Persuading by the Numbers: The Balance Sheet in Late-Victorian Financial Journalism

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Since at least the time of W. S. Jevons and Alfred Marshall, economists have recurrently found themselves caught between the conflicting virtues of empirical fit and formal rigor. When the goal to describe accurately how people make “real-world” economic decisions meets the goal to achieve logical consistency at all costs, the result is often methodological confusion, if not worse. Such confusion has appeared as both a subject and an obstacle for historians of economics, who have often noticed the tensions that beset orthodox economists without always fully escaping those same tensions themselves. Important problems within the intellectual project of late-nineteenth-century economics are revealed, for instance, by Bruna Ingrao and Giorgio Israel’s pursuit of the “dialectic between the descriptive and the normative approaches” of such theorists as León Walras and Vilfredo Pareto (Ingrao and Israel 1990, 52), and by Philip Mirowski’s discussion of metaphorical misfittings between the economics of Jevons and Marshall and the “energetics” program of turn-of-the-century physics (Mirowski 1989). But while each of these approaches has produced incisive critical readings of economic thought over an impressive range of periods and research schools, they both have also left the underlying tension between empiricism and formalism naggingly unresolved. Ingrao and Israel conclude their book with a methodological flourish that promises much but offers few concrete
strategies for challenging the orthodox formal theory of general equilibrium, the analytical strengths of which the authors themselves admit to be great. Mirowski has followed his original foray into the inappropriate use of metaphors in economics with a series of further efforts to replace the economists’ old borrowings with new, better-fitting models from the natural sciences. If not energetics, perhaps chaos theory or evolutionary biology, seems to be the suggestive but still exploratory constructive complement to the more purely critical approach in *More Heat than Light* (see, e.g., Mirowski 1990, 1994).

One reason for the relative lack of resolution that has followed the appearance of these promising studies five years ago is that neither of them, nor much kindred work, has moved very far beyond a strictly internal critique of orthodox economic thought and methodology. Appearances to the contrary, formalism remains a dominant value for the new historians of economics, who have been much more willing to absorb the findings of other types of intellectual history (history of science, anthropology) than to notice what social and cultural history has had to say about the social world occupied by the economists who populate their books.¹ What recent work in social and cultural history has to offer the history of economics is the technique of reading back from “classic” disciplinary texts (in the social sciences, for instance) to the more obviously problematic texts and practices that preceded them. This strategy means more than searching the past for precursors to “modern” thought, and it means more than repeating the efforts of standard histories to celebrate the coherence of present-day disciplinary thinking by contrasting it with the muddle of preprofessional “real-world” discourse. Rather, by focusing on the subjective tensions that emerge clearly in predisciplinary practices, the point is to hold up these tensions as a mirror to reflect latent contradictions in modern social science that have hitherto been successfully obscured by the process of professionalization (see, e.g., Alborn 1995; Robbins 1990).

Perhaps the most methodologically explicit of these works has been Christopher Herbert’s *Culture and Anomie*, which evaluates nineteenth-century ethnographic writings in order to challenge the hegemony of the

¹ In a less historical vein, the same can be said regarding the importance for more connections to be drawn between economic thought and methodology, on the one hand, and such works in the ethnology and sociology of the economics profession that exist, on the other (e.g., Klamer and Colander 1990). An important exception in the history of economics to my comments in this paragraph is Maloney 1985.
idea of "culture" in present-day anthropology and related disciplines. The point of his project, he argues, is "to make visible certain aspects of our own exploitation of the culture idea which usually go unrecognized, for reasons both of rhetorical expediency and of historical amnesia." By tracing "culture" back to such sources as missionary writings, Henry Mayhew's London ethnographies, and Anthony Trollope's novels, he concludes that the concept's "explanatory power (to the extent that this is genuine to begin with) may turn out to have affinities with other modes of power which we would prefer to disavow" (Herbert 1991, 1). Diverting the gaze of anthropologists, critical or otherwise, from the language structures they have created and imposed on other societies, Herbert argues, can at the very least serve "to highlight the often-dissimulated rhetorical urgency of such writing, and to locate its origin in the problematics of the theory of the complex whole" (6–7).

An example of how this method works in practice is Herbert's chapter on Methodist missionaries in Fiji, which he uses to undermine the "ethnographic creed" of modern anthropology. He first cites Malinowski's declaration in Argonauts of the Western Pacific (1932) that Victorian ethnographers were "full of the biassed and pre-judged opinions inevitable in the average practical man, whether administrator, missionary, or trader; yet so strongly repulsive to a mind striving after the objective, scientific view of things" (cited in Herbert 1991, 152). He then turns this critique of moralism against itself, identifying "this not-disinterested mythic narrative as a moral liberation as well as a perfecting of scientific technique" (152), and drives the point home by contrasting Malinowski's "objective" public face with the copious references to "niggers" and "savages" in his private ethnographic diaries (154). More is going on here than a simple accusation of hypocrisy, as becomes evident when Herbert turns to the missionaries who earned Malinowski's scorn. Where most commentators have only seen cultural imperialism in the missionaries' practices and writings, Herbert reveals something far more problematic: the missionaries' discovery that native souls could not be saved without jeopardizing the souls of the savers. To comprehend Polynesians well enough to convert them, missionaries obsessively catalogued their language and culture. And the more they catalogued, the more their objects of study came to serve as a "projection of the original, innate depravity in themselves which their religion teaches them to ponder incessantly, to regard with horror and to repress with utmost vigilance" (169). By exposing the wretched travails of missionaries who were forever tempted
to “go native,” Herbert suggests that the only crucial difference between ethnography then and now is that modern anthropologists are not nearly as bothered by contradictions between their private feelings and their public scientific claims.

In *Visions of the People* (1991) and later work, Patrick Joyce has employed a similar method to challenge historians who have borrowed heavily from social scientists’ static conceptions of class. Instead of opposing standard appeals to class by importing an alternative construct from social science, Joyce examines the historical emergence of class against the backdrop of a wide array of alternative popular forms of discourse. This strategy leads him to discuss at length the nineteenth-century development of dialect almanacs (inexpensive, widely read annuals written in local slang), broadside ballads, and music hall performances. From there he traces the complicated process of translation that accompanied such documents as they made their way from “the people” into more refined climes of scholarly debate (e.g., folklore studies) or toned-down “middle-class” renditions. Joyce’s survey of the interplay among different types of “working class” discourse and their problematic cooptation by “middle-class” publishers and academics leads him not only to criticize standard applications of “class” to social history but also to question efforts by such historians as Gareth Stedman Jones to impute a single “language of class” to whole sectors of the population. “Even when looking at so decidedly a proletarian group as textile workers, and at the dialect literature that expressed so many of their concerns,” he concludes,

we find that what seems at first glance to be the possession of a particular group could be pressed into service not only by many sorts of workers, but also by many who were not manual workers. . . . The discourse of “the people” did not express some higher “class” identity or unity. It mattered in its own right. Language mattered in its own right. The notion of “languages of class” carries great dangers. (Joyce 1991, 333)

Here we find the same warning against reification that we find in Herbert, with “class” filling in for “culture” as the dangerous category that conceals as much as it describes.

What is the relevance of these warnings for the history of economics? One obvious lesson concerns the keen interest displayed by many recent historians of thought with the themes of language, metaphors, and the like. Needless to say, references to anthropologists like Mary Douglas
and literary critics like Northrop Frye mark a significant and positive departure from where history of economics was even ten years ago. But they also beg certain questions that the more historicist approaches of Herbert and Joyce seek to reopen. In particular, economists who focus so much on the internal structure of economic language (e.g., McCloskey) or on the trade in metaphors between different forms of scientific discourse risk falling into the same sin of “rhetorical urgency” that orthodox economists commit in their pursuit of formal models—or, for that matter, which similarly saddles anthropologists and literary critics. In the rest of this article, and in necessarily schematic fashion, I want to suggest some strategies for building on the relatively restricted hermeneutics of existing histories of economic thought. I start with a set of tensions within early neoclassical economics that Mirowski reveals in *More Heat than Light* and move from there to a parallel set of tensions that are more obviously on display in the pages of the *Economist* under the editorship of Walter Bagehot. Specifically, I look at the rhetorical services performed by the published balance sheets in that newspaper, which offered businessmen and economists alike a crucial source of the economic information that they used to come to terms with their social surroundings.

**Reading back from Jevons and Marshall**

A strong case can be made that the early British neoclassical economists took the same ambivalent interest in financiers and financial journalism that second-generation anthropologists took in missionaries’ ethnographies, or that folklorists took in working-class ballads and almanacs. One of the best-known neoclassicals (and among the more sympathetic toward financial journalism) was W. S. Jevons, who appealed directly to the realm of economic practice to justify his claim in *The Theory of Political Economy* that the “numerical data” available for mathematical economics “are more abundant and precise than those possessed by any other science, but that we have not yet known how to employ them” (1871, 13). He required a long list just to categorize the various sources in which this abundant but “perplexing” data lay hidden:

The private account books, the great ledgers of merchants and bankers and public offices, the share lists, price lists, bank returns, monetary intelligence, Custom-house and other Government returns, are full of the kind of numerical data required to render Political Economy an
exact mathematical science. Thousands of folio volumes of statistical, parliamentary, or other publications await the labour of the investigator. (13)

It is possible to read into this comment an implicit criticism of the people who used such data in their daily life without sufficiently appreciating its rich potential as an aid to theory. It was, after all, ‘chiefly a want of method and completeness in this vast mass of information,’ wrote Jevons, ‘which prevents our readily employing it in the investigation of the natural laws of Political Economy’ (13). Alongside his real frustration at the seeming impenetrability of financial numbers in the mid-Victorian period, however, was a sense of optimism regarding the ability of economic theorists to work with financial journalists, whom Jevons saw as occupying an important middle ground between the unrefined mass of information and his own formal mathematical models. Jevons was a regular contributor to newspapers like the Economist and forums like the London and Manchester Statistical Societies where bankers, merchants, and journalists did their best to make sense of the incoming stream of data. He also personally intervened in the careers of several such men, including bankers R. H. Inglis Palgrave and John Lubbock and statistician William Newmarch, to reinforce their efforts with public acclaim (Alborn 1991, 297–303; Economist 25 (1867): 161).

Later economists were more careful to protect their own claims to expertise from the possibility that these “practical” economists would take too much credit for converting numbers into a usable form. In public, and especially in his early career in Bristol, Marshall was quick to praise the constructive role to be played in economic thought by those with personal contact with the business world. As a lecturer in Bristol in the late 1870s, he hoped to provide businessmen with the “true literary education” that would allow them “to play an important part in making this age a great intellectual age” (cited in Whitaker 1972, 23), and he contributed a preface to the student’s edition of Bagehot’s Postulates of English Political Economy in 1885, proclaiming that the author “was excellently qualified” owing to his possession of “a well-trained scientific mind, and a large experience of City life” (Bagehot 1968–86, 11:196).² Behind the scenes, however, Marshall was less warmly disposed to the abilities and presumptions of businessmen. He confessed to a friend that his preface to Postulates was more a favor to Bagehot’s widow than a sincere re-

² On Marshall in Bristol, see also Groenewegen 1995, 288–92.
reflection of his views (Whitaker 1975, 1:31), and when Palgrave asked him to write entries for his *Dictionary of Political Economy*, he declared himself "a neutral . . . who is so engaged on Domestic politics (his own books) that he can’t go in for an active policy in foreign affairs" (quoted in Alborn 1991, 297). More generally, Marshall condescendingly referred in private to the "historical men" (a group that included Bagehot and many other journalists and statisticians) as "intelligent, more or less earnest, but not very profound"; they were "Kittle-Kattle," he wrote to J. N. Keynes, "and yet important" (quoted in Maloney 1985, 43).

Such anxiety had both intellectual and political sources. Intellectually, the infuriating prospect of "practical" men mishandling data threatened to derail the economists’ epistemological fantasy of determining in precise detail the unfolding of economic laws. Mirowski has referred to this utopia as the Laplacian Dream, which he describes as "a thoroughgoing determinism that would allow the mapping of future evolution of the economy on paper" (1989, 275). The chief source of this dream, he concludes, was a similar, but fast-disappearing, urge among physicists to master the laws of motion. As the latter dream faded under pressure of further observation and calculation, so, too, was the economists’ determinism destined to wane: "The elaboration of the Laplacian Dream led inexorably to its dissolution" (275). To a large degree, though, both the dream of a complete map of the economy and the threat of its destructive elaboration also had much to do with the expanse of data that was filling up so many blue books and newspaper columns by the end of the nineteenth century. Just as the economists did their best to ignore changes in physics that challenged their goals, so did they valiantly turn a blind eye to any possible long-term tensions between marginalist theory and commercial practice. As John Maloney has observed, Marshall postponed the conflicting values of "universality and accuracy" into a vaguely reconciliatory future and thereby managed to "forget the need to choose between economics the pure science and economics the profession with humanity as its client" (Maloney 1985, 55).

Politically, economists faced a similar problem of increasingly elaborate data leading to a dissolution of the ideal economic world described in their theories. Here the problem was that the best numbers were private, and hence immune to perfect comprehension, while both the normative

3. Such views of Bagehot have survived into the present day: see the comment by Mark Blaug that Bagehot "fails to maintain any abstract argument for more that [sic] a few sentences at a time" (1988, 5).
and intellectual dictates of neoclassical economics forbade the institutional revolution that would make all such data public (or even accessible to a restricted class of experts). Topping Jevons’s list of useful numbers were “private account books” and “the great ledgers of merchants and bankers and public offices,” none of which were available for thorough scientific scrutiny; Marshall was similarly wistful about the “unpublished history of business” that was in the possession of the “troublesome” class of nonacademic economists (quoted in Maloney 1985, 41). On reflection, though, the trouble stemmed less from the businessmen themselves than from the information network that was a necessary part of an ideally “free” market. Neoclassical economics was grounded on the assumption that optimal markets required freely competing independent agents, who would be at a competitive disadvantage if they were to expose their balance sheets to public scrutiny. If the economists’ intellectual utopia required an all-seeing expert capable of perfectly digesting all the available information, its institutional corollary was a Benthamite panopticon capable of requiring every subject to submit complete and honest financial returns. That such a panopticon did not come close to existing in late-nineteenth-century England is clear from the economists’ frequent complaints about the imperfect nature of what government data did exist; that economists would not have approved of such a panopticon is clear from their frequent praise of the light administrative burden performed by the British government, in contrast to its European and American counterparts.

Making the Balance Sheet Public

The conflict between the ideals of completely public economic information and completely atomistic economic relations only rarely came to the surface in neoclassical economic thought. If recent trends in the history of economics has taught us anything, it is that economists have always been good at concealing methodological and political tensions by framing their theories in the seemingly more pristine language of the physical sciences. Such techniques of concealment were not as readily available to the financial journals, whose job it was to publish as comprehensively as possible the information upon which financiers and merchants relied to make economic calculations, while at the same time opposing too much government interference in the daily lives of its intended audience. Far from endlessly putting off the problem of inaccessible data into an
indefinite future, journalists like Bagehot at the *Economist* held up the businessman’s private store of facts as a moral measuring rod, a tacit standard by which to judge both the organization and the accuracy of all published facts and figures.

It was in this sense that the numbers published in journals like the *Economist* and the *Statist* embodied a sort of “dialect literature” that was self-consciously intended to be valued in a special way by a limited category of readers. If only certain regions or trades were expected to make sense of almanacs filled with Yorkshire typography, as Joyce compellingly argues, the same sort of claim can be made for the financial journals. The sense of requisite initiation into the world of “dry” financial statistics was evoked in an 1863 column by *Banker’s Magazine* editor David Morier Evans, who summoned the childhood image of “the strange feeling of dread inspired by my father, who was a fundholder, emphatically desiring me, as fathers can do, to look under the head of the money market, and read to him the two or three first paragraphs respecting the state of the stocks” (1864, 84). Evans next remarked that “to wade, as I then thought, through a dreary column devoted to facts and prices, was an ordeal second only to that of returning to school after the customary month’s vacation.” He then took the reader through his step-by-step illumination, initiated by his mother’s patient explanation as to the “interest-bearing capacity of the funds” and culminated by a tour of the City with his father—whereupon “much of the hazy film, which had previously covered my young and inexperienced eyes, was suddenly removed” (84–86).

Such splitting off between initiates and outsiders, whether in Evans’s metaphorical style or more straightforwardly, was especially prominent in what Wayne Parsons has referred to as the “first generation” of financial journals, the main object of which was to win political campaigns like the repeal of protectionism (1989, 28–44). In these situations it made political sense to encourage solidarity by emphasizing shared skills and experiences, among which facility at manipulating financial figures ranked high. This strategy was evident in an *Economist* piece from 1860 entitled “Statistical Mares’ Nests,” which started as an attack on Tory historian Archibald Alison’s butchery of trade statistics in a recent protectionist diatribe, but concluded by extending equal condemnation to a critique of Alison by a journalist in the Whig *Edinburgh Review*, who was not “quite familiar with the practice of handling official tables” and consequently “falls into a confusion himself.” Neither histo-
rian nor reviewer, owing to their lack of practical experience, possessed the "care, special training, and . . . exceptional degree of conscientiousness" that was needed to manipulate statistics honestly and productively (*Economist* 18(1860): 532). This sense of "us against them" in the financial journals faded as the nineteenth century progressed, as both their function and audience shifted. As Parsons has argued, the purpose of the financial press in both England and America changed by the turn of the century from being mainly propagandistic to being putatively neutral providers of information—in particular, financial "tips" for investors in public companies. I will return at the end of this article to discuss some more general implications of this shift; for the moment, it is enough to observe its impact on the assumption of tacit knowledge among the *Economist*’s readership that is apparent through its first two decades.

Having suggested some of the social functions performed by numbers in Victorian financial journals, what of the numbers themselves? Although most of the rest of this article focuses on balance sheets, it is important to mention in passing a different sort of quantitative information that vied for position in the pages of the *Economist* and kindred publications: chronological comparisons of prices or trade returns (i.e., time series). This category has been the subject of recent work by Judy Klein (forthcoming), who has shown how the intellectual problems introduced by these early time series persisted in the econometric work of people like Irving Fisher. In the issues of the *Economist* I examined, weekly chronological comparisons encompassed the volume of cash transactions at the London Bankers’ Clearing House; the number of Londoners on indoor and outdoor poor relief; the going interest rate on mercantile paper, bank deposits, and foreign securities; import and export totals for numerous varieties of grain, cotton, sugar, livestock, and coal at a variety of British ports; and prices of all those commodities, as well as share prices and dividends for railways, mines, banks, and colonial loans. Most of these tables included a column that compared the previous week’s price or volume with that from the same week as reported a year earlier. Also, starting in 1863 the *Economist* commissioned statistician William Newmarch to compile its weekly series into an annual tabular "commercial history." These numbers certainly had their moral and political component, since they were frequently called into play as a means of celebrating Britain’s dominant commercial status—or, after 1880, as a means of taking sides in the debate over whether other countries were catching up to Britain at
a faster or slower rate (see Friedberg 1988, 38–45).

With the exception of these uses, though, the numbers in such tables most often "spoke for themselves," to borrow from the parlance of the time; they appeared in the back of each issue without any commentary. By the time they had reached this state, such trade and share statistics were more successful than balance sheets at concealing the tension between public display of knowledge and the demands of privacy imposed by a free-market system. That is not to say, however, that such tensions were nonexistent in their case, only that they had been negotiated at a point prior to publication. In the case of Bankers' Clearing House statistics, for instance, it was not until 1867 that Sir John Lubbock, upon taking over as that body's secretary, convinced his fellow members to consent to weekly publication of aggregate data. More generally, each listing in the weekly trade returns represented the culmination of negotiations, either among a self-governing body of private traders (such as the Bankers' Clearing House or the various local trade associations and chambers of commerce) or between traders and a public intermediary like the Board of Trade. When such negotiations led to the appearance of new statistics in the *Economist*, or led to a change in their format, the paper departed from its usual straightforward equation of the numbers with either progress or decline to mention the social processes that went into their compilation. A move toward more intelligible accounts received the paper's (not unmixed) blessing, for instance, when the Board of Trade revised its export tables in 1871. While lamenting that the change forced people "to compare two things not precisely identical" and hence required "considerable explanation," the editorial conceded that the reduced expense and improved clarity of the new tables would be worth some short-term confusion. Significantly, the requisite explanation in this case involved assuring the reading public that exports had not in fact fallen as dramatically since the previous year as the returns suggested (*Economist* 29 (1871): 161).

In contrast to aggregate trade statistics, balance sheets appeared in the *Economist* less frequently but drew attention to themselves much more often. This was due both to the type of institutions that presented the numbers and to the location and form in which balance sheets appeared in the paper. Unlike trade statistics, which nearly always referred to private traders in the aggregate, published balance sheets were by definition limited to specific cases. These cases, furthermore, were by convention only public bodies (municipal corporations or national and foreign bud-
gets) or quasi-public firms (banks or railways). Although it would not have been impossible for a private firm to allow its balance sheet to be published, it would have been (and today still would be) considered commercial suicide for a firm to reveal more information about itself than was offered by its competitors. Consequently, the only time the rule against publishing a private firm’s balance sheet was broken was in the fatally exceptional case of bankruptcy, when its failure to compete brought on the ultimate ignominy of forced exposure by the bankruptcy judge (see, e.g., *Economist* 18 (1860): 161).

Those balance sheets that did appear in print showed up in one of three different locations in the *Economist*: in the editorial leaders, usually in reference to national or local government accounts; in special weekly departments devoted to the national budget and the Bank of England; and in paid advertisements for banks and other companies on the last two or three pages of the paper. The fact that printed balance sheets in the *Economist* were the exclusive preserve of public or quasi-public bodies, while an obvious point, is also crucial for comprehending the moral economy of publishing quantitative information. The reason for this is clear once it is recalled that balance sheets that appeared in the *Economist* did not come close to exhausting the total number of balance sheets (unpublished as well as published) that existed in the presumed experience of the paper’s primary readership. Even more important, the *Economist* took it for granted that the documents that did appear in their pages, especially the ones on which they saw fit to comment, were in varying degrees inferior to the private balance sheets that never circulated beyond the hands of any given set of partners. The *Economist*, in other words, constantly and openly presented those balance sheets which it published as falling well short of an ideal type, concrete examples of which were assumed to be readily but not publicly available to its readers. This ideal represented a vanishing point toward which the published balance sheets tended, upward from government documents through public companies to (by the end of the nineteenth century) a handful of private banks that published their accounts.⁴

If private accounts stood invisibly atop the heap of published balance sheets in the financial journals, the accounts that were available for all to see were organized beneath them in an informal moral hierarchy. Emerg-

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ing victorious in this struggle for relative supremacy in organization and accuracy of accounts were the public companies who paid for space at the back of the Economist's pages. The distinctive (if obvious) feature of advertised balance sheets was that they lacked any of the negative commentary that accompanied most other published balance sheets in the financial press. By accepting their advertising money, the paper was tacitly endorsing the accuracy of their financial statements. There was, of course, a strictly commercial reason for doing this since the proceeds from such large advertisements added up much more quickly than two-inch ads for books or patent medicine; for journals with lesser reputations than the Economist or the Times, this lucrative motive for "puffing" any company that was willing to pay dominated all others (see Nevett 1986). In journals like the Economist, however, which had a sufficient circulation to be more selective about the ads it ran and which had a decades'-old reputation to uphold, the strictly commercial motive for standing by the accuracy of advertised accounts was less important than the moral function served by their prominence in its columns.

What this moral function was can be more precisely described by analyzing two paid advertisements from 1871: a full-page National Provincial Bank advertisement, which the company purchased for £15, and the annual report of the Standard Life Assurance Company, which spilled over into one and a third pages and cost just over £20. Aside from the opportunity these advertisements allowed for the chairman (or manager, in the latter case) to comment favorably on the year's finances, the revenue account and balance sheet—of which the chair's comments were both an exegesis and a buildup—stood as a tribute to the orderly architecture of Britain's financial sector. The revenue account ("prepared," as the National Provincial announced, "in the usual form") took the reader through the doggedly repetitive process of bringing forward profits, allowing for expenses, dividends, bonuses, and (in the bank's case) "doubtful debts." The National Provincial's account culminated with the comforting phrase "leaving reserve invested in Government securities" followed by the healthy and precise-sounding sum of £388,015, 8s/6d, while the Standard's ended with an announcement of the "amount of funds at the end of the year, as per second schedule"—which exceeded the amount at the beginning of the year, and top of the account, by over

5. Economist 29 (1871): 592, 526–27. Prices are calculated from the paper's published weekly rate chart.
£70,000. From the revenue account, both reports proceeded to the balance sheet proper, which paired off assets against liabilities, again down to the last penny. It was at this point that the appearance of order most often fell short of an orderly investment portfolio, since much could be concealed by phrases like “bills discounted, loans, &c.” or “landed estate and fee-dues.” But while the Economist occasionally used editorial space to criticize what was left unsaid in such reports, such comments were relatively rare in an era when company reports of any kind were completely voluntary. For business leaders, certainly, but also for creators of financial opinion like the Economist, the alternative of carefully defined government standards for company reporting was a fate worse than the occasional omission. Also, from the mid 1860s on, the paper ran special supplements in which all available company reports ran side by side and could at least be judged according to thoroughness relative to one another.

By the time readers reached the paid-for balance sheets at the back of each issue of the Economist, they might have already seen what was, in the editor’s view, a poor replica of such numbers in a leader devoted to government spending. Balance sheets composed by English government officials fell short of the higher standard of public companies (and still more, the even higher tacit standard of private firms’ books) on several fronts. One of their leading faults, ironically, was that the ministers or magistrates who put them together were required by statute to be more specific about their component assets and liabilities. Especially in 1860, before Gladstone had ironed all the bugs out of the pre-1846 tariff codes, he had to put up with exposures of budget items that, in the Economist’s words, showed “how absurdly insignificant the gain to the revenue of many of the articles now subject to duty in fact is” (Economist 18 (1960): 165). Such articles included, on one occasion,

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A more straightforward shortcoming of government accounts when measured against their private-sector counterparts related to their relative lack of order. This was a special concern of the Economist in the 1870s, when the beginning of what would become a steep rise in municipal spending
foregrounded the haphazard nature of local record keeping. As Bagehot observed in 1871 in a piece on “Local Burdens,” “the number of spending bodies in the country is immense; they make up their accounts under different heads, on discordant principles, and very often not for the same period” (*Economist* 29 (1871): 405).

Like the problem of inconclusive company reports, though, Bagehot tended to accept haphazard government accounts as a fact of life in a laissez-faire economy, and very much worth whatever annoyance they might cause. The only alternative to such accounts, after all, “would be to abolish Local Government, and to make some kind of despotic *prefet* determine in each district what should be done, and what should be spent” (*Economist* 29 (1871): 406, 566). Secure in his assumption of a common readership, Bagehot could confidently declare that “no evil would be so great in Englishmen’s eyes as this. . . . They would submit to anything rather than have county and parish business settled by a ‘Jack in office’ from London, to whom it would be constantly necessary to bow and cringe”

If Bagehot was so ready to concede that inefficient accounting was a necessary price to pay to stave off administrative despotism, in part this was due to the elevated status this problem conferred on the profession of financial journalism. A fully equipped central accounting office, after all, would have rendered irrelevant much of the work of elucidation that went into the *Economist*’s frequent discussions of local and national government balance sheets. And the paper was quick to draw attention to exactly how much work such summaries required, and what a great public service it was performing in exerting the requisite labor. When the Corporation of London published its finances for the first time in 1870, the *Economist* praised the development but added that “the accounts are . . . not adapted to show the broad result which would be of so much interest.” The “abstract which we publish,” on the other hand, would not only be of interest to its readers but “may perhaps be useful to members of the Common Council themselves, who often complain of the difficulty of understanding the accounts” (*Economist* 29 (1871): 3). As long as such comments were limited to national or local government accounts,

6. This attitude toward “non-English” centralized accounting was also apparent in the *Economist*’s reporting on foreign balance sheets—for example, the accounts of the French government during the Franco-Prussian War, those of the Paris Commune (“one of the most singular documents in a singular period of French history”) and those of colonies and Latin American republics (*Economist* 29 (1871): 406, 566).
the paper was safe in continuing to assume that its readers shared a common access to and understanding of private balance sheets. The "dialect literature" of the balance sheet was not endangered by expositions of government finances, since few readers would have had reason to feel that their own diligence and ability to read accounts was being impugned by a suggestion that London magistrates might gain from summaries of municipal expenses. This was especially the case because businessmen were not expected to have much time left over from their private affairs to spend on poring over government accounts.

It was hence possible for financial journals to reconcile their elucidation of "inferior" government balance sheets with their carefully constructed moral hierarchy of financial figures; it was more difficult for them to combine, at a more general level, such claims of public expertise with their utopia of atomistic entrepreneurs whose expertise sat squarely in the realm of tacit knowledge. And as the Economist and kindred journals moved, after the 1870s, toward increasing the breadth of its editorial elucidation, this more general tension grew in prominence. As the readership and institutional context of the financial press changed by the end of the nineteenth century, out-of-the-way government statistics gave way to company accounts as the chief source of balance sheets on display for commentary. This was part of the move toward "tipsterism," which, Parsons has observed, took place not only in the Economist but also in newer journals like the Statist and the Financial Times. The institutional corollary to tipsterism was a transition (more gradual in England than in America) from private family firms toward public companies, and a consequent rise in the blind investor who lacked personal knowledge either in specific firms or general principles of bookkeeping. As early as 1866–67 Bagehot included in the Economist a series entitled "What to Buy," in which he claimed that "nobody ought to put their money where they do not understand" and promised to substitute "homely illustrations" for "columns of figures which frighten many" (Bagehot 1968–86, 10:484). This was a far cry from the paper's usual tactic of letting firms' "columns of figures" speak for themselves at the back of each issue, and it was a harbinger of the paper's editorial function in the last third of the century. The columns of figures did not disappear from the paper (and still have not), but they now vied with increasingly sophisticated analyses of stock options and economic indicators. Ultimately, and for all practical purposes, the result was a partial inversion of the old moral hierarchy, whereby the figures produced by public companies (and con-
forming increasingly closely to government standards) counted for more than the unpublished private balance sheet (see Bryer 1993). This was so simply because the public figures generated by institutions would, taken en masse, become more important to that part of the economy catered to by the financial press.

As Parsons observed, the move toward "tipsterism" in the British financial press coincided with the rise of neoclassical economics, and he explains the coincidence in terms of the depoliticization of both forms of discourse. What I have tried to show here is that these two changes were also related at a deeper level, involving the meanings and the moral significance of the numbers that appeared in their pages. While I have only traced this shift in meaning in any detail for the financial press, a similar and in many ways even more dramatic shift was also taking place for the economists who followed Jevons. As marginalism and its accompanying mathematical program edged out "literary" economics, the participating economists self-consciously rejected the assumption that they shared a common language with the capitalists whose agency continued to impel the system they described. Their importation of metaphors from physical science, with its even narrower currency, only reinforced this more general strategy. If this shift was more dramatic (and ultimately more problematic) than the parallel shift in the financial press, it was because the numbers they imagined to belong in their mathematical formulae continued to harken back to the older atomistic moral hierarchy dominated by relatively inaccessible private balance sheets. The financial press, meanwhile, was churning out numbers faster than ever, but these numbers inverted the older moral hierarchy which framed the formulas bred by the marginalist revolution. It should not be surprising, then, that economists like Jevons and Marshall expressed frustration at the numbers and the men who produced them, since the promise of empirical completeness that lay hidden within their pages could not overcome the divergence in meaning that came to separate the financial press from the economics profession.

References


