



OXFORD JOURNALS
OXFORD UNIVERSITY PRESS

Walter Bagehot

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Source: *The Economic Journal*, Dec., 1914, Vol. 24, No. 96 (Dec., 1914), pp. 543-550

Published by: Oxford University Press on behalf of the Royal Economic Society

Stable URL: <https://www.jstor.org/stable/2222506>

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WALTER BAGEHOT.

Life of Walter Bagehot. By his SISTER-IN-LAW, Mrs. RUSSELL BARRINGTON. With portraits and other illustrations. (London: Longmans. 1914. Pp. viii + 478.)

As stated in the preface, this book appears thirty-seven years after the death of Walter Bagehot. Most of his political friends have long since been dead, and the letters they may have preserved in their lifetime are no longer forthcoming. Bagehot himself always destroyed any letters he received, except those from his parents, his father-in-law, James Wilson, founder of the *Economist*, and Richard H. Hutton. For various reasons, from 1860 to his death in 1877 few of these letters passed, and "hence the biographer's best material ceases many years before Bagehot's death." The sources that remain are his articles in the *Economist* (in general two every week from 1859 to 1877), personal reminiscences, and a Diary kept by his wife, Mrs. Barrington's sister. The limitations of the materials, and the lapse of time since his death, must be remembered in reading this *Life*.

Readers of this JOURNAL must also remember that the biographer has not written her book solely, or even mainly, for the benefit of economists—even the chapters with economic titles, "Lombard Street" and "Economic Studies," are only partly devoted to the works named. Of new material of a purely economic character there is very little, and that little chiefly of personal interest, *e.g.*, an account written by Lord Welby of Bagehot's invention of the Treasury Bill. Lord Welby writes under date October 5th, 1912: "In former days when I was at the head of the Finance Branch of the Treasury, I made the acquaintance (a privilege which I value highly) of Mr. Walter Bagehot. The *machinery* of our financial system is complicated, and Mr. Bagehot is the only outsider who had thoroughly mastered it. Indeed, he understood the machine almost as completely as we who had to work it. . . . Chancellors of the Exchequer attached great weight to the opinion of Mr. Bagehot,

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especially Sir Stafford Northcote, who consulted him on several occasions. In 1877 Mr. Bagehot rendered great financial service to the Government by devising a new form of security which enabled the Treasury to borrow quickly and on favourable terms." There follows a technical account of the Treasury Bills and a judgment on their great success. "They have not only met ordinary emergency demands, but they have stood the strain of a great war." Lord Welby's technical account may now be supplemented by reference to the recent book of Mr. Higgs, *The Financial System of the United Kingdom*, which for the first time enables the public at large to have an accurate idea of the system. The most striking thing about this invention of Bagehot is its simplicity, and simplicity was one of the characteristics of Bagehot's genius. Another contribution of an economic character, which is also mainly of interest on its personal side, is the history of Stuckey's Bank (p. 50-57), the bank with which Bagehot and his father were so long connected. This is an excellent example of the development of a private bank and its amalgamation with others to form a joint stock bank. Its notes had the largest circulation next to the Bank of England outside London, and it is on record that Stuckey's notes were sometimes preferred to those of the Bank of England. The moral of both of these instances is that Bagehot had a first-hand knowledge both of high finance and of practical banking.

The present biography is not mainly economic for two reasons. The first is that Bagehot in all he wrote was so eminently clear that his contributions to economic science have long since become part and parcel of the ordinary stock of knowledge. In the *Postulates of English Political Economy* we find, for example, that Political Economy, dealing with matters of "business," assumes that man is actuated only by motives of business. We find also that the words used in economics must be interpreted by the context, and definitions must be construed according to the interpretation clause given by the context. Dr. Marshall, who wrote a preface to the edition of the *Postulates* of 1885, with the view of commending the work to students, has made these ideas familiar in his own *Principles*. The fact remains that little new in economics is to be gleaned from the present *Life*, partly because the harvest of Bagehot's sowing had long since been reaped and gleaned. But another and more vital reason is that after all Bagehot was not only or mainly an economist, though no doubt through his wider interests he was all the better as an economist.

One or two references may be given in support of the contention that Bagehot was only partly, and not even mainly, an economist. Sir Robert Giffen wrote of him: "So far from becoming absorbed in economic science as he grew older, though his later writings happened to be almost all economic, Bagehot to the last gave me the impression of only passing through one mental stage, which, being passed through, he would again leave political economy behind" (p. 7). Mr. Hutton, in his *Memoir* (quoted p. 6), wrote: "I have felt somewhat unreasonably vexed that those who appreciated so well what I may almost call the smallest part of him, appeared to know so little of the essence of him. To those who heard of Bagehot only as an original political economist and a lucid political thinker, a curiously false image must be suggested." Commenting on these opinions, Mrs. Barrington writes in her introductory chapter: "I believe that before the end Walter Bagehot was reverting to earlier grooves of thought, and that had he lived he would have included in his future writings a class of subjects and impressions which characterised many of his earlier essays, in the days before life had become choked with business. He was getting impatient, I think, of having to devote his best energies to matters from which religion, poetry, and art were excluded." Giffen was for some years Bagehot's assistant editor on the *Economist*, Hutton (of *Spectator* fame) was his closest friend from youth up, and their testimony is confirmed in the fullest detail in the present biography. Not only were Bagehot's intellectual interests of a very wide range, but he was a man of very remarkable personality. He was of imagination all compact, but the force of his imagination was governed and illuminated by the sense of reality.

Bagehot himself was a great believer in the power of personality. In the three-volumed political economy which he had designed (of which the *Postulates* was a fragment of the first part) he proposed to devote one volume to lives of the great economists. This part of his work would have been of special value, not only because Bagehot had wonderful skill in the delineation of character, but also because this aspect of political economy, especially in recent years, has been so much neglected. A knowledge of the actual life and character of any one of the great economists would have saved many a reader and writer from a false interpretation of his works. In the present volume examples are given incidentally of this power of characterisation, and of the consequent exposure of popular fallacies. At the age of twenty, when a student at University College, London, Bagehot

and his intimate friend, Hutton, used to "fly about London" to any gathering where they had the chance of hearing Cobden speak. That was about 1846, the year of the repeal of the Corn Laws. About twenty years later Bagehot wrote in the *Economist* the character sketch of Cobden that is quoted by Mrs. Barrington (p. 379 sq.). Describing the personal effect of Cobden on the audiences he addressed in the agricultural districts, Bagehot says: "The people were much confused. They could not believe the Cobden they saw to be the Mr. Cobden that was in the papers. They saw a sensitive and almost slender man of shrinking nerve full of rural ideas, who proclaimed himself the son of a farmer, . . . who was most anxious to convince everyone of what he thought the truth, and who was almost more anxious not to offend anyone. . . . He excited a personal interest—he left what may be called a *sense* of himself among his professed enemies. They were surprised at finding that he was not what they thought; they were charmed to find that he was not what they had expected; they were fascinated to find what he was. The same feeling has been evident at his sudden death. Over political Belgravia—the last part of society Cobden ever cultivated—there was a sadness. Everyone felt that England had lost an *individuality* which it could never have again. . . . He was a *sensitive* agitator. He never spoke ill of anyone. He arraigned principles but not persons." There is also a sketch of Mr. Gladstone, written on the occasion of his great Budget speech of 1860 (p. 292 sq.). Gladstone had been much impressed by Bagehot's writings, and the year before this article he had sought his personal acquaintance. There was every reason, from the point of view of personal and journalistic influence, why Bagehot should have adopted the language of unadulterated eulogy. But he did nothing of the kind. On the contrary, never were the weaknesses of Gladstone's personality better portrayed. The sequel is noteworthy. "If Bagehot was courageous, Mr. Gladstone was generous in view of this outspoken criticism of himself. After receiving from my sister (Bagehot's widow) the volume of reprinted essays which contained it, he wrote: "Some of the articles are not new to me. I remember feeling, *and I still feel*, how true the article on myself is in *the parts least favourable to my vanity*. . . . Undoubtedly your husband was a man of most remarkable gifts and a not less excellent faculty for embodying the results in literary form" (p. 298).

Bagehot—the Man—as revealed in this biography, is the best explanation of Bagehot the writer. It was said that his genius

was not duly recognised during his lifetime. This is not true of the few who were competent to judge—*e.g.* in finance, Gladstone and Northcote; in literature, Lords Morley and Bryce—but it was true of the ordinary economist and the ordinary reader. One principal reason was Bagehot's modesty which pervaded all his life on all sides. He made light of his own achievements—he never posed—he was perfectly callous of undistinguishing praise. "This modest attitude which he took with regard to his writings, and the effect they produced on the public, was wont to be adopted by those who knew him intimately." Bagehot did not advertise himself—quite the contrary; and therefore even some of his intimates thought that perhaps there was not much to advertise—they took the man at his own apparent valuation, and did not allow for the personal error of his modesty. Another reason why to Bagehot was not assigned his true weight as a great writer on economics, is to be found in his greatest merits, namely, the extraordinary clearness and freshness of all his writings. They read as if they were the result of rapid improvisation—so easy, so intelligible, that they could have cost no real effort to produce—and so fresh that they seemed quite natural. Take *Lombard Street*, "a description of the London money market," the latest and perhaps the best example of his genius. Every fact in the book (except the history) was already well known to the bankers and the city men of the day, and since the history was true, that also was known, if not to business people, to the readers of the history of banking. Even his proposals for banking reforms were not absolutely novel—as he said in his first contribution to the *Economist* "in dealing with banking absolute novelty would scarcely be a recommendation"—and he did not propose to pull down the Bank of England and build a greater. Yet the book was, and is, as fresh as is the month of May. Freshness was so remarkable in Bagehot that one is tempted to look for the causes. How comes it after eighteen years of constant writing in the *Economist*—roughly two articles a week—that the bloom is not rubbed off? How comes it that when he died at the age of fifty-one his writing was fresher than ever? One reason, no doubt, was that, as he said of another, "his mind was a spring and not a cistern"; that is to say, he had natural genius, and not only the genius that comes from labour, though his labour was tremendous. But two other reasons may be advanced. First, Bagehot was always a living writer. He liked to exchange ideas with living people. "All the facts of life, all his feelings and ideas, were lit up with a keen apprehension of it, for though

he was a voracious reader he studied life through contact with life rather than from books. . . . Ideas he felt must be taken at first hand; they must be inspired by contact with living creatures, living interests, genuine sympathies, genuine feelings; not diluted with human thought, human prejudices, as they are prone to be when conveyed through books" (p. 5).

With Bagehot, theory was never allowed to get out of touch with business, and in mid-life his business was to be "a supplementary chancellor of the exchequer" (to both political parties), and the chronicler and the judge of the leading men and the leading events of his time. And Bagehot knew both the men and the events at first hand.

The second reason for his perennial freshness was that he had—again to use a term he applied to another—"an experiencing nature"—he had always a growing mind—a mind open to a great variety of experiences. "Live and let live" was his guide, not only in ordinary social arrangements, but in the conflict of ideas and modes of thought and kinds of learning. He was so fresh in his economic and political writings because he was so keenly interested in other things. This breadth of sympathies and this wide intellectual outlook is seen from the beginning. He was a precocious child and a precocious youth. Fortunately, however, he was born (1826) in the country and brought up with country tastes. His boyish letters are rather old-mannish—he was always in front of his years—but he could climb trees and ride, and, above all, he became absorbed in the natural beauties of his home in Somersetshire. Part of his mind—a large part—was always Wordsworthian, and one of the finest things he ever wrote—one of the best contrasts in literature—is his comparison of Wordsworth and Lord Jeffrey, the poet and the Edinburgh reviewer (p. 222-4). But even in poetry he was not a lover of Wordsworth only. It is told of him when a boy of thirteen that in a fit of depression he found solace in reading Shelley, for whom all his life he had the greatest enthusiasm. One of the best illustrations of Bagehot's love of poetry is given in the fact that on the occasion of his first severe illness, when he was at the height of his activity, he dictated to Mrs. Barrington his articles for the *Economist*, and in the intervals she read to him his favourite poetry.

In reading for his degree in London University he was recommended to take up both classics and mathematics, but eventually he turned to what was then called "intellectual and moral philo-

sophy (including political economy),” and in this branch he took the gold medal for the London M.A. He was a devourer of history of all kinds; he spoke French and German; he was called to the Bar, though he never practised and disliked what he thought the cramping effect of legal practice; he was much interested in the origins of civilisation as investigated by Maine and Lubbock; and in the words of Lord Bryce (p. 34) “*Physics and Politics* was forty years ago almost a voyage of discovery for most English readers.” Lastly in this enumeration, which is far from complete, of the breadth of his qualities, Bagehot was always deeply religious, and, withal, one of the most cheerful and witty of mortals. By descent he was connected with both the Cavalier and the Puritan, with the country gentleman and the banker. The Cavalier came out in his unflinching courtesy, in the large sense of the courtesy of chivalry; the Puritan in his absolute regard for truth and the common moralities. Though one of the most practical of men in high finance and journalism, in private life “all was conscience and tender heart.” It has been said that all men of genius derive their exceptional qualities from the mother. Bagehot’s mother was a woman of great beauty and personal charm, and, as her letters show, of the most lively intelligence and broad sympathies—one of the good women of the great writers of history. Unfortunately, she was doomed at intervals to verify the fact that great wits are near allied to madness, and to the end of her long life these recurrences could not be avoided. At these times she received from her son the most loving and lovable consideration that can be imagined. He used all his genius to try to follow her in her irrational wanderings. A strange affliction, for at other times his mother was absolutely unaffected by her malady, and would even speak of it quite calmly. When she died, at the age of eighty-four, it was a great shock to Bagehot, and his grief was increased because he thought some people might think he would regard it as a release. It was the knowledge that at any time he might be called on to console his mother in her affliction that always shaped Bagehot’s undertakings. He would do nothing and accept no post that would interfere with this first duty of his affections. Such a man was Walter Bagehot, the Ricardian economist. In reality he was much nearer Adam Smith, who wrote *inter alia* an essay on the affinities between Poetry, Dancing, and Music, and a Theory of Moral Sentiments that is very like Bagehot’s.

A careful reading of this biography cannot fail to interest the

economist who can take broad views. Mrs. Barrington has done her work extremely well, though perhaps the book, as a book, would have been more effective if some parts had been compressed or omitted. But anyone who gets interested in the subject will not regret even this fault. What everyone will regret is that Bagehot's life was not extended so as to furnish his biographer with more materials. He died at the age of fifty-one.

J. SHIELD NICHOLSON