

THE POET AS ECONOMIST: SHELLEY'S CRITIQUE OF PAPER MONEY AND THE BRITISH NATIONAL DEBT

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The real difference between Byron and Shelley is this: those who understand and love them rejoice that Byron died at thirty-six, because if he had lived he would have become a reactionary *bourgeois*; they grieve that Shelley died at twenty-nine, because he was essentially a revolutionist and he would always have been one of the advanced guard of socialism.

— Karl Marx

I

Was Percy Shelley, the great English Romantic poet, a socialist? This may sound like an odd question, since, according to the *Oxford English Dictionary*, the word *socialist* was not even coined until 1833, that is, 11 years after Shelley died. Yet, despite the fact that Shelley could not have been aware of what we normally think of as socialist ideas, later socialists have claimed him for their lineage. Marx himself admired Shelley, and British socialists of the late nineteenth century looked back upon him as a kind of patron saint of their movement.¹ H.G. Wells, for example, rewrote Shelley's *Prome-*

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¹This development was reflected in the history of the Shelley Society, founded in England in 1886, which was divided, broadly speaking, between those who championed the poet for literary reasons and those who championed him for political-economic reasons. The dispute centered on the status of Shelley's early poem, *Queen Mab*, which the first faction thought "should be relegated to Shelley's juvenilia," while the socialists in the society revered "*Queen Mab* as the bible of the new order." See Robert Metcalf Smith, *The Shelley Legend* (New York: Charles Scribner's Sons, 1945), p. 268. The dispute culminated in a speech by A. G. Ross, in which he chastised the socialist members of the society, charging that "the blatant and cruel socialism of the street" was trying to "use the lofty and sublime socialism of the study for its own base purposes." Coming to the defense of the socialist view of Shelley, George Bernard Shaw called this speech "the most astonishing one he had heard" (Smith, p. 271). But note that even Ross makes the concession that Shelley is in some sense a socialist. Michael Henry Scrivener, in his *Radical Shelley: The Philosophical Anarchism and Utopian Thought of Percy Bysshe Shelley* (Princeton, N.J.: Princeton University Press, 1982), p. 67, writes that "*Queen Mab* became a part of socialist culture" in Victorian England. For a detailed discussion of Shelley's

theus Unbound in the form of a science fiction novel called *In the Day of the Comet*. Today, many Shelley scholars regard him as vaguely left wing in his politics, perhaps a proto-socialist, if not a full-fledged member of the movement.² In both his poetry and his prose, he is constantly championing the poor against the rich, and critics assume that this means that he would have been in favor of socialist policies, for example, of schemes for redistributing wealth. There is no question that by the standards of his day, Shelley was an economic and political radical, but what did “radicalism” mean in Shelley’s day? Studying the case of Shelley gives us a chance to consider whether early nineteenth-century radicalism is to be identified with what we think of as a socialist position today.

Insofar as Shelley’s poetry deals with political and economic issues, it is visionary and utopian, offering nightmare images of a world enslaved in the present, and dream images of a world liberated in the future. The very poetic quality of Shelley’s vision makes it difficult to determine precisely his stance on concrete social issues. Thus, one text among all of Shelley’s writings is central to any examination of his political and economic views, a prose treatise called *A Philosophical View of Reform*, by far his most sustained and systematic effort to develop an understanding of the problems facing England in the early nineteenth century. He wrote this extended essay early in 1820, in direct response to the political agitation in England in 1819 that culminated in the infamous Peterloo Massacre, agitation that seemed to augur the outbreak of violent revolution on the English scene. The essay has come down to us in unfinished form; it was never published in Shelley’s lifetime. Indeed it was deemed so radical in content

posthumous reputation among British and other socialists, see Paul Foot, *Red Shelley* (London: Sidgwick and Jackson, 1980), pp. 227–73.

²For a serious attempt to present Shelley as a forerunner of Marx, see Terence Allan Hoagwood, *Skepticism and Ideology: Shelley’s Political Prose and Its Philosophical Context from Bacon to Marx* (Iowa City: University of Iowa Press, 1988), especially pp. 79–138. This work (p. 83) is the source for the Marx epigraph, which is ultimately taken from Franz Mehring’s *Life of Marx*. For other discussions of Shelley as a socialist, see Eleanor Marx and Edward Aveling, *Shelley’s Socialism* (Manchester, England: Leslie Praeger, [1888] 1947); Kenneth Neill Cameron, “Shelley and Marx,” *Wordsworth Circle* 10 (1979): 234–39. In his *Red Shelley*, Foot presents the poet as a left-wing radical with many affinities to Marx, but ultimately concludes that “Shelley was not a socialist. Shelley was a leveller” (p. 96). Similarly, Scrivener argues that Shelley “anticipates . . . a number of radical tendencies, including the socialism of Marx,” but he also sees a strong “libertarian” element in Shelley (*Radical Shelley*, p. 318), which ultimately leads him to conclude that the poet is best understood as a “philosophical anarchist.” In *The Unacknowledged Legislator: Shelley and Politics* (Oxford: Clarendon Press, 1980), P.M.S. Dawson also places Shelley in the tradition of philosophical anarchism.

that it was not published until 1920.³ As its title indicates, the essay contributes to the ongoing and heated debate in England during the nineteenth century concerning the issue of parliamentary reform, disputes that produced the famous series of Reform Bills progressively extending the voting franchise in England and thereby making its regime more democratic. Before this process began, Shelley offered a powerful argument for why it was not just desirable but also inevitable, claiming that only parliamentary reform could save England from the disaster of armed insurrection and civil war.

Despite Shelley's title, however, parliamentary reform is not the sole concern of his essay. In fact, Shelley presents political reform as necessary ultimately for the sake of economic reform.⁴ He argues that the common people of England must seek to be more fully represented in Parliament in order to end the economic oppression they suffer at the hands of the rich and powerful. And what, according to Shelley, is the nature of this oppression? Does he complain about the emerging factory system and the new working conditions it imposed upon English laborers? Does he indict pollution, cut-throat competition, unemployment, dehumanizing mechanization, or any of the other supposed effects of the Industrial Revolution normally cited as having ruined the lives of the English working class in the early nineteenth century? The answer to all these questions is a surprising "no," surprising, that is, if one accepts the standard view of what the Romantics objected to in the economy of their day.

Shelley attacks only one target in *A Philosophical View of Reform*: the national debt of Great Britain. He holds the newly created system of deficit financing solely responsible for the economic woes of the English people. In particular, he condemns the British government's substitution of paper money for the precious metal currency that had prevailed in the country, a change that caused an inflation that improverished its citizenry. In short, in his one detailed attempt to grapple with the economic problems facing England, Shelley does not in socialist fashion call for increased government intervention in the market; on the contrary, he finds the root of England's problems precisely in a form of government intervention, namely, in manipulation of the currency in

³I quote *A Philosophical View of Reform* from the Julian edition, *The Complete Works of Percy Bysshe Shelley*, Roger Ingpen and Walter E. Peck, eds. (London: Ernest Benn, 1930), vol. 7. For the history of and problems with the text of the work, see vol. 7, pp. 332–33.

⁴On this point, see Gerald McNiece, *Shelley and the Revolutionary Idea* (Cambridge, Mass.: Harvard University Press, 1969), p. 84.

particular and financial policies in general calculated to benefit the government and its cronies at the expense of the population as a whole. At least in *A Philosophical View of Reform*, Shelley's radicalism appears to be that of a free-market advocate and not that of a socialist.

II

Shelley's argument begins from the premise that a sound currency is the foundation of a sound economy. Gold and silver have traditionally provided this foundation, and the government's sole responsibility in this area is to certify the weights and measures of a metallic currency:

The precious metals have been from the earliest records of civilization employed as the signs of labour and the titles to an unequal distribution of its produce. The [Government of] a country is necessarily entrusted with the affixing to certain portions of these metals a stamp, by which to mark their genuineness; no other is considered as current coin, nor can be a legal tender. The reason of this is that no alloyed coin should pass current, and thereby depreciate the genuine, and by augmenting the price of the articles which are the produce of labour defraud the holders of that which is genuine of the advantages legally belonging to them.⁵

From the beginning, Shelley views inflation as the chief economic problem. Increasing the amount of currency in circulation by debasing coinage increases the general level of prices, thereby depriving people of the amount of wealth to which their money originally entitled them.

Thus, for Shelley, when a government participates in inflationary manipulation of its own coinage, it abrogates its chief financial responsibility to its people:

If the Government itself abuses the trust reposed in it to debase the coin, in order that it may derive advantage from the unlimited multiplication of the mark entitling the holder to command the labour and property of others, the gradations by which it sinks, as labour rises, to the level of their comparative values, produces public confusion and misery.⁶

As Shelley points out, debasing the coinage was a ruse well-known to governments in the ancient world, and, hence, one increasingly difficult to get away with in the modern. In the late seventeenth and early eighteenth centuries, the British govern-

⁵Shelley, *A Philosophical View of Reform*, pp. 25–26

⁶Shelley, *A Philosophical View of Reform*, p. 26.

ment gradually developed the modern system of public finance, which Shelley regards as a massive and insidious scheme for defrauding the British people:

At the epoch adverted to, the device of public credit was first systematically applied as an instrument of government. . . . The rich, no longer being able to rule by force, have invented this scheme that they may rule by fraud. . . . The most despotic governments of antiquity were strangers to this invention, which is a compendious method of extorting from the people far more than praetorian guards, and arbitrary tribunals . . . could ever wring. Neither the Persian monarchy nor the Roman empire, where the will of one person was acknowledged as unappealable law, ever extorted a twentieth part the proportion now extorted from the property and labour of the inhabitants of Great Britain.⁷

Shelley sees that the heart of the British government's new financial policy was the monetization of debt.⁸ Once paper claims to gold and silver on deposit began to circulate and be accepted in place of the underlying precious metals, it became possible to substitute a paper currency for a metallic. For Shelley,

⁷Shelley, *A Philosophical View of Reform*, p. 25.

⁸One of Shelley's chief sources for his economic information, William Cobbett, does an excellent job of explaining this phenomenon, namely, how banknotes get into circulation. See Cobbett, *Paper Against Gold* (London: Cobbett, 1817), pp. 84–85. For the influence of Cobbett on Shelley's essay, see Kenneth Neill Cameron, "Shelley, Cobbett, and the National Debt," *Journal of English and Germanic Philology* 42 (1943): 197–209; McNiece, *Shelley*, pp. 84–87; and Patrick Brantlinger, *Fictions of State: Culture and Credit in Britain, 1694–1994* (Ithaca, N.Y.: Cornell University Press, 1996), pp. 114–16. Shelley refers his readers to *Paper Against Gold* in a bracketed passage in the manuscript of *A Philosophical View of Reform*, which Ingpen and Peck print in their notes (vol. 7, p. 338). Dawson (*Unacknowledged Legislator*, pp. 47–48) questions Shelley's knowledge of economics:

He lacked however the conceptual equipment to analyse the economic structure of his society, and his distaste for the study of political economy condemned his utterances on the subject to remain on the level of a callow moralism.

Dawson (p. 49) blames Shelley's ignorance of economics specifically on his reliance on Cobbett:

The writer on whom Shelley drew most deeply for his economic views was, unfortunately, William Cobbett. Cobbett's no-nonsense analysis of the economic structure of English society was clearly far more congenial to Shelley than the complexities of the political economists.

Dawson evidently prefers "nonsense" economics to "no-nonsense" economics. The "political economists" he refers to were the apologists for the Bank of England, many of them Directors of the Bank. In fact, Cobbett had no less a political economist than David Ricardo on his side of the argument, and events soon vindicated his understanding of the British banking system. Though Cobbett expressed his views with journalistic verve, they were, in fact, quite cogent and economically insightful, and *Paper Against Gold* can be profitably read to this day.

this development began when the British government chartered the Bank of England in 1694.⁹ This institution was created for the chief purpose of financing and managing the government's debt, which grew exponentially in the course of the eighteenth century, chiefly as a result of its wars on the Continent and in America. Bills of exchange that carried the official seal of the Bank of England encouraged people to accept paper instead of gold and silver as money. Shelley understood the enormous potential for abuse inherent in the new credit economy established and fostered by the British government:

The modern scheme of public credit is a far subtler and more complicated contrivance of misrule. All great transactions of personal property in England are managed by signs and that is by the authority of the possessor expressed upon paper, thus representing in a compendious form his right to so much gold, which represents his right to so much labour. A man may write on a piece of paper what he pleases; he may say he is worth a thousand when he is not worth a hundred pounds. If he can make others believe this, he has credit for the sum to which his name is attached. And so long as this credit lasts, he can enjoy all the advantages which would arise out of the actual possession of the sum he is believed to possess. He can lend two hundred to this man and three to that other, and his bills, among those who believe that he possesses this sum, pass like money.¹⁰

This new financial system made it much easier for the government to inflate the currency:

The existing government of England in substituting a currency of paper [for] one of gold has had no need to depreciate the currency by alloying the coin of the country; they have merely fabricated pieces of paper on which they promise to pay a certain sum.¹¹

In short, Shelley understood the great magic trick the British government had managed to pull off in the course of the eighteenth century. It used the Bank of England and the money market institutions that grew up along with it to finance its increasing debts, and then monetized the debt, thereby performing the seeming miracle of turning debt into wealth. The whole scheme hinged on the government's unquestioned ability to meet

⁹For brief but good summaries of the development of banking and finance in eighteenth-century England, see Elie Halévy, *A History of the English People in 1815* (London: Routledge and Kegan Paul, [1924] 1987), pp. 296–323; and T.S. Ashton, *An Economic History of England: The Eighteenth Century* (London: Methuen, 1955), pp. 167–200.

¹⁰Shelley, *A Philosophical View of Reform*, p. 26.

¹¹Shelley, *A Philosophical View of Reform*, p. 27.

the interest payments on its loans, unquestioned because of its virtually unlimited authority to tax its people. Throughout the essay, Shelley complains bitterly about the excessive taxes imposed upon the British public to pay the interest on the ever-increasing national debt, interest payments that had reached the then-astronomical figure of £45,000,000 annually.¹² Shelley is already calling for a tax revolt:

The taxgatherer ought to be compelled in every practicable instance to distraint, whilst the right to impose taxes . . . is formally contested by an overwhelming multitude of defendants before the courts of common law. Confound the subtlety of lawyers with the subtlety of the law.¹³

But as troubled as Shelley is by the open taxation of the British public, he is even more disturbed by the hidden tax they are forced to pay under the new financial system, what we today would call an inflation tax.¹⁴ Confronted with the new system of public finance, Shelley is an unabashed monetarist; he has no doubt that the rise in the general level of prices in England is to be traced directly and solely to the increase in the quantity of money in circulation that resulted from the monetization of the enormous and ever-increasing national debt.¹⁵ Shelley knows what happens in a paper currency economy when more money starts chasing fewer goods, rendering nominal increases in wages meaningless since prices increase just as fast or faster:

Of course in the same proportion as bills of this sort, beyond the actual goods or gold and silver possessed by the drawer, pass current, they defraud those who have gold and silver and goods of the advantages legally attached to the possession of them, and they defraud the labourer and artizan of the advantage attached to increasing the nominal price of labour.¹⁶

¹²Shelley, *A Philosophical View of Reform*, p. 40.

¹³Shelley, *A Philosophical View of Reform*, p. 51.

¹⁴In *Classical Economics*, vol. 2 of his *An Austrian Perspective on the History of Economic Thought* (Cheltenham, England: Edward Elgar, 1995), p. 182, Murray Rothbard points out that one of Shelley's contemporaries, Lord King, referred to the depreciation of currency as "an indirect tax . . . imposed upon the community."

¹⁵For this point, Shelley relied heavily on Cobbett; see *Paper Against Gold*, pp. 324–25, 331–32, especially p. 331:

Yes: we talk about *dearness*; we talk of *high prices*; we talk of things *rising in value*; but, the fact is, that the change has been in the *money* and not in the articles bought and sold; the articles remain the same in value, but the money, from its abundance, has *fallen in value*.

(Cobbett's italics). For historical support for this claim, see Halévy, p. 306; also T.S. Ashton, *The Industrial Revolution 1760–1830* (London: Oxford University Press, 1948), p. 103.

¹⁶Shelley, *A Philosophical View of Reform*, p. 26.

For Shelley, the last straw in British financial policy was the government's suspension of the convertibility of Bank of England notes to gold and silver, thus instituting a pure paper currency:¹⁷

The holders of these papers came for payment in some representation of property universally exchangeable. They [the government] then declared that the persons who hold the office for that payment could not be forced by law to pay. They declared subsequently that these pieces of paper were the legal coin of the country.¹⁸

Severing the British currency from any link to precious metals further increased the capacity of the government to engineer inflation.¹⁹ And, unlike some economists, Shelley does not make the mistake of viewing inflation as having a neutral impact on the economy, as if the rise in prices affects everybody equally. Rather, he sees inflation "benefiting at the expense of the community the speculators in this traffic."²⁰ Although this brief comment does not reflect a full understanding of how inflation redistributes wealth, Shelley does have an inkling of the importance of the fact that inflated currency necessarily enters the economy at one point and not another; thus, those who first have access to the money reap the benefits of spending it before it has had time to increase prices.²¹

Hence, Shelley views inflation as an unmitigated disaster for the majority of people in England, who see the purchasing power of their money eroded, perhaps even cut in half. As Shelley sarcastically writes:

¹⁷For discussions of this important episode in British economic history, which led to the so-called bullionist controversy, see Friedrich Hayek, *The Trend of Economic Thinking: Essays on Political Economists and Economic History*, vol. 3 of his *Collected Works* (Chicago: University of Chicago Press, 1991), pp. 177–215; John F. Chown, *A History of Money: From AD 800* (London: Routledge, 1994), pp. 232–45; and Rothbard, *Classical Economics*, pp. 157–224. For an attempt to relate this economic episode to literary developments, see Kevin Barry, "Paper Money and English Romanticism: Literary side-effects of the last invasion of Britain," *TLS* (21 February 1997): 13–16.

¹⁸Shelley, *A Philosophical View of Reform*, p. 27.

¹⁹On this point, see Cobbett, *Paper Against Gold*, pp. 5–8.

²⁰Shelley, *A Philosophical View of Reform*, p. 27.

²¹Shelley may have known about this point from reading David Hume's essay "Of Money." See David Hume, *Essays: Moral, Political and Literary* (London: Oxford University Press, [1741–42] 1963), pp. 291–92. For Shelley's knowledge of Hume's *Essays*, see Cameron, "Shelley, Cobbett," p. 200. For more on the understanding in Shelley's day of the uneven effects of inflation, see Rothbard, *Classical Economics*, pp. 182, 210.

One of the vaunted effects of this system is to increase the national industry. That is, to increase the labours of the poor and those luxuries of the rich which they supply. To make a manufacturer work 16 hours where he only worked 8. To turn children into lifeless and bloodless machines at an age when otherwise they would be at play before the cottage doors of their parents.²²

Here Shelley finally begins to talk about the horrors of working conditions in early nineteenth-century England, but contrary to conventional opinion about the economic attitudes of the Romantics, he attributes the problems not to the Industrial Revolution but to the financial policies of the British government and specifically to its suspension of gold and silver convertibility. It is particularly noteworthy that Shelley blames child labor not on the rapacity of English industrialists but on the fraudulent monetary policies of the government. The point is sufficiently important to Shelley for him to repeat it:

Since the institution of this [system]. . . , they have often worked not ten but twenty hours a day. Not that all the poor have rigidly worked twenty hours, but that the worth of the labour of twenty hours now, in food and clothing, is equivalent to the worth of ten hours then. And because twenty hours' labour cannot, from the nature of the human frame, be exacted from those who before performed ten, the aged and the sickly are compelled either to work or starve. Children who were exempted from labour are put in requisition, and the vigorous promise of the coming generation blighted by premature exertion. For fourteen hours' labour, which they do perform, they receive—no matter in what nominal amount—the price of seven. They eat less bread, wear worse clothes, are more ignorant, immoral, miserable and desperate.²³

I am not claiming that Shelley was right in blaming all the economic woes of early nineteenth-century England on the government's monetary policies.²⁴ There does seem to be something al-

²²Shelley, *A Philosophical View of Reform*, p. 27.

²³Shelley, *A Philosophical View of Reform*, p. 30. Incredibly, Foot (*Radical Shelley*, p. 91) cites this passage as an illustration of the Marxist theory of wage exploitation, as if Shelley were talking about workers who perform fourteen hours of labor but are paid for only seven, rather than workers who find that the depreciation of the currency means that the wage for fourteen hours of labor now has the purchasing power that the wage for seven used to have. Foot tries to attribute to capitalist exploiters the baleful effects that Shelley attributes to government-engineered inflation.

²⁴Scrivener, *Radical Shelley*, p. 136, argues that Shelley's fixation on the national debt was merely an example of "rhetorical duplicity" adopted from Cobbett. Scrivener would rather blame the misery Shelley discusses on the "industrial revolution" (p. 215). Though Shelley was perfectly capable of disguising his views, it is

most monomaniacal about his seizing upon deficit financing as the sole cause of working-class poverty. Still, one should never underestimate the corrosive effects of inflation on any economy, and statistics do bear out Shelley's claims. Prices in England did, in fact, roughly double between 1790 and 1815.²⁵ But I am not using Shelley to make a point about English economic history; I am trying to make a point about *attitudes* toward English economic history. Whether or not Shelley correctly identified the cause of economic misery in his day, we can learn something about the nature of his radicalism by observing what he chose to focus on. And here, Shelley could not be more explicit in stating his conclusion:

The cause of this peculiar misery is the unequal distribution which, under the form of the national debt, has been surreptitiously made of the products of their labour and the products of the labour of their ancestors.²⁶

So obsessed is Shelley with the problem of the national debt that he even argues that had it been solved, the issue of reforming Parliament might not have come up:

At the peace, the people would have been contented with strict economy and severe retrenchment, and some direct and intelligible plan for producing that equilibrium between the capitalists and the landholders which is delusively styled the payment of the national debt: had this system been adopted, they probably would have refrained from exacting Parliamentary Reform, the only secure guarantee that it would have been pursued.²⁷

III

Just as Shelley focuses on the national debt as the origin of England's economic problems, so he focuses on it when proposing solutions to the problems. Readers expecting Shelley to suggest economic measures characteristic of modern radicalism will be

difficult to see how following "Cobbett's tactic of concentrating the public wrath on the fundholders" (Scrivener, p. 136) against his better judgment would have aided Shelley's cause. If anything, attacking the public funding system got him in trouble; see McNiece, *Shelley*, p. 8: "Apparently his doctrines were alarming his friends in Italy with money invested in the funds."

²⁵See the data in Norman J. Silberling, "British Prices and Business Cycles, 1779–1850," *The Review of Economic Statistics* 5 (1923): 223–47, especially the graphs on pp. 230, 234, and 235. Rothbard, *Classical Economics*, p. 160, points out that during the same period, the money supply in England also roughly doubled.

²⁶Shelley, *A Philosophical View of Reform*, p. 31.

²⁷Shelley, *A Philosophical View of Reform*, p. 45.

sorely disappointed by *A Philosophical View of Reform*. Faced with the poverty of the working class, he does not call for the nationalization of industry or the expropriation of capital.²⁸ He does not suggest using the tax system to redistribute wealth.²⁹ He does not even propose laws to regulate working conditions in factories, to limit hours, or to forbid child labor. Far from calling for increased government intervention in the economy, Shelley wants to get the government out of the market as much as possible. Here is the sum total of Shelley's "economic program":

We would abolish the national debt.
 We would disband the standing army.
 We would, with every possible regard to the existing interests of the holders, abolish sinecures.
 We would, with every possible regard to the existing interests of the holders, abolish tithes, and make all religions, all forms of opinions, respecting the origin and government of the Universe, equal in the eye of the law.
 We would make justice cheap, certain and speedy, and extend the institution of juries to every possible occasion of jurisprudence.³⁰

This is not a pro-socialist but a pro-capitalist program; like a laissez-faire economist, Shelley is chiefly concerned with getting the government out of the way of legitimate and spontaneous economic activity. He wants to simplify the court system, and to eliminate any remaining vestiges of feudal privilege in England, including government sinecures and established church benefices. In general, he directs his hostility not toward entrepreneurs, who create wealth by their own efforts, but toward aristocrats, whose

²⁸Shelley does consider the possibility of a one-time tax on capital to liquidate the national debt. The fact that David Ricardo advocated the same policy suggests that this is not a particularly "socialist" position. For the relation between Shelley and Ricardo on this issue, see Cameron, "Shelley, Cobbett," pp. 207-9; also McNiece, *Shelley*, pp. 88-89.

²⁹Twentieth-century literary critics have had a hard time comprehending the "radicalism" of Shelley's essay, since they keep imputing their own economic opinions to Shelley. Cameron, "Shelley, Cobbett" p. 205, feels a need to supplement Shelley's analysis of the economic misery of his day:

For another important reason for the increased hardships on the poor in these years and one which Shelley doubtless had in mind, we must turn to the financial history of the time. This was the abolition of the income tax in 1816.

Writing in the wake of the New Deal, Cameron could not understand how any intelligent person could fail to be in favor of progressive income taxation, but in fact Shelley never once complains about the abolition of the income tax; for the reasons why, see Halévy, *History of the English People*, pp. 326-28, who concludes, "the income tax was in universal disfavour."

³⁰Shelley, *A Philosophical View of Reform*, p. 34.

wealth is based solely on privileges granted them by the government. Indeed, Shelley views capitalism as a genuine advance over the system that preceded it, feudalism, and its late incarnation in mercantilism:

Feudal manners and institutions having become obliterated, monopolies and patents having been abolished, property and personal liberty having been rendered secure, the nation advanced rapidly towards the acquirement of the elements of national prosperity. Population increased, a greater number of hands were employed in the labours of agriculture and commerce, towns arose where villages had been.³¹

Like Adam Smith, Shelley does not object to business as such, but only to the *alliance* between business and government that was at the core of the mercantilist system. When a government grants some businessmen privileges at the expense of others, when, for example, it confers a monopoly on one company, then it earns Shelley's scorn.

How does Shelley connect the issue of the national debt with the issue of monopoly? In many ways, the Bank of England was the greatest of all government monopolies, gradually given more and more exclusive privileges that allowed it to function in accord with the purposes of the British crown.³² The way the Bank was set up ensured that banking and finance in England did not develop along laissez-faire lines; rather the state maintained a massive presence in, influence on, and even control over all financial markets. Shelley is at his most acute in *A Philosophical View of Reform* in his understanding of the sinister alliance between government and business interests involved in the development of public finance in eighteenth-century England. Indeed, the most brilliant part of the essay is a sociological analysis of the new alignment of economic and political forces in the eighteenth-century British regime.³³

In analyzing the origins of the national debt, Shelley points out:

It was employed at the accession of William III less as a resource of meeting the financial exigencies of the state than as

³¹Shelley, *A Philosophical View of Reform*, p. 22.

³²On the monopoly status of the Bank of England, see Halévy, *History of the English People*, p. 302; Ashton, *Economic History*, pp. 178–79, 183; Chown, *History of Money*, p. 234; and Rothbard, *Classical Economics*, pp. 159, 183.

³³The best analysis I know of the nature of this regime is Harvey C. Mansfield, Jr., "Party Government and the Settlement of 1688," *American Political Science Review* 58 (1964): 933–46, which does an excellent job of relating the financial policies of the Whigs to their fundamental political program.

a bond to connect those in the possession of property with those who had, by taking advantage of an accident of party, acceded to power.³⁴

The government needed money to finance its wars with France and its rebellious colonies in America. As Shelley writes, “The national debt was chiefly contracted in two liberticide wars, undertaken by the privileged classes of the country.”³⁵ It was easier for the British government to borrow the money to finance its wars than to raise it by taxation (governments never want their citizens to have a clear idea of what military expeditions cost). But Shelley suggests a hidden political agenda behind the system of public credit the British developed—it forged a bond between the government and the financial interests in the country. Bankers and other moneyholders were eager to lend to the government because of the security of such loans. When a banker lends to businessmen, he is gambling that their businesses will produce sufficient revenue to meet the interest payments on the loans and eventually to repay the principal. But governments are not dependent on the vicissitudes of the market; they rely on their ability to raise money by taxes to make their interest payments, and, if all else fails, in the era of paper currency they can always just print the money to meet their financial obligations. That is why governments have an advantage over private businesses, and can usually obtain loans at favorable rates of interest. More importantly, from Shelley’s perspective, once the monied interests began to lend large amounts to the British government, they became tied to the fortunes of that government. They would hardly work for the overthrow of a government heavily indebted to them and a chief source of their steady and secure income.³⁶ Thus, as Shelley points out, the landed aristocrats who created and dominated the eighteenth-century British regime gradually cemented support for their rule from the financial interests in the city of London by means of the new public credit system.

Shelley clarifies for his reader what is really involved in the complicated and confusing national debt situation:

The fact is that the national debt is a debt not contracted by the whole nation towards a portion of it, but a debt

³⁴Shelley, *A Philosophical View of Reform*, p. 25.

³⁵Shelley, *A Philosophical View of Reform*, p. 34. See also Cobbett, *Paper Against Gold*, p. 424. For a general historical account of the connection between British war policy and the development of deficit financing, see John Brewer, *The Sinews of Power: War, Money and the English State 1688–1783* (Cambridge, Mass.: Harvard University Press, 1988).

³⁶Hume makes this point in his important essay “Of Public Credit.” See *Essays*, pp. 359–60.

contracted by the whole mass of the privileged classes towards one particular portion of those classes. . . . As it is, the interest is chiefly paid by those who had no hand in the borrowing, and who are sufferers in other respects from the consequences of those transactions in which the money was spent. The payment of the principal of what is called the national debt, which it is pretended is so difficult a problem, is only difficult to those who do not see who is the creditor, and who the debtor, and who the wretched sufferers from whom they both wring the taxes which under the form of interest is given by the [latter] and accepted by the [former].³⁷

Shelley exposes the scam the British government developed that has served as a model to all governments since. The ruling powers in England got the money they needed to finance their enterprises, chiefly war. The monied interests found a profitable and secure way of placing loans, with a virtually guaranteed steady stream of interest income. And all this was paid for by the majority of honest, hard-working Englishmen, either in the form of direct taxation, or in the indirect form of an inflation tax whenever the government debt was monetized, thus increasing the currency in circulation and raising prices. As Shelley indicates, this system worked only because the interested parties were able to hide the reality of what was going on from the general populace. The intricacies of the banking system mystified the public and obscured the truth about the national debt. Shelley's aim in *A Philosophical View of Reform* was to demystify the public finance system in England and reveal it for what it was—a massive scheme to defraud the people of England, to get the poor to pay for servicing the debt of the rich.³⁸

Those who still wish to believe in a proto-socialist Shelley might take comfort from the fact that he employs the rhetoric of rich versus poor, as if class warfare were at the center of his economic doctrine. But, unfortunately for any Marxist appropriation of Shelley, when he speaks of “the rich,” he does not mean what Marxists do by the term. Shelley is, in fact, careful to explain the restricted range of the term in his vocabulary:

When I speak of persons of property I mean not every man who possesses any right of property; I mean the rich. Every

³⁷Shelley, *A Philosophical View of Reform*, pp. 35–36.

³⁸Shelley learned the need for such demystification from Cobbett; see *Paper Against Gold*, pp. 8–9, and especially p. 421:

One would really suppose, that the general creed was, that the Bank Directors were the Gods of the country, that they were our Sustainers if not actually our Makers, that from them we derived the breath in our nostrils, that in and through them we lived, moved, and had our being.

man whose scope in society has a plebeian and intelligible utility, whose personal exertions are more valuable to him than his capital; every tradesman who is not a monopolist, all surgeons and physicians and those mechanics and editors and literary men and artists, and farmers, all those persons whose profits spring from honourably and honestly exerting their own skill and wisdom or strength in greater abundance than from the employment of money to take advantage of the necessity of the starvation of their fellow-citizens for their profit, are those who pay, as well as those more obviously understood by the labouring classes, the interest of the national debt. It is in the interest of all these persons as well as that of the poor to insist upon the payment of the principal.³⁹

This passage is crucial for understanding what is distinctive in Shelley's formulation of England's economic problems. He does not categorize class conflict in England in the terms that Marx and his followers were soon to employ. Shelley does not think in terms of a sharp opposition between the bourgeoisie and the proletariat; that is *not* his definition of rich versus poor. In fact, Shelley argues that a large portion of the middle class should make common cause with the working class over the issue of the national debt; both are being taken advantage of by the aristocracy in alliance with a small portion of the middle class.

Shelley's argument turns on his distinction between two subsets, as it were, of the middle class. He distinguishes between those who are, in effect, clients of the government—those who benefit financially from its operation—and those who, through taxes and other forms of government appropriation, are net losers in the system. The latter class includes the majority of what we would call middle-class professionals—doctors, for example—but it also includes businessmen who are not the beneficiaries of government interference in the free market, that is, “every tradesman who is not a monopolist.” What defines this subset of the middle class for Shelley is that its contribution to the economy has nothing to do with the government (that is, what Shelley calls its “plebeian and intelligible utility”).

The other subset of the middle class consists of all those professionals who have sprung up in connection with the new system of public finance—the bankers, the bond traders, the stockbrokers—a new category of men who have become dependent on the government to enrich them. Shelley has such contempt for all who derive their wealth from serving the ruling powers in

³⁹Shelley, *A Philosophical View of Reform*, pp. 36–37.

England that he insists upon calling them aristocrats.⁴⁰ As he formulates the point, England is now burdened with *two* aristocracies: the old one, consisting chiefly of the great landowners and long-established merchant families, and a new one, consisting of all the satellites and hangers-on of the system of public finance.⁴¹ And for Shelley, this new aristocracy is worse than the old, since it is mean-spirited and grasping whereas the old one at least had a certain nobility and largeness of vision:⁴²

The other is an aristocracy of attorneys and excisemen and directors and government pensioners, usurers, stock jobbers, country bankers. . . . These are a set of pelting wretches in whose employment there is nothing to exercise . . . the more majestic faculties of the soul. Though at the bottom it is all trick, there is something frank and magnificent in the chivalrous disdain of infamy connected with a gentleman. . . . But in the habits and lives of this new aristocracy created out of an increase [in] the public calamities . . . there is nothing to qualify our disapprobation. They eat and drink and sleep, and in the interval . . . they cringe and lie.⁴³

Shelley negatively characterizes the segment of the middle class that developed to make the system of public finance work, professionals who came to have an interest in seeing the national debt grow (since they in effect earned their living from it) and who therefore wanted to see government activities expand in general.⁴⁴ Shelley thus shows how the ruling powers in England

⁴⁰On the status of the new species of financial professionals, especially the stock-brokers, see Halévy, *History of the English People*, pp. 314–16; Halévy himself refers to them as “aristocrats” (pp. 299, 314).

⁴¹Cameron, “Shelley, Cobbett,” pp. 201–2, claims that Shelley derived the idea of the two aristocracies from Cobbett, but, as Cameron himself admits (p. 209), Shelley’s analysis of the situation is considerably more complex and subtle than is Cobbett’s.

⁴²Hume offers a similar analysis of the ignobility of the new class of financial professionals in his “Of Public Credit,” p. 363.

⁴³Shelley, *A Philosophical View of Reform*, pp. 28–29.

⁴⁴The one seemingly “Marxist” aspect of Shelley’s essay is his tendency to explain people’s opinions in terms of their underlying economic interests. Yet, ultimately, Shelley is not a Marxist, because he does not apply this principle mechanically. In another passage which Ingpen and Peck relegate to their notes (p. 336), Shelley explicitly denies the Marxist principle that economic interests strictly determine political opinions:

It is not alledged that every person whose interest is directly or indirectly in the maintaining things as they are, is therefore necessarily interested. There are individuals who can be just judges even against themselves, and by study and self-examination have established a severe tribunal within themselves to which these principles which demand the advantage of the greater number are admitted to appeal.

forged an alliance with a segment of the rising middle class: “the hereditary aristocracy who held the political administration of affairs took the measures which created this other [aristocracy] for purposes peculiarly its own.”⁴⁵

The subtle way in which Shelley distinguishes between elements of the middle class provides a good warning against applying Marxist terminology or analysis indiscriminately to authors, especially to authors who wrote before Marx.⁴⁶ Whenever someone takes the side of the poor against the rich, it is tempting to classify him as a socialist. But Shelley’s case reminds us that there is more than one way to champion the poor or attack the rich. Indeed, as we have seen, Shelley means something quite distinctive, even idiosyncratic, when he uses the term “rich.” For Shelley, how one derives one’s wealth is vitally important. He defines the “rich” as only those whose wealth is the result of political privilege, whether based in aristocratic inheritance or monopoly grants from the government. Shelley does not object to wealth when it is derived from the independent operation of the free market, when it results from hard work or entrepreneurial spirit. In this regard, his radicalism again resembles that of the original British champions of the free market, such as Adam Smith. Shelley defends the poor not against capitalists but against mercantilists, that is, against businessmen who are in league with the government to defraud and exploit both the poor and a large portion of the middle class.

IV

When Shelley deals with the issue of equality of property, he comes to conclusions that are far from socialist. He does hold up equality of wealth as an ideal, but he also insists that political attempts to achieve such equality are ill-advised, at least under current conditions. Thus, even when Shelley sounds

Hoagwood, *Skepticism and Ideology*, pp. 85–86, unaccountably offers this passage as an example of Shelley’s Marxist thinking, as if Marxism allowed individuals within a class to be exempt from class consciousness.

⁴⁵Shelley, *A Philosophical View of Reform*, p. 29.

⁴⁶In a detailed reading of *A Philosophical View of Reform*, Hoagwood discusses the work in terms of “class struggle” (*Skepticism and Ideology*, p. 184), and in the process reveals the pitfalls of viewing the work through the lens of Marxism. Unfamiliar with the economic history that Shelley is analyzing, Hoagwood confuses the general issue of currency depreciation with the specifically Marxist issue of surplus capital. Like a politician referring to government spending as “investment,” he apparently does not understand the difference between “capital investment” and “the national debt” (p. 184).

most like a socialist, he explicitly repudiates socialist economic policies:

The broad principle of political reform is the natural equality of men, not with relation to their property but to their rights. That equality in possessions which Jesus Christ so passionately taught is a moral rather than a political truth and is such as social institutions cannot without mischief inflexibly secure. . . . Equality in possessions must be the last result of the utmost refinements of civilization; it is one of the conditions of that system of society, towards which with whatever hope of ultimate success, it is our duty to tend. We may and ought to advert to it as to the elementary principle, as to the goal, unattainable, perhaps, by us, but which, as it were, we revive in our posterity to pursue. . . . But our present business is with the difficult and unbending realities of actual life, and when we have drawn inspiration from the great object of our hopes it becomes us with patience and resolution to apply ourselves to accommodating our theories to immediate practice.⁴⁷

Shelley presents equality of wealth as a purely utopian principle. It is an ideal we may ultimately aim at, but not one we can reasonably expect to achieve, certainly not under present conditions, and possibly never at all. All Shelley is willing to endorse is the political principle of the equality of rights, which is why he argues for parliamentary reform to extend the voting franchise. But he is not willing to promote the principle of economic equality, and explicitly states that any attempt to bring it about by political means would have pernicious consequences. This passage helps to explain the relation of Shelley's poetic to his prose statements of his principles. Works like *Prometheus Unbound* allow him to present the ideal and utopian vision of which he speaks here, the image of a classless society based on political *and* economic equality. But for Shelley, such a poetic vision is not a blueprint for concrete political action; it is merely an inspiration for working to improve the human condition in much more practical and limited ways. Shelley's poetry inspires us to make life better; prose works, like *A Philosophical View of Reform*, show us how it can actually be done.⁴⁸

Thus, when Shelley analyzes the issue of property, he defends the institution in terms familiar from free-market economics. Characteristically, he distinguishes between property acquired as a result of participation in the free market and property obtained only as a result of government intervention in the

⁴⁷Shelley, *A Philosophical View of Reform*, pp. 42–43.

⁴⁸On this point, see McNiece, *Shelley*, pp. 93–94, 265.

market. Shelley has no objection to property acquired by honest economic effort, whether it is the result of working-class labor or middle-class entrepreneurship:⁴⁹

Labour, industry, economy, skill, genius, or any similar powers honourably and innocently exerted are the foundations of one description of property, and all true political institutions ought to defend every man in the exercise of his discretion with respect to property so acquired. Of this kind is the principal part of the property enjoyed by those who are but one degree removed from the class which subsists by daily labour.⁵⁰

Once again, Shelley claims that the working class and the industrious portion of the middle class share common interests, this time in maintaining the rights to property and to enjoying the fruits of their exertions. Shelley does not like the idea that this right includes the right of inheritance, because that confers property on people who did not earn it by their own efforts. But in the end he is willing to defend even that right:

Property thus acquired men leave to their children. Absolute right becomes weakened by descent, . . . because it is only to avoid the greater evil of arbitrarily interfering with the discretion of any man in matters of property that the great evil of acknowledging any person to have an exclusive right to property who has not created it by his skill or labour is admitted.⁵¹

One may object to the way in which the right to property in a free market distributes wealth, but before tampering with this system, one must consider carefully whether any alternative system will distribute wealth more justly. In fact, as arbitrary as the distribution of wealth in the free market may seem to be, Shelley suggests that to allow a political authority to substitute its judgment for the market's will only result in greater arbitrariness and injustice.⁵²

⁴⁹Cobbett, *Paper Against Gold*, p. 34, takes, if anything, a more generous view of the right of the middle and upper classes to property:

Physicians, Parsons, Lawyers, and others of the higher callings in life, do, in fact, labour; and it is right that there should be persons of great estate, and without any profession at all; but then, you will find, that these persons *do not live upon the earnings of others*: they all of them give something in return for what they receive. Those of the learned profession give the *use of their talents and skill*; and the landlord gives the *use of his land or his houses*. (Cobbett's italics).

⁵⁰Shelley, *A Philosophical View of Reform*, p. 37.

⁵¹Shelley, *A Philosophical View of Reform*, p. 37.

⁵²In this argument, Shelley was following the teaching of his father-in-law, William Godwin. See Book 8, "Of Property," in his *Enquiry Concerning Political Justice* (Har-

Thus, Shelley is willing to take his chances with the free market. He realizes that the right to acquire property in a free market is inseparably bound up with the right to lose it. If the heirs of industrious people are not themselves industrious, their inherited wealth will soon pass into the hands of others who are more industrious:

The privilege of disposing of property by will . . . exerted merely by those who have acquired property by industry or who have preserved it by economy, would never produce any great and invidious inequality of fortune. A thousand accidents would perpetually tend to level the accidental elevation, and the signs of property would perpetually recur to those whose deserving skill might attract or whose labour might create it.⁵³

Shelley could not be further from Marxism or any socialist dogma here. He argues that the free market actually works toward equalizing wealth, and, above all, directs it to the most productive sectors of the economy.⁵⁴

For Shelley, the only force that can produce great inequality of wealth is the government. Hence, he condemns all those rights to property conferred solely by government intervention in the economy. It is to this source—and this source alone—that he traces any massive concentration of wealth:⁵⁵

They were either grants from the feudal sovereigns whose right to what they granted was founded upon conquest or oppression, both a denial of all right; or they were the lands of the antient Catholic clergy which according to the most acknowledged principles of public justice reverted to the nation at their suppression, or they were the products of patents and monopolies, an exercise of sovereignty most

mondsworth, England: Penguin Books, [1798] 1976), especially Chapter 2, pp. 711–19, and p. 755:

We should, at all times, be free to cultivate the individuality, and follow the dictates, of our own judgement. If there be anything in the idea of equality that infringes this principle, the objection ought probably to be conclusive. If the scheme be, as it has often been represented, a scheme of government, constraint and regulation, it is, no doubt, in direct hostility with the principles of this work. But the truth is that a system of equality requires no restrictions or superintendance. There is no need of common labour, meals or magazines.

This clear warning against what have become socialist economic policies is a good indication that, despite the view of many intellectual historians, Godwin is no more deserving than his son-in-law of being placed in the camp of proto-socialists. Cf. Scrivener, *Radical Shelley*, p. 36: “If Shelley adumbrates Marx, so does Godwin.”

⁵³Shelley, *A Philosophical View of Reform*, p. 38.

⁵⁴Godwin again makes the same argument; see *Political Justice*, pp. 791–92.

⁵⁵Once again, see Godwin, *Political Justice*, pp. 719–20.

pernicious that [does] direct violence to the interests of a commercial nation; or in later times such property as has been accumulated by dishonourable cunning and the taking advantage of a fictitious paper currency to obtain an unfair power over labour and the fruits of labour.⁵⁶

Having carefully analyzed the objections to the right of property, Shelley in the end comes out unequivocally in favor of it, provided the property results from the operation of the free market:

Labour and skill and the immediate wages of labour and skill is a property of the most sacred and indisputable right, and the foundation of all other property. And the right of a man [to] property in the exertion of his own bodily and mental faculties, or to the produce and free reward from and for that exertion is the most [inalienable of rights].⁵⁷

This spirited defense of the right to private property should put an end to the myth of Shelley the socialist.⁵⁸

V

Contemporary critics have a tendency to project contemporary issues back into literary history. In the twentieth century, the great economic issue has been socialism versus capitalism. Thus, when a literary critic looks for the economic position of an earlier author, he often unconsciously assumes that it will be either socialist or capitalist, and, in particular, he assumes that to be economically progressive or radical has always meant to lean toward socialism. Yet, even in terms of Marx's system, this understanding has to be judged to be incorrect. For Marx, there was a time when capitalism was the *progressive* force in history, namely, when it worked to undermine and overthrow feudalism. That is the spirit we see throughout Shelley's essay. For him, the great enemy is not capitalism but feudalism and its late incarnation, mercantilism. Shelley argues that to the extent that the government intervention in the economy characteristic of feu-

⁵⁶Shelley, *A Philosophical View of Reform*, pp. 38–39.

⁵⁷Shelley, *A Philosophical View of Reform*, p. 39.

⁵⁸The fact that it should does not, of course, mean that it will. Foot manages to present Shelley's treatment of the issue of property in *A Philosophical View of Reform* as an example of his socialist thinking. To do so, Foot must treat Shelley's analysis as "rough-and-ready" and "groping," implying strongly that the poet is simply confused. In particular, Foot describes Shelley's clear-cut distinction between earned and unearned property this way: "Shelley's line between the two was vague" (*Red Shelley*, pp. 94–95). Foot's Marxist prejudices repeatedly blind him to the literal meaning of Shelley's prose.

dalism and mercantilism was eliminated, and free-market forces were allowed to come into play, the welfare of England increased, and the gap between the rich and the poor began to decrease. For Shelley, this progress was thwarted only by mercantilist survivals in the British financial system, and, above all, by the government's manipulation of the currency.

Reading Shelley's *A Philosophical View of Reform* should, thus, force us to rethink the common view that the English Romantic poets were left wing in the contemporary understanding of the term. Of course, I do not wish to make too much of a single essay by a single author; Shelley does not speak for all the Romantics in any of his writings, and certainly not in *A Philosophical View of Reform*. One cannot conclude from this one work that all the Romantics supported the free market. Nevertheless, Shelley's essay does provide an important test case. He is generally regarded as the most politically committed of the English Romantics, and as the one with the most radical economic views. As for *A Philosophical View of Reform*, with the possible exception of some of Coleridge's prose works, it is the most significant and substantive essay on economic matters produced by any of the English Romantics.⁵⁹ Thus, one cannot easily dismiss what we have seen in Shelley's essay. While it does not allow us to generalize about what all the Romantics believed, it does effectively refute the generalization that all the Romantics were anti-capitalist and proto-socialist. It conclusively shows that, for at least one Romantic, championing liberty meant supporting the free market and the right to property, while condemning government intervention in the economy. At the time that Shelley lived, capitalism was the progressive force (even according to the Marxist view of history), and he argued for it passionately.⁶⁰

But I do not wish to leave the impression that Shelley's argument is somehow historically contingent or limited by the horizons of his era. Shelley makes a powerful case for the right to property under any historical circumstances, and his analysis of the negative effects of deficit financing, monetization of debt,

⁵⁹Hoagwood calls *A Philosophical View of Reform* "one of the most advanced and sophisticated documents of political philosophy in the nineteenth century" (*Skepticism and Ideology*, p. 209). Foot says that "it ranks in style and in content with the most famous radical pamphlets of our history," including those "of Bentham or Robert Owen or Marx and Engels" (*Red Shelley*, pp. 10–11). In his *Literature and the Marketplace* (Lincoln: University of Nebraska Press, 1996), p. 89, William G. Rowland, Jr. calls the essay "the most sustained and impressive political treatise written by a romantic poet."

⁶⁰Scrivener, *Radical Shelley*, p. 9, grants the point that in the early nineteenth century, laissez-faire capitalism "was a progressive, anti-aristocratic position."

paper currency, and government inflationary policies remains valid, and has been confirmed by subsequent economic history and developments in later economic theory, such as the Austrian theory of money, credit, and the business cycle. Perhaps the most interesting and enduring aspect of Shelley's argument is his distinction between two groups within the middle class, those who make their living independent of the government and those who are crucially dependent on it for their livelihood. With this analysis, Shelley makes an important contribution to our understanding of why governments were able to exert insidious and invidious control over the economy even in the supposedly *laissez-faire* economic era.

More generally, Shelley shows how the forces of feudalism and mercantilism were able to survive into the era of capitalism by hiding behind the system of banking and finance. One of the great failings of classical economics was its inability to understand fully the phenomena of money and banking. Shelley does not supply that understanding, but at least he grasps the fact that the British financial system was not the product of free-market evolution, but rather was heavily influenced by government intervention. Even at the height of the so-called *laissez-faire* era of capitalism, England did not have free banking, but rather in effect a central bank, with all that such an institution implies for government control of currency and finance.

Thus, in criticizing the British financial system, Shelley is condemning not capitalism, but rather a mercantilist survival into the capitalist era, indeed that greatest of all chartered monopolies, the Bank of England.⁶¹ Here is the chief value of Shelley's essay for our understanding of economic history and the literary reflection of that history. He shows that the alignment of economic forces in the early nineteenth century was not as simply polarized as Marxist and other socialist thought often assumes, and especially that the bourgeoisie did not constitute a homogeneous class with a unified economic interest and, in Marxist terms, a unified ideology. Shelley acutely analyzes how the old aristocracy in England, in order to maintain its power, played off one part of the middle class against another, effectively split-

⁶¹In another bracketed passage, which Ingpen and Peck place in their notes (p. 338), Shelley writes: "the present miseries of our country are nothing necessarily inherent in the stage of civilization at which we have arrived." For Shelley, the problem is not that England has become capitalist, but that it has not become fully capitalist, that is, elements of the mercantilist system are still in place. As Shelley's analysis reminds us, capitalism is often blamed precisely for the results of anti-capitalist government policies.

ting the bourgeoisie by giving one element of it reason to continue to support state power. A glance at the legions of middle-class professionals employed by the vast bureaucratic states of today reminds us that Shelley's analysis is, if anything, even more valid in our world. Sometimes, poets have something to teach to economists.