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Julian Hoppit

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ATTITUDES TO CREDIT IN BRITAIN, 1680–1790*

JULIAN HOPBIT
University College London

The history of economic ideas in Britain is dominated by a great tradition which in its early stages focuses on Adam Smith. For the century before the publication of the *Wealth of nations* in 1776, economic ideas are most often studied in relation to the 'arrival' of Smith and commented on with regard to the degree to which they may be considered precursors of his ideas. Though this imposes a sense of order and establishes some principles with which to select from the vast range of economic writings, the dangers of certain whiggishness in this approach are readily apparent. Writers can appear to be winners or losers depending on the extent to which their ideas were denied, adapted or adopted by Smith and the other classical economists.¹ Such problems have been acknowledged by many historians, not least by those who have fruitfully examined the political and philosophical bases of the emergence of political economy, particularly with regard to the Scottish enlightenment.² Despite this, the force of the great tradition remains very strong. The authors and ideas that are examined are the 'major' ones, that is to say contributions that were, or attempted to be, either comprehensive or clearly attached to what, with hindsight, were the main strands of development. The emphasis has been upon theories or systematic explanations of the economic order.³ Not surprisingly the unsystematic and more casually formulated reflections of non-economists and 'amateurs', such as Defoe, are often swept under the carpet, even if their ideas on economic matters were more widely disseminated (and perhaps more influential) at the time. Consequently, our perception of economic ideas between the Restoration and the *Wealth of nations* continues to be highly and perhaps atypically selective.

One way of moving beyond this approach, examining more broadly the

* I wish to express my thanks to Donald Coleman, Joanna Innes and to the Clark Memorial Library, Los Angeles.

¹ Douglas Vickers, for example, in his valuable book, *Studies in the theory of money 1690–1776* (1959), p. 7, wrote that 'It is not our purpose to present an exhaustive treatment of the theory of money between 1690 and 1776. We shall endeavour to establish, on the other hand, new and historically more meaningful categories of thought and to exhibit the mainstream of development. A selection had been made of the more important authors, either for their influence on contemporary thought or for the inherent worth and scientific importance of their contributions.'

² See, for example D. Winch, *Adam Smith's politics* (Cambridge, 1978); I. Hont and M. Ignatieff (eds.), *Wealth and virtue: the shaping of political economy in the Scottish enlightenment* (Cambridge, 1983).

³ This was the guiding principle in W. Letwin's investigation, *The origins of scientific economics: English economic thought 1660–1776* (1963).

production and reception of economic ideas at the time, is to abandon hindsight and explore as widely as possible reactions to those specific economic problems which most preoccupied contemporaries, such as poverty and unemployment, luxury and consumption, protection and free trade and credit and debt. This article adopts this approach by exploring contemporary reactions (not theories) to the use and abuse of credit over the period 1680–1790. Those reactions demonstrate the existence of a level of discourse about economic issues which though less than fully theoretical was far from being random or arid. Such ideas appear to have impinged deeply and profoundly on the consciousness of polite society and illustrate therefore some key aspects of their economic mentalité. Indeed, to the ordinary literate citizen it was through issues such as the use and abuse of credit that broader aspects of economic activity at the time were considered and articulated.

I

Any person or group needing money to exploit an opportunity or to meet a need has four choices: to draw on reserves; to increase current income; to reallocate resources; or to borrow. Yet it often happens that reserves are small, reallocation impossible and the ability to increase income limited, leaving borrowing as the only means forward. And so it frequently was in England between the late seventeenth and late eighteenth centuries; the growth of both the government and the economy was intimately connected to borrowing. All types of loans became much more common. Discussion of borrowing and lending also flourished, with the terms set largely in relation to a perceived ‘problem of credit’. Credit, its form and function, givers and takers, risks and rewards, loomed large in the literate consciousness.⁴ Yet it was judged as much by moral and ethical standards as a simple cost–benefit analysis based on financial or economic criteria. As such, attitudes towards credit in these years provided a further instalment in the centuries-old process by which traditional beliefs, hopes and fears were confronted by economic ‘logic’, illustrating the sorts of worries contemporaries had about what some historians have called ‘Britain’s rise to greatness’.

The use of credit was already reasonably common in England by the middle of the seventeenth century, but between 1680 and 1790 its extent and forms multiplied considerably. Developments took place at three levels: public, corporate and private. A so-called ‘financial revolution’ in government

⁴ There was also a ‘problem of debt’ which will not be discussed in this article. See J. Hoppit, *Risk and failure in English business 1700–1800* (Cambridge, 1987), chs. II, III, X; J. Innes, ‘The Kings Bench prison in the later eighteenth century’, in J. Brewer and J. Styles (eds.), *An ungovernable people* (1980), pp. 250–98; P. H. Haagen, ‘Eighteenth-century English society and the debt law’, in S. Cohen and A. Scull (eds.), *Social control and the state* (Oxford, 1983), pp. 222–47; P. J. Lineham, ‘The campaign to abolish imprisonment for debt in England 1750–1840’ (unpublished M.A. dissertation, University of Canterbury, New Zealand, 1974); R. L. Brown, ‘The minters of Wapping: the history of a debtors’ sanctuary in eighteenth-century east London’, *East London Papers*, xiv, 2 (1972), 77–86.

funding after 1688 saw the birth and early infancy of the permanent national debt, where future revenues were mortgaged to raise money to pay for expensive wars. Public credit was being widely tapped.⁵ At the corporate level, large numbers of joint-stock enterprises emerged in the early 1690s and in the late 1710s, connected to all manner of schemes.⁶ This expansion was halted by the Bubble Act 1720 and future corporate enterprises were mainly restricted to the building of the turnpikes and the canals. In private finance credit instruments, such as bills of exchange, gradually became universal; in the last third of the eighteenth century country banks were established; and outside trade, consumers increasingly turned to credit such as annuities and pawning.⁷ All in all, from the Restoration to the outbreak of the French revolutionary wars an increasingly well-organized and pervasive pattern of credit was established, allowing consumers and producers to spend now and pay later.

Naturally enough this intensified dependence upon credit was questioned by contemporaries. A flow of comments, sometimes slow sometimes fast, testified to its new prominence and its attendant opportunities and problems. Indeed, many (in parliament, coffee-houses, churches, chapels, newspapers and pamphlets) saw credit as one of the defining characteristics of the age. Examining it, consequently, was one route by which the achievements and failings of a changing society, economy and mode of government could be assessed. Hitherto, historians have only discussed the contemporary reaction by looking at the debate surrounding the financial revolution in government funding in the late seventeenth and early eighteenth centuries. The writings of Professor Pocock have been especially important here, showing how reactions to the utilization of public credit were based on ideas of virtue whose lineage can be traced back to Renaissance civic humanism.⁸ But it would be wrong to think that all discussion of credit in the eighteenth century took place exclusively within the political sphere. What is striking is that concern at all the three levels of credit revolved around a common set of issues.

Crudely put, discussion of credit in this period was either polemical, largely concerned with broad issues, or practical, largely concerned with more specific matters, though they were never clearly separated and a number of problems were pursued by both routes. Polemicists frequently concerned themselves with issues of virtue, corruption, power, passions, stability, justice, fairness and faith. Those who paid attention to the practicalities of credit were more concerned with issues such as interest rates, risk-taking, financial instability, economic efficiency and indebtedness. The issues were complicated still further because credit was not homogenous, indeed there were many types of

⁵ P. G. M. Dickson, *The financial revolution in England* (1967).

⁶ W. R. Scott, *The constitution and finance of English, Scottish and Irish joint-stock companies to 1720* (3 vols., Cambridge, 1910-12).

⁷ P. Mathias, 'Capital, credit and enterprise in the industrial revolution', in P. Mathias, *The transformation of England* (1979), 85-101; L. S. Presnell, *Country banking in the industrial revolution* (Oxford, 1956).

⁸ J. G. A. Pocock, *The Machiavellian moment* (Princeton, 1975), chs. XIII, XIV; idem, *Virtue, commerce, and history* (Cambridge, 1985).

credit within each of the three levels. Most discussion was prompted by the use of particular forms of credit within one of the levels and, therefore, tended to be stimulated by short-run rather than structural considerations. Specific contexts have to be recreated to understand attitudes to credit at the time. Key moments were usually associated with the considerable use of a novel form of credit, often in a speculative way, perhaps leading to loss of confidence and some form of crisis, as in 1720 with the South Sea Bubble or 1772 and the collapse of large numbers of networks of bills of exchange. These crises, most commonly financial crises, raised many questions about the usefulness of credit, for at those moments what had previously seemed only to promise good was shown to have a darker, destructive side. Public, corporate and private credit were all prone to such crises, though those in the public and corporate areas were most common before 1760 and those in the private area were powerful only after about 1770.⁹ Inevitably, because it was crises that prompted discussion, the opponents of credit tended to set the preliminary limits to debate and could more easily hold the high moral ground. Defenders, on the other hand, had to justify a system that was at that moment in a shambles. In what follows the ideas of the critics will be discussed first before turning to those who defended credit.

II

In no decade between 1680 and 1790 were there more crises than in the 1690s. During those ten years England was racked by political instability, war, financial innovation at the public and corporate levels, speculative manias, a massive recoinage and a financial crisis of some magnitude. It was in this unique environment that the first concerted discussion of credit took place.

The Glorious Revolution committed Britain to continental warfare and the considerable financial demands on the exchequer could only be satisfied by innovation. Consequently, the Hearth tax was replaced by the Land tax in 1692 and customs and excise were both reformed; a permanent national debt was begun at the same time.¹⁰ But war and its financial consequences were not the only factors behind discussions of credit in the 1690s. In particular, there were strong speculative forces at work in the corporate environment, manifested first in the 'patent boom' from June 1691 to October 1693, where funds made idle by the war sought a resting place in projects. As Christine MacLeod has put it, 'There was a fever of speculation... The ingenuity of City sharks was put to devising instruments for dealing in stocks and shares that transformed the comparatively sober transactions developed in trading

⁹ Typologies of such crises are discussed in J. Hoppit, 'Financial crises in eighteenth-century England', *Economic History Review*, xxxix, 1 (1986), 39-58.

¹⁰ W. P. Kennedy, *English taxation 1640-1799* (1913), pp. 45-6; R. Davis, 'The rise of protection in England 1689-1786', *Economic History Review*, xix, 3 (1966), 306-17; Dickson, *Financial revolution*; D. W. Jones, *War and economy in the age of William III and Marlborough* (Oxford, 1988); J. Brewer, *The sinews of power: war, money and the English state, 1688-1783* (1989).

company business into a series of wagers more akin to Newmarket races.¹¹ Old corporations like the East India, Royal African and Hudson Bay companies saw their stock traded more frequently than ever before and new companies appeared in large numbers. Between 1689 and 1695 the number of joint-stock companies rose from 11 to 93 in England (and 47 in Scotland), though many of these were picked off in the financial crisis of 1696-7, a crisis brought on by the collapse of the speculative forces, the large remittances to the continent to pay for the war, the recoinage of 1696 and the run of bad harvests from 1695-7.¹²

From this turmoil emerged many of the reactions to credit that were to characterize discussion through the whole of the eighteenth century. Stock-jobbers were the focus of attention and, not surprisingly hostility was the initial reaction, much of it directed towards attempts to enact legislative controls. In March 1694 a bill against stockjobbing was prepared, though it failed. Two years later there was another unsuccessful attempt before, in 1697, two statutes were passed which tried to regulate the activities of brokers.¹³ The antipathy that was felt was well expressed in a report of the Commissioners appointed to look into the trade of England, presented to the house of commons on 24 November 1696.

The pernicious Art of Stock-jobbing hath, of late, so wholly perverted the End and Design of Companies and Corporations, erected for introducing, or carrying on, of Manufactures, to the private Profit of the first Projector, that the Privileges granted to them have, commonly, been made no other Use of, by the First Procurers and Subscribers, But to sell again, with Advantage, to ignorant Men, drawn in by the Reputation, falsely raised, and artfully spread, concerning the thriving State of their Stock: Thus the first Undertakers, getting quit of the Company, by selling their Shares for much more than they are really worth, to Men allured by the Noise of great Profit, the Management of the Trade and Stock comes to fall into unskilful Hands...¹⁴

Stockjobbing was here accused of allowing, indeed encouraging, the free rein of passions like avarice, passions which could only be satisfied by resort to artfulness and underhand dealings. Corporate credit was tainted by speculation at best or gaming at worst and, through unscrupulous projectors, to extortion and oppression. The wealth and income associated with such projects were viewed as transient and insubstantial, not permanently invigorating. One onlooker complained of the 'Knavery, now in Vogue and

¹¹ 'The 1690s patent boom: invention or stock-jobbing', *Economic History Review*, xxxix, 4 (1986), 549, 560.

¹² D. C. Coleman, *The economy of England 1450-1750* (Oxford, 1977), p. 170; Scott, *Joint-stock companies*, 1, 327, 347-50; K. G. Davies, 'Joint-stock investment in the later seventeenth century', *Economic History Review*, iv, 3 (1951-2), 292; J. K. Horsefield, *British monetary experiments 1650-1710* (1960), chs. 1, 2, 4-6; D. W. Jones, 'London merchants and the crisis of the 1690s', in P. Clark and P. Slack (eds.), *Crisis and order in English towns 1500-1700* (1972), pp. 316-19; W. G. Hoskins, 'Harvest fluctuations and English economic history, 1620-1759', *Agricultural History Review*, xvi, 1 (1968), 16.

¹³ Dickson, *Financial revolution*, p. 516.

¹⁴ *Commons Journals*, xi, 595. See also H. Horwitz (ed.), *The parliamentary diary of Narcissus Luttrell 1691-1693* (Oxford, 1972), p. 147 for an attack on stockjobbers in 1692.

Practice' and of the 'foul Dealers calling themselves Shrew'd Men... as if Wisdom and Wit consisted in Sharping and Over-reaching each other'.¹⁵ Furthermore, the Commissioners noticed how stockjobbers diverted funds and exploited a quasi-monopolistic position, distorting the market and enabling them to charge unjust prices.

Many of these criticisms of corporate credit were used second-hand in the debate over public credit and the national debt which dominated discussion of credit between 1698 and the middle of the 1730s. A familiar run of concerns can be identified: stockjobbers, monopolies, speculation, unreal wealth and chaos. In part, of course, this was because three of the greatest corporations, the Bank of England, the East India Company and the South Sea Company, were intimately connected with the financial revolution. As with corporate credit comment was most frequently invoked when credit was collapsing, in 1701, 1710, 1720 and 1731-2.¹⁶

Critics argued that there were four deleterious consequences of the exploitation of public credit.¹⁷ The first was that financiers amassed substantial fortunes on the backs of a high land tax. More than that, these men were thrusting and ambitious, 'So that *Power*, which, according to the old Maxim, was used to follow *Land*, is now gone over to *Money*.'¹⁸ The old social and political order was being undermined. Second, critics warned of the connection between extensive and intensive use of public credit and corruption.¹⁹ It was public credit which allowed prolonged wars, supporting a vast military establishment where abundant promotions and places were at the disposal of the government and Crown. Critics also complained of the corruption of well-placed officials indulging in insider trading and of the prominent role of the three great monopoly companies in the organization of the national debt. Monopolies, of course, had been the butt of many criticisms through the seventeenth century and were generally believed to overcharge for their goods

¹⁵ *Angliae Tutamen: or the safety of England* (1695), pp. 3-4.

¹⁶ In 1731-2 there was not a financial crisis but the discovery of a massive fraud of the Charitable Corporation. This corporation had gained a charter in 1707 to raise share capital to lend on pledges to the industrious poor. Its failure stymied future attempts to set up some government-backed alternative to the pawnbrokers. See A. J. G. Cummings, 'The York Buildings Company. A case study in eighteenth century corporation mismanagement' (unpublished Ph.D. dissertation, University of Strathclyde, 1980), ch. 6; S. Lambert (ed.), *House of Commons Sessional Papers of the Eighteenth Century*, 145 vols. (Wilmington, Delaware, 1975), xiv; J. M. Bulloch, 'The Charitable Corporation', *Notes and Queries* (January-June 1931), pp. 237-41.

¹⁷ These criticisms have been well covered in Dickson, *Financial revolution*, ch. 2; Pocock, *The Machiavellian moment*, chs. XIII, XIV; idem, *Virtue, commerce and history*; I. Kramnick, *Bolingbroke and his circle: the politics of nostalgia in the age of Walpole* (Cambridge, Ma, 1968); C. Robbins, *The eighteenth century commonwealthman* (Cambridge, Ma, 1959); H. T. Dickinson, *Liberty and property: political ideology in eighteenth-century Britain* (1977); C. Brooks, 'Taxation, finance and public opinion, 1688-1714' (unpublished Ph.D. dissertation, University of Cambridge, 1970).

¹⁸ J. Swift, *The Examiner*, ed. H. Davis (Oxford, 1957), p. 5, 2 Nov. 1710; T. S. Ashton, *Economic fluctuations in England 1700-1800* (Oxford, 1959), pp. 116-17.

¹⁹ In Pope's words, 'Blest paper-credit! last and best supply! / That lends Corruption lighter wings to fly!' A. Pope, 'Epistle to Lord Bathurst' (1733), in J. Butt (ed.), *The Twickenham edition of the poems of Alexander Pope*, 11 vols. (1940-69), III, pt. 2, 90.

and services.²⁰ Third, some complained that the relative balance of security and rates of return on offer in the national debt diverted money away from useful, productive employment towards excessively expensive wars or conspicuous consumption. Sir John Barnard, the independent M.P. and Lord Mayor of London, thought 'The Publick Debts encourage IDLENESS, the *Mother of Luxury*.'²¹ For many, drawing on a long heritage of ideas, there was no surer sign of national decay and moral degeneracy than the presence of luxury in the nation.²² Fourth, there were very intense fears about stockjobbing and 'bubbles'. Together they showed the unreality of wealth and value associated with public credit, the power of nouveau riche schemers and the force of speculation rather than sedate, honest endeavour. In 1701 Defoe complained that 'we can now reckon up a black list of 57 Persons, who within this ten years past have rais'd themselves to vast Estates... by the sharpening, tricking, intreaguing, scandalous Employment of Stock-jobbing'.²³ In 1721 one author listed 107 bubbles with a nominal stock of £93.6m and which eventually lost £14.0 m.²⁴

Towards the middle of the eighteenth century, when it was clear that the national debt was reasonably permanent, these charges were joined by the fear that the national debt might bankrupt the country. In fact, polemics gave way to a much more pragmatic approach, though the odd siren call was still to be heard.²⁵ In particular, attention shifted to discuss the size and form rather than the existence of the national debt. Writers like Davenant and Sir John Barnard had addressed such issues earlier in the century, but with the War of the Austrian Succession (1739–48) and particularly the expensive Seven Years War (1756–63) the problem of indebtedness became widely discussed. In 1742 it had been noted that 'if we go on contracting new Debts in every war we are engaged in... our Publick Credit must break at last; for the strongest Cable may be broke by over-stretching'.²⁶ This was to become a commonplace, and not just among those of an inherently backward looking or conservative disposition. Hume thought that to contract large debts and to trust to a future ability to repay was improvident and foolhardy; he too speculated on the

²⁰ For example, *An appeal to the people of England, the publick companies and monied interest, on the renewal of the charter of the Bank* (1742), p. 13.

²¹ *Reasons for the more speedy lessening the national debt, and taking off the most burthensome of the taxes* (1737); G. Berkeley, *An essays towards preventing the ruin of Great Britain* (1721) in T. E. Jessop (ed.), *The works of George Berkeley, Bishop of Cloyne*, 9 vols. (1953), vi, 76, offers a similar equation, this time in the aftermath of the South Sea Bubble.

²² J. Sekora, *Luxury: the concept in western thought, Eden to Smollett* (Baltimore, 1977); S. M. Wade, 'The idea of luxury in eighteenth-century England' (unpublished Ph.D. dissertation, Harvard University, 1968).

²³ D. Defoe, *The villainy of stock-jobbers detected* (1701), p. 26.

²⁴ A. Hammond, *A modest apology, occasion'd by the late unhappy turn of affairs, with relation to publick credit* (1721), p. 28.

²⁵ The national debt was described by Lord Elibank as 'a gangrene in the commonwealth, and will submit to nothing but amputation... The public debt has opened the iniquitous traffic of stockjobbing, and introduced a spirit of gaming amongst all degrees of men.' P. Murray, *An inquiry into the original and consequences of the publick debt* (1754).

²⁶ [W. Pulteney] *A proper answer to a by-stander* (1742), pp. 29–30.

likelihood of national bankruptcy.²⁷ Even Adam Smith, a so-called modern, was not optimistic here. 'The practice of funding has gradually enfeebled every state which has adopted it.' He went on, 'Great Britain seems to support with ease, a burden which, half a century ago, nobody believed her capable of supporting. Let us not, however, upon this account, rashly conclude that she is capable of supporting any burden; nor be too confident that she could support, without great distress, a burden a little greater than what has already been laid upon her.'²⁸ Bankruptcy would not just be disastrous, it would load the state with a stigma that would not easily be lifted.

Before the middle of the eighteenth century discussions of credit were preoccupied with public credit, though the ideas employed and concerns expressed were often linked to the worlds of corporate and private credit. After mid-century, particularly after 1770, private credit was centre stage, at least, that is, until the 1790s, when the enormous growth of the funding system provoked the wrath of Paine, Cobbett and others. As had happened earlier in the century, discussion of private credit came and went over the short term, with a string of financial crises (1772, 1778, 1788 and 1793) in the business world prompting a revival of old fears and the formation of new ones.²⁹

Private credit took many forms and was used for a wide variety of purposes. Broadly speaking, however, the use of credit for personal consumption can be distinguished from that used in the production of goods and services. The former comprised personal or consumer credit, given by shopkeepers or moneylenders, such as pawnbrokers, to private individuals. Among the latter the most important was trade credit such as book debts, bills of exchange or accommodation notes, all extensively used by businessmen.³⁰ Indeed, the dependence of businessmen on these devices was considerable. As Defoe put it, 'credit is so much a tradesman's blessing, that 'tis the choicest ware he deals in.'³¹

Personal credit received a bad press in the eighteenth century. It was frequently said that it was wrong to go into debt simply to pay for everyday consumption goods. A cash economy was celebrated and the virtues of prudent housekeeping and parsimony extolled. Consequently, retail credit, pawnbroking and moneylending were all attacked, with both borrowers and

²⁷ D. Hume, *Essays, moral, political and literary* (1903), pp. 356, 369.

²⁸ A. Smith, *An inquiry into the nature and causes of the wealth of nations*, ed. E. Cannan (Chicago, 1976), II, 465-6. See also for this period R. Price, *An appeal to the public on the subject of the national debt* (1772). Adam Smith had helped Townsend in 1766-7 with a study of the sinking fund and the state of the national debt. See W. R. Scott, 'Adam Smith at Downing Street, 1766-7', *Economic History Review*, VI, 1 (1935-6), 79-89. Price played an important part in discussions over the national debt in the 1770s and 1780s. See D. O. Thomas, *The honest mind: the thought and work of Richard Price* (Oxford, 1977), ch. XII.

²⁹ On the different character of these crises see Hoppit, 'Financial crises', pp. 55-6.

³⁰ There were also, of course, mortgages and bonds, but these mostly avoided comment, probably because of the quality of the security attached to the loans and because they were connected to the virtuous pursuit of estate improvement.

³¹ D. Defoe, *The complete English tradesman* (1726), p. 225. He thought (p. 416), that two-thirds of English trade was conducted by credit.

lenders the targets. Moreover, this hostility was not socially specific and reserved for the improvident poor. The rich and famous were widely criticized; indeed, bigger fish made bigger splashes.³² As James Raven has recently shown, there was much concern in the 1770s and 1780s about wealth holding and conspicuous consumption, especially connected to the returning nabobs and the emergence of wealthy businessmen.³³ One frequent pre-occupation in this environment was the connection between gambling and credit throughout polite society. To some 'the love of gambling be the mortal disease of the present age.'³⁴ Edmund Burke was clear that the government ought 'to make Systematick war against Gaming. Whilst it naturally allies with every other Vice Gaming is the most destructive of them all. It is but too natural a Vice... its bottom is laid in avarice; joined to restlessness of Temper; and impatience of our present Situation.'³⁵

Simple retail credit, from the shopkeeper to the customer, was widely tolerated, though there were some critics.³⁶ Indeed, acknowledging the growth of this sort of credit, provision for the recovery of small debts was hesitantly improved, particularly in the second half of the eighteenth century.³⁷ At the very least, the vicissitudes of employment meant that consumers needed credit from shopkeepers to tide them over a shortfall of income. If shopkeepers were not criticized the same cannot be said of pawnbrokers and Jewish moneylenders, who were castigated for encouraging stupidity, avarice and sin and for charging extortionate rates for their money.

Pawnbrokers were not new to England in the eighteenth century, but they certainly grew in number and prominence in the fertile soil of population growth, urbanization and changing patterns of consumption. By the end of the century there were 213 licensed pawnbrokers in London and 431 in the rest of Great Britain, though this probably understates significantly the number of all pawnbrokers.³⁸ The number of Jewish moneylenders is impossible to state,

³² Horace Walpole loved detailing the huge debts of some of the elite. He notes how the young Lord Foley and his brother had run up debts of £220,000 and Charles James Fox £100,000. *The Yale edition of the correspondence of Horace Walpole*, 48 vols. (1937-83); xxviii, 392; xxiii, 498-9.

³³ 'English popular literature and the image of business, 1760-1790' (unpublished Ph.D. dissertation, University of Cambridge, 1985). See also P. Lawson and J. Phillips, "'Our execrable banditti": perceptions of nabobs in mid-eighteenth century Britain', *Albion*, xvi, 3 (1984), 225-41.

³⁴ C. Moore, *A full inquiry into the subject of suicide*, 2 vols. (1790), II, 358. See also R. Hey, *A dissertation on the pernicious effects of gambling* (Cambridge, 1783).

³⁵ *The correspondence of Edmund Burke*, ed. T. W. Copeland, 10 vols. (1958-78), vii, 594-5.

³⁶ Defoe had 'nothing of Merit to plead for... this Evil'; 'I lay it down as a state Rule, that to this one Article of Retail-Credit, we owe almost all the Deficiencies of Trade, Bankrupt Tradesmen, loss of Honour, and ill Compliance with Bills and Payments.' D. Defoe, *Defoe's review*, reprinted in 22 vols. (New York, 1938), vi, 26, 15 Jan. 1706; vi, 33, 18 Jan. 1706. In 1788 Lord Rawdon complained about 'that unbounded credit which was too promiscuously given... tradesmen gave credit to those who had no right to expect it'. W. Cobbett (ed.), *The parliamentary history of England*, 36 vols. (1806-20), xxvii, 549.

³⁷ This is discussed briefly in J. Hoppit, 'The use and abuse of credit in eighteenth-century England', in R. B. Outhwaite and N. McKendrick (eds.), *Business life and public policy: essays in honour of D. C. Coleman* (Cambridge, 1986), pp. 74-6.

³⁸ Patrick Colquhoun urged Pitt the Younger to tax pawnbrokers, putting their number at 3,000. 'A plan for raising a revenue on the dealing of pawnbrokers in proportion to their profits',

though the number of Jews in England increased from around 1,000 in 1700 to 20–26,000 in 1800.³⁹ In the contemporary consciousness pawnbrokers and Jewish moneylenders were guilty of the same ‘crimes’. ‘That pawnbrokers anciently were, and now are composed of usurers, receivers of stolen goods, Jews, and men of the worst principals and character is certain, and which the proceedings of the courts... daily verify’.⁴⁰ One writer likened pawnbrokers to ‘an *English Jew*, that lives and grows fat on Fraud and Oppression... whose Practise out-vies Usury... His *shop*, like Hellgates, is always open’.⁴¹ Pawnbrokers and Jewish moneylenders were disliked on two counts, only the first of which is relevant here: that they charged usurious rates of interest and that they were frequently receivers of stolen goods. Despite a statutory limit on the interest rates they could charge of 20 per cent per annum, set in 1756, at the end of the eighteenth century Colquhoun thought pawnbrokers could manufacture returns of up to 300 per cent on their loans though, more conservatively, *The Times* put the figure at between 40 and 150 per cent.⁴² Jewish moneylenders were, of course, victims of a general anti-semitism as well as complaints over their extortionate dealings.⁴³ Horace Walpole was disgusted that ‘Our Jews and usurers contrive to lounge at home, and commit as much rapine as Lord Clive!’⁴⁴ Jewish moneylenders were frequently satirized in prints in the second half of the eighteenth century, usually portrayed squeezing high rates of interest from desperate borrowers.⁴⁵ In one double-edged print, ‘Two to one, or an attempt to outwit the young pawnbroker’ (1793?), Pitt the younger was criticized over his attempts to raise loans by being depicted as a pawnbroker trying to avoid the sharp dealings of Jews in his shop.⁴⁶

Although these attacks on personal credit and moneylenders were significant, concern over trade credit dominated discussion of private credit in the eighteenth century and became particularly frequent from 1770. Again,

London, Public Record Office (P.R.O.), 30/8/272, fo. 288. See also M. Margaret, ‘Plan for a tax on pawnbrokers’, P.R.O., 30/8/274, fo. 171.

³⁹ H. Pollins, *Economic history of the Jews in England* (1982), p. 42.

⁴⁰ *Pawnbrokers detected and dissected: or the poor man’s advisor* (1809), p. 4.

⁴¹ [W. Winstanley]. *Four for a penny: or, poor Robin’s character of an unconscionable pawn-broker* (1678).

⁴² 30 George II, c. 2; Colquhoun, ‘A plan for raising a revenue’, fo. 287; *The Times*, 11 July 1788, p. 2.

⁴³ Generally, J. Israel, *European Jewry in the age of mercantilism 1550–1750* (Oxford, 1985), ch. 1; T. Endelman, *The Jews of Georgian England 1714–1830* (Philadelphia, 1979), pp. 30, 99–104.

⁴⁴ *Walpole’s correspondence*, xxiv, 231, 11 Aug. 1776; see also p. 235 for another outburst of anti-semitism. For a more measured and friendly reaction, *Horace Walpole’s memoirs*, ed. J. Brooke (3 vols., New Haven, 1985), I, 238–9.

⁴⁵ Two articles by A. Rubens reprints some of these portrayals: ‘Portrait of Anglo-Jewry 1656–1836’, *Transactions of the Jewish Historical Society*, xix (1955–9), 13–52 and ‘Anglo-Jewry in caricature 1780–1850’, *Transactions of the Jewish Historical Society*, xxiii (1969–70), 96–101. By way of example see ‘F. boring money out of a Jew’ (1784) and ‘Moneylenders’ (1784) in F. G. Shepherd and M. D. George (eds.), *Catalogue of political and personal satires*, 11 vols. (1870–1954), vi, 148, 199.

⁴⁶ Shepherd and George, *Catalogue*, vii, 25. On the same theme see ‘The political pawn brokers’ (1793), by Cruickshank, in Shepherd and George, *Catalogue*, vii, 25.

financial crises provided the critics with their opening, crises which became fairly common events after 1772 as credit creation intermingled with economic growth to produce alternating periods of quickening advance and severe temporary setbacks. During crises there was a general loss of confidence, both among those directly involved in credit networks and among the concerned onlookers.⁴⁷ Critics associated trade credit (book debts, bills of exchange and accommodation notes most commonly) with recklessness and extravagance. Using credit enabled businessmen to trade on a far greater scale than their own limited capital allowed, enabling opportunities to be brought within reach. But easy credit conditions, it was argued, tempted businessmen, particularly young ones and schemers, to lunge at risky openings, where the chances of great profits were counterbalanced by the magnified chances of failure. The gambling spirit was encouraged. As *The Times* reported, in the middle of the 1788 financial crisis, 'In a commercial country, like England, where speculation has no legal check, and paper credit far exceeds the real wealth of those in trade, failures must be very common.'⁴⁸ Gambling, not judicious risk taking, was inextricably linked to trade credit, for 'it is hard to restrain the young trader, where the advantage stands in view and the danger out of sight; large profits are baits to the avaricious, who adventure on remote traffic to accumulate ... a fortune soon; but, alas, it frequently turns out a mere delusion, and brings on the trader's ruin.'⁴⁹

Traders also utilised unhealthy amounts of credit, the critics believed, by being driven on by vanity, social emulation and ambitious, ostentatious wives. Sinking deeper and deeper in debt and, through their new lifestyle, paying less and less attention to their businesses, failure was inevitable.⁵⁰ But the link between credit and luxury in this scheme was censured not just because it led to debt and failure but, significantly, because it created an illusion of substance and allowed the erosion of traditional patterns of social hierarchy. As Moore put it, echoing some of the earlier complaints about the consequences of the rise of the national debt, 'Ancient distinctions are therefore much confounded.'⁵¹ Goldsmith complained of the 'pride and luxury of the middling class of people; their eager desire of being seen in a sphere far above their capacities and circumstances'.⁵² For critics, businessmen using credit were liable to the same mistakes and sins (folly, hope, avarice, extortion and luxury) that afflicted the stockjobbers and bubble blowers in the worlds of corporate

⁴⁷ See Hoppit, 'Financial crises' and *Risk and failure in English business*, pp. 130-9.

⁴⁸ 22 May 1788, p. 2. For contemporary reactions to financial crises and trade credit see Hoppit, *Risk and failure*, ch. viii.

⁴⁹ *The management and oeconomy of trade or the young trader's guide* (1783), p. 20.

⁵⁰ For a vivid portrayal of such arguments see C. Jenner, *Town ecologues* (2nd edn, 1772).

⁵¹ *Full inquiry*, II, 352-3. These issues are nicely detailed in the *London Chronicle*, 28-30 Apr. 1772, p. 412, and 19-22 Sept. 1772, p. 285.

⁵² O. Goldsmith, 'Of the pride and luxury of the middling class of people', in A. F. Friedman (ed.), *The collected works of Oliver Goldsmith* (5 vols., Oxford, 1966), I, 486. Closely related to this see H. Fielding, *An enquiry into the causes of the late increase of robbers* in *The collected works of Henry Fielding* (16 vols., New York, 1967), XIII, 14, 21-3; J. Brown, *An estimate of the manners and principles of the times* (Dublin, 1757).

and public credit between 1690 and 1735. The way out was justice, fairness and honesty; character and morality were central. Not surprisingly, therefore, clerical opprobrium was heaped on businessmen to try to restrain malevolent passions and to encourage probity and industry.⁵³

III

A set of common issues preoccupied critics of public, corporate and private credit. Gambling, irresponsibility, extortion, usury, avarice and excessive ambition were all seen as intimately and inevitably connected to the extensive and intensive use of credit. In short, a new amorality was perceived as being part and parcel of the credit economy. Consequently, the social fabric was being eroded as new and unpredictable forces were unleashed. To the critics, credit might be able to relieve short-term problems, but it created even larger long-term ones. Such accusations did not go uncontested and replies took two main forms: that the economic and political benefits of credit were much more important than the misbehaviour of a few unrepresentative rogues and, second, that the successful use of credit actually depended upon good not bad conduct, that to get credit depended on behaving creditably.

In June 1694 John Houghton put forward a defence of corporate financiers, arguing that though there were undoubtedly some sharp dealers not everyone should be tarred with the same brush. He believed that without the joint-stock device productive ideas would not get off the drawing board and that, consequently, the economy would founder and stagnate. This was particularly the case with capital intensive industries such as glass making. To him the financial requirements needed to enhance the prospects of growth were far more important and pressing than the roguery of a few speculators.⁵⁴ He pointed to a range of industries where corporate credit had proved invaluable, boosting both output and employment.

The exploitation of public credit was defended by a number of authors. Some simply argued that there was no alternative to the national debt if just wars were to be fought and won. The arguments of those who wanted to pay for such wars by increasing current income or drawing on reserves never made very much headway.⁵⁵ Even early on in the life of the national debt, some of its critics appreciated its usefulness. 'The *national Debt* was contracted in

⁵³ Clerical hostility to trade credit can be found in: E. Calamy, *A sermon at the merchants lecture in Salters Hall on Decemb. the 7th. 1708. Upon occasion of the many late bankrupts* (1709); W. Fleetwood [Bishop of Ely], *The justice of paying debts. A sermon preach'd in the City* (1718); S. Bradford [Bishop of Carlisle], *The honest and dishonest ways of getting wealth* (1720); W. Scott, *A sermon on bankruptcy, stopping payment, and the justice of paying our debts, preached at various churches in the City* (1773); Moore, *Full inquiry*, II, 352-61; T. Gisborne, *An enquiry into the duties of men in the higher and middle classes of society in Great Britain* (1794), ch. XIII; Wade, 'The idea of luxury', ch. VII.

⁵⁴ *Husbandry and trade improv'd*, ed. R. Bradley (4 vols., 1727-8), I, 259, 261, 274; II, 7, 43-4.

⁵⁵ This despite the fact that, as Sir John Sinclair noted, many distinguished names - Davenant, Decker, Postlethwayt and Pulteney - made these points. *The history of the public revenue of the British empire* (Dublin, 1785), p. 293.

Defence of our *Liberties* and *Properties*, and for the Preservation of our most excellent *Constitution* from *Popery* and *Slavery*. This encouraged the best Subjects at the *Revolution* to venture their *Lives* and *Fortunes* in maintaining a long and expensive *War*'.⁵⁶ Davenant can be taken as an example here, for he did not object to the debt per se, just a large and permanent national debt. As he put it, 'The funds for interest were, perhaps, good expedients for the time, to raise money, but, if made use of frequently, may produce very bad effects in the nation.'⁵⁷

There were, of course, more active defences of public credit, pointing beyond success in war and the failure of the Jacobite plots. In particular it was argued that far from the national debt robbing trade, industry and agriculture of money it actually drew idle funds into circulation, thereby enhancing economic activity. To one author the funds had 'proved a means of throwing *vast Sums* into *Trade*', for another the national debt was better thought of as 'forming a *national bank*'.⁵⁸ Others built on this to argue that because the national debt was owed to other members of society the idea of a national bankruptcy was inconceivable. As one writer in 1720 put it 'All the difference between the private Man and the State is this, the private man may be ruin'd, and all his Property seiz'd, the State cannot be in this condition.'⁵⁹ It was further argued, moreover, that this increase in the circulation of money not only helped directly to fund productive investment, it also helped indirectly by leading to a fall of interest rates. As Gale put it, 'the regular influx of money into the hands of the bankers (and lenders) naturally produced a decrease in the rate of interest.'⁶⁰ Undeniably, by the middle of the eighteenth century interest rates had fallen. In the 1690s the government borrowed at average rates of interest of a little over 8 per cent (when the usury laws were at 6 per cent); by the 1750s the rates were down to 3 or 4 per cent (the usury laws were then at 5 per cent).⁶¹ Such a fall was widely acknowledged and was generally seen as beneficial. As Hume remarked, 'Nothing is esteemed a more certain sign of the flourishing condition of a nation than the lowness of interest: and with reason' for 'interest is the barometer of the State, and its lowness is a sign, almost infallible, of the flourishing condition of a people.'⁶² Most credit being

⁵⁶ *Some considerations on public credit* (1733), p. 5. This is a good defence of the national debt.

⁵⁷ C. Davenant, *An essay upon ways and means* (1695) in C. Whitworth (ed.), *The political and commercial works of Charles D'Avenant* (5 vols., 1771), I, 23.

⁵⁸ *A serious address to the proprietors of the public funds* (1744), p. 25; *Remarks on the present state of the national debt* (1764), p. 21. This could be dressed up in the language of warm and worthy emotions: 'Whatever sum of money is owing by one member of a family to another of the same family, cannot in any degree add to, or take from, the quantity of property possessed by the whole family. The same remark may be applied to the nation.' *Scots Magazine*, L (1788), 9; this quote is an excerpt from a pamphlet entitled *The public debt productive of national prosperity*. See also S. Gale, *An essay on the nature and principles of public credit* (1784) and Sinclair, *History of public revenue*, p. 315.

⁵⁹ *Considerations on the present state of the nation, as to publick credit, stocks, the landed and trading interests* (1720), pp. 10-11. In Hume's words, 'the public is a debtor, whom no man can oblige to pay'. *Essays*, p. 370.

⁶⁰ Gale, *An essay*, p. 186. This replicated the opinion of Sir John Barnard, *Reasons for the more speedy lessening the national debt, and taking off the most burthensome of the taxes* (1737), p. 11.

⁶¹ Dickson, *Financial revolution*, pp. 47, 470.

⁶² *Essays*, pp. 303, 312.

used after, say, 1730, could be obtained at reasonable rates, usually below the legal maximums set by the usury laws. Consequently, the charge of usury by the critics had force only in relation to loans by desperate borrowers.

In private credit there were few defences of pawnbrokers, but one author pointed out that they 'Supply the Poor with small Sums' sufficient to keep households going through difficult times, that the rates of interest were reasonable given the poor quality of the security attached to the loans and that, finally, 'The private *Pawnbrokers* do cause, perhaps, a Million of Money to circulate in the Channels of Trade; which otherwise, would be locked up in the public Funds; or, what may be much worse, fall into the Hands of a *Charitable Corporation*.'⁶³

Trade credit was fully justified, largely because it was seen as absolutely essential to the normal conduct of business, because of the shortage of money, delays in payment of contracts and its role as venture capital. Its indispensability was stressed time and again. To John Cary credit was 'as necessary to a Trading Nation, as Spirits are to the Circulation of the Blood in the Body natural'.⁶⁴ The corrupt Charitable Corporation defended its business by rightly declaring 'That there is a constant occasion for credit, especially in a Trading country, no one that is the most negligent observer of Mankind can doubt.'⁶⁵ To Defoe, 'Credit of Trade, which I call *Money's Younger Sister*, because its her Second in Trade, in many Cases, and on many Occasions, stands in her room, supplies her place, and her Absence, *for a time*, Answers all the Ends of Money.' Such arguments were not by themselves a sufficient defence though, given the almost equally widely held opinion that credit encouraged reckless risk-taking and the accumulation of heavy debts.

Defenders of trade credit had to attempt to draw a line between its reasonable and its unreasonable use. Defoe, developing ideas from his own unhappy business experiences, was one of the first to attempt this.⁶⁶ To him, trade credit needed to be used carefully and selectively. Disaster would result if it was used in ignorance, without skill or in the wrong circumstances. Second, he realized that legal provisions surrounding the giving of credit and the contraction of debts had to be fair and just, offering encouragement to worthy enterprise but sufficient coercion to debtors to provide real power in case of default. He campaigned hard in the *Review* for the new and more generous bankruptcy law in 1706 for example. Next he categorically attacked the actions of rogues misusing credit, be they corrupt merchants, the East India Companies in 1701, stockjobbers or the bubbles of 1719.⁶⁷ Finally, and most

⁶³ *An apology for the business of pawnbroking* (1744), pp. 6, 15, 72. For other defences see *Commons Journals*, xxiv, 732-3; R. Campbell, *The London tradesman* (Newton Abbot, 1969 edn), pp. 296-7, 337.

⁶⁴ *An essay on the coin and credit of England: as they stand with respect to trade* (Bristol, 1696), p. 1.

⁶⁵ *The case of the Charitable Corporation* (1730?), p. 1.

⁶⁶ F. Bastian, *Defoe's early life* (1978), ch. 9.

⁶⁷ D. Defoe, *The villainy of stock-jobbers detected* (1710); *The manufacturer*, 9 June 1720 and 10 Aug. 1720; *Defoe's review*, vi, 73-5, 12 Feb. 1706 and 77-9, 14 Feb. 1706; *Essay upon projects* (1697), pp. 191-227.

critically, he showed how trade credit linked to good character, to creditable people. As he put it, credit 'will keep Company with none but the Industrious, the Honest, the Laborious, and such, whose Genius, the Bent of their Lives, tends to Maintain her good Opinion', a belief he was later to apply directly to public credit.⁶⁸ He stressed that a state, a businessman, a landlord or a labourer could command credit only if they fitted a widely held pattern of good behaviour, including not only economy, hard work and ability but also the circumscription of passions such as avarice and luxury. Consequently his position with regard to all credit, not just trade credit, was very flexible, allowing economic and financial costs and benefits to be weighed alongside more intangible social standards. In the end, credit went to the creditable.

Defoe's ideas on the link between credit and creditable behaviour were developed by a number of other authors through the eighteenth century. The *Spectator* thought that to a trader credit is 'what Honour, Reputation, Fame, or Glory is to other Sort of Men'.⁶⁹ In 1717 it was observed that 'To support and maintain a Mans *Private Credit*, 'tis absolutely necessary that the World have a fixt Opinion of the *Honesty* and *Integrity*, as well as Ability of a Person. If there be good Reason to Object against the One or the Other of These, his *Credit* sinks, no one choose to *deal* with him, nor does any one care to trust him.'⁷⁰ To the *True Briton*, looking at public credit,

there must be an *Appearance* of Honesty at least, to raise this Credit to any considerable Height, so as to be lasting. The People or Nation that are Ambitious of it, should bear the nicest Reputation in the world; They must be Men of Morals and Manners; of Honour and Integrity; Wisdom and Penetration; Fidelity, and Impartiality, and have every commendable Quality which embellishes Mankind⁷¹

To Sir James Steuart credit was inextricably part of sociability: 'Credit, therefore, is no more than well established confidence between men, in what relates to the fulfilling of their engagements. This confidence must be supported by laws, and established by manners. By laws, the execution of formal contracts may be enforced: manners, alone, can introduce that entire confidence which is requisite to form the spirit of a trading nation.'⁷² To these, and to many others, people earned credit by hard work and good behaviour. Furthermore, if superficial appearances might fool creditors for a brief while their own self interest made them shrewd judges in the end.

In theory, through not always in practice, credit was given to the most worthy, the most assiduous and the most honourable. But it could easily be lost if virtue was replaced by vice. Indeed the fickleness of credit was legendary for it could come and go violently and unexpectedly, providing major problems

⁶⁸ *Defoe's review*, xvii, 221, 5 Aug. 1710; for the same sentiment see also vi, 8, 3 Jan. 1706; *An essay upon publick credit* (1710).

⁶⁹ *The Spectator*, ed. by D. F. Bond (5 vols., Oxford, 1965), iv, 309.

⁷⁰ A. A. Sykes, *A letter to a friend. In which is shewn, the inviolable nature of public securities* (1717), p. 5.

⁷¹ 26 July 1723.

⁷² *An enquiry into the principles of political economy*, edited by A. S. Skinner (2 vols., Edinburgh, 1966), II, 440.

to those trying to maintain a steady state of liquidity. To critics this provided a further opportunity to launch an attack. Swift noted that 'To hear some of these worthy Reasoners talking of *Credit*; that she is so nice, so squeamish, so capricious; you would think they were describing a Lady troubled with Vapours or the Cholick, to be only removed by a *Course of steel*, or *swallowing a Bullet*'.⁷³ In this argument, credit was chimerical and ludicrous, almost completely divorced from the real world and real values. But in a sense this missed the force of the point Defoe was making, or at least got hold of the wrong end of the stick. For Defoe and others had argued that to use credit well meant conforming precisely to those virtues that Swift held so dear himself.⁷⁴ It was deeply rooted in good society, indeed it sprouted from ancient and generally held values not new transient ones.

IV

A restricted range of issues concerned the critics of the development of all types of credit in England between 1680 and 1790. They were worried about the ways in which its increasing use contributed to unworthy and unstable risk-taking (speculation and gambling), unjust prices, luxury, social dislocation, indebtedness and usury. They denied the possibility of successfully integrating credit within a framework of acceptable behaviour. For those critics, the standards to be applied in judging credit were more moral and spiritual than economic and material. Credit appeared to them to be a Trojan horse, promising well but in fact catastrophically breaching the walls of a harmonious and moral order. It embodied destructive forces, in the form of new aspirations and values, without offering much of substance in its place. If it was used to promote political and economic success then to the critics those successes were connected to far too many failings. To them the price too often included violent short-run fluctuations, intensified uncertainties and new patterns of unacceptable behaviour. Society might prosper for a while, but in the long run the use of credit could only produce decay.

Such criticisms were met in two main ways. First that credit had to be used if the nation was to be victorious in war and prosperous in peace. The world was changing and Britain had to change with it or perish. This was an important argument, moreover, because by implication it recognized that the critics were relatively committed to a stagnant state (politically and economically), or at least progress that was painfully slow. Second, that to use credit successfully actually depended upon behaving creditably. Only those with probity and industry flowing in their veins could hope to command credit, be they governments, businessmen, farmers or consumers. Far from undermining old values, the use of credit actually confirmed them. But even

⁷³ *The Examiner*, p. 134, 19 Apr. 1711; Swift undoubtedly had Defoe in mind here, see P. R. Backscheider, 'Defoe's lady credit', *Huntington Library Quarterly*, XLIV, 2 (1981), pp. 89-100; F. P. Lock, *Swift's tory politics* (1983), pp. 110-15; Pocock, *Machiavellian moment*, pp. 452-6.

⁷⁴ D. Eilon, 'Private spirit: a moral and political theme in Swift's prose' (unpublished Ph.D. dissertation, University of Cambridge, 1986), pp. 65-72.

the enthusiasts admitted that credit could and was exploited desperately, foolishly and criminally by certain stockjobbers, moneylenders and pawn-brokers. Through the idea of usury, sprinkled with a pinch of bigotry, such men showed many just where the dividing line between acceptable and unacceptable credit lay. It was acceptable when it brought about public benefit, be it success in war, or employment and efficiency in agriculture, trade and industry. It was unacceptable when in the hands of the vain and ambitious, foreigners, oppressors or self-interested speculators.

Reactions to credit show one way in which a traditional moral order fused with economic, political and administrative developments. Those reactions were forged over the fire of innovation, experiment and uncertainty, for Britain's rise to greatness and its industrial revolution were not clearly seen and identified as they were happening. Consequently, credit's role was met as much by conservatism as enthusiasm. On both sides of the divide it was judged more by old standards than new ones and was confronted not by novel ideas and theories but by ancient ones. Hume implied that such conservatism was common at this level of discourse:

The greater part of mankind may be divided into two classes; that of *shallow* thinkers, who fall short of the truth; and that of *abtruse* thinkers, who go beyond it. The latter class are by far the most rare; and, I may add, by far the most useful and valuable. They suggest hints at least, and start difficulties, which they want perhaps skill to pursue, but which may produce fine discoveries when handled by men who have a more just way of thinking. At worst, what they say is uncommon; and if it should cost some pains to comprehend it, one has, however, the pleasure of hearing something that is new.⁷⁵

Much of the discussion of credit between 1680 and 1790 used ideas that were old and well worn, for the central battle between on one side economic change and the logic of market forces and, on the other, convention and perceptions of traditional society had been going on for centuries. The Scholastics, for example, had discussed a strikingly similar range of problems in the medieval period. Their economics centrally involved attempts to comprehend and evaluate evolving market transactions, judging developments by notions of right and justice that 'had its foundation in the Christian synthesis that combined elements from the Scriptures and authentic Church teaching, Aristotelian philosophy, Roman and Canon Law, and especially reason and natural law.'⁷⁶ The shallow thinkers who have been examined here show clearly just how important the natural law tradition remained to a consideration of one economic issue in the eighteenth century. The Scholastics, like those who discussed credit in the eighteenth century, were especially concerned with equity as the central problem in economics.⁷⁷ Such analyses had not been killed

⁷⁵ *Essays*, p. 259.

⁷⁶ R. de Roover, 'Scholastic economics', in *New Catholic Encyclopedia*, 15 vols. (New York, 1967), v, 65.

⁷⁷ See R. de Roover, 'Scholastic economics: survival and lasting influence from the sixteenth century to Adam Smith', in J. Kirshner (ed.), *Business, banking and economic thought in late medieval*

off by the revolutions of the seventeenth century, or by some supposed deification of the capitalist ethic, possessive individualism and property.⁷⁸ After the Restoration, more particularly after 1688, it was Britain's turn, following the Dutch, to come to terms with the 'embarrassment of riches'.⁷⁹ The ideas used were very similar to those used by the Dutch, just as the Dutch in turn had drawn from the well of the Christian humanist tradition. But it is also worth stressing that these old analytical structures were not killed off by new ideas about value in the writings of Adam Smith.⁸⁰ Indeed, recent historians examining the so-called 'Adam Smith problem' (reconciling *The theory of moral sentiments* with the *Wealth of nations*) have shown how some of Smith's ideas fitted into the traditions which have been uncovered in this article. Economic discourse operated at too many (admittedly interrelated) levels for Hume's abstruse thinkers to 'win' quickly or surely over the shallow ones.

Awareness of growth and development are integral parts of our consciousness and removing them to allow a balanced study of eighteenth-century England is one of the most difficult tasks to set the historical imagination. It is far easier for historians than it was for contemporaries to comprehend the meaning and significance of the political and economic changes in that century, to view those changes as 'progressive' and to adopt the long-run view. What an examination of attitudes to credit in Britain between 1680 and 1790 shows is that developments were met by ideas that were more often backward than forward looking. It was those older ideas which provided the central principles in the elite's consciousness of economic change and made them so hesitant in extolling its benefits – even if materially they themselves were reaping rich rewards. Of course they did not naively celebrate the old order, they knew well enough its faults, but they were not prepared blindly to underwrite new developments. Change had to be assessed, its virtues and vices weighed. But the standards employed were overwhelmingly practical and traditional rather than abstract, secular and materialist.

and early modern Europe (Chicago, 1974), pp. 311–12; J. Viner, *Religious thought and economic society*, ed. J. Melitz and D. Winch (Durham, North Carolina, 1978), pp. 50–61.

⁷⁸ H. M. Robertson, *Aspects of the rise of economic individualism: a criticism of Max Weber and his school* (Cambridge, 1933).

⁷⁹ S. Schama, *The embarrassment of riches: an interpretation of Dutch culture in the golden age* (1987), especially ch. 5, ii.

⁸⁰ B. Hilton, *The age of atonement* (Oxford, 1988).