John Plotz: What have you got in your pockets? Bilbo had a ring. My Victorian characters often have a handful of silver and used to carry around dollar bills for the candy machines. You, you probably have credit cards, but I bet your kids have just got some handy-dandy app on their smart device. And if you go further back, classical world plutocrats stockpiled wheat, Sumerians had clay tablets that were basically labor IOUs. So, do these form shifts matter? Yes. And how do they matter? Welcome to the money season of Recall This Book. Could you, can we call it, Recall This Buck, Elizabeth? So this is the first of a series of three potentially more conversations we'll be having this spring with historians of the monetary system and wealth and wealth accumulation. So I said three, but it may be four. If we pull off a conversation with a certain famous French historian of capitalism whose name sort of rhymes with Rickety.

JP: Notice that we did not say a series about capitalism. So the next conversation, for example, will be with Peter Brown who is author of *Through the Eye of a Needle: Wealth, the Fall of Rome and the Making of Christianity and the West.* No, the topic is really about changing conceptions of money and of wealth. And so we're really happy to begin the series today by talking with the brilliant and celebrated Christine Desan of Harvard law school. Professor Desan teaches about the international monetary system, the constitutional law of money, constitutional history, political economy and legal theory, among many other things. She is the managing editor of just money.org, a website that explores money as a critical site of governance. So we asked her to talk about the overall argument of her amazing book *Making Money*, which is about in part about how key ideas as well as key objects, the actual pieces of currency underlying the modern monetary system get invisibilized with that system's success. So that seeing money--the money itself--is clearly both harder but also more vital.

JP: So Chris, welcome. It's great to have you. One way you've described your overall work is "that your approach aims to open economic orthodoxy to question, particularly insofar as it assumes money as a neutral instrument and markets as an autonomous phenomena." So maybe taking that as our origin, can I just ask you to tell us about your book, *Making Money* for starters and, and how it does that.

Chris Desan: It's a great place to start. That is to say you started us by pointing to the modern kind of norm of thinking of money as just something invisible or neutral or something we can put in a black box and leave. If you think about that, both the people from the left side of the political spectrum and people from the right side of the political spectrum, so Marx to you know some conservative economists we might imagine, they all are in some ways "black boxing "money and thinking of it as neutral. So Marx said, "Oh, you know, you can think of it as gold." Economists today think of it as just a unit of account or a medium of payment. And oddly, ironically, they're sort of both in common, setting money aside as instrumental. And that means that we forget to kind of get inside money and ask what it is and what it actually, you know, what it takes for society to set up a money.

CD: And actually how those setups of money, how money's designed, changes over time. So the book was really trying to denaturalize money, get inside the black box, ask how money designs have changed over time. And the big, the big transformation, which we can dive into if you like, is the change to capitalism. So I became convinced doing this research that capitalism is a society organized around a particular kind of money that when money changed, when in particular the British changed their monetary design, they created the institutions we think of as capitalism, and then it would go viral.

JP: I really do want to get there because you could, can you satisfy the nerdy side of me that wants to talk about that early beginning stuff

CD: like the medieval?

JP yeah, the notion of just the kind of conceptual notion of money as a time flexible marker for resource contribution.

CD: So again, I think it's actually essential to talk about that because until you think about what money is, you're not in a position to think about its design, right? So, so if we ask what money is, so let me do the same thing I just did, which is start about, you know, think about for a moment the normal story and then think about, in my view, what really happened. So the normal story is one that teaches us to look away. There's nothing really interesting here. The normal story is as people engage in exchange, they're bartering all sorts of things and gradually as they barter, you know, fish for salt and wheat for pigs, something that's easier to give and take rises to the surface. And in a lot of stories it's silver or gold. Then we start passing around silver or gold as money. If you think about that story, there's nothing really to see, right?

CD: That it’s just a natural emanation of exchange that comes about when individuals are already engaging in economic activity. So money doesn't really change anything and it's an inert object and kind of modern versions of that often make it a convention. It's just a convention. In fact, when you look at how money actually came about, it's not from private exchange and it's not something inert. It's a project of a group that creates a token with value because of the way they've reorganized obligations within the group. So in particular to dive right in, I basically said it's a token that in which a group has installed value because of the way they've arranged their relationships around that token. So, imagine very concretely that you have this small society and if it's a small society, maybe you don't have much money, you just have everyone contributing to keep the society going by contributing their labor.

CD: So everyone routinely gives a day of labor to the group and that'll work unless there's some kind of emergency, right. Unless the coronavirus comes along and takes out half the population so that some people have to do twice the amount of work because half the population is gone.

JP: Oh my God, Elizabeth, didn't you have a horrible daycare you were in where you always had to give a day of work; am I mis remembering that story?

Elizabeth Ferry: I did, but it wasn't that, it was only like once a month or something.

JP: We ran away from one of those ones because of that nightmare. I'm like, "I know I'm going to be caught cleaning toilets five weeks in a row."

CD: So if you are right, if Elizabeth gets sick and you have to do twice the amount of work, you want it to be recognized somehow. So let's say the, you know the authority, in the middle of this or you know, it could be a group, it could be democratic or dictatorial whatever.

CD: Whatever says if you do, while Elizabeth is sick twice the amount of work, we're going to, you know, you've done your regular contribution, but for the coming contribution that you did in advance, we're going to give you a token and next time your time for obligation to contribute comes around. You just give us back the token. Yeah. And if you think about that, that token has value because you know, the person who's holding it knows it's worth one quota of contribution. Right. And

EF: But that is a kind of unit of account then.

CD: It's a unit of account. Totally. And the way we then add another role say medium of exchange is that if I say to John, now he's, he's got this token, it's a unit of account and which, and he's going to give it back to me. It could just become a unit of account between, between the authority and John.

CD: But if we want to make it a medium of exchange, we say, and John, you can give that to anybody else for value. And everyone knows exactly how much it's worth because it's worth one contribution. But if he gives it to his neighbor in exchange for mowing the lawn, then the neighbor can give it to the authorities in exoneration of their contribution. So when you step back and think about money that way, it makes an enormous amount of sense because the authority, whether it's the head of the daycare center or the head of this little group, you know, proto-government in, you know, an early medieval world, they have to mobilize resources. They have to have a way to organize people. And this is an ingenious way to do it. And at the same time, it makes sense for people within the society because they've suddenly gotten some unit that has a known value that they can trade for things.

CD: And that's something easily assumed. But we do it all the time, but actually very hard to achieve. So to have a commensurable unit that you can use as a medium that you can use in payment, that's a breakthrough. I just, one thing, you know, when you're thinking about that system, it's also returning them to the authorities and showing my cards as a lawyer. I am also interested in that because the authorities can then start and have an interest in enforcing the kind of exchange they approve of in that unit. So let's say people make exchanges that they like, like you know, for mowing your lawn, but they also make exchanges that they don't like, like prostitution or something. They were drugs. And when a, when a society starts enforcing some transactions and refusing to enforce others, you know, it's basically gaining a lot of power to curate the kind of exchange that's going on.

JP: I see so, we have a kind of micro-structure myth where what we see as those local transactions. But the emphasis for you is the ‘they’ who initiated the transaction.

CD: Yes, exactly. So if you think about the myth, right, it's all private, it's all naturalized. If you think about what looks like it really happened, it's a public project. People are obligated in different ways. It's very relational. It's for public purposes as well as private purposes. I mean the private's in there, but so is the political. So you know, you can ask, So what is the difference in design between money in the middle ages and money in the modern world? And one way to think about that is to say, you know, if, if there's a logic, which is basically this is a claim, this is a credit, right? I gave it to John and he can use it as a credit later. In a way it's a claim against the community that will exonerate him when he owes the community something.

JP: When I was describing this to a friend of mine, he said, Oh yeah, Berkshire bucks. Do you know about Berkshire books?

CD: Yeah, I've heard about Berkshire bucks. And so yeah, if we think about this as a claim against the community, does it matter if it's made out of silver or gold or whether it's made out of paper? And then, and I would say, yeah, it matters in all sorts of ways, but you have to actually really dive in and look at how a coin system worked and looked at how, look about paper banking system

EF: , it doesn't matter necessarily because of its own particularities, but because of the institutions within which is made possible.

JP: So something tells me you are heading to the bank of England, is that right Chris?

CD:Yes, yes.

JP: All roads lead to the Bank of England...

CD: Yes, but by way of the medieval, right. So just to give a comparative cause it's always great to have a baseline and I spent a lot of time in the book on the medieval because I needed a baseline. Right. I needed to see what had changed. So in a world, this was looking at centuries and thinking about why did the, did the Europeans and many other societies elsewhere use money made of metal for so long? Because metal, it turns out is a really good thing to make a token out of. So if I'm going to give something to John, I want it to last. And I also don't want him to be able to counterfeit it. I want it to be hard to refine in a world where refinements were difficult right. Technology was limited. So and it's also easy for, for me as an authority to monopolize that technology,

EF: And it's also easily divisible into standardized units

CD: --and it's somewhat divisible, right? So that was part of the problem. So if we need to make it..

JP: you need a penny, right?

CD: You need a penny. So on the one hand we make, we decide to go for silver and gold because this is not because it's so easy and rises to the top of barter, but because it's difficult and rare and hard to refine so we can control it, control it. And then about its divisibility it's both divisible but not too divisible. I mean this was actually part of the difficulty. If you start thinking about the differences between different kinds of money. It's a really unwieldy money because, and it's a really valuable kind of money. So a penny is worth a lot even, you know, even if you use silver, not gold, it's worth a lot. It means, and that affects exchange in all sorts of ways because you know, if you get a penny a day, that's a lot different than it today.

CD: You're paid $100, that's 10,000 pennies a day, right? So there's much more stuff you can do with the little, you know, at the low end of exchange, if you have 10,000 pennies for day's work, then if you have one penny, right. And just, you know, so keeping that in mind as a comparison to what happens when the Bank of England comes along. A last thing about the medieval is this is really a system in which the crown, the monarchy with parliament, you know, fighting for certain parts of power over coin, the crown is relating to taxpayers and setting up a system in which people have to go to the Mint with silver and they pay for silver. So it costs money to get your coin converted, your silver converted into coin. But you're willing to do it both because you need it for taxes. And because it's actually so much more convenient to do, to get coin that you pay for coin.

CD: And you put it in circulation. But if you step back and think about that on the one hand, both reiterates your point about scarcity, right? This is a cumbersome money that costs money. So you're going to economize on how much, you know, on getting more of it.

JP: It literally takes money to make money

CD: It literally takes resources to, to make to get money. But it's also like this contract between the sovereign and the person who buys the money, right? Which is, you've brought this much silver, I'm going to give you a coin with that much silver. So debasement is really controversial because if we later changed the rules, it's going to be controversial. Having said that, there's a lot of evidence to suggest that debasing the coin was a much better idea than not debasing it because nobody had money at the bottom right, a penny was all you had for a wage. So money is hard and the English don't debase are very reluctant to debase. So they're like the most…

JP: give us a definition of debase

CD: decreasing the amount of silver in the coin. So if they had actually decreased the amount of silver in the coin, coin would've been worth less, which means you would've had to pay more. You know, you would've had to pay your workers 10 pennies for a day's labor, then they would've had a penny to go to lunch with. Right, right, right. But they don't, it would've been worth, you know, an hour of labor to them, let's say hardworking people, 10 hours of labor. But they could have gone to lunch with the penny

JP: So a decision that the government could make now, let's say a Latin American government could easily make a decision to do something like that by letting their currency float. But in those days it was a metal decision.

CD: Absolutely. Absolutely. Isn't to say that people didn't do it. They did the French debased and the Italian city states debased a lot. Ironically, they're sort of famous as economic centers. And partly that was because they had better liquidity. They had more and more liquidity. They had more liquidity. Yeah. Okay. So we have all these characteristics that are connected with this monetary design, including the way people are thinking. Right. So they begin to think about debasement. They have political fights that are oriented around the shape that coin is. So parliament tries to tries to assert certain powers and it is actually hard for parliament to get at the Mint. So they have trouble, you know, controlling debasement, but they can affect taxation. So there are all sorts of things that if we wanted to map them out, we could see connected to the way money was being made. Okay. So then the Bank of England. So for all sorts of reasons that we won't go into that, the British are basically experimenting. Everyone's experimenting all the time about different ways to make money, but it's hard for, you know, a lot of experiments don't stick. The British at one point in the end of the 17th century are at war with the French. They're always at war with the French and they, it's a moment of little monarchical credibility because the Monarch has actually been engaging in forced loans and various others sort of devices that upset the population anyway, at a certain point…

JP: I'm sure Hilary Mantel will write a book about it.

CD: So that would be helpful because it's how to make this stuff more accessible. The British government decides to borrow from a group of investors. So think, you know, this is actually the rise of the investor class. Before this we'd have big financial families, but now we're going to have a rise of investors. So they charter this group of investors as the Bank of England and they borrow 1.5 million pounds from them. But instead of taking the money in silver or gold coin, they take the money in paper bank notes and they spend the money and the money says the money is a private promise by the bank of England to pay silver coins, gold coins.

CD: So if you had a bank note that you got from the government, you could go to the bank of England and ask for silver or gold coins, but you actually didn't have to because if you just held onto the bank-note, you could eventually--takes time to work this out, but eventually you could use it to pay your taxes. Right. It was kind of hard for the government to deny that because they'd given it to you. Right, right.

EF: That's the concept of legal tender.

CD: That's the concept of legal tender. Exactly. So if you think about this, it is the story of money's invention all over again.

EF: That was going to be my question. What's the relationship between this and say equities, right? Or stocks.

CD: So that's, you know, really close one that stocks, it was a very, there were stocks before that, but their trading in them was erratic and by only a small portion of the population, now you've got the, you know, according to the way people are thinking about it now, the government debt is kind of like ballast. So bonds today still are a much larger percentage of the capital market than stocks. Although stocks are more famous. It's bonds that are really doing that stabilizing work and government bonds. So treasuries in the news today, right? Yeah. So treasuries are doing all this stabilizing work. Right. and the same thing happens then, so you get, and the invention of capital markets, so historian who works on them really thinks that this South Sea moment is the big bang of capital markets including stock.

JP: Actually, I think that's a great time to pivot to the second part of our conversation, which is that, so the secret motto of Recall This Book is "if it's in the 21st century, you can always find it in the 19th century. "

EF: Now it's not a secret anymore.

JP: Yeah. Alright. Tattooed on the back of the neck. So Chris, you, you wanted to talk and we would love to talk with you about your current work, which is bringing your early modern argument up into that explosive moment around 1800, when Britain once again kind of leapfrogged ahead of the rest of the world. And what's exciting to us is that you, and I want to quote from a recent article of yours on your own website, the Just Money website, you propose "that a series of institutional innovations engineered by the British in the early modern period led to an explosion of productive liquidity." And I think we should call the episode "an explosion of productive liquidity." I love that. "An enormous increase in the money stock in near money instruments. That explosion of liquidity fed exchange, expanded wage labor, fueled effective tax collection, and law enforcement and eased access to credit for even for those unable to tap accumulated savings." So, so the hope is that I'd love to ask you to kind of unpack that idea and we can reveal now that the second text we're going to be talking about today (even though I was hoping we were going to talk about medieval giant turnip tales) but in fact instead we're going to be talking about Jane Austen's *Pride and Prejudice*. So we're heading for kind of, you know, the, the landed gentry of the early 19th century.

CD: So I'll preface it by saying this is speculative argument. I'm very much in the research stages of it. But the connection to what we were just talking about is money creation. If you think about the bank of England, the thing that's striking about it is that the British are, you know, they're stumbling into it. I wouldn't say they know what they're doing. They're improvising their way in the face of kind of financial emergencies and they stumble into this way of expanding the money supply. And that expansion of the money supply really takes off in the end of, you know, a century later. So first the bank of England, you know, they're just trying to work it out. They're still issuing fairly large denomination bills. It's all still pretty elite and pretty narrow. But, but we get a big expansion in government debt and towards the end of the century, a whole slew of new country banks come online.

And these are the end of the 18th century, right? So into the 19th and they're going to really come into their own in the 19th. So what seems to happen, at least this is what I'm looking into, is that big merchant families and, and you know, sort of proto-manufacturers and little, you know, it could be handicrafts but wealthier families begin to give out--maybe they're looking over their shoulder, the bank of England, right?--they begin to give out their own bank notes. And again, they're using this sort of credit idea of issue of credit, take it back so that you might pay your workers with bank notes because you don't have enough gold coin or an, you know, and it's too big a wage anyway. You pay with bank notes and then you take it back at the for company products.

JP: So this is like company scrip in a coal-mining town?

CD: It's like company scrip. And in fact people have, you know, people have always been experimenting with substitutes because money's been hard to come by, but this time they, they, they developed a system in a very comprehensive way. Everyone's doing these, making these small distributions of bank notes and big wealthy families begin to take each other's bank notes, right, and set them off against each other. And they also denominate them in the national money. So in the penny or the pound…

JP: They didn't use to do that?

CD: I think they did sometimes, but sometimes they didn't. And they also, but the, these are convertible into that. So for example, say you pay your farmers with…say you're a big family and you pay, pay your suppliers, your wool suppliers with company, with bank notes, they're denominated in the penny in the pound. And then a farmer comes to you and says, could you give me an advance?

CD: You give the farmer and he gives you a long-term bill, bill of called a bill of exchange that says, you know, I agree to pay you such, you give him the local bank notes. But when that bill comes due, it's paid, the farmer is paid by whoever by say an exporter in Bank of England notes and then the farmer, the bill gets paid in bank of England notes. So you there are, there's this kind of hatch work of exchange that now includes these small country banks and their bank notes and the national currency and, and there's enormous you know, explosion of productivity because now we can actually pay people in small denominations. And these country bank notes are really small denomination: a shilling, right? Two shillings. It's not 10 pounds anymore, not a hundred pounds.

JP: So I just was reading Richard Rhodes's *Energy*, which is like many books about the industrial revolution, but you know, it's really great on steam engines and stuff like that. So what, what is the implication for your intervention? I mean, just to take it, I mean to sort of play it out. Is it that this stuff goes, there's a, there's a kind of, this is going hand in glove with those other innovations occurring. Or are you actually arguing, no, the thing, the banking changes, the important one and the other things wouldn't happen if you didn't have the bank.

CD: It depends on how, how you know, it depends on the time of day how assertive I want to be. But the old, the story that it's, you know, all.. I'll just make one connection to the beginning of our talk, right? Yeah. The traditional way of thinking about the industrial revolution is all in real terms, right? So it's an industry, you know, that comes about because of coal or it's because of colonization, right? Or it's because of scientific thought. Right. You know? And they're all real explanations, real and quotes. Right. For, you know, in some ways they're like the barter story. We think it's real stuff that we reorganized and, and I'm sure that part of it is real, but I'm also sure that part of it is about liquidity, right? It's about the fact that we've now figured out how to organize value and circulate it around now all the way down to these levels, retail level.

JP: So I'm really interested in like flash forward 30 years from Austen till you get to people like Gaskell and Trollope and Charlotte Bronte. There's all sorts of other arrangements of the relationship between the new industrial wealth and the old landed wealth. And one thing is that you can think about investment in land investment in the 3% or the 4%. And then things like railway stocks. I mean there's lots of things you can, you can speculate in mines. You can buy a railway stock in Trollope, you can buy a railway stock in America, but it's basically railways are the paradigm of the new, less reliable but potentially more lucrative investment. But I really like, I mean, the point that you're making here is that seems really important is that that if you think about a r*entier* class as depending on their land, but also on debt channeled through the central government. In other words, there's like a kind of invisible duality there that Austen sort of naturalizes as the same thing, but it's not really the same thing.

EF: Yeah. And it seems to have less moral valence then, I mean, the sort of classic opposition is between land and trade. Right? Right. And those are really strongly morally coded and culturally coded well at the 4% isn't so much like, it just seems kind of at least narratively, it doesn't seem like there's a strong valence to it.

CD: Although it's going to become controversial, right? So Marx does make it controversial. I mean, people are worried about debt and are trying to figure out what the effects of debt are. Marx will, you know, rails against it and says, this is a way of, if we think about it, if, if the government's relying on debt, yeah, it's paying the wealthy for making advances to the government as opposed to taxing them.

EF: But what I mean is that it's not, it's not linked to social class. It's sort of a way, maybe this is connected to this liquidity question. Is it sort of a way of opting out of this opposition of between wealth by land or wealth by trade?

JP: I was actually gonna ask, I was going to ask Chris about whether you're interested in William Cobbett at all. Do you know that guy? Rural rides. He's like, yeah. So he's an agrarian populist. And in a way he is. I mean, he's a little bit Trumpy honestly but he's, I mean, because he gets extremely racist later in life, but his denunciation of the great wen of London is all about the rentier class living off of borrowed oil.

EF: wen is a boil?

JP; Right, exactly. So there's this whole idea that the natural lifeblood of England exists in these, in this, in rural England, which is gradually being depopulated this, he's saying this in 1810 this is not the height of the industrial revolution, but the people are living off pensions. That's a really important part of it. You know, the government just flat out gives money to you if you're an officer. But he also denounces basically playing the market. And that's where the antisemitism that I was referring to comes in because the Jew then becomes metonymical for that. But he's actually denouncing the banking system in toto. And, you know, Jewish bankers just become like a convenient symbol of people who live in-

EF: And then they're also in the lower orders , like the Jewish money lenders who you go to when you can't go to the bank.

JP: That's true. But I guess the thing I wanted to bring out about it is the notion of the tainted quality of trafficking in money itself. You know, that the money is what's the contaminant? Because if we just had, you know, like, do you think E.P. Thompson's point about just price of bread, you know, that as long as you're just, you're working the land and eating the bread that comes off of the land, you don't have that transactional…

EF: Wall St Vs Main St

JP: So in that sense, I guess I'm saying there's the romantic period, there is a moral valence

EF: but is there a moral valence for the people whose income is coming off of the 4% or is there a moral valence for the people who are, you know, architects and you know?

EF: Well, I mean in the text, I mean like in the...

JP: Like, do people think of themselves as unjustly profiting from,

EF: well, like if you read in Austen you know his land, you know about Pemberley estate and you know how much his tenants, Darcy's tenants respect him as opposed to the possible scorn that he might have for Bennett. You know, Elizabeth Bennett's uncle who's in trade or maybe he's a lawyer can't remember. And then you read about, you know, so-and-so getting their money from the four percents. There is no sense that, that, that doesn't give you any information about their class position or I don't read it as such.

CD: Although I think there's a lot of criticism of speculation in stocks and to some extent discomfort with bonds. So this would just be, this seems like a great avenue to investigate. Because one thing or another, it gives us an opportunity to look back at the medieval, right when, when making interest was a vice, you know, interest on money was usury with all sorts of Scholastic clauses, but it was usury.

JP: And that's still part of Islamic law

CD: and it's still part of Islamic law and it's still part of, you know, British law until, you know, it sort of falls apart, starting in the 17th century. But you know, part of what's going on is that people are having trouble adjusting to a world in which if you think about the bank of England, the motive force, the institutionalized incentive was profit, right? We're in, we're now institutionalizing as the government profit to the investors to make our money supply.

EF: So here's this question, is that sense of speculation, Does that include government debt where there is a clear sense of a kind of...

CD: It’s a great question. I don't think I have the answer. So here I have two early pamphlets that I'm more familiar with from my book. They're controversial, right? So some people are saying, this is speculation, this is, you shouldn't pay for money. Some people are really nailing it as a vice, right? And other people are defending it. George Downing who comes up with the idea of Downing street right in the 1660s he's arguing that, you know, this is brilliant to make self interest and patriotism come together, but so it is still controversial then. I'm not, I don't know. I haven’t gotten far enough into the 19th century to really know.

JP: I want to make a couple of historical footnotes in response to your point, Elizabeth. One is that I do think within the world of Jane Austin, people who honestly work their land, even if that means being in being the landowner, like if you think about Mr. Knightley and Emma it is valorized that he puts his work equity, I won't say sweat equity, but he puts like work equity into his land and all the way up to George Elliot in *Middlemarch*. You can see people getting valorized even, if you own the land, there is something to be said for having that direct relationship that gets morally valorized and that is among the gentry.

EF: Yeah, totally.

JP: So, that suggests that there is a distinction that people--

EF: But what I was saying was not that that was positively valorized or that trade is negatively, but that the 4% seems to be neutral.

CD: So it would be really interesting to me to ask. I mean, so I'm putting, taking notes mentally as you guys were talking for this research project. Right. It would be very interesting for me to think about, I think, to look at the budding ideology of people in the countryside as they get more cash, right? Yeah. I think that's a great how that is figuring into their radicalism.

JP: And I really do want to connect that in some way that I hope to talk to Peter Brown about, because Peter Brown talks about the rise of liquidity in late antiquity, like there's just a lot more *specie* that the Roman empire just had more gold on hand. And he, his argument is that actually really changes the conceptions of the possibilities of charitable giving once you have the gold as a form of munificence.

CD: So is this a point? Can we talk about Sanditon for a minute?

JP: Oh yeah, totally. We can, we're getting very close to our end, but yeah, let's talk about Sanditon.

CD: So I just wanted to point out can, I'm really intrigued.

JP: Okay. So should I just fill in that this is the PBS series, which you can now stream on your PBS app or BBC, I think which is based on an unfinished 45 page stub by Jane Austin called *Sanditon*, which is about capitalist speculation. It's about building a new place called Sanditon that's going to be like the new born myths or the new Brighton. So there's just recently a very, very 21st century dramatization of it.

CD: Yeah, so I was completely intrigued that she, at the end of her life, so what would this be, 1816, or so had thought to plot out a story that involved entrepreneurs as opposed to land owners or even people living on government debt. So it seems to me to connect in some ways what we've been talking about to the railroads, right? That now there are all these entrepreneurs who are working with this burst of liquidity who have possibilities of getting cash. So if you think about these banks, what you need to do to get cash is walk in with a promise that you'll be productive. As opposed to, think back to Middle Ages, you have to actually have silver already, if you want to get coin. It's amazing difference. So you can borrow on a promise of productivity and then you can try to, and you can pay your workmen. So remember in, so Elizabeth, when you see the series, there's a whole question about how to pay the workman, but there's not a question that you would actually, you're going to pay the workman in some daily wage. And so so I'm very interested in how the retail cash, the development of retail cash, which I think is extremely important, is actually informing Jane Austin and is part of the Sanditon story.

JP: Do you know that Margot Finn book the *Character of Credit*? It's a great book about like working class. it's like about working class. It's basically how we, people use pawnbrokers like as the pawnbroker is a way of borrowing without borrowing.

I think that is a good moment for us to pivot to our Recallable Books, especially since we're mentioning the, the railroads. So you know, the Recallable Book is a book that if you enjoy this conversation, you're going to also get profit from, going off and doing further reading on your own. So Chris, do you want to start us off with?

CD: So I'll start with two Recallable Books. One is the Piketty, which I think is who, you know, it's just, he's just an interesting thinker. You know, he has all sorts of data and, but he also intersperses that with a narrative that's provocative and that makes you think about things like the relationship between land. It's so, Elizabeth, when you said earlier, part of what it reminded me of in his book is, you know, he wants, he's interested in the fact that land decreases as a force of, as a form of wealth and housing increases. So we see all these trends in Piketty and it's not that you don't have to go back that far to recall it.

JP: So, you're recommending his *Capital in the 21st century*?

CD: Right. Although he has this new one, *Capital and Ideology.* I haven't read it yet.

JP: It's a thousand pages long. The English translation only comes out next month.

CD: So we're not behind already. And the other, the other book or the other, yeah, it is a book and it's also a movie is *The Wizard of Oz.* So there's all sorts of controversy over exactly how we interpret that. But it seems to me fun to engage the possibility that Frank Baum, the writer is, is in part writing about the politics of his day. And that includes the Gold Standard. So that we can think about the gold standard developed during the 19th century as the British sought to use convertability into gold coin as a way to discipline money production. Right. So the money production that we're talking about that is so explosive, they thought maybe they could discipline it by making it have to be convertible to gold coin. And this caused all sorts of drama in the late 19th century as many countries went onto the gold standard and then had relations with each other that were inflected and constrained through that exchange system. And it also, it also constrained money production in ways that made exchange harder, right. That were deflationary. So I think it's interesting to think of the yellow brick road as possibly a reference to the goal standard. It leads to the Emerald city.

EF: He was a Bryanite right?

CD: I think that, I think he was not a Bryanite. There's controversy about that, which is part of what makes it difficult to interpret. I had read somewhere that Bryan was the cowardly lion. Maybe he just was critical,

EF: But he definitely seems to be, maybe he's not officially a Bryanite but he definitely, it definitely seems like it's about the way that farmer is represented by Kansas are screwed by the gold standard.

CD: And that could absolutely be one interpretation. And she's wearing silver slippers, apparently.

EF: Silver slippers in the, in the book.

CD: And I think the Emerald city, you know, some people say that's the greenbacks and the greenbacks, which were paper money of the Civil War were therefore a sham. But other people say that's capitalism and that was a sham. So yeah, it'd be fun to try to figure out what *The Wizard of Oz* was all about.

EF: Yeah. Yeah, that's a good one. So mine is a story by Tolstoy called “the Forged Coupon,” which I think kind of exemplifies the other kinds of accounts that you're, or it's sort of a description of the investment in the kind of emotional and sort of religious and agentive investment in money that you're describing in some of these other accounts. The story is about a coupon that a teenager doesn't get enough money from his father. And so he, he's this kind of wealthy teenager. And so he forges a coupon and he passes it off to someone to get a picture frame and to get change in order to get, so he basically, you know, runs a little scam and then this scam, the coupon goes on its way. But also the scam kind of goes on its way and it, it opens up these cracks to sort of destruction, both through people who later try to pass off the coupon and then get arrested and their lives are ruined and they become, they turn to drink or they see that this has happened successfully and this disillusions them about the morality of the rich and therefore they become thieves. And so there's all these ways in which it kind of, you know, cracks open something that that creates all these terrible outcomes, especially in part one. Part two, there's some, some redemption. But I think it really speaks to these kind of questions about money as connected and this idea of money as a kind of protagonist, as connected to class, to morality, to family.

JP: That's great. That's actually sounds a little bit like Stevenson's “The Bottle Imp,” which is all about that possibility of how much you can sell something for as the problem is its saleability like the curse is the saleability.

EF: Yeah. That's corrupt. The corruption that goes along with that.

JP: Well, we all picked, so that's a late 19th century story. Right. Do you know what it's from, what the date is? But it's, yeah, but I mean it's definitely later 19th and *Wizard of Oz* must be like 1890s. Yeah. So mine is from 1901 also, which is Frank Norris *The Octopus.* Which is the first part of a planned trilogy that we only learned two of them. But he, I love Frank Norris. He's this incredible naturalist writer. And one of the things that naturalist did, which I really like, is that they materialize everything, like everything turns back into its solid incarnation. And so, it's about somebody trying to corner the market in wheat.

JP: In fact DW Griffith did an amazing film, short film, like one of his earliest films, which is loosely based on it, called “A Corner in wheat.” And what the film, spoiler alert, what the film and the novel have in common is they both end with somebody who sees, who thinks that they are enormously wealthy, drowning, literally drowning in their own wealth because they get killed by being, having wheat dumped on the silo so that the wheat is the hardened form of the money that you've unjustly accumulated. So it's a *just price* argument, which I think is natural is a kind of naturalist response to the sense of capitalism gone out of control at the end of the nineteenth century would be interesting to think that with Baum, you know, because it's like they're both critiques for sure. But the naturalist critique is like so gritty and icky and sweaty and awful and the *Wizard of Oz* critique is so sweet and angelic and crystally and sparkly. Yeah. So it's just nice to think about this kind of the sordid and the sublime critiques of money and how they work together. So yeah

CD: And we not only have to read the books, we have to go to the movies too.

JP: Oh totally. And that we’ll put up a link to that movie because it watches. It’s still great.

EF There’s actually a movie based on “The Forged Coupon.”

JP: We’ll have to take over Coolidge corner and have money night. Well Chris, thank you so much. I mean this is amazing.

CD: Thank you for having me.

JP: And so I will just say in closing that Recall This Book is hosted by John Plotz and Elizabeth Ferry with music by Eric Chaslow and Barbara Cassidy. Sound editing is done by Claire Ogden, website design and social media is done by Kaliska Ross (who I see--there she is). And we always want to hear from you with your comments, criticism and suggestions for future episodes. You can email us directly or contact us via social media or our website. And finally, if you enjoyed today's show, please, please be sure to write a review or rate us on iTunes, Stitcher, or wherever you get your podcast. You may be interested in checking out past conversations with, for example, Quinn's Slobodian the rise of ethno-nationalism, interviews with Cixin Liu, Zadie Smith, Samuel Delaney and Mike Leigh. And certainly look for the remaining episodes of our season on wealth and money with Peter Brown, Mark Blythe, and perhaps Piketty. So from all of us here at RTB. Thank you for listening.