



## *Northanger Abbey*: Money in the Bank

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*N*ORTHANGER ABBEY begins with an “ADVERTISEMENT, BY THE AUTHORESS.” In this preface, Jane Austen is very particular about the exact time frame of the novel’s setting: “The public are entreated to bear in mind that thirteen years have passed since it was finished, many more since it was begun, and that during that period, places, manners, books, and opinions have undergone considerable changes” (10). The change in books refers to the 1790s craze for gothic novels that had, by 1816, somewhat abated. Catherine Morland overindulges in the romanticism of *The Mysteries of Udolpho*, published in 1794, and John Thorpe mentions *The Monk*, published in 1796: “I read that t’other day” (48). In a letter to Cassandra dated 24 October 1798, Jane Austen wrote that their father was reading the circulating library’s copy of *The Midnight Bell*, published earlier that year. *The Midnight Bell* also finds its way onto Isabella Thorpe’s reading list, as do two other gothic novels published in 1798, *Clermont* and *The Orphan of the Rhine* (40). These references place *Northanger Abbey* in a specific time frame and demonstrate that the author considered the timing to be significant information for her contemporary reader “to bear in mind.” Such a reader would also have known that the novel was written at the time of the 1797 Restriction Act, an event that had an economic impact upon everyone living in Britain at the time as it called into question the value of paper money, the reliability of the Bank of England, and the honesty of the British government.

In light of the Restriction Act, mendacity and breach of promise in Austen's novels assume even greater significance. Mary Poovey asserts that the three broken promises at the end of *Pride and Prejudice* suggest that the author was reacting to the paper money crisis of confidence "because she wanted to acknowledge the situation caused by the Restriction so that she could use her fiction to manage the anxieties it caused" (370). If Poovey is right about the Restriction Act's impact on the ending of *First Impressions*, which was begun as the Restriction Act was being argued in the House of Commons, debated in the press, and depicted in the popular cartoon prints of James Gillray, then what Poovey says of *Pride and Prejudice* should at least equally apply to *Northanger Abbey*, written in the year following the Restriction. By the time *Northanger Abbey* was penned, the economic crisis of early 1797 was generally acknowledged to have been a panic based on groundless fears (Hague 399), not entirely unlike Catherine Morland's wild surmises inspired by lurid gothic fiction.

On the front page of the March 11, 1797, issue of *The Hampshire Chronicle*, where the Hampshire Whig Club placed announcements of their regular meetings, is a large, eye-catching advertisement that would seem bizarre had it been printed at any other time: "WE, the undersigned, do agree to receive, as usual, the NOTES of the BANK of ENGLAND." Following a short paragraph explaining their intention to continue to accept as legal tender the banknotes used by their nation's government are the names of dozens of local landowners who felt compelled to reassure the public of their confidence in paper money. Presumably, all of the men who paid for the ad and signed their names to it were known to the Austen family. Certainly, the Austens were friends of "Wm. Chute, Esq. M.P." and of Lovelace Bigg-Wither, the father of the man who would propose marriage to Jane Austen in 1802. Such an extraordinary ad could only have been written as a result of the 1797 Restriction Act, which, after a heated debate in the House of Commons and repeated reassurances from Prime Minister William Pitt, the Younger, all duly noted in the *Hampshire Chronicle*, had been approved by Parliament on the previous day.

The British public had always been a bit suspicious of paper money, which contained no intrinsic value of its own and only served as a promissory note, pledging to exchange itself for gold. Adam Smith, in *Wealth of Nations*, saw the oversupply of paper banknotes, founded on nothing but trust, as being problematic, but Smith reassured his 1776 reader that a banknote "payable upon demand without any condition, and in fact always readily paid as soon as presented, is, in every respect, equal in value to gold and silver money; since

gold and silver money can at any time be had for it" (263). The difficulty was that by 1790, everyone knew the Bank of England had insufficient gold reserves to back the paper banknotes already in circulation, and almost everyone in print at the time identified paper money as the major destabilizing force at work in the Georgian economy (Poovey 177). In June of 1796, *The Hampshire Chronicle* reported that the proliferation of paper money with insufficient gold or silver to back it had "increased to a dangerous pitch," that "the fictitious circulation exceeds the real numerical circulation by more than double," and so the entire system was doomed to collapse, as "with the *real capital* the *fictitious must fall*" (3).

The fictional element of paper money referred to the text printed on every banknote issued by the Bank of England, "payable to the bearer on demand in gold." As everyone knew that this promised exchange of paper for gold was neither realistic nor even possible, the words, or story, printed on the banknote functioned as a brief work of fiction, but the promissory phrase was also a legally binding contract, meaning that the Bank of England had been operating one rush-on-the-Bank away from insolvency for years. Nevertheless, until 1797 the Bank kept printing more paper banknotes bearing the promise that the Bank's directors knew they could not, if pressed, honor.

Rumors of a French invasion around Christmas time of 1796 prompted panic-stricken farmers in Newcastle to besiege their local banks demanding gold in exchange for their paper banknotes. Three rural banks with insufficient gold reserves immediately collapsed as a result of the rush, and others closed their doors to avoid a similar fate. The directors of the Bank of England were horrified, as they knew that the same thing, albeit on a much larger scale, could happen to them. The Bank's enemy was not the French, but fear itself. The Bank was potentially one panicky mob away from collapse, and, even if the riot never occurred, troubles were coming as battalions rather than as single spies. By the end of February, £100,000 a day in gold was being withdrawn from the Bank of England, and the Bank's bullion reserves were depleted to £1.2 million (Hague 397-98).

According to David Ricardo, in spite of the proliferation of paper money and the unprecedented national debt, in 1797 the British economic system was sound, but the British public was not: "Neither the Bank nor government were at that time to blame; it was the contagion of the unfounded fears of the timid part of the community which occasioned the run on the Bank" (248-49). As William Pitt's biographer William Hague has put it, if something were not done to stem the flow of gold, the Bank of England would fail, and, as a result,

“the nation would be bankrupt and the entire system of finance and credit which had provided the tens of millions of pounds to sustain the war would collapse” (398). In short, the Bank of England was too big to fail, and British Prime Minister William Pitt needed another loan.

After decades of deficit spending, Britain already had an unprecedented national debt when Prime Minister Pitt went to the Bank of England, as per usual, but this time the Bank directors were hesitant to comply. William Pitt, however, was not a man to be denied, and Pitt proposed to solve the Bank’s problem in return for a substantial loan to carry on the war effort. The Restriction Act was a bold, sly, perhaps unethical political maneuver devised and executed by Pitt. Knowing that the House of Commons would be uncooperative, Pitt waited until Parliament adjourned and then flew into action. Pitt’s solution was a new law, the Restriction Act, which absolved the Bank of England from the obligation to redeem its banknotes with gold specie, in spite of the words clearly printed on each paper banknote. The 1797 Restriction Act essentially gave the Bank, like a woman at a dance, “the power of refusal” (*NA* 77). Additionally, Pitt placed a military guard at the Bank to discourage riots.

The Restriction Act began as an Order in Council, similar to an Emergency War Powers Act. All Pitt needed in the short term was the signature of the King, who was cajoled into cooperation. Pitt knew the House of Commons would be stunned by his audacity and enraged by his deception, but, once the dust settled, the gloating Pitt was confident that Parliament would be forced to comply, as the Prime Minister spun the entire affair as an act of patriotism that, in light of the threat from the French, any true Englishman would support. Whatever Britons may have thought of the Restriction Act, they could not help but be struck by their government’s collusion with the Bank of England to make it legal for the Bank to disregard its oft-printed promise to the public. Paper money was more fictional than ever, and the politicians in Parliament even less trustworthy. No wonder the characters in *Northanger Abbey* make an effort to keep abreast of the developments in London.

In Bath, Mr. Allen “joined some gentlemen to talk over the politics of the day and compare the accounts of their newspapers” (*NA* 71), and at Northanger Abbey, General Tilney spends hours “poring over the affairs of the nation” described in his “many [political] pamphlets” (187). Catherine Morland shows no interest in Mr. Allen’s newspapers, and she considers General Tilney’s “stupid pamphlets” to be a rather flimsy excuse to be left alone. Even if Catherine is not, the British public in 1798 was generally keenly interested in political economics, as, aside from the Restriction Act, William Pitt’s new, controversial

1799 income tax to fund the war effort was looming large. It was the first income tax in British history, and, as Nicholas Roe observes, the tax “fell most heavily on those people with moderate incomes of from £200 to £600 a year, incomes that provided only a marginal hold on the consumer symbols of genteel life” (319). The income tax was specifically designed to target people with enough income to employ two or three servants but not enough to keep a horse (Adams and Adams 16). These were exactly the kind of people Jane Austen had written about in *Sense and Sensibility*, the Dashwoods at Barton Cottage, and they were her target readers, who frequented circulating libraries because they could not afford to buy books.

Heavily taxing the lowest strata of the gentry, the professional class, and the upper strata of the working-class, while leaving the rich comparatively unscathed, was the only way Pitt had a chance of getting the income tax approved by the wealthy members of Parliament. As it turned out, the income tax raised £6 million in 1799 and 80% of all of the new tax revenues imposed between 1793 and 1815 (Roe 319). There was no system, however, for auditing the tax. It was based entirely on trust that the taxpayer would be honest in his accounting, and the rich had the most to gain by dishonesty. Claudia Johnson links the preoccupation with politics in *Northanger Abbey* to the issue of honesty: “Given the political ambience of British fiction during the 1790s, it is not surprising that of all Austen’s novels, *Northanger Abbey*, arguably her earliest, should be the most densely packed with topical details of a political character. . . . In anti-Jacobin novels, pernicious or merely benighted characters philosophize as they break their words and betray their trusts left and right” (41).

Of course, Isabella Thorpe breaks all of her promises, as Henry Tilney reminds Catherine: “And did Isabella never change her mind before?” (133). Isabella’s consistent inconsistency should have prepared Catherine for Miss Thorpe’s failure to honor her engagement to James Morland. Similarly, when General Tilney ungraciously thrusts Catherine Morland from his house, the General betrays not only Catherine’s but also the Allens’ and the Morlands’ trust in him. What is so striking about the behavior of the Thorpes and General Tilney is the way they say precisely the opposite of what they are actually thinking, particularly when they are talking about money.

Isabella Thorpe claims to “hate money” (136), and Isabella’s brother John declares, “Fortune is nothing” (124). General Tilney also dissembles: “The money is nothing” (176). As General Tilney has disingenuously assured Catherine that “he only valued money as it allowed him to promote the happiness of his children” (205), Catherine is puzzled: “why he should say one

thing so positively, and mean another all the while, was most unaccountable! How were people, at that rate, to be understood?" (211). The Thorpes' and General Tilney's declarations reflect the irony of the printed promise on the Bank of England's paper money, a disingenuous statement to a trusting public, but then *Northanger Abbey* is a novel about truth versus artifice, "broken promises and broken arches, phaetons and false hangings, Tilneys and trap-doors" (87).

By way of contrast, Catherine Morland is "unequal to an absolute falsehood" (174), and she is thus confined to telling the truth: "I cannot speak well enough to be unintelligible" (133), a confession that Henry Tilney applauds: "Bravo!—an excellent satire on modern language." Henry teases Catherine that her honesty is out of sync with the current standards of her society, that her "mind is warped by an innate principle of general integrity" (219). Henry not only values Catherine's honesty, he is "open and bold" himself (247), and Henry keeps his promises, even when they are only implied: "He felt himself bound as much in honour as in affection to Miss Morland."

Significantly, when Henry is forced to leave for Woodston earlier than he had planned in order to prepare for Catherine's visit, he frames the event for Catherine and Eleanor in terms of accepting a questionable banknote: "I am come, young ladies, in a very moralizing strain, to observe that our pleasures in this world are always to be paid for, and that we often purchase them at a great disadvantage, giving ready-monied actual happiness for a draft on the future, that may not be honoured" (210). As it turns out, of course, the debt for future happiness is, indeed, honored, and Henry is right to trust in the short-term uncertainty for a long-term reward, a thinly disguised statement about paper money.

*Northanger Abbey* appears to break down the economic crisis resulting from the paranoia about paper money into terms everyone can readily understand, into the domestic economics of a wealthy man with a large family. Thus, Jane Austen does what Adam Smith repeatedly does in *Wealth of Nations*: she uses the microeconomics of the individual to explain the macroeconomics of the British financial system. Like Catherine Morland's father, the Bank of England was truly rich, but there were many demands for its gold. Should all of Richard Morland's ten children marry at once, like a run on the Bank, Mr. Morland's resources would be sadly depleted, and he must always reserve enough money to remain financially solvent himself. When applied to, however, Mr. Morland provides marriage settlements for his children, certainly as much as he can afford, so Catherine's father has fulfilled his financial obligations, as the Bank of England had.

James Morland's £400 a year and at least another £400 when his father dies is "no niggardly assignment to one of ten children" (135). As we find out later, when Catherine's dowry is revealed, Mr. Morland is being very generous to James, but Isabella Thorpe is extremely disappointed with what she dismisses as "an income hardly enough to find one in the common necessities of life" (136). Catherine is incapable of being disappointed: "I am very sure," said she, "that my father has promised to do as much as he can afford." Catherine, "entirely led by her brother, felt equally well satisfied" (135). It is only after Catherine begins to think of marrying Henry Tilney that the disparity between Mrs. Tilney's income of £1,000 a year and James Morland's £400 per annum begins to dawn on her.

Miss Morland and the reader learn only at the very end of the novel, and well after Henry Tilney's marriage proposal, that Catherine's dowry is £3,000. John Thorpe, believing that he has acquired Catherine and her dowry for himself, exaggerates her wealth to General Tilney, and Thorpe also later maliciously exaggerates Catherine's poverty. Like the investors who panicked and ran on their banks demanding gold, General Tilney seizes rapidly and indiscriminately on rumors. The truth is only revealed "as soon as the General would allow himself to be informed" (251). As it turns out, the Morlands are "in no sense of the word . . . necessitous or poor," just as a Commons Committee of Inquiry found on inspection that the Bank of England actually had considerably more gold than was generally assumed (Hague 399). £150 a year may sound like a modest income, but the reader must not forget that Catherine is one of ten children and that she suffers financially from her superfluity of siblings. Assuming that Mr. Morland would give at least equal amounts to all of his children, had Catherine been an only child, she would have been an heiress indeed with a dowry of £30,000, the same dowry as Georgiana Darcy in *Pride and Prejudice* and Emma Woodhouse in *Emma*. With an income of £1,500 per annum, Catherine would have fulfilled John Thorpe's wishful thinking and exceeded even General Tilney's "greedy speculation" (252), but innocent Catherine fails to consider that they have any financial expectations of her at all.

Henry Tilney takes up the burden of Catherine's education where the Morlands have left off when he lectures Catherine on the picturesque and then ventures into politics:

to forests, the inclosure of them, waste lands, crown lands and government, he shortly found himself arrived at politics; and from politics, it was an easy step to silence. The general pause which

succeeded his short disquisition on the state of the nation, was put an end to by Catherine, who, in rather a solemn tone of voice, uttered these words, "I have heard that something very shocking indeed, will soon come out in London." (111-12)

Ever the unpromising pupil, Catherine's mind wanders from politics to gothic novels, but, following her brother's line of reasoning, Eleanor Tilney is still thinking of "the state of the nation" when Catherine abruptly switches the subject: "It is to be uncommonly dreadful. I shall expect murder and every thing of the kind" (112).

Rather than sharing Catherine's enthusiasm for a new gothic novel, Eleanor Tilney jumps to a different conclusion and is genuinely horrified. Eleanor assumes Catherine is referring to political protest, mob violence, and military intervention to restore the peace. As Henry explains, Eleanor imagines a different kind of fictional horror:

"a mob of three thousand men assembling in St. George's Fields; the Bank attacked, the Tower threatened, the streets of London flowing with blood, a detachment of the 12th Light Dragoons, (the hopes of the nation,) called up from Northampton to quell the insurgents, and the gallant Capt. Frederick Tilney, in the moment of charging at the head of his troop, knocked off his horse by a brickbat from an upper window. Forgive her stupidity. The fears of the sister have added to the weakness of the woman; but she is by no means a simpleton in general." (113)

Far from a simpleton, Eleanor Tilney is, in fact, very well informed.

Eleanor's fears of a riot in London were just what the directors of the Bank of England worried about, hence the military guard on the Bank. After all, the Bank of England had been targeted before, during the 1780 Gordon Riots, and a church near the Bank had been demolished as it was feared the steeple would provide an ideal location for sharp shooters (Olsen 251). When Henry Tilney translates Catherine's description of horrors in London as a harmless, non-political reference to a gothic novel, he exposes the difference between Catherine's enjoyment of gothic fiction and his sister's more realistic but also groundless fears. Just as the French invasion had failed to materialize and the Bank of England continued to transact business as usual, the political fears of 1797 proved to be imaginary terrors, not entirely unlike the fantastical plots of Catherine's gothic novels. Both Catherine and Eleanor assume a threat where, in reality, no threat exists, which, at the time, was a Tory political position.

The Tilneys' political savvy illustrates the gap between their understandings



Paper Money.—Bank Notes.—French Alarmists, by James Gillray (1797). Courtesy of The Lewis Walpole Library, Yale University.

and Catherine's, but Catherine learns more from the papers she finds tucked away in the Japan cabinet at Northanger Abbey. Catherine's economic enlightenment really begins when she goes in search of gothic "treasure" and a "precious manuscript" (169), "memoirs of the wretched Matilda" (160), as Henry Tilney has teasingly predicted. In her search for gothic fiction, Catherine discovers economic reality, a collection of petty bills, the financial tedium of common life. The discovery of "those hateful evidences of her folly, those detestable papers" (173), reveals that there is no elaborate plot behind the economics of paper, only a record of exchange for goods and services. As Catherine has been ignorant of money as a reality, she also learns about money as fiction and how people are influenced by their beliefs about money, whether true or false. Thus, because of their fictions about her wealth and poverty, Catherine becomes first the prey and then the scorn of the Thorpes and General Tilney although she has made no effort to mislead them.

When Henry Tilney discovers her snooping in his mother's bedroom, he challenges Catherine to put an end to her wild imaginings, but his advice to allow reason to prevail over fantasy and fear is again to side with the moderate

and liberal Tories in the Restriction controversy and with the signers of the notice to the public in *The Hampshire Chronicle*. When he reassures Catherine Morland that there is no evil conspiracy afoot, and nothing to be frightened of, Henry uses the same reasoning that Pitt used in the House of Commons and in the press to reassure the British public. Henry asks Catherine to

“Remember the country and the age in which we live. Remember that we are English, that we are Christians. Consult your own understanding, your own sense of the probable, your own observation of what is passing around you—Does our education prepare us for such atrocities? Do our laws connive at them? Could they be perpetrated without being known, in a country like this, where social and literary intercourse is on such a footing; where every man is surrounded by a neighbourhood of voluntary spies, and where roads and newspapers lay every thing open?” (197-98)

Catherine realizes that her fears, like the panic following the rumors of the French invasion, “had been all a voluntary, self-created delusion” (199). Catherine’s gothic novels have been playing on her imagination, like the Whigs attempting to frighten John Bull in James Gillray’s 1797 print, *Paper Money*.—*Bank Notes*.—*French Alarmists*. At Henry’s prompting, Catherine realizes that she has been indulging “an imagination resolved on alarm” and “a mind . . . craving to be frightened” (199-200). Catherine Morland learns to think rationally and to reject irrational, sensational fear, *Northanger Abbey*’s political and economic message to the British nation.

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