our morals. I have likewise shewn that your principle characters are all, except Clarissa’s
[.] faulty, ridiculous, or unmeaning” (Critical Remarks 57-8). How might we account for
the way this critic affirms that Clarissa, unlike all other works in Richardson’s œuvre, is
not corrupting?

In refining the way accounting works through bringing in more narrator
“accountants,” Clarissa complicates an alignment of virtue and virginity. However, virtue
still implies virginity, for although Clarissa loses her virginity, she remains virtuous
precisely because she can demonstrate pseudo-empirically that she is guiltless in her
struggle with Lovelace through the way she establishes herself as a household and
narrative accountant. Unlike Pamela, it is not only propriety that the form of the
accounting produces. Clarissa utilizes a very strong zero balance to demonstrate that she
is not indebted to Lovelace, and is thus not guilty for having lost her sexual virtue
through the rape. The form of accounting more literally balances credits and debts, albeit
in social (qualitative) rather than economical (quantitative) terms.

The most obvious difference between Pamela and Clarissa is the proliferation of
points of view, and letter-writers, in the latter. We get an exchange of correspondence not
only between Clarissa and Anna, but also between Lovelace and Belford. Minor
characters often write letters to these primary recipients, as well. The proliferation of
perspective is a focal-point for critics who debate whether or not Richardson comes to
acknowledge the arbitrariness of subjectivity. Terry Castle writes: “Confronting the
dissolution of claritas, the replacement of a so-called objective narrator by a multiplicity
of interpretative events, we are made conscious in turn of our own subjectivity, the
arbitrariness of the ways we try to make sense of contradictory accounts” (28). The multiplicity of letter-writers constitutes a fundamental shift in the way Richardson modifies the form of accounting. In *Clarissa*, Richardson shifts from the production of truth-telling by way of accounting to the production of different systems of mutual obligation. But, as in the case of *Pamela*, Richardson begins by linking accounting practices to virtue. The novel is organized so that Clarissa is incapable of accounting for that which would make her morally culpable: the rape. This formal blind spot gets registered through her ultimate forgiveness of Lovelace for the act (rather than acquiescing to marriage, which he desires).

One of the lesser-known facts about the reception of Samuel Richardson’s *Clarissa* is the way the novel inspired contemporaries in the practice of keeping accounts. In a letter to Richardson, Lady Bradshaigh writes: “You made her early hours appear so charming, that I determined to become in that her imitator, and find numberless conveniencies in it, unknown to me before. … She has also taught me to keep an account of my time; but that, compared with her’s, only serves to put me out of conceit with myself” (Richardson *Correspondence* 264). Similarly, in the 1750s, the shopkeeper Thomas Turner wrote in his journal that his wife read *Clarissa* to him aloud while he kept his books (Finn 64).

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27 This emphasis on subjectivity was a critical consensus until the work of Sandra Macpherson. By contrast to criticism that emphasizes subjectivity, Macpherson argues against emphasizing intentionality or interiority. Instead, it is “the intentionalist account of obligation – of promissory liability and criminal responsibility – that comes increasingly under attack. The problem of what Lovelace means, and of what it means to be a self-perjuring matrimonial contractor like Lovelace, is a central concern in *Clarissa* not because meaning is a problem, but because Richardson comes to understand that interpretation is crucially at issue precisely when social relations and obligations are configured as contractual” (100).
In understanding Lady Bradshaigh’s or Thomas Turner’s appreciation for accounting in *Clarissa*, one might point to Anna’s eulogical statements contained in letter 529, ones which bring to light Clarissa’s particular daily practices of time-management, which, as in *Pamela*, utilize accounting to signify Clarissa’s virtue. Anna begins her lengthy description of Clarissa’s daily tasks by quoting Clarissa thus: “No one could spend their time properly, who did not live by some rule: who did not appropriate the hours, as near as might be, to particular purposes and employments” (1470). Attention to particular duties regulated within a 24-hour cycle demonstrates the novel’s diurnal nature, a term Stuart Sherman uses to discuss the production of temporality in the eighteenth-century novel (224). Keeping track of time shares with financial accounting the capacity to be numerically quantifiable. Like the double-entry ledger that calculates quantities of fiscal indebtedness, keeping track of one’s time is used as a marker of virtue. Whereas most of the novels Sherman discusses mark time through a single narrator, I want to emphasize the way Clarissa’s letters use accounting for time as a way of signifying her innocence.

Clarissa’s diurnal duties range from private time in her closet to the material management of household property. Being a woman who has the potential to inherit, Clarissa’s relationship to property is crucial to the plot. Whereas Pamela has much to gain, Clarissa has much to lose. The businesslike and profane nature of the Solmes marriage plot establishes an obsession on Clarissa’s part to attain economic independence. As Christopher Hill’s work has pointed out, the issue of property, inheritance, and marriage for money is essential to reading *Clarissa* (39). Mark Kinkead-
Weekes historicizes the economic preconditions of the novel, explicating the financial underpinnings that lead to Clarissa’s eventual disillusionment and demise. He explains how, “bourgeois capitalist though he was himself, Richardson was in doubt about the corrupting power of money, and the alienation of economic man from all that is most worthwhile in life” (135). Perhaps this is why Clarissa’s refusal to marry Solmes for the purpose of her family’s aggrandizement presents a preliminary conflict between her values and those of the Harlowes. What Hill and Kinkead-Weekes read as Richardson’s critique of the corrupting forces of material wealth occurs as a reaction on Clarissa’s part: she keeps tight accounts to stay out of obligation in a system of value she despises, and, more importantly, she defines her value system explicitly through her letters in order to be held accountable to it alone. Clarissa’s virtuous intentions, like those of Pamela, become believable because of the credibility of her narrative account, in which she registers the way she stays out of social obligation in her letters to Anna.

Anna’s representation of Clarissa’s account contains subtitles to help the reader visualize the break-down of each part of Clarissa’s day. Anna’s description shows how Clarissa spent time in study, devotions, domestic management, crafts, meals, conversation, and (as in the case of Pamela) charity to the poor. What is significant about Anna’s description is the way Clarissa’s accounting for time includes a concept of both debt and credit. Four hours of the day serve as potential credits based on whether Clarissa has satisfied her debts. She calls these variable hours her “fund,” “upon which she used to draw to satisfy other debits” (1471). Further, Clarissa carries over her balance of hours to the end of each week and notes whether she is in credit or debt. Anna writes: “Once a
week she used to reckon with herself; when, if within the 144 hours contained in the six days she had made her account even, she noted it accordingly: if otherwise, she carried the debit to the next week’s account; as thus: *Debtor to the article of benevolent visits so many hours. And so of the rest*” (1471). Anna’s example – indeed, the use of italics to imitate Clarissa’s writing in the reckoning – gives the reader a sense of what Clarissa might have written in her actual account book.

Just as she allocates her hours, Clarissa imbues her narrative accounts with a similar function: to demonstrate and regulate her virtue by ensuring she stays out of obligation to others.

Like the accounting ledger, writing takes on a regulatory function in *Clarissa*.

Words as signifiers of intention even come to guide Clarissa’s conduct. Clarissa’s
description of her own writing practice to Anna in letter 135 places writing in the service
of a structure of both intention and conduct:

You have often heard me own the advantages I have found from writing down
everything of moment that befalls me; and of all I think and all I do that may be of
future use to me . . . But when I set down what I will do, or what I have done on
this or that occasion; the resolution or action is before me, either to be adhered to,
withdrawn or amended; and I have entered into a compact with myself, as I may
say; having given it under my own hand, to improve rather than go backward, as I
live longer. (483)

This differs from Pamela insofar as Pamela writes about an underlying truth of her heart.

By contrast, Clarissa writes explicitly in order to produce the truth of her heart. In so
doing, she produces in the reader a way of measuring whether she lives up to her own
intentions. Her writing is a contract to herself, serving a regulatory function. Clarissa’s
holding herself accountable to her own narrative has a parallel function to the merchant
or the banker with a ledger. To use Defoe’s terminology in The Compleat English
Tradesman (1726), accounting serves as Clarissa’s “repeating clock,” giving her a means
of knowing at any time how she stands in relation to others (15). In this sense, then,
Clarissa’s own account is a means of arriving at a zero balance with her readers, one that
does not require us to believe that she is telling a universal truth tied to a particular
empirical reality or historical specificity, but that she holds herself accountable to the
particular truth she tells.

But when Lovelace rapes Clarissa, there is little account from Clarissa’s
perspective. Clarissa’s description of the act is fuzzy at best. She cannot account exactly
for what happens to her, and this contrasts very starkly to the detailed analyses of her
intentions and actions that normally characterize her letters. Frances Ferguson’s analysis
of the relationship between rape law and this lack of account explains why Clarissa categorically cannot be read as culpable for the rape, and why she therefore can be read as virtuous even despite this sexual act. Ferguson writes:

The very fact that the rape counts as rape necessarily depends on not Clarissa’s mental state but on a formal account of that state. It therefore looks as if Clarissa, like rape law and unlike the ‘psychological novel’ that it is supposed to represent, argues for the primacy of the form by framing the rape so that it cannot depend on the victim’s mental state. (100)

The rape is framed so that legal culpability cannot be measured because its very definition depends on the account, which is not represented. Thus, because Clarissa is in a state of unawareness (or pseudo-awareness), her (non-)account of the rape is innocent.

The account in Clarissa anticipates its own critique by self-consciously registering differing definitions of social indebtedness in order to ensure that Clarissa ends with Lovelace on the debt side of the ledger. She is virtuous even though she has absconded with him in the first place, is raped by him, and has refused to marry him afterwards. She is virtuous because, in all other cases, she meticulously accounts for her time. In this case, however, she is unable to account and thus cannot be found guilty for what has happened to her.

It is through the manipulation of the account that Richardson renders Clarissa still virtuous after the critique opened up by Antipamelist. The form of novel ensures that the reader 1.) knows that Clarissa holds herself to her own account, 2.) sees other letter-writers corroborating the strictness by which Clarissa maintains accounts of her time, and 3.) sees that Clarissa, despite her keeping a strict account of all her time spent in the hands of Lovelace, cannot account for the sexual act perpetrated against her. It is for this
reason that Clarissa overcomes the “naïve empiricism” associated with Pamela (a belief that Pamela is a paragon of virtue because her accounts are empirically true, one which leaves the latter open to critique by its multiple skeptical satirists). Like Robinson Crusoe, what “happens” in historical or empirical terms no longer needs to be emphasized. What matters is the way the reader comes to trust the subjective experience of the protagonist. And, trusting Clarissa’s account of the experience means that the reader understands a higher sort of virtue. Clarissa may have taken false steps which led to her seeming improprieties, but she serves as a model for Christian virtue (i.e., through her faithfulness, her trials, and her martyrdom) nonetheless.

From “Virtue” to the “Virtual”

In the way they each configure gendered virtue by using a formal means, Pamela and Clarissa also teach readers something about the logic of accounting. Pamela opens itself up for critique because it relies so heavily on Pamela’s self-presentation of her virtue, a presentation that, in translated terms, resembles the zero balance of a ledger. Clarissa attempts to remedy this problem by proliferating subjects keeping accounts so that, ultimately, readers trust Clarissa’s version even if, “objectively,” they might find her blameworthy. Through accounting, virtue, a term used to convey an interior quality of persons or things, quickly transforms into the virtual, a related concept that implies that the interior quality is an effect, and not necessarily grounded in fact (OED). And it is this
virtual experience of understanding that renders the novel what it is after the true history. Readers come to appreciate the novel for its virtualization, and not for its historicity.

Double-entry book-keeping is a translation of complex relationships into a simplified form, another mode of virtualization. And this simplification has its price. Accounting served as the basis for the public credit system because of a growing public perception of its fairness and security. But accounting by itself, the algebra of double-entry book-keeping, did not suffice by itself in order to convey this virtue. The Bank had to perform its keeping of trustworthy accounts through its architecture and through its assurance that its tellers were doing their jobs perfectly. While grounded in a reality produced by mathematical precision, the public trust of accounting is always, at some level, a fiction created by representational strategies. Public credit is another instance of the movement from virtue to the virtual, for it is only when the public believes that national accounting is trustworthy does it become virtuous. That is to say, public credit is virtual like the novel because it is an effect of trust rather than a ground for it.

The account always requires a re-presentation of itself in order for it to be trusted, whether it be through Bank architecture, piles of clothing, or the evidence of another trusted account. Contrary to what Poovey suggests, I am arguing that the account requires a fictional supplement in addition to the sound arithmetic that makes it seem “factual.”

“The Pamela controversy,” a significant moment in the history of the English novel, is governed by an attention to the formal production of virtue in a way similar to the Bank of England. Just as the reader of the novel must imagine Pamela and Clarissa to be virtuous for the novels serve their ideological praxis, so must the constituents of the
commonwealth believe that the Bank of England is sound for public credit to be just that. But this virtue, the virtue of public credit or the virtue in the novel, is virtual – is the effect of production and not an interior quality captured by empirical method or the true history.

Part of what is at stake in the transition from the true history to the novel as we now know it is the way we come to value that which is not necessarily empirically or historically true, but that which conveys a virtual truth. Formalism, not for its own sake but because form comes to have value for a distinct reason to serve a particular people in a particular moment in history, is not just an arbitrary approach to the history of the novel. Rather, it determines the emergence of the novel as the genre works out how readers come to trust the raw evidence we as critics have come to define and problematize as “subjectivity.” Indeed, as we note the difference between *Pamela* and *Clarissa*, we can begin to see how accounting helps us to value the emerging perspectivism endemic to the novel.
Chapter 4

Novelistic Depersonalization and the Rise of Political Economy

Public credit, perhaps because of its inherently problematic, ultimately virtual, constitution, has a tradition of being figured through literary devices. One of the tasks of contemporary thinkers was to represent its complicated series of devices to the public, both metonymically and metaphorically, to render its inherent abstractions into concrete figures. In many literary representations of public credit, particular locations in London are evoked in order to make the series of devices that constitute public credit seem tangible to people. For, without public opinion on its side, public credit would not survive as an institution.

Commentators on public affairs used allegory as a way of capturing the novelty of public credit by concretizing it through institutional buildings in the City of London. For example, Daniel Defoe’s *Review* (1704-1713) helps his readership understand credit by making its inherent abstractions concrete through the personage of Lady Credit. In an issue of the *Review* dated 8 August 1710, Defoe writes that Lady Credit’s “walk was daily between the Bank and the Exchequer and between the Exchange and the Treasury” (226). Here and elsewhere, Defoe emphasizes the location of the Bank to entice the public to imagine that credit exists there as an actual entity. By 1720, the stock market had emerged in the environs of the Royal Exchange on Threadneedle Street,

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28 Defoe’s *Review* was published before the Bank was moved to Threadneedle Street in 1734, directly across from the Royal Exchange.
where the government’s three major creditors resided: the South Sea Company, the East India Company, and the Bank of England (Glaisyer 3). The Royal Exchange was described by some, including the late seventeenth-century political arithmetician William Petty, as a microcosm of the trading world (Glaisyer 50). These architectural structures had an increasingly symbolic value for the citizens of England, fostering an imagination of individual citizens existing within a self-contained, prosperous commonwealth.

Unlike Defoe’s allegory that calls for his readers to support public credit, other commentators used similar allegories based on particular locations in the City in order to critique it. Often “the Bank was depicted in sinister terms as representing one element within the tangled web of relationships which tied together the state and the City” (Bowen 8). Both because the ideologues of public credit inflated its local haunts to national significance and in order to deflate these pretensions, Jonathan Swift also exploited its susceptibility to allegory. Swift uses the location of the coffee house – a prevalent institution in the City:

It is the Folly of too many, to mistake the Echo of a London Coffee-house for the Voice of the Kingdom. The City Coffee-houses have been for some Years filled with People, whose Fortunes depend upon the Bank, East-India, or some other Stock: Every new Fund to these, is like a new Mortgage to an usurer, whose Compassion for a young Heir is exactly the same with that of a Stockjobber to the Landed Gentry. … [W]hen I saw this false Credit sink, upon the Change of the Ministry [in 1710], … [i]t seemed, as if the young extravagant Heir had got a new Steward, and was resolved to look into his Estate before things grew desperate, which made the Usurers forbear feeding him with Mony, as they used to do. (“Conduct” 53, 56)

Here, Swift refers to the change in ministry and the effects on credit of the perceived “loss of the City” I discuss in Chapter 2. Swift comments on the waning of public credit by using an allegory, one that personifies the system through the figures of the heir and
the steward. His condemnation of the way people envision the “kingdom” through the
Bank and institutions associated with it (such as coffee houses, where news about credit
and trade were exchanged by interested parties) differs from the work of Defoe, who
personifies a public credit system in order to help people understand it and ultimately
support it.

By 1711, at least, Swift no doubt saw Joseph Addison as one of these ideologues
of public credit. In the same year, Addison recorded that he, having fallen
insensibly into a kind of Methodical Dream, which dispos’d all my
Contemplations into a Vision or Allegory, … returned to the Great Hall [of the
Bank], where I had been the Morning before, but to my Surprize, instead of the
Company that I left there, I saw towards the Upper-end of the Hall, a beautiful
Virgin, seated on a Throne of Gold. Her Name (as they told me) was Publick
Credit. The walls … were hung with many Acts of Parliament. (Spectator, No. 3,
3 March 1711)

Like Defoe, Addison imagines the complex system of credit in concrete terms, one that
culminates with the discovery of a virginal figure called “Public Credit.” In this
representation, public credit is not found in the accounting ledgers, but in the Great Hall
of the Bank, the area where the public entered and engaged in business. In Addison’s
allegory, the virgin’s throne is made of gold, one that suggests (even despite the Bank’s
actual practices) that bullion backed public credit. Even more than Defoe, Addison uses
tangible features of the Bank to understand credit as being more than a series of devices.

A few months later, Addison’s allegory of public credit in the Spectator
(1711-1712) transforms into an analog between public credit and the coming together of
private individuals in a particular location when he begins to describe the Royal
Exchange:
There is no Place in the Town which I love so much to frequent as the Royal-Exchange. It gives me a secret Satisfaction, and, in some measure, gratifies my Vanity, as I am an Englishman, to see so rich an Assembly of Country-men and Foreigners consulting together upon the private Business of Mankind, and making this Metropolis a kind of Emporium for the whole Earth. (No. 69, 19 May 1711)

This sort of allegorizing tendency is different from his earlier personification of public credit. While, like Defoe and Swift, his first allegory renders credit concrete, this one describes a system, one given the geographical specificity of the Exchange, where private individuals come together in order to barter for their interests. Addison imagines how surprised an erstwhile English king would be “to see so many private Men, who in his Time would have been the Vassals of some powerful Baron, Negotiating like Princes for greater Sums of Mony than were formerly to be met with in the Royal Treasury!” (Spectator, No. 69, 19 May 1711). Whether national or international, the virtual community established by public credit depends for its existence on the liberation of individuals from the social ties of actual community. And, in Addison’s second depiction, he moves from allegory in the traditional sense to a way of understanding the public as a “place” (the Royal Exchange) where individuals come together in the hopes of benefiting. While the former literary strategy concretizes the abstractions of public credit, the latter uses its tangible features to make the system virtual. Each person at the Exchange is no particular person; the Exchange is merely a locus where any person might go to trade. The Exchange depersonalizes actual people, rendering them virtual, and Addison’s imagination of what the Exchange “is” in geographical terms conveys to the public a virtual system made tangible.

While these literary representations render tangible or concrete the features of
public credit that are abstract, this chapter will attempt to understand the way public credit lends itself to being virtualized in the novel. Whereas allegory renders the abstract concrete, what I am describing turns that which is concrete into something abstract, what I call *depersonalization*. Depersonalizing a financial system that is grounded in public credit not only allows people like Addison to advocate for it, but also allows for it to be critiqued. To use the terms borrowed from my earlier chapters, depersonalization means that one looks at the ledger rather than the person holding it. In Defoe’s *The Compleat English Tradesman* (1724), the character of the person holding the ledger matters for private credit to work, but the system of public credit that Defoe ultimately depicts relies on a virtual public imagination of it. At stake in depersonalization is the inherent contradiction in attempting to define public credit in the same way as private credit. The idea of public credit requires a new notion of the “public,” a virtual totality of private individuals.

Sarah Fielding’s *The Adventures of David Simple* (1744) is one example of the inherent problem of defining public credit through private credit because the work calls into question the way social relationships have become virtualized. This fictional work, one that calls itself a “moral romance” but is often read as a novel, can be understood through the rise of public credit. Breaking from Ian Watt, who defines the novel form in terms of individualism, I will show how Fielding’s text uses questions of truth and virtue to critique the turn towards empirical method predicated on an imagined, virtual community. *David Simple* borrows from other genres, such as the romance and the allegory, in order to accomplish this – its form reflects its content in the way that the
work looks back to older value systems.

*David Simple* begins when David’s brother Daniel attempts to cheat David out of an inheritance. He makes a journey from east to west, from Fleet Street in the City to the Strand to Westminster, and meets various people along the way from different stations in life, people who disappoint him in his attempt to befriend them. He finally meets Cynthia, and then later a pair of siblings, Camilla and Valentine, who have also been deceived or forsaken by others, usually for financial reasons. After David hears their respective stories, the four form a family and share a household: David marries Camilla and Cynthia marries Valentine. The novel ends happily, David having found friends at last. In *Volume the Last* (1753), a reversal of fortune takes place. David’s family of friends loses its fiscal security and thus the freedom it had to remain together as a household. A relative makes a legal claim on an estate left to David, one which drains him of necessary money. He loses his capacity to support his family without outside assistance and becomes financially dependent on others: Ratcliff, Orgueil, and, later, Nichols. Valentine must get a job in the West Indies, and Cynthia accompanies him. Their house burns down and their property is destroyed. All but one of the children die from various illnesses. The sequel ends with David’s own death.

The character of David Simple is as uncomplicated as his name suggests. This character trait becomes essential to the novel’s plot: he “simply” wants to find a friend. Fielding’s technique of naming some characters according to their qualities does the partial work of the traditional allegory: the character of David, for example, is meant to stand in for anyone with the same “simple” attributes. David Simple is simple just as any
man might be simple – David is not merely a character, but also a type. The subtitle of Fielding’s novel reads: “Containing an Account of his Travels through the cities of London and Westminster in the Search of a Real Friend” (v). David’s early adventures lead him to many false friends who pretend friendship only in order to advance their own pecuniary interests. The simple aim of the novel, the quest for a real friend that anyone might pursue, turns out to be highly complex. In the end, David does establish a community of friends. However, in Fielding’s sequel to the novel, *Volume the Last*, this little community falls apart.

And yet, David’s name is not the only key to understanding depersonalization in the novel, for the novel is no “simple” allegory; David’s early search is focused on the locations of the City of London and Westminster, areas that contemporaries imagined to be the hub of English public credit, a place where economic interests came together through trade, the stock exchange, and the national debt. The setting, as in Addison’s allegory, also depersonalizes particular persons in representing the way individuals come together to barter for their interests. Fielding’s narrative strategy ultimately engages the reader to sympathize with David because of his inability to adapt to the pressures emanating from Threadneedle Street. But it is not with David, as a *person*, that we sympathize. Contrary to critics that place this novel in the context of sensibility, I argue that the reader’s affect is engaged to sympathize with people in general, ones symbolized by David’s community, as Fielding offers a critique of the depersonalizing mechanisms implicit in public credit through the form of her novel.

The tendency towards depersonalization, one we find in writings on public credit,
has to do with many forces that emerge with the advent of capitalism more generally. We might register this in the context of the larger transition from feudalism to capitalism and the establishment of what Robert Brenner and Ellen Meiksins Wood call “economically-constituted property” (652, 50). Michael McKeon marks the significance of this transition when he writes that “modern social relations – the social contact, market exchange, public opinion – are normatively impersonal relations between ‘strangers’ who have no actual experience of one another” (107). This larger historical shift toward impersonal or virtual relationships between people informs the formal innovations in *David Simple*. Allegory, in itself, serves as a formal place-holder that allows people to become interchangeable. And, at first, Fielding seems to utilize this form through the naming of some of her characters (such as David Simple, Orgueil, Valentine, etc.). But she also renders the concrete relationships between people abstract through her setting the novel at places like the Royal Exchange. This second mode, what I am calling depersonalization, resembles the method of contemporary political economy, and might for this reason be read as part and parcel of emergent public credit in particular rather than capitalism in general.

**Virtualization in Political Economy**

While some historians call seventeenth-century writers like Charles Davenant “political economists,” the actual term “political economy” entered circulation two decades after the publication of *David Simple*. Sir James Steuart’s *An Inquiry into the
Principles of Political Economy (1767) used the term to describe the relationship between personal and national debt and the role the banking system and government had in mediating that relationship. Like Defoe’s decades earlier, Steuart’s approach to political economy acknowledges a need for imagining public credit through the same principles as private credit. He writes:

The ruling principle in private credit, and the basis on which it rests, is the facility of converting, into money, the effects of the debtor; because the capital and interest are constantly supposed to be demandable. The proper way, therefore, to support this sort of credit to the utmost, is to contrive a ready method of appretiating every subject affectable by debts; and secondly, of melting it down into symbolical or paper money. (4:474)

Here, Steuart uses the logic of private credit to explain the workings of credit in general. Tellingly, “melting it down” does not refer to bullion (as a literal interpretation of the language would suggest), but the passage serves as a metaphor for how paper money abstracts (“melts”) particular relationships between people into a virtual system.

Although he does not use the term public credit in this passage, it is implied by the way he posits subjects who use paper money and are related to each other through a method of counting debts. The private credit described in the passage is already part of public credit, a system of placing subjects in virtual relationships with one another.

Using paper to stand in for traditional social relationships is a central idea in other writings of political economy. In The Wealth of Nations (1776), Smith argues that the abstractions inherent in paper credit can substitute for the traditional trade relationships mediated by bullion: “The substitution of paper in the room of gold and silver money, replaces a very expensive instrument of commerce with one much less costly, and sometimes equally convenient” (292, chap. II, sec. ii, par. 26). Paper and bullion can be
called equivalents through a banking system just as subjects who are unrelated to each other can be said to be connected through though a system that mediates debts.

The judicious operations of banking, by substituting paper in the room of a great part of this gold and silver, enables the country to convert a great part of this dead stock into active and productive stock; into stock which produces something to the country. The gold and silver money which circulates in any country may very properly be compared to a highway, which, while it circulates and carries to market all the grass and corn of the country, produces itself not a single pile of either. The judicious operations of banking, by providing, if I may be allowed so violent a metaphor, a sort of waggon-way through the air; enable the country to convert, as it were, a great part of its highways into good pastures and corn fields, and thereby to increase very considerably the annual produce of its land and labour. (321, chap. II, sec. ii, par. 86)

But this equivalence between bullion and paper comes from its circulation, one that renders all subjects part of the same network of circulation. Like Defoe, Swift, Addison, and Steuart, Smith utilizes a literary device to explain how the equivalence between bullion and paper money works.

We might note this tendency of movement from the actual to the virtual in these descriptions. First, traditional trust between tangible people gets replaced by trust in the theoretical dependability of a Bank with its mechanisms of “appreciating subjects affectable by debts.” Second, actual metals (with supposed intrinsic value) become represented by paper money but circulate just as well. Writers of political economy do not steer far from the way others use literary devices to understand public credit. Allegory may serve as a formal place-holder where people become interchangeable, but so is the system of “appreciating every subject affectable by debts.” Political economy breaks with the household economy upon which it models itself, and the use of literary devices is for this reason is a necessary means to render public credit coherent.
Such literary descriptions in works of political economy connect to the depersonalizing tendencies in Fielding’s novel through a logic I have already begun to discuss in earlier chapters. Smith and Steuart do not exactly evoke an image of individuals coming together at the geographical location of the Royal Exchange, as does Addison, but they virtualize relationships between people by a means now familiar to us: by double-entry book-keeping and the way it models itself on private household economy. But whereas traditional household economy deals with the actual, political economy inexorably requires a belief a virtual system. And this is how Fielding’s novel critiques political economy: *David Simple* shows how virtualizing social relationships precludes the possibility of household economy, and ultimately destroys the traditional community the latter is meant to sustain.

More recent commentators have employed modern formulations to express similar insights. And this tendency toward depersonalization is key to these theories. A common theme in efforts to define modernity is the expansion of the English nation around large institutions like the Bank. Patrick Brantlinger argues that English nationalism developed beyond its existing form when public credit was consolidated through the Bank and other key financial institutions.\(^\text{29}\) For Brantlinger, whose topic is the relationship between the emerging nation and public credit, paper money produced through the Bank was central to this transition. He writes: “The ideological image of the future involved in public credit and the evolution of paper money is either catalyst or necessary ingredient in all modern beliefs about endless, inevitable social progress and

\(^{29}\) According to Linda Colley, the strongest force in building British nationalism was the recognition that war would be continuous and that it would thus require continuous financing (5).
secular perfectibility: the future fictions that the ‘imagined communities’ of modern nation-states tell themselves” (40). What began the century as a “Whiggish” sort of credit organized around the City began to subsume daily life for all the citizens of a growing nation. And, for Brantlinger, the “fiction” of the state is dependent on the circulation of paper money.

According to Anthony Giddens, what is essential for any definition of modernity is the way the nation-state dissolves the immediacy of social bonds and replaces them with more abstract social connections, in a way comparable to Benedict Anderson’s thesis of the “imagined community” to which Brantlinger alludes. Anderson’s concept of nationhood hinges on the advent of print, which unites readers by a common language that in turn fixes the evolution of language variation (44). Far more than writing, print abstracts readers from actuality, producing through its circulation the sense of a virtual collective. The process of forming a virtual collective, aided by print, also happens by way of the financial revolution. Giddens discusses the way bank money helps to facilitate the disembedding of people from pre-modern social practices in order to re-embed them (but this time only virtually) by transferring their trust to the abstraction of the state. But unlike Niklaus Luhmann and Georg Simmel I discuss in Chapter 2, the process happens historically for Giddens.

In its early form, money is identified with debt. ‘Commodity money’ thus designated is a first step along the way in the transformation of barter into a money economy. A basic transition is initiated when acknowledgements of debt [i.e., money] can be substituted for commodities as such in the settlement of transactions. This ‘spontaneous acknowledgement of debt’ can be issued by any

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30 Brantlinger cites Anderson’s highly influential *Imagined Communities* (1991), but critiques the latter’s work for not accounting for the expansion of finance in his argument (143).
bank and represents ‘bank money.’ Bank money is recognition of a private debt until it becomes more widely diffused. This movement to money proper involves the intervention of the state, which acts as the guarantor of value. Only the state (which means here the modern nation-state) is able to transform private debt transactions into a standard means of payment – in other words, to bring debt and credit into balance in respect of an indefinite number of transactions. (23-24)

In Giddens’s understanding of modernity, trust is shifted from immediate relationships between people to an investment in an abstract system that mediates transactions in general (indeed, that holds a place for the possibility of such transactions), and money (identified as debt) is the mechanism that facilitates this process (26). For Brantlinger and Giddens, the state, society, and the banking system all come into being together, gaining and maintaining their power because people think of them as trustworthy institutions through which to pursue their individual interests. This sort of economically-constituted property entails the strengthening of nationalism through the way subjects imagine themselves to have an interest in the whole, but this whole is always virtual. Interest is imaginary because the way the banking system works means that each subject could be anyone. And the way the nation-state ensures that the system is nonetheless trusted is to back it through its political authority, which leads, in turn, to an investment in the preservation of the state as such.

Our task for understanding the way in which *David Simple* depersonalizes its characters is to register the way this transition impinged upon people who were not directly participating in the public credit system. And this sort of inquiry raises the question of whether public credit is the best term to use in order to illustrate the way virtualization works in *David Simple*. Public credit, while it originates in the City, transformed political relationships contagiously, a point J.G.A. Pocock argues, and this
renders it distinct from earlier capitalist development:

The danger lay with the owner of capital, great or small, who invested it in systems of public credit and so transformed the relations between government and citizens, and by implication those between all citizens and subjects, into relations between debtors and creditors. It was not the market, but the stock market, which precipitated an English awareness, about 1700, that political relations were on the verge of becoming capitalist relations. (*Virtue* 110)

For Pocock, public credit is radically different from other forms of market activity because of its capacity to transform citizens into people configured as debtors and creditors, which, in turn, changed the function of the state. In an actual marketplace, it was possible to opt out of these categories; after the establishment of public credit, every citizen became an abstract debtor or creditor within an aggregate. Pocock’s analysis suggests that the advent of public credit is not just an economic or even a political change, but a social one.

But critics have debated with Pocock on this major implication; namely, that public credit has the capacity to translate all citizens as debtors or creditors, and is, for this reason, a primary transformative force. McKeon argues by contrast to Pocock that public credit was not the triggering force. Rather, the capitalist transition to economically-constituted property, an ideology that produced the reconciliation of private and public interest, is what made private credit possible. He argues that this kind of reconciliation first began to be accomplished in conjunction not with the financial revolution of the 1690s but with the capitalist revolution itself, that is, with the commodification of land and labor that had begun to be visible to observers decades earlier. The English commercial system of the eighteenth century was not the cause but the consequence of capitalist development and ideology. (*Secret* 26)

While McKeon questions Pocock’s insistence that public credit produced the conditions...
of possibility for capitalism through rendering every citizen as a debtor or creditor, I am arguing that *David Simple* allegorizes public credit and not capitalism because of the way the depersonalized form is capable of virtualizing the former and not the latter. Public credit, unlike capitalism, is a system imagined virtually. While the same can perhaps be said of capitalism later in the nineteenth century once it becomes objectified by scientific discourses such as economics, this so-called system had yet to reach the type of development that allowed people to describe it in the period Fielding wrote *David Simple*.

The particular use of allegory by contemporaries to describe public credit serves as a historical framework for Fielding’s novel not through the way these allegories place people in abstract debtor/creditor relations, but through the way the imagined aggregate of public credit works. Public credit is one reason why *David Simple* utilizes a similar sort of formal depersonalization – while others around him have accepted this virtual aggregate, David cannot. David attempts to ignore (or, indeed, cannot understand) the pecuniary interests that have taken over the City. Read in the light of the setting, Fielding’s narrative exposes the way the virtual community inherent in the development of public credit has spread to encompass all people (and not just those in explicit competition with one another in the City). And so we must wander outside of the City with David, far from the Royal Exchange and the gaming tables, to see how public credit has permeated other facets of life.

**Quixotism**
Through a formal technique of depersonalization that resembles the system of public credit described by political economists, both *David Simple* and *Volume the Last* explore a transformation of society associated with the advent of capitalism and the accompanying shift to economically-constituted property. One way to register this narrative strategy is to note the way concrete relationships between particular people are supplanted by abstract, virtual ideas of people related through a national economy or market (a consequence of the advent of capitalism generally, but one also facilitated by the advent of public credit in particular). Public credit is complex, which is why it was often simplified through allegory. Significantly, before the reader even leaves the title page of the first volume, she becomes aware that David is the very opposite of complex; he is a sort of quixote. Why does Fielding use such “simple” characters to navigate Threadneedle Street, a geographical site representing a vastly complex series of devices that constitute public credit? The use of allegory allows the simple character of David to stand in for anyone. Anyone might navigate his way through the City with seeming quixotism, for the literacy and numeracy required for understanding credit and other financial mechanisms were not yet known to most of the public. And it is this sort of quixotism that the reader is asked to value through the unfolding of the novel. *David Simple’s* status as a moral romance demands a quixotic protagonist so that the reader can compare the traditional feudal value system with the newer capitalist one. The older generic device allows Fielding to critique a newer social order.

Several references to the quixotic figure pervade *David Simple*. The narrator even suggests that David’s search to find a friend, in itself, is quixotic: “[Finding friendship
predicated on a union of minds] was the Fantom, the Idol of his Soul’s Admiration. In the
Worship of which he at length grew such an Enthusiast, that he was in this Point only as
mad as Quixote himself could be with Knight Errantry” (26). One character, a woman
David admires, seems reminiscent of Charlotte Lennox’s *The Female Quixote* (1752).
She says: “All the Pleasure I had, was in reading Romances, so that by the time I was
Fifteen, my Head was full of nothing but Love” (54). And the reader also learns that
David values people in a way analogous to the foundational text in the history of
quixotism, “for his Man of Goodness and Virtue was, to him, what *Dulcinea* was to Don
*Quixote*” (96). These explicit references to the quixote follow through with Fielding’s
insistence that what we are reading is a “moral romance.”

The way *David Simple* foregrounds David’s simplicity places it in the tradition of
the quixote, which reminds us that Miguel de Cervantes’s *Don Quixote* (1605, 1615) had
a formative influence on the development of the novel. The quixote is not merely a
simple or mad character, but one who obeys a logic of his own, a set of beliefs that differs
from the surrounding world. Critics have elaborated on the reason the quixote is
“everywhere in eighteenth-century England” (Motooka 2). Ronald Paulson writes:

In England, *Don Quixote* was read, interpreted, and utilized in a way it was not
and could not have been in its native Spain or (where it was also immensely
popular) in France, both centralized, absolutist Roman Catholic governments. One
reason was the rise, in England at the end of the seventeenth century, of
empiricism, which accompanied the decentralizing power in a wavering economy
of Crown, Parliament, and the rights of the English people. (xi)

The rise of empiricism and the accompanying political transformation is not the only
mechanism that accounts for the quixote in the English novel, but also the rise of
aesthetics (xiii). Through the creation of Sir Roger de Coverley in the *Spectator*, Paulson
argues, Joseph Addison refines the English quixote by suggesting that the character need not be satirical or derisive:

Having created a modern Quixote, Addison then, in subsequent essays, redefined satire to correspond to this flawed but lovable character, a figure who elicits sympathetic laughter instead of ridicule – laughter with instead of laughter at an object. He begins by castigating ridicule, arguing the need to replace satire with comedy because satire is personal, cruel, and malicious. He implies that to satirize Sir Roger, as Swift would have done, is to distort our sense of empirical reality, creating a monster where we know a man. (xiii)

The quixote, in other words, can be read next to the rise of empirical method, a general mode of thinking of which public credit is one example. The quixote also triggers the novelistic question of belief because, contrary to modes that tend to persuade through empirical method, the quixote clings to his own understanding. His understanding comes from more traditional belief systems, ones which pre-exist empiricism. And, as Paulson suggests, the figure of the quixote becomes less satirized and more of a sympathetic figure in the eighteenth century.

We can observe Paulson’s thesis in several novels published around the time of David Simple. The quixote also drives the plot of Henry Fielding’s The History of Joseph Andrews (1742). The subtitle of the novel reads “In the Manner of Cervantes, Author of Don Quixote.” Many figures in Joseph Andrews are quixotic, but Parson Adams stands out more than the others. In one scene, Parson Adams hopes that he will be able to sell his sermons for much-needed money, “being encouraged … by an advertisement lately set forth by a society of booksellers, who proposed to purchase any copies offered to them, at a price to be settled by two persons” (55). But when the actual bookseller arrives, Adams’s understanding is revealed to be very different from the book-seller’s market-
driven notion of the value of sermons. Assuming that the sermons are valued for the content, Adams unwittingly reveals his desperation: “And to induce the bookseller to be as expeditious as possible, as likewise to offer him a better price for his commodity, he assured him their meeting was extremely lucky to himself; for that he had the most pressing occasion for money at that time” (65-6). The bookseller tells them that “sermons are mere drugs” and that they are worth very little, making fun of Adams’s belief that they are for conveying the good and instructing mankind (66). Despite this bookseller’s opinion, Adams insists on traveling to London. Comically, it turns out that Adams’s wife has neglected to pack the sermons, assuming that his shirts would be more useful. Despite all the clues from others, Adams persists in his plan because of the sincerity of his belief. This pattern of behavior gets Adams in difficult situations, ones which drive the overall plot of the novel. But, importantly, the reader is meant to feel for Adams – his plight may be due to his quixotism, but the reader can understand his belief in the “good for mankind,” and, most importantly, can see how his seemingly naïve conduct results from such a belief.

Lennox’s *The Female Quixote* is a narrative about a young woman who is raised on reading chivalric romances. Her beliefs about courting, grounded in the romantic traditions of the novels she reads, get her into trouble when she is confronted with the more modern money-grubbing fortune-seekers who actually court her.

By [the novels] she was taught to believe, that Love was the ruling Principle of the World; that every other Passion was subordinated to this; and that it caused all the Happiness and Miseries of Life. Her Glass, which she often consulted, always shewed her a Form so extremely lovely, that, not finding herself engaged in such Adventures as were common to the Heroines in the Romances she read, she often complained of the Insensibility of Mankind, upon whom her Charms seemed to
have so little Influence. (7)

In order for her to marry in the end of the novel, she must be cured of her quixotism: a cleric is brought in to help her to distinguish between the real world and the fantastic world in her imagination. The reader is invited to become saddened by this “cure,” for, despite the major embarrassments she faces resulting from her beliefs in courtly love, the contemporary marriage market is much uglier than the world of chivalric romance that she lives in.

It is in this tradition of the sympathetic English quixote that David Simple comes into being. In both Joseph Andrews and The Female Quixote, traditional belief systems must confront newer economic realities. And this mode of quixotism informs David Simple, as well. David’s desire to have friends without “separate interest” is simple, and goes against the grain of what seems common in the time (26). David obsesses quixotically over finding a friend (and then a true community when others around him pursue market-driven ends). His desire, unlike those surrounding him, is for people who are not adhering merely to the pursuit of their own interests, but others, like him, who are willing to invest in the happiness of a community. And David does finally find like-minded friends.

The Depersonalization of Character

Past readers have treated David Simple and Volume the Last as separate novels. There is, after all, a gap between them of over a decade. Moreover, although David
Simple was read by contemporaries, Volume the Last did not receive much critical attention until the twentieth century, especially after Oxford University Press issued the two volumes together in 1969 (Bree 90). I will analyze the two texts together in order to elaborate my claim that, through the strategy of depersonalization, Fielding breaks partially with the tradition of sensibility in which previous critics have tended to place her writings.

In the introduction, Fielding refers to the first volume as an overall fable full of “a Series of separate Adventures detached from, and independent on each other, yet all tending to one great End” (6). The separate and diverse stories contained in the novel allow Fielding to suggest a universal experience of mankind. In each social stratum, David discovers a similar predicament: the corruption of people on account of the blind pursuit of individual interest. David, purposively seeking out people of differing social status (as if maximizing the probability of finding a friend), finds this corruption to be a problem among rich people and among poor people. The result of David’s search is always the same, as if Fielding hopes to emphasize that every man and every woman is susceptible to the same pattern of behavior. These various moments work to provide a general structure of depersonalization: it does not matter which person is involved, for one person can be substituted for another. The way each character meets with a similar fate asks readers to imagine what they have in common. And what they have in common is outside of their characterization, outside of their particular attributes. The reader must project onto characters the existence of a virtual structure to render them intelligible. And this projection resembles the one contemporaries create when allegorizing public credit.
Setting David’s early adventures in the City, in the symbolic heart of public credit, invites readers to interpret what follows in the novel as part of that system of competing interests entailed in the establishment of economically-constituted property. What happens to people in the multiple narratives that make up the first volume seems almost systematically problematic, as if each separate event is predicated on one cause: a rapacious, unthinking desire for the accumulation of money. For example, early in the novel David is in love with Nanny Johnson and she seems to reciprocate his feelings, but she marries the old Mr. Nokes for his money (35). After his heart is broken, David takes lodgings in various places, but “he found all the Women tearing one another to pieces from Envy, and the Men sacrificing each other to every trifling Interest” (46). The use of the word “all” suggests depersonalization and abstraction, as if one common program drives all the various characters to a similar end. And this drive is often announced through the terminology of *interest* to which I have already alluded. Valentine and Camilla’s step-mother turns their father against them “because she thought her Interest incompatible” with theirs (142). Wherever David searches, households seem to be ruined by the inability of people to overcome their obsession with money or interest.

In both *David Simple* and *Volume the Last*, the individual with his own pecuniary interest in mind is anathema to developing an actual community. Early in the novel David’s brother Daniel wants “in some shape or other to promote his own Interest” (11). Just after his brother attempts to cheat him by forging their father’s will, David sets out on a quest for a real friend, but soon suffers disappointment in the way people act out of their respective, separate interests. At the Royal Exchange, David watches one man luring
another man into buying massive quantities of a stock that the former immediately sells thereafter.

The first place he went into was the Royal-Exchange. … He could not have gone anywhere to have seen a more melancholy Prospect, or with the more likelihood of being disappointed of his Design, than where Men of all Ages and all Nations were assembled, with no other View than to barter for Interest. The Countenances of most of the People, showed they were filled with Anxiety: Some indeed appeared pleased; but yet it was with a mixture of Fear. (28)

This passage makes a connection between the pursuit of individual interest and anxiety.

David’s experience at the Royal Exchange might be compared with the whist players he encounters later on:

Those very People, who, before they sat down to play, conversed with each other in a strain so polite and well-bred, that an unexperienced Man would have thought the greatest Pleasure they could have had, would have been in serving each other, were in a moment turned into Enemies, and in the winning of a Guinea, or perhaps five, (according to the Sum played for) was the only Idea that possessed the Minds of a whole Company of People, none of whom were in any manner of want of it. (79)

In the game, players are overtaken by the game’s structure; they are possessed by the rules and ignore each other’s company in order to win.31 Obsessed by objects of uncertainty, their social relationships are poisoned. In each of these scenes, the intense focus on individual interest leads people to acts of duplicity, creating the need for distinguishing between “true” and “false” friendship alluded to in the subtitle of the

31 In her Female Spectator (1744-46), Eliza Haywood points to a shift in attitude about gaming, in which it is no longer seen as a vice. “We may date this extravagant itch of Gaming, which, like the Plague, has spread its Contagion through all Degrees of People, from the fatal Year 1720” (Book III, 43). Here, she refers to the year the stock market crashed after extensive speculation in the South Sea Company. Gaming has a direct connection to market activity, for around the time of this event, “there seemed an entire Stagnation of all Business but what was transacted by the Brokers in Change-Alley” (Book III, 43). She characterizes the gamers accordingly: “They wanted the golden Fruit to drop into their Laps, and fresh Opportunities of renewing those chimerical Expectations, by which already three Parts in four of the middling Class had been undone. Chance was the Idol of their Souls. … This it was that converted Gaming from an Amusement into a Business” (Book III, 44).
What is striking about these passages is that Fielding depicts deep ambivalence in the affect of the participants at the stock exchange and at the gaming table. The calculation of individual interest, while seeming to benefit individual people, is shown to be a pyrrhic victory because it divides individual advantage from collective pleasure, the possibility of fiscal gain through stocks and money from the intrinsic value of social connectedness. In both examples, at the gaming table and at the Royal Exchange, the possibility of gain is what compels people to look beyond their immediate social connections to the system that allows for them to compete for interests. But this system does not guarantee gain – it is uncertain, much like public credit.

The quasi-allegorical effect of Fielding’s novel depends in part on the narrator’s tendency to depersonalize characters in scenes like these. We attend not to the particular character and motives of the different players but to what might happen to all people at the market and at the gaming table. The visit to the Royal Exchange allegorizes how social connections – and with them what it means to be a person within an imaginary community, an individual within a nation – are being reconfigured. Like these depersonalizing systems evoked by the novel, the pursuit of public credit throws individual pecuniary interests into an imagined aggregate that sidelines more tangible communities or traditional networks of trust. Rather than this depersonalization being a result of capitalism more generally within Fielding’s novel, the use of the City and its interests evokes the tradition of other allegories of public credit. The first volume of the novel reads like a system for this reason – and an alienating one, at that.
Friendship and Interest: Rethinking the “Whole”

In the social context of the mid-eighteenth century, what does it mean to say that David is in search of a friend? Today, friendship tends to designate relationships between individuals who are not related through kinship ties. Modern theorists have described friendship as any relationship without legal status (Epstein 64). But in the eighteenth century, a “friend” could also refer to a family member. Oftentimes, non-related connections would join households in order to form family units, what Naomi Tadmor calls the traditional “household-family” (272). David Garrioch breaks down eighteenth-century understandings of friendship into three categories: family, close ties, and patron-client relationships. For the second category, reciprocity and mutual obligation and interest were essential (185-6). “There was in these cases almost always some type of mutual dependence, generally an exchange of services – shared business interests, borrowing money, renting or hiring – which formed the basis for social interaction and for the development of close, sometimes affectionate relationships” (Garrioch 185).

*David Simple* embraces a traditional definition of friendship as a household-family held together through close ties and, despite the way society and economy develop in this period, it affirms the possibility that the household-family might persist.

To theorize David’s household-family, we might explore the same term that Fielding and her contemporaries use: *interest*. As I discuss in Chapter 1, Albert O. Hirschman has described the way the term *interest* changes in meaning over the course of
the seventeenth and eighteenth centuries. In the seventeenth century, the pursuit of self-interest in an emergent market society was criticized, from both social and religious perspectives, as a destructive passion. By the middle of the eighteenth century, however, it was increasingly thought to play a role in the expansion of the economy and the improvement of the political order (112). Hirschman writes that “once money-making wore the label of ‘interest’ and reentered in this disguise the competition with the other passions, it was suddenly acclaimed and even given the task of holding back those passions that had long been thought to be much less reprehensible” (41-2). Interest was even posited as a moral term since “passions were wild and dangerous, whereas looking after one’s material interests was innocent” (58). As with Smith’s notion of the “invisible hand” later in the century, interests were eventually thought to motor the economy because each individual could be said to have one, and each individual interest might then come together to serve a collective interest.

At first, this sort of logic seems counter to the one Fielding presents; after all, she seems to critique the pursuit of interest through the gaming table and the stock market. But, by analyzing her description of David’s prized community in detail, we find that interest is posited as no pejorative term. Rather, its positive connotation, that of an innocuous pursuit of one’s goals that leads to the good of a whole, is utilized in order to
redefine a functional community. Fielding condemns having interest in an imagined community like the gaming table or the stock market, but the novel also suggests that David’s community is successful because all the members have an interest in it. The difference between the interests of other characters in the novel and David’s community is dependent on how one thinks of the “whole” of community. David’s community is not imagined but is a tangible group, and this compares significantly with the other examples in the novel.

While characters outside of David’s community seem driven by a preoccupation with interest in financial gain, characters within his community share with him disillusionment toward these pursuits. Other stories within the narrative serve as counterexamples to the way David’s community understands interest. When Cynthia tells the story of her experience of the marriage market to David, the reader gets a sense of how financial interests were a significant part of her own disillusionment. Cynthia, a self-educated, intelligent, and self-sufficient woman, is pressured into marrying by her father soon after her mother dies. But her father’s notion of marriage is not the same as her own: while she hopes to marry for affection, her father hopes she marries whoever gives her an advantageous “offer” (107). Her father brings a country gentleman to her, with the assumption that she will marry him. The country gentleman, she tells David, “supposed

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32 The emphasis on acknowledging shared interests gets taken up in other ways in David Simple. Before David sets up his community, he glances out at men rowing boats on the Thames and says he “wish’d all the World would imitate these Watermen, and fairly own when they were rowing against each other’s Interest, and not treacherously pretend to have an equal Desire of promoting others [sic.] Good with their own, while they are under-hand acting to destroy it” (252). In the example of the watermen, the interest of the individual rower is at one with the interest of the other rowers on the Thames because each must recognize the interests of the visible, tangible collective. In other words, if a waterman does not focus on the interests of the other rowers, his own safety (and his own possibility for pecuniary survival) is in jeopardy. This perspective on Thames watermen is not unique to Fielding’s novel. The watermen had been a major influence on the establishment of English trade unions in the sixteenth century (Braudel 359).
my Father had informed me that they two were agreed on a Bargain. I replied, I did not know my Father was of any Trade, or had any Goods to dispose of; but if he had, and they could agree on their Terms, he should have my Consent, for I never interfered with any Business of my Father’s” (108). But the man’s behavior offends her deeply because he proposes to make her a sort of servant by paying her small wages; she is, in turn, angry that she is made property by her father and a cash-equivalent by her suitor (109). She refuses the suitor, and out of anger for not serving his financial interests, her father leaves her out of his will. While at first the marriage proposal seems like a traditional marriage of convenience, it breaks with this tradition by the way wage labor is described as a possibility within the marriage. This sort of arrangement presupposes that the couple would have separate interest from each other (just as the father does by writing his daughter out of the will). This scene resembles David’s other experiences, and allows readers to see another character depersonalized through the expectation of market gain – it serves as another concrete example that builds in the reader the imagination of a virtual system that compels characters to the same end. Cynthia desires to marry for affective reasons and is not, like her father, trying to secure her own highest economic interest. And this resembles David’s own pursuit of friendship.

Like Cynthia, Camilla and Valentine also have been damaged by other people seeking similarly problematic interests. When David first meets them, Valentine is in deplorable states. He is very ill, and covered in dirty rags (125-6). Rather than caring for a fellow human being in need, however, his landlady is obsessed with a rent payment that Valentine owes her (126). David, out of sympathy for Camilla and Valentine, pays their
rent. “As soon as the Woman heard she was to have her Money, she turned her furious Look and Tone into the mildest she was capable of” and offered to help Valentine (127-8). Camilla generalizes the origins of this problem by stating that “good or bad Usage was to be had, just according to the Situation any Person appeared in, and that most People weighed the respect they paid others very exactly in a Scale against the Money they thought them worth, taking great care not to let the one exceed the other” (129-130). Pursuing the accumulation of money has become the way individuals look out for their interests (rather than assuming that interests are to be shared with others present). When David attempts to relocate Valentine and Camilla at another house, the owners there are distrusting of the group because of what they are wearing until David “pulled out Money enough to convince them he could pay for any thing they had: For nothing but the sight of Money, could have got the better of that Suspicion the first sight of them occasioned” (130). The capacity of others to trust David and his new friends is entirely governed by money, insofar as money corrects for the lack of trust that arises when the owners see their mean clothing. Only because of the impersonal, imagined community mediated by money do the owners decide to help Valentine and Camilla. The way David’s community comes together is through this shared experience of these effects of depersonalization on real relationships.

What David seeks, by contrast to the multiplicity of negative examples, is a community predicated upon sensibility, a term used by critics to characterize David Simple and Volume the Last. But sensibility in these two volumes means that the characters feel for each other in tangible terms rather than following blindly the pursuit of
interests in an imaginary aggregate. In other words, they have a collective interest based on shared happiness:

He spent whole Days in thinking on this Subject, wishing he could meet with a human Creature capable of Friendship; by which Word he also meant so perfect a Union of Minds, that each should consider himself but as a Part of one entire Being; a little Community, as it were of two, to the Happiness of which all the Actions both should tend with absolute disregard of any selfish or separate Interest. (26)

The one-mindedness of this ideal community means that if there are interests, they are put to use in order to serve the affective experience of the group. By stark contrast to the many other examples, interest in the small community is devoted to the aim of preserving the group. Sensibility helps David’s community overcome the problem of individual interest by serving as a marker of the “union of minds” the passage describes. The union of minds does not produce the community, in other words, but is a sign that the community is produced.

In the end, David, Camilla, Cynthia, and Valentine (and Camilla and Valentine’s elderly father) share a household in true friendship and common interest. In the face of forces that threaten to make their small collective “whole” obsolete, they seem to sustain the traditional model of the household-family. Fielding attempts to restore what she feels is “natural” to the social order by looking out for the interest of a natural rather than an artificial whole. The first volume of the novel ends didactically: “And, as strong a Picture as this is of real Happiness, it is in the power of every Community to attain it, if every Member of it would perform the Part allotted him by Nature, or his Station in Life, with a sincere Regard to the Interest and Pleasure of the whole” (304). Fielding’s use of the word *nature* aligns the term with emphasizing a locally-allotted social station. Unlike the
competition for stocks or money, which requires an idea of individuals working competitively against one another in an abstract market, David’s solution is to focus his interest on people in his immediate chosen community, placing his investment in tangible persons. The immediate presence of members ensures their interest can be easily perceived, ensuring the survival of the group. Fielding’s experimental community accepts the new criterion of interest in the tangible “whole,” but adapts it in order to sustain traditional ideals rather than assuming that a collectivity must be virtual and constituted by opposing interests.

David thus does more than marry his friend Camilla: he combines his marital unit with another couple. He creates, in effect, a palpable household-family in order to ensure that he might pool his interests with others. The first volume of David Simple offers a solution to the problem of friendship it presents in its early pages, despite the catalogue of disappointments it initially describes. This solution aims to prevent individuals from competing against one another and ensures that all interest is for the community, which, in the end, has the capacity to benefit its component individuals. And one way this solution gets articulated is through the discourse of household economy.

One of the values David extols is that of household economy, or the looking after the material belongings of the household not for the sake of further accumulation, but for the sake of meeting the needs of his family members. David’s family members, even after they lose their home and must live in a smaller one, practice a diligent household economy: “For every thing in this small Cottage, tho’ poor and plain, yet was preserved in so neat a Manner, as visibly proved that the owners of it could not think themselves
debarred of every Comfort, whilst they enjoyed each other’s Company” (372). The house is managed so as to ensure the household’s common benefit: “Therefore in our little Family of Love, each Day was employed in Endeavours to promote its common Welfare. Camilla and her eldest Daughter were industrious in their pursuit of Household Business; not groaning or repining under their Labour, but looking cheerfully forward to their principle Aim” (372). But the practice of household economy, a traditional mode that is valued because it insures subsistence and comfort for the members of the family unit, is not enough to hold the community together when the world outside increasingly privileges individual interest and requires the market to serve as a source of livelihood, when social relationships have become virtual rather than actual. Despite attempts otherwise, David’s “whole” breaks up under the pressure of the bigger, imaginary “whole” of the market.

*Volume the Last’s Mode of Sensibility*

*David Simple* concludes in a happy manner, as a self-contained novel. But, in *Volume the Last*, published nine years later in 1753, Fielding complicates her conclusion to the first volume. Between the two volumes, Fielding herself suffered a personal financial crisis, to which critics have attributed a tragic conclusion to the story of David, Camilla, Valentine, and Cynthia. According to her personal correspondence, friends had worried about Sarah’s ongoing poverty and ill health during this period (Bree 24). And in 1751, Fielding was sued for the recovery of a debt. While not much is known about
additional circumstances in Fielding’s life, critics such as Bree have attributed personal and financial hardship to the somber ending of *Volume the Last*.

But there is also an internal logic for the dire conclusion of *Volume the Last*. Fielding, in fact, self-consciously announces a change in genre, which has the effect of making the downfall of the household-family apparent before it happens chronologically. The narrator writes: “And to those People who can have any Idea of the Happiness that still subsisted amongst our Society, and can conceive, that, exclusive of worldly Prosperity, they enjoyed the most perfect Harmony, will I venture to say, with Milton, *I now must change / These notes to tragic*” (333-34). Fielding’s consciousness of genre here provides evidence that the depersonalizing narrative is not yet finished. And, like the other examples given in the first volume, David’s community ends almost programmatically. While we can indeed read the conclusion biographically, we might also note the way the depersonalizing narrative redirects the culmination of David’s community to an unhappy end, one just as alienating as the examples presented earlier.

In the opening scenes of *Volume the Last*, the reader learns that, despite major pecuniary losses, the community of collective interest is still thriving after having “agreed to leave *London*” (314). Critics have explained the reason for the sudden tragic ending, readings which place the novel in the context of sensibility. Linda Bree’s work draws attention to the novel’s focus on the evils of emphasizing profit over and above traditional social connections: “In eighteenth-century society, *David Simple* argues, both old-style patronage and an idealized version of feudalism, involving mutual ties of the well- and lowly-born, are anachronisms; in their place commercial principles are
dominant. Charity and benevolence are rejected in favor of strict accounts of profit and loss” (34). In Bree’s reading, sensibility seems to be a byproduct of the way Fielding idealizes older feudal ties. Joseph F. Bartolomeo argues that sensibility is part of David’s problem. He writes:

Fielding’s text helps initiate the genre [of sensibility], as sympathy or pity for David and his extended family is moderated by a recognition that David’s ungoverned sympathy and pity help to prompt and exacerbate his misfortunes. Fielding presents no explicit alternative to the inevitable destruction of a utopia founded on and nurtured by feeling once it loses the capital that permitted it to withdraw from engagement with a less feeling world. (51)

In Gillian Skinner’s reading, both the novel and its sequel present multiple economic problems whose elusive solutions are true feeling and communal sensibility: “The novel does demonstrate how difficult it is to propose an easy co-existence of the sentimental community and the early modern commercial world” (31). Richard Terry argues that the sentimental (or the capacity for characters to sympathize with other characters) is overtaken by the commercial in the novel: “It always remains unclear how the sentimental lifestyle could ever accommodate itself to the imperative of generating income in a commercial society; and, this being the case, the family becomes characterized by its material desperation” (532). In summary, these critics have tended to analyze David Simple and Volume the Last as novels of sensibility, ones that produce a sharp distinction between the primary characters (who possess sensibility) and the cold, calculating world that leads to their respective misfortunes. The reader’s emotions are triggered so that she feels at one with the members of the community, even though such sensibility (or being quixotic in the face of economic pressures that seem to preclude it) might have contributed of the demise of the household-family in the first place.
Theorists of the novel of sensibility have almost universally connected sensibility to questions of economy. Janet Todd describes sensibility as “a surplus in the economy with no exchange value,” and, in this definition, Todd offers readers an explanation linking early capitalism to the advent of sensibility (97). Sensibility, for Todd, utilizes an economy of feeling outside of economic exchange. Sensibility can be valued as another mode of economy. This helps to explain why, looking forwards, novels like Laurence Sterne’s *A Sentimental Journey* (1768) is a hyperbolically sensible satire, bordering on the absurd. Looking backwards, we might also apply this definition to Samuel Richardson’s *Clarissa* (1748), whose final pages feature an outpouring of emotion for the plight of its protagonist. Clarissa may have made a false step by absconding with Lovelace, but ultimately the reader is on her side because of the way she has come to value Clarissa through a sympathetic identification with her. But these examples differ from *David Simple* and *Volume the Last* because their respective protagonists are not generalized, depersonalized examples like David, but utterly particular. There is no subject with whom we might similarly sympathize in *David Simple* and *Volume the Last.* And yet, we feel for David’s community at its demise – we feel for an “it,” and not for a “he” or “she.”

What makes these “novels of sensibility” different from Fielding’s fiction is the fact that *David Simple* refers readers to an economy by pointing to places such as the Royal Exchange and by requiring that characters must constantly negotiate social relationships through monetary transactions, ones which the quixotic figure of David and the reader come to oppose. Todd’s notion of sensibility helps us understand why David’s
search attempts to recuperate and older structure of friendship: “At a time when the loose financial ties of early capitalism were emerging in the market-place, sentimentalism expressed a longing not only for domestic close-knit family but a community firmly linked by sentiment and family structures” (16). In *David Simple* and *Volume the Last*, sensibility teaches readers how to value what is not seen as quantitatively valuable by helping the reader form a contrasting notion to the self-interested behavior of most individuals compared to the friendship-family David establishes.

But the strategy of depersonalization takes out the “persons” with whom we should sympathize, just as public credit removes the particular person from the system or series of devices whose function is “appreciating every subject affectable by debts.” Reading the tragic ending as a response to public credit and not to just capitalism in general allows us to complicate the way critics read the *David Simple* as a straightforward novel of sensibility. It is not because we invest in the virtue of the characters, but that we experience David’s community virtually, that we sympathize. *David Simple* and *Volume the Last* do not complacently situate themselves within the systemization of trust, but resist this systematization formally – the two works alienate the reader from characters through simplifying allegorical strategies, only to entice the reader to sympathize with any character that could stand in for a person within such a system. By collapsing an alignment of virtue and the virtual, Fielding critiques the implied system that produces such an alignment.

*Rethinking Sensibility and Political Economy*
Emphasizing David’s value system (one that, at first, seems quixotic but then later becomes an object of the reader’s sympathy) means that Fielding is able to critique the society that leads to David’s downfall. The ending of *Volume the Last* shows how one cannot opt out of, or refuse participation in, the modern system of public credit that depersonalizes people. But this way of social engagement in the world is fraught with internal contradictions. What begins as a quixotic narrative featuring a fool in a new economy in *David Simple* leads to a critique of the practices that govern this economy in *Volume the Last*.

From very early in the latter text, we learn that David is involved in a chancery suit over his estate. His opponent’s attorney knows all the “Tricks of the Law,” leaving David to eventually lose the suit (318). At first, David desires to simply give up the money in question, but the bully Ratcliff coerces him into fighting the case (318). David’s community is then forced to take a smaller house. In this period, David’s family members (including the children Camilla, Peter, Fanny, Cynthia, Joany, and David), suffer various illnesses, leaving them in dire straits. The family runs out of money, and the household economy, one that had sustained them as an independent “whole,” is insufficient to keep them together. Valentine is offered a job practicing law in Jamaica, and, because of the family’s financial pinch, he decides to take it (336). No longer can Valentine be part of the friendship family – he must take a job as a wage laborer out of necessity.

The break-up of the family becomes financially necessary for the survival of its component members. They are obliged to divide their shared property and dismantle their
household economy. Fielding’s language emphasizes the deep ambivalence in this process, for dividing property means dividing the community into separate individuals:

The small Stock of Money *David* was now possessed of, he divided with his Friends, to enable them to defray any unlooked-for Expences; and this was the first time the Word DIVIDED could, with any Propriety, have been used, in relating the Transactions of our Society; for SHARING in common, without any Thought of Separate Property, had ever been their friendly Practice, from their first Connection. (338)

This division of property is the first moment when the family must adhere to the conventions of the world that they had sought to leave behind. Using the word “society,” Fielding’s language suggests a more general possibility than the particular story of David and his friends. The individuals that make up the community could be anyone according to the allegorical logic. The reader sympathizes with the individuals only insofar as they make up the small community.

*David Simple* and *Volume the Last* engage a critique of public credit through the formal depersonalization of character resulting from a systematization of trust. But Fielding also turns this general critique inwards, folding it into the plot, in order to reflect specifically on the nature of credit. The way Fielding engages the reader to value David’s community also allows her to critique the logic of credit explicitly. It is credit, after all, that strikes the final blow to the community. The gap between the values of a credit system and those of the community is revealed when David approaches Nichols, one of his creditors, for a loan using Valentine’s future job prospects as a security. Nichols cannot believe that David and Valentine share property. He tells David that “you don’t live together now; and if … Mr. *Valentine* is a wise Man, he may think it most prudent to keep separately what he hath separately gotten” (368). Nichols, dealing only in the credit
system that imagines units of individual interest, cannot comprehend a friendship based on such an alien standard of trust, one that does not divide up property individually. Calculating that it is nonetheless in his own interest to loan David a small sum, however, Nichols grudgingly acquiesces (371).

Tellingly, taking out a loan from Nichols proves fatal to David’s community, not because of an actual lack of its creditworthiness, but through a gross misperception of it. This happens through further events that fully complete the destruction of the household-family. Two of the children die of sickness and Valentine dies in Jamaica (378). Soon afterwards, David takes in a poor man out of his traditional sense of charity, but is accused by the Orgueils and Nichols of taking in a servant (and thus lying about his financial status) (398). David’s generosity to others, combined with his simplicity and complacence with regard to the precarious nature of private credit, ruins his creditworthiness. What is significant is that David’s financial status is not calculated by the quantitative measuring tools of a creditor. Instead, fictional hearsay (of the type Defoe describes in *The Compleat English Tradesman*) creates a collapse in Nichols’s trust that David deserves credit. Nichols behaves irrationally, as do people in a run on the bank, a response that entails the terrible irony that although the new system of virtual credit will not tolerate the traditional, positive values of community that David had sought to sustain, it is all too vulnerable to the irrationality of innuendo that negatively marked the fragility of trust in traditional culture. Like other examples of the novel, David’s community also fails, even though it had attempted to progress toward a different end. Like Lennox’s *Female Quixote*, the community is cured of its quixotism, albeit much to
the reader’s dismay.

Without the security created by looking after their individual interests, David and his family become problematically beholden to others. Besides representing the impossibility of returning to a traditional value system, *Volume the Last* undermines the pretense that a credit system can provide the possibility of fairly competing for one’s interest by revealing its irrational basis. As demonstrated in Defoe’s *Compleat English Tradesman*, trust grows from tangible, qualitative social interactions rather than from their quantitative counterparts alone. The formal means used, even the way this form gets recapitulated by the depersonalization of character, critiques the rational basis for public credit – the community fails almost inevitably as a result of being processed by a system. And this failure of community, as critics point out, engages the reader’s sympathy.

Sympathy in a system might be the very definition of sensibility; and this is also what Fielding produces through her depersonalizing pseudo-allegory. But these texts work very different from other novels of sensibility; *Volume the Last* does not actually do the work of sensibility because we do not feel for individuals, but for the whole of the small community. We infer a system, and only by this process do we feel for the community. And, through this narrative strategy, Fielding points us to an interesting problem in the discourse of sensibility.

When we read deeper into the contemporary discourse of sensibility, we find that it has more in common with the virtual register also utilized by political economy. In the opening pages of *The Theory of Moral Sentiments* (1759), Smith posits a component of “human nature” that means a person is automatically or naturally interested in the fortune
of another. Smith writes: “How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it” (9). *The Theory of Moral Sentiments* positions individuals as lone entities with a natural desire to connect to one another. Sympathy originates in the way individuals are separated from one another. Imagining another person’s situation produces passion, which unites people. Smith writes: “If, upon bringing the case home to our own breast, we find that the sentiments which it gives occasion to, coincide and tally with our own, we necessarily approve of them as proportioned and suitable to their objects; if otherwise, we necessarily disapprove of them, as extravagant and out of proportion” (19). Through its emphasis on the natural capacity to compare the predicaments of others with our own, *The Theory of Moral Sentiments* contains the seeds of the idea of the “invisible hand” of the market. The use of the term *natural* is what allows Smith to describe sensibility as a system. Particular persons may differ, but everyone is said to possess natural principles that lead to being interested in others.

In both sensibility and political economy, particular individuals are replaced with depersonalizing, natural mechanisms that allow for Smith to imagine social and economic interaction virtually rather than actually. In *The Wealth of Nations*, each man is “led by an invisible hand to promote an end which is no part of his intention. Nor is it always the worse for the society that it was no part of more effectually than when he really intends to promote it” (456, chap. IV, sec. II, par. 9). *The Wealth of Nations* posits a natural, invisible force that requires that everyone proceed to act upon his own interest, and, in
turn, it reconciles these interests. This use of the concept of nature is not unlike the way public credit is seen to be sustainable because of its “natural checks” (an argument I discuss in Chapter 1).

When we attempt to apply Smith’s contemporary notion of sentiment, as many critics do, it seems to conflict with the logic of David Simple. While the characters are developed with their own histories, these histories are almost exclusively about the way they were damaged by the interests of others. The “nature” of the characters is not at all natural; the characters result from a depersonalizing system. They are a mirror for the emergent discourses of sensibility and political economy. It is as if the community is the character in the novel, one whose decay comments on the larger forces that seem to render it impossible. And, because of the allegorizing tendency in the novel, the community can be said to represent any community. The community is a product of a system whose function is to critique systemization.

Fielding’s technique of depersonalization exposes society after the advent of public credit to be anathema to doing what David desires from the title page on: finding a friend. He seems to find friends that all suffer (and are sensible of each other’s suffering) in the same way. But when he attempts to put together a household of people who desire to live according to traditional values, the world on the outside forces the community to collapse. We learn how to value that which is not valuable in a credit economy by admiring David’s attempt to keep the community together. But this technique renders the conclusion of the second volume ambivalent, for what is the point of valuing that which will inevitably fall apart?
The emergent system of public credit abstracts actual, localized, qualitatively different people into virtual and quantified aggregates. Allegory also does this, replacing the tangible with non-particular, non-local value. And this is one reason it seems plausible to analogize this economic system with the literary technique of allegory, which generalizes particular-seeming characters into abstract ideas or types – in this case, quixotic ones.

By reading *David Simple* as a quixotic novel, we are asked to question the gap between the logic of the rest of the world and that of the protagonist and his community. As a sort of novel of sensibility, we are enticed to value, or to approve of, the attempt made by David and his household-family, even though it is not viable in the surrounding economy. Reading *David Simple* and *Volume the Last* together deepens our understanding of what is at stake in any definition of sensibility; when we factor in what *David Simple* offers, we find that sensibility goes beyond Todd’s definition. Sensibility in Fielding’s novel cannot be explained merely by the advent of capitalism, but by the way tangible value gets eroded by the virtual. In this sense, the tangibility of the community is the “character” that is outside of the economy. But this character is not particular or unique. Rather, the sacrifice of character leads to the critique of the erosion of particularity in general. In terms of novelistic credibility, this sacrifice means that the characters are not “realistic,” but generalized types from an earlier time, an earlier value system. And yet, this sacrifice remains rational, for Fielding uses depersonalization to present a “higher” truth regarding the loss of the tangible that ensues when virtue gives way to the virtual. As the novel develops, its use of multiple forms to produce this higher reality will
become more subtle.

As one might expect from an allegory, there is a moral to the story of the rise of public credit. The securing of abstract exchange value through the accumulation of money is associated with looking out for one’s interest. In a world ruled by belief in the possibility of fiscal gain through a credit economy facilitated by City interests, looking for a friend rather than for one’s interest is risky and therefore not simple, even if one is not “of” the City. It is because David is not a self-interested accumulator of money like many of the people he meets that lawsuits and illness have the power to dissolve his community. The community cannot make itself into a kind of collective individual in its attempt to circumvent the modern inevitability of the division of labor. And, because of the depersonalizing technique of the narrative, David’s community comes to represent community in general. The City, its anxious citizens doomed perpetually to higgle and bargain for their conflicting interests, has been transformed from a geographical location into a way of life.
Conclusion

“It seems to me that the real political task in a society such as ours is to criticize the workings of institutions, which appear to be both neutral and independent; to criticize and attack them in such a manner that the political violence which has always exercised itself obscurely through them will be unmasked, so that one can fight against them.” Michel Foucault, *The Chomsky-Foucault Debate on Human Nature*, p. 41

Despite a lack of consensus in the first half of the eighteenth century on whether public credit served the public good (a necessary factor for its survival), economic historians point to a change in the middle of the century, one in which the development of public credit began to seem irreversible. While, early on, the state relied on the Bank of England to finance its wars, this relationship of dependence shifted after the middle of the century. While the state, a political entity, and the Bank, an economic institution, were initially separate, later developments would ensure that the two became interdependent. To contemporaries, it seemed that the state’s repayment of the loan from the Bank was no longer possible after the middle of the eighteenth century (Bowen 9). By 1750, the Bank had been granted a “quasi-monopoly” over short-term lending to the government (Dickson 360). This meant that the government gave sanctions to the Bank that it did not provide for ordinary private banks. Further, any notion that the Bank would eventually become obsolete (i.e., in the event that war ended) began to fade. The Bank was no longer merely a mechanism for financing war because it became implicated in private transactions and thus served a function in addition to being the state’s creditor. And the Bank actively and explicitly intervened to ensure its continued existence, as well. By 1764, the Bank made a direct non-refundable payment of £100,000 in return for an extension of its charter (Bowen 6).
What began the seventeenth century as a temporary solution to the problem of national finance ended the eighteenth century as a revolution in credit, one that also entailed the creation of a virtual public. With the proliferation of credit mechanisms also came the increased consumption of consumable goods, goods which were not necessarily produced in the region in which one lived. Deborah Valenze suggests that the so-called consumer revolution is directly related to the advent of public credit, for the rationalization of credit through central banking and the new mechanisms of credit “signaled the ability of parties to carry out exchanges at greater geographical distances and transfer debt to unknown third parties. This set the stage for greater liquidity of all forms of debtor/creditor relationships” (22). Because credit money circulated outside of its normal boundaries, people could purchase consumable items with greater ease.

Economic writings in the latter half of the century argue that public credit is a necessary supplement to trade because it produces a currency that brings people what they need and desire. In *A Proposal for the Restoration of Public Wealth and Credit* (1760), for example, an anonymous writer departs from the rhetoric of the public good in Daniel Defoe’s *Review* (1704-13). Instead, he asserts how public credit raises each member of the public’s buying capacity through its already-established public value.

As a Medium, *Money*, or that *Material to which Public Credit is annexed*, answers the Purpose of Air in conveying any desirable Object to our Eye, or of a Conduit that contains and carries Water from the Fountain to the Cistern. Or, rather, as the Liquid or Serum in the Veins of a human Body, that bears along the nutrimental Particles to the Glands, where they are secreted and assimilated to their relative Members and Offices, and, thereby, preserve, nourish, and actuate the whole System. For, though the *Material of Credit* is no Part of the *Wealth*, for which it is exchangeable; yet, in containing the political Value which Public-Consent hath annexed thereto; It is therein supposed to contain and circulate whatever it can purchase [sic]. (8)
Like earlier writers on the topic of public credit, this author uses a literary device to distinguish between public credit and wealth. But, unlike earlier writers, he emphasizes the way public credit, already backed by the “public consent,” serves as the money that allows people the means for purchasing goods.

More of the public consumed, and more of the public utilized the credit money which came from national banking. The manuals on accounting that informed the rise of numeracy and literacy became even more specifically tailored to the public credit system. For example, *The Bank of England’s Vade Mecum; Or Sure Guide* (1782) advertized itself as being “extremely proper and useful for all Persons who have any Money Matters to transact in the HALL of the BANK, &c. particularly to those who are not practiced in that Business.” Inside its pages, “every Office, Place, and the Manner of procuring Notes of every Sort for Cash, or Cash for Notes, is so distinctly described, that the greatest Strangers to the Bank, may with Certainty and Propriety do all they want, without being obliged to ask any Questions of any Persons whatever.” Like contemporary manuals on accounting meant for the household, the *Vade Mecum* provides evidence that there was an increased need for public knowledge on how to use this new form of credit – the use of credit instruments was no longer restricted to tradesmen or merchants in their traditional networks of trust.

Besides noting this turn toward consumption, one that serves as evidence that public credit became more acceptable as the century progressed, one might look at the rise of political economy, a pseudo-scientific precursor to economic science, as another type of evidence for this great transformation. Convincing the members of the public that
public credit served as a form of universal value (i.e., that paper money can and should 
circulate without being backed by bullion) meant turning it into a discourse. Because 
public credit’s success was interwoven with public opinion, the way it was described had 
the capacity to prescribe its very existence. In other words, the act of writing about public 
credit helped to produce its value.

This discursive notion of public credit is central to Peter de Bolla’s reading of the 
In the latter half of the eighteenth century, de Bolla writes, the public perception of 
national debt underwent a major shift. He marks a change that began around the time of 
the Seven Years War (1756-63) when people began thinking of debt as “a sign of the new 
commercialism having come of age, come into power” and it was accompanied by 
“assertions that a healthy national debt is representative of, if not productive of, a healthy 
nation” (114). The term *productive of* is key to reading de Bolla’s work because he shows 
how, like the sublime, turning national debt into a discourse encouraged people to believe 
in its value, and in its stability, in turn. De Bolla writes that “the greater the awareness of 
the productivity of the circulation of paper money the greater the incentive to participate 
in the capitalist exchange of interests” (135). In de Bolla’s account, the general 
acceptance of the national debt instituted a form of nationalism mediated by the 
economy: the willingness of people to get into fiscal debt, to consume and to use paper 
money, became associated with supporting the nation. The economic motive of interest 
and the political motive of nationalism became intertwined. For de Bolla, this turn toward 
consumerism that historians discuss is also evidence of an ideological shift in which
using credit meant that one supported the commonwealth, that one saw oneself as incorporated within the body of the nation.

One reason I chose not to read the novel next to political economy is because the latter fails to capture a specific historical transition, one in which the contradictions inherent in public credit get explored through fictional mediums. Contrary to critics such as Mary Poovey, I have argued that it was not enough for political economy to use descriptive method, coupled with the arithmetical form of double-entry book-keeping, in order to suggest that public credit was fair or neutral (or, to use Poovey’s beloved term, factual). For there was also the necessity of enticing people to imagine themselves as being served by a virtual system, so that the translation of trust in tangible people might then shift to the necessary abstractions (such as the “public” and the “nation”) that were meant to stand in for people. And this was the task of discourses on the national debt – according to de Bolla, it was an attempt to get people to shift their trust from the private body to the public corporation (114). There was not merely a change in opinion about public credit, therefore, but a transformation in thinking about the relationship between private individuals and the public (or, indeed, the necessary emergence of these terms). The virtual system of public credit (perhaps because of its embracing of the virtual) succeeded in getting public opinion on its side. And the Bank of England helped to facilitate this transfer of trust by serving as a concrete embodiment of the virtual system.

Like the Bank, fictions in the new virtual public sphere helped to render coherent to the public the inherently incoherent system of public credit. Exploring public credit in this way also meant that one explored questions of truth – whether what the ledger
purports to represent has a correlative to an accompanying reality is a question that rendered the actual practice of systematizing debts inherently problematic. Rather than believing that each ledger amount corresponded to an amount of bullion, it became important to trust the system as a system – to trust that the system has a virtual truth insofar as the public believes it to be trustworthy. And, as I have shown, the novel mimics this operation with its own exploration of questions of truth and virtue.

The rise of the novel takes place concurrently with the rise of a public credit system, one which transfers the belief and trust people have in tangible others to trust in a virtual realm. Virtualization, in this way, comes to take precedence over virtue in the novel, and also in fictional representations of public credit. But, because of the way the novel uses multiple layers to frame the empirical reality upon which it reflects, it also has the capacity to critique the givenness of virtualization in a way that other discourses, such as sensibility and political economy, cannot.

What I call layers in the novel might be likened to what Mikhail Bakhtin calls discourses. For Bakhtin, there is no separation between a formal and an ideological approach to the novel because the formal constitution implies a set of practices grounded in a particular ideology (259). Bakhtin argues that “heteroglossia,” or the “primacy of context over text,” is endemic to the novel (428). One might observe such “heteroglossia” in all of the texts I discuss. In Robinson Crusoe (1719) and Pamela (1740), the formal construction borrows from Christian spiritual practices as well as double-entry book-keeping. And, in these examples, the ledger account gets put to the test by other types of
accounts. Ultimately, these works produce higher truths in the way the authors arrange
the formal layers, ones laced with ideological underpinnings.

What I hope to have shown is the way certain formal arrangements, ones tied to
the epistemological basis for public credit, get tested in the novel in a way that mimics
contemporary questions springing from the inherent contradictions of a public credit
system. In my final example of *David Simple* (1744) and *Volume the Last* (1753), these
contradictions get represented allegorically. Fielding crafts two discourses with two
radically different epistemological grounds: the quixote from the older romance and the
virtualized, depersonalized social milieu in which this character find himself. The stark
contrast between the two, the way the “everyman” from the romance gets framed by a
modern virtual system, ultimately suggests a critique of systematic thinking about social
relationships, ones endemic to the discourses of sensibility and political economy. It is as
if the two works predict the problematic givenness of these two discourses that emerge
within the same decade as Fielding’s fiction.

We can understand the discursive function of political economy when we read the
rise of public credit (as a set of problems, discontinuities, and incoherencies) next to the
rise of the novel. The novel is not merely a celebration of individualism as critic Ian Watt
suggests, but also a way of coping with a shift when quantitative credit gradually replaces
qualitative contact, after concrete trust begins to give way to virtual imagined
communities. We find that what is required of both political economy and the novel is the
virtualization of social relationships. The novel performs this shift through its
virtualization of virtue – what makes the novel different from earlier genres (unlike the
true history or the romance) is its ability to produce values that are not anchored to an empirical reality and yet somehow carry a “higher” virtue. And the same holds true for political economy. By describing a system that appreciates subjects affectable by debts, political economy automatically virtualizes the empirical reality it purports to describe, depersonalizing the very subjects it seems to be accounting for. (And, while sensibility likewise purports to be about particular persons, it also depersonalizes because of its systemization of affect.) Political economy proceeds as if this virtual reality is self-sufficient.

Historicizing political economy (rather than understanding it as a self-sufficient totality) allows us to observe its status as a discourse in the way Michel Foucault describes, as a narrative that limits a topic of discussion. The discourse that explicitly calls itself political economy, including works written by Sir James Steuart and Adam Smith, begins with the premise that public credit is a coherent system, one that can be described without any problem. And yet, when one analyzes documents regarding the early history of public credit, one finds that public credit is inherently problematic. This contradiction is what is hidden in the discourse of political economy.

In *The Order of Things* (1970), Foucault compares political economy to the other sciences by suggesting that the analysis of wealth is its fundamental ordering logic: “The analysis of wealth is to political economy what general grammar is to philology and what natural history is to biology” (182). And yet, as Foucault will go on to argue, the analysis of wealth (like its counterparts in these other sciences), is not “natural,” but comes into
being historically, with a particular order that gives to it its own governing logic. He writes:

It is true that the analysis of wealth is not constituted according to the same curves or in obedience to the same rhythm as general grammar or natural history. This is because reflection upon money, trade, and exchange is linked to a practice and to institutions. A money reform, a banking custom, a trade practice can all be rationalized, can all develop, maintain themselves or disappear according to appropriate forms; they are all based upon a certain ground of knowledge: an obscure knowledge that does not manifest itself for its own sake in a discourse, but whose necessities are exactly the same as for abstract theories or speculations without apparent relation to reality. (183-3)

There are two points that stand out in this passage. The first is that Foucault insists that one cannot understand political economy without acknowledging the history of the institutions that make it up. What makes political economy just that is governed by a logic that comes from particular practices that develop over time. Second, by alluding to “a certain ground of knowledge,” Foucault here suggests that what political economy has in common with these other discourses is a shared *episteme* that remains hidden from the explicit topic of discussion, from the discourse. Foucault defines the *episteme* elsewhere as “the ‘apparatus’ which makes possible the separation, not of the true from the false, but of what may from what may not be characterised as scientific” (*Power* 197). The *episteme*, in other words, is the condition of possibility for a type of knowledge that marks itself off as truthful in a way that others cannot.

The task of this project has been to analyze one particular institution that makes up the “general grammar” of political economy, the analysis of wealth. My taking recourse to material practices and literary representations serves the end of providing the reader with this contingent emergence of a body of knowledge that later categorizes itself
as a scientific practice. A consequence of political economy’s virtualization of debt and creditor relations is that it must virtualize particular individual people. And, when we read this in its correlative novel form, through depersonalization, it seems equally problematic. The early novel, in its refusal to accept the self-sufficiency of a discourse that requires the abstraction of interpersonal relationships, speaks a different language than that of political economy. The early novel, to borrow from Foucault’s terms, clings to an episteme of an earlier epoch in its development, one that serves as an archaeological site for understanding what is at stake in the rise of public credit.

Virtualization might be part and parcel of scientific practice under the newer episteme, but the novels I discuss, ones that experiment with multiple layers serving as frames or parameters for our experience of knowledge, explore and even reject such a ground rather than proceeding from it. What we miss when we fail to account for public credit as a set of problems and contradictions is the necessity of virtualization which allows it to function. Accounting for the rise of public credit along with the early eighteenth-century novel helps us to highlight this necessity. The novel, as critics like Bakhtin suggest, emerges as a machine whose function is to produce multiple discourses in order to undermine the self-assuredness of discourse in general.

In “Nietzsche, Genealogy, History,” Foucault states that “history has a more important task than to be a handmaiden to philosophy, to recount the necessary birth of truth and values; it should become a differential knowledge of energies and failing, heights and degenerations, poisons and antidotes. Its task is to become a curative science” (156). In this noteworthy passage, Foucault makes a distinction between the
lofty and the lowly history, showing how the effective history attends to the events that form the latter. Borrowing from Friedrich Nietzsche, he distinguishes between the “genealogy” and the “history”: “Genealogy does not oppose itself to history as the lofty and profound gaze of the philosopher might compare to the mole-like perspective of the scholar; on the contrary, it rejects the meta-historical deployment of ideal significations and indefinite teleologies. It opposes itself to the search for ‘origins’” (140). He discusses the “effective history” thus:

History becomes ‘effective’ to the degree that it introduces discontinuity into our very being – as it divides our emotions, dramatizes our instincts, multiplies our body and sets it against itself. ‘Effective’ history deprives the self of the reassuring stability of life and nature, and it will not permit itself to be transported by a voiceless obstinacy toward a millennial ending. It will uproot its traditional foundations and relentlessly disrupt its pretended continuity. This is because knowledge is not made for understanding; it is made for cutting. (154)

By origin, Foucault invokes the German Ursprung, a term Nietzsche also uses that translates to English as either origin or source, but one that can literally mean “first jump.” Rather than the Ursprung, Foucault states that the object of the genealogy is in the Entstehung (development or emergence) or Herkunft (which implies derivation). In other words, history is not about seeking fundamental sources (which sometimes point us back to the obscuring discourses and grand narratives that hide the discontinuities and incoherencies), but about contingent flows and discontinuities of forces.

I have titled this dissertation The Rise of Public Credit and the Eighteenth-Century English Novel in the spirit of Foucault’s call to perform the “effective history.” Paying homage to titles by key critics that have helped us to understand the origins or rise of the novel, such as Michael McKeon and Ian Watt, I hope that my angle will help us
begin to grapple with the origins of public credit in the sense of Foucault’s insistence on
the Entstehung. Examining the “lowly history” of public credit (rather than observing it
by taking usual recourse to the “lofty” history of political economy) reveals it to be a site
of contradiction, a method teeming with unresolvable problems that entailed (and that
was entailed by) the virtualization of virtue. And this virtualization was also part of what
was at stake in the rise of the novel. With Foucault’s insistence that “knowledge is for
cutting,” I hope to have presented public credit as a problematic form of knowledge, one
whose incongruities were displaced onto fiction and then gave rise to the novel, a
fundamentally critical tool. The rise (Entstehung) of public credit might be obscured by
the discourse of political economy, but it can nonetheless be traced in the sifting pan of
the early novel.
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