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On monetary and literary fictions

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Abstract This paper explores the various ways in which nineteenth century monetary theory and the novel addressed the questions of reality and fiction with regard to the ontological status and social function of money. Departing from Walter Bagehot's insistence on the reality and realism of finance, and surveying examples of how novels by Dickens, Balzac, Trollope, or Zola represented, or avoided representing, financial realities, I deal with the various notions of money seen either as a neutral or abstract medium facilitating wealth-creating commodity exchange or as an active but mystical agent blurring the division of fiction and fact (Mill, Marx, Simmel). After that the paper gives an overview of economic oriented literary criticism with regard to its investment in relating and/or distinguishing monetary and literary notions of fiction. The essay ends by returning to Bagehot's argument and raises the question of the appropriation of reality by an increasingly fictitious finance, problematizing the distinction between expedient fictions and deceitful lies.

Keywords Money · The nineteenth century novel · Monetary theory · Fictitiousness · Realism · Economic criticism

Phantom menace: the realism of finance

In 1873 Walter Bagehot, the editor of *The Economist*, published his *Lombard Street*, an immensely influential tract that appeared in a dozen editions in the next few decades, to describe and explain the workings of what he called the Money Market. In the introductory chapter he claimed:

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> I maintain that the Money Market is as concrete and real as anything else; that it can be described in as plain words; that it is the writer's fault if what he says is not clear. (Bagehot 1920, 1).

This seems to suggest at least two things. Firstly, that the world of finance is not an incomprehensible enigma of intangible operations; secondly, that the reality of finance entails the realism of its description: the failure of properly depicting its workings might be due to the lack of an adequate language as much as to professional incompetence. Bagehot's intellectual aim to demonstrate that the seeming intangibility produced by finance was in fact solid and real, therefore, corresponded to the realist ambition of his writing. The phrase "plain words" (and the opposition it implies to rhetoric or fancy) seems to hark back to the Lockean tradition of worrying about thought being undone by language.[1] As such, Bagehot apparently believed in the possibility of a transparent linguistic rendering of reality by a careful choice of words, that is, by eluding metaphors or other ambiguous or opaque ways of representation. Other economic writers of the era, like D. Morier Evans and Laurence Oliphant, were inclined to use, play with, or even parody the literary devices of contemporary literary fiction (Wagner 2010, 15–20; Poovey 2008, 247–275). Bagehot seems to be keen on statistical data and does not utilize straightforwardly literary devices such as anecdotes, colorful descriptions or fanciful tales, but even his portrayal of the Money Market relies on structural and rhetorical features of literary storytelling. Bagehot's title, *Lombard Street*, metonymically refers to a location in London that had been populated with merchants and banks since the early modern times. His narrative has a hero, the *Bank of England*, or, rather, a heroine: this institution had been traditionally anthropomorphized as the venerable *Old Lady of Threadneedle Street*. And even if Bagehot does not make his allegories explicit, he elevates the Bank to a central trope both in the structure of the argument (as the main protagonist in the story of finance) and in the financial operations his narration depicts: he holds up the Bank of England as the ultimate guardian of the financial world, which, as the last resort of credit in times of panic, restores public confidence by relentless lending.

Bagehot's insistence that money and its market were real and therefore could be described realistically responded to two characteristically nineteenth-century developments. On the one hand, due to the increasing specialization of the discipline of political economy, by Bagehot's time economic knowledge had to be *translated* for non-expert audiences. In turn, the very process of professionalization called for popularizers who would mediate between economic expertise and common sense or public knowledge (Klaver 2003, xi–xxvi, 1–30.). Bagehot aspired to be both a popularizer and a producer of economic theory: in his *The Economist* columns he took pains to explain the economic phenomena of the day to non-professional readers, but he also planned to write a great scientific tract, an opus magnum he never finished. On the other hand, Bagehot also responded, if only implicitly, to Victorian *novels* and the cultural climate they created around finance by portraying it as an enigmatic and malicious entity that remained

[1] On the Lockean theory of language and its nineteenth-century afterlife: Keach (1993).

unrepresentable even while casting a devastating shadow on society, that is, on the lives of the novels' readers. What many economists saw as public naivety concerning financial issues was largely informed by the literature of the day, both thematically and ontologically, that is, by the way it "actively accustomed Victorians to the imaginary relations money effects" (Crosby 1999, 226).

In the Victorian novel, as Mary Poovey put it while pointing out a dialectical tension between novels and educative financial journalism, financial plots were "thematically central but formally marginal" (Poovey 2002). This is what one might witness in Dickens's 1846–1848 *Dombey and Son*, a story of a wealthy but stony-hearted businessman who first loses his wife, then his son, then the love of his daughter, then his second wife, his wealth, and eventually his self-esteem and sanity. In one of the memorable scenes of the novel, Dombey's son, the little Paul, in his childish naivety, famously raises the perplexing question: "Papa! what's money?". In this much quoted scene the bewildered Mr. Dombey first would want to answer by enumerating some key terms from the monetary theory of the age ("circulating-medium, currency, depreciation of currency, paper, bullion, rates of exchange, value of precious metals in the market, and so forth"). Due to his trade, for him these are household words that need no explanation, but to Paul, and most probably to the majority of readers, they would sound like near nonsense with even some intimidation in their sheer technicality. When Mr. Dombey comes up instead with what he thinks would be conceivable for a child and refers to the coins in circulation with which Paul might be familiar ("Gold, and silver, and copper. Guineas, shillings, half-pence. You know what they are?"), his son wants to go beyond that and find out about the capacity, or the *meaning*, of money: "I don't mean that, Papa. I mean, what's money after all? (…) what can it do?". Mr. Dombey's ultimate answer, "Money, Paul, can do anything", is vague and exaggerated at the same time. Paul's response, in turn, points to the ultimate limit of this omnipotent philosopher's stone: it cannot *spare* life. Paul's objection, "I wonder why it didn't save me my Mama", would be reinforced by the novel on the whole as the events that later unfold show quite the opposite to be true: money *takes* life. Due to the father's rigidity, it takes "life" or emotional happiness from the Dombey family, it drives Mr. Carker to suicide, and, first of all, it takes Mama's life: dying as a result of giving birth, she is the victim of her husband's obsession to produce an heir through whom his trade, i.e. the circulation and accumulation of money, would go on uninterrupted and to whom the family wealth, along with the name Dombey, could be inherited. Money would not spare little Paul's life either. At the end of the scene he foreshadows his own death: "[money] can't make me strong and quite well, either, Papa; can it?" (Dickens 2008, 98–100).

Apart from the usual Dickensian melodrama of contrasting financial and emotional economies (Klaver 2003, 78–108), what makes *Dombey and Son* a typical example of the Victorian financial imagination is that while describing the fall of a businessman the novel almost never touches on any concrete financial or economic issue. Therefore, Dickens, just like his character Mr. Dombey, also fails to properly answer the question "what is money." Even if the novel, highlighting money's devastating moral and emotional effects, shows "what it can do," the way it does it remains unseen in the background. We do not even learn what Mr.

Dombey's shipping company trades in, and the novel does not quite specify either what exactly leads to its bankruptcy.

As opposed to the Dickensian way of displacing finance from the foreground, in many of the French novels of the era we witness much less of this neglect. As Tara McGann reminded us, while the Victorians made the "workings of the financial system illegible," in *The Rise and Fall of Cesar Birotteau* (1837) or *The Firm of Nucingen* (1837–1838) Balzac discusses and explains the tricks employed in financial fraud at great length. (McGann 2006) Balzac makes explicit what remains implicit in Dickens's perspective: in *Cesar Birotteau* we learn every detail of the real estate speculation that ruins the ambitious perfumer; in *Nucingen*, while we learn how Rastignac made his fortune, the trade secrets of baron Nucingen's cunning "staged liquidations" are also revealed. And in a very peculiar narrative way: the novella is made up of a single fifty page long conversation the narrator overhears at a restaurant where journalists gather to share insider information.

The difference of explicitness explains that even though Balzac and Dickens both design their implied readers as *outsiders*, hence possible *victims* (McGann 2006), of finance, they do so in very different ways. In Dickens, the position of the outsider is embodied in the figure of a child yet unspoiled by knowing money's ways, as if the lack of this knowledge were something naturally human. In Balzac, the implied reader is also an outsider but not at all unknowledgeable: s/he is implicitly assumed to be able to comprehend the manipulations involved in the financial frauds that s/he overhears via the mediation of the narrator. In Dickens, as the narrator, an outsider himself, refrains from directly representing the workings of money, he seems to want his readers to *remain* outsiders. Balzac's narrator, on the contrary, immerses himself in describing the intricacies of finance and portrays the speculators with disgust and admiration at the same time. Accordingly, Balzac's reader, if s/he follows carefully, is being initiated into high (or, rather, low) finance: by the narrative device of eavesdropping s/he will increasingly *share* the perspective of the speculators, and eventually will end up almost an *insider*, or at least definitely more knowledgeable about money than before.

A similar structural difference seems to hold not only in the case of Dickens and Balzac. Written around the publication of Bagehot's *Lombard Street*, Trollope's *The Way We Live Now* (1872–1874) demonstrates how wealth becomes radically intangible and how even its reality is obscured. This impression is once again underlined by the lack of information and detail. The rise and fall of the stereotypical parvenu financial villain, Mr. Melmotte stresses the ultimate impossibility of separating semblance from truth, illusion and reality, fiction from fact in finance: it remains unclear whether the joint-stock company that is in the center of the plot actually has ever intended to build the railway lines for the construction of which it was established; the reader never finds out where the wealth of Mr. Melmotte comes from, or whether he possesses any wealth at all. In contrast, while Zola's stock market novel *L'Argent* (1890–1891) also presents financial (and moral) credit as a mere effect of speculation based on rumor, it describes and explains with great care the variety of papers that circulate in the market along with the different types of stockjobbers, high and low, involved in their buying and selling.

In the Victorian novel the perception of money as an *unrepresentable* threat comes close to the features of the Lacanian traumatic Real, which resists representation and remains an object of anxiety impossible to mediate.[2] Bagehot's intention with *Lombard Street* was precisely to tame the menace of this invisible Real and, by turning its mystery into a domesticated reality, to relieve the public anxiety attached to it. (Poovey 2008, 249) Whereas in the novel, despite the perplexing diversity of subgenres and trends (Wagner 2010), finance almost unanimously came to represent indeterminacy, risk, and fragility, Bagehot wanted to stress its well-grounded and rational nature, something that was not only controllable but in need of control. Therefore, Bagehot's realism was not that of the 1850–1860s French manifestos of literary realism, which urged to sweep aside romantic fancy obscuring the perception of social reality by revealing the hideous face of the everyday real, but aimed to disclose an underlying rational order. Conflating the political intention of consolidation with a shift in representation, Bagehot aimed to create a discursive space where, unlike the realism of the mid-Victorian financial novel, finance could be met face-to-face. And where, one might add, language and finance, if not aesthetics and economy, would cease to be antithetical.[3]

The negligible reality of money

What is surprising, however, is that while dealing with the Money Market, Bagehot tends to underplay the significance of money itself. He considers it a functional device, negligible for its own sake, of a more important underlying process, i.e. of exchanging commodities. When describing commercial life and the interconnectedness of commodity producing companies (how in "the partnership of industries" the depression of one injures every other), he adds that "in all this money is but an instrument. The same thing would happen equally well in a trade of barter" (Bagehot 122). In contrast with his earlier insistence, now it seems that the reality of the money market does not necessarily mean the reality of money, but that of commodity transactions, the movements of which money only enables. In this light money, as an intermediate symbolic system, merely feeds upon the reality of production and commerce. The real thing, therefore, is not money but its market.

With this unreal reality of money Bagehot followed the mainstream monetary theory of his age. As John Stuart Mill stressed in his *Principles of Political Economy*, „there cannot (…) be intrinsically a more insignificant thing, in the economy of society, than money", because "the relations of commodities to one another remain unaltered by money" (Mill 1909). The concept that money merely provides the link of comparison between otherwise incommensurable commodities

[2] On the role of the Real (along with the Imaginary and the Symbolic) in Lacan's psychoanalysis as the ever-occurring limit of experience excluded from the realm of fantasy: Libbrecht (2001).

[3] During the 18th century aesthetics and economy belonged to the same intellectual endeavor, the complex of moral philosophy, but romanticism introduced a growing hostility towards political economy and its practitioners, opposing imagination to calculation, fancy to fact, humanistic benevolence to mechanical-utilitarian thinking: Connell (2001).

but leaves the underlying barter structure of exchanging commodities intact already figures in Aristotle's *Politics* about the *origin* of money as a "lubricant" in exchange. This notion of money being a dispensable technical tool merely facilitating transactions was reinforced by the late eighteenth century disassociation of money from wealth. Since Adam Smith's dismissal of what he saw as the "mercantilist fallacy" equating wealth with money, in economic thought money had served as a *neutral medium* of (or a transparent "veil" on) wealth-creating commodity exchange. (Smithin 2000, 1–2) This neutrality was seen to apply to every possible form money might take: if a commodity itself, as in the case of gold and silver, then it has an exchange ratio with other commodities, therefore remains part of the exchange process; if a token or a symbol, as in the case of fiat money, then it was assumed to „directly represent'real' commodities" (Ingham 2000, 17).

In the light of this consensus, Paul Dombey's question "what is money?" appears to be rather irrelevant. If money is nothing but a matter of convenience which has no effect on the real things the transaction of which it facilitates, then its status comes close to being an expedient fiction that merely makes reality easier to handle. In nineteenth-century economic theory, of course, nobody called money straightforwardly a fiction; instead, characteristically of the industrial age, for Mill it resembled a "machine" "doing quickly and commodiously, what would be done, though less quickly and commodiously, without it." Nevertheless, one way or the other, some quality of fictitiousness always lurked in the arguments on money, whether mainstream or oppositional. The radical William Cobbett in his 1810 pamphlet *Paper against Gold* considered money a representation and not a thing per se ("Money is the representative, or the token of property, or things of value"), but relied on the opposition of factual and fictional money when he deemed the gold specie "real money", as opposed to banknotes which represented debt and not wealth, and called for a return to the monetary realism of a full metallic currency. (Cobbett 2003) In his critique of legal fictions Jeremy Bentham also made occasional references to money, but by the comparison that fiction is "to justice what swindling is to trade" he rather reinforced the reality of non-fraudulent monetary exchange: if it becomes fictitious only through indecent use, then in its proper workings money is real indeed. (Quoted in Wacks 2012, 202) At the turn of the century, in his 1900 *Philosophie des Geldes* Georg Simmel presented the history of money as leading from substantial to functional value in a process of de-materialization reaching ever-increasing levels of intangibility, the final outcome of which is pure token money. In the capability of a culture or a society to comprehend money in this abstractness Simmel saw the marker of progress and intellectual refinement. By calling money a *symbol* that is increasingly losing its commodity-like materiality, however, Simmel did not refer to fictitious, i.e. unreal, features; for him money, as the exchange ratio of commodities, was an *abstraction* of value: "the value of things without the things themselves," "the distilled exchange-ability of objects" (Simmel 2011, 128, 132). But however abstract money had become, it retained a real, even if not object-like, existence.

In nineteenth century economic theory it might have been Marx who were the most preoccupied with tracing money's convoluted movements along the blurred border of fiction and reality. In the 1844 *Economic and Philosophic Manuscripts* he famously derives money's "creative power" from its ability of "turning an *image* *into reality* and *reality into a mere image*". However, describing its omnipotence "in effecting this mediation" for Marx money is itself not fictitious, quite the contrary, it evokes reality as it paves the way from fancy to existence: „[money] converts my wishes from something in the realm of imagination, translates them from their meditated, imagined or desired existence into their *sensuous, actual* existence—from imagination to life, from imagined being into real being." (Marx 2012, 136–141).

What we have here is not the consensual neutrality of money as a universal medium facilitating exchange but an almost magical force (way exceeding the capabilities of Mill's ordinary "machine"), which, by some sort of alchemy, calls things into being, or turns them into other things. In *Capital*, however, Marx occupies a position closer to the mainstream. He conceives money as a "purely ideal" "expression of the value of commodities", much in the sense of the neutrality concept. From this angle, money is not a creative power with almost magical qualities, as it was in the *Manuscripts*, but an "imaginary" "appearance" of value that occurs when commodities are sold. Capturing money as the expression of a deeper and truer value, that of "labour time" that is immanently stored up in commodities, Marx continues to rely on the labor theory of value prevalent since Adam Smith. (Marx 1990, 188–190) Still, some work of imagination is involved both in the *Manuscripts* and in *Capital* but in quite different ways. If money is an omnipotent magical item then it makes the boundary between reality and fiction permeable; if money is an "appearance" of something more fundamental that it comes to express then its imaginary character is derivative and contrasts the underlying reality of labor stored up in commodities. In the first case money is an active force in the magic of value transactions, in the second it is merely a *side effect*. (For Mill, money became an active agent precisely when it failed to work properly: "like many other kinds of machinery, it only exerts a distinct and independent influence of its own when it gets out of order.").

Probably because the *Manuscripts* mainly use literary examples instead of a strictly scientific analysis, here Marx in fact comes curiously close to Mr. Dombey and the conception that money "can do anything". The mysterious alchemy of money was not Marx's invention, but a popular image of the age: in his rendering of the "chimera-like" magic of capital Marx might even have echoed his beloved Balzac's awe for "speculation's occult and cabalistic secrets."[4] When Bagehot called for a double realism of money, maybe it was this conceptual and rhetorical occultism of money that he wanted to rule out. As such, he demonstrated, if only unwittingly, how an economic mindset turns "even the most supernatural of images into material things of capitalism itself" (Halberstam 1995, 102).

On the use and abuse of the money/literature homology

Representation of value, dispensable technical tool, neutral medium, transparent veil, imaginary appearance, disembodied abstraction, machine, illusory chimera—one can hardly miss the irony that in the commercialized and monetized societies of

[4] On ghostliness in the iconography of paper money: Shell (1999). On the role of the supernatural in Victorian "gothic economies", especially Marx and Bagehot: Houston (2005), 25–48.

the nineteenth century money came to be considered both omnipotent and insignificant.

On the scientific side, the notion of money being merely a neutral representation or abstraction only came to be contested in twentieth-century monetary theory. John Maynard Keynes was the first who claimed that money did matter inasmuch as it had a „behavior" and its price (the rate of interest) affected economic decisions and motives. (Keynes 1973, 408–411) For Keynes, therefore, money was not a neutral but active agent in economic transactions, even if not in a magical or occult way, neither in the sense of Mill's broken machine.[5] Keynes's preoccupation with the workings of money (instead of dealing merely with the commodities it assumed to represent) offers a striking parallel with literary criticism. Literary language became an agent on its own with the formalisms of the early twentieth century, that is, more or less at the same time when, for Keynes, money became an autonomous force of production. In both cases we seem to have a shift from the investigation of the represented to that of representation.

Correspondences of this kind between monetary and literary semiosis or economic and literary theory have been frequently "discovered" and extensively studied in recent criticism, either seeking direct parallelisms between the two or uncovering mutual interconnectedness through a third discourse.[6] In chasing analogies this critical current has paid less attention to money's representational relation to commodities, but became enchanted with another representational nexus in the monetary system, the one between *specie* and *paper*. With the eighteenth- and nineteenth-century proliferation of bank notes, exchange bills, credit certificates, promissory notes, checks, government bonds etc., paper based monetary instruments came to represent value that was *absent* in exchange, whereas the gold or silver coin (ostensibly) embodied (a more or less) substantial or intrinsic value to which paper instruments supposedly referred.[7] This division of specie and paper, as it seemed, introduced the oppositions of fact and fiction, reality and unreality, concreteness and intangibility, representation and thing (and the ensuing problems of denotation, correspondence, or reference) into monetary relations on a different level. No wonder that "economic criticism" has turned dominantly to the period when paper instruments appeared along with metallic money, because here the issue of representation becomes all too apparent. By the analysis of paper/gold relations and the analogous workings (and failures) of money and literary fiction, it has been commonly assumed that whereas the emergence of paper money set a new distinction of fiction and fact in terms of wealth, the parallel rise of the novel brought about a similar division between the imaginary and the real, that is, a new

[5] On the alternating dominance of the theories of neutral and active money in the history of economic analysis: Schumpeter (2006, 264–265).

[6] On shifts in economic theory coinciding with those in aesthetics: Gagnier (2000). On how a new, organicist concept of biology provided common ground for early nineteenth-century economic theory and the types of plots and heroes employed in the novels of the age: Gallagher (2006a, b).

[7] A very fragile nexus indeed, the unreliability of which was revealed by the South Sea Bubble and John Law's failed scheme in France as early as the 1710–1720s. See Brantlinger 48–87.

notion of literature.[8] The Suspension Act of 1797, introducing a temporary inconvertibility of bank notes in Britain, has also attracted a great deal of critical attention for similar reasons (Dick 2013). Severing money‘s connection to the material thing (*treasure*) that it was supposed to represent, the Act signals a critical moment, the birth of fiat money, a fiction of an almost literary kind, the credibility of which, as a forced belief in representation, also depended on the medium of *writing* (Shell 1982, 7). From the 1820s, the reintroduction of convertibility under the aegis of the *gold standard* only made this representational nexus (between notes in circulation and the gold reserves in banks) more reliable but nonetheless fragile and open to the volatility of social credit.

Most of these critical ventures, to various degrees, and either affirmatively or critically, rely on Jean-Joseph Goux's vision of homology between monetary and literary signification (which, in turn, harks back to the ancient metaphorical equation of coin and thought). Goux has claimed that whereas the representational model of nineteenth-century literary realism drew on the convertibility of language to reality just as the monetary realism of the convertible note rested on a foundation of gold, both depending on neutral referential relations between signifier and signified, paper and gold, text and value, narrative and life, the 20th century is marked by a correlation between token-money (a pure sign that lacks the backing of gold, therefore does not measure or represent the real anymore) and the rise of non-figurative abstraction and non-representative or self-reflexive modernity in aesthetics (Goux 2001).[9] This framework, where nineteenth-century monetary theory and poetic thought are seen to be equally informed by the supposed neutrality and transparency of their respective mediums, is in fact so tempting that it is difficult to abandon its scope even when one is being critical of short hand analogy production. In a brilliant analysis of one of Harriet Martineau's didactic tales from her 1832–1833 *Illustrations of Political* Economy, Anette Van shows how the contradictions of the gold standard (the workings of which Martineau tries to demonstrate) reveal the contradictions of literary realism, namely that realist representation is frequently just as self-reflexive and deceptive as modernist texts. Blurring the realist/modernist division (which Goux 1994 tries to demonstrate with regard to Zola and Gide), Van claims that when, in the moments of realism turning unto itself, the monetary and literary *logic of convertibility* gives place to the speculative *economy of substitutability* then Goux‘s analogy itself “collapses” (Van 2006, 120). Her attempt to undermine the analogy of convertible money and realist language, however, ends up reinforcing it, if only this time as the correspondence of their respective contradictions: the instability of the monetary order appears to be

[8] On complementary, supplemental, or competitive positions between the eighteenth- and nineteenth-century histories of economics and the novel: Nicholson (1994), Kaufmann (1995), Sherman (1996), Thompson (1996), Ingrassia (1998), Lynch (1998).

[9] One might add, however, that the realist intentions of monetary theory did not pass with the dismissal of the thesis of money‘s neutrality. If money is a transparent veil on commodities, then the reader of economic signs has to look *through it* to get a glimpse of the “real economy” of exchange underneath. When, in turn, Keynes suggests that it is precisely the “monetary economy” that coincides with the “real world” in which “we actually live,” then his argument, in an equally realistic manner, implies that we have to *look at* (and not through) money to be true realists.

analogous with the instability (i.e., self-reflexivity, non-transparency, non-realism) of literary realism. The analogy between monetary and literary representation, therefore, is reestablished as the analogy of their respective failures, or of their *equally metafictional* character. (The interpretation of money as a metafictional master-trope, signaling the "representation of representation" in the realist novel, also has a remarkable critical tradition: Vernon 1984, 7, 19; Brooks 2005, 14, 17).

Comparing literary and monetary practices as formal systems of tropes on a semiological basis has come to be criticized by pointing to particular historical, cultural, ideological, and generic contexts that informed their respective workings at given periods of time. Accordingly, more effort has been made to distinguish, and not to merge, them. In this anthropological aspects, instead of epistemological ones, are coming to the fore. And quite rightly so, because even the regime of the gold standard failed to rely on an ontological or epistemological security of signification. The various Bank Acts of the nineteenth century that limited the paper currencies in circulation with regard to the amount of gold in reserve attempted to minimize the fragility of their nexus, but never achieved complete reliability. Paper currencies were never fully backed, their value remained grounded on (an eventually illusory but enduring) social belief and the psychological states that underpinned it. While the economically most advanced nations "spent most of the nineteenth century trying to devise monetary schemes that would make paper behave as if it were gold," in fact it did as long as "people believed that it would" (Ingham 2000, 31). In this light, one might add, if we look at the gold/paper division in monetary exchange as if comparable to literary practices, then we reproduce the very same fallacy that underpinned the monetary regime of the gold standard. If seeking how paper money turned the reality of gold into fiction, we tacitly maintain the assumption on which the gold/paper relation was based, namely that gold holds an intrinsic value (embodies factuality) to which paper as a contested representation could be opposed, or against which convertible or inconvertible (fiduciary) paper money can be measured as to signal different degrees of fictitiousness. If we proceed, however, from the insight (purported by the social theory of money) that money is neither a thing nor a representation (of barter or gold) but a claim upon society constituted by state authority, then we can hardly distinguish between the gold specie and the convertible or inconvertible paper as to their various degrees of factuality and fictitiousness. Both are forms of credit, i.e. social relations of claims and obligations, regardless of their material form (Ingham 2000).

Risk and pleasure

But if money is a form of credit (and not a representation, sometimes secure, sometimes failed) and the validity of paper money, just like the reality effect of realist fiction, rests not on a semiotic stability but on the public credit given to its performance, then how does this credit differ in monetary and literary investments?

The answer Catherine Gallagher comes up with, based on her extensive survey of the modern habits of faith and disbelief, ranging from religion to ghosts (Gallagher 2000), is that money and the novel differ according to respective psychological elements and as to what is at stake in reading or accepting them. Grounding her distinction on the eighteenth- and nineteenth-century shift from referentiality to verisimilitude in the history of fiction (from the belief of the true existence of persons and events depicted in the early novel to the appreciation of their *believability*), Gallagher argues that while accepting the fiction of paper money (and its "suspension of literal truth claims") required a psychological state of *active skepticism*, the reading of a novel entailed that of *ontological indifference* because when knowingly reading a novel there was no need for a continuous activity of negating its correspondence claims (Gallagher 2006a, b, 347, 339–346). Accordingly, while money (as an expedient fiction in smooth economic circulation) served *practical* ends (inasmuch as a Coleridgean "suspension of disbelief" enabled reading a banknote as a sign of real value), novelistic fiction offered the *pleasure* of deliberately choosing a state in which the reader suspended his or her disbelief in order to indulge in the "free space" of "imaginative play." Reading a novel of self-disclosed imaginative simulation of the real, therefore, was not a *relief* from disbelief (as in the case of monetary fictions) but a way of enjoying its temporary *suspension*. And while in the case of money this suspension of disbelief always entailed a certain *risk* as to its validity or value, in literature it was free of possible dangerous consequences (347–349).[10]

In Gallagher's vision the histories of monetary and literary fictions are leading, in Simmel's fashion, to ever enlightened phases, to ever more insightful and conscious social understandings of these fictions: in a "fiction-friendly" modernity encouraging "disbelief, speculation, and credit," readers do not have to believe in the actual truth of novels much the same way as they also come to understand that with their collective credit there is no need to hoard gold privately (345, 347). What Gallagher pays less attention to, however, is that under the gold standard there was a continuing need for the psychological reassurance provided by the (fiction of) gold held in bank reserves. This *materiality* of treasure, underpinning pure speculative credit, continued to be demanded as a legitimating agency—as one can witness it in the anecdotes of banks exposing their gold reserves during times of turmoil to allay panic and reinstall public credit. This longing for materiality, however mystified and, in the ultimate instance, fictitious it was, enabled the very "fiction-friendliness" of an economy based on the immanent contradiction of simultaneously neglecting *and* mystifying the reality of gold (as useless *and* as par excellence capital). The craving for this fetishized treasure (on the hidden presence of which credit economy allegedly rested) in fact, of course, merely symbolized a *collectively hoarded belief*, for it never contained enough species to cover all paper. Still, the continuing appeal of a materiality underpinning monetary fictions was able to warrant fictions to be accepted as realistic maybe precisely because of its mystical and invisible nature (DiPiero 1988). Or it might show that nineteenth-century monetary fictions never got rid of an element of coercion: it was rather *enforced belief*, and not *suspended disbelief*, in representation that enabled their circulation.

[10] The "willing suspension of disbelief", the phrase Coleridge coined in 1817, that is, still under the rule of the Suspension Act, that Gallagher reinterprets here has been utilized to interpret monetary representation: Brantlinger (1996, 78).

Gallagher‘s elegant distinction between the different modalities of fictitiousness in monetary and literary practice is not less illuminating if we look at how the different psychological states she outlines occasionally interfere or overlap. The money/novel and risk/pleasure dichotomies seem to be transgressed when the reading (or counting) of money proves to be joyful, as it is exemplified in the survival of the *miser* as a stock character in the nineteenth-century novel from Balzac‘s *Gobseck* to Elliot‘s *Silas Marner*. The pleasure of counting money has less to do with disbelief, relieved or maintained, but comes from another *suspension*, that of money‘s *circulation*. There is even some imaginative play at work in the miser‘s attitude: the value of his treasure stems from the pleasurable fantasy of never spending, i.e. *realizing* or *actualizing*, it.

Money can also provide the *political* pleasure of reading. As a Bank of England note attested to the might of the Empire, with the nineteenth-century rise of national currencies a new type of monetary nationalism emerged which turned the feeling of having one‘s own currency into a source of pride or joy. (Helleiner 2003) No wonder that for nineteenth-century nation-builders like the German romantic economist Adam Müller or Fichte, it seemed sufficient to base what they dreamed of as a newly unified Germany on *paper credit*, i.e. inconvertible paper money backed merely by the faith that the national community invested in itself. (Gray 2008) (During a similar period, the Hungarian count István Széchenyi also wanted to found modern Hungary on a brotherly affection of the citizens brought about by a modern credit legislation and the rule of paper, or as he put it: “artificial”, money.) These proposals were, no doubt, idealistic, but by calling into being imagined communities through monetary imagination national currencies as monetary representations of political entities occasionally evoked a zeal that even belittled the risks involved in their circulation. (During the upheaval in 1848 the Hungarian public was not only ready to accept the new notes issued by a highly unstable revolutionary-national government, but made it a question of moral integrity to make the economic sacrifices necessary to their issuing. The gold reserve that partly backed these notes was collected from public contributions.[11]).

On the flip side of pleasure overwriting risk in the politics of money, practical concerns also intrude into the imaginative play of novel reading. However reluctant we might be today to consider purposes for reading novels other than “imaginative play”, in the nineteenth century these were integral to reader experience. The financial novel shared the intention of economic journalism to *teach* their respective audiences, i.e. the middle-class readers who tended to fall prey to the investment manias of the age: the contrast that Dickens highlighted between emotional or moral economies and financial ones came close to the instructive “social lessons” that Balzac offered, in a similar way as Bagehot’s semi-scientific financial realism was meant to calm and enlighten. The interpenetration of economic theory and fiction writing even gave rise to peculiar generic hybrids, like Harriet Martineau’s didactic

[11] This neglect of risk in the favor of political self-enjoyment, of course, proved to be very fragile. Partly because its psychology was maintained imaginatively: national propaganda, partly carried out by novelists, channeled the suspicion towards the Austrian money formerly in circulation into an enthusiasm about the new Hungarian money. And the monetary enthusiasm of this kind was never a free imaginative play: political and military forces brought it about and put an end to it.

novellas promoting the principles of Ricardian laissez-faire economics through fictional plots (Klaver 2003, 31–78; Poovey 2008, 338–342). How can we tell imagination from practice in the case of fictions, or semi-fictions, that were intended to serve, however remotely, financial education, and through which readers learned about the risks of monetary exchange from texts that were supposed to arouse pure pleasure (Freedgood 2000), but in which the imaginative play of reading fiction remained, at least partly, linked to practical consequences. At such intersections, very odd combinations of different levels of fictitiousness could occur. Sidney Laman Blanchard‘s 1851 *A Biography of a Bad Shilling*, a short story that follows the itinerary of the eponymous hero through several exchanges, is narrated by the voice of the counterfeit coin itself, therefore clearly not invites the reader to accept its correspondence to reality. Still, in a quite amusing way, it teaches about how counterfeit coins are forged and how they can be detected. (And how they keep circulating even when detected, as it is in the vested interest of its temporary holders to pass it on…). The story, *written by money about the reading of money*, opens a dizzying vista of overlapping levels of fiction. As opposed to the expedient fictitiousness inherent in the institution of money, *counterfeit* money qualifies as a *fiction of fiction*. Therefore, putting *counterfeit* money, i.e. a false replica of a symbol, in the role of the narrator of a fictitious tale, the reader, listening to a voice telling a fictional account of its own doubly fictitious life, gets entangled in a web of *a fiction of the fiction of fiction*. In this web different levels of (monetary and literary) fictionality collide: whereas nineteenth-century literary fictions, as Gallagher points out, were self-disclosing, therefore, not taken as a lie (338–340), financial fictions of fraud or forgery, as outright lies, concealed their nature. The question remains, however, that when Blanchard makes an anthropomorphized figure of a fraudulent fiction the narrator of a story about monetary delusions, does it not remind us, allegorically, that in fact literary fictions themselves remained closer to lies than they would admit?

Besides the political pleasures of monetary nationalism and the ways in which the educative functions of (financial) fiction might blur the boundaries of aesthetic play and everyday application, it might also be questioned whether novel reading can be entrenched as a space safe from menacing financial realities. The reader, to become one, has to make a financial investment in the first place; if wanted to access literary texts, he or she had to buy the book, or the installment where it appeared, or be a paying member of a circulating library to have it on loan. To quibble with Gallagher‘s term, “free imaginative play” was definitely *not free* in the financial sense. By buying into a novel, the reader also took a financial risk as to whether it would actually serve his or her intention of finding pleasure in a temporary suspension of disbelief. Can we ever tell, therefore, in Gallagher’s words, the economy of a “risk-free emotional investment” (349) in “a temporary disregard for the fictional condition of a pleasurable sensation” (351) from a financial investment in the literary market?

In addition to financial investment being a prerequisite for its emotional counterpart, there might be other risks involved in the act of reading novels. From Gallagher’s argument the concerns of the eighteenth-century *Lesesucht* debate about the psychological dangers of readers thoroughly immersed into novels became pointless after the verisimilitude notion of fiction took hold. Nevertheless, as the Victorian fears about the possible deleterious effects of reading novels attest, the addictive (and therefore not safe) ways of reading narratives not only lived on during the nineteenth century, but the emerging novel industry might have even intensified them, and the mass consumption of novels tied it even more closely to the financial economy, i.e. the exchange of monetary fictions, of serialized literary production. That is why Elisabeth Gaskell's *Cranford* (1853) can satirize both the mortal dangers of reading novels and the equally serious risks involved in accepting banknotes. The scene where Captain Brown is killed by a train while immersed in reading the new installment of *Pickwick Papers* in a way mirrors the scene where Miss Matty, witnessing a shopkeeper‘s refusal to accept a bank note, learns about the bankruptcy of the country bank where she herself kept her, now worthless, savings. It is true that both events take place in a novel, where, in Gallagher‘s sense, one can *safely* enjoy the *portrayals* of monetary and literary risks. Still, it might indicate the awareness, however ironic, of a continuing parallel between the respective dangers and joys of reading novels and money. Whereas Captain Brown‘s fate is a metafictional parable which suggests that novel reading might turn out to be lethally risky even when readers do not believe anymore in the actuality of what they read, the decision of Miss Matty to change that note herself seems to praise the ethics of a self-imposed *maintenance of belief* in a monetary instrument (into which she invested, and for which, therefore, she feels to have become morally responsible), even and precisely when everyone else seems to have *suspended* theirs.

When developing her model of nineteenth-century fiction reading, Gallagher relies on the monetary behavior of scrutiny and suspicion that in the second part of the century increasingly started to pass. When paper instruments first appeared as *texts* in monetary circulation, they required circumspect reading strategies if someone wanted to make sure of their validity or value. (Poovey 2008, 35–55) From the 1850s onwards, however, bank notes, previously unique and hand-signed, gradually became standardized in size and form, and lost their conspicuous features of being a text, or, as Poovey (2005) puts it, lost their "cultural visibility." These "naturalized" banknotes made it unnecessary to approach them with the suspicion and skepticism they used to evoke: there was no need (or to a much lesser degree) to suspend disbelief. From this angle, the respective monetary and literary orders that Gallagher contrasts do not seem to be contemporaneous: the monetary logic she refers to appears to have preceded the novel reading practice she describes.

Conclusion: the economization of reality

The fictitiousness of money is one of our postmodern truisms. Yet Bagehot's 1873 claim, with which this essay started, that the money market is a real entity describable in a realistic language, seems to signal a process antithetical to the headway of modernity's "fiction-friendliness", i.e. the *economic appropriation of reality* by which the power of defining what counted *as real* became determined by the logic of "the economy". Emerging from the 1870s, neoclassical economics tended to reduce the diversity of life into a homogeneous field of items of utility (Meikle 2000), increasingly subordinating social, political, cultural, and emotional realities to economic imperatives of one sort or another, eventually turning all human dynamics into an exchange of properties.

This "naturalization" of (capitalist) economic reality and the elevating its language to the only form of realism (Shonkwiler and La Berge 2014) went in parallel with the efforts to ground the reality-claims of economics in the manner of natural sciences as a quantitative discipline registering the Real in mathematical abstractions.[12] This construction of reality around the economy, however, coincided with an increasing virtualization of "the economy" itself. With "cyberfinance" outdoing "real economy" it seemed to be reaching an ultimately unreal/surreal/hyperreal phase informed by a "grammatological" semantics. (Goux 2001, 176–177) Yet, as economy fashions fictions that produce economic realities (Houston 2005, 1), it does not dissolve the materiality of the „financial sphere." As Marieke de Goede stressed, "the discursive and ideological constitution of economic reality" has *real* bases and *real* effects: it is precisely the reality of the "performative practice"—he textual and interpretative rituals that constitutes and valuates the image of a supposedly prior, i.e. objective or pre-political, economic domain—by which this image of reality materializes and enables financial instruments to function. (de Goede 2005, xxi–xxiii, 3–7).

The 2008 Credit Crunch and its aftermath have directed public awareness to the epistemological, moral, and political practices (perceived as obscure or incomprehensible, if not manipulated and fraudulent) by which financial reality is being construed. The recent developments, however, appear to be the manifestation of conditions that already triggered Bagehot, amidst the financial turmoil of the late 1860s and early 1870s, to argue for the reality of the money market and the realism of the language that might describe it. Economic downturn, then and now, seems to bring about a similarly shattered sense of reality and a corresponding urge to address the questions of (not only financial) realism.

In this respect Bagehot's intentions were twofold. As much as he insisted on the reality of finance, he also wanted to address what he saw as the collective forgetfulness toward the fictitious or deceitful elements permeating that reality. One of the motivations behind his work was the 1866 collapse of the bank *Overend, Gurney, and Company*, headquartered at 65 Lombard Street, and the exposure of their false image of reliability and prosperity, which, as Bagehot lamented, "though it caused panic, is beginning to be forgotten" (Bagehot 1920, 18–19). That is, insisting on the reality of the money market amid an increasing mistrust toward financial institutions and calling for realism amidst outrageous examples of financial deception, Bagehot not only urged his readers to leave behind the (romantic) demonization of money and the Victorian bashfulness to look finance straight in the eye, but also warned against the tendency of the lure of deceptive fictions rebuilding themselves.

[12] On recent attempts to radically undermine the reality-claim of economic analysis by a "rhetoric of economics" and the concurrent attempts to rescue economics' "scientific realism": Boylan and O'Gorman (1995), Mäki (2002).

In an economized reality produced by fictions and permeated by lies, it seems ultimately undecidable whether it is the expedient fictions of a “fiction-friendly” modernity or the outright lies of an economy of deception that produce (or fool out) our reality.[13]

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[13] On the economics of deception: Akerlof and Shiller (2015).

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