

The Moral of the Failed Bank: Professional Plots in the Victorian Money Market

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A bank failure can be interpreted in at least two different ways: as an exceptional example of how not to manage a financial institution, or as a symptom of something more generally wrong with the money market. In Victorian Britain, when people were still adjusting to the idea of depositing their savings with a distant joint-stock bank as opposed to a well-known local private banker, choosing between these two diagnoses of bank failure was a matter of far-reaching dispute. Was the failed bank little more than an outlier on the rising curve of commercial prosperity experienced by Britain during the nineteenth century? If so, the rest of the banks, as well as their shareholders and depositors, could breathe easier, safe in the assumption that existing administrative checks and sound "rules of banking" were being followed by all but the occasional inept or dishonest financier. Individual failures could then provide occasions for self-congratulation on the part of the survivors and a mild warning about mistakes to be avoided in the future. This was how most economists and members of the financial press preferred to interpret a failure in their midst. Conversely, the failed bank might signify much more: an early augury of institutional decay brought on by generations of commercialization. That was the diagnosis of mid-Victorian novelists and moralists, who inserted bank failures into more general narratives that criticized the excesses of industrial society. As an alternative to the capitalist institutions as they presently stood (and occasionally fell), these writers offered the institution of the domestic household in an attempt to reintroduce a sense of personal responsibility into modern life.

If the Victorian bank failure offered a temporary text for moralizing, either of the optimistic or pessimistic variety, it provided a more lasting problem for the emergent banking profession. In the 1830s and 1840s, when news of failure among large commercial banks first began to appear in Britain, the "profession" was little more than a loose

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collection of managers and journalists, struggling to establish ethical and administrative standards among a decidedly mixed crowd of financiers. Their initial impulse was to follow the practice of their individual members and write off each successive failure as an unfortunate case of rules not being followed, without admitting that the stain left by a failure might rub off on the banking system as a whole. When bankers spoke of failure in their nascent collective capacity, however, they faced serious rhetorical challenges that were not as immediate for bankers in their individual roles. For those who joined deputations, attended professional meetings, or wrote for trade journals, banking was a collective enterprise, and they consequently needed to take seriously the problem of members who ignored the still-informal rules of the group. Although no small amount of self-congratulation took place in such settings, institutional morals to be drawn from bank failures were bound to occasion more than a passing glance.

An additional reason why interpreting institutional failure was especially problematic for the banking profession was that their language performed two functions simultaneously: it was intended both to keep members in line and to popularize the practice of banking among middle-class customers. In 1850 unofficial professional organs like the *Bankers' Magazine* split their time between enforcing uniform practice and cajoling hesitant merchants and manufacturers to purchase bank shares or take out interest-bearing accounts. In this context, any attempt to suggest that fellow bankers might usefully learn something from a failed bank got in the way of efforts to convince potential shareholders and depositors that individual failures had little relevance to the overall health of the money market. Attempts by the banking elite to segregate their intraprofessional from their publicity functions, which would have allowed them to tailor their messages to suit their disparate audiences, failed to generate much interest. A new Banking Institute that was established in 1849, for instance, at which commercial bankers were to hold private discussions on issues of common concern, lasted just two years.

Lacking a separate institutional space where they could soul-search in peace, and lacking much by way of a technical vocabulary to restrict the currency of public self-criticism, early spokesmen for the banking profession often resorted to the same mixture of homily, anecdote, and second-hand science that filled their opponents' pages. On this even playing field, the expository powers of a Dickens or a Thackeray left less eloquent banking apologists struggling to keep pace when they tried

to claim that failures were merely exceptions that proved the rule of prosperous banking. As mid-century revelations of failed banks piled higher, trade journals and banking manuals eventually succumbed to the discursive pressure. Writing to two audiences at once, their attempts to smooth over customers' fears with paeans to classical political economy had apparently sent the wrong message to bank managers, who, in the eyes of the professional elite, would be better served with stern sermons on moral rectitude and administrative regularity. And when professional spokesmen opted for the inward language of reform over the outward language of prosperity, they reached for the readily available discourse of Dickens and Thackeray instead of inventing a new discourse from scratch. In writing epilogues to every bank failure that came their way, professional spokesmen echoed the novelists' lament that domestic ties had become undone in the general bustle of modern commercial life.

By the final quarter of the nineteenth century, the banking profession no longer found itself in the position of having to import an interpretive framework from the novelists. A combination of commercial oligopoly and professional maturation produced new discursive resources that had previously been unavailable to their efforts to contain the disruptive public echoes of bank failures. By the 1870s joint-stock banks had finally won the commercial battle for market share that they had been waging with the smaller private banks for fifty years. In spite of the negative publicity that accumulated after each new failure, depositors continued to move their money from the pockets of the private bankers to the more secure vaults of the banking companies, and they did so for entirely rational motives.¹ Under nineteenth-century company law, a firm's shareholders accepted full responsibility for all debts (apart from exceptional cases such as railways); so even if a joint-stock bank lost all its deposits in an unwise loan, it was legally obliged to call up sufficient share capital to cover them. Furthermore, private bankers themselves were by no means immune from failure in the mid-nineteenth century—and their stories damaged the reputation of private banking at least as much as similar exposés hurt their joint-stock counterparts, especially since they offered the extra melodrama of individual villainy that a more faceless company often failed to provide (Russell 60–63). This shift in depositor preference created a captive audience for the banking companies. Although individual firms continued to promote their distinctive merits, the industry as a whole was no longer in the position of having to

sell the idea of joint-stock banking to the public.² A captive audience of depositors also meant that bankers could be more attentive to their shareholders, who had been the real losers in prior failures. With their market share secure, joint-stock banks could now achieve their earlier goal of treating failures as a text for professional renewal on their own terms, instead of resorting to the more popular but less commercially productive language of the novelist.

In the following pages I will be placing contemporary interpretations of bank failures in the context of this change in bankers' professional strategies, by focusing on the discursive reconstruction of two failures at different periods in Victorian Britain. The first concerns the Royal British Bank, a London company that was chartered in 1849 and crashed six years later in the midst of an economic boom, catching bankers and financial journalists at their most myopically optimistic moment. The second concerns the City of Glasgow Bank, which formed in 1839 and failed in 1878, when bankers were starting to move away from their ambivalent appeals to classical political economy and novelistic moralism.³ The circumstances of the two failures were similar in many ways. The Royal British had promised to bring the "Scottish system" of banking to London, attracting smaller individual deposits by means of aggressive marketing and numerous branch outlets; the City of Glasgow was the most recently formed of the major Scottish banks, which had mushroomed in size to boast of the largest number of branches in Great Britain before its demise. Each failed when a small group of directors made huge loans to a narrow array of speculative concerns and browbeat their clerks into covering up their actions by faking the accounts. All these things added up to very similar responses by the general public and by the legal system in the aftermath of the failure. The directors and managers involved in the failures received sentences of six months to a year, which were criticized as too lenient in the press. In each case a director successfully fled the scene: one City of Glasgow director absconded to Spain before the law caught up with him six years later, and a Royal British Bank executive was never heard from again (Forbes, Evans 268–390).

The only difference in responses to the two failures was by the bankers whose subsequent job it was to restore confidence in their trade.⁴ After the Royal British failure, bankers and financial journalists responded by falling into the same language used by popular novelists, calling it a symptom of declining standards of commercial morality. Although some

economists and legislators argued that more needed to be done, and succeeded in 1858 to add banks to the category of companies that qualified for limited liability, few of the major British banks took advantage of the new law. Two decades later, the bankers responded to the City of Glasgow failure by acting in concert, agreeing to support a law that allowed them all to convert to a modified form of limited liability at the same time, then putting pressure on fellow bankers who hesitated to make the change. By restricting the liability on shares they soothed investors' worries that the misdeeds or incompetence of directors would endanger entire estates. By moving in tandem they deprived depositors of any recourse for their diminished security. They had, in short, found a way to contain bank failures within their own ranks, instead of sending out for a plot resolution from the novelists.

My discussion follows Victorian bank administrators through two phases of professional identity. In the first phase, most apparent through the 1850s, the bank manager's identity was torn between the demands of mammon and domesticity. On the one hand, he claimed to be a mirror of the shareholders who elected him; on the other, he stood as a father figure who ran the money market by applying the lessons he had picked up running his own family.⁵ His personality encompassed two contrary moral conceptions of economic activity, which informed diverging interpretations of bank failures. As capitalist-surrogate, the banker was presumed to act on the premise that society was at its most stable when people were free to pursue their self-interest. Along these lines, he tried to submerge the individual case of the failed bank beneath the broader moral logic of classical economics, explaining it away as best he could as a temporary breakdown in communications between shareholders and their delegated officials. As father figure, the banker operated on the premise that social stability depended on domestic stability in individual families. In this scenario, bank failures focused attention on the breakdown of the links connecting domestic and social relations. By the 1870s a new sense of identity was gaining in popularity, at least among bankers themselves. Instead of trying to combine the languages of classical economics and family values, they were starting to view themselves as experts, whose main responsibility was to other bankers. In this latter phase of professionalism, bankers distanced themselves from the moral premises of both capitalism and paternalism. Bank failures became problems to be solved within a technically competent community. Shareholders and family members faded into the background, as new liability laws severed the

assumed connections between ownership and control, and as bank managers moved to the suburbs in order to keep home life at arm's length from the office.

I. From Economist to Novelist: Bankers at Mid-Century

Historians have often discussed the early Victorian period in terms of the crisis in Ricardian economics that came about when different real-world developments seemed to disprove the notion that individuals acting in their own self-interest were capable of resolving social conflict and economic injustice (see Meek, and Berg). Uprisings like Chartism, social movements like Owenism, or striking workers often feature in such accounts as illustrations of the failure of classical economics to come to grips with what happens when people act together in groups. These events produced challenges or concessions that marked a departure from individualism. Tory politicians called for social reforms that would restore family life to a more central role, by sending women home, where they could raise their children at a safe distance from the factory. Meanwhile, manufacturers tried to bring the domestic sphere into the workplace by establishing paternalistic ties between boss and laborer (Claeys, Joyce 158–200). In *The Industrial Reformation of English Fiction*, Catherine Gallagher has traced similar responses to the early Victorian economy among novelists in their construction of new techniques for telling stories and resolving plots. She focuses on novels like *Hard Times* and *North and South*, where the main economic reality at issue was the “Condition of England” question, usually revolving around labor relations. In these cases she identifies a common strategy for coming to terms with the social tensions that pure political economy was unable to resolve. Novelists like Dickens and Gaskell isolated and nurtured the family unit as a “school of social reform”; in Gallagher’s words, “the private world in English novels is often a territory set aside for the alleviation of antagonisms that cannot be resolved in the social world” (63; see also Dentith, Wahrman). These novels moved away from the utilitarian notion of society as an aggregate of individual desires by presenting bonds of trust being formed in the family then teaching people to reproduce those bonds in their social relations. The family became a metaphor for society and thereby a focal point for refashioning social stability.

While industrial novels were challenging capitalism from an outsider's perspective, the rise of the company form in finance and transportation produced problems for classical political economy that were brought on by capitalists themselves. By dividing the responsibilities of capitalization and management, large companies were difficult to fit into the logic of classical economics, which assumed the profit motive as a spur for all economic activity. The joint-stock bank official, who received a salary to manage other peoples' money, stood out as a nagging anomaly for the economists' "entrepreneurial ideal" (Perkin, *Origin* 221–30). One reason for this was that the major shareholders and directors of banks who paid the manager's salary were the same merchants who were struggling to enact free-trade legislation in England through the 1840s. The language of individualism, which rang loud and clear in free trade organizations like the Anti-Corn Law League and in newspapers like the *Economist*, convinced legislators and shareholders that it was possible to treat a joint-stock bank like a partnership. This individualist logic informed the tradition of unlimited liability that lingered among bank shareholders, which itself was a holdover from when private bankers were responsible for paying debts out of their pockets. Capitalists who were unwilling to give up the ghost of classical economics clutched to the belief that unlimited liability would provide shareholders with a sufficient profit motive to act as vigilant supervisors over the bank manager's activities. Legislators wishfully thought that shareholders would be capable of comprehending and acting on the balance sheets they received every year, and assumed that those numbers would transparently represent the true state of the bank's affairs.⁶ In an effort to uphold their faith in liberal individualism, capitalists depicted joint-stock finance as a sort of ideal republic, where the desires of individual members provided the checks and balances that were necessary for preserving public morality. As one correspondent in the *Bankers' Magazine* claimed in 1847, in "every joint-stock banking company, being a little republic within itself . . . a keen spur to exertion is always acting on every individual of the body corporate" (7: 184).

This depiction of the money market did not convince early Victorian novelists. In anticorporate fables like Dickens's *Little Dorrit* and Thackeray's *The Newcomes*, novelists confronted what they saw as a contradiction in the logic of political economy: the idea that mere financial responsibility was a strong enough spur to keep shareholders

acting in an upright manner. Gallagher's conclusions about industrial novels apply in this genre as well. Novelists warmed to the task of using failed companies as texts for preaching the need to distinguish public market behavior from domestic values that could only be learned in the privacy of one's own home. They translated the ambiguities of finance capital into dramatic tension, to be resolved by the development of bonds of domestic sympathy between characters. In *Little Dorrit*, published between 1855 and 1857, Dickens depicted the banker Merdle, who takes advantage of the diminished responsibility of company administration, rises in social esteem, then ends up killing himself when his speculations fail. The resolution of that subplot is countered at the end of the novel when the honest Arthur Clennam, after losing all his savings to pay for his naive investments in Merdle's failed schemes, rides off into "a modest life of usefulness and happiness" with Amy Dorrit, having become "inseparable and blessed" in the domestic bonds of marriage (qtd. in Feltes 366). The implicit moral is that Clennam, after spending a honeymoon period away from the scene of commercial crime, will then return to the market where his domestic virtues will serve as an example to the scoundrels who remain as yet unexposed.⁷

Thackeray was similarly struck by the contrast between domestic fidelity and joint-stock deception. In his first novel, *Samuel Titmarsh and the Great Hoggarty Diamond* (1841), he pairs the seemingly respectable life insurance director Brough with the ingenuous but honest clerk Samuel Titmarsh, with dire results: Brough turns out to be a fraud and flees to France with his wrongly earned fortune, leaving Samuel (who had purchased shares in the company on the credit of his aunt's diamond heirloom) with full financial responsibility. The plot is resolved when Samuel is released from jail and finds his wife waiting with open arms, ready to support the now-penniless clerk by becoming, of all things, a wet nurse for a duchess.⁸ Thackeray returned to the world of finance in *The Newcomes*, in which he contrasts the roguish banker Barnes Newcome with a happy assortment of upright businessmen and loving wives—at the forefront of which stand Barnes's stoutly bourgeois cousin Clive and his beloved Ethel, who forsakes her family's aristocratic wealth to marry him. Joint-stock immorality in this case is provided by the Anglo-Indian Bundelcund Banking Company (typically referred to in the book by the impersonal acronym "the B. B. C."), in which the Newcomes hold a major stake, and which crashes in the closing chapters after a set of unscrupulous lawyers and directors have sufficiently lined

their pockets and fled the scene. Thackeray's narrator describes the B. B. C. as a "complicated, enormous, outrageous swindle" which was "one of many similar cheats which have been successfully practised upon the simple folks, civilian and military . . . who pass years of long exile and gallant endurance in the service of our empire in India" (719). This revelation of public vice in the realm of finance coincides with a climactic election contest between Barnes and Clive's father, also a leading shareholder in the bank, in which Clive unsuccessfully tries to prevent the public taint of "the hustings" from sowing familial discord by pleading with his father to "break up our camp before this place, and not go to war with Barnes" (702).⁹

In contrast to the allegories of Dickens and Thackeray, which set the singular actions of scoundrels against the overarching joys of family life, bankers and financial journalists tried to submerge individual examples of commercial wrongdoing beneath the general principles of political economy. Trade journals like the *Bankers' Magazine* and sympathetic journalists at the *Economist* emphasized the parallels between joint-stock banking and a suitably revised version of Smith and Ricardo. In 1853, one *Economist* writer confronted the novelists' obsession with commercial abuses with the plain fact that British businesses tended to stay afloat. Commenting on a series of exposés of real-life commercial scoundrels by the popular writer John Francis, the columnist scoffed that "[i]f such anecdotes and legends as he collects were not exceptions rather than rules, society could not hold together, and neither lending money nor assurance nor banking could have flourished"; and he presented his alternate vision of uplifting commercial literature: "As well as the exceptions we want the rules; we want more examples of honest, painstaking, praiseworthy industry set before us to encourage us in the pursuit of good, as well as histories of tricksters to warn us against evil." Still, he seemed to admit that the tide, at least among the general reading public, favored the miscreant over the honest tradesman: "Mr Francis, however, writes books to have them read" (11: 710).

Perhaps sensing the waning popularity of classical economics, bankers also looked to other branches of science to keep attention diverted from any real-life Merdles who might be lurking in their midst. Books with titles like *The Anatomy and Philosophy of Banking*, *The Physiology of the Joint-Stock Banks*, and *The Physiology of London Business* compared the banking system to a healthy body. One remarked, for example, that banks worked

“by taking blood from a person whose life was in danger from his having too much, and giving it to another who was suffering for want of a little more than he had” (Strachan 64). The appeal to physiology in this context is significant, given the contemporary uses to which that science was put. Firmly in the tradition of natural theology, doctors like Pierre Mark Roget contrasted the perfect design of the human body with the flawed construction of animals further down on the great chain of being—which conveniently allowed them to overlook the dramatic epidemics like cholera and the devastating chronic diseases like tuberculosis that haunted Victorian society (see Brooke 192–225, Desmond 222–35). In like manner, bankers contrasted the advanced anatomy of English finance with more rudimentary financial systems in countries that were further down on the great chain of banking and spent little time to stop and look at the remaining flaws in the banks at home.¹⁰

The prospectus of the Royal British Bank was a textbook example of the pride of place given by political economists to sound financial “principles” over deviations from the norm. Its projectors in 1849 invited shareholders and depositors to sign up “not . . . upon the faith of the names by which the scheme was backed, but the principles upon which it was to be carried out.” An obituary of the bank noted that it had “boldly averred that the science of banking was unknown, or, at all events, unpractised in London” (Evans 270). Its governor was a well known Board of Trade official and Glasgow MP, John MacGregor, who had published several books on economic statistics. MacGregor was shortly joined by Henry Dunning MacLeod, whose two-volume *Theory and Practice of Banking* appeared a year before the failure of the bank rendered him penniless and subject to a three-month prison term. When MacLeod was not making the rounds inspecting the Royal British’s branch offices, he was loudly asserting the scientific basis of banking, especially concerning its relevance to probability theory. “Under ordinary circumstances,” he wrote in 1855,

the sum daily demanded [by depositors] may be calculated with as much certainty as the tables of mortality . . . and if the bank allows a liberal margin for contingencies, there will certainly be a considerable sum at its disposal, or a dead rest beyond the circumference of this wheel of revolution . . . which may be employed in any profitable manner that may be deemed advisable. (*Theory*, I: 382; see Maloney 120–33)

This confident assertion appeared to be especially applicable to the Royal British, which made a point to lend small sums of money to a

large class of lower-middle-class borrowers. In an “explanatory statement” that accompanied its 1849 prospectus, the Bank compared itself to the “Mutual Benefit and Insurance Societies” that helped form “the character of the people”; *The Merchant* newspaper added in August of that year that “the amount of accommodation will be extended to a numerous class, so numerous that we think the liabilities will be small” (*Royal British Bank* 3, 26).

The first annual report of the Royal British Bank in 1851 convinced the *Bankers’ Magazine* that it was living up to its promise; an editorial commented that

[u]nlike the reports of older banks, which simply record the more important events connected with the transactions of the year, this report enters fully into an explanation of the principles on which the business of the Royal British Bank has been conducted, and places before its shareholders and the public, a complete exposition of the means on which the Directors rely for carrying out successfully the system they have introduced. (11: 121)

But within a few years those same directors had changed from being admirable expositors of the science of banking to being embarrassments to the banking community. They had channeled most of their paid-up capital into Welsh gold mines, in the common contemporary hope that Wales was destined to be the next California, and when that hope was dashed so was the bank’s chances for surviving. After having so proudly exposed the principles of political economy to their shareholders only a few years before, the directors now covered up the bank’s insolvent state for as long as they could. Finally they were exposed themselves, to their shareholders’ misfortune and to the public’s outrage. A separate ledger was discovered which three directors (not including MacLeod) had used to record secret loans they had made to themselves and to friends. In the end their bad debts totalled £500,000 beyond the £168,000 the bank had collected in deposits.¹¹ The depiction of MacLeod’s role in the failure, while not at the center of the trial, underscored the backlash against “principles” brought on by the Royal British Bank. His lawyer urged the judge to be lenient on the grounds that MacLeod “was not a person of any commercial experience; he had studied his own profession theoretically . . . but he had no knowledge of commercial affairs” (Evans 365)—a far cry from MacLeod’s own claim the same year, in the preface to the second volume of his banking treatise, to be possessed of “practical knowledge of the details of banking business” (*Theory*, II: lxxx).

The failure of the Royal British Bank did more than demonstrate the distance between the principles on its prospectus and the morals (or, in MacLeod's case, the hubris) of its administrators. It also gave the lie to the abstract representation of the economy favored by financiers. Upon examining the Royal British case, economists found themselves torn between continuing to insist that such failures were exceptional occurrences and trying their best to draw a suitably scientific lesson from the bank's errant example. When the *Economist* reported in 1856 that the failure was "only a repetition of the old story," its emplotment jeopardized its simultaneous defense of the "pure" standard of commercial morality. It was left with the weak conclusion that it was possible to find scoundrels among priests and landlords as well, and besides, even bad banking was better than no banking at all. "Many literary men have salaries; and . . . dwell with pertinacious copiousness on the low morality of commerce," wrote a later columnist, adding that it was "easy to call out mammon or mad dog, but that will not make reasonable men put all their beloved four-footed companions to death nor forego the use of money as the measure of services" (14: 1061, 1177).

Others deflected the blow by returning to their previous conception of an "anatomy and physiology" of banking and performed a rhetorical autopsy on the bank's remains. It was hoped that as the gruesome details of the malfeasant bank were brought to light, the science of banking would make progress—just as doctors contributed to the advancement of anatomy by performing post mortems on pathological specimens.¹² This response, however, was beset with two difficulties. First, in contrast to the medical student's cadaver, a failed bank did not provide the same orderly map to scientific onlookers. The anonymous author of *The Maze of Banking* lamented in 1863 that "We have joint-stock banks everywhere . . . [but] have never had the skeleton of a healthy specimen brought into the dissecting-room. . . . They sometimes do decay, but the ruins show such a shattered wreck, that it is impossible to build a correct system from the disordered remains" (qtd. in the *Bankers' Magazine* 23: 343). A second problem with the model of pathology was the fine line that existed between publicizing a bank failure to learn better economics and turning it into a public spectacle. Even medical autopsies, after all, at least in an earlier age, had performed double symbolic duty as a path to enlightenment and as one of Hogarth's "stages of cruelty" (see Linebaugh). And to make matters worse, the Royal British was only the first in a wave of company failures

that culminated in the commercial crisis of 1857. As court transcripts and *Gazette* entries grew with each new crash, episodes of wrongdoing began to crowd out examples of smoothly-operating commercial principles in the bankers' own publications. What was "pathological" in the science of banking started to appear normal and vice versa. Additionally, the autopsies themselves repeated the plots of the novelists, who were all too ready to contend that the "pathological" case of the Royal British was indeed an adequate representation of universal failings in commercial morality. The *Bankers' Magazine* claimed, in 1857, that "If the British Bank stood alone, it might be regarded merely as one of those monstrosities which will occasionally arise in the social system, as in nature"; but felt forced to conclude "that the virus is more widely spread than our regard for the national reputation would otherwise induce us to admit" (17: 375).

If bankers learned anything from their autopsies it was that the alleged vigilance of self-interested shareholders was not sufficient to keep directors and managers honest. This was not the answer they were prepared for, and it left them searching for an alternate means of restoring responsibility to the manager. The first thing they found was *Little Dorrit*, which had conveniently drawn attention to the Royal British Bank failure in its preface (Feltes 363). While bankers at mid-century did not exactly send their general managers off to church with Amy Dorrit, they did re-evaluate the role of domestic values in business administration. George Rae, author of the popular trade manual *The Country Banker*, claimed in the pages of the *Bankers' Magazine* that

the model general manager should be a married man;—and the reason is this, that a married man has in his own experience a knowledge far beyond that of an individual who remains single all his days. . . . Will not the general manager, who is himself a married man, and has felt the joys, sorrows, and strivings implied in the rearing of a family, be better able to understand and sympathise with the various characters and wants of the mixed crowd of his inferior officers . . . than the lopsided bachelor, whose experience of the most interesting and important relations of life is but a matter of hearsay or theory? (14: 375–76)

This approach to bank administration gave the game away to the alternative message of domestic reconciliation that was being preached by Dickens and Thackeray. No longer did the "mere theory" of human relations, as pronounced by political economists, satisfactorily encompass capitalist activity.

So the English reading public now had a choice: they could enjoy Thackeray's portrayal of the corrupt company director who defrauds thousands then flees to France, or read about real people doing the same thing in magazines that simultaneously preached the contrary message that commerce approximated "the perfection of morality." David Morier Evans, the editor of the *Bankers' Magazine* and a popular commercial writer, packaged the narratives of scandalous bankruptcy trials in the black and white colors of the crime novel in his 600-page tome *Facts, Failures, and Frauds* (1859), which provided fellow businessmen with a veritable Rogue's Gallery of recently punished commercial miscreants. Each tale came fully-equipped with the now-common moral that

unless the extravagant and pretentious habits of the age are brought within more restrained limits, the volume now presented to the public . . . will be only as a single page in a vast and ever increasing history of the decline and fall of mercantile morality throughout the civilized world. (5)

Indeed, at times Evans came close to bragging that the fictional mercantile sins concocted by novelists were child's play compared to goings-on in the real world of capitalism. As he reported in the *Bankers' Magazine* in 1857, "all the ingenious fictions of Dumas and George Sand sink into insignificance when compared with the realities which . . . the last two or three months have brought to light" (17: 107).¹³

Between 1870 and 1873, in his last years as editor of the magazine, Evans finally brought his near-novelization of the banking world full circle. In thirty installments, shoulder-to-shoulder with articles on the rate of discount and French loans, ran *The Banker's Daughter*, a tearjerker about the failed banker Harlingford and his devoted daughter Carrie. The novel's moral center is established in the first chapter, when Harlingford, in the process of removing himself and Carrie from their mansion on the Isle of Wight to a flat in London, takes a moment to wonder "whether his darling would still prove a consolation and comfort to him in his adversity, as she had been in his prosperity, or whether she would become captious and complaining, and thus render his burden doubly hard to bear" (*Bankers' Magazine* 30: 959). Carrie soon dispels any doubt as to her devotion, going above and beyond even the stringent call of duty exacted by the typical domestic fiction of the day. First she secretly compiles a nest-egg by selling sketches to a London magazine, working by candlelight while her father sleeps to prevent him from finding out. Next she con-

vinces Harlingford to question whether the views of “the politico-economists” have not “given birth to feelings of envy and enmity between rich and poor that formerly had no existence in merry England” (31: 808, 810). And finally, after a tearful scene in which Carrie reveals that she has been earning money behind Harlingford’s back, he reconciles himself to being reliant on his daughter and sees “his wife again living in her” (32: 311). This progress towards domesticity, which is all but capped by a budding romance between Carrie and an employee at her magazine, contends with a subplot concerning villainous land speculation in Cuba, while in the background the merciless bankruptcy code grinds down Harlingford’s morale along with his estate. A “petty lawyer” discovers a legal loophole that allows the bankruptcy judge to impound Carrie’s inherited property while the creditors contest its title, in a straightforwardly melodramatic scene that appears ambiguous only when juxtaposed with an entirely passionless treatment of the same theme that shared page space with a later chapter. “The reconstruction of companies is often a desirable but it is always a difficult, work,” the legal reporter explained, “as, owing to the multitude of interests involved, an almost indefinite number of persons have a legal *locus standi* to oppose any and every scheme of the kind” (31: 494, 811).

The road from fact to fiction also played itself out at the level of banks’ communications to their shareholders. In 1857, following the failure of the Irish Tipperary bank (on which Merdle’s bank in *Little Dorrit* had been based), the *Bankers’ Magazine* repeated the economists’ party line that “in England, and in London especially, people are not content with taking all things upon trust; they must have official statements backed by what all events are understood to be official figures” (17: 5). But in the same article, the writer provides strong evidence to the contrary, when he turns to the case of how the Commercial Bank of London had successfully staved off a run despite rumored insolvency. Faced with the decision between winning back their customers’ trust or providing a business-as-usual balance sheet, the directors tore out a page from Thackeray and staged their own play. The *Bankers’ Magazine* reported, with glowing praise, how

by a preconcerted arrangement a shareholder had prepared a series of pertinent questions, embracing all the rumours that had been floating about. . . . The answers which these questions elicited disclosed a state of affairs which must be equally gratifying to the management, the proprietors, and the public. (17: 8)

The report concluded that this orchestration, “given, not upon the authority of books that might have been falsified, or accounts that might have been cooked to serve a purpose, but on the honour of gentlemen of high standing and unquestionable character,” appeared to the shareholders to be “eminently satisfactory” (17: 9).

II. Setting Aside the Novel: A Professional Epilogue

The failure of banks like the Royal British did not singlehandedly shake English financiers from their unquestioning faith in individualism, but it was one among many factors that gave them pause. While the *Economist* was responding to the Royal British failure in true classical style—lamenting in 1857 that “[o]ur sense of individual responsibility for everything which a man does in his private or permits in his public capacity needs much to be sharpened, if we are to lessen private and public wrong” (15: 31)—and while Evans was treating the business community to bad Dickens and warmed-over Thackeray, others searched for a happier medium between the higgling of the market and the subordination of capitalism to family values. One of the answers they found was limited liability, which set a defined limit beyond which shareholders did not have to pay in the event of their company going bankrupt. Limited liability departed from the primary ideological assumption of political economy, namely that self-interest alone was capable of preserving public morality (Feltes; Amsler, Bartlett, and Bolton 784–86). Its advocates argued that more respectable investors would be attracted to companies if they knew their entire property was not at stake—unlike the frequent occurrence under unlimited liability, where many investors were people with little or no property to lose.

Walter Bagehot, who added editorship of the *Economist* to his duties as a Bristol bank manager in 1860, originally defended limited liability banks in direct response to the Royal British failure which occurred while he was writing for the weekly *Saturday Review*. “Only some half-dozen shareholders will ever know how the affairs of the company really stand,” he observed, “since most of them have their own concerns to manage, and some do not understand accounts” (“Unfettered Banking” 311–16). Rather than assuming that mere self-interest would magically turn every small investor into an expert in company accounts, he supported limiting shareholders’ liability and making sure that the people who actually were in charge of the accounts would act responsibly of their

own accord. A large part of this latter program involved remolding bankers into better-rounded, and hence professional, individuals: providing them with “such wider culture as would give those men other keen intellectual interests” (“Special Dangers” 45–48). Wider culture would keep bankers too busy climbing the rungs of the meritocracy to subordinate shareholder interests to immediate personal gains. And unlike Evans, Bagehot and his allies did not place the novel high on their list of outside cultural achievements. Robert Lowe, another early advocate of limited liability, ridiculed the moralistic excesses of an earlier report by William Gladstone that had favored unlimited joint-stock companies by claiming in 1856 that its contents “might make a man fancy he was reading a novel instead of a blue book” (117; see Miller 139–48).

In the short term, Bagehot and Lowe were in the minority when they defended limited liability banks as a means of improving financial administration. General legislation on limited liability that passed in 1855 and 1856 left banks out of its purview. Lord Palmerston explained in 1856 that bank depositors did not count as “mere creditors” and required more protection (1446), while Lowe simply accepted the compromise as the best he could do for the time being. Even when banks were given the legal right to issue limited shares in 1858, few existing banks converted to the new system out of a fear that depositors would move their savings to a bank with the tangible security of unlimited liability. The new banks that did form under the 1858 Act managed to attract business only by offering higher interest on deposits, a strategy that required a riskier lending policy in order to bring in higher interest than they gave out. Many of these firms went out of business in 1866 along with the brokerage company Overend and Gurney, which itself had recently made the switch to limited liability (see Cottrell 350–417). But by the mid-1870s more bankers were starting to find persuasive reasons for substituting professionalism for individualism. Trade, which had always bounced back after a commercial crisis in the past, did not bounce back following the 1866 crash, but instead settled into a thirty-year period of severely reduced growth. A decade into that period, bankers had determined that the best way to preserve their position in society was by conspiring to establish artificially high interest rates, by playing the margins in centralized clearing facilities, and by joining together to form late-Victorian equivalents of political action committees. All these responses to wider economic conditions reinforced Bagehot’s prescriptions for professionalization.

The transition from shareholder vigilance to professional management was echoed by important changes in the realms of financial journalism and economic theory. Under Bagehot's direction, the *Economist* changed from being primarily an organ of the free trade movement to being a supplier of statistics and trading tips to the financial community, and one of Bagehot's sub-editors, Robert Giffen, added to the supply of index numbers when he established *The Statist* in 1878 (Parsons 28–44). The *Bankers' Magazine* underwent a similar transition in 1874 when Evans moved on to the *Morning Chronicle* and handed over the editorial reins on a temporary basis to Robert Palgrave, who took over editorship of the annual *Banking Almanac* from Evans as well. Even before Palgrave arrived, *The Banker's Daughter* had come to an abrupt end in the middle of an imbroglio concerning Havana cigar speculations in chapter forty-five, thereby rescuing Carrie Harlingford from the conjugal fate that had met the heroes and heroines in the novels of Dickens and Thackeray. Later that year when he solicited advice about who should take over as the new permanent editor, a Luton bank manager wrote to suggest that “[s]ome one connected with the *Economist* probably wd. do it best.” Such a person, he thought, would be able to turn the journal into “a more business like thing—novels being excluded & certain statistics being always given in a clear good form . . . & no padding to take attention off them” (Palgrave Papers. J. Seebohn to Palgrave, 16 Feb. 1874).

With the change in the financial press came parallel shifts in economic theory. As the *Economist* narrowed its political focus and concentrated more on accumulating facts, people like W. S. Jevons and Alfred Marshall were disjoining the adjective “political” from political economy. “Modern economists,” wrote Bagehot in 1880, “know their limitations”; in this they differed from the classical tradition handed down by Adam Smith, who “speaks as if he were dealing with all the facts of human nature, when he is not” (XI: 298–99; see Maloney 7–21). Jevons, as one of the leading propagandists for the new economics in the 1870s, reasoned from its reduced scope to a need for more careful empirical analyses of the market. At least as it related to banking, Palgrave was again at the center of this new agenda. He struck up a friendship with Jevons by proving himself useful when it came to economic statistics and entertaining when it came to social intercourse. Jevons successfully nominated Palgrave to the Royal Society in 1882, claiming that he had “powerfully contributed to the improvement of

concrete economic questions” and rendered “the daily discussions of the Press upon commercial matters . . . distinctly more precise, well grounded and scientific . . . ” (Palgrave Papers. Jevons to D. Spottiswoode, 4 Apr. 1882, [copy]).

The bankers’ new professional ethic received its first major test when the City of Glasgow Bank failed in 1878. Its far flung system of 133 branches had attracted £8 million in deposits, and its central location in Glasgow had been sufficient, despite a near-failure in 1857, to attract a long list of shareholders to cover for any bad debts. Like the Royal British case, however, these outward signs of success belied a pattern of foolish lending to friends and family members, often on no security. And as with the Royal British, unprofessional banking was followed by dishonest accounting. With the help of his manager R. S. Stronach, the Bank’s director, Lewis Potter, falsified balance sheets between 1876 and 1878 to conceal a staggering accumulation of £5.8 million in bad debts, and convinced his fellow directors to sign off on the reports without examining their contents. The ruse, together with a continuing boom in business at the well-managed branches, was successful enough to keep share prices at a premium right up until the bank stopped payment on October 2. Stronach and Potter received jail sentences of eighteen months for their wrongdoings and the other directors were all found guilty on lesser charges, but it was the shareholders who paid most dearly for their directors’ crimes and incompetence. When the bank called for £2,750 on every £100 in shares to compensate depositors, over 1,500 of its 1,800 investors lost everything (Robb 72–74). Nor were local shareholders and Glasgow tradesmen the only people to suffer from the City of Glasgow crash. As Michael Collins has argued, its financial aftershocks were more serious than some economic historians have previously assumed, and might have set in motion a liquidity crisis equal in severity to any in the century had it been accompanied by a foreign drain of bullion (“Banking Crisis” and “English Bank Lending” 220–22).

Popular response to the failure was marked by the same focus on criminal management as in earlier failures, to the point of criticizing the Scottish judicial system for being too lenient. One of its shareholders, a Scottish Evangelical minister, set the tone in formally resolving that the bank be wound up, when he “wished the directors no sorer or heavier punishment than to be haunted night and day by the ghastly visions of the hundreds of happy lives they have blighted.” A *Glasgow*

News journalist similarly savored the imprisonment of the directors in 1879: “at least these masterful rogues will be usefully employed for 10 hours each day in the making of sacks and the teasing of old rope. They will wear prison clothes and as to diet, breakfast and evening meals will be oatmeal porridge. . . . This is more than they deserve” (qtd. in Forbes 46, 53). The general tone of melodrama and vindictiveness extended to the legal community. One judge commented that the bank’s transactions evoked “a certain flavour of romance”; and a legal writer, comparing the verdict with the Royal British decision, complained that “the sentence in the English case was weighted with the imputation of ‘corrupt personal motive,’ while in the Scotch one it was unduly relieved of it” (“City of Glasgow” 172–77).

This time, however, other joint-stock bankers did not join in the chorus. They had better things to do, like convincing their own shareholders that they would not share the fate of the unfortunate capitalists in Glasgow. Already in 1875 there had been talk of establishing an insurance fund among banks to guard against bad debts. The proposal had not been taken up, but in the panic-stricken wake of the City of Glasgow failure co-operation was easier to achieve. Neighboring Scottish banks immediately agreed to accept bank notes issued by the City of Glasgow Bank and gave easy credit to City of Glasgow shareholders whose funds were locked up until the bankruptcy trial. Bankers also found common cause regarding the even more important task of soothing their own shareholders’ nerves: within a month after the failure the average share price in the seven largest remaining Scottish banks had dropped from £297 to £239, and threatened to continue falling if no measures were taken (*Bankers’ Magazine* 38: 994–95). Palgrave, who was concerned that such a failure in confidence among shareholders would lead depositors to start worrying as well, immediately issued a call in the *Economist* to “arrange a general measure” to adopt limited liability for all the major English and Scottish banks. Uniform limitation of liability, he argued, would make it easier for depositors to figure out exactly where they stood (Palgrave 12). His call resulted in an Act of Parliament in 1879 providing a uniform schedule for banks to follow if they wished to convert to a “defined” liability that was more than the nominal value of the share but not unlimited, and banks soon took advantage of the new law. Between 1878 and 1884, with Palgrave prodding them every step of the way, twenty-seven joint-stock banks converted to limited liability, leaving only seven unlimited joint-stock banks in Britain (Alborn 311–12).

A case can be made that the City of Glasgow failure was more a convenient excuse for elite London bankers to promote professional co-operation than a commercial stimulus that compelled all bankers to co-operate. For one thing the 1879 Act, and certainly the decision by most bankers to comply with it, came well after the worst of the crisis was over. By late 1879, most bankers had cut their losses to the best of their ability, and the fact that gold continued to flow from America and Europe toward London had allayed shareholders' fears that the Bank of England would be unable to provide assistance as a last resort. Especially from the perspective of provincial commercial banks, the City of Glasgow failure was a spur to internal administrative reform, but not necessarily sufficient to produce consensus on the matter of limited liability (see Collins, "English Bank Lending" 203–19; Ziegler). Provincial investors had less choice than their counterparts on the London stock exchange when it came to moving their funds out of banking stock: in addition to railways, banks were the mainstay on provincial exchanges, and there was a strong overlap between depositors and shareholders in local banks (see Thomas). Indeed, it could have been argued—and was, by a few people at the time—that unlimited shareholders had little reason to fear a repeat performance of the City of Glasgow crash, in which upwards of five times the nominal capital of the bank had been lost. In most cases, claimed the Scottish journalist R. H. Patterson, the usual proportion between a bank's nominal capital and that which had actually been paid up by unlimited shareholders was well over five to one—more than enough to cover most bad loans a bank might make, without extending beyond the pledge even a limited shareholder would make. Hence in most cases, he concluded, the nominal capital on its own "amounts, as a practical matter, to unlimited liability" (758).

If provincial bankers had less reason to treat the City of Glasgow failure as anything special, London bankers carefully constructed it as a crisis that demanded an immediate response. More than their provincial neighbors, these banks had stronger grounds for fearing that their shareholders would sell, since their shares were listed on a busier stock market. But even more to the point, London joint-stock bankers had a stronger sense that professionalism was a legitimate goal, and they assumed that limited liability would drive a nail in the coffin of the antiprofessional attitude that banks were actually "run" by their shareholders. In this sense Patterson was at least half-right when he claimed,

prior to the passage of the Act, that the English banking elite were “greatly, indeed chiefly, responsible for the panic, by besieging the Government with applications to relieve them from liabilities.” Patterson was also half-right when he concluded that “once this ‘liability’ question is made paramount, it may lead us very far away, if not altogether astray, from our old moorings” (765–66). For London bankers, the moorings of classical economics had been proven to be incapable of preserving commercial stability, a task for which a new sense of professional community was wanted. In 1879, while banks were busy making the change to limited liability, a new Institute of Banking was established in London with Palgrave on its council (see Robb 74, 177–80). With the Institute, the final brick was in place in the bankers’ efforts to co-operate with each other. Members read to each other papers on bimetallism and limited liability, gave certificates of competency to rising clerks, and hired neoclassical economists to grade their exams. One of the first papers delivered before the Institute, fittingly enough, was by Henry MacLeod, whose past sins at the Royal British Bank were forgiven so he could lecture to the bankers in 1881 on “the Modern Science of Economics.” A year later MacLeod made the rounds at the bankers’ sister institute in Scotland, where he tactfully disavowed any intention to “offer to . . . the magnates of the profession, instruction on the art of managing a Bank” and instead presented “what the most modern Economists mean by the science of Economics”—a subject which was “perfectly separate and distinct” from “the practical management of a Bank” (*Lectures on Credit* 1–2).

Besides departing from the moral system of classical economics, the bankers’ newly confident ideal of professional morality stood in pointed contrast to the deeply ambivalent view of finance that appeared in late-nineteenth century novels. Already in the 1850s, while bankers were dangerously venturing from the impersonal discourse of political economy into the more intimate details of family life, novelists like Dickens and Gaskell had themselves embarked on a similarly risk-filled excursion from the moorings of what Bruce Robbins has called “ethical home truths” out into the “post-humanist” realm of statistics and analysis (213–14). Robbins has argued, and Andrew H. Miller has subsequently confirmed, that attempts by these novelists to confront the impersonal figures of modern life on the enemy turf of political economy produced potential contradictions between ethics and analysis, leading in the case of Dickens to a “complicity in the inhumanity he

attacks" (225; see Miller 149–54). That the lure of professionalism would be strong enough to entrap writers as suspicious of the public sphere as Dickens and Gaskell may at first sight seem surprising; but once it is recalled that "professional society" in the mid-Victorian period encompassed such thoroughly domestic developments as the Charity Organization Society as well as forums like the Institute of Banking, the novelists' ambivalence makes more sense (see Perkin, *Rise* 155–70). Dickens, after all, had indirectly supported Lowe's campaign for limited liability as part of his effort to strengthen social bonds, when he ran an article in *Household Words* defending the right of workers to try the "fair and honest . . . experiment" of taking limited shares in co-operative stores ("Good Side of Combination" 57–58).

By the time writers like Anthony Trollope and George Gissing included financiers in their plots, the novelist's ambiguous location between domesticity and the "experiment" of professionalism had given way to more pessimistic musings about society's collective responsibility for commercial misfortune. Instead of resolving their plots on an optimistic matrimonial note, they portrayed bankers as unrepentant and often unpunished knaves whose misdeeds flourished amid the malaise of late-Victorian society. Trollope filled *The Way We Live Now* with somber reminders that the misdeeds of his villain Melmotte symptomized social failings that no dose of moralism could cure. Although Trollope saddled Melmotte with the same fate that befell the real-life financier John Sadlier of the Tipperary Bank (suicide by means of prussic acid) he made no effort to pair that demise with signs of moral rebirth. In a cruel parody of earlier plots, the novel concludes with a marriage that is, in no uncertain terms, just another in a long line of business propositions. The groom is Melmotte's American partner Hamilton Fisker, who "was not only unscrupulous himself, but . . . had a thorough contempt for scruples in others"; the bride is Melmotte's daughter Marie, who correctly surmises that "Fisker's all very well; but he only wants the money" (II: 394, 402). Far from marrying Marie in an effort to reclaim his soul, Fisker engages in the transaction to recoup a share of the profits he lost owing to Melmotte's shady dealings. Gissing similarly perverted the domestic themes of earlier novels in *The Whirlpool* (1897), which opens with the commercial failure and subsequent suicide of Bennet Frothingham, director of the Britannia Loan, Assurance, Investment, and Banking Company, Limited. Instead of learning domestic lessons from Frothingham's misfortune, the young men in the novel

are flung by the failure into chaotic lives of degeneracy and imperial adventure. Following the bank failure, for instance, Gissing leaves his character Hugh Carnaby with “a sufficient income of his own” which will allow him to “overcome his wife’s pernicious influence . . . [and] use his superabundant vitality as nature prompted” (45).

In contrast to its perverse place in these new novelistic depictions, domesticity continued to suggest moral meaning for the banking profession. Unlike in the past, however, home life no longer got in the way of work. In a sense, what bankers practiced in the late-nineteenth century was a type of neo-domesticity that dovetailed more smoothly with their new alliance with neoclassical economics. Without rejecting the importance of domestic values, their professional ideology consciously kept the domestic ties of the banker from ever impinging on the administration of the bank. In 1886 Palgrave recalled an earlier time when financiers “lived with their families over the places in which the head of the house laboured during the day,” and observed that such days were past: “there are still parlours with stiff respectable-looking furniture, fitted up for family life, now never likely to be so employed again.” Now, “the obligation to reside near the scene of their occupations” was “a needless and most unwelcome burden.” He concluded that this “difference in the mode of living was not more marked than the difference in the system on which business was conducted” (“Country Banker” 133–34).¹⁴ Palgrave himself embodied the severance of professional practice from domesticity by juggling his duties in London with his home life in the resort town of Great Yarmouth, a hundred miles away, to which Jevons once referred in a letter as “a place which is always associated in my mind with the best of Dickens’ works” (Palgrave Papers. Jevons to Palgrave, 19 Feb. 1875). In his 1886 article he reinforced the contrast between the banker at work, where he “drives the wheel of trade around . . . more rapidly than any other motive power,” and at home, basking in “[t]he long winter evenings, the half hour in the shady garden in summer, the quiet times on the deck of the yacht” (135, 148). Dickens and the norm of domesticity were safely packed off to the suburbs (or, in Palgrave’s case, to the seaside), leaving bankers to arrive at more commercially fruitful means of reconciliation in the City. The “system on which business was conducted” had become the new focus of bankers’ attention, as was clear from their swift and businesslike response to the City of Glasgow crisis. In contrast both with earlier professional spokesmen like Evans and with his counterparts like

Dickens and Thackeray, the new banking elite had succeeded in separating ethics from analysis so thoroughly as to render textual evidence of their conjunction difficult to recover. Tracing this “modern” discourse back to its more ambiguous novelistic origins has the advantage of suggesting that such erasures are themselves essential to the process of professionalization.

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NOTES

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¹The number of London private bankers diminished from forty-seven to thirty between 1858 and 1878 while joint-stock banks in London (including branch as well as head offices) increased from eighty-four to 211. Although comparable figures for provincial private banks are lacking, English and Welsh provincial joint-stock banks (including branches) displayed a similar increase to that of their London counterparts: up from 1,128 in 1858 to 2,084 in 1878 (Newmarch 429–32). The conservative banker Newmarch chose to focus on the supply rather than the demand side of this increase, attributing it to the fact that new joint-stock banks had “been running after deposits with the offer of advancing terms on the one hand; and after active and borrowing accounts with too keen an appetite, on the other” (432).

²By the end of the nineteenth century, depositors faced increasing limits to their choices among joint-stock banks as well, as a wave of mergers paved the way for the situation in Britain today, where only a handful of sprawling branch networks compete for depositors’ business.

³I have chosen to focus on two individual failures, as opposed to a larger sampling of failures in the 1850s and 1870s, to allow for more sustained attention to the manner in which failure narratives were constructed in each case. The fact that each failure proceeded from immoral as well as incompetent actions also allows for a closer comparison with depictions of bank failures in the novel, where mere incompetence was deemed insufficient grist for the novelist.

⁴I am here only comparing the different ways in which the failures were presented by participants in public debate and not the different consequences of the failures on the money market. As I discuss below, the national financial consequences of the City of Glasgow failure were much more severe than those following the crash of the much smaller Royal British Bank.

⁵The masculine pronoun is accurate for the joint-stock bank managers under discussion in this article, who were uniformly male in Victorian England. On women acting (in a temporary capacity) as private bankers, see Davidoff and Hall 279–89 and, in fiction, Margaret Oliphant’s *Hester* (1883).

⁶Hence one lawyer greeted William Gladstone's law in 1844 for rendering unlimited companies more accountable to their shareholders with this prediction: "how much more vigilant will shareholders become when the report is made the subject of quiet scrutiny at home for a fortnight before the meeting, and with how much more intelligence and effect they will interfere in the management of the concern, when they support their objections by proof, and enforce their arguments with the enlightened energy of men familiar with the subject which they are handling" ("Joint Stock" 52–53).

⁷Feltes locates *Little Dorrit* (the original title of which was *Nobody's Fault*) squarely in the context of debates over corporate responsibility (see 361–67), as does Robbins less directly (220). Russell (131–48) plays down such themes in *Little Dorrit* on the grounds that the specific failure on which Dickens based Merdle's bank, that of John Sadlier's Tipperary Bank, had more to do with Sadlier's individual character flaws than with his corporate surroundings. Still, the fact that Sadlier converted his father's private bank into a joint-stock company shortly before its failure suggests that Feltes's reading should be taken seriously.

⁸See especially chapter 13, "In which it is shown that a good wife is the best diamond a man can wear in his bosom." For more details see Russell 90–93.

⁹A telling scene in this "family war" between Barnes and Clive's father appears on the hustings, when a man presents two working-class children which he claims are Barnes's progeny then reveals that they are in fact "Tom Martin's girl and boy"—but not until after Barnes, who has not seen his bastard children in years, expresses visible concern that the man had been telling the truth. Barnes finishes third in the election, while Clive's father, although winning a seat by placing second, still feels "disquiet" that is occasioned both by the contest with his nephew and by the imminent collapse of the bank (711–15).

¹⁰For example, see *Economist* 13 (1855): 671–72. Not all contemporaries appealed to the confident strains of natural theology in their description of the social world. Physiologists and bankers in the opposing tradition of evangelicalism drew attention to epidemics and bank failures as signs of divine wrath; see Hilton.

¹¹For the Royal British Bank failure in the context of mid-nineteenth-century credit fraud, see Robb 56–69. Robb points out that the bank's directors were not technically guilty of embezzlement, since instead of stealing the depositors' money they had lent it to themselves and were unable to repay it.

¹²See Gilbart, who argues "[i]t will assist us in forming a correct judgment as to the principles on which joint-stock banks ought to be administered, if we take a view of those banks that have fallen, and notice the causes to which their failure may be assigned" (113).

¹³On Evans and, more generally, his genre of "commercial history" see Russell 14–24, 182–87. While recognizing the importance of such works in Victorian culture, Russell takes their narratives at face-value and uses them as a realistic baseline against which to judge the accuracy of novelists' depiction of the money market—instead of critically comparing the narrative strategies deployed in both genres.

¹⁴For a comparable depiction of the transition from traditional domestic ideals to suburban family life, see Davidoff and Hall 364–69.

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