Of Dollars and Sense: Economies of Forgiveness in Antebellum American Law, Literature, and Culture

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OF DOLLARS AND SENSE: ECONOMIES OF FORGIVENESS IN ANTEBELLUM
AMERICAN LAW, LITERATURE, AND CULTURE

By

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The final copy of this thesis has been examined by the signatories, and we find that both the content and the form meet the acceptable presentation standards of scholarly work in the above mentioned discipline
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Of Dollars and Sense: Economies of Forgiveness in Antebellum American Law, Literature, and Culture

Dissertation directed by Professor Teresa Toulouse

Abstract

*Of Dollars and Sense* proposes a new context for reading dramatic depictions of forgiveness in early American novels by examining the relationships among religious sermons, popular fiction, and bankruptcy law. Between the Panic of 1797 and the Panic of 1837, the events which frame this project, the United States experienced three unprecedented cultural events: the passage of the first, and highly controversial, federal bankruptcy law in 1800; the Second Great Awakening; and the rise of the American novel. My dissertation explores the ways in which early American authors responded to the phenomenon of bankruptcy by dramatizing religiously inflected scenes of forgiveness in their work. The project provides a new understanding of how deeply the early American novel was invested in economic affairs, and in efforts to humanize what many perceived to be a ruthless system of early capitalism.

Chapter one offers an historical survey of the interrelations of religious and economic conceptions of debt and its forgiveness in Western culture more broadly, providing a close examination of the cultural changes affecting such understandings in the American early republic—particularly the transformation of the concept of debt as a spiritual state into a purely economic one. As indebtedness became a problem understood in purely economic terms, a new discourse about bankruptcy reframed the discussion by attempting to talk about economic and communal life in terms of morality.
Chapter Two examines the Panic of 1797 and two of the most popular novels of the period: Susannah Rowson’s *Charlotte Temple* (1794), and Hannah Webster Foster’s *The Coquette* (1797). Reading these novels against a wave of religious sermons on forgiveness, I argue that by constructing novels replete with scenes of both economic and interpersonal forgiveness, Rowson and Foster provide literary responses to two of the central questions in the bankruptcy debate: to whom should the law apply, and under what conditions?

Chapter three examines the Panic of 1819 and traces efforts to blend the discourse of spiritual rebirth with the political discourse on bankruptcy. As the Second Great Awakening spread, James Fenimore Cooper was literally writing his way out of his own impending bankruptcy. In *The Last of the Mohicans*, Cooper uses the structure of the frontier romance itself to both reveal and to attack endless, fruitless, vengeful and ultimately murderous methods of “exchange” that have brought on both the Panic and the destruction of Cooper’s personal family fortune.

Chapter Four examines the Panic of 1837 and the Bankruptcy Act of 1841. The depression that precipitated the Act produced an entirely new genre of fiction called “panic fiction” including novels by Hannah Lee, Eliza Follen, and Frederick Jackson. These texts provide very explicit warnings against economic speculation, excessive materialism, and other risky economic practices, while at the same time advocating for the passage of a federal bankruptcy law that would bring both predictability and forgiveness into an arena that these authors, and the much of the public, viewed as corrupt and immoral.
DEDICATION

This dissertation is dedicated to the late professor Myron Simon of the University of California, Irvine. Professor Simon’s love and passion for American literature was infectious. He instilled in me a life-long love and appreciation for the American Transcendentalists—Ralph Waldo Emerson, Henry David Thoreau, and Margaret Fuller, among others. I will forever remember the lectures and discussions in Professor Simon’s classes. There were no notes, no PowerPoint presentations; there was nothing but a dog-eared novel, poem, essay, or play in hand, and an unmistakable love for the subject matter and for his students. Had it not been for Professor Simon’s class, I would not have pursued the path that I did. Thank you Myron, for all that you did for me and for so many others in your long and distinguished career—I dedicate this project to your memory.
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In a project so deeply concerned with the topic of debt, it is essential that I acknowledge the many debts that I have incurred along this journey. I begin with my dissertation director, the indefatigable Teresa Toulouse. Without her belief in the merits of this project, her guidance, her diligence, and her continuous encouragement, this would never have come to fruition—my deepest thanks and sincerest gratitude go out to you. I would also like to thank Professor Jordan Stein who worked with me in the early phases of the project; your gems of practical wisdom have remained with me throughout the project and, for demanding that I write an annotated bibliography, I begrudgingly, but sincerely, thank you. I am also indebted to Professor Catherine Labio, who also worked with me in the nascent stages of the project—your encouragement, enthusiasm, and belief in the project have continually sustained my efforts. To Professor Ann Carlos, your insights from “the outside world” of economics have proven invaluable to this study and I thank you for your contributions.

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INTRODUCTION

A study devoted, as this one is, to the subjects of debt and bankruptcy would seem, at first glance, a gloomy one. Perhaps this gloom would be viewed as even more acute given the global economic conditions in which this project was conceived. We read daily about the economic failures of national governments, cities, businesses, and individuals from around the world. Terms such as “housing bubble,” “government bailout,” “credit crunch,” or “financial meltdown” have become everyday water-cooler topics. The reality, however, is that the anxieties and uncertainties found in the headlines of today are echoes of the past. The problem of debt in America, whether national or personal, is hardly unique to Americans in the twenty-first century; since its founding, the United States has struggled with the concept of debt, and more particularly, how to address problems that arise from it. In fact, arguments over the nature of debt can be traced back over five millennia. So too can debates over one’s duty to pay those debts and the perennial question of what to do with those debtors who cannot pay: bankrupts.

Bankruptcy has a long and controversial history. The term “bankruptcy” comes from the Latin words for "broken bench" — *ruptus* and *bancus*. In ancient Rome, business transactions were frequently conducted, and money exchanged, from a bench in an open marketplace. If a merchant got into trouble with his creditors, they had the legal right to literally smash his bench, an act that would signal the merchant’s financial distress to other would-be customers and effectively stop him from conducting further business. That was only the first of several remedies available to his creditors under Roman law, however. In the center of the city sat the famed Twelve Tables, the codified laws of Rome. Lawyers, politicians, and all citizens were required to know them. Section III of the Tables, the first known law dealing with debt
collection, was devoted especially to debtors who found themselves unable repay their debts.

The law provided that:

When a debt has been acknowledged or a judgment has been pronounced in court, thirty days must be the legitimate grace period. If he does not satisfy the judgment, the creditor may bind him either in stocks or fetters, with a weight of no less than fifteen pounds. (Or more if he desires). After sixty days in custody, if the debt is not then paid, the debtor can be sold abroad as a slave, or creditors shall cut [the debtor] into pieces. If they cut more or less than their due, it shall be with impunity.¹

Most of us today would consider stocks and fetters, and certainly dismemberment, particularly harsh forms of punishment for a bankrupt. Contemporary bankruptcy law, however controversial and contentious it remains, is more widely viewed as a humane and sympathetic response to the plight of distressed, but honest, debtors in times of need. And yet, for the better part of 2,000 years, most debtor laws have been criminal in nature and these laws have nearly always privileged the position of the creditor, many with provisions for capital or other corporeal punishment for failed debtors.

In America, however, the story of bankruptcy follows a somewhat different path. I do not mean to suggest that bankruptcy was always a happy tale of forgiveness and sympathy for debtors in the United States. In fact, throughout most of the pre-national period, many colonies had their own version of a bankruptcy law and most included provisions for the imprisonment of debtors who failed to pay. Creditors made good use of these laws, and the prisons themselves were notoriously harsh—and to add insult to injury, imprisoned debtors, unlike other prisoners of the State, were required to provide their own meals. By the final decade of the eighteenth

¹ http://www.umass.edu/wsp/comparative/law/rome/twelve/table03.html.
century, the debtor’s prisons of America were overflowing, due in large part to the financial panic of 1797. During the year 1799, in the wake of the panic, over sixty percent of the debtors in these prisons owed less than ten dollars. There was an increasingly vocal public outcry against the practice of debtor’s prison, which led several states to abandon it, although it would remain the law in many states for decades. In 1800, partially in response to these calls for an end to debtor’s prison, but also in response to the devastation caused by the panic, the U.S. Congress took the unprecedented step of enacting the first federal bankruptcy law in American history—the Bankruptcy Act of 1800. This law, while short-lived, would change the face of the American economy and the course of bankruptcy law for the better part of a century. Thousands of debtors benefitted under its protection, being released from prison and, after their assets were sold, the remainder of their debts forgiven. The question that drives this project is: what were the cultural factors that led to this radical departure? How, as a society, did Americans succeed in making the transition from the 2,000-year-old practice of punishing and jailing failed debtors to embracing the legislative forgiveness of debt? Was it, as some economic historians have suggested, simply more economically practical and advantageous to release debtors after their assets were sold, or was it, as other scholars, including Bruce Mann, suggest, the ubiquity of economic failure that led to a sympathetic response? Or were there other, cultural factors at play in this process? This project seeks to uncover the relationships among the social, religious, literary, and political efforts involved in this pivotal transition.

In what follows, I explore the role played by different cultural actors in the transformation from debtor’s prison to the forgiveness of debt through bankruptcy. During the period in question here, between 1797 and 1845, three financial panics wreaked havoc in the United States: in 1797, in 1819, and in 1837. Each panic produced a legislative response in the
form of bankruptcy relief, with the notable exception of the panic of 1819, which, while not producing a formal federal bankruptcy law, did see widespread public support for such a law, support which eventually resulted in a form of debtor relief for federal land buyers in the West. My goal here is to trace the associations between these early efforts to pass federal bankruptcy laws and the chorus of cultural, literary, and religious voices that accompanied and helped drive those efforts.

Methodologically, I conceive of these associations in terms drawn primarily from the field of sentimental criticism and new historicism. Since Jane Tompkins and Ann Douglas started their public debate over the “cultural work” that sentimental fiction did or did not accomplish, the field has transformed from a relatively small group of feminist critics concerned with the recovery of lost female authors of the nineteenth century, and with refocusing the canon, to one that has been informed by a broad spectrum of critical approaches. As Hildegard Hoeller has noted, “new studies [in sentimental fiction] no longer think of sentimental writing exclusively as the work of the newly recovered American mid-nineteenth-century domestic women authors, but instead explore a vast, pervasive sentimental tradition that spans centuries, countries, races, genders, and genres.” ² The debate over sentimental fiction seems to have been settled in some respects, particularly on the issue of its cultural relevance and significance, if not yet, its aesthetic appeal. What the body of sentimental criticism has done is shown that we cannot study American literature, or American culture, without contemplating the significant role that sentiment played in the development of both.

One of the fundamental developments in sentimental criticism in the past decade that has made clear the importance of sentiment in the study of American literature and culture, and one that will inform much of this project, is the departure that critics have made from the study of the domestic sphere. Critics have moved beyond the separate spheres argument and have convincingly argued for the cultural work of sentimental fiction in the larger public arena. The work of Glenn Hendler and Mary Chapman in Sentimental Men (1999), for example, has shown the impact of sentimental fiction on various reform movements as well as the larger public marketplace. Hendler’s later work Public Sentiments (2001), looks at the public function of sympathy and examines the ways in which sentiment creates and engenders communities. He reads novels as adjuncts to social movements, as agents of character formation, and “as sites on which authors, readers, and cultural arbiters played out ideological and aesthetic conflicts.”

Hendler is particularly interested in the ways that the sympathetic imagination of Adam Smith contributes to individual and national constructs of identity.

Mary Louise Kete’s study, Sentimental Collaborations (2000), focuses primarily on poetry and employs a variety of methodologies from sociology and anthropology. For Kete, “Literary sentimentality is just the written trace of a broad cultural discourse that I call “Sentimental Collaboration”: the exchange of sympathy establishing the ground for participation in a common cultural or intellectual project.”

Through her analysis of the poetics of sentiment, she seeks to expand our understanding about the anxieties of middle-class Americans in the antebellum period. The work of scholars such as Kete, Hendler, Kristin Boudreau, and Julia

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Stern has expanded the scope of sentimental criticism far beyond its original boundaries and my study is indebted to them. However, there remains a gap in this criticism that my project seeks to fill; there is a need, namely, to develop strategies for reconceptualizing the relationship between uses of sentiment and the law.

As I hope to show, sentiment was the ideal discourse through which to advocate for a federal bankruptcy law. Late eighteenth and nineteenth-century discourse on sentiment was predicated on familiarity. As Elizabeth Barnes has argued, late eighteenth and early nineteenth-century fictional constructions of sympathy were “contingent upon familiarity” between the reader and the rhetorical figures she is reading about in the novel.\(^5\) Barnes is referring here to Adam Smith’s theory of sympathetic identification. Rooted in the European moral philosophy of David Hume and Francis Hutcheson, the sympathetic exchange provided a philosophical or ideological framework for bridging the gap between the sympathizer and the sufferer—or in the case of fiction, between reader and character. The hopes of those writing, in the context of early America, was that, as Kristin Boudreau notes, “[b]y seeing another person’s suffering through one’s own eyes, one might respond privately to scenes that would bring different selves together in sympathetic union.”\(^6\) One of the keys to Smith’s theory was the faculty of imagination. Smith’s understanding of the imagination performs an important function: it allows for a sympathetic response to the sufferings of another; however, such sympathy does not result in the loss of one’s self in the other; for it is one’s own imagination that allows the sympathetic exchange to take place. This exchange is only possible, however, when the reader has a sense of


shared experience with the characters.

Sympathetic identification came to be an essential cultural and rhetorical weapon in the struggle for bankruptcy protection. Sympathetic exchange requires two distinct responses according to Smith. First, there must be a sensory experience to identify and feel for the other; we must see, read, or hear about it. But more important for my purposes here, is the second response: through the act of imagination, we come to see ourselves in the place of the other—we feel with her. For Smith then, the sympathetic imagination replaces, or at least attempts to replace difference with similarity; it is no longer about watching someone else suffer, but rather about suffering with them—literal sym-pathos. When we consider the fact that all of the texts examined herein, including religious, political, and literary, were conceived during times of widespread economic distress, this understanding of the function of sentiment becomes clear. Anxiety, fear, and uncertainty were pervasive within all socioeconomic classes during the panics outlined here; the shared experience of panic made it possible for readers to feel connected to the characters experiencing fear, distress, and moral and economic failure in the novels they read; seeing these characters as figurative representatives of themselves, sentimental writers assumed, their readers would thus be more likely to respond compassionately, and to forgive those whom they felt represented their own experiences most closely. As Shirley Samuels has argued, “the sentimental complex also situates the reader or viewer: that is, the act of emotional response the work evokes also produces the sentimental subject who consumes the work.”\(^7\) The crucial emotional response that the works studied here evoke is, of course, forgiveness.

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This project traces a particular strand in the development of Americans’ attitudes towards debt, debtors, forgiveness, and the early American economic system in which they lived and participated. More specifically, I want to read these attitudes in their relation to transformations in the federal law of bankruptcy. This study reveals particular tensions between certain features of evangelical Protestantism and an emergent American literary culture on one hand, and features of American law, on the other. These conflicts arose as a result of the changing role and importance of debt in the American economy.

As the American economy grew in the late eighteenth and early nineteenth century, credit became increasingly necessary; as such, debt became an inescapable fact of early American life. With debt, of course, came the risk of being unable to repay; this too, was a fact of life. We need only examine the number of bankruptcies, lawsuits in chancery court, probate inventories, and the circulation of IOUs as “currency” during this period to confirm this. Debt, however, meant different things to different people. As historian Bruce Mann explains, “To some, [debt] represented entrepreneurial opportunity. To others, a burdensome necessity. To still others, it signified destitution.” In addition to varying ideas about the nature of debt, Americans were also faced with the difficult question of what to do with debtors who were unable to repay their debts.

As the web of debtors and creditors grew more abstract and more complex, it became clear to many that laws dealing with economic failure were inadequate, antiquated, and failed to address many of the economic and moral concerns of Americans. In what follows, I will show how religious teachings, many arising out of the Second Great Awakening, came to urge forgiveness of debt, a policy, they argued, in keeping with Christ’s teachings about forgiveness

and compassion more generally. It was not necessarily that religious leaders wanted to abolish the credit market or the capitalistic economy. To the contrary, they had witnessed the potential good that such an economy could offer to the causes they supported (e.g., schools, hospitals, charities, reform, and so forth); what they sought, however, was to improve the market system by making it, in their view, more humane—and the law of bankruptcy was an important part of that goal. So too did literary figures come to voice their concerns about the inadequacies of the law in dealing with the increasing number of failed debtors during times of economic crisis. This, of course, is precisely where the power of sentimental fiction becomes important; in offering these socioeconomic commentaries on forgiveness, these writers spoke to a readership variously touched by the experience of economic crises called panics.

As Emma Rothschild reminds us, economic life in the first half-century after independence was “intertwined with the life of politics and the life of the mind. Economic thought was intertwined with political, philosophical, and religious reflection. The life of cold and rational calculation was intertwined with the life of sentiment and imagination.”\(^9\) It is within this liminal space, between the “cold and rational” and the sentimental and imaginary, that we can locate a cultural history of the law of bankruptcy. Bankruptcy law stands apart as the only law in the American legal canon that privileges forgiveness over retribution; it is a law more concerned with “getting on” than with “getting even.” To talk about bankruptcy law is not simply to talk about economic theories of risk and debt, but also of more nuanced theories of compassion, forgiveness, and sympathy. This fact goes a long way toward explaining the

historical relationship between bankruptcy and religion—one that I will discuss in considerable detail in the first chapter.

Going bankrupt represented the most spectacular and dramatic type of economic failure in American society. It is, thus, not surprising that we also find a great many period writers using economic failure and forgiveness as central or important themes in their work. As I hope to make clear, many early writers, both overtly and covertly, offered commentaries on economic policy, including the controversial law of bankruptcy. They sought thereby to reimagine and shape readers’ perceptions of the relationship between debtors and creditors, of the nature of debt, of the character of the debtor, and of the importance of forgiveness in social as well as commercial life. The use of economic failure as a literary motif makes sense, of course, when we consider the dramatic nature of bankruptcy itself. What I hope will become clear is that, when taken together, the religious and the literary voices at work in the late eighteenth and early nineteenth centuries on the subjects of debt, bankruptcy, and the virtues of forgiveness, proved to be powerful cultural forces that forever changed the course of American law and economic policy.

I begin by situating my specific late-eighteenth and early-nineteenth-century interests in the context of three historical narratives that preceded, and in many ways set the stage for, the events under examination here. First, we must very briefly consider the nature and history of forgiveness itself. Jacques Derrida has asserted that forgiveness “belongs to a religious heritage,”10 and I thus begin with a similar claim. What then is the relationship between forgiveness, religion, and economics, or, in the specific terms of this study, religion and bankruptcy? The most direct connection, and certainly the one with the longest and richest

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history, is found in the related areas of moneylending and usury—which are the precursors to insolvency and bankruptcy: if there is no lending, there is no borrowing, and thus, no bankruptcy. There is no economic topic of more concern to the Abrahamic traditions than these. As such, I start by offering a brief history of moneylending and usury and how religious views permeate the discourse about borrowing and lending money. An examination of early understandings of the relationship between creditors and debtors provides us with the perspective necessary to more fully appreciate how radically transformed these relationships become in antebellum America. I next look at the history of bankruptcy in England, whose laws served as legislative blueprints for early American efforts. I examine how these early English laws, which were originally skewed toward the protection of creditors, underwent a significant change in America. What began as a law designed to prevent fraud and to assist creditors, transformed into what we now understand as “debtor relief” in nineteenth-century America. Central to my discussion here is the evolution of ideas about debtor’s prison and how the end of that practice affected the public discourse on bankruptcy. Naturally, the more that people wrote and spoke about the horrors of debtor’s prison, the more open they were to considering a bankruptcy law that forgave honest debtors. Lastly, I briefly address certain facets of the transformation of ideas surrounding the concept of debt itself. From the medieval period through the beginning decades of American independence, the notion of being in debt changed from denoting a broader spiritual or moral condition, to an economic one. Strikingly, however, at the same moment that indebtedness becomes a problem understood in purely economic terms, a new discourse about bankruptcy, in its uniquely American form, reframes the discussion by attempting to talk about economic and communal life in terms of morality, and in some cases, spirituality. These three broader historical narratives set the stage for a discussion of how, at this moment in American
history, social, political, and religious phenomena in American culture come to intersect in ways that help to produce a discourse about the forgiveness of debt that had hitherto been inconceivable.

In the chapters that follow, I argue that the American novel, in a variety of genres, plays an essential, yet heretofore unexamined, role in the development of American attitudes towards debt, debtor’s prison, and the law of bankruptcy. The early American authors I consider here offer varying forms of criticism, commentary, and attempts to mediate the tensions between the two sides of the bankruptcy debate. I begin, in Chapter Two, with the Panic of 1797—the first major economic disruption of the young Republic, and one that saw thousands of ruined merchants thrown into debtor’s prisons across the country. I explore the rather complex causes of the panic and its effects across the broader American culture. So severe was the panic that it forced Congress to pass the very first federal bankruptcy law in American history: The Bankruptcy Act of 1800. This watershed legislation, I argue, came into being as a result of various cultural forces, including the previously discussed confluence of religious notions of forgiveness with changing attitudes towards debt, and the expression of this confluence in the emerging American novel. I then offer a reading of two of the most widely read American novels of the century: Susannah Rowson’s *Charlotte Temple*, and Hannah Foster’s *The Coquette*. I offer intersecting economic and political readings of these two works, both of which seek to dramatize the tensions between the warring bankruptcy factions who struggled over how the law would be applied and to whom. In *Charlotte Temple*, a novel that begins and ends with scenes of bankruptcy, Rowson, herself a former bankrupt, demonstrates the senseless cruelty of debtor’s prison, and the urgent need for forgiveness of debt, not just for the merchant class, but for all debtors. Foster, in contrast, as the daughter of a moneylender, provides a different, more cautious
perspective. While she does emphasize the importance of forgiveness throughout the novel, particularly in the figure of Eliza Wharton, she demonstrates the very real challenges in deciding when forgiveness might be appropriate. She also provides a stern warning against the fraudulent debtor who would seek to use bankruptcy as a scheme to avoid repayment, rather than as an economic life preserver in times of emergency.

The third chapter turns to the Panic of 1819. After an exploration of the causes of the panic itself, I then connect Second Great Awakening writings and sermons on the doctrine of regeneration, or spiritual rebirth, to the efforts to pass a second federal bankruptcy law, focusing on the role evangelicals played in the national bankruptcy debate. I then focus on how the effects of the panic play out in unexpected ways in the work of James Fenimore Cooper. I argue that Cooper’s personal financial difficulties and his own brushes with bankruptcy inform his sympathetic treatment of forgiveness and condemnation of revenge in the context of his most famous novel, *The Last of the Mohicans*. I argue that the novel itself is both thematically and structurally tied to what I call the “economy of the wilderness,” a lawless world without regulation or civility of any kind. *Mohicans*, as I read it, becomes thus, a social commentary on the economic uncertainties of the time and a lamentation over the ruin and devastation caused by the panic and the greed that precipitated it.

In my final chapter, I turn to the panic of 1837 and the war between President Andrew Jackson and the president of the Second Bank of the United States, Nicholas Biddle, which precipitated the greatest economic collapse of the century. After a consideration of the causes and effects of the panic and the national debate over the newly proposed bankruptcy act, I address the radical shift taking place in sermons dedicated to commercial morality and the relationship between the efforts of major religious and cultural figures such as Henry Ward
Beecher, Freeman Hunt, Justice Joseph Story, and Reverend Andrew Peabody, and the production of a recently uncovered popular form of the novel known as panic fiction. In this chapter, I examine these economically centered fictions, not simply to survey them as a genre, but more particularly, to read them against the sermons discussed earlier in the chapter. I hope thereby to illuminate the intersections among fiction, understandings of Christian morality and economic prudence, and the national discourse on bankruptcy, in the face of the worst economic crisis of the nineteenth century. What we find is that panic novelists, most of whom were non-professional writers, created a body of work that reflects, but also comments upon, the social, economic, legal and political views of their particular societies. These texts provide very explicit warnings against economic speculation, excessive materialism, and other risky economic practices, while at the same time advocating for the passage of a federal bankruptcy law that would bring both predictability and forgiveness into an arena that these authors, and the much of the public, viewed as corrupt and immoral.
CHAPTER I.

PANICS AND PUNISHMENTS:
THE PATH TO AN AMERICAN BANKRUPTCY LAW:

The concepts of debt, bankruptcy, and forgiveness seem naturally intertwined from our modern perspective, but they have not always been so. Over the course of the past two millennia, debtors and moneylenders have been the subjects of scorn and condemnation. One struggles, in fact, to come up with a character as vilified in English literature as the moneylender—think Shylock for example. From ancient Greece and Rome through the earliest Christian societies, moneylenders have not had the best of reputations. The bible, of course, has very clear prohibitions against usury,\(^\text{11}\) and until the sixteenth century, the practice was outlawed, not only by the church, but by most secular governments as well. Of course, people still loaned money, via bills of exchange, both commercially and to family and friends; but lending money with interest was the exception rather than the rule. Attitudes towards moneylending began to change, however, beginning in the Protestant Reformation. As European commerce became increasingly globalized, older dogmatic proscriptions against moneylending began to relax. Religious leaders, including Martin Luther and John Calvin, spoke about the necessity of commerce, and even, if reluctantly, about the utility of credit. After centuries of prohibition by churches and governments throughout Europe, at the end of the sixteenth century, the House of Tudor not only allowed usury, it regulated interest rates by statute.

Luther, Calvin, and nearly all Protestant religious leaders wrote and preached frequently about the subject of forgiveness, but rarely in the context of monetary debt. While there are, of

\(^\text{11}\) The term “usury” as I will be using it here, does not share the same connotations as it does today. Historically speaking, usury was simply the charging of any interest beyond the principal loan amount.
course, biblical parables about forgiving debts, the majority of tales in the bible that deal with forgiveness have nothing at all to do with money as we understand it. The idea that preachers would spend their Sundays talking about forgiving monetary debts does not become an historical reality until the middle of the eighteenth century, as industrial capitalism spread. It was at this moment that historical narratives concerned with moneylending in its relationship to usury and religious notions of forgiveness begin to come together in important new ways. The result was a radical change in the way societies conceived of debt, debtors, and the problem of economic failure. I want to trace the separation and coming together of these disparate but related discourses here in order to suggest just how radical American legal and cultural attitudes became on these issues.

Debt has been an integral part of human history since the earliest civilizations. In his exhaustive study on the history of debt, Debt: The First 5,000 Years, Daniel Graeber writes:

For thousands of years, the struggle between rich and poor has largely taken the form of conflicts between creditors and debtors—of arguments about the rights and wrongs of interest payments, debt peonage, amnesty, repossession, restitution, the sequestering of sheep, the seizing of vineyards, and the selling of one’s children into slavery.12

Debt has figured so prominently in human history that the language of debt has literally shaped our understandings of right and wrong. As Graeber argues, “much of our contemporary moral and religious language originally emerged directly from these very conflicts. Terms like “reckoning” or “redemption” are only the most obvious, since they are taken directly from the

language of pre-Christian understandings of finance. In a larger sense, the same can be said of "guilt," "freedom," "forgiveness," and even "sin."\(^{13}\)

The earliest, and largely unfavorable, views on moneylending and debt, begin in ancient Greece. Aristotle, in his first book of *Politics*, argues against the practice of usury. He writes:

> The most hated sort [of moneymaking], and with the greatest reason, is usury, which makes a gain out of money itself, and not from the natural object of it. For money was intended to be used in exchange, but not to increase at interest. And this term, interest, which means the birth of money from money, is applied to the breeding of money because the offspring resembles the parent. Wherefore of all modes of getting wealth, this is the most unnatural.\(^{14}\)

From this perspective, the whole idea of making money with money is “unnatural” and, for Aristotle, contrary to the very purpose of money, because usury is unproductive; it creates nothing; it only takes. This view is echoed in the writings of some of the greatest philosophical and legal minds of the Classical period, including Plutarch, Seneca, Cato the Elder, and Cicero, who wrote “these profits are despicable which incur the hatred of men, such as those of . . . lenders of money on usury.”\(^{15}\)

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\(^{13}\) Graeber, *Debt: The First 5,000 Years*, 8. To use one of Graeber’s examples, for my purposes here, it is interesting to note that the word “redemption,” which, of course, has multiple meanings, can denote “deliverance from sin and its consequences by the atonement of Jesus Christ,” but also the “action of clearing off a recurring liability or charges by payment of a debt or sum,” (OED).


During the early part of the Middle Ages, exchange, commerce, and credit, which had long permeated English and European societies, were typically conducted in an informal manner, with individuals transacting business through a barter system. As the economy grew increasingly complex, these informal transactions did not disappear, but they were more often conducted in local markets, at regular locations and at regular times. James Davis writes: “Enforcement of contracts and debt, quality-controls, supervision of prices, and protection against stolen goods were just some of the devices that helped lower transaction costs and expedite trade.”\textsuperscript{16} Lending during this early period often took the form of goods, and any interest charged was also paid in goods, which, of course, is still “interest” technically, but far less likely to grab the attention of church authorities. While some saw a potential utility and productivity in usury, even a barter form of interest was still viewed in the harshest light by the church, which based its views on scripture.

The Old Testament is quite explicit in its condemnation of usury. God says to the Jews in Ezekiel 18:13: “[He that] Hath given forth upon usury, and hath taken increase: shall he then live? He shall not live . . . he shall surely die; his blood shall be upon him.” In Leviticus 25:35-37 we are told that, “You shall not lend him your money for usury, nor lend him your food at a profit.” Deuteronomy 23:19 states that “You shall not charge interest to your brother; interest on money, interest on food, interest on anything that is lent for interest.”

While the New Testament is not quite as explicit, Christ’s expulsion of the moneylenders from the temple suggests that making money from money went against his admonition in the Gospel of Luke 6:35 to “lend, expecting nothing in return.” Luke 3:12 reminds us that we must

“exact no more than that which is appointed you.” As Yaron Brook points out, Christianity opposed usury from the very beginning. He writes that the church

[C]onstantly reinforced its opposition with legal restrictions. In 325 a.d., the Council of Nicaea banned the practice among clerics. Under Charlemagne (768–814 a.d.), the Church extended the prohibition to laymen, defining usury simply as a transaction where more is asked than is given. In 1139, the second Lateran Council in Rome denounced usury as a form of theft, and required restitution from those who practiced it. In the 12th and 13th centuries, strategies that concealed usury were also condemned. The Council of Vienne in 1311 declared that any person who dared claim that there was no sin in the practice of usury be punished as a heretic.17

In light of these biblical proscriptions, usury became vilified and condemned throughout Christendom. Perhaps the most prominent literary example of this is found in Dante’s Inferno, where we find usurers on the seventh level of hell, endlessly suffering under the weight of their interest monies: “From each neck there hung an enormous purse, each marked with its own beast and its own colors like a coat of arms. On these their streaming eyes appeared to feast.”18 This demonic portrait of usurers reflected a common prejudice against them that would last, in many respects, up to the present day—consider the public condemnation of the banks that gave mortgages to under-qualified buyers at adjustable, and often very high rates of interest, and then selling the derivatives during the 2008 financial crisis. As Dante reminds us, lenders, despite their essential contribution to the growth of the economy, have not fared well in reputation.


During the Reformation, usury became, according to one critic, “the most burning social problem of the day.”\textsuperscript{19} As European exploration expanded around the globe, and the population, particularly in urban areas, increased, economies continued to grow. New trade routes opened, bringing with them extraordinary wealth, and many of these explorations were funded in wealthy cities, in part because of changes in attitudes toward usury. Genoa, for example, was one of the first merchant cities to turn a blind eye toward usury, despite the Catholic Church’s prohibitions. However, it was not until Martin Luther and John Calvin wrote on the subject that we began to see significant and lasting changes in Christian attitudes towards lending and usury. Prentiss Pemberton and Daniel Rush Finn argue that, “It was within this historic era that the Protestant Reformation began transforming Christendom. Indeed, the coming of Martin Luther and John Calvin instigated wide-ranging Christian movements bent on fashioning a new “fit” between the biblical economic ethic and the emerging historical economic situation.”\textsuperscript{20}

Martin Luther (1483-1546) was an outspoken critic of usurious lenders and thought them to be violating natural and divine law in their practice. His first public pronouncement on the subject was in 1519, and another followed the next year. These were not necessarily public attacks on usury, however, as the practice was “already condemned by church, state, and public opinion, and had been since the thirteenth century.”\textsuperscript{21} At the same time, however, Luther recognized that trade and commerce were necessary parts of life and he saw some utility in

\textsuperscript{19} Tawney, R.H., \textit{An Historical Introduction to Thomas Wilson’s ‘Discourse Upon Usury’} (London: Bell & Sons, 1925), 2.


\textsuperscript{21} Tappert, Theodore G., Ed. \textit{Selected Writings of Martin Luther: 1529-1546} (Fortress Press, 1967), 75.
usury. He asserts in his 1524 sermon on “Trade and Usury” that “This cannot be denied, that buying and selling is a necessary thing which we cannot do without, and which can be used in a Christian manner, especially when the articles of trade serve a necessary and honorable purpose.” While he recognizes that trade and commerce are necessary parts of life, Luther’s solution was to leave that “damned usury” up to civil authorities and to distance the church from it. He condemns usury as a practice in general, but acknowledges the pitfalls of following Christ’s admonition to “love your enemies, and do good, and lend, expecting nothing in return.” If every Christian were to behave in accordance with these teachings, then the “rare Christians” will be taken advantage of, to an extent that commerce could no longer function: “there would be no trade in the world; everyone would have his property taken or borrowed and the door would be thrown open for the idle gluttons, of whom the world is full, to take everything with their lying and cheating.”

Luther was one of the earliest religious leaders to recognize that Christianity, if it is to be practiced in what he conceived as its purest form, must necessarily be disconnected from political and economic reality.

John Calvin (1509-1564), however, went much further than Luther was willing to go, forever changing the way that Protestants thought about moneylending and usury. Michael Wykes writes, “A close reading of Calvin’s limited references to usury reveals the wealth of his understanding and his innovative approach to an issue that had stigmatized medieval economics, eluded Luther, and remained at loggerheads with the burgeoning economic expansion of this

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22 Luther, Martin, “Trade and Usury” (Open Court Publishing Co., 1897), 17.

23 Tappert, Selected Writings, 98.
period.” Calvin cautiously enters the debate on usury, stating: “I have not yet experimented, but I have learnt by the example of others how perilous it is to give a reply to the question about which you ask my advice: because if we so completely forbid usuries we bind consciences with a tie more strictly than God himself.” He is painfully aware of the dangers of usury that Luther was so determined to avoid, but at the same time he acknowledges that, “there is no witness of scripture by which all usury is totally forbidden.” When dealing with the passage from Deuteronomy 23:19, quoted earlier, Calvin argues that this passage, concerning the charging of interest to a fellow Israelite, is merely “political” and has “no more bearing upon us now than equity and human reason carry. Of course it would be good to desire that usurers were expelled from the entire world and that the name became unknown. But since that is impossible we must submit to a common utility.” For Calvin, the central issue with respect to usury was the motivation behind it. If the motive is to serve the greater good, to help one’s fellow man, then it is permissible and does not fly in the face of scripture; if, however, the motive is pure personal profit, it must be condemned. While hardly considered an historical innovator of economic policy, Calvin’s economic worldview allowed many Christians to practice moneylending with relative impunity, a critical step in the success of early European capitalism. Glyn Davies argues that, “the legal toleration of interest marked a revolutionary change in public opinion and gave a clear indication of the divorce of ethics from economics under the pressure of an expanding


25 As quoted in Wykes, 42.

26 As quoted in Wykes, 42.

27 As quoted in Wykes, 43.
economic system.” And while the idea that a “divorce of ethics from economics” ever took place is certainly debatable, there is no question that this fundamental change in religious attitudes towards debt and moneylending helped created a greater acceptance for capitalistic sensibilities and activities that would help to grow and shape European and American economies.

To clarify, I do not want to suggest that simply because there were biblical and secular prohibitions against lending and usury, that such activity was nonexistent. To the contrary, lending was a fairly regular practice in England during the late medieval and Tudor periods, however clandestine. In her examination of lending records in and around London during the period from 1300-1600, Marjorie McIntosh observes that, “throughout these three centuries much lending was done informally and on a small scale by local people who happened to have some extra cash available.” Additionally, in his exhaustive study of court records during the pre-Reformation period in England, DeLloyd J. Guth notes that, “all courts produced records clogged by actions of debt.” While usurious lending clearly went on against the prohibitions of the church and secular governments during this period, there is an important distinction between the medieval view of the very concept of indebtedness and the way Americans would come to view it two and a half centuries later.


The medieval view of debt was rooted in more abstract, spiritual notions of obligation rather than the strictly monetary association that the word ‘debtor’ has today. Part of the reason for this stems from cultural views about morality and obligations, but also about subtleties in biblical translation. In the Lord’s Prayer, for example, Christ instructs his followers on how to pray:

This, then, is how you should pray:
‘Our Father in heaven, hallowed be your name, your kingdom come, your will be done, on earth as it is in heaven. Give us today our daily bread. And forgive us our debts, as we also have forgiven our debtors. And lead us not into temptation, but deliver us from the evil one.’

If we look at the history of the word “debt,” as it was used in medieval societies we find a conflation of the term “debt” with “sin.” In the Q text\(^{31}\) of the Gospel of Matthew, the source of The Lord’s Prayer, the Greek word “οφειλόν” (pronounced “oh-fee-less”) means both “sinner” and “debtor.” As Giovanni Battista Bazzana of Harvard Divinity School notes, “the two words are almost perfectly interchangeable, since both have the same meaning.”\(^{32}\) Thus, from the time of the earliest Christian societies, the figures of the “debtor” and the “sinner” were considered one and the same person. Morally speaking, there was no distinction between an act of violence,

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\(^{31}\) The “Q” text of the gospels of Matthew and Luke refers to the “International Q Project,” an effort by scholars to reconstruct the original manuscript upon which the Gospels of Matthew and Luke are based. The project, which began over a decade ago, seeks to reconstruct the lost gospel word for word.

and the stealing of a goat, or the borrowing of a bale of hay—all resulted in a “debt” or a moral obligation. Failure to repay that debt, according to early English common law and particularly, the *Dialogus de Scaccario*[^33] under the reign of Henry II, was regarded as a breach of faith, which was, quite apart from the debt itself, a wrong on its own terms, meriting punishment. Failure to repay a debt was viewed as something more akin to a moral or spiritual transgression rather than an economic breach of contract—in fact, the formal law of contracts did not even exist in England until the seventeenth century. Bruce Mann confirms this assertion, noting the “late medieval, pre-Reformation identification of debt with sin for which absolution, and ultimately salvation, required repayment” but he also acknowledges that “economic reality was overtaking scriptural injunction.”[^34] In further support of this idea, we can look to theories of imprisonment during the medieval period. For example, as Richard Ireland points out, “Imprisonment [for debt] was not simply an administrative means of ensuring payment, it was imposed *pro fide lesa,*”[^35] which translates to an “abuse of faith.” This idea that being in debt was a moral or spiritual condition as well as an economic one, was, for centuries, the dominant view of the figure of the

[^33]: The *Dialogus de Scaccario*, or Dialogue of the Exchequer, written by Richard Fitznigel - an insider at the court of Henry II (1154-89), has long formed the basis of historical knowledge of royal finance in the later twelfth century. It focuses on the annual audit of the sheriffs’ accounts that led to the writing of the documents known as the pipe rolls. The *Dialogus* details the personnel and procedures of revenue collection at a time of critical importance for English government, administration, law, and economic development. It is a practical handbook rather than a theoretical treatise, and it occupies a unique place in English history.


debtor—he was a moral or spiritual failure. By the eighteenth century, as capitalism continued to grow, understandings of the debtor-creditor relationship began to change.

In *The Republic of Debtors: Bankruptcy in the Age of American Independence*, Bruce Mann argues that, by the 1750s, “the old moral economy of debt had begun to slip. For the first time one finds people arguing against imprisonment for debt and for bankruptcy laws. What prompted the change was failure.” What Mann means by the “moral economy of debt” is the idea that if one failed in business, it necessarily said something about his character. If you failed as a merchant, it meant that you had in some way morally offended God. Mann suggests that as economic failure became more widespread as a result of the vicissitudes of a capitalist economy, however, attitudes towards debtors changed, moving away from a more religious view toward a purportedly more rational, or perhaps more pragmatic, view of the debtor as an unfortunate victim of a mercurial economic system.

Mann is, however, only partially correct in asserting that the change in attitudes towards debtors was prompted by the ubiquity of failure. His study, ending as it does with the passage of the Bankruptcy Act of 1800, fails to consider the role that a contemporaneous shift in the religious discourse on forgiveness played in American cultural attitudes towards debt and debtors. The condition of being in debt, historically considered a spiritual condition, becomes, in the American mind, more of a purely economic state. At that same moment in history, however, we find something akin to a striking cultural chiasmus: as the intimate, humane discourse of forgiveness becomes monetized in the legal rhetoric of bankruptcy, the sterile language of bankruptcy becomes humanized by means of the spiritual rhetoric of forgiveness.

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Bankruptcy: A Brief History

As I noted earlier, the concept of bankruptcy dates back to ancient Rome, but the first written law on the subject, “An act against such persons as do make bankrupts,” is much more recent; passed in the year 1542, under the reign of Henry VIII. As the title implies, early bankruptcy laws were unabashedly “against” debtors—they were pro-creditor in nature and viewed debtors, quite literally, as criminals, not, as more modern bankruptcy laws do, as sympathetic “victims” of a capricious marketplace. The bankruptcy act of 1542 was in fact designed to target fraudulent debtors. The preamble states that the statute is aimed at those persons who:

Craftily obtaining into their hands great substance of other men's goods, do suddenly flee to parts unknown, or keep their houses, not minding to pay or restore to any their creditors their duties, but at their own wills and pleasures consume debts and the substance obtained by credit of other men, for their own pleasure and delicate living, against all reason, equity and good conscience.

Clearly, there is no mention of compassion or forgiveness for the helpless, innocent debtor here, as debtors are conceived as “crafty,” and utterly lacking “good conscience.” The act authorized the Chancellor, on petition of the creditor only, to summon the bankrupt before him, examine him upon his oath, and, if necessary, jail him until his debt was satisfied. While the estate of the debtor was distributed by the Chancellor, the statute did not contain one of the central features of modern bankruptcy: the distribution and sale of the debtor’s assets did not discharge the

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37 Historically, there have been other economic systems that had provisions that resemble bankruptcy in very limited ways, but they were implemented through custom rather than codified law.

38 34 and 35 Hen. 8. ch.4.
bankrupt's liability for claims that were not fully paid. Thus, the Chancellor could acquire all of the debtor’s property, sell it off, distribute the proceeds, and the debtor would still owe the balance and would be held in prison until it was paid. King James, in 1623, enacted a new bankruptcy law that was essentially a reiteration of previous policies; however, it did have one particular feature worth mentioning. The act was designed to coerce the debtor into fully disclosing his assets. Non-disclosure could result in the debtor being placed in the pillory for two hours and then having one of his ears nailed to the pillory and then cut off.

A 1705 statute under Queen Anne did allow for the first discharge ever in bankruptcy history—provided that the debtor was cooperative in the proceedings. Its “generosity,” however, is somewhat tempered by the provision that a “fraudulent bankrupt shall suffer as a felon, without benefit of clergy,” which, according to bankruptcy historian Charles Tabb, was the “typical English terminology for the death penalty.” While the quasi-criminal nature of bankruptcy remained, the Statute of Anne introduced the first hints of a more humanitarian approach toward bankrupt debtors. Despite this move toward forgiveness, the proceedings were still instituted only by the creditors, not the debtor. As such, the argument that the Queen Anne statute was motivated by humanitarian concerns for the wellbeing of debtors seems strained.

This very brief history suggests that the business of forgiving debts in bankruptcy is relatively new. What was far more common, and far more lasting in practice, was the jailing of

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40 Tabb, Charles “The History of Bankruptcy Laws in the United States” American Bankruptcy Institute Law Review, Vol. 3, No. 5, (1995), 10. It should also be noted that the capital nature of bankruptcy should not be overstated. According to Leon Radzinowicz, there is evidence that only five executions occurred in the 115 years that the capital provision existed, and only in cases of extreme fraud.
debtors who could not repay their debts. In ancient Greece and Ptolemaic Egypt, debt bondage, or temporary enslavement to one’s creditors, was a common practice. Looking back to Roman history, we learn that debtors could pledge their bodies, or their wives, as collateral for loans and, as noted earlier, if the loan went into default, it was a creditor’s privilege to dismember the body of a debtor who failed to repay. In this context, debt bondage, or as it would become under English common law, debtor’s prison, seems something of a luxury.

The first codified law on imprisonment for debt was the Statute of Marlbridge, passed in England in 1267; it was limited to a lord’s arrest of his bailiff, should he fail to make a proper accounting of rents collected. Fifteen years later, the much broader statute of Acton Brunel was passed, allowing merchant debtors to be jailed. For nearly 600 years, England, America, and most of continental Europe had laws that allowed creditors to jail their debtors. This harsh treatment of debtors would eventually soften, and be absorbed by a bankruptcy system that offered protection not only for creditors, but also for debtors, through the concept of a discharge—or the legislative forgiveness of a portion of one’s debt. But, such a system did not emerge until the eighteenth century in England.

The first known bankruptcy law in history that allowed for a discharge of debts, in very limited cases, was 4 Anne, Ch. 17, which was enacted in England in 1705. In the absence of a legal discourse, advocates for bankruptcy, particularly in light of the popular accounts of the moral atrocities found in debtor’s prison, resorted to a morally charged discourse. The language of forgiveness, borrowed from scripture, became the primary mode for talking about, and advocating for, bankruptcy.

41 It is important to note that under this statute, not even traders could voluntarily seek bankruptcy: it was still an involuntary act instigated by the debtor's creditors. Thus, the availability of a 'discharge' was limited to a very small population of insolvent debtors.
Forgiveness, of course, has a long and rich history within Christianity, and while there
are some very notable stories in the Bible that deal with the forgiveness of actual monetary debt,
such as the story of the Prodigal Son, or the parable of the Unmerciful Servant, the majority are
concerned with personal conflict, violence, revenge, war, and other “sins against God,” not
specific monetary debt as such. A widespread religious discourse on the forgiveness of debt was
only possible, or perhaps more accurately, only became necessary, as capitalism and the
commercialization of lending became increasingly widespread. During the centuries that
moneylending and usury were proscribed, the topic of debt forgiveness was something of a moot
point in religious sermons or homilies. As discussed earlier, the church taught that moneylending
and usury were sinful and expressly prohibited such behavior. What is more, the majority of
moneylenders were Jewish, thus, there was not really an audience for such sermons in either
Protestant or Catholic churches. From the perspective of religious leaders, there was no need to
preach on the forgiveness of monetary debt. If people were lending money, charging interest for
it, and were faced with insolvent debtors, they weren’t talking about it publicly.

Early Reformation and medieval sermons on forgiveness almost never addressed the
topic in the context of economic debt. These early sermons dealt far more with the theory of
forgiveness as it applies to the death of Christ in atonement for man’s sins, or man’s sins against
God, than on narrowly focused discussions about forgiveness of monetary debt. Any mention of
“debt” in these early sermons is typically a figurative debt or an obligation for a wrong done, not
a monetary debt. For example, Martin Luther, in a 1520 sermon entitled “Terrors of the Law,”
writes that “when man, conscious of his failure to keep God’s command, is constantly urged by
the law to make payment of his debt and confronted with nothing but the terrible wrath of God
and eternal condemnation, he cannot but sink into despair over his sins.” In the context of this
sermon, Luther is more concerned with the idea of repentance as a condition of divine forgiveness rather than any notion of an earthly, economic debt. Writing on the Lord’s Prayer, Luther mentions nothing of the idea of a “debt” as we understand that term today. He instead notes that, “this petition is really an appeal to God not to regard our sins and punish us as we daily deserve, […] to deal graciously with us, forgive as he has promised, and thus grant us a happy and cheerful conscience to stand before him in prayer.”

But the petition also admonishes us to forgive our fellow man “as we forgive our debtors.” What Luther is referring to here is what is known in theological discussions on the subject, as “conditioned” forgiveness. If we seek forgiveness from God, we must also obey his command to forgive others. He writes, “Inasmuch as we sin greatly against God everyday and yet he forgives it all through grace, we must always forgive our neighbor who does us harm, violence, and injustice, bears malice toward us, etc. If you do not forgive, do not think that God forgives you.” These themes of violence, injustice or malice tend to dominate early sermons on forgiveness, which were many. In Luther’s “Large Catechism,” eighty-six pages in length, the word “forgiveness” appears sixteen times; however, the word “debt” is used only three times and not a single reference involves debt in the monetary sense.

Calvin, when preaching on the Lord’s Prayer, also seems far more interested in larger, conceptual frames for understanding forgiveness than about money in particular. For example, he writes, “We pray to be forgiven, ‘as we forgive our debtors’; that is, we spare and pardon all by whom we are in any way offended, either in deed or unjust, or in word by contumelious

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42 Luther, Martin The Large Catechism of Martin Luther Fortress Press, (1959), 76 (my emphasis).

43 Luther, The Large Catechism, 76-77.
treatment. Not that we can forgive the guilt of a fault or offence [sic]; this belongs to God only; but we can […] voluntarily divest our minds of wrath, hatred, and revenge, and efface the remembrance of injuries by a voluntary oblivion." This foreswearing of revenge or hatred applies here to all “by whom we are in any way offended,” which of course might include a debt of money, but it is in no way specific to that end. Calvin does address the translation of the word “debt” in one sermon, arguing “He [Christ] calls sins ‘debts’ because we owe penalty for them, and we could in no way satisfy it unless we were released by this forgiveness.” Thus, even when dealing directly with the term “debt,” he likens it not to money, but to a “sin” or other type of transgression. As Bazzana argued earlier, this analysis supports the contention that “the two words are almost perfectly interchangeable, since both have the same meaning.” Beginning with two of the central figures of the Reformation then, we can see that among the many sermons and teachings on the subject of forgiveness, few dealt in any specific way with the idea of a monetary debt.

The sentiments found in these early sermons on forgiveness were later echoed by many American preachers. The Reverend William Tennant, for example, delivering a sermon on the Gospel of Matthew on a Sunday during the spring of 1769, reminds his parishioners: "You see, there is no pardon of sin for those who will not pardon. Not only are we to pardon, but to love sincerely, to love our neighbor as ourselves. And without this charity, all other accomplishments

44 Calvin, John Of Prayer: A Perpetual Exercise in Faith, Beveridge, Henry, trans., (Forgotten Books, 2007), 111.

in the world are nothing” (emphasis in original). Another sermon by the Reverend Uzai Ogden of New Jersey, suggests that, “we cannot but highly approve ourselves to the deity when we show mercy. And those that are devoid of mercy cannot but be the objects of the Lord's displeasure. It was said by our Lord, "If ye forgive men their trespasses, your heavenly father will also forgive you; but if ye forgive not men their trespasses, neither will your heavenly father forgive your trespasses." Early American clergymen preached the message of conditioned forgiveness frequently; according to the Gospels, if we do not forgive those who trespass against us, there is no hope for our own forgiveness from God. But, as I will show, such sermons on forgiveness begin to change in the late eighteenth century as preachers found themselves immersed more directly in economic concerns. Sermons begin to reveal a pattern—they begin to betray a peculiar preoccupation with parables involving economic debt and with the use of terminology usually reserved for discussions of economic policy rather than religious piety.

As trade and commerce grew over the course of the eighteenth-century in America, the relationships between commercial actors grew more complex as local economies became increasingly enmeshed in national, or, in some cases, international trade. As the necessity of raising capital became foremost in the minds of merchants and entrepreneurs, many became dependent on a new credit-based economic structure and consequently began to think differently about debt. As the American economy moved from agrarian to industrial, commercial relationships changed, bringing people from disparate parts of the country together in business. A critical component of those relationships was debt. As Daniel Graeber notes,


Starting from our baseline date of 1700, then, what we see at the dawn of modern
capitalism is a gigantic financial apparatus of credit and debt that operates—in practical
effect—to pump more and more labor out of just about everyone with whom it comes
into contact, and as a result produces an endlessly expanding volume of material goods. In early American society, the spider web of debt and credit created obligations across state
lines, complicating not only personal and commercial relationships, but also revealing conflicts
between State laws. The topic of debt, and more specifically, how to deal with the failure to
repay debts, was quite literally everywhere, in newspapers, pamphlets, novels, and especially in
the pews of American churches. As the influence of capitalism increased, forgiveness, once the
hallmark of religious compassion, began to sound much more like a commercial business
calculation than a virtuous effort to reconcile or repair a broken relationship.

Religious leaders in the early part of the eighteenth century did not immediately advocate
the forgiveness of monetary debts, however. It seems that prejudicial attitudes against debtors,
which had dominated economic discourse for centuries, were slow to erode. As Bruce Mann
notes, however, early Puritan preachers explored the idea of debt forgiveness in their sermons.
He writes,

For a brief moment three generations earlier, John Winthrop, John Cotton, Robert
Sanderson, and other Puritan writers had argued that credit should be a means of charity
rather than a commodity and that creditors—although not, tellingly enough, secured

48 Graber, Debt, 346.
creditors, those with ‘a surety or a lawfull pleade’—should be prepared to forgive their debtors.\(^{49}\)

It turns out that this “brief moment” was indeed fleeting; by the turn of the century, the repayment of debt became something of a “righteous” obligation. Some of the earliest and most prominent sermons on the problem of debt during this period can be found in the works of Samuel Moody (1675-1747) and Cotton Mather (1663-1728). Moody preached about the dangers of falling into debt and, as Mann notes, was very much a “creditors’ minister.”\(^{50}\) Moody’s themes were certainly more sympathetic to the practice of jailing debtors than to the possibility of forgiving them. While there was room for compassion in Moody’s view of debtors, especially those who “are Diminished and brought Low by the Holy Providence of God; who are Chargeable, neither with Slothfulness nor Prodigality,” the outright forgiveness of monetary debts was not something that Moody contemplated, for “if God, in His providence, has thus brought you; or if you, by Extravagance or Imprudence have brought your selves to Poverty, Poor you must contentedly be […] It is no Sin to be Poor; but to lie in Debt, is a Sin.”\(^{51}\)

Cotton Mather also spoke frequently about forgiveness in the context of monetary debt. Mather generally agreed with Moody; however, while Moody advocated abrogating all forms of debt, Mather saw the credit system as something necessary to the continuing growth of the economy and the success of the Puritan experiment. He acknowledges that, “Tis the Duty of Christians, to have as few Creditors as ever they can, and owe as little to their Creditors as ever

\(^{49}\) Mann, *Republic of Debtors*, 35.

\(^{50}\) Mann, *Republic of Debtors*, 36.

\(^{51}\) Quoted in Mann, *Republic of Debtors*, 37-38.
they can”;\(^5^2\) however, he also felt that “without some Debt, there could be no Trade carried on.”\(^5^3\) Mather’s concession, that certain types of debts were necessary, reveals aspects of what would become a radical shift in religious attitudes towards the morality of debt, one that would gain momentum as the American economy continued to expand nationally and globally.

These changing attitudes were reflected in early pre-Revolutionary bankruptcy laws within the individual colonies. For example, four of the thirteen colonies had bankruptcy laws, and the notable similarity found in these four is that they granted forgiveness, not just to merchants and traders, but to all insolvents. Andrew Duncan notes that, “the most significant aspect of these pre-Revolutionary bankruptcy systems was that [they] gave the right of action to the insolvent. That is to say, the colonies preferred voluntary to involuntary systems, taking the position that it was the debtor, rather than the creditor who needed assistance.”\(^5^4\) This was in marked contrast to the then-prevailing English approach, which, as we have seen, was aimed far more at protecting the creditor. These early egalitarian attitudes toward all debtors, regardless of profession, while often vehemently challenged, reflected nascent, if not yet widespread, American sensibilities about the morality, and necessity, of forgiveness in economic matters.

The Second Great Awakening (circa 1790-1845) transformed religious discourse on forgiveness and debt. Two broad phenomena helped to drive this. The first was the unprecedented spread of evangelicalism across the country. While the numbers of mainstream

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\(^5^2\) Quoted in Mann, Republic of Debtors, 40.


Protestants grew significantly, it was the rise of the Methodists and Baptists that helped the spread of the evangelical movement as whole. For example, from 1770 to 1820, the American Methodist church grew from fewer than 1,000 members to over 250,000. In New York, there were 3,600 Methodists in 1790; there were over 12,000 by the century’s end. In Pennsylvania, the number of Methodists increased almost 600 percent between 1790 and 1810. As John Wigger notes in his groundbreaking study of the rise of Methodism in America, *Taking Heaven by Storm*, “By 1810, Methodism was growing at a faster rate than the aggregate population in every state and major territory in the Union.”55 The unprecedented rise of Methodism played a major role in shaping American understandings of forgiveness; the movement, as Wigger points out, had the “ability to shape culture and society as well as reflect it.”56

Second, religious leaders—preachers, ministers, and priests—whose earlier understandings of economic security had been based on the separation of church and state, were forced to concern themselves with raising their own capital. Indeed they not infrequently went into debt for construction and other cash-intensive endeavors on behalf of their churches. Strikingly, for the first time in history, religious sermons on forgiveness, across a range of Christian denominations, begin to make use of economically charged language, using terms derived from new understandings of debt in a capitalistic economy.

Andrew Croswell delivered a sermon in Ledyard, Connecticut in the summer of 1766 entitled “Free Forgiveness of Spiritual Debts,” dealing in particular with the Gospel of Luke 7:42, which tells the story of Christ dining with the Pharisee Simon. After Jesus shows kindness

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to a woman “who lived a sinful life,” Simon questions Christ’s abilities as a prophet, saying to himself, “If this man were a prophet, he would know who is touching him and what kind of woman she is—that she is a sinner.” Jesus then offers parable to Simon:

Two people owed money to a certain moneylender. One owed him five hundred denarii, and the other fifty. Neither of them had the money to pay him back, so he forgave the debts of both. Now which of them will love him more?”

Simon replied, “I suppose the one who had the bigger debt forgiven.

“You have judged correctly,” Jesus said.

Then he turned toward the woman and said to Simon, “Do you see this woman? I came into your house. You did not give me any water for my feet, but she wet my feet with her tears and wiped them with her hair. You did not give me a kiss, but this woman, from the time I entered, has not stopped kissing my feet. You did not put oil on my head, but she has poured perfume on my feet. Therefore, I tell you, her many sins have been forgiven—as her great love has shown. But whoever has been forgiven little loves little.

Croswell’s sermon on this parable makes use of terms particularly associated with economic phenomena, especially in the context of the time in which it is preached. As we have seen before, his first objective is to conflate the terms “sinner” and “debtor.” He writes: “the words of our text […] naturally teach that our sins are debts; that however indebted we are spiritually, we have nothing to pay; and that therefore God, for Christ’s sake frankly forgives us the whole sum.”

He argues that we “owe God our lives” but that through our actions, we “keep back the

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57 Croswell, Andrew Free Forgiveness of Spiritual Debt, a Sermon, (Boston, 1766), 4.
rent that is due, and rob him of his glory.”

58 But, in his second argument, something new emerges: he argues that, “however indebted we are spiritually, we have none of us anything to pay,” and that we are “altogether insolvent.” Croswell presents God as the Almighty Creditor, or even as the heavenly bankruptcy judge, forgiving our “debts” as he sees fit. Indeed, Croswell goes so far as to say “the divine surety, [who] having suffered for our sins, the just for the unjust, and paid our debts for us […] that the Surety, having been raised from the dead and discharged, for his sake God now frankly forgives us all our sins.”

59 Prior to this period in history, we simply do not see terms like “surety” “insolvent” or “discharge” in sermons about forgiveness; these are economic terms, and more specifically, terms involving monetary debt, being used in the context of a discussion of religious or spiritual forgiveness. God is the creditor of all creditors and we the debtors; Christ enters the transaction here as the guarantor, or the “surety” of our debts. In this way, he takes on the role of co-signer; in the event of our default—Jesus will pay our debt for us. And while the idea that we owe God a spiritual debt for our status as fallen beings was a central tenet of Calvinism, to talk about forgiveness in these explicit, economically loaded terms was an emergent rhetorical strategy that sought to conflate the religious discourse on forgiveness with the newly emerging discourse on the morality of debt. This rhetoric gradually moves away from the spiritual failure of the debtor to one that focuses on his more specific economic failure.

Despite the continuing practice of imprisoning debtors in the early Colonial period, this kind of language suggests a shift in attitudes towards the relationship between religious and economic forgiveness. When we read religious writings like these in their relation to the admonitions of

58 Croswell, Free Forgiveness, 4.

59 Croswell, Free Forgiveness, 7 (My emphasis).
secular bankruptcy apologists, we can see how forgiveness suddenly becomes an economic as well as a moral imperative.

The intersection of religious and economic forgiveness appears most widely in the public debate over debtor’s prison. The focal point of this discussion slowly changed from one involving sin to more secular conceptualizations of equity, fairness, and economic practicality. In a search performed in the American Periodicals database, the phrase “imprisonment for debt” shows up as early as 1694; however, the first complaint about the morality of the practice does not appear in any publication until 1755, when an anonymous author, nearly a half century before the enactment of the first U.S. Bankruptcy law in 1800, penned the first known published argument in America for the outright forgiveness of debt through a bankruptcy process. He suggests that if the debtor can “begin the world anew, he might be encouraged to frugality and industry.”

“N.N.,” as he calls himself, argues for the total abolishment of debtor’s prison and the implementation of a federal bankruptcy law by making four central points: Such a law would be, 1) “As beneficial to the publick [sic], 2) Serviceable in general to the debtor, 3) In general, no difference to the creditor, and 4) Agreeable to reason, and in the Genius of our holy religion.” His rhetorical strategy is to first appeal to the logic or practicality of eliminating debtor’s prison, by focusing on the economic dimensions of the law. He then appeals to the emotions of his readers through his discussion of the religious aspects of forgiveness. He argues that, “an act of

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60 N.N., Some Reflections on the Law of Bankruptcy Wrote at the Desire of a Friend Shewing that such a law would be beneficial to the publick and analogous with reason and our holy religion (1755), Library Company of Philadelphia, 2.

61 N.N. Some Reflections, 3.
bankruptcy would save a good deal of expence [sic] and prevent many ill consequences.” He asserts:

Let us view a Man who is an insolvent debtor, prosecuted according to Form of Law, and imprisoned, there to be holden by Law until the Debt be discharged, How many evils will unavoidably arise to the publick! Is the Man there ever like to discharge the Debt? No; that Place is not a Place for improvement, but punishment.  

This argument against debtor’s prison would today be considered rather commonplace; however, it was revolutionary at this moment in history. N.N.’s argument contemplates the possibility of forgiving all debtors and allowing them a fresh start; such a position at this time was simply unheard of. It was, in fact, a particular feature of all English and American bankruptcy laws (prior to 1841) that the law would extend forgiveness to the merchant class only. Such an idea ran counter to the sacred law of contract, which had dominated English common law for a century.

By the end of the eighteenth century, N.N.’s message was taken up in a wide array of forms. Across the country, periodicals, tracts, and letters to editor took up the cause of debtor reform and sought to abolish the practice of imprisonment. Bruce Mann reminds us that, “Toward the end of the 1760s, a genre of popular public literature that might best be described as ‘dueling broadsides’ (or, for the more verbose, ‘dueling pamphlets’) began to feature the plight of the unjustly—as they claimed—imprisoned debtors.” According to Mann, this shift in sentiment toward debtors and their imprisonment was due to a shift in the way Americans were

\[62\] N.N. Some Reflections, 2.

\[63\] Mann, Republic of Debtors, 81.
beginning to view economic failure. He writes, “As long as debt and failure to repay were widely deemed immoral [...] there were no grounds on which to question imprisonment for debt. Once economic causes were admitted, however, people could begin to imagine different responses to indebtedness.” This gradual change in attitude was due to the emergence of converging discourses on forgiveness and debt in American society. The more widespread the debt, the more widespread the failure, and thus the likelihood increased that you or someone you knew would find the need for some form of financial compassion or debt forgiveness. As Alexander Hamilton says in The Federalist 35, “common interest may always be reckoned upon as the surest bond of sympathy.”

As I have shown, the cultural debate over bankruptcy in the late eighteenth and early nineteenth centuries emerged as elements of the religious discourse on forgiveness began to merge with the economic discourse of debt. This discursive merger, however, was not without its tensions. Bankruptcy advocates wanted forgiveness of debt, especially in times of distress or panic, while detractors believed that a debt was a promise to be kept at all costs. The compromise that bankruptcy law offered between these two extremes was that creditors would attach and seize the assets of debtors, sell them, and the remaining debt would be forgiven through the bankruptcy discharge. Such a policy encouraged debtors to disclose their assets by the promise of a discharge, while creditors were not dissuaded from continuing to lend given that debtors’ assets provided some level of security against the possibility of default. The cultural importance of this debate is shown clearly in the frequency with which the fear of financial ruin, and more importantly the necessity of forgiveness in the face of failure, surfaces in popular

64 Mann, Republic of Debtors, 82.
antebellum art. And nowhere does the idea of losing one’s fortune occur more obsessively than in the most middle class of art forms: the novel.
CHAPTER II.
MAIDENS, MERCHANTS, AND MALFEASORS: THE BANKRUPTCY ACT OF 1800 AND THE SENTIMENTAL NOVEL

The Panic of 1797 was the first major economic disruption in U.S. history. In late 1796, business failures were epidemic. For the first time, prominent men found themselves being hunted by their creditors; “their presence in the pool of insolvent debtors confounded the normal expectations of social and economic status and altered the political dimensions of debtor’s relief”; the panic “far surpassed any that had occurred before.”65 For example, the country saw the real per capita GDP fall from $1,284 in 1796 to $1,216 in 1798, a decrease of 5.3%. Industrial production over the same period declined from an index of 6.699 to 6.213, a decrease of over 7%.66 The Panic precipitated a tremendous increase in business failures, real estate interest rates skyrocketed, industrial productivity fell, and personal bankruptcies rose at rates never before seen. According to bankruptcy historian, Charles Jordan Tabb, the economic bust in 1797 "caused widespread ruin and the imprisonment of thousands of debtors."67 The devastation was so catastrophic that it pushed Congress to do something it had never done, despite many attempts since the ratification of the Constitution: it passed the first federal bankruptcy law in U.S. history, The Bankruptcy Act of 1800.

There has been a good deal of debate among economic historians as to the causes of the Panic of 1797. For example, Nicholas Curott and Tyler Watts have argued that the policies of the

65 Mann, Republic of Debtors, 191.


Bank of the United States were the primary cause—particularly in relation to the over-expansion of credit, which led to price inflation and a distortion of investment returns. The expectation of continued inflation enticed investors to bet on a continuation of these inflated prices. The atmosphere of easy money brought borrowed monies into speculative schemes and fueled real estate bubbles, much like the housing bubble and subsequent recession that the United States experienced in 2008.68 Others have argued that the Bank of England and its suspension of specie payment was the cause; some have suggested the Quasi-War with France, which resulted in severe trade disruptions for American ships en route to the Caribbean, many of which were seized; it has even been posited that the yellow fever epidemic might have contributed to the panic.69

The most common explanation for the Panic, however, was—in what will become a recurring theme in this project, rampant over-speculation in land. Speculation was a widespread practice among the upper and middle class Americans during the last decade of the eighteenth century. The pastime of speculation, however, took on new significance in the hands of a select few individuals—James Greenleaf, Robert Morris, Supreme Court Justice James Wilson, and John Nicholson. Drawing largely on credit from Philadelphia banks, Greenleaf, Morris, and Nicholson, began a land scheme built on borrowed promises and “creative” accounting. In 1795, they started the North American Land Company, which held six million acres of land in Pennsylvania, Virginia, Georgia, Kentucky, and the Carolinas. As myriad other factors began to negatively affect the economy, the business of land speculation started to become less attractive


to potential investors; this made it increasingly difficult for Morris to stay afloat. Much like Bernard Madoff’s Ponzi scheme, the house of cards that Morris constructed used capital from new investors to pay dividends due to the older ones. He continually sought additional investors to keep the scheme going, even sending agents to England and Europe, with little or no success. The tenuous enterprise would eventually crumble under its own weight and the result was a catastrophic economic failure that sent ripples across the entire American economy on a scale never before seen. Morris, the wealthiest man in America at one point, would end up in the Prune Street debtor’s prison in Philadelphia, under a $12 million mountain of debt; John Nicholson died in 1800 after being released from debtor’s prison, with $4 million in debt; Justice James Wilson of the U.S. Supreme Court, also an investor in the scheme, abandoned the Supreme Court and fled to North Carolina to avoid a Pennsylvania debtors’ prison; he died there of malaria and a stroke “reportedly raving deliriously on his deathbed about his arrest, bad debts, and bankruptcy.”

Both Nicholson and Morris were released from prison under the Bankruptcy Act of 1800; Nicholson died shortly after his release, and Morris died in obscurity five years later, never having regained the financial success of his earlier years.

There had been earlier calls for a federal bankruptcy law, but in the throes of the Panic of 1797, advocates renewed their pleas with a much greater sense of urgency. Since the inclusion of the Bankruptcy Clause in the United States Constitution in 1789, members of Congress had drafted bankruptcy bills every year, only to ignore them or let them die in committees. As the

70 Qtd in Mann, Republic of Debtors, 203.

71 There are theories that suggest the only reason that the Bankruptcy Act of 1800 was passed was to free Morris from prison. Such theories have little historical evidence to support them, however.
new American economy fluctuated, however, Congressional reluctance to pass a bankruptcy law left the question foremost in the minds of many Americans—particularly as the economy contracted and the number of business and individual failures increased. It had become increasingly clear that chancery courts and state insolvency laws were inadequate to deal with interstate commerce, and, in fact, only three states allowed for the forgiveness of debts in bankruptcy—Rhode Island, Maryland, and Connecticut. Pennsylvania allowed its insolvency law to lapse in 1798 with the expectation that Congress would pass a federal law.

The debate over a federal bankruptcy law, though, was highly contentious and would become “one of the great legislative battlegrounds of the nineteenth century.”\(^7^2\) The debate itself was centered on an ideological divide between the Federalists and the Republicans. Federalists believed that commerce was essential to the future of the country and that a bankruptcy law was necessary “both to protect non-fraudulent debtors and creditors and to encourage the speculative extension of credit that fueled commercial growth.”\(^7^3\) Republicans, on the other hand, believed that the future of the economy was agrarian. It was Thomas Jefferson who asked, “Is commerce so much the basis of the existence of the U.S. as to call for a bankrupt law? On the contrary, are we not almost entirely agricultural?” Republicans were reluctant to enact a federal bankruptcy law because they viewed it as a Federalist power grab, fearing such a law would put farms and homes in the South at risk from attachment by greedy, overzealous creditors from the North.

The fact that Congress passed, repealed, and passed again five iterations of a federal bankruptcy law across nine decades of the nineteenth century, suggests the complexity of the


\(^7^3\)Skeel, *Debt’s Dominion*, 3.
debate and the entrenched ideals of those on either side. For my purposes here, I want to focus on three central points of contention in this debate: 1) the necessity of enacting a uniform bankruptcy law on the federal level; 2) the question of whether debts should be forgiven in bankruptcy; and 3) if forgiveness is to be granted, what would that forgiveness look like, and what types of debtors would qualify for relief. The first and most critical point of disagreement was whether a federal bankruptcy law was even a good idea.

The issue of bankruptcy was so contentious that in the midst of the Panic of 1797, the House appointed a committee of sixteen members, one from each state, not to draft a bankruptcy bill, but rather to decide whether a committee to draft a bill should even be appointed. On the pro-bankruptcy side of that debate, there were two principal arguments—one moral, the other economic. There were many who saw in the proposed bankruptcy law Christian themes of forgiveness, mercy, and compassion; they argued that bankruptcy should function as system of national economic policy and that bankruptcy laws should be interwoven with forgiveness, compassion, humanity, and justice. In addition to the moral argument, advocates also argued that bankruptcy was the only practical solution for the pervasive problem of debt. They argued that with a federal bankruptcy law, one based on extant English law, a debtor’s assets could be seized, sold at auction and distributed pro rata among the creditors. Whatever debt remained would be forgiven. Bankruptcy proponents saw this as the best possible solution, not only morally, but also economically. If imprisonment for debt continued, with its harsh conditions increasingly exposed by an ever-expanding national media, fewer and fewer borrowers would want to take the risk of failing. Conversely, they argued, if you simply forgave all debts, without the seizure of assets, lenders would have no incentive to loan money and the economy would suffer. Bankruptcy, as they envisioned it, was the perfect middle ground. The economic
pragmatists who supported the bankruptcy law viewed it as a necessary social safety net for risk-taking entrepreneurs and the middle class, particularly for the thousands who lost everything at the hands of deceitful speculators and schemers. As Harrison Gray Otis, Senator from Massachusetts, argued on the floor of Congress in 1798:

Misfortune, enterprise, speculation and a spirit of overtrading, have involved thousands in ruin. Men fail for millions and though these great leviathans of speculation, after sunk in the ocean for a time, may rise again and revel on the surface, yet the widows and orphans, the fair merchants, industrious tradesmen, and credulous friends, who are involved in the same whirlpool, rise no more. To prevent these mischiefs, we should give to creditors a control over the property of their debtors, so as to stop the fraudulent in their careers, and we should rescue the honest and unfortunate insolvent from the oppression of a vindictive creditor.74

Otis’ view, that a federal bankruptcy law would create a more level playing field in the game of commerce, was a common one among bankruptcy proponents. The notion that economic failure was often due to circumstances beyond one’s control—as opposed to a moral failure—was one that had developed over the course of centuries, as discussed in the previous chapter. And while Otis’ rhetoric soars in support of the common man fallen prey to the schemers of the world, the irony was that the wealthy men of commerce, the merchants, the schemers, and the speculators would take the most advantage of the federal bankruptcy law.

On the other side of the debate were those who believed that bankruptcy was anathema to the law of contracts, encouraging promise breaking and speculation at the expense of personal

responsibility. Comprised mostly of anti-Federalists from the South, the opponents of a federal bankruptcy law felt that it was “unsuited to the conditions of this country,” especially in light of the fact that most of the debtor’s property, with a few notable exemptions, might be reached by his creditors—including, in some cases, his land. If any bankruptcy law was appropriate, it should, they argued, be implemented on the state and local levels, privileging local interests over national. As a result of this rural/urban divide, the voice of the farmer in the bankruptcy debate was often overlooked, ultimately to his detriment, as the Act of 1800 offered him no protection from his creditors; his fate was left to the arbitrary court of chancery.

The second issue in the debate was the question of forgiveness of debt. In our contemporary society, the discharge of debts in bankruptcy is the norm; in fact, on this issue the United States bankruptcy laws have been the most liberal of any country in history. However, for two millennia, across Europe, the United Kingdom, and in the Colonies, forgiving debtors was the exception rather than the rule. On one side of the debate, we find proponents who argued that forgiveness was the only moral solution when dealing with an honest, forthright debtor. As noted in the preceding chapter, the argument that being in debt was akin to moral failure, while never entirely abandoned, was losing sway as the invisible hand of the market wreaked havoc on hapless victims in every socioeconomic class. It was no longer a viable argument to say that simply because a man was in debt and unable to repay, he was inherently corrupt. Americans began to realize that economic relationships were growing increasingly complex and that risks came in many forms, and were often unforeseeable. Conversely, there were those, like the Reverend Samuel Moody, who believed that “debts must be paid, tho’ all go for it.” To those who believed as Moody did, a debt was not just a financial obligation, it was a righteous, moral one that must be satisfied no matter the personal or economic costs. To forgive debtors, Moody
and many others argued, would encourage reckless speculation (something Southerners myopically viewed as a uniquely “Northern” practice) and promise breaking; such a law went directly against the sacred law of contracts upon which so much of the American legal system was (and is) based.

The final point of contention in the bankruptcy debate was the exclusive application of the law to the merchant class. The Bankruptcy Act of 1800 applied to “any merchant, actually using the trade of merchandize, by buying and selling in gross, or by retail, or by dealing in exchange, or as a banker, broker, factor, underwriter, or marine insurer.” The Act borrowed from the extant English law, which meant it was a creditor remedy; under this proposal, only creditors could file the bankruptcy petition. This privileging of the mercantile class was perceived by many to be just another form of English elitism and became a point of major contention, with many seeing it as a final grasp at economic power by a declining Federalist order. Proponents of the merchant provision argued that if any debtor was to be forgiven any of his debts, it must be one who faces the most risk, who is on the front lines of the economy, susceptible to merciless whims of the market—that is to say, the merchant. However, the middle class of the time was a body of individuals described as an “alliance of artisans, retailers, small-business owners, public officials, clerks, and genteel professionals such as schoolteachers, doctors, and lawyers with small practices, and ministers to congregations of ordinary people.”

75 An Act to Establish a Uniform System of Bankruptcy, April, 1800.

76 The process, once started by a creditor, was compulsory; however, many debtors initiated their own bankruptcies through the aid of a friendly creditor.

In essence, the middle class was not comprised only of merchants. Thus, anyone outside that protected merchant class looked at this law as highly prejudicial and partisan. Their opposition to it was vocal, and found expression in a variety of new forms—most notably in the form of the novel.

The great financial anxiety surrounding the Panic of 1797 brought with it new discursive modes that attempted to understand and explain what was a largely misunderstood, and very mercurial economy. One of the most influential of these new modes of explanation was the emerging American novel. Given the perilous state of the economy, and its widespread effects, it is not surprising that we find authors from all sectors of American society exploring political and economic themes in their work. Jennifer Baker has discussed the economic preoccupation of many authors of the period, particularly with themes of debt, noting that, “writers imagined new modes of financial speculation and indebtedness as a means to build American communities and foster social cohesion.” While Baker discusses these literary anxieties and the construction of communities of debtors in the context of the debate over the gold standard, a similar argument can be made with respect to the debate over the proposed bankruptcy law. Early American novels attempt to mediate between two distinct emerging value sets: on one hand, bourgeois economic advancement, and, on the other, the Second Great Awakening ideals of forgiveness, mercy, and compassion.

As part of the effort to “rewrite American (literary) history,” the past decade has seen an outpouring of criticism dedicated to continuing the work begun by Jane Tompkins’

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groundbreaking *Sensational Designs* (1985). In that work, Tompkins sought a new approach to sentimental fiction of the nineteenth century, one that viewed “literary texts not as works of art embodying enduring themes in complex forms, but as attempts to redefine the social order.”

Elizabeth Barnes, for example, has argued, in early American sympathetic fiction, “sociopolitical issues are cast as family dramas, a maneuver that ultimately renders public policy an essentially private matter. The conversion of the political into the personal, or the public into the private, is a distinctive trait of sentimentalism.” Barnes’s argument has been supported and expanded in various contexts by critics such as Shirley Samuels, who argues that “political and literary discourses both respond to and enact a relationship between the family and the state in America from 1790 to the 1850s.”

Kristin Boudreau, Marianne Noble, Joseph Fichtelberg, Hildegard Hoeller, Glenn Hendler, and others, have continued what began with Tompkins’ call to read the literature of sentiment as deeply political. As Hildegard Hoeller points out,

> [t]hese [recent studies in sentimental fiction] show that neither American literature nor American culture can be understood without considering the significant role sentiment plays in its formation and definition. Sentiment emerges as the central counter-term to individualism; it provides the key to understanding how Americans imagined themselves

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as members of various communities and how America as a culture and nation imagined and defined itself.⁸²

This chapter seeks to build upon the work of these critics by offering an economic and political reading of two early American works of sentimental fiction that are both deeply concerned with the American economy and in particular with the issue of bankruptcy law: Susannah Rowson’s *Charlotte Temple* and Hannah Foster’s *The Coquette*. I argue here that Rowson and Foster, both writing during the panic of 1797, used their fiction as a means by which to intervene in and comment on a public discourse about the troubled American economy, on the perils of debt, and on the particular benefits of forgiveness.

Early novels like *Charlotte Temple* and *The Coquette* betray a collective, latent anxiety about financial security, couched within the framework of the seduction novel. These intimate narratives of illicit love, betrayal, and seduction, cross the boundaries between the domestic and the sociopolitical. As Barnes has argued:

> Seduction, while ostensibly representing a breach in legitimate union, actually serves as a model for the ways in which political union is effected after the Revolutionary War; […] seduction become[s] the unspoken champion of a sentimental politics designed to make familiar feeling the precondition for inclusion in the public community.”⁸³

In narratives ostensibly consigned to the intimate world of seduction, we find Foster and Rowson expressing sociopolitical concerns about the issues of debt and bankruptcy and putting them into a personal context—thus, blurring the line between the interpersonal and the public. Seduction

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⁸³ Barnes, *States of Sympathy*, 3.
becomes the unhappy consequence not just of political upheaval, as Barnes suggests, but in particular, of \textit{economic} upheaval—the very conditions within which these novels were written. In the same way that the heroines of seduction novels fall prey to the less discerning rakes in their plots, so too were American merchants falling prey to a number of seductive promises in the form of speculation, overexpansion, and the lures of cheap credit. The fantasied solution to this upheaval is presented in these novels in two distinct ways: in \textit{Charlotte Temple}, the focus is on the need for the forgiveness of debt, as well as a demonstrated compassion for those who have suffered in the panic and are summarily thrown into debtor’s prison. \textit{The Coquette}, while also promoting the particular benefits of forgiveness, offers a more cautionary tale, warning readers to be more judicious and, perhaps, less trusting, as they might seek economic independence but fail to achieve that freedom—a freedom that Eliza Wharton is so desperate to find. Julia Stern has argued that novels of the late eighteenth-century “elaborate, in fictive form, a collective mourning over the violence of the Revolution,”\textsuperscript{84} I suggest that we might also read novels written during the height of the panic, like \textit{Charlotte Temple} and \textit{The Coquette}, as demonstrating a mourning, not over the physical violence, but rather over the massive personal and communal devastation caused by the panic, and the attendant loss of personal and economic liberty of those who have fallen, irretrievably, into debt.

Susanna Rowson’s \textit{Charlotte Temple} was one of the best selling novels of the century, with over 150 printings or editions before 1905; it is the work for which she is most remembered today.\textsuperscript{85} Despite a long dormancy during the twentieth century, there have been an increasing

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number of critical treatments of the work and its sequel *Lucy Temple or The Three Orphans* over the past two decades. From Maureen Tuthill’s examination of the use of medicine, to Shelly Jarenski’s study of education, to Desiree Henderson’s analysis of *Lucy Temple* as a “bastard sequel,” to Jill Anderson’s recent treatment of the novel as a form of travel narrative, critics have examined Charlotte from a multitude of critical viewpoints. Drawing on the insights of these and several other sentimental critics, it is my aim here to build upon this diverse body of criticism, and to offer a new reading of the novel, one that examines it in its response to specific economic and historical events and debates. As we will see, Rowson’s *Temple* engages in the debate over bankruptcy and the forgiveness of debtors by demonstrating the senseless cruelty of debtor’s prison, the disparity in power between debtors and creditors, the prejudicial nature of the merchant provision, and the practical as well as spiritual wisdom of forgiveness.

Like many Americans at the time, Susanna Rowson was no stranger to financial difficulty. During the Revolutionary War, her father was a supporter of the Royal Navy and possessed some considerable wealth. His political sympathies, however, eventually led to the family’s imprisonment and deportation back to England without penny or property. They struggled financially for years, and the end of the war brought no hope of any remuneration for their losses. As her father aged, Rowson took on the responsibility for the family’s wellbeing and took to writing. We find in her work many parallels to her own life, as many of her protagonists are young women helping to support their aging parents. After her marriage to William Rowson in 1786, she continued working as a governess, writing novels and song lyrics to help make ends meet. Her husband eventually went bankrupt after a failed attempt to open a theater, a fact that

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85 *Studies in American Fiction* is, at the time of this project, currently preparing a volume of essays entitled “Susanna Rowson and her Critics: Moving Beyond *Charlotte Temple.*”
goes a long way toward explaining the undeniable and intertwined presence of forgiveness and economic themes in her work. Even a cursory glance at Charlotte Temple reveals this connection.

The novel is centered on its eponymous, tragic heroine, Charlotte Temple, a young girl attending boarding school who, after being persuaded by a malevolent teacher, succumbs to the temptations of a young male seducer and flees to America. Once in America, her suitor, a young soldier named Montraville, becomes bored with the young Charlotte, and subsequently abandons her, pregnant, with no family or support. The novel offers biting social commentary on several contemporary social issues of the day, including the bankruptcy debate. Specifically pointing to its larger themes of forgiveness and compassion for debtors, the novel is book-ended with scenes of bankruptcy. In the opening scene, we find Charlotte’s grandfather, Mr. Eldridge, in debtor’s prison; in the final scenes, we see Madame La Rue destitute and on the streets, bankrupt in both the moral and economic senses. The vast differences in these characters reveal the ubiquity of economic failure—whether you are kind, honest, and forgiving as Mr. Eldridge surely is, or a greedy, conniving nouveau riche, bankruptcy is never out of the realm of possibility. The details behind Mr. Eldridge’s imprisonment for debt are spelled out in Chapter III, “Unexpected Misfortunes.” The title of the chapter is very telling, as it reveals a glimpse into Rowson’s views on a particular point of debate over the bankruptcy law—who should be forgiven their debts. Rowson effectively exculpates the honest Mr. Eldridge from any personal moral responsibility for his financial predicament—his fall was simply a matter of “unexpected misfortune” or bad luck, not the result of any personal irresponsibility or dereliction of duty. We learn through Mr. Eldridge’s reconstruction of the events leading up to his insolvency that he was, like many who found themselves in debtor’s prison, a genuinely good man who “embraced the life of a sailor,”
“straitened [his] little income to give [his son] a liberal education.” His son George wanted to become a soldier, but his father “had neither friends nor money to procure him a commission.” This story moves Mr. Lewis, George’s best [and very wealthy] friend, to loan Mr. Eldridge the money, “but he would not suffer me to mention any stipulated time [to repay the debt], as he said I might do it whenever most convenient to myself” (11).

In what seems like a philanthropic gesture to help George with his career, we quickly learn that Lewis is setting himself up to be in a better position to court George’s younger sister Lucy. Rowson paints Lewis as a typical, unscrupulous lender with ulterior motives. This characterization of the lender was in keeping with an historical stereotype of the moneylender, the exemplar of course being Shylock. For bankruptcy advocates, stories of lenders like Lewis added ammunition to their argument for federal bankruptcy protection, which, they argued, would provide a more balanced and equitable relationship between debtors and creditors. When Mr. Eldridge discovers Lewis’ plan, however, “[he] forbade him the house.” This act prompts Lewis to call the note due and payable immediately, but it was “not within [Eldridge’s] power to comply with the demand” (11). It is here that we see Rowson fill in her portrait of the creditor:

The next day he sent and demanded payment of his money. It was not in my power to comply with the demand. I requested three days to endeavour [sic] to raise it, determining in that time to mortgage my half pay, and live on a small annuity which my wife possessed, rather than be under an obligation to so worthless a man: but this short time was not allowed me; for that evening, as I was sitting down to supper, unsuspicous of any danger, an officer entered, and tore me from the embraces of my family. (11)

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Rowson, Susanna. *Charlotte Temple and Lucy Temple*, (New York, London: Penguin Books, 1991), 10. All further references will be to this edition and will be cited parenthetically within the text.
Eldridge is willing to sacrifice his entire way of life and his possessions to pay the scoundrel, but Lewis won’t even allow him the brief amount of time necessary to raise the money. It was never about the money for Lewis; he wants vengeance. Mr. Lewis, who is described as a “false friend” and “a cool deliberate villain,” stands in stark contrast to the kind Mr. Eldridge. Rowson uses this relationship to figure the all-too-real debtor and creditor relationship of her time. Tales of heartless creditors jailing innocent, hapless debtors abound during this period and Rowson is using the newly popular form of the novel to play on the fears of her readers, many of whom found themselves in positions similar to that of Mr. Eldridge. In an effort to shed light on the issue of debtor’s prison, Joseph D. Fay, a philanthropist who frequently visited debtor’s prisons, wrote a series of anecdotes in 1811 entitled “The Essays of Howard,” about an anonymous prisoner. Fay writes

But the usurer who bought of him my lent notes, has kept me sixteen years a prisoner in the jail of city and county of New York. It is a horrid place—many a time when, through the grates of my prison window, I have watched the last rays of the setting sun as they gilded some neighboring spire, I have wondered that any man could find it in his heart to put a fellow being in jail for debt. But creditors, some how or other, never think of these things.87

In another example, we find an pseudonymous debtor, Eves Villistan, writing from a Massachusetts debtor’s prison in 1803 to an unnamed "Chairman of a Committee, to whom is referred the consideration and revisal of the Law, in general, on Insolvency." He asks the chairman rhetorically, “can my creditors ever expect me to pay them? No, no, no, their

vengeance may be satisfied, but their claims, never! Stories like this abound, especially during times of financial distress, which is to be expected in some sense; as failure becomes more rampant and debtors are increasingly unable to pay, creditors feel they must cling ever tighter to what they do have, regardless of whether such feelings might result in an advantageous settlement of the debt.

In her depiction of the relationship between Mr. Eldridge and Mr. Lewis, and their very obvious character contrasts, Rowson seeks to emphasize and remind her readers of the humanity of debtors, that they are real people with families, with hopes, and also with tremendous moral fortitude. At the same time, she wants to demonize heartless creditors who so often took advantage of powerless debtors, who sought revenge by throwing their debtors in jail rather than allowing them to sell off their assets, forgiving them their debts and allowing them to start anew. From her own personal experience, Rowson knew that in the absence of a federal bankruptcy law, the likes of Mr. Eldridge would never stand a chance in the capitalist marketplace, and she uses her work to remind her contemporary readers, many of whom had experienced similar treatment at the hands of their own creditors, of this fact.

As the story shifts from one about the tribulations of Mr. Eldridge to one about Charlotte, we find that, like Mr. Eldridge and Mr. Lewis, the relationship between Madame La Rue and Charlotte also resembles that of the debtor/creditor. In the beginning, La Rue is a debtor to Charlotte; her entire plan to emigrate to America with Belcour hinges on Charlotte’s participation, so she places herself in a subordinate position to her young charge. Without Charlotte’s aid, La Rue knows her plans would never have materialized; she is, in a very real

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88 "A Letter" written by a pseudonymous debtor to a "Chairman of a committee, to whom is referred the consideration and revisal of the Law, in general, on Insolvency" Am 1803 Letter 8589.O.5 (Cox), (1803), Library Company of Philadelphia.
sense, indebted to Charlotte. In economic life, however, the roles of debtor and creditor are interchangeable, and by the novel’s end they are indeed reversed when Charlotte finds herself at the door of the now wealthy La Rue, who reads a letter of supplication from Charlotte and replies to her servant, “What stuff is this, have not I told you a thousand times that I will not be plagued with beggars and petitions from people one knows nothing about? Go tell the woman I can’t do anything in it. I’m sorry, but one can’t relieve every body” (118). La Rue, like Lewis, serves as the figure of the creditor who will give no quarter in this business relationship. From the beginning, she entices Charlotte into a world of adventure and intrigue, of love and romance, providing her the “credit” she needs to achieve her dream before she has saved enough “capital” to actually possess it herself on her own terms.

La Rue proves a heartless creditor and summarily rejects Charlotte once her own position in society is secured. When Charlotte approaches her and asks to “borrow” a bed for the night, she is promptly rejected and shown no mercy or compassion. It is her lack of charity and her lack of compassion, that lead to La Rue’s downfall. In highlighting these relationships and their consequences, Rowson reveals the glaring disparity between debtors and creditors in business relationships, and the very real need, both morally and economically, for federal bankruptcy protection, a law that would provide some semblance of certainty and predictability in the throes of panic. The novel conveys the idea that creditors, if they want to succeed in business over the long run, must remain charitable, forgiving, and compassionate to those unfortunate victims of circumstance, lest they see a reversal of their own fortunes and need assistance themselves.

Rowson is careful, however, to depict Charlotte as an innocent debtor, which is an essential component of her argument in support of the bankruptcy law. Bankruptcy apologists like Rowson argued that the unpredictability of the market, unscrupulous lenders, and other
factors outside the control of debtors were as much to blame for the rampant insolvency as dishonest, reckless speculators. While some debtors in Rowson’s America were looked upon as charity cases and often pitied, others were deemed lazy, fraudulent, or simply inept. Charlotte, of course, finds herself among the former. As she does with Mr. Eldridge, Rowson carefully constructs Charlotte’s character as an innocent debtor. Throughout the novel, Charlotte is repeatedly described as an unwitting, naive girl whose downfall is really more the fault of happenstance and the manipulations of others than her own shortcomings. She is the “unsuspecting Charlotte,” who is in “imminent danger” because “a young heart is never more in danger than when attempted by a handsome young soldier” (25). She is led into temptation by the artful La Rue, rather than marching into it of her own accord. In fact, Mrs. Beauchamp “was shocked to the soul to find how large a share La Rue had in the seduction of this amiable girl” (81, my emphasis). Much like a young merchant speculating, or buying on credit for the first time, Charlotte is unsuspecting, trusting, and naive, unaware of the perils of the “marketplace” of courtship and society. She is depicted as a young woman who is irresponsible with assets and commodities; her most valuable, and only asset, was, of course, her virtue.

As noted, debt and insolvency at the end of the eighteenth century were no longer considered signs of moral failure—bankruptcy, for most, was simply the result of “unexpected misfortunes,” attributable to an unpredictable market rather than personal shortcomings. This changing attitude toward the morality of failure was reflected in several states, including Rhode Island, Massachusetts, New York, and Connecticut, which passed their own insolvency laws in the last decade of the eighteenth century. These laws provided relief for commercial debtors who were honest and forthright. While they still privileged the merchant debtor over others, they did at least forgive the honest ones. These efforts reflect “the ambivalent, but nonetheless
unmistakable, shift away from the reflexive equation of economic failure with moral failure.”

Charlotte is clearly a sympathetic character in the novel whose failure is presented to readers as a result of circumstance and chance rather than her own lack of morality. Because of her status as a faultless debtor, forgiveness is the natural moral response to her fall from grace.

Rowson was an extremely well-read woman, thanks in no small measure to her father’s considerable library. We know that she was versed in the European moral philosophy of Hume and Hutcheson, and that she very likely read Adam Smith, a reading which would have exposed her to Smith’s concept of the sympathetic exchange, which she makes use of in the novel. The sympathetic exchange provided a philosophical or ideological framework for bridging the gap between the spectator and the spectacle. The hope of this theory, particularly in the development of a new nation in America, was that in “seeing another person’s suffering through one’s own eyes, one might respond privately to scenes that would bring different selves together in sympathetic union.” This identification with the other is all the more facile, of course, in cases where we have ourselves experienced the pain and suffering we witness. Rowson, aware of this theory, employs it to her rhetorical advantage by using the relationship between Lewis and Eldridge to exemplify not only the shortsighted immorality of debtor’s prison, but also to demonstrate the very real need to provide protection for debtors like Eldridge, who, through no fault of their own, find themselves insolvent at the hands of merciless creditors. This, as Rowson herself was well aware, was a situation with which too many post-Revolutionary Americans were able to identify.

89 Mann, Republic of Debtors, 59.

90 Boudreau, Sympathy in American Literature, 6.
Rowson makes further strategic use of Smith’s theory in her juxtaposition of the merchant and the seduced woman; and she was not the only author to do so. If we look closely at the female protagonists of seduction novels like *Charlotte Temple*, and as I will discuss later, *The Coquette*, we find that these women share many of the same characteristics of the male merchant debtor. When we first meet Charlotte Temple, she is respected by strangers, loved by the community, held in high regard by her peers, and is generally well liked. After her "fall," however, we see a very different story. Like a recently bankrupt merchant, Charlotte is shunned by the community that formerly adored her; she is socially ostracized, and viewed as something of a pariah. Charlotte’s "debts," while not necessarily economic, are measured against her virtue—her only exchangeable commodity. Such debts are often accumulated, as Charlotte’s are, through poor decision making, which eventually leads to her downfall and failure—her "moral bankruptcy." Similarly, the merchant's failure is typically attributed to poor decisions—buying too much on credit, speculating, rapid expansion, poor budgeting, or even poor partnering, as seen in the example of Justice Wilson’s unfortunate partnership with Robert Morris. Thus, the character arc of the failed merchant and the seductress overlap in many ways, and the driving need for both, in the end, is forgiveness.

Rowson’s conflation of the figure of the merchant debtor and the seduced heroine draws into question the imagined differences between the bankrupt members of the middle class. Rowson implicitly raises the question: How do we as a society decide to forgive the debts of one class of persons, but not others? By means of her fiction, but also as a result of her own personal experience as a bankrupt, Rowson offers a political commentary on the divisiveness of the merchant-only provision in bankruptcy law, arguing that all debtors, regardless of profession, should be afforded the same protection under the law, because all are subject to similar risks.
In Chapter VI, the plot turns fully to the topic of Charlotte’s seduction. Charlotte, like so many merchants of the day, is drawn into temptation. For young woman like Charlotte, the temptation (it) is the handsome young man—who may or may not pose a risk to her status and reputation; in the case of the merchant, the temptation is speculation, or buying and selling on credit. Both have undeniable potential upsides; for the woman it is financial security, for the merchant it is the ability to grow his business, also a form of financial security. However, once the “seducer” has done his work, both are vulnerable; once the seducer, in Charlotte’s case, Montraville, decides to leave, she is left vulnerable and defenseless. She is (socially) ostracized and looked down upon as a whore; her reputation is sullied, and any future prospects of personal and social happiness are a distant dream. The same holds true for the merchant who speculates, or borrows and expands too quickly. Stories of failed merchants abound during the panic of 1797 that reveal the very harsh reality of failure. Among the most notorious of these stories is that of John Pintard, of New York.

Pintard was, by all accounts, a very successful man in the wake of the Revolution. After serving in the war, he set out on a career as a merchant, working with his uncle Lewis importing goods from China and East India. He purchased his first ship, the “Jay,” in 1785, which was one among the first to bring goods back from China to the United States. He was happily married to the daughter of Colonel Brasher, and together they had a daughter, Eliza, in 1787. Life was good for John Pintard. According to one account, “he was so popular that he was elected assistant alderman of the East Ward, and was re-elected until 1782.” He went on to represent New York in the 14th State Assembly, and was secretary of the New York Manufacturing Society. He was wealthy, happy, popular, and well-liked. Then he met William Duer.
In 1782, Pintard had no debts at all; having inherited lands from his grandfather, John Cannon, he was quite comfortable financially. When Duer approached him to back a scheme for land and stock speculation, he agreed, putting his name on notes totaling nearly one million dollars. Duer, a member of the Continental Congress, a New York judge, and a signor of the Articles of Confederation, was the grand speculator of the age and was widely regarded as one of the most successful businessmen in the country. In 1792, however, the paper pyramid that Duer had built upon speculative bets finally collapsed; the money supply evaporated, and the recession of 1792 was born, largely the work of two or three men. With Duer’s fall, Pintard was ruined politically, financially, and socially. He gave up all of his property and belongings, which satisfied some of his creditors, but certainly not all. His reputation ruined, he was constantly hounded by a band of unmerciful creditors who were out for revenge. They followed him into New Jersey and eventually threw him into a Newark debtor’s prison, where he sat for nearly two years, until his release under the Bankruptcy Act of 1800. In contrast to Morris and Nicholson, Pintard eventually regained his social and economic status, serving as one of the most prominent examples of the practical wisdom of the federal bankruptcy law.

I want to now consider the pervasive presence of scenes of forgiveness in Charlotte Temple and Rowson’s insistence on the importance of forgiveness in both domestic and public economics. The question of whether to forgive debts in bankruptcy was an incredibly divisive point and the two sides in this debate were firmly entrenched. Both sides felt they had religion on their side—Christ’s admonition to “forgive as the Lord forgave you” on one hand, and the biblical mandate that he “shall not break his word” on the other. Before looking at the novel, however, I want to first briefly turn to the discussion of forgiveness in the contemporary religious discourse. There are obvious symbolic parallels between the economic “rebirth” offered
in bankruptcy and Christian notions of resurrection and new birth. It is not surprising then, as discussed in the preceding chapter, that moral attitudes towards bankruptcy have specific roots in biblical history, going back to the time of Moses and the Jubilee Year, wherein all debts were to be forgiven. Deuteronomy 15:1-2, calling for even shorter periods before debt forgiveness, asserts, "At the end of every seven years you must cancel debts. This is how it is to be done: Every creditor shall cancel the loan he has made to his fellow Israelite. He shall not require payment from his fellow Israelite or brother, because the Lord's time for canceling debts has been proclaimed." The modern day result of such thinking is found in the fact that credit reports are cleared of delinquencies every seven years—bankruptcies are removed every ten.

When we look carefully at religious understandings of forgiveness in post-Revolutionary America, we find parallels between particular religious teachings, and the way the Bankruptcy Act of 1800 was structured. For example, in a sermon typical of the day, delivered by the Reverend Nathaniel Niles of Massachusetts in 1773, he says “Forgiveness consists, simply, in an injured person's truly expressing his inclination that the offender should suffer no evil as a punishment for his crime.” He qualifies this, however, by making the confession of sin a prerequisite to divine forgiveness: "no sinner who confesses his sins and believes in Jesus Christ, should be punished for them." The requirement of confession as a precondition to forgiveness was critically important in Christian teachings, and it, too, has a structural parallel in the bankruptcy process. Among the various iterations of the bankruptcy law during the nineteenth

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91 I will address this idea in much more detail in the following chapter.

92 Niles, Nathaniel, "Two Discourses on John, 1.9, In Which is Explained the nature of confession of sins, forgiveness, of satisfaction, and the faithfulness and justice of God, in forgiving and sanctifying such as confess their sins," B40047 Evans, Library Company of Philadelphia, (1773), 26.
century, the one consistent requirement in all of them, including the Act of 1800, was that debt forgiveness will only be granted when the debtor makes “an affidavit or solemn affirmation before the said judge of the truth of his or her debts.” Forgiveness was not granted in cases of fraud wherein the debtor hid assets, improperly conveyed assets to others, or simply failed to mention them in the affidavit—fraudulent debtors were considered criminals and were summarily jailed. Thus, if the debtor "confesses," or reveals all of his liabilities and assets plainly and honestly before the court, and hides nothing, he is, like the religious confessor eligible for forgiveness. The written bankruptcy petition itself, insofar as it lists the “sins” of the debtor, serves as the legal equivalent of a Christian confession. The fact that both sides of the forgiveness debate could point to scripture to support their argument, signifies the moral and spiritual qualities ascribed to bankruptcy, qualities that Rowson sought to highlight.

For Charlotte, forgiveness is the driving force throughout her story. Once she has taken the step towards her own ruin and eloped with Montraville, Charlotte finds herself in a state of mental confusion throughout the journey. Having landed in America, however, “As soon as she became tolerably composed, she entreated pen and ink to write to her parents. This she did in the most affecting, artless manner, entreating their pardon” (57). The very first thing that Charlotte wants upon her arrival in America, and ultimately the only thing she truly desires in this novel, is to be forgiven her “debt.” “Her only hope of future comfort consisted in the (perhaps elusive) idea she indulged, of being once more folded in their protecting arms, and hearing the words of peace and pardon from their lips” (57). After her letter is sent, “the delightful hope of soon

93 The Bankruptcy Act of 1800.

94 Forgiveness of debt under the 1800 Act was contingent upon the agreement of two-thirds of the creditors.
receiving an answer that would *seal her pardon*, she in some measure assumed her usual cheerfulness” (57, all emphases mine). We find that Charlotte’s desire to be forgiven is reflective of her family’s collective values from the very beginning of the novel, when Mr. Eldridge’s debt is paid by Mr. Temple. As the news of Charlotte’s abandonment arrives and sets in, Mr. Temple, Charlotte’s father, asks, if somewhat rhetorically,

   And shall we not forgive her?

   ‘Forgive her!’ exclaimed the mother. Oh yes, whatever be our errors, is she not our child?

   And though bowed to the earth even with shame and remorse, is it not our duty to raise the poor penitent, and whisper peace and comfort to her desponding soul? Would she but return, with rapture would I fold her to my heart, and bury every remembrance of her faults in the dear embrace. (58)

As the sermons of the era taught repeatedly, forgiveness isn’t an option for the Temples; it is a moral imperative. They know too well, as did Rowson herself, the evils of an unforgiving creditor and have vowed never to reduce themselves to such a position. Rowson goes to great lengths to describe the plight of the debtor and to elicit an emotional response from her readers with regard to the morality of forgiving those in debt. When Mrs. Beauchamp asks Charlotte if she would leave Montraville and return to her parents if she had the opportunity, she replies

   Would I! Would not the poor sailor, tost [sic] on a tempestuous ocean, threatened every moment with death, gladly return to the shore he had left to trust to its deceitful calmness? Oh, my dear Madam, I would return, though to do it I were obliged to walk barefoot over a burning desart [sic], and beg a scanty pittance of each traveller to support my existence. I would endure it all cheerfully [sic], could I but once more see my dear, blessed mother, hear her pronounce my pardon, and bless me before I died. (82)
Like the merchant debtor, “tost [sic] on a tempestuous ocean” of speculation, Charlotte is painted as the unsuspecting, naive young woman out in the world on her own for the first time who, through little fault of her own, finds herself “involved in debt from which she saw no method of extricating herself,” and seeking forgiveness from those to whom she owes a debt of gratitude, certainly, if not of money. Rowson wants readers to share in Charlotte’s grief, to identify and sympathize with her need to be forgiven, even as readers know that her only real mistake was to be overly trusting and perhaps a bit naive.

The final lesson on the importance of forgiveness comes in two potent scenes at the very end of the novel. The first is the encounter between Montraville and Charlotte’s father. Montraville, feeling inconsolable grief and guilt for what he has done to Charlotte, leaves his fate to the mercy of Mr. Temple; ironically, Montraville doesn’t seek forgiveness for what he has done, but instead presupposes that Temple will want revenge: “Here is my bosom. I bare it to receive the stroke I merit. Strike—strike now, and save me from the misery of reflexion” (129). The generally unforgiving Montraville assumes that Mr. Temple will think like he does and want to take his revenge. But, by this time, we know too well the constitution of Mr. Temple, who replies, “may thy heart feel such true sorrow as shall merit the mercy of heaven” (130). What Rowson provides in Mr. Temple is an exemplar of what the federal law ought to be: If a man like Montraville can be forgiven for what he has done to Mr. Temple and his daughter, Rowson asks, why shouldn’t the federal government provide that same type of compassion and forgiveness to others, most of whom are more deserving, for something as trivial as money?

The second lesson is found in La Rue’s fortunes fall. This downturn stands in sharp contrast to Charlotte’s, in that La Rue’s fall is realized through her very own considerable faults, manipulation, lack of compassion, and deceitful behavior. As the story draws to a close, we find
the destitute La Rue penniless, living on the street and near death, when Mr. Temple and his wife find her. She confesses to him that she is the one who ruined his daughter and was ultimately responsible for her demise. Despite everything that she has done to him personally, Mr. Temple “gave her shelter that night beneath his hospitable roof, and the next day got her admission into an hospital” (132). It is in these last two scenes where Rowson reveals her more global concerns about the federal law of bankruptcy—there is a great disparity between the types of debtors who seek forgiveness in bankruptcy; some are deserving and others might not be, but that decision must not be made on the basis of a person’s employment, but rather, it must be made on the basis of his character. Rowson reminds us that “vice […] only leads to misery and shame”; the real lesson here is that those who are compassionate and forgiving end up the most admired figures in the story and those who are not receive their own brand of justice in the end. But this type of justice is not yet legally mandated—a fact the novelist laments. Rowson’s depiction of Charlotte as a faultless debtor, an eager would-be entrepreneur, mixed up in the business of courtship and marriage without the proper education or tools, is a clear reflection of the plight of not just the merchant debtors of the time, but of most Americans.

Rowson was in a unique position as a woman in the late eighteenth century; she was an entrepreneur, a governess, a novelist, an actor, and a songwriter. As such, she was anything but anti-capitalist. However, as a former bankrupt herself, she had very intimate experience with a legal system that marginalized the lower class, privileged the wealthy, forgave reckless speculation and scheming, and ignored the artisans, farmers, and mechanics who failed, not because they were reckless, but because they were players in an economic game they did not fully understand. Rowson believed that for the American economy to survive, it had to fully incorporate the idea of economic and moral forgiveness through bankruptcy, but not just for the
few; the law had to be more inclusive, providing a level playing field where debtors and creditors were protected from each other, regardless of what type of business they were in. In the same way that Harriet Beecher Stowe would use her skill as a sentimental writer fifty years later to publicly condemn the Fugitive Slave Act, Rowson used her fictional voice to great effect to engage and to influence the debate surrounding the Bankruptcy Act of 1800.

*The Coquette* and the Fraudulent Bankrupt

As she sat down to write *The Coquette*, the world outside the windows of Hannah Webster Foster’s elaborate mansion in Brighton, Massachusetts, was in the immediate throes of the panic of 1797, a crisis that reached into every corner of post-Revolutionary Boston. As such, Foster would have witnessed the effects of the crisis, even though she did not experience them personally. Foster did not suffer from the same financial hardships that Rowson did. She was born in Salisbury, Massachusetts, the daughter of a wealthy Boston merchant, who also happened to be a moneylender. Foster led a comfortable life as a child, attending a prestigious boarding school, an experience that formed the basis for her first novel, *The Boarding School; or, Lessons of a Preceptress to Her Pupils*. After her marriage to the Reverend John Foster, a graduate of Dartmouth, she continued a life of relative comfort, eventually constructing her home on Foster Street in Brighton, where she lived until the death of her husband in 1829. Foster lived the relatively comfortable life of preacher’s wife, raising six children. After the birth of her last child, she wrote *The Coquette*, embarking on her career as a writer.95 She was generally recognized by the community as one of Brighton’s social leaders. Foster’s worldview and her conceptual and practical understanding of the public debate surrounding the federal bankruptcy

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law were very likely colored by her father’s personal experiences with debtors. Coming from a life of privilege and financial security, Foster saw the world of credit and debt from a point of view that was naturally skewed toward the creditor.

As a Federalist, the idea of a federal bankruptcy law, as opposed to the rather haphazard, inconsistent implementation of state bankruptcy law that had been the norm, could have appealed to her, at least in theory—most Federalists supported a federal bankruptcy law. Despite her political inclinations, however, she may very well have had serious reservations about simply forgiving the legitimate debts of borrowers, as the Massachusetts General Court obviously did when, in repealing the State’s early bankruptcy statute, it said that the law had “been a shelter to vicious and improvident persons, a great encouragement to idleness and ill-husbandry, and too much a temptation to perjury, as well as injurious and oppressive to many honest creditors.”

Still, her role as the wife of the Reverend Foster would also have presented difficulties in maintaining the morality of an unforgiving position. As a preacher’s wife, she would have had an intimate understanding of her husband’s preaching, wherein he frequently advocated forgiveness and compassion to the less fortunate. In a 1799 sermon, written in the midst of the widespread financial panic, Foster admonishes his listeners to “Let no reluctance or unkindness, in ministering comfort to the comfortless, destroy the virtue or prevent the salutary effects of the noble deed. Be sparing in censure and crimination, even where adversity is the manifest result of misconduct.” This extremely liberal view of compassion and forgiveness, even in the face of misconduct, would have been met with considerable resistance in Mr. Webster’s house. In a


97 Foster, John, “A Sermon Preached Before the Roxbury Charitable Society,” (Boston: 1799), my emphasis.
sense, Foster’s own rather conflicted position on the issue of bankruptcy serves as a figurative response to claims made during the entire national bankruptcy debate: on one hand, we are compelled by God to forgive those who trespass against us, while at the same time we must keep our promise to repay our debts. Bankruptcy, thus, presented something of a moral conundrum for Foster.

As the panic raged on, she saw the collapse of many of the biggest merchants and traders in the city, many of whom were directly associated with her father. Foster would surely have had compassion for those friends and acquaintances who failed, while at the same time, she would have likely viewed their promise to repay through the eyes of her father. While Charlotte Temple explores more nuanced facets of the bankruptcy debate, the central question for Foster, and for so many Americans during this time of crisis, was deciding whom to forgive. The dilemma is quite clear from Foster’s perspective; there are certain debtors who, through no fault of their own, find themselves insolvent and unable to repay their debts. But what of the schemers and frauds who deliberately rack up debt with no intention to repay it? Do they deserve to be forgiven as the Gospel teaches? While she was a prominent figure in her community, her political and social ideas on these and other matters were more frequently given voice through her novels. As Carrol Smith-Rosenberg reminds us about The Coquette, “The diversity of characters, the novel’s reliance upon conflict and change for the development of plot and character, permit both the overt and covert expression of contradictions and conflicts inherent in the ideologies and discourses of the times.”  

I interpret The Coquette, in what follows, as an

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expression of the “contradictions and conflicts” inherent in the larger discourse of the bankruptcy debate, in particular, the most difficult issue presented by the law: whether the virtue of forgiveness has a place in economic transactions, and if it does, what might that forgiveness look like? Foster offers a figurative representation of the moral dilemma about forgiveness in bankruptcy through her depiction of the two central characters in the novel—Eliza Wharton and Major Sanford.

*The Coquette* is a novel steeped in both economic and sexual desire, and the dangers that accompany both. Clothing her characters in the trappings of a seduction novel, using a real-life scandal as its source, Foster demonstrates the inescapable intertwining of sex and money through the overt and covert politics of the drawing room. She is keenly aware that the domestic and the political are not as separate as some would have it. Nearly every relationship in the novel is described in terms of economic or business metaphors, wherein she carefully blurs the line between the domestic and the political.

At the heart of the story, are its two central characters. In Eliza and Sanford, Foster has created a study in the conflicts and difficulties that accompany forgiveness in the context of both moral and financial bankruptcy. As Smith-Rosenberg has argued, “Eliza plays the role of a venture capitalist.”

As such, Eliza conducts her “business” in the field of courtship; she has made rash decisions, shortsighted mistakes, and is doomed by her zealous quest for freedom as much as by her own ego. In Eliza, Foster poses a rather difficult question about forgiveness: are we inclined to forgive Eliza, despite her insistent stubbornness, her refusal to heed the warnings of her friends and family, and her rather late-hour contrition? Such a question is not readily

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99 Smith-Rosenberg, 167.
answered. By contrast, we know exactly how to feel about Sanford. He is a member of the
gentry, a pretender to the English aristocracy, and one of the vilest rakes in American
literature—often referred to by critics as a “second Lovelace,” referring to Samuel Richardson’s
seminal novel Clarissa (1748). Strikingly, Sanford is the only character in the novel that actually
goes bankrupt in the economic sense of the word, seeing his paltry fortune dry up and his assets
seized by his creditors. He serves as a very clear warning, aimed directly at one of the central
issues in the bankruptcy debate—the issue of how to deal with the fraudulent bankrupt. As one
bankruptcy opponent argued on the floor of the House of Representatives about bankruptcy:
“There had never been a law which produced more iniquity and fraud.”

While Charlotte Temple is very much the hapless victim, motivated by an incessant need
to be forgiven in the wake of her elopement, Eliza Wharton is so focused on her own conceptions
of personal independence, so motivated by her desire for freedom, that she is unaware of her
need to even ask for forgiveness until the end of the novel. Readers naturally sympathize with
Charlotte from the beginning as the victim of her own girlish delusions and more particularly the
artifice of the wily La Rue. Conversely, they are presumably encouraged to curse the choices that
Eliza repeatedly makes. If Charlotte references the unsuspecting, naive, merchant, Eliza is the
obsessive, if neophyte, entrepreneur—to use Smith-Rosenberg’s characterization, she is the
“venture capitalist.” She is motivated by a desire to remain free, ostensibly like the market in
which she operates, but also by her desire to become wealthy, a state which she ironically
equates with freedom. Eliza “confronts the same dilemmas a young merchant faces in the
confusing economic markets of the late eighteenth century: how to credit financial and moral

1919), 132.
worth in a world of words and fancy.”\textsuperscript{101} The very difficult question this raises, of course, is whether both types, the Charlottes and the Elizas of the world, are “deserving” of forgiveness.

*The Coquette* begins with Eliza’s involvement in the business of courtship and marriage, which, as demonstrated in so many eighteenth-century novels, was very much a “business” in all senses of that word. Every one of the central characters plays a role in what amounts to a series of schemes involving risk, speculation, and the potential for big returns or steep losses. The story then transitions into Eliza’s first failure, and concludes with her final, and fatal, mistake—her pregnancy and her subsequent flight from her friends and family, as a moral, if not economic, bankrupt on the run.

Like the new merchant in a free enterprise marketplace, Eliza begins her journey with visions of success and enormous potential. Her first intended husband, an elderly clergyman selected by her parents, has recently died, but her mourning is short-lived, if it ever existed at all; her letters reveal a not-so-latent glee over his death. Having been freed from what she presumed to be the stifling life of a clergyman’s wife, the very life that her creator Foster herself lived, she now wants to revel in what she perceives to be the freedom of life as a single, eligible woman. Eliza’s struggles in the business of courtship are, as Smith-Rosenberg has noted, made subtly analogous to the struggles faced by the business merchant: to be independent, to find success on one’s own, without the aid of others, especially that of usurious creditors and schemers. However, Eliza, like so many of the entrepreneurial newcomers of the period, fails in her venture.

Once Eliza is freed from her prearranged marriage, she is very much on the market, so to speak. In “quest of new treasures,”\textsuperscript{102} she proves, at least initially, to be a crafty social merchant.

\textsuperscript{101} Smith-Rosenberg, “Coquettes and Revolutionaries,” 168.
seeking to grow, via the best possible investment opportunity in a husband. She recognizes the value of her own assets when she claims, “I am certainly very much the taste of the other sex” (112). As her venture begins, she meets the amiable Mr. Boyer and is favorably impressed. After her first night with him, she writes to her lifelong friend and confidant, Lucy Freeman, that “he was descended from a worthy family; had passed with honor and applause through the university where he was educated; had since studied divinity with success; and now had a call to settle as a minister in one of the first parishes in a neighboring state” (110). Freeman responds: “I shall be extremely anxious to hear the process and progress of this business” (125). Boyer is in many ways presented by Foster as the sound business choice—he is safe, reliable, poses little risk, and he is a “man of sense and honor” (125). Boyer is secure, respectable, admired, and very learned. He, however, is initially (somewhat) cautious about his potential connection with Eliza, as he admits to his confidant Mr. Selby: “I confess it, nor am I ashamed to rank myself among the professed admirers of this lovely fair one. I am in no danger, however, of becoming an enthusiastic devotee. No, I mean to act upon just and rational principles” (111, my emphasis). This, of course, is hardly the language of an inamorato; he is instead being figured as a prudent investor, unwilling to take unnecessary risks—like any wise businessman; he makes his decisions upon “just and rational principles.” It is not long, however, before the charms of Eliza weaken his resolve. He writes, “Here I am again over head and ears in the hypo. A disease, you will say, peculiar to students. I believe it peculiar to lovers; and with that class I must now rank myself, thought I did not know, until this evening, that I was so much engaged as I find I really am” (117). His prudence and acumen have crumbled under Eliza’s irresistible temptations; once

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102 Foster, Hannah Webster. The Coquette, (New York: Penguin Books, 1996 ), 115. All further references will be to this edition and will be cited parenthetically within the text.
he has made up his mind to invest, he wants to go all in; he “cannot cease to lover her!” It is here that we see another veiled fiscal lesson from Foster. Boyer is widely considered to be a prudent, wise man, yet he has fully capitulared and given in to Eliza: “My heart is in her possession. She has a perfect command of my passions. Persuasion dwells on her tongue. With all the boasted fortitude and resolution of our sex, we are but mere machines. Let love once pervade our breasts; and its object may mould us into any form that pleases her fancy, or even caprice” (165). The lesson, of course, is to avoid falling prey to one’s passions in love as in business, to remain ever vigilant in the face of the wiles of the crafty schemer or, in this case, the attractive entrepreneur.

Eliza is constantly mindful of her precarious financial position throughout the novel. She relies on the charity and kindness of others, particularly the aptly named Richmans, and continuously conflates the idea of friendship and economy through the use of peculiar economic metaphors to describe her friendships. After a particularly enjoyable night, she writes to Lucy:

The evening is fine beyond the power of description! All nature is serene and harmonious; in perfect unison with my present disposition of mind. I have been taking a retrospect of my past life; and a few juvenile follies excepted, which I trust the recording angel has blotted out with the tear of charity, find an approving conscience, and a heart at ease. Fortune, indeed, has not been very liberal of her gifts to me; but I presume on a large stock in the bank of friendship, which, united with health and innocence, give me some pleasing anticipations of future felicity. (110-111)

To Eliza, friendship, indeed all relationships, are viewed as a type of currency, something one trades “stock” in. She uses the term again after Boyer has declared his desire to solicit “an interest in [her] favor; or if [he] might be allowed the term, affection.” In an effort to temper his passion, Eliza replies, “Sir, said I, you are entitled to them both [friendship and esteem]. Merit
has always a share in that bank” (123). Eliza consistently conflates friendship, or more particularly in this case, courtship, with money; thus, Boyer is, in Eliza’s mind, a potential business partner, as much as (if not more than) a lover.

After the repeated interferences of Major Sanford, however, Boyer’s prudence resurfaces and “the veil is now removed.” He comes to the realization that Eliza is not a wise investment; her charms have lost their power, and she will no longer have any influence over him. In his parting letter to her, he admonishes her to “fly Major Sanford,” and “banish him from your society, if you wish to preserve your virtue unsullied, your character unsuspicious! It already begins to depreciate” (172). Boyer equates her virtue with her status as a commodity or investment—her virtue or reputation, is the “stock” in which she trades, which Boyer clearly sees as declining in value. In the end, he makes the determination that she is simply too risky; she has “an aversion to the sober, rational, frugal mode of living, to which my profession leads” (171). In the end, as promised, Boyer has acted “upon just and rational principles.”

For Eliza, at least initially, “Marriage is the tomb of friendship. It appears to [her] a very selfish state” (123). She feels that something bigger lies on her horizon and she doesn’t want to risk the potential benefits of a better partner on what she perceives to be a less-than-stellar return on her investment in Mr. Boyer. She wants to keep her options open. After her first meeting with Boyer, Eliza meets Major Sanford, the temptation that Eliza cannot bring herself to resist. Eliza finds herself in the role of the new merchant faced with two paths: the safe, reliable, if somewhat boring Mr. Boyer, or the risky, speculative, scheming, and very attractive prospect, Major Sanford.

In Eliza, Foster has presented a most difficult choice for readers. As Smith-Rosenberg suggests, Foster has “painstakingly and persistently complicated what should be clear-cut. First,
Eliza is not a heroine like Pamela or Clarissa, virtuous to the core. Rather, as Cathy Davidson points out […] Eliza fuses talent and virtues with serious moral failings.”¹⁰³ She has repeatedly ignored the advice of her friends, her mother, and even her own common sense. She has put aside her prudence and virtue, the “commodities” in which she “trades,” in pursuit of a risky scheme that ultimately results in her own moral bankruptcy and untimely death. The question that Foster presents to her readers is: How do we forgive such reckless behavior, if at all? She is clearly not the faultless debtor that Charlotte Temple is.

In what amounts to a show of compassion for the debtor on the part of Foster, Eliza is, at least partially exonerated from her shortcomings. The narrator describes someone who succumbs to the temptation of risk and speculation as living in a “shade” or a “mist.” This is not unlike the temptation a merchant might face when presented with a scheme or speculation that promises an inordinately high rate of return. Boyer, for example, congratulates Eliza for “emerging from the shade of fanciful vanity,” and Lucy describes her as having “emerged from that mist of fanciful folly,” and Julia Granby describes Sanford’s hold on Eliza as a “deceptive [sic] mist over her imagination.” Foster seems to suggest here that there was some outside influence, however mystical, that has led to Eliza’s predicament. This, however, particularly in light of Eliza’s consistent stubbornness, is not terribly satisfactory, and reveals Foster’s dilemma about forgiveness. The fact remains that Eliza is hard to forgive. Charlotte was alone, friendless in a foreign country; Eliza, by contrast, is surrounded by friends and family and yet she still strikes out on her own against their sound advice. On the one hand, such independence, such ardent self-reliance, seems admirable—a Republican virtue to be applauded. On the other hand, her behavior

can be seen as rash, naive, and self-serving. Ultimately, Foster herself leaves the question of to Eliza’s forgiveness in a rather “misty” state.

As noted earlier, sermons of the late eighteenth and early nineteenth centuries taught that true repentance was the condition upon which forgiveness depended. So too did the proposed bankruptcy law require a full confession of all debts. Foster also raises the question of the genuine, truthful nature of Eliza’s rather late repentance and, when she does confess her transgressions, implicitly asks whether forgiveness would be appropriate. In her letter to Lucy, Julia Granby recounts Eliza’s explanation:

The same will doubtless be felt and expressed by every one to whom my sad story is related. But the cause may be found in that unrestrained levity of disposition, that fondness for dissipation and coquetry, which alienated the affections of Mr. Boyer from me. This event fatally depressed, and enfeebled my mind. I embraced with avidity the consoling power of friendship, ensnaringly offered by my seducer; vainly inferring from his marriage with a virtuous woman, that he had seen the error of his ways, and forsaken his licentious practices, as he affirmed, and I, fool that I was, believed it! (222)

It is quite clear that Eliza is taking full responsibility for her actions here; she places the blame squarely on herself, albeit not wholly exculpating Sanford. There is no “mist” or “shade” forcing her hand as her, perhaps overly generous, friends had suggested; rather, she admits that it was her own “dissipation” and “coquetry” that resulted in her moral insolvency. She freely confesses that, “precept and example, counsel and advice, instruction and admonition, have been all lost upon me!” (229). It is this kind of forthright admission of guilt that most Americans would have required in order to bestow forgiveness—in religious, social, and economic contexts. The unrepentant, the excuse-makers, those who showed no mercy or compassion in their own lives,
were simply unworthy of forgiveness, despite the teachings of the gospel to forgive even “thine enemies.” After making her confession and taking responsibility for her actions, Eliza takes the next step and asks for the forgiveness she so desperately seeks from her mother: “Oh madam! Can you forgive a wretch who has forfeited your love, your kindness, and your compassion? Surely Eliza, said she, you are not that being! [...] However great your transgression, be assured of my forgiveness, my compassion, and my continued love!” (225). This type of unconditional forgiveness, what many would consider akin to God’s forgiveness, might be expected from a mother, but what of a business acquaintance or a friend? Such situations test the very limits of human forgiveness. When asked, Julia Granby informs Eliza, with an economic reference that echoes the sermons discussed earlier, “I have certainly no balance against you. In my breast you are fully acquitted. Your penitential tears have obliterated your guilt, and blotted out your errors with your Julia” (226, my emphasis). Lucy joins Julia in her forgiveness of Eliza when she writes, “However she may have erred, her sincere repentance is sufficient to restore her to charity” (240, my emphasis). In the end, Eliza is posthumously forgiven by her friends and family, and given the evidence of her contrition, very likely by the contemporary reader as well.

In Eliza, Foster has created a character that, while difficult to forgive, is not a dishonest woman—foolish perhaps—but she cheats no one but herself in the end. If we take Eliza as, in some ways, representative of other venture capitalists, entrepreneurs, and tradesmen who sought their fortunes through independent means, Foster seems to indicate, as her husband’s own sermon did, that forgiveness might well be an appropriate response to contrition, even if such contrition comes late. But what of those who intentionally cheat the system, the unrepentant schemers who would use the bankruptcy process as a tool to hide assets, defraud creditors, and start anew elsewhere? Rumors of these unsavory characters using bankruptcy laws as a means of
escaping their creditors were rampant and were often used by bankruptcy opponents as evidence of the fallibility of such a system. It is these types of characters about whom Foster seeks to warn readers—and in particular her fellow Federalists who were preaching the benefits of a national bankruptcy law.

Evidence that the issue of bankruptcy fraud was central to the debate is found in the very first paragraph of the final version of The Bankruptcy Act of 1800:

If any merchant [...] shall, with intent, unlawfully to delay or defraud his or her creditors, depart from the state in which such person usually resides, or remain absent therefrom, or conceal him or herself therein, or keep his or her house, so that he or she cannot be taken, or served with process, or willingly or fraudulently procure him or herself to be arrested, or his or her lands, goods, money, or chattels to be attached, sequestered or taken in execution, or shall secretly convey his or her goods, out of his or her house, or conceal them to prevent their being taken in execution, or make or cause to be made, any fraudulent conveyance of his or her lands, or chattels, or make or admit any false or fraudulent security, [...] every such person shall be deemed and adjudged a bankrupt.

This paragraph, which mentions “fraud” four times, is one of many with similar provisions in the act; these provisions were designed to alleviate concerns about dishonest debtors, and there were many, who would attempt to defraud their creditors through the apparatus of bankruptcy. These fears, well grounded as they were, had been carried over from the earliest bankruptcy laws of England, under which bankruptcy fraud, was actually a crime—and for a time, a capital offense. For over a century, bankrupts who hid assets, absconded with goods, fraudulently conveyed assets prior to the filing bankruptcy, or otherwise sought to defraud their creditors were subject to the death penalty. While, in practice, only a handful of fraudulent bankrupts were actually put
to death, the very fact that bankruptcy fraud was considered a capital offense reveals the historically harsh bias against these types of debtors. In a few cases, which were widely known in America, the death penalty may not have been warranted, but the bias against debtors might have been.

Richard Town, a tallow chandler from Tyburn England, attempted to export nearly 500 pounds of tallow and escape from his creditors to Holland. He was tracked down, brought back to England, and convicted of bankruptcy fraud; he was hanged in 1712. A London embroiderer named Alexander Thompson lost his home in a fire, and with it all of his equipment and inventory. After he received his insurance settlement, he expressed his intent to pay off his creditors, but instead fled to Scotland, leaving his wife behind to fend for herself. Having taken up a new identity (and a new wife) in Scotland, Thompson was eventually discovered and brought back to London to face charges; he was hanged in 1756. The most infamous capital bankruptcy case, however, was that of John Perrott.104

In January of 1760, Perrott, a cloth merchant, hailed all of his creditors to a meeting during which he informed them of his inability to repay his substantial debts. After nearly a year of investigations into a considerable sum of missing money from his books, it was discovered that Perrott had been in a relationship with a former prostitute named Mary Anne Ferne. For nearly a year, Perrott, who had for 15 years conducted his business honorably, and almost entirely in cash, began borrowing extensively from a variety of different lenders. Because of his reputation as an honest businessman, his credit reputation was impeccable and he was able to amass a debt of nearly 20,000£. After his default, and during the course of the investigation into

his affairs, commissioners discovered that Perrott had been concealing monies in an attempt to flee and build a life with Ferne. Perrott was jailed for many months, and after repeated habeas corpus motions and false testimonies before the magistrate by both Perrott and Ferne, a criminal trial was eventually held, and Perrott was convicted of bankruptcy fraud and concealing assets and was sentenced to hang. He was, for decades, thought to be the last man hanged for the crime of bankruptcy in all of England.105

The Perrott case was notorious and, in fact, was very well known in American legal circles, as it “had all the necessary titillating elements to excite public curiosity: money, sex, and intrigue. Capitalizing on the interest, several pamphlets were published laying out the story in great detail, and a number of archival documents and judicial opinions flesh out the numerous legal proceedings in which Perrott engaged.”106 Bankruptcy opponents in America pointed to cases like these and argued that if a bankruptcy law was to be implemented in America, it must have protections against the likes of Perrott and other would-be schemers. One opponent of the law lamented that “we see rich men today, bankrupt tomorrow, and next day in full business and great style, while the poor farmer or manufacturer who had been ruined by their extravagance must suffer the penalties of the law in a jail.”107 The counterargument to this was that the bankruptcy process, as it was conceived in the Act of 1800, actually served to protect against this type of fraud. The Act of 1800 provided for a process of involuntary bankruptcy, which only creditors could initiate. If a debtor was unable to meet his obligations, his creditors would typically confer privately and decide to “declare him a bankrupt” and would start the bankruptcy

105 It was subsequently discovered that John Senior was, in fact, the last man hanged in 1820.

106 Kadens, “The Last Bankrupt,” 1273.

process in order to secure whatever assets might be sold off to satisfy their claims. This was often done without the debtor’s knowledge so that, when notice was served, it frequently came as something of a surprise. This practice, in theory, reduced the likelihood of advanced fraudulent conveyances or the concealing of assets. However, in those cases where a savvy debtor caught wind of an impending bankruptcy, the risk of his hiding assets or conveying them illegally was increased. The specter of fraud in debtor/creditor relations has been one of the longest lasting points of contention in the bankruptcy debate, continuing throughout the entire nineteenth century and up to the most recent revisions to the bankruptcy code in 2005.

Foster was surely aware of the persistence of fraud in bankruptcy, given her father’s moneylending business, and if we read the novel in light of the socioeconomic context in which it was written, we see in the vivid portrait of Major Sanford a very clear cautionary tale against these types of characters. Sanford, the only character in the novel who is simultaneously morally and financially bankrupt, is presented as a schemer, a “libertine,” a “mere Proteus [who] can assume any shape that will best answer [his] purpose.” But to Eliza he “was all ease, politeness, and attention” (119). He promises a rich and lavish lifestyle, and marriage, but he cannot afford the former, and never intends the latter. Foster presents in Major Sanford a study of the effects of greed and revenge; he figures the very absence of forgiveness. He embodies the rapacity, speculation, and lack of sensibility that the likes of William Duer, Roger Morris, and others shared as they brought the American economy to its knees at the end of the eighteenth century. Money is Sanford’s sole motivation, a love which becomes apparent when he writes to his confidant, Mr. Charles Deighton, about Ms. Laurence, a potential prospect for an economically favorable marriage: “The girl looks very well. She has no soul though, that I can discover. She is heiress, nevertheless, to a great fortune; and this is all the soul I wish for in a wife. […] Show
and equipage are my hobby-horse; and if any female wish to share them with me, and will furnish me with the means of supporting them, I have no objection” […] I am neither pleased with, nor averse to the girl. But she has money, and that may supply the place of love” (131, 161). Given a host of comments like this throughout the novel, it is clear that one of Sanford’s functions in the text is to exemplify and call attention to the prevalence of greed in American society. However, his primary role, I argue, is to showcase the destructive nature of revenge bred by greed; the greedy and the vengeful are incapable of forgiveness.

Foster establishes Sanford as a man consumed by his desire for revenge and his inability to forgive. This inability coupled with his own bankruptcy in the novel raises the question of whether he himself is in any way forgivable. The only way a bankrupt would have been eligible for debt forgiveness under the Act of 1800, was if he was honest and forthright; Sanford is neither. A debtor who had a history of greed and a lack of compassion for others, but who himself asked for a discharge would have faced the sworn testimony of his creditors and any witnesses they might call on their behalf. It is easy to imagine what those witnesses would have said at Sanford’s discharge hearing. Through her depiction of Sanford, Foster wants to convey the idea that those who are forgiving in their own lives will be more likely to receive forgiveness when they need it from others. She voices, in short, a slightly more conservative, but similar, position to the one outlined in her husband’s sermon—sometimes misconduct can be so egregious that forgiveness is simply not an option.

Sanford is consumed by his desire for revenge in the novel, touting it no fewer than five times. In the first mention, Sanford writes to Deighton: “But I fancy this young lady is a coquette; and if so, I shall avenge my sex, by retaliating the mischiefs, she meditates against us” (118). Here Sanford pits men against women, but especially women he perceives to be sexually
flirtatious, like Eliza. He has taken on the role of self-proclaimed liberator of the male sex against the evils of women and vows to take his vengeance on their behalf. He goes on to explain that, “I have been maneuvering today, a little revengefully. That you will say is out of character. So baleful a passion does not easily find admission among those softer ones, which you well know I cherish” (121). He claims that revenge is somehow “against his character,” despite only three pages earlier having proclaimed his status as the “avenger” of men. He also shows his intolerance for healthy competition, when he recalls visiting Eliza and seeing Mr. Boyer there for the first time. He writes, “I must own that I felt a glow of jealousy, which I never experienced before; and vowed revenge for the pain it gave me, though but momentary” (131). In the first two instances his revenge was set against coquetry. It seems that, for Sanford, gender is only one of many considerations when considering revenge. In the fourth instance, we find Sanford somewhat in doubt about his abilities to secure Eliza’s favor. He writes, “I should sooner become a convert to sobriety than lose her. I cannot find that I have made much impression on her heart as yet. Want of success in this point mortifies me extremely, as it is the first time I have failed” (148). In the throes of this self-doubt, his true colors shine: “Not that I have any thoughts of marrying her myself; that will not do at present. But I love her too well to see her connected with another for life. I must own myself a little vengeful too in this affair. I wish to punish her friends, as she calls them, for their malice towards me; for their cold and negligent treatment of me whenever I go to the house” (148). With every slight against him, whether real or imagined, he is further consumed by his revenge. He beats the same drum again a few pages later when, after his banishment by Eliza (albeit only short-lived), he laments, “I have not felt one sensation of genuine pleasure since I heard my sentence; yet I acquiesced in it, and submissively took my leave; though I doubt not but I shall retaliate the indignity one time or other” (155). The final
mention of revenge comes after he has conquered Eliza: “Well Charles, the show is over, as we Yankees say; and the girl is my own. That is, if I will have her. I shall take my own time for that, however. I have carried my point, and am amply revenged on the whole posse of those dear friends of hers” (180 all emphases mine). His obsession with revenge against the social world for what he sees as the countless “wrongs” done to him, ultimately leaves Sanford destitute and penniless—revenge and greed have alienated him entirely. Foster has painted one of the most unsavory portraits of a male libertine in all of American literature in Sanford. He has no conscience: “Thank God I have no conscience” (180); he has no moral compass, and this disposition leaves him utterly friendless throughout the epistolary novel: He only ever writes to Charles Deighton, who, tellingly, never once returns the favor.

The more we learn about Sanford and his precarious financial position, the more clearly we can see how Foster has cast him not only as the rake, but crucially as the unrepentant, fraudulent bankrupt of the story. We learn that Sanford has mortgaged his home rather than buying it outright, simply “because [he] had not the wherewithal to pay for it” (156). After he learns of Boyer’s rejection of Eliza, he takes “a tour to the southward,” which we learn is “occasioned by the prospect of making a speculation, by which I hope to mend my affairs. The voyage will at least lessen my expenses and screen me from the importunity of creditors till I can look about me” (181). He is being hounded by his creditors, and his only goal, rather than sit down with them and fully disclose his position, and seek to resolve it, is to escape or be “screened” from their “importunate” demands for the money he rightfully owes them. The lesson readers are to take from Sanford is quite clear—unless they are willing to forgive others, there is little chance that others will find it in their hearts to forgive them. In the end, justice is served:
The day on which I meant to visit her, most of my property was attached, and to secure the rest, I was obliged to shut my doors, and become a prisoner in my own house! High living, and old debts, incurred by extravagance, had reduced the fortune of my wife to very little, and I could not satisfy the clamorous demands of my creditors [...] I have compounded with my creditors, and resigned the whole of my property. (238)

Sanford has become the apogee of speculative risk, greed, vengeance, and jealousy, forever failing to hold himself accountable. He writes to Deighton: “She must blame herself, if she suffer hereafter; for she was visibly captivated by my external appearance; and wanted but very little solicitation to confer herself, and fortune on so charming a fellow” (198). It is this point of view that renders him incapable of genuine forgiveness; he is unforgiving and unrepentant, proving himself unworthy of either personal or economic forgiveness, despite having the gall to ask for it from Eliza herself.

After his marriage to Miss Laurence, a vapid and plain socialite who also happens to be an heiress, Sanford knows he “has forfeited all claim to the privilege” of a conversation with Eliza; but he “solicits from her benevolence, and pity” (199). As he seeks to further entrap Eliza through his artfulness, he declares that “Justice to myself required my appearing before you; that by confessing my faults, and obtaining your forgiveness, I might soften the reproaches of my own mind” (200). His pleas are immediately transparent to Foster’s reader; his apology is not for the benefit of Eliza, but rather to do “justice” to himself, and “soften the reproaches of [his] own mind”; this is the sole reason he seeks forgiveness; it is, like everything he does, completely selfish. While Eliza does condescend to forgive him, the reader has become ever alert to his dissembling nature and Foster ensures that Sanford, the unrepentant bankrupt, remains the object of readerly distrust and contempt.
Bankruptcy: The Elephant in the Room

The blending of the economic and the social, or in the case of *Charlotte Temple* and *The Coquette*, the economic and the sexual in fiction, was a common strategy of early American novelists. Rowson and Foster’s juxtaposition of the chaste and the unchaste, the virtuous and the rake, the noble and the fraud, while superficially concerned with sexuality and marital relations, masks the very real economic reality behind those relations, thereby conflating the domestic and the political spheres. Elizabeth Barnes has argued that, “examining philosophical and political texts alongside literary ones, we see the extent to which sentiment and sympathy pervade early national culture. In all three genres, sociopolitical issues are cast as family dramas, a maneuver that ultimately renders public policy an essentially private matter.”¹⁰⁸ What Barnes, and other critics who have examined the relationship between sentimental fiction and larger sociopolitical issues have ignored, however, is among the most pressing economic questions of the century: bankruptcy. At the very same time that sentimental authors were conflating the private and public spheres in their novels, bankruptcy law was doing the very same thing: it straddled the public-private line by transforming the religious notion of forgiveness—among the most private and personal gestures—into a public spectacle of legalized economic forgiveness.

Given their intimate, personal connections with bankruptcy and moneylending, it should come as no surprise that the novels of Rowson and Foster respectively seek to address concerns over the passage of the nation’s first federal bankruptcy law; it was one of the most controversial legal battles of the age, with opinions from the President of the United States to the those in the Walnut Street debtor’s prison in Philadelphia. Interestingly, Jennifer Baker has argued that early

American literature was devoted to normalizing debt, both public and private; she sees these early novels as advocating for debt because it was not only beneficial, but also necessary to the project of building a commonwealth—in other words, debt deepened the bonds of sympathy through an intricate web of mutual obligation. I find this unpersuasive because of its idealistic understanding of debt relations. On the one hand, as my analysis of the novels has shown, Rowson and Foster felt that debt, while perhaps a necessary evil, was indeed *an evil*—a moral issue. Focusing on idealized social “webs,” Baker’s reading fails to consider the devastation that debt caused for so many, especially in times of massive panic. If the market revolution helped to create bonds of sympathy, it did not do so because of mutual indebtedness, which only fostered resentment. The bonds of sympathy emerge, not from debt itself, but from the *consequence* of debt: economic failure. Out of this collective failure comes the communal response of forgiveness; it is, as Foster and Rowson demonstrate, through forgiveness that communal bonds of sympathy are created and sustained. At the same time, while such clarity about the need for a bankruptcy law in which forgiveness is paramount seems clear in Rowson, the question of just who should be forgiven remains troubling for Foster. While both writers use the domestic drama to discuss wider moral issues arising out of the uneven and painful transformation to a market economy, they differ in their certainty about whether even bankruptcy is enough to solve the problems of human duplicity.
CHAPTER III.

The Economy of the Wilderness: Forgiveness, Revenge, and Rebirth in *The Last of the Mohicans*

“For when in anybody was revenge in its exactions aught else but an inordinate usurer”?
— Herman Melville, *Billy Budd*

The controversial Bankruptcy Act of 1800, despite the considerable efforts that went into passing it, and the success stories it produced, was short-lived. It lasted only three years until it was repealed by a unified left government following the Jeffersonian sweep in the 1800 elections. The left-leaning Congress reasoned that with a growing economy, no further federal bankruptcy legislation was needed—crisis averted, or so they convinced themselves. Despite its repeal, that initial foray into a uniform federal bankruptcy law forever changed American attitudes toward debt, debtors, and bankruptcy itself; the effects of that law would ripple across the entirety of the nineteenth century as the legislative battle over bankruptcy continued.

With Jefferson’s trade embargo, the War of 1812, the Era of Good Feeling, and the panic of 1819, the first two decades of the century were anything but predictable. These radical transformations within the political and cultural landscapes found parallels in religious and literary worlds as well. At the same time that Americans were struggling through the devastating panic of 1819, they were witnessing the full manifestations of what began in a small, open field in central Kentucky in 1801—a religious revival of American evangelicalism that would come to be called the Second Great Awakening. As these cultural phenomena were changing the face of the political, economic and religious landscapes of the country, writers such as Washington Irving and James Fenimore Cooper were writing novels and short stories that were transforming the American literary landscape and quite literally putting American letters on the global map.

This chapter explores the intersections of these three cultural phenomena.
THE PANIC OF 1819

During the first two decades of the century, the American economy fluctuated with booms and busts that we now recognize as part of cyclicality—an inherent characteristic of a capitalistic economy. At the time, however, these phenomena were largely inexplicable, forcing many to find someone or something to blame. After a period of relatively strong economic expansion, Jefferson’s 1807 Embargo Act put the brakes on nearly every segment of the economy, with the exception of manufacturing; the effect was a prompt ushering in the first depression of the nineteenth century. Before Jefferson’s embargo, foreign trade had peaked in 1807 at $138 million in imports and $108 million in exports; however, by 1814, they had sunk to $13 million and $7 million respectively, both dropping by more than 90 percent.\(^1\) The catastrophic losses that resulted from the embargo paralyzed the economy as the new nation turned its eyes once again toward war with Great Britain. Like most wars in American history, the War of 1812 provided some relief for the economy. For example, business incorporations, which had averaged 54 per year from 1807-11, grew to 83 in 1811 and 100 per year during the war, with a peak of 157 in the year 1814.\(^2\) The war and subsequent postwar developments, however, forced the American economy to make many rapid and sudden adjustments. Murray Rothbard, whose study on the Panic of 1819 is the most authoritative to date, writes:

The first war of the new nation, therefore, wrought many unsettling changes in the American economy. Trade was blocked from its former channels, the monetary system


became disordered, expansion of money and a shortage of imported goods drove prices upward, and domestic manufactures—particularly textiles—developed under the spur of government demand and the closing of foreign supply sources.\textsuperscript{111} While the War did offer some respite for the economy in the short term, peace brought an entirely new set of problems.

The signing of the Treaty of Ghent, signaling the end of the War of 1812, was yet another figurative rebirth in the U.S. economy, ushering in what one newspaper called the “Era of Good Feelings.” However ironic the term might be in hindsight, it was a time of celebration that literally brought the people into the streets. In New York City, for example, the party lasted for more than a week as artisans “snake-danced tipsy through the streets, their paths lit by shimmering transparencies, of eagles and dollars spilling from a cornucopia.”\textsuperscript{112} In the years immediately following the end of the war, the domestic economy strengthened considerably, particularly in areas associated with Westward expansion. Economic historian Clyde Haulman sums up this period: “Export trade, domestic trade and transportation, real estate and public land speculation, shipbuilding and western river steamboat construction, and finance including banking, insurance, and the stock market all prospered as the national economy grew and national markets coalesced.”\textsuperscript{113} And while many sectors of the economy were strong, many Americans still struggled.

\textsuperscript{111} Rothbard, \textit{The Panic of 1819}, 5-6.


\textsuperscript{113} Haulman, \textit{Virginia and the Panic}, 10.
The intervening years between the end of the war and the Panic of 1819 brought to light many shortcomings in American fiscal policy. Once Jefferson’s ruinous embargo had been lifted, there was a predictable, widespread scramble for imported goods, especially British textiles. So popular were these goods that new, more effective modes of distribution were sought, one of which was the public auction. Auction sales of textile goods before the war hovered near $5 million per year; after the embargo was lifted, they rose to $18 million. While the import/export businesses were reaping the benefits of peace, domestic manufactures were suddenly faced with marketplace competition that had been absent for years. Many of the corporate textile factories that were created in response to the government’s war-time needs were now faced with a diminished market and precipitant prices. In an effort to feed the increasing demands for American goods, and to expand credit, the number of banks in the United States increased dramatically, from 88 in 1811 to 208 in 1815, and credit was easily obtained. After the war, the bank expansion continued, but there was no federal law requiring these new banks to redeem notes for specie; the result was a depreciation of bank notes, and an intolerable inconsistency in the value of notes from bank to bank, from region to region. This monetary instability led to frustration, not only on the part of the citizenry, which continued to demand a uniform currency, but also on the part of a federal government that was forced to accept depreciated bank notes for vast tracts of land it was selling in the Westward expansion. The attractive prices for these lands, and the increasingly favorable credit terms, fueled massive real estate speculation, which involved extensive credit given by state and local banks. In response to what many saw as a bubble that was certain to burst, the Second Bank of the United States (SBUS) was chartered in 1816. Despite the intentions behind the SBUS charter, its early mismanagement led to even further problems; the SBUS continued a lax credit policy, which led to further land speculation.
in the West and also increased inflation. Public land sales, which had averaged $2 million to $4 million per year in 1815 and 1816, rose to a peak of $13.6 million in 1818. After the first two Bank presidents, William Jones and Langdon Cheves, resigned, Philadelphian Nicholas Biddle seized control in an effort to stem the tide, sharply reducing the number of loans from the central Bank. The damage, however, had been done and most of the satellite branches ignored Biddle’s retractive policies, staying the course, continuing to aggressively loan money, with generous terms, and often accepting repayment in the form of IOUs rather than specie.114 “By the beginning of 1818, the Bank had loaned over $41 million. Its note issue outstanding reached $10 million, and its demand deposits $13 million, for a total money issue of $23 million, contrasted to a specie reserve of about $2.5 million.”115 With just 10 percent of its money issue on hand in cash, the bubble was indeed about to burst.

Faced with increasingly dire circumstances, the Second Bank was forced, in the summer of 1818, to implement a series of contractionary policies, which, most economists agree, directly precipitated the Panic of 1819. The satellite branches of the Bank were ordered to call on the state and local banks to redeem large balances and notes held by the Bank. Rothbard discusses the precipitous decline as a result of these new policies:

Total demand liabilities of the Bank, including notes, private and public deposits, declined precipitately from $22 million in the fall of 1818 to $12 million in January, 1819, and to $10 million by January, 1820. Of this amount, notes outstanding of the Bank fell from a peak of $10 million in early 1818, to $8.5 million in the fall of 1818, less than

114 Rothbard, 12.

115 Rothbard, The Panic of 1819, 11.
$5 million by the summer of 1819, and $3.6 million by January, 1820. Particularly striking was the decline in the Bank’s public deposits, consisting largely of bank debts accumulated from public land sales. They declined from $9 million in the autumn of 1818 to less than $3 million in January, 1819.\textsuperscript{116}

As state banks were forced to repay their debts to the SBUS, they, in turn, sought repayment from their own borrowers, many “demanding that borrowers from the eastern coastline to Cincinnati repay in specie.”\textsuperscript{117} This severe contraction in the domestic economy, coupled with the free fall in European commodity prices, caught small farmers, southern planters, and rising entrepreneurs who had borrowed extensively—too extensively—against bank reserves, in a wave of business failures, unemployment, contracting credit, and bankruptcies that swept the country like a virus. So severe was the Panic that it rocked every sector of the American economy. As historian Daniel Dupre writes:

The Panic of 1819 was the first major depression of the nineteenth century and it shattered the prosperity and confidence of the postwar years, shaking people up and pushing them to confront government policies in search of both the causes of and solutions to the crisis. \textit{Tariffs, specie, bank notes, bankruptcy and stay laws all became fodder for popular debate.}\textsuperscript{118}

\textsuperscript{116} Rothbard, \textit{The Panic of 1819}, 18.


The debate was, indeed, popular. A perusal of newspapers of the period shows the general population’s attitude toward the economic situation in the country. A letter to the editor of The Aurora newspaper, dated February 4, 1819, entitled "Scarcity of Money" reads:

Every man in the community complains of the scarcity of money—the slackness of all kinds of business; the measures of the government, and the publications of newspapers, generally alike tend to confound the host, and expose the inexperienced to uncertainty and apprehension. Every one appears eager to discover the causes, but as Dr. Franklin said of a domestic who was very slow of apprehension—every one appears "to look for the wig any where but in the wig box."

Another anonymous author writes to The Aurora in May 1819:

We do not wish to spurn the feelings of any respectable man or any family by giving a catalogue of bankruptcies, from which this once prosperous city is not more exempted than others. It is so general that it no longer surprises; men whose honor is proverbial, and whose credit stood as high as any in the world, are prostrated and bankrupt and the affliction pervades every avenue of society; nor is this alone the whole evil, for the effect is to produce such hardness of heart and apprehension that the best disposed men know not whom to trust.

This letter shows the effects of the rapidly declining economy on the minds of the people and the challenges that many saw in trying to remain, as Second Great Awakening preachers were admonishing, pious, trustworthy, and forgiving in such a calamitous state of affairs. It was clear that the longer the recession went unexplained, the worse public attitudes about economic policy and the hope for recover became, the greater the fear, and the more widespread the panic.
Among the many pressing problems of the Panic was how to treat the rapidly increasing number of failed debtors—most of whom were from middle-class Protestant households. Having borrowed extensively and being now confronted with demands for repayment, debtors of every ilk were forced into bankruptcy, relying on the notoriously unpredictable chancery court to settle disputes, or the often-conflicting State insolvency laws, enacted in the absence of a uniform federal law. Among the many types of debtors ruined by the panic, those of greatest concern to members of Congress were those indebted to the federal government—purchasers of public land who bought on credit under the aforementioned land scheme. As the backlog of indebtedness increased, Congress repeatedly made efforts to relieve these debtors—extending repayment terms in an effort to ease the burden. In the first year of the panic, the debt owed to the federal government for lands purchased in the West was $23 million. With the prospect of repayment increasingly unlikely in the midst of the panic, Congress continued to postpone repayment on these lands, passing legislation in 1818, 1819, and 1820, all delaying repayment by a year, which was, as everyone involved knew, a temporary solution to a widespread and complex problem.\(^{119}\)

Senator Thomas Benton, writing during the panic, acknowledged the demand for federal intervention and relief, in the form of bankruptcy protection and other measures. He writes that the panic was,

A period of gloom and agony, no money, either gold or silver; no paper convertible into specie; no measure or standard of value left remaining...No price for property or produce. No sales but those of the sheriff or marshal. No purchasers at the execution sales but the creditor or some hoarder of money. No employment for industry—no demand for labor,

no medium of exchange but depreciated paper. Distress, the universal cry of the people.

Relief, the universal demand, thundered at the doors of all Legislatures, State or Federal.\textsuperscript{120}

There were two federal bankruptcy laws introduced in both the 16\textsuperscript{th} and 17\textsuperscript{th} Congresses. Despite not having passed both chambers, the laws are important in that they were the first to extend bankruptcy protection to all debtors, regardless of profession. John Sergeant of Pennsylvania added the amendment to the second bill, arguing that “there are more insolvent debtors than ever before,” but that fact, whether true or not, did not save the bill, which subsequently died in the Senate. Using highly poetic, and potently sentimental language, Sergeant urged his colleagues on the floor of the House:

And the unfortunate who now stand in need of [the bankruptcy bill’s] relief, what shall we say to them? They are waiting in anxious and trembling expectation, their eyes turned towards us with an intensely earnest and imploring look. If that bill pass, imperfect as you may deem it to be, their suspense will terminate in tears of joy and gratitude. Many a glad heart will you make, now weighted down with sorrow.\textsuperscript{121}

One of the great ironies of this Congressional aversion to a voluntary bankruptcy law lay in the practical reality of the Act of 1800. The law allowed any debtor to simply ask a friendly creditor to institute bankruptcy proceedings against him so that he could sell off his assets and discharge his remaining debts. This massive loophole led many to regard the bill as discriminatory; they argued that merchants were essentially treated as a privileged class—one simply had to ask a

\textsuperscript{120} Warren, \textit{Bankruptcy in United States History}, 25-6.

 creditor to bail them out, legally, from the burden of debt, at the expense of all other creditors. Yet, somehow, despite this loophole being common knowledge, Congress was not able to muster the votes to pass anything approaching a truly voluntary bankruptcy law, at least not for another two decades.

While the battle over a formal, federal bankruptcy law in the wake of the Panic of 1819 would eventually be lost, the spirit of legislative forgiveness and economic rebirth remained very much alive. There were considerable efforts from both House and Senate members sympathetic to the cause of bankruptcy on the federal level to relieve the plight of those who found themselves indebted to the government, having purchased federal lands under the scheme that began in 1800. Senator Richard M. Johnson of Kentucky submitted a bill directed toward helping these debtors; the bill would have allowed debtors to relinquish a prorated portion of their land back to the government, and keep the title to the lands they had already paid for. Johnson was an outspoken advocate for a full bankruptcy system, arguing from the floor of the Senate:

If modern experience can suggest an improvement in the wisdom of the ages, let the system be made still more complete. Take the little that is reserved. Strip the debtor of everything that can benefit the creditor; but do not take that which will degrade the man, reduce his wife to unnatural widowhood, the children to untimely orphanage, and inflict the keenest wound upon the whole family, without one solitary advantage to the creditor, except the infernal pleasure of gratifying the most diabolical of all human passions, the revenge of a vindictive spirit.122

122 “Speech of Colonel Richard M. Johnson, of Kentucky, on a Proposition to Abolish Imprisonment for Debt, Submitted by Him to the Senate of the United States, January 14, 1823” (Boston: Printed for the Society for the Relief of the Distressed, by E.G. House No. 18, Cornhill, 1823).
Senator John Walker of Alabama also introduced an amendment to the bill that would allow for forgiveness of any interest due on the outstanding debt—a provision that was supported by the Secretary of the Treasury William Crawford. Eventually, the bill that passed the Senate included two additional provisions: 1) the remainder of the debt would be paid in eight annual installments rather than three; and 2) a 37% reduction in the overall sale price for debtors who were able to pay promptly.

As we saw in the debate over the Bankruptcy Act of 1800, however, one of the major arguments over these proposals was the question of application: how do we offer relief to deserving insolvent debtors without also opening the door to frauds and schemers? The original committee report indicated that “those who had originally purchased the land from the government” would be the only eligible debtors; as such, relief would not have applied to subsequent purchasers or land speculators. This provision was swiftly rejected, however, as Senators argued that many debtors bought lands from the original purchasers at even higher prices and were suffering as much, if not more, than the original purchasers. As for the speculators, several Senators took up the fight against them, arguing that the spirit of forgiveness demanded that relief should be offered to settlers, not those who simply sought to profit from the sale of lands in the West. Senator Walker of Alabama found this argument unpersuasive, arguing that there was no legitimate reason why the government should discriminate against certain purchasers since the lands were sold to the highest bidders in good faith. Moreover, he argued, the government itself had fostered the rampant speculation on public lands. The proposed amendment to exclude speculators never even made it through to a committee.\(^\text{123}\)

\(^{123}\) Rothbard, *Panic of 1819*, 42.
The primary reason that these land relief measures were successful was because they did not impair private contracts. Opponents to bankruptcy relief, or debtor relief of any kind, reasoned that the federal government, because it was a party to the contract, could legislate however it liked on public contracts, but in the private sector, they argued that the government had no place interfering with private agreements. As Congress struggled to pass a bankruptcy relief law in response to the panic, the individual states began to inundate Washington with petitions for some form of relief. In Massachusetts, for example, the state legislators, the “merchants and traders of Massachusetts, as well as those who have been laboring under the evils” of a ruined economy insisted that the federal government preserve the “interests of commerce” and the “cause of humanity” and “beg leave respectfully to suggest the expediency of establishing throughout the United States a uniform system of bankruptcy.” The merchants of New York responded in kind: “Your memorialists forbear to urge those arguments which are calculated to operate upon the heart, by approaching it through the feelings of compassion in favor of the unfortunate.” The state governments, however, were not the only ones calling on Congress to pass bankruptcy and economic reform measures.

The Second Great Awakening and the Bankruptcy Debate

As this debate raged on in Washington, the rest of the country was experiencing the effects of a religious upheaval that would forever change the face of religion in America—the

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124 Petition No.72 from the Merchants and Traders of the Town of Boston, and, of Other Towns within the State of Massachusetts To the Honorable Senate and House of Representatives of the United States of America in Congress Assembled, “Uniform System of Bankruptcy,” (Communicated to the Senate December 27, 1819), Library Company of Philadelphia.

125 Petition No.478 from The Chamber of Commerce of the City of New York, (Communicated to the Senate January 10, 1820), Library Company of Philadelphia.
Second Great Awakening (SGA). What we find, upon closer examination of this religious phenomenon, was that the religious leaders working during the SGA, as opposed to their earlier counterparts, were very sympathetic to the cause of capitalism; however, they felt that it must be tempered by Christian morality. The blending of a discourse of religious activism, especially among evangelicals, with the political discourse on the subject of federal bankruptcy was surely no accident. As the newspapers of the period so clearly demonstrate, the topic of bankruptcy reform was on the minds of many Americans. One essayist of the period writes, “Among the many objects to which the circumstances of the times call our attention, there are few, perhaps, of an internal nature, that are of more importance, than a general and uniform regulation of the estates of embarrassed men.”

Another declares that, “A general bankrupt law is now the voice of the people.” The efficacy of religious efforts in the area of economic reform, and in particular bankruptcy law, can be viewed as part of the religious reformers’ larger successes in the area of social reform more broadly considered. In a discussion of the contrasts between the eighteenth century Great Awakening and the nineteenth-century “Second” iteration, historian Daniel Walker Howe argues that

[I]ndeed, for all the attention that has been devoted to the so-called Great Awakening and its effects, it seems likely that its nineteenth-century counterparts were even "greater" in their impact on American culture and politics. [...] The later evangelicals became more self-conscious shapers of society and opinion than their eighteenth-century predecessors,

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for they increasingly strove to subject social institutions and standards to divine judgment
and to "reform" that is, reshape them accordingly.\textsuperscript{128}

Many early bankruptcy advocates sought to do precisely this—to reshape economic policies
surrounding the debtor/creditor relationship in a way that was more in line with evangelical
teachings on forgiveness. This bundling of religion and politics, as we will see, had everything to
do with the way the national discourse on bankruptcy developed over the course of the century.

The effect of the Second Great Awakening on American political discourse has been
discussed by various historians of the period. Donald Mathews argues that, “the Awakening in its
social aspects was an organizing process that helped to give meaning and direction to people
suffering in various degrees from the social strains of a nation on the move into new political,
*economic and geographical areas.*” Nathan O. Hatch has written about the “egalitarianism
powerfully at work” during the Second Great Awakening. During a period when there were no
national business organizations, and the only nationwide governmental unit was the post office,
the evangelical movement was, by contrast, highly organized, vocal, and nationalized. Howe has
pointed out that the evangelical movement was a “counterpart of the so-called American System,
the political program of Henry Clay and the Whig party.”\textsuperscript{129} He writes:

Both [the evangelical movement and the American System] represented an imposition of
system and direction on a formless society. *Addressing religious and moral issues on the
one hand, and banking, the tariff, internal improvements, and land sales on the other,* the

\textsuperscript{128} Howe, Daniel Walker. “The Evangelical Movement and Political Culture in the North During

\textsuperscript{129} Howe, “The Evangelical Movement,” 1223.
evangelical movement and the American System stood for conscious planning and collective purpose, rather than laissez-faire.\textsuperscript{130}

We know that the Second Great Awakening was a massive movement characterized largely by unity of purpose, as Perry Miller and others have argued, and that the successful recruitment of tens of thousands of evangelicals was unprecedented in American history. What has not been discussed, however, is the tremendous impact that the Awakening’s discourse on the notion of rebirth had on collective understandings of forgiveness not only in the arena of American religion, but also in the arena of American law.

The Rhetoric of Rebirth

The Second Great Awakening was, of course, largely an evangelical phenomenon, dominated by Methodists, Episcopalians, Presbyterians, and Baptists. One of the distinguishing features of evangelicalism, and one that is key to this project, is the insistence upon a “new birth,” or the doctrine of regeneration. This doctrine finds its source in the Gospel of John, wherein Jesus says, “Except a man be born again, he cannot see the kingdom of God.”\textsuperscript{131} While the doctrine of regeneration was a subject of great debate between different Christian denominations, with different understandings of how the process itself worked, rebirth typically included a conscious, willful commitment to Christ, usually at some definable moment in one’s life, made in response to God’s divine grace.

Massive numbers of evangelicals were recruited during the first three decades of the nineteenth century, and while there were significant differences between denominations, the

\textsuperscript{130} Howe, “The Evangelical Movement,” 1223.

\textsuperscript{131} John 3:3
doctrine of rebirth was an integral part of their faith. As the Reverend Samuel Wright preached in New York in the summer of 1802, "Nothing can be of greater importance than to understand the nature, and be persuaded of the necessity of regeneration."\textsuperscript{132} Another preacher, Nathaniel Taylor, from New Haven, writes:

\begin{quote}
The doctrine of regeneration, then, \textit{is an essential doctrine}, because it declares the necessity of \textit{a radical change of moral character}, or of the production of holiness in the human heart, which before this change is utterly destitute of holiness. It is essential on this account; and the moment you suppose it to be any thing else, it loses all this importance.\textsuperscript{133}
\end{quote}

Being reborn spiritually, they believed, would necessarily result in a fundamental change in outward behavior. Reverend Wright continues: “Natural conscience is neither so soon alarmed upon a miscarriage, or so easily convinced of a fault, nor so much concerned at what is amiss, \textit{nor so hard to forgive and quiet itself after an offense}, as the renewed conscience is; so that it all these instances, we may observe a very great difference between the regenerate and the unregenerate." In Wright’s mind, having been reborn renders the very act of forgiving itself easier. The connection to bankruptcy here seems quite pertinent: if one has been reborn spiritually, and it is, thus, easier for him to forgive the offences of his fellow man, then why not also freely forgive a man who stands in need of economic as well as religious rebirth because of his insolvency?

\textsuperscript{132} Wright, Samuel, \textit{A Treatise on That Being Born Again, Without Which No Man can be Saved}, (New York: William Barlas, 1802), v.

\textsuperscript{133} Taylor, Nathaniel W., "Regeneration the Beginning of Holiness in the Human Heart." A Sermon, (New Haven: Nathan Whiting, 1816), 11.
Rebirth was an intensely spiritual, personal moment, and the early years of the Second Great Awakening gave rise to a flood of popular narratives from Americans recalling their experience. One woman, writing in Bowdoinham, Maine, recalls in her diary:

The 6th day of last February, I was taken as it were out of the belly of hell, and my feet set upon a rock, and a new song was put in my mouth, ever to praise the most high. The heavens, which I before thought were a gloomy aspect, now seemed to glitter with the glory of God. And the animal creation seemed jointly to whisper praises to their Creator. This new scene reminded me of man in his first happy state. In this frame of mind I have a view of the justice of God, and of Christ’s sufferings, which I can describe to none but those who have drank of the same fountain.134

Another woman, Harriet Livermore, writes:

I retired to my chamber and locked my door. No eye but those flames of fire, which fill all Heaven with light, was upon me. I sat in the corner of the room, trying to meditate upon my situation, when a sudden impulse moved me to give away to Jesus. I dropped quick upon the floor, crying, “Jesus, thou Son of David, have mercy on me.” I can recollect no more, till I stood upon my feet and wailed around the room, where all about me seemed wrapt in mystery. […] I believe when a soul is given to Christ, he separates the weeping sinner from old crimes; and heals every wound, making perfectly whole. The new-born soul is white as snow.135


135 Lieson, From Sin to Salvation, 21.
Narratives of the experience of being forgiven and reborn like these, many from middle-class American women, found frequent expression in religious tracts, periodicals, and newspapers throughout the country and would have had a tremendous influence on the way that the millions of evangelicals viewed bankruptcy and forgiveness of debt.

As Rodger Payne has argued, the conversion narrative was widely used as a type of discourse “that was employed by early American evangelicals to speak purposefully of themselves.” According to Payne, evangelicals, “recognized, and endorsed, the paradigmatic and didactic functions of the conventions they utilized in presenting conversion to the reader, and there is no doubt that they intended to manipulate their readers accordingly. But discursive formulas cannot be entirely controlled, and there is sufficient tension within the texts to argue that the language of conversion accomplished much more than the authors intended.”136 Indeed, I argue here that the massive outpouring of conversion narratives had an unforeseen, and heretofore unacknowledged, effect on the national bankruptcy discourse. There is an unmistakable correlation between the huge numbers of Americans writing about the process of being reborn on one hand, and the national discourse on bankruptcy advocating for the economic rebirth of failed debtors. John Hammond’s argument supports the notion that there is a distinct and demonstrable correlation between revivalism and political behavior, especially at the polls. Hammond argues that, “if […] salvation is achieved by the performance of acts consonant with a set of religious principles, those principles may well have implications for political behavior, 

which will accordingly be influenced by religious obligation.” Hammond’s argument centers on the relationship between revivalism and abolition and other reform movements of the early nineteenth century; however, the central thesis of his argument is applicable to the economic reform movement and the bankruptcy debate as well. We know, for example, that the adoption of a federal bankruptcy law was a highly partisan issue, with the Federalists, Whigs, and later the Republicans all in favor of a federal law, while the Jeffersonian Republicans, and the Jacksonian democrats opposed it. We also know that Revivalist communities overwhelmingly voted Republican in every election with one exception—the Bryan ticket of 1896. If, then, as Hammond argues, “a systematization of religious belief around ascetic principles attempts to create a meaningful total relationship of the pattern of life to the goal of religious salvation,” then the doctrine of rebirth, which is predicated on Christ’s forgiveness and the reborn person’s subsequent forgiveness of others, would likely translate to social and political support of the only law in American history that mandates forgiveness: bankruptcy.

In addition to the doctrine of rebirth, it is also necessary to note the transition from Predestinarianism to Arminianism during this period. Nathan O. Hatch, in The Democratization of American Christianity shows in great detail “how ordinary folk came to distrust leaders of genius and talent and to defend the right of common people to shape their own faith and submit to leaders of their own choosing.” This liberalization of Christianity during the Second Great Awakening played a critical role in the evolution of the bankruptcy law. As Arminianism’s more democratic view, which asserted that one could be forgiven and saved through good works rather


than being arbitrarily chosen, more Americans began to believe in the idea that salvation was a matter of their personal actions rather than divine predestination. At the same time, parallel with this liberal opening of regeneration and forgiveness to all who sought them we see more and more arguments for the “liberalization” of forgiveness in the bankruptcy debate.

As noted in the previous chapter, bankruptcy laws with any type of discharge provision had traditionally been written exclusively for those in the merchant class. As we will see later in this chapter, that argument became antiquated and many members of Congress, such as John Sergeant of Pennsylvania and Nicholas van Dyke of Delaware, urged a more liberal, egalitarian approach to forgiveness under the bankruptcy law—precisely the kind of approach advocated by Susannah Rowson and other authors who would echo those same sentiments in their writing.

A LITERARY RESPONSE TO THE BANKRUPTCY QUESTION

It is no surprise that, given its ubiquitous nature, the panic had a direct influence on the imagination, generating popular narratives of failure, bankruptcy, and the woes of the poor. The panic inspired a tremendous outpouring of creative responses, including essays, newspaper editorials, paintings, and religious sermons, which frequently invoked images of the distraught, the economically distressed, the ruined speculator, the failed entrepreneur, or the wives and children of destitute prisoners of debt. Among those writers directly affected by the panic, was the young James Fenimore Cooper.

As the national economy was collapsing during the panic, Cooper was dealing with serious financial difficulties in his own life. When Cooper’s famous father, William, died a decade earlier, in 1809, a series of transitions began in the Cooper household. The Cooper brothers, in sequence, would serve as executors of their father’s estate. Between the time of their father’s death and the onset of the panic, all four of Cooper’s elder brothers died, none having
reached the age of forty. At the time of their father’s death, the estate was confronted with a considerable amount of debt, much of which was old debt, and the majority of the assets were in real estate, not cash. Thus, from a relatively early age, Cooper was faced with indebtedness, although the materially affluent upbringing of his early years would never have betrayed the extent to which his father’s estate was truly in the red. Despite its considerable land assets, the longevity of the Cooper estate was anything but assured, given the relative instability of land prices during the War of 1812 and their continued lows after the signing of the Treaty of Ghent. These external factors, coupled with a good deal of familial infighting, led to something of a crisis within the Cooper clan. With his brothers now dead, Cooper was left to deal with the burden of finally settling his father’s affairs, a task which none of his brothers was able to accomplish to the satisfaction of the creditors. The family had considerable economic problems as the panic set in. As Cooper biographer Wayne Franklin notes, “As Cooper followed William Parry on his polar cruise and simultaneously brought The Spy to its overdue end over the fall of 1821, certain outward events were driving him hard. Most concerned money.” 139 Cooper’s dreams of living a life of relative ease from of the estate of his father were evaporating with each passing year.

For years, Cooper’s brothers tried to deal with what they had dubbed the “Bridgen suit.” The suit itself was actually a series of legal actions brought on behalf of the estate of Thomas Bridgen, a real estate partner of William Cooper in the 1790s. The original debt owed to Mr. Bridgen was approximately $4,500, but over the course of several years interest had accumulated; by the time Cooper became the executor of the estate, the total was nearly $11,000,

which would equate to nearly $250,000 today, not an inconsiderable sum. As the effects of the panic set in, particularly the precipitous drop in land values, Cooper, who would have been able to pay such a sum easily during more economically favorable times, was faced with having to pay debts with money he did not have, borrowing extensively from family members, and eventually was forced to sell his father’s land at shockingly low prices. William Cooper’s beloved mansion, Otsego Hall, which was at one point valued at $15,000, sold for a mere $1,650 at auction. His son later sold 4,000 acres in upstate New York for $1,600, which amounted to about a tenth of its value.  

All of these troubles from the Bridgen affair came during an extremely difficult time for Cooper; he had been borrowing money for years in expectation of a handsome inheritance that would never fully materialize. He had borrowed from his in-laws and other friends of the family and was finding it increasingly difficult to repay them. As he sat teetering on the precipice of financial ruin and unavoidable bankruptcy, he took up his pen and began to write what would become his first novel, *The Spy*. The moderate success of Cooper’s first efforts as an author could not have come at a more opportune moment in his life. He quite literally wrote his way out of bankruptcy court and into something that resembled financial stability. Despite this modest success, the traces of economic fragility, both his own and of the thousands of others across the country, would continue to inform his writing. This connection between his craft as a writer, and the economic peril that it helped him to avoid, surfaces clearly in his most famous novel, *The Last of the Mohicans*.

In addition to the financial motivations, Cooper used his writing as a way to escape from the dramas of his own personal life: “So far the family gift was his—as indeed it would be in the

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140 Franklin, *James Fenimore Cooper*, 303-309
dozens of fictions he soon was to start making up and marketing as his primary escape from the disaster that even now, though he hardly recognized the fact, was encircling the remains of his family.¹⁴¹ Given the chaos out of which Mohicans was composed then, I want to position my reading of Cooper’s most famous work as one that was colored by his own contemporaneous fiscal maladies, one that resonates against the backdrop of national discourse, both religious and political, on debt, failure, and the role of bankruptcy and forgiveness in American society.

Cooper’s work, as John McWilliams frames it, consists of an odd admixture of “derring-do with an abstract political and social commentary,”¹⁴² McWilliams notes how “as a commentator upon national politics, […], Cooper repeatedly saw the largest of issues in the smallest of events.”¹⁴³ Given this tendency in Cooper more generally, it becomes important to ask just how Cooper takes on the larger issue of personal and national economic instability in the framework of the several generic conventions he employs.¹⁴⁴ In what follows, I make two related

¹⁴¹ Franklin, James Fenimore Cooper, 310.

¹⁴² McWilliams, John P., Political justice in a Republic: James Fenimore Cooper's America, (Berkeley: University of California Press, 1972), 6.

¹⁴³ McWilliams, Political Justice, 11.

¹⁴⁴ As Michael Davey has noted, “Although often treated as a typical American Romance, such a classification of Mohicans overlooks the variety of narrative modes Cooper drew upon in constructing his fourth novel. Although the most important source in the book’s genealogy is certainly the historical romance in the tradition of Sir Walter Scott's Waverley, Cooper also included conventions associated with sentimental fiction, the Gothic novel, the captivity narrative, the paintings of Cole and other Hudson River School artists, as well as relying heavily on historical source material including writings on the actual battle at Fort William Henry and the native tribes. In short, Mohicans is a book whose use of available narrative and aesthetic modes defies easy generic classification.” See, Davey, Michael “Convention and the Limits of Biography for Literary Criticism: Fathers, Daughters, and Sentiment in Cooper's Last of the Mohicans” Originally published in: James Fenimore Cooper: His Country and His Art, Papers from the 1999 Cooper Seminar (No. 12), The State University of New York College at Oneonta. Oneonta, New York. Hugh C. MacDougall, ed. 19.
claims concerning Cooper’s novel and its relationship to, and commentary on, issues of the national economy. The first is that *Mohicans* is a novel centered, not only thematically, but also structurally, around cycles of profit and loss; Cooper creates a fictional world that is, not unlike his own life, continually disrupted by reversals of fortune. These scenes of profit and loss, of what I view as forms of “commodity” exchange, draw on language and terminology typically used in economic discourse; indeed, nearly all of these reversals of fortune serve as an opportunity to introduce the language of exchange and barter. As a result of this practice throughout the text, I argue that Cooper has created in *Mohicans* what I will refer to as a “wilderness economy,” a series of exchanges in a lawless world without rules or regulations, without civility, without predictability. These exchanges, as they do in the real world American economy, result in cycles of profit and loss, which are woven into the structure of the novel. These often violent exchanges—an endless cycle of buying, selling, and stealing, are what drive the plot itself. In structuring the novel this way, I argue, Cooper is at once undercutting and lamenting the fact that so many Americans equated economic activity with human progress, an equation he would have found morally repugnant. *Mohicans* is, thus, in my reading, a social commentary on the economic uncertainties of the time and a lamentation over the ruin and devastation caused by the panic and the greed that precipitated it; the end result of these endless and violent exchanges in the economy of the wilderness is, quite simply, death and more death. My second and related interest concerns the role of revenge and forgiveness in the text. What drives these endless exchanges, from the first paragraph of the novel on, is the desire for vengeance—and for Cooper this is a horribly misguided, negative approach to structuring a community. My reading of Cooper’s treatment of revenge is in direct contrast to a recent study by Brian Elliott, who argues that in the scenes of revenge, “we are given a picture of the most
basic workings of group formation through vengeance, as feelings of loyalty and the
requirements of duty bring individuals together into meaningful—and violent—sociopolitical
communities. In contrast, as I will show, Cooper’s very clear juxtapositions of scenes of
vengeance with scenes of Christian forgiveness and compassion reveal a very clear bias against
revenge as a form of community building. In Cooper’s view, as expressed in Mohicans,
vengeance, rather than building communities, serves only to tear them apart.

Robert Milder has argued that Mohicans “focuses upon America just at the moment when
it is beginning to be America, yet its dominant mood is one of loss, not celebration.” I agree
that there is indeed a great deal of loss in the novel; but in my reading the novel is not dominated
by loss alone, but by cycles of profit and loss. The novel continuously represents what I read as
figurative “bankruptcies.” When we read Mohicans in its historio-economic context, we are
mindful that it was written during the depression that followed the Panic of 1819, a period in
Cooper’s life that saw many facets of his personal life upended, and his father’s fortune slowly
evaporate. The struggle to save what was left of the estate occupied Cooper’s life for years; it
was a seemingly endless struggle to stave off creditors and maneuver assets and liabilities in an
effort to salvage what he could. There can be little doubt, then, that during the process of writing
Mohicans, the chaotic effects of the panic still weighed heavily upon his mind. Cooper was well
aware that, if not for the generosity and the forgiving nature of his friends and family, who
continued to loan him money with little or no expectation of timely repayment, his entire estate
would have fallen into bankruptcy and the novel itself may never have been conceived, let alone
actually composed. Conversely, unforgiving Bridgen family and the relentless creditors

145 Milder, Robert “The Last of the Mohicans and the New World Fall” in American Literature,
Vol. 52 No. 3 Nov. (1980), 408-09.
associated with that case would surely have engendered a sense of resentment in Cooper—a reminder of the vengeful nature of some.\footnote{I want to point out here that the Bridgen lawsuit was in fact a legitimate debt owed by the Cooper estate—thus, seeking the amount due would not necessarily equate with seeking “revenge.” Where Cooper might have perceive the suit as a form of vengeance would have been in Bridgen’s consistent refusal to settle the claim for, in Cooper’s mind, a fair sum; there was a considerable portion of the claim against the estate that had only vague documentation to support it and was thus, in Cooper’s mind, up for negotiation.}

The novel is set in a place that reflects the chaos of the panic; it is a world without laws, without rules, and without certainty—it is described as an “unhallowed and supernatural arena, in which malicious demons had assembled to act their bloody and lawless rites” (745). It is replete with scenes of good fortune that are followed quickly by devastating loss. In structuring the novel in this way—an endless cycle of prosperity and failure, Cooper points to and raises questions about the overall economic stability of the country itself. In the opening chapter, Munro daughters leave Fort Edward and set out with Duncan Heyward and their guide Magua. They begin in a position of privilege and security. Not long after the group’s departure, however, they learn the truth about their “guide,” Magua, who, after Hawkeye intuitively recognizes him as “one of the cheats,” escapes into the forest after revealing his disdain for the “pale faces,” who “make themselves dogs to their women.”\footnote{Cooper, James Fenimore Last of the Mohicans (New York: Library of America, 1984) 516. All further references will be to this edition and will be noted parenthetically in the text.} Shortly after their first rescue by Hawkeye and the Mohicans, they find themselves at the “foot of Glenn’s,” once again lulled into a false sense of security, as Heyward naively asserts, “We are now fortified, garrisoned, and provisioned!” (525). However, this security is once again short-lived and Hawkeye reminds them all of the
precariousness of their position by pointing to the unpredictability of the water that shelters them:

Look at the perversity of water! It falls by no rule at all; sometimes it tumbles; there, it skips; here, it shoots; in one place ’tis white as snow, and in another ’tis green as grass; hereabouts, it pitches into deep hollows, that rumble and quake the ’arth; and thereaway, it ripples and sings like a brook [...] the whole design of the river seems disconcerted.

The water serves a dual function here—at once representing the position in which our travelers find themselves—lost in the volatile economy of the wilderness, while also indirectly alluding to the broader condition of a state in which the bottom has dropped out and there seems “no rule at all.”

Immediately after Hawkeye’s poetic contemplation of the, “rebellious stream,” the group is attacked by Magua. After a protracted struggle, the party once again falls victim to the vicissitudes of life in the forest, and the women exchange hands once again: “the cavern was entered at both its extremities, and [Heyward] and his companions were dragged from their shelter, and borne into the day, where they stood surrounded by the whole band of triumphant Hurons” (571). It is at this point in the novel that we learn that Magua’s entire motivation for capturing the Munro sisters was to seek vengeance against their father who, according to Magua

148 Many economists, including Murray Rothbard, have acknowledged that the Panic of 1819 was the first true cyclical depression in American history. Rothbard notes: The Panic of 1819 was America’s first great economic crisis and depression. For the first time in American history, there was a crisis of nationwide scope that could not simply and directly be attributed to specific dislocations and restrictions—such as a famine or wartime blockades. Neither could it be simply attributed to the machinations or blunders of one man or to one upsetting act of government, which could be cured by removing the offending cause. In such a way had the economic dislocations from 1808–15 been blamed on “Mr. Jefferson’s Embargo” or “Mr. Madison’s War.” In short, here was a crisis marked with strong hints of modern depressions; it appeared to come mysteriously from within the economic system itself. Without obvious reasons, processes of production and exchange went awry” (vii).
“made evil, and then punish[ed] for it” (588). The evil, of course was “firewater,” and when Magua was found intoxicated at Munro’s camp he was “whipped like a dog,” for his transgression. He has never forgotten this “injustice,” and, as Cora frames it, he would “then revenge the injury inflicted by Munro, on his helpless daughters.”

Magua then reveals his true intentions to Cora: “When Magua left his people, his wife was given to another chief; he has now made friends with the Hurons, and will go back to the graves of his tribe, on the shores of the great lake. Let the daughter of the English chief follow, and live in his wigwam for ever” (589). Magua uses this opportunity not only as an avenue for revenge, but also as a method of exchange—another layer of profit and loss. Magua’s banishment from his Huron tribe saw him lose his wife to another chief (a loss); as such, he sees the opportunity to exchange his lost wife for new one (profit). Her profit value in this exchange is two-fold: she is a source of revenge against Munro and also a physical (and hence economic) replacement for his former wife; he explains her economic value: “The daughter of Munro would draw his water, hoe his corn, and cook his venison. The body of the gray-head would sleep among his cannon, but his heart would lie within reach of the knife of Le Subtil” (590). As a result of the loss of Alice and Cora, Heyward and his companions are forced into action—and to seek revenge; a cycle that simply repeats endlessly.

Not longer after their loss at the waterfall, the women are once again rescued by Hawkeye, Uncas, and Chingachook and are taken, at last, to their father at Fort William Henry. In one of the few moments of respite in the novel, the women are reunited with their teary-eyed

149 It is interesting to note here that Cooper chose the name “Cora” for his heroine, for Kore (pronounced the same as Cora) is the alias of Persephone, daughter of Zeus and Demeter; she is the goddess of both the underworld and of vegetation—thus, she figuratively represents the process of death and rebirth in the natural world; it is a fitting name for a character who is involved in a seemingly endless series of exchanges between two dramatically different worlds.
father while Heyward, Uncas, Hawkeye, Chingachook, and David Gamut are all given the opportunity to rest from their ordeal in the forest. Once again, the prosperity is fleeting, however. In a scene that figures Munro as destitute, figuratively bankrupt, with insufficient assets to fight off the French army, the fort is subsequently surrendered to the Montcalm, who allows them to retain their provisions, weapons, and their colors, not unlike a generous creditor seeking only the assets of value to himself. The fort is vacated the following day and during the somber march, the vengeful Hurons, in what is without question the most violent scene in the novel, brutally murder men, women, and children, most of whom are unarmed and unsuspecting. During the chaos, Magua seizes the Munro daughters once again and they are taken north to the Huron village. A pursuit ensues with Hawkeye, the Mohicans, and Munro on the trail of the young women. After Alice is rescued, a brief respite in an otherwise breathless narrative, the negotiation over Cora ends with Magua again walking away with his prized possession—the figurative “heart” of Munro—all in the name of revenge. Another moment of calm is disrupted by devastating loss—and scenes like these continue throughout the novel until the very last chapters when Cora is taken by Magua, as Hawkeye and Uncas pursue them, only to see Magua, Cora, and Uncas die in battle. Leland Person argues that, “Even a quick survey of Cooper’s fiction reveals a remarkable number of scenes whose basic structure and elements we take for granted and seem deeply embedded as a kind of deep structure in our imaginations.”

It is this sense of a deep structure that has powered the myth criticism so common in Cooper studies, (e.g., Slotkin), the recasting of the story and its characters into archetypal terms that represent some aspect of a universal American experience. Nuancing such assumptions about myth in a less archetypal fashion, I would argue that *The Last of the Mohicans* centers on a “deep structure” of the profit and loss cycle,

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so profoundly a part of the American awareness more generally in the early decades of the nineteenth century.

In all of the scenes of exchange in the novel, Cooper is careful to show how, even in a wilderness, there is always a bargain to be made, always an attempt at negotiation following each reversal—a fact that he laments. In a pivotal scene at the Fort, Colonel Munro explains his family history, and how he met Cora’s mother, to his future son-in-law, Duncan Heyward:

She [Cora’s mother] was the daughter of a gentleman of those isles, by a lady, whose misfortune it was, if you will, to be descended, remotely, from that unfortunate class, who are so basely enslaved to administer to the wants of a luxurious people! Ay, sir, that is a curse entailed on Scotland, by her unnatural union with a foreign and trading people. (653)

Munro here laments what he perceives to be the “unnatural union” between Scotland and England—a “curse” that has forced him and his countrymen into an unforgiving cycle of commerce and exchange, seemingly without end, and often with brutal results; and it is this “unnatural union” that has directly resulted in the capture of his daughters. For Munro, who had “shed much blood in different lands” on behalf of the British monarchy, there is little good that will ever come from an overreliance on commerce and trade.

In Mohicans, we also find Cooper juxtaposing the North American wilderness, the natural world of the savage, and the more “civilized,” urban world of the would-be European conquerors. A careful examination of Cooper’s natural world reveals a world empty of human emotions, one “riven by betrayals, ruthless warfare, and the violent winnowing of an indigenous people, a world in which civil usages seem quaint and Christian principles quixotic.” What is
striking is how such a description serves equally well for the commercial world of United States during Cooper’s early life. At the very same time that he was writing *Mohicans*, Representative Lemuel Sawyer, speaking on the floor of the House of representatives, was performing a similar rhetorical move, linking the commercial and natural worlds: “As in a state of nature, each individual is compelled to give up a portion of his personal rights for the safety of the rest, and the good order of the whole, *so, in this anarchy and disorder of the commercial world*, the merchant must surrender some of the powers which he possesses for the benefit of the class to which he belongs.”

A careful reading of the novel reveals Cooper’s further intention to yoke features of the economic and the natural spheres.

After Uncas has saved David Gamut’s life, Hawkeye explains the rules of trade and economy in the wild: “Life is an obligation which friends often owe to each other in the wilderness” (553, my emphasis). In like fashion, Hawkeye admonishes Heyward for failing to recognize the rules of “business” in the wilderness, warning: “Whoever comes into the woods to deal with the natives, must use Indian fashions, if he would wish to prosper” (514). Uncas, the noble savage, is even compared to a money lender: “The young Mohican bent over the track, and removing the scattered leaves from around the place, he examined it with much of *that sort of scrutiny, that a money-dealer, in these days of pecuniary doubts, would bestow on a suspected due-bill*. At length, he arose from his knees, satisfied with the result of the examination” (684,

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152 “Speech of Mr. Sawyer, of N.C., on the Bankrupt Bill, delivered in the House of Representatives, Feb. 16, 1822. (Washington: Gales and Seaton, 1822), 5.
my emphasis). The “days of pecuniary doubts” of Cooper’s own reality were quite clearly still on his mind.

Cooper, in what appears to be a nod to the Bridgen affair, makes a very curious link between vengeance and an overly developed thirst for wealth. After Heyward and the sisters are recaptured at Glenn’s Falls, the military man Heyward tries his hand at the art of persuasion:

Does not Renard mean to turn like a fox on his footsteps, and carry to the rich and gray-headed Scotsman, his daughters? Yes, Magua, I see it all, and I have already been thinking how much wisdom and honesty should be repaid. First, the chief of William Henry will give as a great chief should, for such a service. The Medal of Magua will no longer be of tin, but of beaten gold. (579)

Heyward makes a very conscious effort to appeal to Magua’s material desires by tempting him with Monroe’s well-known riches, and by appealing to his thirst for revenge: “and by the time he reached the part where he so artfully blended the thirst of vengeance with the desire of gain, he had, at least, obtained a command of the deepest attention of the savage” (579). It is as if materiality and vengeance are two sides of the same coin, a relation that we see once again as Cora tries her hand at negotiating with Magua. After Magua summons Cora to speak with her, he recounts the story of how her father had emasculated and disgraced him, publicly whipping him and giving him “marks on the back of the Huron chief, that he must hide, like a squaw under this painted cloth of the whites” (588). As she begins to understand Magua’s motivations, she cleverly tries to appeal to his sense of honor and his manhood: “You would then revenge the injury inflicted by Munro, on his helpless daughters. Would it not be more like a man to go before his face, and take the satisfaction of warrior?” (589). But Magua is much too clever for that, knowing that he stands no chance against the Scotsman. Her negotiating position then turns
from one of strength to one of weakness; she offers herself in exchange for the safety of her sister: “is there no reward, no means of palliating the injury, and of softening your heart? At least, release my gentle sister, and pour out all your malice on me. *Purchase wealth by her safety, and satisfy your revenge* with a single victim” (589). Again, we see vengeance and wealth yoked together in the same phrase.

The post-Revolutionary perception that wealth and luxury tended to corrupt, and that the wealthy were less sympathetic than the middle class, was a common one. We see this idea reflected in many novels of the period, as here, in a speech by Lemuel Shaw, jurist, lawyer, member of the Humane Society, and the father-in-law of Herman Melville: “We must admit the tendency of the […] increase in wealth and its attendant luxuries, to impair our sympathy, and to add energy and activity to the selfish passions […] his desires are awakened, by more alluring and seductive forms of pleasure. *His anger and revenge are kindled, by keener feelings of indignation*, more refined, perhaps more fastidious notions of honor, and more frequent occasions of collision.”

Like Shaw, Cooper saw in the aimless pursuit of wealth for wealth’s sake the potential for immoral, even vengeful behavior, should that pursuit be thwarted or undermined. As Cooper saw in Bridgen family’s incessant efforts to settle a score, the overwhelming desire for material gain often leads to suffering.

REVENGE IN THE *LAST OF THE MOHICANS*

The profit and loss structure of Cooper’s novel is bolstered by a narrative that continually pits Christian teachings on forgiveness against the Huron desire for revenge. While the prolific violence of Cooper’s wilderness tales has been noted in scholarship, the examination of revenge

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as a specifically meaningful act in and of itself has not been foregrounded. Cooper’s violence has largely been overlooked by critics and seen as a by-product of narrative exigencies rather than an integral part of them. In this section, I want to reconsider Cooper’s violent acts of revenge as a form of social commentary on the pervasiveness of revenge and greed in his own contemporary society.

As I noted earlier, my reading here builds upon, but also departs from, a recent study by Brian Elliott who argues that the vengeance motif in the novel actually serves “to provide groups with a sense of communal identity.” As Elliott rightly points out, the “mythic” reading of *Mohicans*, fostered by Slotkin, D.H. Lawrence, and Henry Nash Smith, among others, focuses on the ways in which archetypal characters, such as Uncas and Natty Bumpo, struggle for self-definition; the players are abstractions, allegorical figures “fighting an epic battle of individual—and by extension, national—creation of the self in the crucible of the desert wilderness.” The effect of these reductive allegorical readings of the novel is that they tend to view characters in isolation, while ignoring the larger social dynamics at play in the novel. If we are to read *Mohicans*, as Slotkin suggests, as “part of a broader cultural response to the changes taking place in American society,” then we must consider the commentary that the work offers on the role of revenge in the larger society.

Cooper’s commentary on revenge is aptly suited to one involving Native Americans, particularly given the cultural mandate of revenge within so many subgroups of Native American culture, a mandate standing in sharp contrast to the teachings on forgiveness in the Gospels. This was a point surely not lost on Cooper, one of the founders of the American Bible Society and a

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155 Elliott, “Messengers,” 164.
strong advocate for missionary work. As Native American scholar Wayne Lee has noted, “above all, the killing of a member of one group mandated revenge on the perpetrator’s people. *Blood demanded blood*.\(^{156}\) Cooper himself was well aware of this cultural norm, writing repeatedly of the “revengeful impulses that in a savage seldom slumber,” and reminding readers that, “revenge is an Indian feeling [...] with which they were familiarized by the practice of centuries” (593, 796).

As I have noted, and a point on which Elliott and I agree, the plot of *Mohicans* is driven entirely by revenge, a sentiment that eventually, and not accidentally, touches all of the characters in the novel—however, for Elliott these violent acts of vengeance serve as positive, group-building experiences. I find this unpersuasive; I argue that Cooper’s intention was to demonstrate the *destructive*, not the *constructive*, power of revenge. We learn early in the novel that the motivating factor behind everything that happens, every plot development, every exchange, is revenge. Magua’s sole motivation for capturing Munro’s daughters is revenge for having been publicly shamed and humiliated. After defecting to the Mohawks, enemies of his own Huron tribe, Magua became entangled in the French and Indian War, working for the British. He sided with the able Scotsman Munro against his own people. While under Munro’s command, Magua breaks a military regulation by going to his commander’s tent intoxicated. Flogged for this offense in the presence of the garrison, Magua suffers irreparable injury to his pride. This act of humiliation is the drive for everything Magua does in the novel. As Midler

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points out, the “abduction of Cora and Alice [by Magua] enacts on the private level the historical pattern of Indian revenge, which dominates the first half of the novel.”

In an effort to demonstrate the destructive power of revenge, Cooper carefully juxtaposes these scenes of revenge with scenes of compassion and forgiveness. As Cora and Magua haggle over whether she will sacrifice her freedom for her sister and Duncan Heyward, she discovers Magua’s sense of having been emasculated. Seeing this as an opportunity to appeal to some sense of humanity and justice, she says, “but it may be appeased. If my father has done you this injustice show him how an Indian can forgive an injury, and take back his daughters” (588).

After her attempts at negotiation fail, she laments, “He is a savage, a barbarous and ignorant savage, and knows not what he does. Let us find leisure, with our dying breath, to ask for him penitence and pardon” (594 my emphasis). This is the ultimate Christian gesture—to ask for penitence and pardon for the man who is about to kill you.

In the most powerful and overt of these scenes of juxtaposition, David Gamut, the psalmist, explains to Hawkeye that:

I am an unworthy and humble follower of one, who taught not the damnable principle of revenge. Should I fall, therefore, seek no victims to my manes, but rather forgive my destroyers; and if you remember them at all, let it be in prayers for the enlightening of their minds, and for their eternal welfare. (783)

Cooper also offers a reading of revenge that draws on myth as much as any particular historical event. In so doing, he turns to two major English predecessors who take revenge as their subject. In juxtaposing the wisdom and beneficence of forgiveness with the ruthless, savage qualities of revenge, *Mohicans* draws from *Paradise Lost* and *The Merchant of Venice*. Here, I

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157 Milder, “The Last of the Mohicans and the New World Fall,” 411.
am building upon Robert Milder’s analysis, which notes many of the Miltonic references in *Mohicans*. For Milder, the blending, or overlaying of myth and history serves as a “metahistorical coloring” and a commentary on the troubled origins of America itself. I depart from Milder in that I read this blending as a metahistorical commentary on the pervasively negative effects of revenge. Cooper, invoking one of the most widely known stories of revenge in history, describes Magua as “the Prince of Darkness, brooding on his own fancied wrongs, and plotting evil” (799). Milder suggests that, “Magua […] rules his subordinate devils through cunning and oratory and consistently stands apart from both the more low-minded and the more thoughtlessly ferocious savages, just as Satan does from Mammon and Moloch.” Realizing the power of God and the futility of a war against him, Satan determines to take out a “surrogate” revenge against God on his children. Similarly, in the novel, Magua’s revenge against the powerful Munro is taken out his children; he undertakes a “hellish vengeance, to complete the baffled work of revenge” (598, my emphasis). In turning to Milton’s iconic retelling of Lucifer’s fall, Cooper invokes the mythic fall in order to convey the destructive power of a vengeance, and also the anxiety surrounding the very real “fall” of the American economy, a phenomenon not lost on the narrator of *Mohicans* who explicitly mentions, “these days of pecuniary doubts” while describing Uncas’s efforts to track the women” (684). More intimately, though, the story recalls the fall of his own father’s empire and the evaporation of his own personal fortune, as echoed in the epigraph to Chapter I, from *Richard II*: “Say, is my kingdom lost?” I would also argue that


159 Milder, 412.
Cooper uses Milton and Shakespeare as a way to lend historical authority to his polemic against revenge.

Having pointed to Milton’s opus as a cultural reference to the futility of vengeance theme, Cooper turns to the work of Shakespeare to offer commentary on how one ought to treat those who are, in fact, indebted and “fallen.” The incorporation of the many epigraphs from Shakespeare’s *Merchant of Venice* provides Cooper with well-known reference to a tale about the utterly reprehensible qualities of a revenge to showcase its destructive qualities. In one of the most striking scenes of the pernicious quality of revenge, Hawkeye has become infected by the desire for vengeance against the French for sitting idly by while the Hurons massacred innocent women and children:

Revenge is an Indian feeling, and all who know me, know that there is no cross in my veins; but this much will I say—here, in the face of heaven, and with the power of the Lord so manifest in this howling wilderness, that should these Frenchers ever trust themselves again within the range of a ragged bullet, there is one rifle shall play its part, so long as flint will fire, or powder burn! (681)

While certainly no beacon of morality in the novel, Hawkeye is typically far more concerned with justice than with revenge—which the Indians would equate with each other. However, after witnessing the Huron’s horrific act of vengeance, he is himself poisoned by it. Later, Magua, having delivered a powerful speech to the Hurons, who are now holding Uncas captive, is described as having “so artfully blended the natural sympathies with the religious superstition of his auditors, that their minds, already prepared by custom to sacrifice a victim to the manes of their countrymen, lost every vestige of humanity in a wish for revenge” (760). Having been given an opportunity, and provocation, to kill Uncas under cover of darkness, Magua refuses,
insisting that “the sun must shine on his shame; the squaws must see his flesh tremble, or our revenge will be like the play of boys” (761).

In the end, the toll of vengeance has affected everyone in the novel. The makeshift community comprised of Hawkeye, Uncas, Chingachook, Cora, Alice, Heyward, Gamut, and Munro has suffered miserably at the hands of Magua’s vengeance, but so too have the Hurons, the Delaware’s, and the Mohicans. In what would be their final effort to regain the captive sisters, Heyward, Hawkeye, Munro, and the Mohicans, through a variety of disguises and other manipulative measures, manage to rescue Alice from the Huron camp, only to once again be denied Cora. This time it is the sage ruler Tamenund, who declares her the “just” property of Magua. After rendering his judgment, Tamenund tells Magua to return with what he came for: “Justice is the law of the Great Manitto. My Children, give the stranger food. Then, Huron, take thine own, and depart” (822). Even Uncas, who is desperately in love with Cora, seems to agree with Tamenund’s judgment. When Tamenund demands an answer from Uncas on the question of Cora’s freedom, He answers, “In sorrow it is so […] A short and impressive pause succeeded, during which it was very apparent with what reluctance the multitude admitted the justice of the Mingo’s claim” (833). Thus, the entire group, Indian and white, admits, on some level, that Magua’s claim was just even as it is also shown to be incapable of forgiveness. Despite Hawkeye’s tempting offer of his own life for Cora’s, Magua returns to the Huron tribe with Cora his prize. Once again, however, vengeance surfaces; this time, however, it is not Magua, as we have come to expect, but rather in Uncas, who decides he will lead an expedition of revenge to retrieve Cora:

The spectacle now became wildly terrific; the fierce looking and menacing visages of the chiefs receiving additional power, from the appalling strains in which they mingled their
guttural tones. Just then, Uncas struck his tomahawk deep into the post, and raised his voice in a shout, which might be termed his own battle cry. [...] In short, the manifestations of zeal and fierce delight were so great and unequivocal, that the expedition was declared to be a war of the nation. (842)

Of course, as the rest of the novel has already shown, the results of their expedition, a mission of vengeance, are tragic; despite Hawkeye’s triumph over Magua, Cora and Uncas are both killed, leaving not only the Hurons, but also the entire Delaware tribe in a state of indescribable despair. Cooper’s lesson here is quite plain, as his narrator takes a more didactic tone than at any other moment in the novel:

The sun found the Lenape, on the succeeding day, a nation of mourners. The sounds of the battle were over, and they had fed fat their ancient grudge, and had avenged their recent quarrel with the Mengwe, by the destruction of a whole community. The black and murky atmosphere that floated around the spot where the Hurons had encamped, sufficiently announced, of itself, the fate of that wandering tribe; [...] In short, any eye, at all practiced in the signs of a frontier warfare, might easily have traced all those unerring evidences of the ruthless results which attend an Indian vengeance.” (865, my emphasis).

Far from building a community of like-minded vengeance seekers, this “nation of mourners” must now pay the very high price for what was their own impulsive act of vengeance. As the bodies of Cora and Uncas lay at rest before the crowd, Tamenund reminds them all that Manitto has passed judgment on them and that they are looking at the faces of that judgment: “You see him not; yet his judgments are before you. Let your hearts be open, and your spirits tell no lie. Men of the Lenape, the face of Manitto is behind a cloud!” (868, my emphasis).
When we connect this representation of the larger effects of personal vengeance back to the broader national discourse about spiritual and economic forgiveness, we see that Cooper is showing us how a policy of revenge in fact compromises any real claim to justice on the part of those who are creditors. By keeping debtors in prison, without the possibility of repayment, a creditor does himself an injustice in that his own claim to have been “wronged” by the debtor in the first place is compromised by his self-harming desire for vengeance. Nothing good will come from revenge, as the narrator reminds us, “From this universal carnage the land itself has been stained with blood” (414). Robert Milder notes, “[b]y organizing his narrative around two Indian atrocities—microcosmically, Magua's abduction of Cora and Alice; macrocosmically, the slaughter at Fort William Henry—Cooper is able to grant the Indians' sense of wronged innocence and at the same time present the Indians' revenge as compromising their claims to justice and perhaps even to survival.”

There seems little doubt that in his personal life Cooper would not have acknowledged the validity of the position of the creditor who is owed money. He made considerable efforts, and at great personal expense, to satisfy the creditors of his father’s estate. As such, it was not Cooper’s mission in Mohicans to merely vilify creditors, or those to whom something is legitimately owed, but rather to point out the problematic moral and social effects of the cycles of profit and loss that he analyzes under the rubric of endless exchanges of captives. Thus, he grants that the Indians—and many who choose the path of revenge as a result of such cycles—have indeed been wronged, but even in the face of such wrongs, he severely criticizes those who chose the path of revenge over forgiveness.

160 Milder, “The Last of the Mohicans and the New World Fall," 413.
CHAPTER IV.

Monsters, Preachers, and Populists:
Panic Fiction and the Law of Bankruptcy

“Bankruptcy, he said, is like death, and almost as certain; they fall single and alone, and are thus forgotten; but there is no escape from it, and he is a fortunate man who fails young.”
—H.A. Boardman, *The Bible in the Counting House* (1853)

If we are to believe contemporary historians, it was an epic battle of Homeric proportions. One group of authors referred to it as “[President Andrew] Jackson’s war upon the Bank of the United States.” Another tells the tale of a *titanic struggle* between Jackson, who “crushed the Bank of the United States,” and Nicholas Biddle, who scrambled to “*recover the sinking fortunes* of his bank.” Since the year 1816, the Second Bank of the United States (BUS), which its detractors referred to as “The Monster of Chestnut Street,” had existed via charter from the federal government, and quite profitably, under the able guidance of its president, Mr. Biddle. According to one contemporary text entitled, *A Brief Popular Account of All the Financial Panics and Commercial Revulsions in the United States, from 1690-1857*, however, “General Jackson was resolved upon the destruction of this institution.”

The fallout from this “war” had a profound and lasting impact on the national economy. Economic historians have now come to a relatively firm consensus that the causes of the Panic of 1837 were many, and not all domestic. It was General Jackson’s war upon the BUS that triggered the panic and the seven-year depression that followed it. A recent analysis of the panic asserts that it “was a disaster engineered by bankers, provoked by the chief executive of the United States, exacerbated by crop failures and foreign investment losses, and felt throughout the entire country, from

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Manhattan and Beacon Hill to the unplowed fields of Michigan, Illinois, and Indiana.”

Bellicose language like “disaster,” “duel,” and “war” seem fitting when describing the relationship between Biddle and Jackson; however, with the benefit of nearly two centuries of hindsight, it is quite clear that Jackson was on the wrong side of history in this particular battle.

After the devastating effects of the Panic of 1819 had at last subsided, the country was once again in a state of relative prosperity and the American economy was growing at a steady, if occasionally even staggering, pace. Between the Panic of 1819 and the Panic of 1837, economists estimate that the U.S. gross domestic product (GDP) increased by as much as 38 percent between 1820 and 1829, and another 36 percent between 1830 and 1836.163 Americans saw tremendous growth in domestic manufacturing, transportation, and other internal improvement schemes in the late 1820s. Under the leadership of Biddle, the Second Bank of the United States was “respected both abroad and at home; [the] people were prosperous, contented, and boastful.”164 By 1832, the economy was robust; trade was strong and profitable; crops were healthy; and real estate values were near all-time highs. Many economists attribute this growth to Biddle’s economic policies.

The reality was, however, that in the face of all of this prosperity, whether perceived or real, Americans were still awash in debt—at the individual, state, and federal levels. At the time

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163 Lepler, Jessica, *The Many Panics of 1837: People, Politics, and the Creation of Transatlantic Financial Crisis*, Cambridge: Cambridge University Press, (2013), 10. It is also important to note that the ways in which GDP is measured today were not in existence at the time of the Panic of 1837; as such, these are rough estimates of GDP using known economic data.

Jackson was running for the presidency, there was a growing discomfort over the pervasiveness of such debt in America. To Jackson, the federal debt, which was at about $70 million at the time of his election, was evidence of “moral and political failure.” Jackson “hated debt,” his biographer, James Parton, wrote in 1859. The national debt was “incompatible with real independence,” Jackson said in his inaugural address. He promised that his administration would eliminate the debt by 1835. In his inaugural speech he prophesied: “We shall then exhibit the rare example of a great nation, abounding in all the means of happiness and security, altogether free from debt.”

It was during the first few months of Jackson’s presidency that he began to publicly question the constitutionality of the Bank of the United States and, on another, perhaps more personal level, the credibility and intentions of those in charge of it—particularly Mr. Biddle. When Biddle caught wind of Jackson’s plans to upend his bank, he tried to circumvent those efforts by asking Congress for a re-charter of the Bank in 1832, four years before the initial 20-year charter was set to expire. Congress voted to renew the charter, as he expected, but Jackson swiftly vetoed it, devolving, as economic historian Reginald McGrane posits, from the “spokesman of prosperity [to the] harbinger of distress.” The bank had become every bit as much a political concern as it was an economic one. The very public belligerent battle relationship between Biddle and Jackson was far more than just a war between two powerful men; their struggle had a definable impact on the U.S. economy. In early 1834, news of failure and anxiety within the mercantile sector began to surface in newspapers across the country. In

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166 McGrane, The panic of 1837: Some financial problems, 3.
response to these difficulties, the BUS began a contractionary lending policy that lasted just over year. This correction stemmed the decline momentarily and by 1835 the economy was once again relatively stable—to the point that the U.S. treasury had begun to build a surplus of monies, primarily from rapidly increasing land sales in the West. The Jackson administration seized upon this fact to remind Americans of his inaugural promise; in January of 1835, Treasury Secretary Levi Woodbury announced that the federal debt was nearly entirely eliminated; Jackson leaned on this as proof of the sagacity of his economic policies. It would be a short-lived triumph.

To add still another layer of complexity to the nation’s economic woes, as well as more fuel to the already fiery relationship between Biddle and Jackson, speculation was at an all-time high. Newspapers, tracts, sermons, and popular novels all lamented what they saw as a disturbing trend in American business. As Maria Carla Sanchez notes, “[i]n text after text appearing between 1837 and 1844, speculation represents a dangerous deviation from the country’s inherited moral codes, one that inevitably results in personal and communal tragedy.”  

Contemporary French economist Michael Chevalier wrote about the American fascination with getting rich: “Everybody is speculating, and everything has become an object of speculation. The most daring enterprises find encouragement; all projects find subscribers. The principal objects of speculation are cotton, land, city and town lots, banks, and railroads.” Speculation had taken over the country and members of nearly every socioeconomic class, from mechanics to farmers to textile workers, were out to try their hand in the game. In an 1835 issue of The

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167 Sanchez, 58.

Statesman, a New Hampshire newspaper, a columnist writes: “The spirit of speculation is rife among us. Its magic influence has given to property a value which no one would have guessed at, and in the character and extent of its sales our favored town has stepped beyond all its neighbors.”¹⁶⁹ The Raleigh Register and North-Carolina Gazette lamented “one of the greatest evils incident to the Mercantile profession, especially in large cities, is the desire of speculation, or the blindness which insatiable prosperity throws over the good sense and sagacity of an ordinary mind.”¹⁷⁰ Senator Nathaniel P. Tallmadge of New York bemoaned that a “sort of mania had seized upon our community, and by a course of untoward adventures and speculations had involved in one common deluge of disaster the fortunes of the rich and the hard earnings of the industrious; there was improvident, wild, and unwarrantable abuse of individual credit.”¹⁷¹

The speculation problem was exacerbated by Jackson’s policy of rerouting federal monies into State banks (often owned by Jackson’s cronies) rather than Biddle’s BUS—the more flush these State banks were, the more eager they were to lend to the would-be entrepreneur or speculator. When that federal money began to evaporate, however, local and state banks were reticent to loan money to any but the most qualified borrower. This policy would not be Jackson’s most regrettable error, however.

In 1836, as speculation, especially in land, was growing out of control, Jackson issued his now infamous “Specie Circular,” which required that all public land be paid for with specie rather than script issued by banks. The fallout from this move was not immediate, but it

¹⁶⁹ New Hampshire Statesman and Journal, (Concord, NH), May 23, 1835, Issue 23, col B.

¹⁷⁰ Raleigh Register, and North-Carolina Gazette (Raleigh, NC) Tuesday, May 26, 1835; Issue 28; col B.

¹⁷¹ Qtd in Warren, Bankruptcy, 53.
eventually proved fatal. Initially, the tightening of federal monetary policies reduced the amount of credit that State banks were willing to offer. This, in turn, curtailed the domestic credit market and had a ripple effect across the intricate, and very delicate, web of the American economy. These problems were further exacerbated by the massive reduction in English money flowing into the United States at the time. England was going through its own financial crisis in 1836 and was forced to curtail its own spending, a policy that had profound effects on the American economy as well. By the first quarter of 1837, the “bubble of prosperity made of fictitious wealth had at last been pricked,” and the country was in a full panic.172 The first banks to stop specie payment were in New Orleans; New York followed shortly thereafter, which in turn led others to do the same; paper currency was effectively worthless; businesses shuttered their doors and unemployment skyrocketed. Federal land sales were down 30 percent from the previous year. The New York Herald reported that, “speculations in public lands have been entirely suspended.”173 John Quincy Adams, in an editorial in The Ohio Statesman, lamented that, “We are now in the midst of a national bankruptcy—occasioned by the insolvency of multitudes of individuals.”174 An anonymous editorial in the Pennsylvania Inquirer and Daily Courier decried the fact that a “desolating storm has swept over our commercial cities, and prostrated many of our purest and most upright merchants, manufacturers and business men.”175 So severe was the panic that lots in Manhattan, which sold in 1836 for $500, were lucky to bring $50 just seven


173 Qtd in Roberts, America’s First Great Depression, 38.

174 Daily Statesman (Columbus, OH) Saturday, September 16, 1837; Issue 11; col B.

175 Pennsylvania Inquirer and Daily Courier (Philadelphia, PA) Friday, September 15, 1837; Issue 65; col C.
months later; the devastation was truly unprecedented. Another newspaper editor echoed the sentiments of many when he wrote that, “Such a general lack of confidence among commercial men, I do not think has ever before been witnessed in this metropolis.” One paper, in April of 1837, listed the biggest commercial failures of the year; the losses of these firms amounted to $60 million and were spread out among 93 different companies, from exchange brokers to dry goods houses, to shoe merchants. While these major failures were worthy of national headlines, there were scores of smaller businesses that failed on a daily basis, without any recognition from the national media—their private, intimate stories were told, not in newspapers or periodicals, but in the reams of countless state bankruptcy and chancery court filings around the country.

Economic failure and bankruptcy were national news. The American economy, with exponential increases had become a massive web of interconnected relationships, and as soon as one sector of the economy toppled, the effects elsewhere were devastatingly quick and severe. Responses to the panic were many and diverse, and the severity and breadth of the devastation caused widespread confusion and chaos. In the throes of this chaos, there grew, quite naturally, a pervasive distrust among merchants. “A general distrust and want of confidence exists in reference to everybody,” the American political economist Condy Raquet observes about early nineteenth-century panics. “Everybody is afraid to trust his neighbor. As a consequence, business ceases entirely. Trust holds the machinery of commerce together: When it dissipates, the

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176 *Daily Herald and Gazette* (Cleveland, OH) Thursday, March 30, 1837; Issue 254; col B.

177 *Daily Herald and Gazette* (Cleveland, OH) Monday, April 17, 1837; Issue 269; col D.
machinery succumbs to disintegrating forces and flies apart.”178 This distrust was not the exclusive purview of the merchant class, however; to the contrary, the American political apparatus in Washington was entangled in skepticism and animosity between political parties. As Alasdair Roberts notes:

Prosperity made it easier to negotiate such [political] pacts. Sharing gains from a growing economy was a less difficult task than dividing losses from a shrinking economy. When times were hard, it became more difficult to keep the peace in Washington. A process similar to the collapse of trust among businessmen was repeated, this time in the sphere of politics. Good will collapsed, old animosities were revived, and delicately wrought truces were unwound. As a result, the depression years become a long, painful test of the federal government’s capacity to manage sectional and class conflict.”179

Horace Greeley lamented that the “melancholy ruins of our National prosperity were all that remained after the ravages of a tornado.” Given the ubiquity of failure, this panic was qualitatively and experientially different from earlier episodes; as such, the chorus of voices that spoke out on matters related to the economy struck a far different chord than was witnessed in previous panics.

In response to earlier financial panics, when religious leaders spoke on matters of the economy, they often began with warnings against going into debt at all, quoting, as many did, from Romans xiii 8: "Owe no man any thing.” They were skeptical of the entire idea of a credit-based economy, despite often being inextricably caught up in it. Joseph Tuckerman, of Boston,

178 Qtd in Roberts, America’s First Great Depression, 95.

179 Roberts, America’s First Great Depression, 86.
for example, wrote in 1813 that debt was “not a local evil” but “one which prevails in every society, and which is productive, wherever it prevails, of innumerable calamities,” warning his readers to maintain a “habitual caution not to owe.” Even earlier, another preacher, writing in the late eighteenth century, cautions that “no man should make appointments, or enter in contracts in business which he sees an improbability of performing”; in other words, don’t borrow money unless it is absolutely necessary; and if such a necessity arises, you must not, “at any time forget the relation [you] stand in to the creditor, in consideration of the conditional use of another man’s property.” These attitudes about the credit-based economy were very typical of sermons from the eighteenth and early nineteenth centuries. When we look at sermons on subjects related to economics and morality in the 1830s, however, when the growth and expansion of the American economy had become far more dependent upon the credit system, we find a very different tone to their message.

Religious leaders, in the years leading up to and well into the depression that followed the Panic of 1837, showed a much greater tolerance for (and acceptance of) the credit-based system. By this point in history, they had recognized that it was futile to warn against the pitfalls of a capitalist economy, but they were still deeply concerned with what they saw as a profound lack of morality in business. We find here an increasing number of sermons and lectures given to mercantile societies, business groups, and the like. Joseph Hopkinson, of Philadelphia, speaking to the Mercantile Library Company in 1832, praised “the commercial character of the merchants of the United States, for integrity and honor, in the relations of debtor and creditor.” He writes:

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181 *Debtor and Creditor, or A Discourse on the Following Words: Have Patience with Me and I Shall Pay You All*, Anonymous, (Boston: B. Meacom, 1762), 3.
“The sound principles which ought to govern this relation, have been so neglected or abused, as to have brought a stain upon the American name, and sunk it below the standard of mercantile morality of other countries.”\textsuperscript{182} For Hopkinson,

There is no class of our citizens on whose conduct the reputation of our country, for probity and honor, so immediately depends, as our merchants […] The American merchant then, should never forget, that he holds the character of his country, as well as his own, in a sacred trust; and that he betrays both when he enters into the crooked paths of dissimulation and trick, or the broader and fouler ways of dishonesty and fraud.\textsuperscript{183}

We can see from comments like these that religious and political figures had moved beyond merely admonishing creditors to treat debtors with humanity and fairness; by the 1830s, they were well aware of the international importance of merchants and took every opportunity to remind them that the way they conducted themselves in matters of business was, in the eyes of other nations, a direct reflection of the morality of the people of the United States.

The Reverend John T. Brooke, rector of Christ Church in Cincinnati, writes, "The subject of debt is intimately connected with the welfare of souls.” He acknowledges that debt is a "temporal concern" but that it "involves moral obligation" and "no subject, which involves so much temporal interest, can be neutral in its bearing on eternity. And a minister of the Gospel

\textsuperscript{182} Hopkinson, Joseph, "Lecture Upon the Principles of Commercial Integrity, and the Duties Subsisting Between A Debtor and his Creditors. With Suggestions of the causes of the defects in these respects in the American Commercial Character." Delivered to the Mercantile Library Company, (Philadelphia: Carey and Lea, 1832), 1.

\textsuperscript{183} Hopkinson, 4.
who 'watches for souls' cannot neglect it, without shunning to declare an important portion of the
counsel of God.'

Brooke concedes that

An attempt to abolish totally, what is called the credit system, would be not only a

material interference with trade and commerce, but it would be to break in upon some of

the best charities of life. It would directly contravene an inspired precept which reads

thus, ‘give to him that asketh of thee, and from him that would borrow of thee, turn not

thou away.’

He has plainly embraced the inevitability of debt as a foundational principle of the American
economy, and instead of simply admonishing his audience to avoid borrowing and going into
debt, he asks them instead to bring a sense of Christian morality into those transactions, with an
eye toward equity, compassion, and fairness of dealing. This sentiment was echoed in pulpits
across the country.

At the height of the panic, the Reverend Andrew Peabody delivered a sermon
appropriately entitled "Views of Duty Adapted to the Times," in Portsmouth, New Hampshire.
Like the novelists I will discuss later in the chapter, Peabody is as much concerned with the souls
of the creditors and debtors as he is with the system itself, one that he suggests sustains life as we
know it. He writes:

Whatever induces disbelief in the soundness of a single link in the all-embracing chain of

transfer and exchange, makes every link in that chain unsound. Then the frightened
creditor distrusts his debtor, anticipates the customary time of payment, and lays hands

184 Brooke, John T., “Debt: or the Morality of the Credit System” Cincinnati: Weed & Wilson,
1841, 1.

185 Brooke, 5.
upon him at once, saying "Pay me what thou owest." To comply with this arbitrary demand, the debtor is obliged to assume the same attitude towards his creditors. The alarm spreads. Self security and self defence [sic] become the law of the mercantile world.  

To refer to the mercantile credit system as an “all-embracing chain” suggests a paternal quality—something that nurtures or “embraces” both creditors and debtors; they are all woven together in a fabric of “transfer and exchange” wherein negativity begets negativity but so too does trust beget trust and faith beget faith. A later sermon delivered by the Reverend John F. Norton of Athol, Massachusetts reads: "for in not a little of the borrowing and lending that business requires there is not only no interference with the great Law of Love, but the whole is a mutual benefit, it is for the convenience and advantage of both parties.” We are, indeed, a long way from Martin Luther’s 1542 Sermon on Trading and Usury wherein he writes,

The merchants have among themselves one common rule, which is their chief maxim and the basis of all their sharp practices. They say: ‘I may sell my goods as dear as I can.’ This they think their right. Lo, that is giving place to avarice and opening every door and window to hell. What does it mean? Only this: ‘I care nothing about my neighbor; so long as I have my profit and satisfy my greed, what affair is it of mine if it does my neighbor ten injuries at once?’


Peabody, however, is among the many religious figures who sought to more fully integrate what they saw as an inevitable, and many would argue God-sanctioned, capitalistic system into their spiritual lives. In his work from the pulpit, Peabody “invites” his readers to “bring these interests [pecuniary, economic, insolvency, bankruptcy] to the sanctuary […] I invite you to consider the social and religious duties to which the present crisis calls you.”\(^{188}\) He is not so naive as to assume his sermon can necessarily change the moral nature of business, but he is hopeful that “what little it can do is of the right kind, and meets the real want of the community.”\(^{189}\) Most importantly, however, we see in sermons like Peabody’s an acknowledgment of the social and moral good that should come from the world of merchants and businessmen:

> Go to the trustees of our great public charities, our hospitals, our asylums for the blind, the dumb, the insane, peruse the list of their endowments and benefactions; and, with hardly an exception, against every truly liberal donation you will read a merchant's name. It is the earnings of commerce that have erected our academies, our colleges, our seminaries of sacred learning; and were our ancient and immensely wealthy university summoned to yield up what she has received though the munificence of merchants, there is hardly an alcove in her library, which would not be emptied, hardly a building on her grounds, which would not be demolished.\(^{190}\)

\(^{188}\) Peabody, 2.

\(^{189}\) Peabody, 4.

\(^{190}\) Peabody, 9.
The work of Peabody in attempting to bridge the divide between spirituality and the commercial world was part of a larger effort to both protect and improve upon that world, which they saw, especially in times of panic, as increasingly corrupt and immoral.

The various cultural responses to the Panic of 1837 were, in many ways, qualitatively different from responses to the economic disruptions that came before it. What we see, in the works of Peabody and Brooke, among others, is, in fact, an effort to compensate for and to stem an increasing loss of trust among merchants. Joining Peabody and Brooke, was a wide array of business leaders, writers, economists, and bankers who began a campaign to infuse a strain of sensibility and morality back into American commercial life. These commercial moralists used their considerable public influence and wide audience to speak, write, and preach about what they saw as an absence of Christian morality in the American marketplace and in the law itself. They saw an antiquated legal system of chancery courts and state insolvency laws that were inadequately equipped to deal with the complex American economy. In advocating for a bankruptcy law, these moralists were not simply arguing for the forgiveness of debt, but for the continuation of capitalism itself. The commercial moralists embraced capitalism, seeing it as the only tenable path to American commercial success and one bound inextricably with divine providence. It is in their work that we see one of the most concerted efforts in American history to weave together ethical tenets of American Protestant Christianity into the narrative of American capitalism. As noted, among the many goals of this group, which included other such notables as Henry Ward Beecher, Supreme Court Justice Joseph Story, Freeman Hunt, T.S. Arthur, Sara Jane Hale, and Arthur and Lewis Tappan, was the passage of a federal bankruptcy law.
The moralists argued that a federal bankruptcy law, and in particular, one with a voluntary provision allowing debtors to file on their own, would accomplish several things. First, it would not only restore to the economic cycle tens of thousands of reformed debtors who would be able to contribute their considerable talents to help rebuild the national economy, but such a law would also have rehabilitative repercussions on practical commercial behavior. For example, they contended that a federal bankruptcy law would encourage banks to lend only to reasonably qualified borrowers; if they took risks with lesser-qualified borrowers, they faced a real risk of loss if such a borrower fell into bankruptcy. As a result, the would-be speculator found it increasingly difficult to capitalize his schemes with borrowed money. As Edward Balleisen points out, “By curbing flows of credit, a permanent bankruptcy law would check speculation, smooth out business fluctuations, and impart a more measure tone to the American economy.”

Borrowing from the economically centered moral philosophy of Daniel Defoe’s writings in the eighteenth century, these moralists, like Rowson, were concerned about the lack of humanity they felt should be shown to faultless debtors who failed because of circumstances beyond their control, and also, like Foster, with the very real threat of the fraudulent debtor who would transfer and hide assets prior to a bankruptcy filing. Balleisen writes:

Throughout the antebellum decades, the moralists used their pens, pulpits, and printing presses to mold informal codes of commercial conduct, encouraging failing debtors to treat their creditors honestly and equally, and pleading with creditors voluntarily to release upright bankrupts from their obligations. These reformers further supported the

enactment of a comprehensive federal bankruptcy system, which would encompass involuntary as well as voluntary bankruptcy, thereby providing creditors with the means to discipline wayward debtors through the federal courts.\(^{192}\)

When we consider the potential influence and the public access that these men and women had on the national conscience, it becomes clear how their efforts, coupled with the work of dozens of literary authors writing on the subject, some of whom I will address shortly, culminated in the most comprehensive and most liberal federal bankruptcy law in history—the Bankruptcy Act of 1841. Among these voices, the young Henry Ward Beecher was among the most vocal.

When Beecher gave his *Seven Lectures to Young Men* in the early 1840s, in the depths of the depression, he, like his clerical predecessors, warned against the evils of falling into debt and how such a condition could affect an otherwise honest man: “Debt is a rigorous servitude. The debtor learns the cunning tricks, delays, concealments, and frauds by which slaves evade or cheat their master […] At length the measure is filled up, and the malignant power of debt is known. It has opened in the heart every fountain of iniquity; it has be soiled the conscience.”\(^{193}\) But like Reverend Peabody, Beecher finds in business and industry something of god’s plan. He claims that, “when justly obtained and rationally used, riches are called a gift of God, an evidence of his favor, and a great reward […] The constitution of man and of society alike evinces the design of God. Both are made to be happier by the possession of riches.”\(^{194}\) He argues that without wealth “there can be neither books nor implements, neither commerce nor arts, neither towns nor cities

\(^{192}\) Balleisen *Bankruptcy and the Entrepreneurial Ethos*.


\(^{194}\) Beecher, *Seven Lectures*, 53.
[...] wealth is an artist—by its patronage men are encouraged to paint, to carve, to design, to build, and adorn.” While Beecher was keen to remind his young listeners of the dangers and evils of debt, he was also bent on using his considerable rhetorical skills to make them understand that the heartless behavior of creditors often begets a resentful, resistant debtor. Thus, he also sends a warning to potential creditors that their greedy behavior can, and often will backfire:

When men's passions are let loose, especially their avarice, whetted by real or imaginary wrong; when there is a rivalry among creditors lest any one should feast upon the victim more than his share, and they all rush upon him like wolves upon a wounded deer, dragging him down, ripping him open, breast and flank, plunging deep their bloody muzzles to reach the heart, and taste blood at the very fountain, — is it strange that resistance is desperate and unscrupulous? The visceral imagery of a debtor being brutally dismembered and cannibalized by his own creditors serves, simultaneously, the important purpose of humanizing the innocent debtor and demonizing the heartless creditor who refuses to forgive.

In his list of the “Twelve Causes of Dishonesty,” Beecher reserves what he calls a “separate mention” for bankruptcy. According to Beecher, bankruptcy law is moral law; if examined from a higher perspective, however, it has the potential to rise to the level of the spiritual or divine. He writes, “Should they [creditors] act with the lenity of Christian men, and he [the debtor] with manly honesty, promptly rendering up whatever satisfaction of debt he has,

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195 Beecher, Seven Lectures, 53-54.

196 Beecher, Seven Lectures, 34.
he may visit the lowest places of human adversity, and find there the light of good men’s esteem, the support of conscience, and the sustenance of religion.”

Nowhere prior to this do we see such an overt and confident conflation of the spiritual doctrine of forgiveness with the benefits of the law of bankruptcy, and this from a man, whom Debby Applegate has termed “The Most Famous Man in America.”

The concerns of Beecher and the commercial moralists were certainly well founded, as the novelists I will discuss were prompt to point out, and the ministers’ calls for a federal bankruptcy law were supported by newspapers across the country. In 1840, three years into the depression, the *Daily National Intelligencer* of Washington, D.C., reported on the “very numerous petitions, which seem to be thronging to Congress praying of the establishment of a uniform system of bankruptcy.” The editors noted their “zealous support” of the bill and hoped that “if Congress effect nothing else of value to the country during the present session, it may enjoy the praise and credit of having passed so beneficent a measure as a uniform system of bankruptcy.”

This sentiment was shared by millions of Americans, without the geographic limitations we saw in earlier bankruptcy debates, particularly during the panic of 1797. Edward Balleisen argues that, “the antebellum decades witnessed an acceleration in the growth of market relations that made bankruptcy a social, cultural, and political problem of particularly great intensity.”

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197 Beecher, *Seven Lectures*, 37 (my emphasis).

198 *Daily National Intelligencer* (Washington, DC) Friday, February 28, 1840; Issue 8436; col D.

So ubiquitous was the topic of bankruptcy, it was as if newspapers wrote about little else during that seven-year period of famine, failure, and unemployment. The national political discourse was, with few exceptions, nearly always directed to matters of economy, including the seemingly relentless question of whether to forgive failed debtors and what that forgiveness might look like. The overall goal, however, for Beecher and the other commercial moralists, was to bring about more fairness, more humanity, and more compassion in the business world, and in the law, without necessarily curbing support or enthusiasm for commerce generally—in fact, they argued that without a more humane commercial ethos, capitalism itself was at risk. As Maria Sanchez writes, “Politicians, pamphleteers, historians, broadside artists, ministers, and community leaders, as well as the staffs of nearly every newspaper in the country, offered their diagnosis to the panic.”

However, newspapers would never be able to tell the story in the way that sufficiently revealed the depth and breadth of the crisis. Only a novel could do that. Using the vehicle of a rapidly growing publishing industry, and in particular the popularity of the novel form, authors from all walks of life saw an opportunity to voice their concerns and opinions on economic issues and in the process to influence the minds of their readership, as well as their representatives in Congress, on matters of economic policy, questions of credit and debt, the perils of financial speculation, and the law of bankruptcy.

In the realm of fiction, writers were no longer content to express matters of the economy by means of allegories or veiled references. Instead of Cooper’s “economy of the wilderness,” represented or refigured in the dark forests of New England, the marketplace would now take center stage in the streets of urban America, in the small shops of towns, and in the homes of ordinary Americans. The merchant would no longer be allegorized as the seduced woman, the

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fraudulent bankrupt would no longer be figured as the failed rake. Instead, these players in the commercial theater would figure prominently in story after story as themselves. The writers I examine here, however, are not the renowned and oft-studied names of the mid-nineteenth century. To the contrary, the authors in this chapter were never part of the American literary canon. In fact, the Melvilles, Poes, Hawthornes, and Emersons were, in large measure, suspiciously silent on the subject of the panic. Maria Carla Sanchez, in her study “The Panic of 1837 and the Failures of Literary Men,” notes that “all of these persons [Emerson, Stowe, Thoreau, Poe, and Hawthorne] were touched, one way or another, by the panic of 1837. Not that you would know it. None of them wrote about it.”

Sanchez goes to great lengths to describe the effects of the panic on authorship and what she perceives as a disturbing and suspicious silence on the part of the many canonical writers of the period.

The writers who did speak up, however, were creators of a unique genre of American fiction called panic fiction, and they are the subjects of the remainder of this chapter. Panic writers served to fill a void in the progression of American letters left by the more well-known authors of the period. They also had a very specific agenda in their writing. In the same way that Henry Ward Beecher and the commercial moralists sought to instill a renewed sense of Christian morality into the world of business via the passage of the bankruptcy law, among other avenues, so too, did the novelists writing in the wake of the Panic of 1837—especially with regard to the question of forgiveness. Heretofore unknown authors like Eliza Follen, Hannah Sawyer Lee, Asa Green, Elizabeth Oakes Smith, and Frederick Jackson, began to step out of the shadows and

201 Sanchez, 30 (my emphasis). While Sanchez makes a persuasive case for the “silence” of the canonical authors of the day, I feel it is important to note that these writers, especially Emerson, did write about economic strife (Emerson wrote about it extensively in his journals), but not necessarily in their published works.
reveal, in an unapologetically patent, and didactic way, their deeply held concerns about American economy policy and the dearth of morality and compassion in the marketplace. I want to examine these economically centered fictions, not merely to survey them as a genre of their own, which Ann Fabian, Maria Carla Sanchez, and Mary Templin have aptly done already, but rather to read them in their relation to the religious sermons discussed earlier in the chapter, in order to illuminate the intersections among fiction, Christian morality, economic prudence, and the national discourse on bankruptcy, in the face of the worst economic crisis of the nineteenth century.

Panic fiction, as a genre, contributes significantly to our understanding of the day-to-day struggles of Americans during the time of the panic in ways that no newspaper, journal, or magazine ever could; the depth of these novelistic explorations provides another level of intimacy that augments and supports the ideas found in the sermons of Beecher and the commercial moralists, the traces of which echoed across the many newspaper articles written on the subject of the panic. As Mary Templin notes, in panic fiction novels,

The recklessness of economic speculation that precedes and precipitates [the panic] and the failure and loss that follow […] are shown to pose very real dangers to national and to individual economic and social well-being. Moral integrity is corrupted, trust is violated, material comforts are sacrificed, and social identity is threatened.203


Corruption. Greed. Violations of trust. These are among the primary reasons why these authors sought the codification of forgiveness through a national bankruptcy law. In the face of what they viewed as incessant, insatiable greed and the relentless drive to accumulate material wealth, panic fiction writers saw in a federal bankruptcy law something of a salve, something to stem a seemingly unstoppable tide of corruption—the law would provide a public declaration of Christian compassion and forgiveness in an otherwise ruthless, cutthroat, win-at-all-costs commercial world. Bankruptcy, in their eyes, might just save the capitalist system that seemed, to those mired in the panic, on the verge of total collapse.

The majority, though certainly not all, of panic fiction was generated by middle to upper-class white women in the wake of the panics of 1837 and 1857. Templin estimates that between 1836 and 1840 alone “women had written and published dozens, perhaps hundreds, of novels and stories that were […] centered on economic themes.” The novels almost invariably center on merchants or other businessmen who, at some point in the story, fail and wind up either on the precipice of or completely bankrupt. The failure then typically forces the entire family, including the wife and children, to readjust, often downsizing their homes, giving up servants and other luxuries, while trying to stay afloat and maintain some sense of normalcy.

There are, generally speaking, three specific areas of concern for panic fiction writers: the denunciation of speculation and the greed that drives it, the urgent need for forgiveness under a federal bankruptcy law to deal with widespread failure, and the essential function of giving women a voice in the public sphere. As Mary Templin argues, “panic becomes the impetus for female characters in these narratives to assume economic agency and to model economic reform

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204 Templin, Panic Fiction, 2.
through the domestication of economic behavior.”\textsuperscript{205} While the majority of panic fiction writers used the domestic sphere as the locus of their argument, their rhetorical aims reach far beyond the physical limitations of the drawing rooms of middle-class merchant families. These authors are engaging in a much broader public economic discourse about responsible economic growth, credit, debt, speculation, and failure, among others. Given their juxtaposition of the domestic economy and the political economy, these texts might be considered forms of both micro and macroeconomic commentary.

While these authors are on the margins of literary history today, in their own time, they were among the most widely read writers in the country, a fact that provided them with an immense national audience. Hannah Farnham Sawyer Lee’s *Three Experiments of Living* (1837), for example, sold more than one hundred thousand copies in more than thirty editions—twenty of those editions came in the first year alone. It was among only four best-sellers in the year 1837 (Hawthorne’s *Twice-Told Tales* and Charles Dickens’ *Pickwick Papers* were among the others); it is important to remember that these sales occurred in the middle of widespread economic panic, when expendable income for things such as novels was at record lows. Though few scholars study these authors today, we must consider them as precursors to the “economic” novelists of the late nineteenth century such as Theodore Drieser, Frank Norris, and William Dean Howells.\textsuperscript{206}

My readings of the panic novels in this chapter build upon efforts from several scholars whose work in the area of nineteenth-century economic fiction has informed this study to a great

\textsuperscript{205} Templin, *Panic Fiction*, 4.

\textsuperscript{206} Templin, *Panic Fiction*, 9.
degree: Ann Fabian, Mary Templin, and Maria Carla Sanchez. However, my work departs from these authors in certain significant ways. To begin, Templin views these novels less as models for men than as presenting possibilities for women. She also agrees with Maria Sanchez who sees panic fiction as “more restorative than revolutionary,” seeking to return the economy to values of the past, such as economic restraint, rather than envisioning an entirely new system. In contrast, I propose that their mode of applying moral considerations to the economy is to blur the lines between home and marketplace.207 I situate my own argument in between discussions of sentiment and revolution. I agree that sentiment, as discussed in chapter two, was used rhetorically to “explain and shape” the market, and, in my argument, the law itself. I also agree, to some extent, that these novels seek to restore values that the authors felt were lost in the commercial world, namely forgiveness, compassion, and fair dealing. However, on the issue of revolution, I depart from Sanchez and Templin.

I argue that in the very act of writing these overtly political economic novels, these writers are in fact arguing for a revolution, not so much a moral revolution, although I see merit in the argument that they are, and certainly not a generic revolution; but instead, I envision these authors as demanding a legal revolution. Panic writers, not unlike Susannah Rowson, sought a bankruptcy law for everyone, not just merchants or the upper or middle class, as it had been throughout American and most of English history, but for everyone, regardless of profession. They viewed the antiquated state bankruptcy and insolvency laws, and the courts of chancery, as woefully inadequate and unpredictable, and in the case of chancery, hopelessly corrupt. To achieve this goal of bankruptcy available to everyone would quite literally change the face of American economic policy and law forever, and that is precisely what they accomplished when

207 Templin, Panic Fiction, 11.
the watershed Bankruptcy Act of 1841 was signed into law. It was the first bankruptcy law in history to forgive any debtor upon his or her own petition. Nothing like it had ever been seen before. And while the specters of greed and corruption in commercial life still haunt us to this day, there can be no question that in their fight for an egalitarian form of bankruptcy, these authors, and the commercial moralists who fought alongside them, were in fact revolutionary. My position here directly contradicts Ann Fabian's assertion that, “like most nineteenth-century dissent, panic writings, without a political base in which to flourish, failed to produce dramatic action.”\(^\text{208}\) To the contrary, I demonstrate that these writers not only had an enormous political base, they also helped to produce one of the most significant legal victories of the nineteenth century. In fact, in the preface to Three Experiments, Lee’s editor specifically notes that novels or “tracts” such as the present one are now “effecting a revolution in opinions.”\(^\text{209}\)

Templin also argues that panic authors “simply wanted to make market economics safe.” She asserts that the “defining characteristics of the economy they [panic fiction authors] envision are not love and abundance but rationality and frugality.” With this, I disagree. As I will show, there is, at the heart of these novels, a pervasive focus on love, widespread compassion, and unconditional forgiveness. While I agree that these novels are overtly concerned with frugality, it is not merely for the sake of “being frugal.” Clearly, these authors are advocating for frugality because they are mired in panic—they are writing from a place of fear, anxiety, and uncertainty; and, as such, frugality is a natural response to the economic anxieties they faced. However, if

\(^{208}\) Fabian, 129.

\(^{209}\) Lee, Hannah Farnham Sawyer *Three Experiments of Living: Living within the means, Living up to the means. Living beyond the means*. Boston: Whipple & Damrell (1838), vi, emphasis in the original. All future references will be to this edition and will be noted parenthetically in the text.
there were no love, no compassion, and no forgiveness motivating the actions of these characters, there would be nothing worth being frugal about; there would be nothing to be afraid of losing. I suggest that behind every one of these novels is the idea that the marketplace itself is not something to be feared; the real threat is rather those immoral actors who seek to corrupt it and manipulate it for their own benefit.

Hannah Farnham Sawyer Lee’s *Three Experiments of Living* was published just prior to the bank closures in May of 1837. Initially, the novel was ignored by most of contemporary literary journals and received very few reviews, positive or negative. Four months later, however, after the economy collapsed, a new appreciation for the subject matter developed and sales soared. The novel is a cautionary tale about a young couple named Frank and Jane Fulton. The text is divided into three sections: “Living Within the Means,” “Living up to the Means,” and “Living Beyond the Means.” Given these self-explanatory titles, we see right away that, of the three central areas of concern for panic writers, Lee is primarily concerned here with the dangers of materialism. Although, as we will see, Lee presents the Fultons as an honest, hard-working, charitable family, deeply concerned with the welfare of others. Lee’s text suggests then that it is the economic system itself that corrupts them and leads to their downfall—rather than some inherent moral shortcoming. Lee also reveals her concerns with policies related to the treatment of failed, but ultimately, honest debtors.

The Fultons are engaged to be married at the opening of the novel, despite some reservations from Jane’s wise and prudent Uncle, Joshua. A physician, Frank is not a wealthy man, but Joshua sees potential in him to succeed; and out of nothing but love and concern for his niece, warns them that “beyond bread and water, a shelter for one’s head, a bag of straw to sleep on, and covering and fuel to guard us from the incumbencies of the weather, there are no positive
necessaries; all the rest are comparative” (15). Seeing their love for each other and that any objection to the union would be fruitless, Joshua relents and the two are subsequently married, having promised uncle Joshua that they have made “it a rule never to exceed our means” (16).

They begin their married life “with the wise purpose of incurring no debts; and took lodgings at a cheap rate, in an obscure, but populous part of the city” (17). Frank has no patients to speak of initially, and after hanging out his shingle to no avail, he posts another sign underneath it, which reads: “Practises [sic] for the poor gratis. Furnishes medicines to those who cannot afford to pay for them” (18). Over time, his services to the poor become well known and his notoriety continues to increase considerably; our narrator notes that, “what had begun by New England calculation, was continued from benevolence” (18). Eventually, Dr. Fulton builds a legitimate medical practice with paying patients, many of whom are, at least by outward appearances, quite wealthy. The two work the practice together, very much a team, with Jane attending to the poorer patients and their children, while Frank provides the services requiring more sophisticated medical knowledge. At one point, a carriage pulls up to the home and a Mr. Harrington, a noted hypochondriac with considerable wealth who, “after trying various physicians and various system, had heard of the fame of Dr. Fulton, of his wonderful success, (and) came hoping to get aid for himself (26).” The narrator notes that a doctor with lower moral standards would be tempted to take advantage of a wealthy hypochondriac; however, Dr. Fulton “told him that his restoration depended much more on himself than on a physician, suggested modes of exercise, of diet, cheerful society, and relaxation from business and care” (27). Harrington was struck by the doctor’s honesty, and also by his apparent poverty. Upon departing, he tells Dr. Fulton “As you practise gratis for the poor, it is but just that the rich should pay you double” (27). They develop a close relationship over the first part of novel, at the end of which,
Harrington dies, leaving Frank and Jane an inheritance of five thousand dollars. This, in combination with his few financial successes, allow the two to move out of their boardinghouse and into a modest home of their own.

The most notable part of this first section is the juxtaposition of the idealized, benevolent, but poor Fultons to the aptly, and ironically, named Mrs. Hart. The Fultons represent a freedom from debt, an unfettered modesty that, in Lee’s mind, is missing from American society—this is what Templin and Sanchez refer to as the “restoration” aspect of Lee’s novel—a longing for an earlier time when debt was, allegedly, less ubiquitous. Lee is demonstrating a longing for an age when material goods were secondary to the freedom that the Revolution provided. Templin argues that, “Frank and Jane’s freedom from debt and their simple lifestyle mark them as inheritors of the revolutionary legacy.” Mrs. Hart, to the contrary, is quite literally imprisoned by her wealth, or perhaps more accurately, by her desire to accumulate material goods. She is, by all appearances, incredibly wealthy, yet she rarely has any money to spare, not even for the care of one of her own servants who has taken ill; the Fultons care for Mrs. Hart’s maid and her children, free of charge. Mrs. Hart is struck by Mrs. Fulton’s generosity, exclaiming, “How benevolent you are, my dear Mrs. Fulton! Would to heaven I had the means of being equally so! but my time is wholly engrossed, and the claims upon my purse are constant. Perhaps none are so heavily taxed as the rich, or have less right to be called affluent” (31).

Mrs. Hart represents what many panic novelists find to be one of the central moral deficiencies in America—those who live beyond their means in order to keep up appearances; they are more willing to go into debt, even to run from their numerous creditors, than they are to sacrifice their material comforts to pay them. Mrs. Hart eventually condescends to help support

\[210\] Templin, Panic Fiction, 71.
Jane’s plans to open a school for the poor; however, at the moment, “I cannot command a farthing” she claims. As she sits dressed in splendor before the humble Jane, she suggests “Perhaps you will be so kind as to advance the same sum for me that you pay for yourself. We will settle it when we next meet.” Mrs. Hart thus becomes “the debtor of Jane” (31). She stands here in stark contrast to the Fultons who have so little, but give nearly everything they do have to those who have even less.

This concern for the intimate, domestic economic concerns of individuals like the Fultons and Mrs. Hart can certainly be seen read as a microeconomic commentary; reading this as a commentary on the larger political economy, however, we find that the Fultons possess precisely the kind of moral compass that Lee feels is missing from the larger world of national commerce. In this regard, the Fulton family, and their “horror of getting into debt” (68) stands as a fictional representation of the sentiments of Andrew Jackson when he envisioned the United States as a country that would stand, one day, as a “rare example of a great nation, abounding in all the means of happiness and security, altogether free from debt.”

Ostensibly, *Three Experiments* is concerned with the individual family unit and personal responsibility, however, as Sanchez reminds us, “Lee’s focus upon the individual reveals a vision of selfhood intimately tied to notions of responsibility and duty that have national significance.” Frank and Jane can be read as a synecdoche—they are part of the larger community in which they live, but beyond that, that they are part of the country as a whole.

In part two, “Living up to the Means,” Frank and Jane, having sworn to “consider the principal [their inheritance from Mr. Harrison] a sacred deposit, and not encroach upon it” put

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211 Qtd in Roberts *America's First Great Depression*, 99.

212 Sanchez, *Reforming the World*, 79.
their increased income to good use, buying a small house for themselves, and starting a family. As they sit quietly, having put the children to bed, they find themselves envious of no one. Jane remarks to Frank that, “I have scarcely a wish ungratified” (52). As Frank’s practice grows, however, so too do the needs and desires of his family. They gradually begin to take on the values of the wealthy merchants who are now Frank’s primary patients. The narrator is careful to point out, however, that “they had only reached the magic circle of genteel society; they had not stepped over it” (55, my emphasis). The young couple was holding fast to their ideals, sending their children to the best schools, for “if they were extravagant, it was in schools” (56). This all begins to unravel, however, when Jane meets the fashionable and wealthy Mrs. Reed, her new neighbor, “the first really stylish family into which Jane had become initiated” (58). She quickly learns the “importance” of things like silver forks, centre-tables, and napkins; as such, the family expenses begin, not unlike those of the weary Mrs. Hart, to increase dramatically. Jane gleans from Mrs. Reed strategies on how to pay her servants less and to take the children out of their prestigious schools, all in the name of “putting the best foot foremost.” The priorities of Mrs. Reed and her clan begin to take root in Jane’s mind, and she gradually becomes “a fashionable lady, bonneted and blinded a-la mode, and, even to her own surprise, a fine, stylish looking woman” (62). All of this is to the great joy of Frank, who “began to pride himself on her elegance” (62). As the Fultons move gracefully, throughout the second section of the novel, we see a gradual, but steady devolution of their moral code until, at last, we see Frank echoing the sentiments of Mrs. Hart, and refusing to give to the charities he so freely gave to when he had so much less, simply stating “Really, Jane, I cannot afford such a donation” (62). At the end of the section, following this gradual moral decline, Frank shares with Jane that they would not be able to get through the year without dipping into their savings—that “sacred deposit” they had been
building for years. After dismissing Jane’s suggestion that they “retrench in their expenses,” and live less extravagantly, he announces that he is investing everything they have in “a speculation” that “wore a very promising aspect” (83). This is Lee’s overt macroeconomic commentary on what she, and so many others, perceived to be one of the principal causes of the panic itself: speculation.

One sees in Lee’s novel the very same concerns expressed earlier in this chapter by Henry Ward Beecher, John Quincy Adams, Joseph Hopkinson, and others. For Lee, speculation, “one of the greatest evils incident to the Mercantile profession,” was one of the principal causes of economic failure and she felt compelled to emphasize this fact for her reader. As her editor writes in the preface, she felt she had a “duty” to promote “the moral improvement of society” (ix). It is, in fact, this risky speculation that brings about the downfall and financial ruin of the Fulton family.

As the third section, “Living Beyond the Means,” progresses, the scheme in which Frank has invested seems to have made good on its promise of huge returns. As the level of extravagance increases in the Fulton house, Uncle Joshua, who is quite clearly the voice of Lee herself, becomes more and more concerned with what he perceives to be a rapid decline in the values of his niece and her family. In a very sincere moment of exchange between Jane and her uncle, who was placed in charge of Jane after her parents had died, he laments:

I comforted myself that I knew something of the duties that belonged to this, and that, if I faithfully instructed you in these, I should be preparing you for another. When I saw you growing up, dutiful and humble, charitable and self-denying, sincere, and a conscientious disciple of truth, then, I felt satisfied that all was well. But I begin now to fear, that it was
Jane attempts to reassure Joshua that she has not lost sight of those early lessons, and tries to reassure him that Frank has “been very successful in some speculations that he has made. I assure you, we can afford all this; and a great deal more” (99). When Joshua asks whether they actually “own” their new home, a discussion begins on the nature of what it means to truly own something. She assures her uncle that the massive house is indeed “paid for,” but she has lied to Uncle Joshua, and to herself, to the extent that she is not really sure what that label “paid for” really means. The truth is, Frank has borrowed the money to buy their new estate from the very wealthy Mr. Bradish, a scheme that Jane was, initially, very much against. However, Frank assured her that “real estate was everyday rising in value; and he was fully convinced it was a good thing, merely as a matter of speculation. This word Jane had so often heard from her husband’s lips, that it began to sound to her like wealth” (92, emphasis in original). This is the beginning of the end for the Fultons. They are now mortgaged—a word with the ominous Latin translation of death contract—to an extent they do not fully appreciate, and the house of cards that Frank has built is about to collapse.

As the family prepares for the glamorous coming-out ball of their eldest daughter, Elinore, loud voices are heard in the drawing room. Frank is heard explaining that, “this is only a trifling embarrassment. Wait a few days, and every thing will go right” (130). After a brief argument, Frank admits, “We are ruined!” This was, however, not the type of failure that so frequently ruins a merchant in times of economic distress:

Frank had not the consolation of feeling that misfortune had reduced him. He had not lost any large amount, by the sudden changes to which mercantile speculations are subject.
He had been living in reckless extravagance, and had withdrawn large sums from the firm, trusting to the future to replace them. With failure, he knew must come disgrace.

(135)
The Fultons’ bankruptcy comes swiftly and they are about to lose every material thing they have come to cherish. The downfall is precipitous and Lee’s narrative offers almost no details about how or why, other than it was the act of speculation itself. The build up to the failure comprises the majority of the novel—lending support to the notion that speculation and greed are among Lee’s primary concerns. By contrast, the narrative of the actual bankruptcy of the Fultons is rapid—almost a footnote to the larger story. The message in this rhetorical strategy is clear: we ought not to focus on the failure itself, but on what causes it and what might possibly come in the wake of it. For Lee, out of failure comes the potential rebirth of the Fulton family. This, of course, is the central concern of any bankruptcy apologist.

As the Fultons’ friends quickly become “former friends,” they find solace in an old acquaintance of Uncle Joshua’s, Sam Watson and his wife. In the Watsons, Lee demonstrates a concern for honest debtors who lose everything. The Watsons provide what the absent federal bankruptcy law cannot: an opportunity for the family to be reborn from the ashes of its own failure. Despite the many public discussions about the urgent need for federal bankruptcy protection, such a law was not passed until 1841, four years after the novel was published. In lieu of formal bankruptcy protection, debtors in the early years of the panic were forced to rely on the good graces of their friends and their creditors, if possible. The Watsons provide not only friendship, but also perspective to the Fultons, who are now forced to live on Uncle Joshua’s inheritance and in his modest home. In a symbolic gesture, Frank decides to move “out West” to
rebuild his reputation as a physician with an entirely new perspective—or perhaps a renewal of his earlier perspective, on life. He writes to his daughter Elinor at the close of the novel:

I begin to hope we may all again be gathered into one family, even in this world. My business is prosperous; and I have reasonable expectations of being able, in the course of a few years, to convince my creditors, that, however wide I have travelled from the right course, it is not irrecoverable. I willingly submit to every privation, in this blessed hope.

(142-143)

It is fitting that Lee ends the novel with a letter to Elinor, as she is the central character in Lee’s sequel, *Elinor Fulton*, wherein the family actually does rebuild itself in the wake of financial failure, albeit with more modest means and ambitions. The sequel allows Lee to turn from the dangers of speculation and materialism to the process of economic rebirth through bankruptcy.

The Fultons are, by most accounts, decent, kind people; we see this in their behavior throughout the first section of the novel. They are not “fraudulent debtors” in the way that readers are led to think of Sanford in *The Coquette*, for example. It is clear, from this last passage of the novel, that Frank is willing to do whatever it takes to repay his creditors, cost what it may; he is precisely the type of debtor that bankruptcy laws are designed to protect. The Fultons are victims of their own folly, and perhaps of an inflated sense of self worth, but they are not necessarily bad people. In fact, they are, in the beginning of their lives together, benevolent to a fault, and their cooperative approach to both their marriage and Frank’s practice leaves them well equipped to handle any trials that might befall them. But as they increasingly rely on outward, material possessions, rather than each other, for support and comfort, their downfall begins, and it is rapid. The moral lesson of the novel is clear in that it condemns excessive materialism, greed, and speculation; however, it is not necessarily a condemnation of an entire
economic system. In fact, throughout the first, and most of the second section, the social ascent of Fultons is cast in a very positive light—they are pillars of morality, working diligently to achieve a modicum of success that reflects the promise of life in America. Templin points out:

At first, the Fultons’ rise from newlywed poverty is clearly depicted as desirable, demonstrating the rewards of their industry and benevolence. A comfortable income allows Frank and Jane to furnish a home and educate their children—that is, to acquire, enjoy, and pass on the essential elements of middle-class life and identity.213

It is, in Hannah Sawyer Lee’s view, that “middle-class life and identity” that are in danger of being destroyed by the reckless speculation and greed that brought about the Panic of 1837. Lee’s novel focuses expressly on the dangers of speculation and greed as behaviors that lead to economic failure. The implication at the end of the novel, however, is that forgiveness through a federal bankruptcy law is necessary to protect and rehabilitate what she sees as a broken, but still fixable system. In his move West, Frank is quite literally on the road to rehabilitation—a road that bankruptcy would pave for many in similar situations.

In a departure from the themes found Lee’s novel, Eliza Follen’s Sketches of Married Life is far more overtly concerned with the lack of debt forgiveness through a federal bankruptcy law, and her story reveals the essential function of such a law in society. She is also, like many other female panic writers, interested in demonstrating the importance and value of having a female voice in economic discourse. Interestingly, however, she more overtly reveals a ready acceptance of the machinations of the capitalist system, provided that the money gained from that system is put to noble, philanthropic use. As the Reverend Peabody argued earlier in this chapter, Follen believes in the notion that “It is the earnings of commerce that have erected our

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213 Templin, Panic Fiction, 74.
academies, our colleges, our seminaries of sacred learning.” She sees the potential benefit of commercial activity as something that far outweighs the negative impact that other panic writers, such as Lee, tend to focus on.

The novel follows the trials and triumphs of the protagonist, the young Amy Weston. Amy is an able economist who successfully navigates not one, but two bankruptcies over the course of the novel. As did Charlotte Temple, Follen’s story begins in bankruptcy. Amy is in love with the honest and honorable Edward Selmar, but, as we learn from Selmar’s servant on the second page of the novel, “he is going to sell everything he has; give up his lodgings, sell his gig, and his horses, even Robinette, his beautiful saddle-horse; and, more than all, he means to wait upon himself; for he told me this morning I must look out for a place, because he could not afford to keep me.”214 The reason for Selmar’s failure is all-too-common at the time this novel was written, (1838); his failure is, in yet another reference to the interconnectedness of commercial relations in America, “brought on by the failure of others who owed him money, and he has given up all he has, and he means to deny himself everything” (3). Amy Weston comes from a privileged home with an extremely wealthy, conservative father; her mother died when she was young, leaving Amy a modest inheritance, on top of her father’s fortune. Shortly after his failure, Selmar declares his intentions to marry Amy. Mr. Weston is appalled at the idea of his daughter’s plans to marry the recently bankrupt Mr. Selmar: “He! Amy—he, a beggar, a bankrupt, presume to declare his love to my daughter! He, without a cent in the world, dare to think of marrying you, who are an heiress! He is a man without principle, or he has lost his

214 Follen, Eliza Cabot Sketches of Married Life, Boston: Hilliard, Gray & Co., (1838), 2-3. All subsequent references will be to this edition and will be noted parenthetically in the text.
sense” (21). This scene sets up the ideological tension between Amy and her father over the matter of bankruptcy and forgiveness that will last throughout the novel.

We then learn that Selmar has reached a settlement with his creditors, by which he will pay them seventy-five cents on the dollar and receive a “full release from all further claims” (67). Edward’s debts have now been legally forgiven—he is free to pursue other avenues and, in the wake of his discharge, is determined to rebuild his fortune. He has “resolved to accept a very advantageous proposal, which had been made to him, to go to China; that he might be gone two years, perhaps more; but that he trusted that he should return with such a fortune as would enable them to be married” (67-68). This is, for the bankruptcy apologist, the principal benefit of the law—to be able to start over, fresh, without the burden of past debts. With Mr. Weston’s tempered approval, Edward sails for China, interestingly, not for Amy, but “for myself” (68).

In Edward’s absence, Amy demonstrates the strength of her character and her resolve to improve the lives of others less fortunate than she. She had “hitherto been in the habit of giving a portion of the money she had at her disposal, to those who had the care of the poor, to be employed by them for their benefit. She now resolved to be her own almoner, and to exercise that higher charity which bides us give our time, our thoughts, our active sympathy to the poor” (76). Out of her newly energized personal philanthropy, she decides to start a school wherein poor children may learn while their mothers are working. The proposal, not unlike her pending nuptials, is repugnant to her father, who proclaims, “I much doubt the expediency of teaching the poor; it makes them discontented” (78). Given her recent experience working directly with the poor, rather than simply donating money to a “cause,” Amy is able to confidently retort, “You know not, dear father, what the poor suffer; I have been among them, and I know what they endure”(78). It is at this point when Amy begins to assert her own financial independence from
her father, he refuses to provide assistance in establishing the school, so Amy takes it upon herself to use some of the money from her mother’s estate and to solicit contributions from friends, including her cousin Fanny and her wealthy husband, Mr. Roberts. In the process of running her school, which turns out to be quite successful, she cultivates invaluable skills in both management and business economics. These skills turn out to be a critical blessing to her and her father when, midway through the novel, he too goes bankrupt and loses everything.

In the face of this second bankruptcy, Amy is forced to take on the responsibility of domestic economic manager of what remains of her father’s estate. Mary Templin notes, “While her independence and economic views have already been established in the novel prior to Mr. Weston’s failure, her father’s loss of economic power and status—as in other panic novels—permits Amy to assume the greater economic responsibilities that fit her for later partnership with her husband.”

In accord with his peevish personality, her father views his new status in society as a “disgrace,” yet another point on which he and his daughter disagree. She explains to him, “I can never feel that either you or I are disgraced by poverty, or be ashamed of the dust that falls upon me from any one’s carriage” (118). She continually strives to reassure her father that the absence of great wealth does not necessarily equate to misery. With an air that almost rings of a challenge, she tells him “you don’t know what a good economist I can be” (119). Her father, naturally, opposes such optimism, and in doing so reveals that he has suffered the very same fate as Selmar—he too has failed because of the failure of others:

I am one of the many victims of this miserable republicanism. Where the swinish multitude can make laws and repeal them at their pleasure, there is no security for property. One man after another has failed, who owed me money, in consequence of the

215 Templin, Panic Fiction, 125.
absurd policy of our government. I am worth almost nothing. What is left will not much more than pay my debts. I must sell my houses, and horses, and carriages, and live in the most economical way possible. (120)

In Amy’s successful management of both her school and the remainder of her father’s estate, Follen demonstrates two important themes: first, that women are more than capable of maintaining a business and a domestic household at the same time; and second, that with prudence and patience, there is life after bankruptcy. In fact, it is bankruptcy itself that makes such a life possible. We see this quite clearly on an individual level with the failure of Mr. Weston; it is not, however, until Mr. Selmar’s return, that we see how Follen demonstrates the true benefits of bankruptcy for society as a whole.

Having returned from China, Selmar, “though not rich, had now a respectable property” and Mr. Weston begrudgingly gives his consent, however unnecessary it might be to Amy or Edward, to their marriage. Once married and living together, Edward’s business once again flourishes and they are able to afford a nicer home, purchase a carriage, and have a few selected luxuries. The success of the Selmars, however, is due, in no small measure, to something that a most panic fiction writers would denounce:

His business was prosperous; he made some very successful speculations, and again called himself a rich man. Amy was rejoiced at again having money at her command. She fully appreciated the pleasure which all the refined luxuries of life afford; more especially that purest of all luxuries, of always having her purse well supplied for the needy. (184 my emphasis)

Unlike Hannah Sawyer Lee, who clearly rejected speculation as nothing more than a form of gambling, Follen embraces the practice; however, she is quick to remind her reader that monies
gained from such speculation are only valuable if they are spent wisely—namely, if the speculator is generous and charitable. On this front, the Selmars are exemplary. Having gone through the painful process of bankruptcy and having reached a settlement with his creditors, Edward Selmar has been provided the opportunity to rebuild his fortune. He is the shining example of the sagacity of bankruptcy law; he is the poster child for economic rebirth. If he had been thrown into debtor’s prison, there would have been no chance for economic rehabilitation.

The people in his employ would not have their jobs, the money he and his wife liberally spend on goods and services would be effectively removed from circulation in the larger economy, and, most importantly for Follen, their substantial contributions to charity would be nonexistent.

Bankruptcy law provides opportunity—opportunity to reengage with the larger national economic cycle, and, having been giving such opportunity, are bankrupts not, Follen implicitly asks, more likely to be charitable to others? For Follen, the answer is clearly yes.

Edward’s business has grown substantially after his bankruptcy; however, he realizes all too well, that his success is predicated on the earlier forgiveness and charity of others. Even if the law now mandates such forgiveness, he feels a sense of duty arising within him. His perspective becomes clear when he meets one of his former creditors on the street. He hears that the creditor’s son, who had a “thirst for learning,” is old enough to now attend college, but that the man “cannot honestly indulge [himself] even in this luxury” (204). Edward explains to his wife: “When I failed, I owed this man twelve thousand dollars. I paid him but nine. I now, of course, owe him three, and the interest upon it. That sum would enable him to give his son the advantage which he so much desires” (204). Upon this meeting, they both resolve to pay all of his creditors back what he originally owed them, despite his legal discharge from those debts. Through the gift of forgiveness, provided by a bankruptcy law, he is able to send one creditor’s
son to college, to save another man who was “suffering for the want of money which he remembered he owed him”; and to help another creditor’s family on the verge of sending their eldest daughter out of state to become a governess because they could not afford to pay for her education. Thus, through the bankruptcy of one man, so many are helped; these are the stories that are missing from the bankruptcy debate at the nation’s capital; such stories are seldom told even in newspapers. Follen and the other panic fiction writers realize that one of the most effective ways to share the potential power and reach of bankruptcy law is through the novel.

In precisely the same way that the commercial moralists were advocating for a synthesis between Christian morality and commercial life, Follen calls upon merchants and businessmen to use their acumen for the greater good. Follen is clearly using a card from the deck of Reverend Peabody, who, as you will recall, said earlier in this chapter:

Go to the trustees of our great public charities, our hospitals, our asylums for the blind, the dumb, the insane, peruse the list of their endowments and benefactions; and, with hardly an exception, against every truly liberal donation you will read a merchant's name. It is the earnings of commerce that have erected our academies, our colleges, our seminaries of sacred learning; and were our ancient and immensely wealthy university summoned to yield up what she has received though the munificence of merchants, there is hardly an alcove in her library, which would not be emptied, hardly a building on her grounds, which would not be demolished.

These sentiments are echoed nearly word for word in Follen’s novel when Edward says to his wife:

The greater proportion of our public benefactors have been merchants. Their money has given eyes to the blind, and ears to the deaf, health to the sick, and peace and comfort to
the forsaken; it feeds and instructs the ignorant poor; it sends the glad tidings of salvation to the unbeliever and the penitent; it takes little children in its arms, and blesses them.

(200)

This is sentimental commercialism at its best. Through Edward’s economic rehabilitation in bankruptcy, he and Amy are put in a place where they can do good for others. This, for Follen, is the ultimate end, not only of bankruptcy law, but also for capitalism itself, which, she argues, if it is to succeed, must embrace economic forgiveness for all deserving debtors.

Another view on the Panic of 1837 is offered in Frederick Jackson’s *The Victim of Chancery: Or, A Debtor’s Experience*. The novel was one of three by Jackson written and published in 1841, at the tipping point of the public battle over the federal bankruptcy law, which would eventually pass that same year. Jackson, the only male author considered here, offers yet another perspective on the panic. He is far less concerned, as Lee was, with its causes, i.e., speculation, excessive materialism, or greed than he is with the other common concerns of panic writers: the absence of a predictable, federal bankruptcy law, and the necessity of empowering women in the larger public economic sphere. Unlike Follen, however, who shows us what good becomes of having a formal bankruptcy process, Jackson centers his story on the evils that occur in its absence.

From his opening preface, Jackson is careful to set up his novel as something other than a novel. He writes:

In appearing before the public as a writer of story, the author, as in a former publication, disavows all ambition to mingle with the literary world, in which he knows and feels himself to be unqualified to hold a position. [...] in asserting the truth of the narrative, (for it is nothing more,) the writer would also qualify by saying, that no further attempt at
ornament has been made than seemed to him necessary, to make a story of facts readable by such as look principally to amusement [...] perhaps they will call it a novel.”

Thus, from the very beginning of the text, in its ambiguity as text, Jackson’s work introduces an uncertainty, an instability—is this a novel or is it not? This uncertainty and anxiety, set out from the first paragraph, in some ways mimic the very nature of the panic itself—the novel-as-truth trope found in so much panic fiction is used here to reflect the conditions in which the text was written, a panic so severe and widespread that fixed meanings were destabilized.

Jackson’s novel offers an overt commentary on what he, and so many others, perceived to be a broken legal system. In the absence of a federal bankruptcy law, disputes between creditors and debtors were often referred to courts of chancery, or as they are commonly called, if somewhat ironically, courts of equity. According to Black’s Law Dictionary, a court of chancery in the United States was one that possessed “general equity powers, distinct from the courts of law. Courts of chancery (equity courts) have been abolished by all states that have adopted the Rules of Civil Procedure.” In this definition, we can glean the primary reason why these courts were eventually abolished: a lack of rules and predictability. Courts of chancery notoriously had no formal written rules; in many cases, whim carried the day rather than any true sense of justice or equity. The desire for order, predictability, and stability, precisely what one finds in the federal bankruptcy rules, eventually led to the end of the equity courts. And it is on this point that Jackson reveals the purpose of his novel:

Our prison doors, thank God, are now shut against the incarceration of a man for debt merely, but without the passage of a bankrupt-act, and while the court of chancery exists

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216 Jackson, Frederick, The Victim of Chancery: Or, A Debtor’s Experience (New York: University Press, John F. Turrow (1841), 8-10. All future references will be to this edition and will appear parenthetically in the text.
in its present form and its present rules of practice, it is in the power of malicious men,
and heartless creditors, as effectually to imprison a man’s energies, as if his body was
enclosed within the walls of a prison. (11)

It is Jackson’s express goal in this novel to energize his readership to get behind the bankruptcy
law, for, as he believes, it is only through a law with such predictable outcomes that panics can
be, while certainly not prevented, at the very least minimized. The chaos found in courts of
chancery made the already unpredictable nature of panics that much more unbearable. As we
will see in the novel, those who suffered hardships during a panic were subjected to the whims
and greed of creditors and were afforded no legal protection or relief; in fact, they found the legal
system overtly antagonistic. Jackson writes that “by disturbing the affairs of many from flowing
in their usual channels, [panic] opens the way for advantage to be taken of their necessities; or
perhaps they are tempted to take advantage of circumstances, to the injury of others” (15 my
emphasis). In other words, panics tend to force people into behaviors they would otherwise find
repugnant; panic brings out the worst in us. As such, Jackson, like Follen, Lee, and the
commercial moralists, sought to use his pen to help curb the anxiety associated with panic and
economic failure. Maria Carla Sanchez writes of Jackson: “The goals for The Victim of
Chancery, then include large-scale social change as well as precise legislative modification; it is
not overstating the case to say that Jackson had individual citizens, the citizenry as entity, and
the institutions of the state in mind as he put fort his various charges and protests.”

In his narrative, Jackson lays out a series of charges against what he views as the current
system of chancery. The story involves the Adams family. Mr. Adams is a respectable merchant
in New York City whose import business is devastated by the panic of 1837. Mr. Adams was one

217 Sanchez, Reforming the World, 48.
among the great number who “in the year 1837 were fated, by means not within their control, to meet a reverse in their worldly circumstances” (30). There are no details as to how the failure came about, but Jackson declares that, “those acquainted with the sinuosities of a merchant’s fortune in business will easily understand it” (30). Being the upstanding merchant he is, however, Adams makes every effort to satisfy his creditors’ claims, dividing his remaining assets equally among them. Two of his creditors, the aptly named Mr. Heartless and Mr. ———, refuse the settlement proposal and they subsequently hire two unsavory attorneys, Mr. Gouge and Mr. Gammon, to represent him in a lawsuit in chancery court for the remainder of the debt. A jeremiad against lawyers is the first order of business for Jackson.

He begins by describing the four types of lawyers: the “counselor,” the “solicitor,” the “pettifogger,” and the “Quirk Gammon and Snaps of Wall-Street.” The counselor is man of a “good deal of experience and learning, and as much probity as his profession will allow one to carry about him.” But, we are told, “in this sketch we have nothing to do with him” (27 emphasis in original). He has nothing positive or negative to say about the solicitor, but he does note that the pettifogger seeks to “raise a little fog in whatever he undertakes” and thus “demands no further description from us” (27). The Quirk Gammon, however, is said to be a “distinct species, intermediate between the two extremes of all the former, and bearing the same affinity to each that a certain long-eared animal does to his progenitors, having all his stubbornness without any of his stupidity” (27-28). While there is one notable exception to this general characterization of lawyers, they are generally depicted in the least favorable light possible. Mr. Gouge, who turns out to be as horrible as his name implies, even lies about his academic credentials, having stolen his father’s (a clergyman no less), diploma: “it was suspected that this evidence of his scholarship might have undergone a trifling alteration of date and once belonged to his father,
who had been a clergyman” (33). As the novel unfolds, through a series of legal maneuvers designed specifically to entrap the unsuspecting and honest Mr. Adams, Mr. Gouge is vilified. He is motivated by nothing but money and revenge; even his partner, Mr. Gammon doesn’t trust him: “In short, Mr. Gammon had already begun to fear that the ambition of his partner, who was yet a very young man, might ere long supplant him in business” (35). The feeling was mutual, however, as Gouge “saw within [Gammon] a spirit of cunning, and a degree of selfishness, that would not hesitate to turn against him, whenever he could best gratify his ruling passion of avarice by doing so” (35). Even lawyers hate lawyers in this story.

Jackson then takes on the chancery system itself, which he depicts as chaotic, susceptible to corruption and manipulation, and ultimately concerned with anything but justice. Once the suit is filed by Mr. Gouge on behalf of Mr. ———, and Mr. Adams is shown to be unable to pay the legitimate debt, an injunction is filed against him. One of the many flaws of the chancery court, which Jackson is quick to point out, is that once an injunction is obtained (an order by the court prohibiting the debtor from spending his own money on anything other than debt repayment), the violation of that injunction is punishable by imprisonment and the creditor “may call the debtor up […] as often as he pleases, and compel him, on his own oath, to give evidence against himself, contrary to all rule of law and justice in criminal cases” (46). In other words, the debtor must prove his own innocence, rather than stand innocent until proven guilty. There is a massive imbalance of power within the chancery system that Jackson wants his readers, quite literally, to feel:

The defendant in chancery may for a time sit easy under his burden, but the sustained grip of its power will, finally, crush his spirits, if not his life; little by little it moves
onward, like a serpent encircling its victim it its folds, constantly increasing its own power, while the breath of its victim grows shorter and shorter. (68)

He goes into great detail about the absurdity of the bureaucracy and lack of structure in the system, pointing out that “if lawyers choose to take up the whole time, from ten to three o’clock, in their arguments, or wrangling upon these, instead of taking your turn upon the following day, or as soon as it may be reached, you are thrown back upon your first position, and obliged to wait for another motion day, pay another fee, go over the same ceremony, and, three to one, meet the same result” (141). In no uncertain terms, Jackson suggests that, rather than being designed to simply maximize the debtor’s estate for the benefit of all creditors, the policy is “to deprive him of the use of [his own property], and thus compel him, less reluctantly, to surrender his rights” (69).

In their manipulation of the system, Gouge is able to force Mr. Adams to either admit or deny, in open court, having received money from his brother. Under the injunction, Mr. Adams cannot earn money or receive money that might be due from a debt owed to him. However, his brother had borrowed money years ago, and Mr. Adams had told his brother that repayment wasn’t necessary, because he was using the money to care for their ailing mother. Thus, technically, the money from his brother isn’t “due” but is instead a “gift.” Adams essentially pleads ignorance, saying that the he had received no money “that I considered as due” or “none for which I considered I had any legal claim.” His semantics backfire and the court finds him in contempt, and in violation of the injunction; he is sent to prison. Gouge takes everything from the Adams family, their furniture, their dishes, anything that might have any remote value at all. In a tongue-and-cheek moment, Jackson describes the “milk of human kindness” in the chancery court by describing the “generous exceptions” that the law provides: “one bed for every two; a
chair for each to sit on, a plate for each to eat from, and a knife and fork to eat with. Of cups and saucers, and the paraphernalia of a ladies’ tea-table, it says not one word” (82-83). The motivation for this cruel maneuver, we learn, is that Gouge and Gammon have discovered that Mrs. Adams owns a small piece of property that was willed to her before she was married; as such, it is her personal property. The thinking is that if the couple is deprived of everything, including liberty, she might be willing to sacrifice the property, despite not being legally obliged to do so. This story is, as the title suggests, a “debtor’s experience” without bankruptcy protection. The problem for Jackson is not that these things happen—but that they are legal. This is why the bankruptcy law is so critical. Sanchez notes “In the logic of panic fiction, there must be something wrong with a world in which realities can be manufactured, moved from column A to column B, filed and stored away; in which prisons can be made of both bricks and words.”218

It is at this point, with the honorable Mr. Adams in prison, that we see Jackson reveal the second aim of the novel: to demonstrate the ability of women to assume economic agency for themselves and to demonstrate their resourcefulness and acumen in matters of the law and economy. At the first mention of the injunction, Mrs. Adams discharges her servants and reduces domestic spending. She takes on work as an organist at a local church to help support the family (the injunction only applies to her husband). Katherine, the eldest daughter, is also seen as a capable young woman; although too young to begin work as a teacher, she revises “her studies preparatory to such employment; and by her skill in drawing, occasionally procured something to assist in supplying the paraphernalia of a young lady’s toilet” (85). While these initial efforts certainly help the family, the Adams women aren’t fully put to the test until Mr. Adams goes to prison. As he is escorted from their home to the prison cell, the family watches helpless, in tears.

218 Sanchez, Reforming the World, 49.
Our narrator reminds us, however, “Tears have been called the wine of a woman’s wrath, but they are more frequently the precursors of the highest exercise of courage and virtue” (94).

After an initial breakdown, Mrs. Adams goes to see her husband’s attorney. She is told that there are some things that can be done to prove that Mr. Adams was, technically, truthful about the loan he had given to his brother—she simply needs to procure notarized documents from the court where her brother-in-law lived, which was seven hundred miles away. The attorney told her that Mr. Adams was planning to write to his brother and that the process would, due to the distance and the necessary authorizations of the documents, take many weeks, perhaps longer. The overly complex process, coupled with the risk of the papers being lost in transit, proved unacceptable to Mrs. Adams. She makes arrangements to go herself, despite her husband’s objections that “she would expose her health and her person, the children needed her care, and she had not the means to pay her expenses and leave them provided for. But she was firm in her purpose” (111). At the moment of her departure the next day, an anonymous gift, in the form of a hundred dollars shows up, a gift from the son of a former creditor of Mr. Adams.

As her mother sets out on her perilous journey, Katherine writes to her father in prison, indicating that she is, “now chief in command pro tem.” She ably steps in to fill her mother’s place, explaining “I am not extravagant, nor do I intend to make cookery any part of my study, until I can have the privilege of making a pudding for you and mother to eat together” (123). Mrs. Adams successfully navigates the trip, which would take her on a boat, a train, and a carriage over the course of many days:

She met with not embarrassment or delay; her appearance and manners commanded respect and attention to all her wants; and, to the honor of our country, be it said, that, although such experiments are not to be ventured upon without cause, yet a lady of
character may travel seven hundred miles alone, without danger of insult or embarrassment. (127)

After obtaining the necessary paperwork, with the help of her brother-in-law’s attorney and a local judge (the exceptions to the rule that all legal professionals are scoundrels), she returns home and takes her cause before the court of chancery.

Jackson levies further criticism at the court process at this point, noting “whoever thinks to understand the operation of law, or rather I should say, the practice of lawyers, by reading the statutes, will find them differ as widely as any fact and theory ever did. When the day of hearing arrived, perhaps it were better to call it the day of talking, for surely, nobody heard half the nonsensical jargon of words, technicalities, terms, quotations, references, assertions, suppositions, appeals and worn-out slang, which were there uttered” (142). The ability of lawyers to obtain delays was owing to the lack of procedural rules in chancery and Jackson makes it a point throughout the novel to demonstrate this fact. Eventually, Mr. Adams’ case is heard, and his lawyer recounts in open court the journey that Mrs. Adams endured on behalf of her husband, to which Mr. Gammon exclaims: “no lady could do such a thing, and no lady that was a lady would undertake it” (159). The fact that it is Mr. Gammon who makes this proclamation against the resourcefulness and determination of a woman only adds to Jackson’s purpose here. The case is, at last, decided in Mr. Adams’ favor and he is released from prison.

Still, even while he is out of jail, the injunction hangs over him like a cloud. The entire process of chancery, as Jackson is quick to point out, poisons otherwise good people:

The bird that has been once snared is easily frightened, and he felt it was so with him. He had become suspicious and doubtful of his fellow men, and it embittered some of his best
feelings, and encroached largely upon his happiness and his naturally cheerful temper; but the quiet serenity of his home soon overcame these difficulties” (166-67).

Adams no longer trusts people as he once did, and this fact is owing to the chancery system itself. In a commentary, not only on the legal system, but on the larger marketplace itself, Jackson notes that “the first feelings of regret, and the first impulse of sympathy for a neighbor’s misfortunes, are soon forgotten in the hurry of business, and the ceaselessly changing tide of circumstances, soon swallows up everything in selfish pursuits” (168-69). By the end of the novel, Gouge reveals himself a thief bent on vengeance, which had become the “ruling passion of his heart” (170); he absconds with borrowed money from Mr.——— and flees to Texas, never to be heard from again. The injunction against Mr. Adams is lifted, and all works out in the end, for those who have been proved to be deserving. The message of the story is quite clear: “That in every attempt at dishonest or dishonorable gain, the loss has fallen in the end on him who laid the plot; and we wish to express our clear opinion in the matter, that should a man be successful for his whole life, in a course of dishonor or oppression, he will meet his reward at last, and find that in each particular instance of departure from right, he has made a losing bargain” (200).

In a novel that begins in uncertainty and ambiguity, with a plot riddled with legal twists and machinations so complex that a lawyer would have difficulty following it, Jackson ends the novel with a moral certainty—without a fair and sensible legal system, honest men like Mr. Adams will continually be susceptible to the “power of malicious men, and heartless creditors,” and the lawyers who represent them. The only way to prevent such injustices is, as he reminds us in his preface, through the “passage of a bankrupt-act.”

The massive reach of the devastation caused by the Panic of 1837 forced Americans to rethink their assumptions about the seeming inevitability of capitalism and continued economic
growth. The novels discussed here attempted to make sense of the panic and to offer commentary on the causes of the panic, the adequacies of the legal system to deal with panic and economic failure, and to offer possible solutions to avoid future crises. With respect to their efforts on the legal front, the passage of the Bankruptcy Act of 1841 was a clear victory. Edward Balleisen argues that their efforts were, in some regard effective on the personal level as well:

> Whether or not failed antebellum proprietors or their wives read these fictional tales, some applicants under the 1841 Bankruptcy Act acted as if they had internalized their message. These individuals responded to insolvency by quelling the urge to become rich quickly. They adopted far more cautious approaches to business, seeking to constrain risk at the cost of forgoing potential profits.  

The teachings of these novelists and the commercial moralists amounted to a concerted effort to sustain and improve the capitalist system in which they lived. They sought not only change the legal system, but also to showcase the necessary personal traits and qualities that might result in prosperity after failure.

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