

The Character of Credit: Personal Debt in English Culture, 1740–1914. By *Margot C. Finn*. Cambridge, U.K.: Cambridge University Press, 2003. xii + 362 pp. Illustrations, tables, notes, bibliography, index. Cloth, £50.00. ISBN 0-521-82342-0.

Reviewed by Robin Pearson

This is a wonderful book. Margot Finn's achievement is to take one of the most central and, we thought, familiar institutions of industrializing England and to extend our understanding of it in several directions. Economic and business historians have increasingly recognized the importance of credit as the essential lubricant of eighteenth-century commerce, and they have recently begun to explore the complex variations in its use in different markets and trades. By contrast, Finn turns her attention to the social and cultural character of credit, particularly consumer credit, and to the personal experience of debt.

Contrary to those who believe there was a shift away from the older economy of mutual obligation during the course of the eighteenth century, Finn argues that the transition from status-based credit as a social gift to contract-based credit as a market commodity remained incomplete before 1914. She pursues this thesis in a number of arenas. Examining fictional accounts of debt and credit by authors from Richardson to Galsworthy, Finn shows that they favored notions of mutual reciprocity and gift over individualist conceptions of contract. Similar evidence for the resilience of the moral economy of gift relations in the face of the rise of contract is found in a range of autobiographies and diaries. A chapter on the unreformed culture of debtors' prisons shows that these were characterized by a substantial degree of self-government and were based on custodial rather than punitive traditions of confinement. They were thus at odds with reformers' efforts to produce an institutional framework designed to discipline increasing numbers of criminals. Furthermore, philanthropic and religious attitudes perpetuated the notion of debt as misfortune, which served in many minds to separate debtors from the criminal population. Blackstone's conventional legal distinction between the justifiable bankruptcy of merchants and the guilt of insolvent artisans and

petty traders had only limited purchase with prison authorities, local courts, or debtor charities between the 1740s and the 1840s.

Having explored the social experience of credit and debt, Finn then charts the slow transformation of bureaucratic and judicial attitudes toward credit relations and penal policy toward debtors. Early reformers focused on improving prison conditions for debtors, but from the 1830s parliamentary efforts sought to reconfigure imprisonment for debt as part of the new market disciplines. The growing caseloads of the small-claims courts eventually forced their replacement in 1846 by “county courts,” with perambulating judges rather than local commissioners presiding. The aim was to bring petty-debt litigation into the sphere of the common law and under the influence of the more “rational” and formal superior courts. Following the abolition of custodial sentences for substantial debts in the 1860s, imprisonment for debt was stripped of its customary privileges and genteel associations and largely confined to the working class.

The hopes of reformers, however, were not always realized in practice. Legal prohibitions on wives representing their debtor husbands and on other unqualified agents of litigants in court, for instance, were widely ignored. County-court judges tended to build on the equitable principles employed by the commissioners in the old courts of requests, rather than to reject these precedents entirely in favor of a strict contractual interpretation of the law. In the continued absence of a jury system in small-claims courts, litigation outcomes remained a lottery dependent upon which type of judge one might face. Equity and contract, the autonomous individual and the social nexus of credit relations, coexisted in county-court disputes over petty debts throughout Victorian and Edwardian England.

The survival of equity is also borne out by trading practices and the continued importance of credit. Finn examines the growth of trade-protection societies, which attempted to reduce their members’ exposure to risk without abandoning conventional credit relations between shopkeeper and customer. The extraordinary web of credit-rating agencies organized by the National Association of Trade Protection Societies and its affiliates by the 1880s still relied on evaluations of character, rather than simply measuring financial solidity. The societies did try to ensure anonymity in debt disputes by inserting intermediaries between creditors and debtors, but such efforts were often

thwarted by county-court judges tied to older paternalist conceptions of just contracts and equity. Not until the interwar period, Finn argues, was there a fundamental change in credit and debt relations, marked, for instance, by the act of 1935, which made wives legally responsible for their contracts, and by a shift in focus away from debts with tradesmen toward debts owed to the state (for local rates) and to dependents (bastardy and maintenance orders).

If the book has a weakness, it is the relative inattention paid to the creditor's view at the outset of the credit relationship. There are only brief indications of how the moral hazard of potential borrowers was assessed, and only passing references to the role of trust and networking. Thus limited attention is paid to the moral calculus applied by creditors in risk assessment and the social embeddedness of creditor decisions, and in this sense the book falls short of providing a comprehensive account of the "character" of credit. There are hints in Finn's evidence that while character and reputation were constants in risk assessment, there may have been a shift from eighteenth-century cultural, and especially visual, judgments based on physiognomy, dress, and comportment toward nineteenth-century socioeconomic assessments based on notions of prudence and material evidence of financial solidity. Recent work by several scholars on Victorian provincial bank attitudes toward borrowers may support this suggestion. Perhaps there was some movement across this period from credit being treated as a dynamic process, or as a social and moral relationship through time, toward a modern notion of credit as a fixed commodity produced at the point of consumption. This may modify, though not necessarily undermine, Finn's principal argument that contractual notions of credit never became dominant in England before 1914.

Speculations aside, this is an admirable work of scholarship, based on a wealth of primary sources. It will be read with advantage by business, economic, and social historians alike.

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