

愚人金：《富賈滄桑》中的股市投資

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摘要

郝渥斯的《富賈滄桑》素有「美國第一部商業小說」之名，然而評論者對於小說中的商業行為討論有限，不是偏重道德問題的探討，就是將文學作品和創作行為視為經濟文化的產物。本文承襲前人經濟文化的討論，卻將重點置於小說主角的商業活動，特別是炒作投機性股票，以致傾家蕩產的情節，藉由探究小說家對於股市理所當然的貶抑，對應當時公眾對於股市的負面評價，一窺經濟商業活動所染上的道德色彩。

股市之所以為人詬病，和其早期發展的不法操作、投機狂熱，以及頻繁的崩盤震盪，不無關連。郝渥斯將股票買賣類比為賭博，則格外凸顯其反理性（隨機）、反生產（不勞而獲）的特質。然而，小說家此舉雖關照著清教主義、中產階級和農業社會的價值觀，卻也在當時實業家與金融家的商場較勁中，替前者平添了道德正統的意味。

郝渥斯為了強化小說主角實業家的正面形象，更讓他透過經營買賣找到人生目標、人際和諧和道德救贖。此舉成功的將舊有道德價值與當代商業行為結合，以經濟活動的道德報償對照股市投資的道德淪喪，既是商業的道德化也不失為道德的商業化。

關鍵詞：郝渥斯、《富賈滄桑》 經濟史、股票市場、投機買賣、道德經濟

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Fool's Gold: Playing the Market in *The Rise of Silas Lapham*

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Abstract

Long called the first American business novel, *The Rise of Silas Lapham* has not attracted much critical attention to its economic action. Critics have mostly focused on discussions of moral philosophy and, more recently, of literary creativity as socio-economic behavior. This research looks instead at the business dealings in the novel, especially speculation in the stock market, to examine the moralization of economic activities with references to Wall Street's negative image in contemporary popular discourse.

The notoriety of the stock exchange comes from its sharp practices, speculative manias, and periodic crashes. Howells also adopts the popular analogy between stock speculation and gambling to highlight the irrational and counterproductive characteristics of the former—an attitude which adheres to Puritan work ethics, bourgeois morality and agrarian values. This rhetoric, however, also echoes the attacks of industrialists as they lose their battle with financiers for control of Wall Street.

To further intensify the contrast between the two kinds of businessmen in favor of the industrialists, Howells depicts Lapham's activities as a fulfillment of self, devotion to family, contribution to the community, and redemption of his soul. This moral discourse helps legitimize industrial capitalism in the eyes of the conservative

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public, while Lapham's financial failure adds to the disreputability of venture capitalists as embodied in the deceitful Rogers. The novelist thus lends support to the industrialists' moralization of business differences.

Keywords: William Dean Howells, *The Rise of Silas Lapham*, economic history, stock market, speculation, moral economy

Fool's Gold: Playing the Market in *The Rise of Silas Lapham* *

Li, Hsin-ying

1. The First American Business Novel

Though reputed to be the first business novel in American literature, W. D. Howells's *The Rise of Silas Lapham* has not attracted much critical interest in its business plot. Scholars investigating the representation of economic affairs or the image of the businessman in American fiction have paid limited attention to it. Claude Reherd Flory and Walter Fuller Taylor, who both read 19th-century novels as critiques of capitalistic industrialism, prefer Howells's later works which are influenced by Tolstoy's Christian socialism. Henry Nash Smith also chooses Howells's late masterpiece *A Hazard of New Fortunes* instead in his survey of the figure of the businessman in American letters. Emily Stipes Watts's more extended study of the businessman does include *Lapham*, but she focuses on the title character's doubtful moral status. In a slightly later research of a similar nature, Lorne Fienberg likewise emphasizes Lapham's moral standing in addition to his social status under the genteel tradition. Flory, Taylor and Smith pass over this novel probably because it does not criticize the economic system enough; but as Watts and Fienberg show, even if Howells conforms to a popular viewpoint of business, this bourgeois impression of entrepreneurs is not necessarily favorable. *Lapham*, though failing to strike at the roots of capitalistic evils or to offer a utopian

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vision of a socialist economy, nevertheless reveals, by Lapham's negative example as well as his final repentance, what the novelist and the average reader considered to be condemnable or commendable business practices. Indeed a close look at the details of the commercial episodes provides an overview of the typical attitudes toward a wide range of common economic phenomena in Howells's times, such as economic booms, periodical recessions, speculative frenzies, business mergers, exploitive railroads, foreign investment, etc.

As the novel opens, Lapham relates his career to a newspaperman. His father had discovered a paint mine on their old farm but had lacked the facilities to develop it during his lifetime. After the old man's death, Lapham, encouraged by his wife Persis, sold out his hotel and stable to work the mine, but the Civil War broke out and the economy collapsed. When Lapham once again tried to introduce his paint to the market after the war, he discovered that "[the] day of small things was past,"¹ so he reluctantly took a partner with capital. He soon bought the partner Rogers out of the business just as the paint market started to improve, but Persis always felt that they had cheated Rogers out of his rightful share in their later fortune. To their surprise, Roger reappears after they relocate to Boston and approaches Lapham for a loan to invest in a patent right. Lapham, to bury the hatchet, lends him some extra money he made on the stock market and takes some worthless stocks as collateral. Rogers comes back to borrow more, though, and Lapham is forced to get in deeper with him or lose his money. In return, Lapham takes a milling property belonging to Rogers that might make a profit if the railroad monopoly does not as good as confiscate it. As both the stock market and the paint market start to slow down, however, Lapham sells the stocks at a loss and threatens to sell the mills. Within time, Lapham's business suffers even further from the economic downturn, while fierce competition in the market and his unwise dabbling in watered stocks worsen his financial situation. The only way out, Lapham imagines, is a merger with his major competitor, yet he lacks the funds. At this point, Rogers produces a pair of English agents proposing to buy the milling property at a handsome price. Lapham, wanting to act honestly, discloses the railroad's designs to them, but the agents insist

1 William Dean Howells, *The Rise of Silas Lapham* 16. Hereafter cited parenthetically.

on buying for their foreign clients who have money enough to bear the possible risk, with hints of a kickback for all involved. Lapham hesitates, so Rogers suggests buying back the property and ridding Lapham of his moral responsibilities in this matter, but Lapham still cannot come to a decision. Finally, the railroad takes action before Lapham gives Rogers and the agents a final answer, thus sealing his fate. He turns down another possible investor in his paint business by owning up to his financial crisis, and pays everything he owns over to his creditors. The merchant then moves back to his old homestead in Vermont to produce a more refined paint on a much-reduced scale.

Though truthful representations of contemporary economic activities, the above episodes, with the exception of the dealings in the milling property, are mostly viewed as secondary in the usual analyses of the novel, even in Watts's and Feinberg's studies. Most of these readings treat Lapham's business dealings as the setting to his abortive social climbing and the love triangle of his daughters, or a lengthy prelude to his moral rise—usually referring to his rejection of the English agents' and Rogers's proposals. The problem with such readings, for a "first American business novel," is that it tells us more about moral philosophy and class distinctions, but not much about business practices. Everett Carter and Donald Pizer, for instance, praise the character for braving his bankruptcy to secure the greatest happiness for the greatest number (the British investors), thus implementing the major principle of John Stuart Mill's utilitarianism, which Howells calls "the economy of pain" in the novel. Patrick Dooley likewise gives Lapham credit for following the practical morality of James H. Fairchild rather than the limited moral duty of Francis Wayland as Rogers does and most of his contemporaries would have done. On the other hand, critics interested in social class mostly regard the profession of the businessman as a status symbol but offer little comment on the stereotype.² This proves the popularity of what Watts calls "the Scrooge Syndrome"—"a pervasively negative image of the businessman"—but provides little insight into the disreputability of the business sector at this specific time and place.

2 Critics mostly look at characterization on the whole, such as birthplace, language usage, and especially social manners, in their discussion of class. See, for the most obvious examples, Nettles and Li.

With the arrival of the new historicists who regard culture as economy and economy as culture, though, a new interest arises in the novel as a reflection of the economic conditions and the cultural values of its time. Within the marketplace and within the novel, literary evaluation and exchange become comparable to economic evaluation and exchange. Walter Benn Michaels, in one of the earliest of such studies, believes *Lapham* critical of excessiveness in social life, as well as in business and literature, i.e. capitalism and sentimentalism. Connecting literary practice with contemporary economic issues, he argues that the economy and morality represented in the novel both vindicate a “precapitalist domestic economy.” Wai-Chee Dimock, meanwhile, probes the socio-economic mentality behind literary forms. He sees Howells as an economist who distributes pleasure and pain by following a capitalist humanitarianism; in terms of the business novel, he treats transactions in the marketplace as part of a comprehensive moral economy—a causal attribution of moral responsibility and financial liability. These studies greatly expand the scope of the business novel as they expand the scope of economy to include discussions of all social activities; but they also open up the genre to possibly include novels without an obvious “business” plot. The business novel as we know it then mainly brings such discussions more to the foreground, and *Lapham* as the earliest proves to be quite representative in its economic referentiality.

In this paper, I wish to further the study of recent critics, but with more stress on the business details of this business novel to better understand the cultural values underlying our evaluation of economic activities. Instead of the bargaining over the mills, on which much valuable research has already been done, though, I will look into the character’s investments in the stock market. Lapham loses his newly accumulated wealth for a great part because, by speculating in watered stocks and taking “wild-cat stocks” as security for a bad loan, he loses money that could have tided him over his business crisis. Though in itself more descriptive than dramatic, the volatility of the stock exchange provides Howells with a convenient and realistic means of depicting the sudden rise and fall of the character’s fortune. In comparison to his “moral test,” however, Lapham’s venture in stocks has largely escaped comment, possibly because critics consider this transaction to be, as Lapham confesses himself, an act of folly if not immorality. Yet such a consensus among

characters, author and critics on one of the crucial devices of the plot indicates that the stock exchange suffers from a universally unexamined prejudice in popular sentiment, which, for this very reason, warrants further investigation. Shared opinions always say much about the hidden values of a society. The prejudice against playing the market, after inquiry, also reveals traditional agrarian values on work and profit that have been appropriated by the industrial age to justify or censure contemporary economic behavior. Howells adopts this popular discourse as a matter of fact in his judgments on the fictional business activities, as well as other devices of the popular novel, such as idealization and sentimentalism, to alternately praise and criticize Lapham's business activities. In rhetoric and spirit, the novel harks back to a pre-industrial age; its prominence in this particular time and place, however, lends support to the industrial capitalists' resistance to the gathering forces of investment banking.

2. The Common Distaste for Stock Speculation

The development of the stock exchange up to the time of Howells's writing had given it a reputation as the playground of the robber barons.³ Its unapologetic spoliation, except the occasional appeal to patriotism for war bonds which intimates its alliance with political power, made Wall Street the capitalist institution par excellence. Yet the recurring interplay of predatory greed and unscrupulous audacity during, or causing, economic and social turmoil set Wall Street apart from other business sectors as a potential disruptive factor in economic development. Howells shares the distaste of his contemporaries for the stock market, as seen through Persis's cautious view of stocks. When Lapham claims he has enough money to spend on an extravagant new house because he bought low and sold high on the stock market, his wife, who serves as the voice of his conscience for the most part of the novel, rebukes him for "tak[ing] up gambling for a living" (129) and warns "with the conservatism of her sex" (130) that next time he will find himself on

3 For a brief look at the legendary feats and figures of the stock exchange up to the 1880s, please refer to the Appendix.

the wrong side of the market. Implied is the fickleness of the stock exchange, which attracts speculators with the promise of quick and enormous returns yet also threatens with swift and sudden ruin. Lapham's explanation that he means to "invest" the money he made in his mineral paint business and that he is prepared to take a long position if prices should drop reflects a speculative fever—and, one would suspect, a convenient excuse—common among his contemporary merchants. Persis's "conservatism," especially her defamation of stock speculation as "gambling," however, implies that mainstream values regarded playing the market as a less than legitimate business practice, especially as a profession ("for a living").

A random look at contemporary attacks on the stock exchange indeed shows that stock speculation, like all kinds of speculation in all ages, often suffered from a comparison to gambling. As early a detractor as Thomas Jefferson, in fact, complained to General Washington that "[the] wealth acquired by speculation and plunder, is fugacious in its nature, and fills society with the spirit of gambling." A news article as recent as the summer of 2003 also calls profiteering shareholders of a listed company "players, to use the apt gambling industry term."⁴ The two may be alike in their risk-taking and occasional high stakes, but the analogy attaches the other vices of gamblers, such as irrationality and extravagance, to stock investors. By appropriating the moral discourse of earlier attacks on gambling, the critics of Wall Street appear to incorporate the cultural values of an agrarian economy, especially the Protestant work ethic, into the industrial age. In popular writing, however, this appropriation does not always advocate an anticapitalist economy as Michaels observes in Howells. This figure of speech also plays into the hands of industrialists, who adopt the language to recount their strife with financiers to their own advantage. Indeed, although agrarianism vs. industrialism seemed to be the economic models at war in rhetoric, the true front had actually shifted to the wrestle between captains of industry and investment bankers for control over the post-war financial centers. Howells, as he echoes the usual moral attacks against the stock market, also makes use of the industrialist-financier contrast in his characterization, and also in favor of the industrial capitalists. Even if he prefers an agrarian

4 "American West saved, but can it remain safe?" *The Arizona Republic* July 27, 2003.

economy most, the novelist nevertheless appears to support the industrialists' claim to moral high ground, in his zeal to defend traditional values.

The analogy between stocks and gambling comes, firstly, from the uncertainty of the stock market. For Persis, who, with the business detachment of her sex in those days, could not always keep up with the undertakings of Wall Street, playing the market probably seems like betting on what she considers the "unpredictable" fluctuation of stock prices. Lapham, "the soul of business wisdom" (308) as he poses himself, however, merely acknowledges that "buying and selling on a margin" (129) is indeed gambling, suggesting that prudent investment in stocks can still be a respectable and shrewd business move. Since Howells pointedly has him confess later in the novel that he lost money because of stock speculation instead of investment, the author appears to agree with Lapham's differentiation. Yet supposing chance indeed features both gambling and stock speculation, what makes guesswork so disrespectable?

One reason, likely, is that guesswork is not real work—worse still, it could be counterproductive. A game of chance differs from legitimate undertakings in the efforts put into the two acts, as an earlier brochure denouncing gambling suggests: "Herein legitimate Business and Gambling differ," argues one of its section headings; "the Former seeks to eliminate Chance, to use Judgment and the rest of Man's best Powers; the Latter makes its main Appeal to Chance" (Charles 29). In like manner, the public feels that speculation does not involve manual or brain work—or at least not the kind of logical reasoning approved by bourgeois values—so the rewards from such activities appear ill-gotten. Speculation, furthermore, produces nothing and thus makes money out of nothing, which seriously challenges the economy of production. In the American context, this especially poses a threat to the Protestant work ethic, which upholds that man should work hard at his calling to glorify God and receive material gains from the Divinity gradually and in accordance with his virtuous pursuit. In short, the breach between labor and reward disrupts both the market economy and the moral economy.

This causal rupture between pains and gains remains the same even when one recalls that what was guesswork for the small speculator was often manipulation by unscrupulous traders in Howells's time. The brain work of these plunderers, if ever

regarded as intelligent endeavor, still hardly matches the regular ideas of skills and judgment to qualify it as legitimate work, no matter whether or not their operations are guilty of any wrong doing. Besides, the public usually calls the speculation of these traders the opposite of productive undertakings. In this respect especially, Howells's disapproval echoes the moral attacks aimed at investment banking as it began to replace manufacturing industry as the pillar of Wall Street in the later half of the nineteenth century. The steel magnate Andrew Carnegie, for instance, also criticized the "stock gamblers" who took over U.S. Steel for their "demoralizing" effect on his young partners (qtd. in Sobel, *Money Manias* 204).

Financiers began to usurp the power of industrialists as industries expanded beyond the control of individual entrepreneurs after the Civil War. The two types of capitalists did not share the same business goals, though, since industrialists usually devoted their energy to increasing productivity and market share, while financiers often worked on boosting stock prices and sometimes plundering the company. It was due to such rivalry that Carnegie wrote in his autobiography that "[stock s]peculation is a parasite feeding upon values, creating none" (130). The analogy to "parasite" exemplifies a universal distrust of financiers as looters with no intention to build an enterprise. Carnegie's statement furthermore implies a moral division between producer and profiteer, which not incidentally mirrors the moral overtones of the on-going conflict between agriculture and commerce. The contrast between the businessman who reaped where he has not sown to fill his coffers and the farmer who labored in the earth and fed the masses goes back to the early tales of the Yankee Peddler and his rural victims,⁵ later carried down to Hamlin Garland's grocer-landlords and tenant farmers, then William Faulkner's Snopes family and Yoknapatawpa poor whites. A similar battle between farmers and futures speculators in the 1870s to '90s also sees the former calling the latter "gamblers" who lived off their labors and played with their products in rigged games.⁶ Contemporary industrialists adopted this familiar moral language in their contest with financiers too, so that the industries were said to generate goods and jobs for

5 See Watts for the origin and development of the Yankee Peddler character.

6 See Ann Fabian for the historical background and a cultural analysis on the farmers' protests against the grain markets from the 1870s to '90s.

public welfare while the investment banks underwrote, consolidated and liquidated businesses out of personal greed. Carnegie's rhetoric often resorts to similar oppositions and sympathies in his attempt to differentiate himself from the new breed of robber barons: on the one side is hard, honest, constructive work, on the other plutocratic, treacherous self-service. Howells's contrast between stock investors and stock speculators carries the same implications, designating the former as benefactors of businesses and the latter as predators.

Aside from references to Jeffersonian agrarian ideals which question the financier's harmful exploitation of true labor, stock speculation was further condemned on the practical grounds of its usurpation of the industrialist's "legitimate" efforts. Indeed speculation, like gambling, was deemed counterproductive because it competes for time and money that could be better used on more productive undertakings. The model industrialist Carnegie, again, though he finally sold his company to J. P. Morgan, explained that he never dabbled in speculative stocks because he believed that his absorption in stock quotations would distract him from the management of his manufacturing concerns. Though Howells never shows Lapham slacking off at work, he admits to suffering from the anxiety of "watching the market to see what the infernal things [stocks] were worth from day to day, and seeing it go up, and seeing it go down" (298). Howells also has Lapham confess that the money he lost on stocks could have saved his business, thus warning against draining funds for regular business operations into stock speculation. These ideas exemplify the social attitudes of the Industrial Age which, as studies in gambling show, denounced the sporting spirit because the Protestant bourgeoisie considered it a waste of time and money.⁷

Before further looking into the gambling metaphor, it is worth noting that Howells employs the conflict between industrialist and financier in his characterization of Lapham and Rogers. The novel portrays Lapham as an energetic entrepreneur, who believes his product "the best paint in God's universe" (76) and believes it his calling to prove it. The paint, named after himself and his wife, not only gives him a purpose in life and a sense of achievement, but most important of

7 For an overview of the changing grounds for opposition against gambling, which helps illustrate the attacks made on speculation, see Reith.

all his identity. Besides such Calvinist glorification of work, Howells also emphasizes Lapham's agrarian roots to associate his undertakings with labor. The story of his childhood on a Vermont farm through poverty and hardship has a brief reference to Puritan values and Benjamin Franklin's *Poor Richard*, while the paint mine lies in a pit in the earth beneath the roots of a tree. Lapham's testing of the paint on his country hotel and having it analyzed in the old house furthermore highlight the homemade nature of his industry. The advertisements painted directly on the landscape, meanwhile, maintain the earthy connection to both production and consumption. Even after their move to the city, the Laphams have kept much of their country ways, and they still run down to the old house to summer and to oversee the works. In addition to these agrarian attachments, Howells underlines the merchant's productivity by presenting Lapham as a builder of communities. We are told that Lapham, a generous employer, shares his prosperity with his workers and literally puts his humble hometown on the map, contributing a town hall and lending it his surname. He and his wife also subscribe freely to the Boston churches and charities. Even when they fall on hard times, Lapham holds out as long as possible before he shuts down the works, and the first thought that Persis utters upon learning of the shutdown is her concern for the hands.

Rogers, in contrast, is a venture capitalist. In the fashion of Reconstruction investment banks, his money brings Lapham's enterprise into the post-war era of big businesses. The novel depicts him as a rich man in search of a career, who throws his capital into money schemes that promise a quick return. He has not achieved anything in his numerous adventures, though, either due to poor judgment or bad luck, so the reader tends to take Lapham's word when he insists that Rogers was "a drag and a brake" on their partnership and would have ruined them if not forced out (47). Roger's counterproductive influence is further evident when his wild-cat stocks tempt Lapham into trying his hand in stock speculation. Worse still is his lack of business ethics such as offering watered stock and depressed property as security and withholding vital information in his transactions. Howells evokes the trademark foul play of Wall Street traders in his portrait of Rogers here, piling, along with a sickly visage, negative adjectives such as "feeble," "dry," "lifeless," and "wicked" on him to complete the stereotype. Lapham also denounces Rogers as a

“rascal” chiefly because he has a taste for risky projects (261)—i.e., because he has the gambling passion, which in Lapham’s tone embodies the seed of all vice, at least in a businessman. Howells does not, however, endow Rogers with the fanaticism often associated with gamblers/speculators in the age of the Enlightenment, instead describing him as maliciously calm and erroneously reasoning.

This appearance of composure and intelligence, nevertheless, disguises for Howells an underlying outlook of irrationality, namely, a confusion of values, which stems from the disruption of moral exchange, not only in the acquisition, but also in the spending of the spoils of the game. The western tradition frowns upon speculative games because their reliance on chance indicates the abandonment of reason and thus a threat to order. This climate created, during the Enlightenment, the stereotype of gamblers as possessing “extreme characteristics—of idleness or excess, profligacy or greed, caprice or persistence—traits which always stood to one side of the balanced, moderate bourgeois ideal” (Reith 83). Howells’s portraits of his speculators come out of this image, making use especially of the excessive traits of greed and profligacy. The novelist shares the common belief that the “illegitimate” reward of chance, or promises of it, raises expectations of returns out of proportion to investment. Such greed, Lapham allows, tempted him to speculate in stocks, “like betting on the turn of a card,” and to raise his stakes in the game:

I seemed to make something—I did make something; and I’d have stopped, I do believe, if I could have reached the figure I’d set in my own mind to start with; but I couldn’t fetch it. I began to lose, and then I began to throw good money after bad. (298)

If losing clouds his judgment on how to minimize his losses, then winning causes him to lose sight of the true value of money. When Lapham, on the strength of his good turn in the exchange, claims to possess more money than he knows what to do with and proposes to lavish it on the decoration of his dream house, Persis scolds him for “throwing away” the money rather than “spending” it (129). His tendency to view his stock earnings as easy money and spend it on the conspicuous consumption of goods goes against the Protestant ethics of industry and frugality that Benjamin Franklin preaches. This negative characteristic again features the 19th-

century image of gamblers and adapts well to the industrial capitalist's contrast to the financial capitalist. Ann Fabian, in her study on earlier texts on gambling, discovers that

even when [gamblers] turned their winnings into commodities they kept their assets liquid. They ... purchased portable wealth (clothing, jewelry) that might be wagered at the next turn. It was this particularly irreverent attitude toward property that made gambling and speculation deeply troubling to people who saw independence, rooted in the ownership of property, as the preserve of the republic. In a gamblers' hands all property was liquid. [sic] (168)

The fiction grows out of fact, actually, as proved by Dana L. Thomas's anecdotes of what he calls "peacocks"—richly-attired stock traders who were in the custom of strutting, after the close of the market, down a passageway near the Waldorf Hotel dubbed Peacock Alley. Behind such extravagance is the notion that money which, as Fabian calls it, has not passed through a productive economy is not real earnings—easy come, easy go, as common wisdom puts it, because, as Lapham's words show, it seems to cost the speculator nothing to generate this "extra income" and thus little scruple to squander it. Or, to follow Carnegie's logic, money not earned through constructive means is seldom put to constructive use. His earlier quote on the "demoralizing" effects of "stock gamblers" actually springs out of his indignation at the antics and wild spendings of his young partners who had become newly-made millionaires due to Morgan's consolidation. In comparison, he points out, under what was known as "the Iron Clad agreement," his company had been giving these young partners (select promising workers) shares as bonuses, which the company could repurchase at book value; in effect, he had reinvested their earnings into the industry and prevented them from speculating in stocks. In his private morality play, model workers should make committed industrialists, if the financiers do not corrupt them into self-indulgent spendthrifts.

Reinforcing this image of speculators as exponents of an economy based on consumption rather than one based on production is the nature of stock holdings as liquid assets to begin with. As the excerpt from Fabian indicates, real estate and

businesses conformed better to the contemporary idea of property which looks back to the republic's early ideals of independent farmers and small tradesmen. An 1845 list of the wealthiest people in New York published in the *New York Sun* also included only those with assets of at least \$100,000 in actual property, not simply paper assets acquired on the stock exchange (Geisst 46). Such particularity must have been justified by the speed and frequency with which Wall Street made and unmade paper millionaires. Such conservative precaution, however, also shows an aversion to the innate instability of stock values, which disturbs the balance of the moral economy since it challenges the notion of an honest, truthful assessment of worth. Indeed Lapham expresses great moral indignation when he calls Rogers a "thief" because he borrowed money "on securities that wa'n't worth thirty-five cents on the dollar" (274). The public's recurrent outcry those days against "watered stock" reflects a similar resentment against the widening gap between book value and market value. In a notable instance, Morgan, as he organized his syndicate, exchanged the stocks and bonds of U.S. Steel, with underlying assets of 700 to 800 million, for 1.4 billion in securities. Yet for all the charges against deception, this practice actually marks the passage from a traditional economy of just compensation to a consumer culture of artificial want, as Robert Sobel explains:

The concept of "book value," or "underlying assets" was a nineteenth-century formulation, used to figure the "true worth" of a corporation if and when it failed. Such a concept was out of place in the emerging age of industrial securities, when intangibles were at least as important as plants, inventories and the like. (*Money Manias* 199)

Financiers thus sold stocks for what the public thinks they are worth or will be worth. Rogers does likewise, and Lapham, like all speculators who take the bait, accepts his stocks in the belief that "[they're] going to come up in time; but just now they're so low down that no bank would take them as security, and I've got to hold them till they do rise" (131). Lapham's moral indignation therefore sounds more like the complaint of a sore loser who deliberately disregards values today and inaccurately forecasts values tomorrow.

Sustaining the speculator's comfortableness with indeterminate values, like the

gambler's confidence in the outcome of the game, is the belief in luck. In his famous study on the leisure class published four years later than *Silas Lapham*, Thorstein Veblen maintains that the gambling propensity has its roots in animism, which trusts the outcome of a wager to a fortuitous necessity or partial preternatural agency. If so, no wonder the Judeo-Christian tradition suppresses it. Howells, however, does not adopt an overtly religious tone in his disapproval of risk taking. His characters do not openly attribute good turns in the market to any superstition or providence, although he does ascribe a "clerical" air to Rogers as if he preached dishonest business practices. Nevertheless, an optimistic outlook on speculation underlies their actions, and Howells balances this blind faith in fortune with a warning against vicissitudes. When Lapham accidentally burns down his new house, the sale of which might have given his business another chance, he discovers that the insurance has expired and he has to write it off as a dead loss. If speculation is a bet on lucky breaks, then insurance is a protection against uncertainty; this twist in the plot seems to advise that, rather than taking risks in the stock market, one should always guard against mishaps. Thus Persis, ever the voice of cautious conservatism, reminds Lapham after his bankruptcy that "if he had kept his word to her about speculating in stocks, and had looked after the insurance of his property ... they would not be where they were now" (362).

Indeed, what is remarkable is perhaps that Howells does not allow his speculators any luck—it seems to fulfill the author's sense of poetic justice for Rogers and Lapham to fail in their various ventures. Ironically, this shows that Howells, like all gamblers, also believes the hand of the deities at work in matters of speculation, but he has faith in a paranormal disapproval of this practice. Therefore, Lapham prospers as long as he makes a "*bona fide* transaction" (129), yet he catches Rogers's bad luck as soon as he catches his sporting fever. On a broader level, though, Howells seems to believe that all matters of business pertain to luck—an idea akin to the Puritan belief in business success as God's blessing, except that Howells does not specify the grantor of good fortunes. When Lapham hears discussion of the poverty gap and social unrest, he reflects from his own experience that a poor man "didn't envy any one his good luck, if he had earned it" (195). The notion that wealth depends on chance not random but deserved sounds like a secularized version

of the Protestant work ethic, which has faith in a moral economy that takes not only legitimate labor into count when calculating rewards, but also honorable intentions. Howells in effect proposes a market economy based on good will and altruistic concerns, which he presents as the antithesis of speculative capitalism.

3. The Investment of Love

If we read the business plot of *Lapham* as the financier's attempt to convert the industrialist, then speculation is the financier's trademark, and stocks the industrialist's worst temptation. Howells further heightens the contrast between the financier's corrupt undertakings and the industrialist's legitimate work by depicting the latter as a business of the heart as opposed to the former's profession of gambling. Besides idealizing, even sentimentalizing, Lapham's undertakings as fulfillment of the self and devotion to one's family, the novelist also turns his foolish business decisions into his moral redemption, most important of all an investment in the soul. The moralization of business, however, easily becomes the business of morals, once the characters begin to calculate moral liabilities and compensations. Nevertheless, the moral discourse enables this first American business novel to incorporate the non-speculating businessman into the New England moral tradition.

In order to overcome the common distaste toward moneymaking, Howells downplays the mercenary motives in Lapham's enterprises by representing his paint business as a "calling." The novelist repeatedly compares the paint to Lapham's own blood and observes through other characters that "his successful strokes of business were the romance of his life" (66). Indeed the trade fills him with life and passion, seen most obviously when he picks up the pieces of his life again by pouring his energy into the Persis Brand after his ruin. This uplifting, sometimes therapeutic, quality of employment is also reflected in the lesser characters, such as the young Bostonian Tom Corey, who finds direction and independence by taking up a trade, and the younger daughter Irene, who works away her disappointment in love by doing household chores.

Howells furthermore sentimentalizes Lapham's devotion to his vocation, with descriptions such as his "laying his hand affectionately on the head of a very small

keg [of paint], as if it were the head of a child” (12). The emphasis on family feelings goes beyond the metaphorical to portray Lapham’s Mineral Paint as truly a family business. The merchant’s development of the paint mine fulfills his father’s unrealized dreams, while his wife’s dedication makes possible the establishment of his trade. His praise of Persis—that “it wa’n’t the seventy-five per cent. of purr-ox-eyed [peroxide] of iron in the *ore* that made the paint go; it was the seventy-five per cent. of purr-ox-eyed of iron in *her*” (14)—touches even the cynical journalist, and he names his finest product “the Persis Brand” to honor her.

Business therefore is family, so much so that business ties become family ties and family values become business values. When Persis urges Lapham to take a partner after the war, he jokes with her: “Why didn’t you take a partner yourself, Persis, while I was away?” (16). For the Laphams, partners in business are like partners in life, so they feel guilty toward Rogers for having shared the difficulties with him but not the prosperity. Indeed Lapham later consents to take Tom as a minor partner mostly because he expects him to become his son-in-law. Employees are family also, who have shared his good luck so that Lapham grumbles: “now let ’em share the other thing [bad luck]” (288). Not only does he hire the daughter of his comrade in arms as a typist to support her family, but he also tries to help straighten out her domestic troubles, to the extent that his employee’s relations become his charges as well. “A strange, not ignoble friendliness” (353) even develops between him and his competitors, and when Tom joins their business at his recommendation and Howells hints that one of the competitors might be paying Irene attention, they for sure become extended family.⁸

If professional relations are no different from other social relations, then business ethics should follow the same moral standards of ordinary social exchanges. In fact, Persis holds Lapham’s business behavior to even higher criteria than other social acts, possibly because of the kind of distrust towards commerce that Watts discusses in her book. Her immediate reaction to the fire at the new house—“they’ll think you set it on fire to get the insurance!” (314)—shows an inordinate fear

8 Years after the publication of *Lapham*, Howells told an interviewer, as if they were discussing a real person, that Irene later married one of the West Virginia competitors. This clearly indicates how the novelist felt about the relationship between the characters. See Wagenknecht 287n.

of any association with business fraudulence. Her insistence on Lapham's moral debt to Rogers, compared to her belief that he has done enough for the widow and child of the war buddy who died to warn him of danger, also indicates an excessive cautiousness against erring where business is concerned. Through her interpretation, Howells endows Lapham's business moves with a moral overtone that reverses the values of the business plot: solid business judgments become heartless acts of betrayal, and money-loosing schemes become soul-saving penances.

One of the most notable examples is the ousting of Rogers from Lapham's business. Rogers is presented as too much of an adventurer to run a solid operation, as mentioned above, but Persis accuses Lapham of greed and selfishness, saying he "took an advantage" and then "wouldn't show [Rogers] any mercy" (47). His loan to his ex-partner, on the other hand, though a profitless drain on his capital, wins Persis's praise because it takes "the one spot—the one *speck*—off [him] that was ever there" on his soul (132). To her, the loan is not a venture on which to make money, but rather an admission of guilt through which her husband makes up for earlier wrongdoings, a token of reconciliation that mends a broken personal relation, and indeed an investment in his soul that will pay come Judgment Day.

For Persis, who only recognizes a moral economy, all business transactions translate into interpersonal relations, by which she determines their moral significance. Even dealings on the stock exchange, where one buys from and sells to an indefinite market, hardly lessen these ethical concerns, since one cannot make money without somebody losing it, and vice versa. Ironically, Persis calculates moral assets and liabilities with no less exactness than Lapham's bookkeeping, except that she adds human interest and moral responsibility to pecuniary value as she balances the books. Lapham's munificent offer to buy out Rogers's share cannot repay the partner's investment in his paint, therefore, because Persis feels indebted to Rogers for his generosity and timely support, but the buy-out, to her dismay, generates enmity. Lapham's loan to Rogers cancels the moral debt, meanwhile, because Persis believes the money delivered in a humble spirit and out of brotherly love. Yet repaying moral debts with one's money and one's blessings has its limits too, so the wife and child of Lapham's comrade deserve no more charity because Persis considers the woman "worthless," "idle," and "shameful" (340), while

she tells Lapham not to get in deeper with Rogers especially as she learns about his speculations (260). In keeping with the novel's disapproval of excessiveness, in particular sentimental self-sacrifice in matters of love, Persis also objects to meaningless self-sacrifice in matters of money—which is why she wavers in the face of Rogers's final offer.

The moral of the business plot, however, is that business and conscience do not mix: conscience is bad for business and business is bad for the conscience. Indeed Lapham loses his fortune because he fails to separate the two. His guilty uneasiness in front of Rogers shows that he secretly shares Persis's conviction that he did wrong to force out his partner; yet his moral scruples cannot induce him to disregard his business interests, even though his business shrewdness cannot defend him against moral judgments either. His decision to act professionally brings on his great prosperity, though, and his luck might have held if his guilty conscience did not prompt him to jump at the first chance to make up to Rogers. He could also have limited his losses if he took Persis's advice to return Rogers's stocks and give him the money as a gift. Instead, he insists on looking upon his compensation to Rogers as a true business deal: he actually wishes to turn a profit from Rogers's collateral, which is why he wastes his fortune trying to keep Rogers afloat. Not until Lapham forgoes his financial gains does he finally achieve his moral rise; Persis, in comparison, fails because she believes, in keeping with her Puritan traditionalism, that the outcome of business undertakings evidences the operations of moral laws: thus her blind faith in Rogers and the English parties, telling Lapham that "Providence had fairly raised [this chance] up for you," to which he replies, "I guess it wa'n't *Providence* raised it up" (279).

Due to Howells's moralization, Michaels characterizes Lapham as a failed industrial capitalist, and some critics have called this business novel an antibusiness novel.⁹ Yet one might also say that the novel as a whole still supports Persis's

9 Critics have found *Lapham* hostile to business either because of the negative characterization of the businessman, e.g. Watts, or because of the negative depiction of business practices, e.g. all the critics who discuss the moral theme. Fienberg, on the other hand, comments that "Silas possesses one of the most unbusiness-like minds imaginable" (30), thus implying that the novel is but a pseudo-business novel that adopts "a limited perspective on the business system in America" (40) and secretly upholds the genteel tradition.

practical moral economy, except with a broader view of the limits of moral liabilities. As Dimock has argued, capitalism—by cognitively enlarging our causal perception and alternately limiting liabilities and obligations—actually underlies Howells's ideas of “complicity” and “the economy of pain.” Indeed the novelist carefully calculates his distribution of penalties and rewards: Lapham must sacrifice his entire business, except that small branch which is purely sentimental and familial, to make peace with his conscience; but the figures still add up correctly when all the losses and gains are taken into account. If Lapham's small business plus his moral character and Rogers's capital equals his new fortune, then he must repay Roger's capital by giving up his new fortune minus his small business to regain his character. Howells's moral economy still follows the rules of exchange, though he sets an exceptionally high price on integrity—perhaps too high to be practical; but the fact that the two values are convertible speaks for a capitalist mindset. The money Lapham spends on Rogers indeed becomes an investment in the moral economy, which earns him in return a clear conscience and the respect of Boston's upper class. Unlike Lapham's pointless speculation in stocks, then, even the industrialist's business blunders serve a morally constructive and productive purpose. In contrast, ventures in the stock exchange, where impersonal transactions render moral causality untraceable, regrettably forfeit the chance to rectify past wrongs.

As for Howells's “hostility to capitalism,” as Michaels calls it, the novelist's partiality for a “precapitalist domestic economy” does not necessarily exclude the promise of a both financially and morally successful industrialist. The young West Virginia brothers, who show signs of dominating the market after Lapham bows out, have the same country virtues without the speculative fever. Tom Corey, who puts his money into the West Virginia company and replenishes his family fortune, especially strikes the earliest publisher as the “ideal business man.”¹⁰ His investment of love particularly serves as a sharp contrast to the stock market's non-ethical activities.

The society plot of the novel, revolving around the love triangle of Tom and the two Lapham daughters, provides a detached view of business through the leisure

10 Roswell Smith, the owner of *Century*, where *Lapham* was serialized, urged Howells to develop Tom's character as such. See Vanderbilt xv.

class, who in their conservatism echo the moral attacks on stocks to include the whole business sector. For the Coreys, the business world operates on a moral system, if any, quite different from theirs because “[it’s] hard to behave like a gentleman where your interest is vitally concerned” (300), as the lawyer among them explains not too forgivingly. Moneymaking always involves some concession of principles, so much so that the production and selling of goods do not differ in essence from the irregular practices of the stock exchange. The sudden wealth and swift ruin of the Laphams, in the eyes of Old Money, also parallel those of Wall Street fortunes. “You never hear of values in a picture shrinking,” the dilettante Bromfield Corey complains of the commercial society, “but rents, stocks, real estate—all those values shrink abominably” (95-96). The business world, on the other hand, adopts the moral language of agrarianism, criticizing the Brahmins for their unproductive leisure and their parasitic dependence on their founding fathers. Tom, a gentleman of business as opposed to merely a man of business, however, promises to close the gap between an agrarian economy and an industrial one. Instead of deliberating the moral fine points of business undertakings, he undertakes business only at the urge of his ethical deliberations, therefore achieving a financial lift along with a moral rise in his economic pursuits. His decision to abandon his leisure manifests the democratic virtues inherited from his Yankee progenitors; yet even when the motive is pecuniary, the Brahmin still runs through a moral checklist including items such as the nature of the business, the character of his associates, the impact on other social relations, etc. Tom furthermore invests in the enterprise not his capital but his capacity, values and devotion. When Lapham refuses the investment of Tom’s modest fortune, the young man persuades him to take him into the business on the strength of his interest in the trade and his faith in the product. If Lapham’s investment in the soul pays pecuniary costs for spiritual gains, then Tom’s investment of the self generates pecuniary profits from immaterial input. The merchant’s appreciation of Tom’s work ethics and their harmonious professional relationship, in comparison to the strife between Lapham and Rogers, indicate that Howells values moral contributions to business more than venture capital.

Tom’s repeated offer of his money following his superior’s first signs of trouble, meanwhile, is not a business proposition at all but a pledge of love to Lapham’s elder

daughter. The high risk of the investment, if Tom actually had material returns in mind, would have made the scheme a highly speculative one; but as a gift to one's love, presented to express "[everything] I have and am is yours" (305), the less likely any financial reward, the more selfless the lover's devotion. Lapham certainly recognizes the magnanimity of the act and also realizes that he is not the real recipient, so that, not to be outdone in social graces, he turns down the offer outright; only as he later begins to look at it as a business chance does he regret his hasty refusal. As a gift of love, however, it makes no difference whether the money actually changes hands or not. Lapham can decline the gift but not the spirit in which it was given; instead, he must carry it to his wife and daughter so they pay the gratitude due the young suitor. For the Brahmins, business is part of the game of love, which is why James M. Cox observes that "love is at once the underlying yet all but inexpressible motive behind both society and business" (124). This sentimental view of exchange, which considers attempts as good as deeds and giving its own satisfaction, contradicts the very basis of trade; yet its implementation becomes the most rewarding business act of the novel.

The idea of business as a labor of love is further vindicated by Howells's view of art as business. In his famous essay, "The Man of Letters as a Man of Business," Howells discusses the literary trade in terms of expenses and profits, products and markets, publishing contracts and sales promotions, etc., thus acknowledging writing to be as much a commercial activity as an artistic one. As a form of work, though, Howells emphasizes writing's productivity and impracticality. Artists, like "the toilers of the shop and field" (34), are laborers who produce as opposed to marketers who sell, he argues. Besides references to such agrarian virtues, Howells also evokes Protestant work ethics by characterizing literature as "a calling which is so seldom an election" (28), thereby suggesting a gift from God that demands devotion and glorification. Furthermore, the poet always puts a piece of his heart into his verse, such as expressing the sorrow of "the loss of a wife or child" (3), and a novelist always pours his self into his fiction: "ultimately his characters will all come out of himself, and he will need to know motive and character with such thoroughness and accuracy as he can acquire only through his own heart" (31). Artistic creativity is thus no less than an investment of one's self and soul, drawing

inspiration from one's intimate relations and achieving perfection through integrity and sincerity.

Howells's major problem with treating literature as business, however, is the conflict between artistic values and market values. Ideally, "[a] man's art should be his privilege" rather than his profession, the fruit of which should be made free to all while the artist makes a living elsewhere (1). However, since "our huckstering civilization" forces the literary man to live like any other man, the work of art must subject itself to a market economy like other commodities. The commercialization of literature would not bother Howells so much if intrinsic values correlated with sales figures; but art, having only a "subjective value" determined by the fickle public, does not enjoy a guaranteed and stable market. Thus Howells can only advise the would-be author "to write the book that gives you the most pleasure to write, to put as much heart and soul as you have about you into it, and then hope as hard as you can to reach the heart and soul of the great multitude of your fellow-men" (20). Howells would prefer a literary transaction abiding by a moral economy, in which the readers repay the artist's sincerity and literary merits with appreciation and actual purchases. Yet with emotional and material support largely a matter of "the great god Chance" (19), literary production and consumption come to resemble gambling and speculation instead: publishers and authors have "superstitions" on how to promote sales, while some think of courting popularity in the hope of making a hit. Howells disapproves of this opportunism, though, insisting that the investment of heart and soul alone will pay, since "the book which [the writer] has not enjoyed writing no one will enjoy reading" (25). Implied is the belief that writing should be a labor of love and, as such, find its reward mainly in the creative act; the material returns can hardly "justify the best business talent in devoting itself to belles-lettres" (11), so people should take up writing only out of non-mercenary motives in the first place.

Howells seems to follow a pattern in his value judgments. Everything is business, but only when one transcends moneymaking does it become a worthy pursuit. The merchant devotes his talents to commerce, but he wins love, honor and respect mainly because he takes care of his family and community without making compromises with his principles. For the poet who sells his work, his real victory

and satisfaction comes from the hearts he touches through his exploration of his inner self. Even marriage is a form of exchange, in terms of fortune and status, as both the older Laphams and the older Coreys in the novel fully realize. Tom's social standing makes him an ideal catch for the upstarts, while the Brahmins also consider Lapham's daughters acceptable on account of their wealth. The younger generation resolve their dilemma and find marriage possible, however, only after Lapham's bankruptcy tests their moral strength. Adversity even brings the Lapham parents a renewed intimacy. As Howells writes somewhat cynically in his essay, "At present business is the only human solidarity; we are all bound together with that chain, whatever interests and tastes and principles separate us" (4). Resigned to the fact, though, he would like to further strengthen that chain with some of his principles.

The irony, however, is that he succeeds mostly in strengthening literature's chain to business. Howells's essay has become one of the earliest treatises on the independent, professional writer, who, only since the Civil War, has been able to live off the gains of his pen alone. At times a guideline to aspiring young writers on how to prosper in the trade, at other times almost an exposé for an unsuspecting public which might still have lingering illusions of a lofty, disinterested artist, the article inculcates the ideas of a literary marketplace and literary commodity. For all its testimony to the absolute value of art, its curious title inevitably shifts the emphasis to the mercenary concerns that drive all human activities, at the same time quite self-consciously pandering to a mercenary reading public: "I feel quite sure," Howells admits, "that in writing of the Man of Letters as a Man of Business I shall attract far more readers than I should in writing of him as an Artist" (4). The article, by drawing a problematic analogy, thus undermines his intention to differentiate pure art from ordinary enterprises. As Michaels also notes, admitting the operations of the market "thus amounts not merely to confessing literature's instability [in value] but to proclaiming that art ... has come to emblemize its own contradiction, the impossibility of ever eliminating the market" (82).

Though Michaels chooses to emphasize the other side of the irony in his reading of *Lapham*—that this novel of post-Civil War capitalism ends by "return[ing] to the precapitalist (and in most respects the anticapitalist) ideals" (40)—Howells actually creates a new popular awareness of the businessman as a fictional hero. Just as

“The Man of Letters” transforms artists into laborer-salesmen, *Lapham* reinvents the industrialist as a moral beacon in a materialist age. The record number of readers awaiting the *Century* installment of the serialized novel, the tourists in Boston asking to see the Lapham house, especially the paint manufacturer seeking permission to use the “Silas Lapham” brand name—they most likely missed the anticapitalist paradox Michaels detects in the ending, possibly even the Scrooge-like qualities Watts observes in the characterization. Young Booth Tarkington, who wept over Lapham’s disgrace at the Corey social dinner, certainly embraced the protagonist wholeheartedly.¹¹ If Howells was conservative in his values, so were his readers. At any rate, he added enough realistic touches to dress the old-fashioned hero up as a contemporary businessman, while he also shifted enough of the blame of Lapham’s ruin onto speculation to legitimize “regular” contemporary business practices. The novel is finally simplified by most accounts into the story of a basically upright industrialist who might have made his fortune and kept it, as his son-in-law later did, if he had stayed clear of sinister venture capitalists.¹²

Later cynics have found the combination of business and ethics incongruous,¹³ but a review immediately following the publication of the novel claims that: “We do not say that the turnings and windings of [Lapham’s] conscience, and his sudden encounters with that delicious Mephistopheles, Milton K. Rogers, are not possible and even reasonable” (Scudder 34)—the complaint, instead, was that the rustic character appeared too refined in thought and feeling. The snobbish reviewer then gives Howells credit for his cunning art, which charms the readers into forgetting that “vulgar” characters should not have subtle, acute—in a word, “genteel”—sentiments. The same can possibly be said of his handling of the virtuous businessman. Though the strategies he adopts have literary precedents—Benjamin Franklin’s *Autobiography* embellishes his enterprises with similar moralistic and sentimental trappings—the Dean of American letters perfects the positive image of the

11 See the anecdotes in Vanderbilt.

12 Watts, for instance, believes that: “It is clear that Lapham might have become a millionaire even if he had not conned Rogers. It is equally clear that, before his bankruptcy, Lapham would not have been in such a difficult financial situation had he not loaned so much money to Rogers in an attempt to make reparations for his earlier swindle” (57).

13 For a more cynical view of business practices, see, among others, Hicks and Haight.

industrialist in this business novel with intricate designs.

The popularity of the novel—an estimated one million readers following the serialization and, when brought out in book form, five printings in late 1885—suggests that what Howells borrowed from popular discourse he returned with an artistry and sophistication that the public appreciated. His appropriation inevitably contributed to the prevalence of the bashing of stock speculation and the rhetoric used to place industrialists above financiers. Though it also contributed to the discussion of business ethics, the stereotypes of the swindled merchant and the deceitful speculator possibly blurred the subtleties of his moral deliberations at the same time. Indeed, quite some readers agree with Lapham's final intuition that he did not wrong Rogers in their partnership after all, and most see Rogers as an outright villain, to the extent that few see the validity of his argument for a limited moral responsibility.¹⁴ As for the irony of the ending—that Howells actually endorses a cottage industry—the less scrupulous readers may have taken this as proof that an agrarian economy lies at the core of capitalist industry, which a change of heart and a modification of conduct could bring back to its origins. At any rate, this first American business novel taps into the existing conservative animosity towards an industrial capitalism soon giving way to a speculative capitalism; yet by blaming the faults of the former on the sway of the latter, Howells also took part in another, more current, cultural war.

Though in actuality the strife between industrialists and financiers soon ended in the latter's victory—the selling of Carnegie's steel company to Morgan at the turn of the twentieth century could stand for a symbolic succession—the agrarian rhetoric remained in circulation for some time yet. Carnegie doubtlessly felt secure enough about public approval when he deployed similar devices in his autobiography (written between 1909 and 1914; published in 1920), criticizing stock speculators and portraying himself as a working class boy with close ties to his family and hometown; as an entrepreneur who formed partnerships with family and friends, who won the friendship of his associates; as a generous benefactor of the workers; as a philanthropist especially supportive of education, research, and altruistic acts; and

14 See Dooley on the philosophical background of Roger's moral stance.

finally as a businessman of letters—all without having to lose his fortune. In serious literature, though, the virtuous businessman quickly lost his credibility, while the attacks on Wall Street continued. Howells himself further complicated the characteristics of both Lapham and Rogers in his later portrait of Dryfoos, the country upstart turned Wall Street speculator in *A Hazard of New Fortunes* (1890), along with the Westerners Fulkerson and Basil March as, respectively, the entrepreneur-salesman and the literary man as businessman. In *The House of Mirth*, published in 1905 but looking back to the 1880s, Edith Wharton also created such unscrupulous and flamboyant stock manipulators as Trenor and Rosedale, while a misunderstanding of the exchange and the passion of gambling become the pitfalls of her heroine. Her later speculators such as Abner Spragg and Moffatt in *The Custom of the Country* (1913) especially share Dryfoos's country origins and Midas touch, but they likewise operate by the very limited ethical guidelines of Wall Street. With the breakdown of traditional values in these later novels disappears the businessman who draws moral strength from his agrarian roots. The gambling metaphor and its related vices, meanwhile, remain a fixture, for instance these characters' penchant for high stakes and instant gratification, their insatiable appetites and shallow extravagance, their predatory instincts and devastating assaults, etc. None of them quite compare to the industrialist's complex characterization in the first American business novel, however; or for that matter, not even to the many layers of Carnegie's self-portrait. The financier's disadvantage in public discourse seems to have also set limits to his depiction in literature, not only in terms of likeability, but furthermore in versatility and depth.

Appendix

An Infamous History of the Stock Exchange¹⁵

The stock market got such a bad name possibly because the New York Stock Exchange was basically born of troubled times and speculation. The founding brokers initially banded together in 1792 to trade in government certificates issued by the Washington Administration, under the insistence of then Secretary of Treasury Alexander Hamilton, in order to redeem paper money and scrip printed by the Continental Congress to finance the American Revolution. The redemption of the Continentals sent well-informed congressmen and financiers on a frenzy to purchase all the available paper money, and these insiders turned a handsome profit at the expense of their simpler countrymen. Subsequent wars also sought financial assistance at the Big Board, while bear traders made it a regular practice to fleece unwitting speculators. During the War of 1812, Wall Street financiers—John Jacob Astor, Stephen Girard, and David Parish—sold war bonds for the Federal Government, taking nearly 25% of the face value as profit. After the war, turnpike, canal and later railroad companies became the major players on the market, and their stocks fell prey to sharp traders. Stocks were commonly inflated, cornered and short-sold, as well as manipulated through political maneuvers and planted press releases. The bulls and the bears were constantly at each other's throats, while the public often settled the tab in great confusion. In one of the more daring yet not unique practices of the 1850s, Robert Schuyler, President of the New York and New Haven Railroad, issued nearly \$2 million worth of bogus stocks and pocketed the proceeds. Probably the idea of making money out of social upheavals or through another's ruin breeds popular resentment, not to mention doing so by fraudulent means.

Nevertheless, as the nation's economy alternately boomed and busted, more and more investors—or speculators, if there was any difference—looked toward Wall

15 For a more detailed outline of the development of the New York Stock Exchange, see Geist, Sobel, and White; for lighter reading on NYSE anecdotes, see Thomas.

Street to make their fortunes. The once exclusive Big Board was forced to open its trading floors to new members in 1869 to handle the growing number of industrials, while curbstone traders operated a prosperous over-the-counter market along the sidewalks. Speculative frenzies reached their heights in the late nineteenth century. Mark Twain's *The Gilded Age*, which many consider an apt description of the era, captures the money manias of the post-war years, while *The Rise of Silas Lapham* also employs this opportunist fervor in the backdrop. The hectic activity on Wall Street had its roots in Civil War financing. Because the U.S. Treasury had issued over \$2 billion of war bonds and printed \$450 million of "greenbacks" (paper money unsecured by gold backing) plus \$50 million of "fractional currency" (unbacked paper "coins") during the war, the Reconstruction Era saw an excess of capital which, together with rich harvests, increased production brought by industrialization, and harmonious capital-labor relations, created the illusion of prosperity. The surplus cash poured into all kinds ventures. Some of the most popular money schemes of the age, such as land speculation, patent medicines, railroad construction, and mining operations, are satirized in *The Gilded Age*. Howells also characterizes Milton Rogers in *Silas Lapham* as a typical capitalist of the times, who has been "dabbling in every sort of fool thing you can lay your tongue to—wild-cat stocks, patent-rights, land speculations, oil claims—till he's run through about everything" (261). In time, Wall Street became the venture of choice because speculators could limit their losses and liabilities to the amount of money they put into stocks and bonds, while potential gains seemed prodigious. As a result, the number of shares traded on the NYSE doubled between 1875 and 1885, likewise their value.

The sharp practices on the stock exchange also advanced with the times. Swindling of the Treasury had been a long-standing tradition. The Union Pacific Railroad fraud in 1872, which partly inspired *The Gilded Age*, distributed \$50 million of embezzled government funds (half the total construction bill) among the shareholders of the Crédit Mobilier Company. Other predatory financiers such as Henry Clews, Daniel Drew and Russell Sage watered railroad stocks and looted the companies. Jay Gould kept alive the practice of cornering and short selling with updated tricks such as circulating favorable news stories disguised as battle cries against monopoly through private-owned newspapers. The conduct of business in

other arenas did not help to moderate the predatory image of Wall Streeters either. Gould's foiled attempt to corner the nation's gold supply in 1869 ruined dozens of brokers and bankrupted hundreds of speculators. Cornelius Vanderbilt, on the other hand, made his fortune in transportation by underbidding competition and bribing politicians. Meanwhile, John D. Rockefeller established the first American cartel in 1869, the main purpose of which was to rig prices and provide kickbacks for members, opening the way for later pools and trusts. The term "robber baron," first attached to the owners of voracious railroad companies in the 1870's, best sums up the public's negative impression of these successful moneymakers.

The distrust toward Wall Street fortunes came not only from these shady business practices, but also from the fickleness of the market. The stock market crashed in 1869, 1873, 1884, 1893 and 1901 respectively, partly because the post-war economic bubble eventually had to burst, but also for a good part because of the lack of adequate financial regulations in the early years. The three panics preceding the creation of *Silas Lapham* further illustrate the precarious conditions of the nation's economy in those days, which was at the mercy of the whims and conscience of speculators as well as turmoil in world economy. The reckless act of an individual trader, Gould's aborted gold cornering, ushered in the panic of 1869, which greatly shook confidence in the stock market since. The panic of 1873, on the contrary, was part of an international recession that started in Vienna. European capital pulled out of Wall Street, which magnified the weakness in reserves of American banks that had overextended credit to railroads, and the failure of Jay Cooke & Co., the most respected house on Wall Street, forced several brokerages and banks to close their doors; even the Big Board suspended trading for ten days. Eleven years later, banks failed again because of overcertified checks, which also resulted in the bankruptcy of several railroads and brokerages, most noted among them the fall of Grant & Ward. President Ulysses Grant, whose administration had weathered the two earlier panics, had entered into a partnership with Ferdinand Ward after leaving office; yet without his knowledge, the junior partner began to pay dividends to earlier investors out of borrowed money and the capital of late arrivals when he lost money on several unfortunate ventures, until the brokerage collapsed and set off a chain reaction on Wall Street. The panic became all the more sensational and personal

because it involved the disgrace of one of the most respected heroes of the Civil War. The two earlier major downturns and several other minor fluctuations in between must have been well known to Howells, and the third had just broken out when he began writing *Silas Lapham* in the summer of 1884.

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