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‘Distrust all Advice ... and Make No Exception in Favour of our Advice’:

Financial Knowledge and Knowingness in Late Victorian Britain

It is curious to remark that many of the papers, including some of the society journals, assume the role of financial ‘tipsters’ ... The immediate result is that what would otherwise be a good thing, open only to persons in the mercantile world and ‘in the know’, may now be made known to the country squire or parson and even to the impecunious widow; and that persons who not long ago would have been horrified at anything but a three per cent. investment have now become so hardened as to try their luck at ‘bulling’ and ‘bearing’.

G. Herbert Stutfield, 1889¹

The ‘quest for information and usable knowledge’, as Steven Marks has recently put it, is central to the history of capitalism.² Print culture allowed markets to spread both spatially and socially, a process particularly visible in the development of the trade in stocks and shares. Investment cannot happen without accessible information, and from an early stage of the ‘financial revolution’ of the late seventeenth century, printed price currents, pamphlets, handbills, almanacks, pocket books, manuals, and newspapers promised to provide investors with the knowledge they needed in order to invest.³ Early eighteenth-century London ‘teemed with printed information of interest to investors’, attests Anne Murphy.⁴ Though

¹ ‘Modern Gambling and Gambling Laws’, *Nineteenth Century*, xxvi (Nov. 1889), pp. 840-60, at 853-4. ‘Bulling’ and ‘bearing’ mean speculating that a share will, respectively, rise or fall in price.

² S.G. Marks, *The Information Nexus: Global Capitalism from the Renaissance to the Present* (Cambridge, 2016), p. x.

³ A. Froide, *Silent Partners: Women as Public Investors during Britain’s Financial Revolution, 1690-1750* (Oxford, 2017), pp. 14-26; N. Glaisyer, *The Culture of Commerce in England, 1660-1720* (Woodbridge, 2006).

⁴ A.L. Murphy, *The Origins of English Financial Markets: Investment and Speculation before the South Sea Bubble* (Cambridge, 2009), p. 96.

women were prominent in the ranks of these early investors, other obstacles – legal, cultural, and practical – limited the spread of the stock and share market.⁵ But Stutfield was just one of many commentators who believed that things had fundamentally changed by the late nineteenth century. Some went so far as to hail ‘the democratisation of finance’, claiming that the ‘great masses of the people are becoming investors, and interested in investments.’⁶ Though historians have recently emphasised the limits of this democratisation – for large numbers the stock market remained as remote as it had ever been – estimates show a significant increase in participation from the late nineteenth century as investment was embraced by sizeable portions of the middle classes.⁷

While personal networks were important in facilitating the spread of investment, a major driver, as Stutfield recognised, was the press. Financial news had appeared more regularly in the daily and weekly press from the 1820s, when such papers started employing City editors to provide continuous market coverage, while specialist financial titles began to emerge in significant numbers during the railway boom of the mid-1840s.⁸ Many of these quickly folded after the market crashed, yet financial periodicals thoroughly established themselves in the second half of the century, Dilwyn Porter identifying nineteen such titles in

⁵ A. Laurence, J. Maltby, and J. Rutterford, eds., *Women and their Money, 1700-1950: Essays on Women and Finance* (London, 2009).

⁶ *Finance*, 1 Jan. 1898, p. 9.

⁷ J. Maltby, J. Rutterford, D.R. Green, S. Ainscough, and C. van Mourik, ‘The Evidence for “Democratization” of Share Ownership in Great Britain in the Early Twentieth Century’, in D.R. Green, A. Owens, J. Maltby, and J. Rutterford, eds, *Men, Women, and Money: Perspectives on Gender, Wealth, and Investment, 1850-1930* (Oxford, 2011), pp. 184-206; J. Rutterford, D.R. Green, J. Maltby, and A. Owens, ‘Who Comprised the Nation of Shareholders? Gender and Investment in Great Britain, c.1870-1935’, *Economic History Review*, lxiv (2011), pp. 157-87; J. Rutterford and D.P. Sotiropoulos, ‘The Rise of the Small Investor in the United States and United Kingdom, 1895 to 1970’, *Enterprise & Society*, xviii (2017), pp. 485-535, at 488-9; R. Michie, *The London Stock Exchange: A History* (Oxford, 2001), p. 72.

⁸ M. Poovey, ‘Writing about Finance in Victorian England: Disclosure and Secrecy in the Culture of Investment’, *Victorian Studies*, xlv (2002), pp. 17-41; J. Taylor, ‘Financial Crises and the Birth of the Financial Press, 1825-1880’, in S. Schifferes and R. Roberts, eds., *The Media and Financial Crises: Comparative and Historical Perspectives* (London, 2015), pp. 203-14.

1874, increasing to ninety-two by 1904.⁹ Some were aimed at small readerships of City insiders, but many more were explicitly targeted at ‘the man in the street’ who had ‘a few score or a few hundred pounds to invest’, and were written to make what could seem like an impenetrable subject accessible and appealing to middle-class readers.¹⁰

Scholars have tended to argue that the main function of this early financial journalism was to legitimise the market. Mary Poovey argues that the key ideological work performed by financial journalists was ‘to normalize or naturalize the workings of financial institutions’, helping to ‘make the financial system imaginable *as a system* to Britons whose primary experience of finance was probably limited to transactions with local bankers.’¹¹ For Wayne Parsons, the early financial press’s most important role was promoting ‘a capitalist language and culture: free markets, individualism, profit and speculation.’¹² An important element in this process, according to Marieke de Goede, was the conceptual separation of speculation and gambling, in which the former was recast ‘as a normal and rational business practice’ conducted on respectable stock exchanges, while the latter was morally problematised.¹³ For Alex Preda, investment literature played a leading role in redefining finance as objective and scientific: market actions were treated as ‘concrete operations that follow a certain logic; they are not sorcery but knowledge.’ Writing about finance thus reconfigured ‘the relationship between financial activities and morality’, so that it ‘became morally questionable *not* to engage in these activities.’¹⁴

⁹ D. Porter: “‘A Trusted Guide of the Investing Public’: Harry Marks and the *Financial News*, 1884–1916’, *Business History*, xxviii (1986), pp. 1–17, at 1.

¹⁰ *The Money-Maker*, 11 Nov. 1899, pp. 13–14.

¹¹ Poovey, ‘Writing about Finance’, p. 25.

¹² W. Parsons, *The Power of the Financial Press: Journalism and Economic Opinion in Britain and America* (New Brunswick, NJ, 1990), p. 41.

¹³ M. de Goede, *Virtue, Fortune, and Faith: A Genealogy of Finance* (Minneapolis, MN, 2005), p. 80.

¹⁴ A. Preda, ‘The Rise of the Popular Investor: Financial Knowledge and Investing in England and France, 1840–1880’, *Sociological Quarterly*, xlii (2001), pp. 205–32, at 221, 228. See also A. Preda, *Framing Finance: The Boundaries of Markets and Modern Capitalism* (Chicago, 2009).

In charting a course from disreputability to respectability, subjectivity to objectivity, danger to safety, such accounts provide a compelling framework for understanding why growing numbers of people felt that they could securely invest their money in the stock market. After all, it seems self-evident that people were more likely to trust a market which they perceived to be respectable, objective, and safe. Yet this trajectory oversimplifies a more ambivalent reality. Numerous studies have highlighted that fraud remained a major problem in the Victorian corporate economy.¹⁵ And though the financial press claimed to regulate the market, hidden economic agendas shaped the information and opinions it conveyed, as has been particularly well documented in the case of the popular daily the *Financial News* and its founder, Harry Marks.¹⁶ That repeated exposures of the venality of much financial reporting did not serve to discredit either financial journalism or the markets it talked about suggests that, when it came to money, trust was a complicated beast. This ambiguity in journalistic coverage has recently been explored in the American context by Peter Knight, who argues that the popular financial press ‘contributed to the normalization, but also the questioning, of “the market” as an autonomous, coherent and depersonalized realm in the late nineteenth century’. It did so by representing this market ‘simultaneously as an impersonal abstraction, governed by natural economic laws, *and* as the product of gossipy, personal relationships.’ He characterises this as ‘a hypocritical stance that at once both condemns and glamorizes’ Wall Street.¹⁷

¹⁵ G. Robb, *White-Collar Crime in Modern England: Financial Fraud and Business Morality, 1845-1929* (Cambridge, 1992); J. Taylor, *Boardroom Scandal: The Criminalization of Company Fraud in Nineteenth-Century Britain* (Oxford, 2013); S. Wilson, *The Origins of Modern Financial Crime: Historical Foundations and Current Problems in Britain* (London, 2014); I. Klaus, *Forging Capitalism: Rogues, Swindlers, Frauds, and the Rise of Modern Finance* (New Haven, 2014).

¹⁶ Porter, ‘Trusted Guide’; P. Johnson, ‘Civilizing Mammon: Laws, Morals, and the City in Nineteenth-Century England’, in P. Burke, B. Harrison, and P. Slack, eds., *Civil Histories: Essays Presented to Sir Keith Thomas* (Oxford, 2000), pp. 301-20; Klaus, *Forging Capitalism*, ch. 9.

¹⁷ P. Knight, ‘Reading the Market: Abstraction, Personification and the Financial Column of *Town Topics Magazine*’, *Journal of American Studies*, xlvii (2012), pp. 1055-75, at 1059; P. Knight, *Reading the Market: Genres of Financial Capitalism in Gilded Age America* (Baltimore, MD, 2016), pp. 25, 54.

Knight shows that this double game was particularly visible in the society magazines of Gilded Age America, drawing convincing parallels between gossip columns and the financial coverage which was becoming a regular feature of these magazines. I argue that the society press also provides an invaluable means of understanding the complex ways in which investment was popularised in late Victorian Britain. Drawing on a range of influences – American, French, as well as homegrown traditions of commoditising scandal – these weekly society papers were characterised by a lighter, livelier, and more personal approach to the news than was typical at the time.¹⁸ Entertainment, amusement, and gossip were higher priorities than uplift and improvement. The importance of these papers in presaging what became dubbed the ‘new journalism’ of the 1880s has long been recognised.¹⁹ The fact that they reported, sometimes in a sensationalist way, on City affairs, has also been noted, with Henry Labouchere’s popular financial columns, first in *The World* and then in *Truth*, the journal he established in 1877, often highlighted.²⁰ But discussions of Labouchere’s financial writing tend to be minor elements in studies of his wider journalistic or political careers. And while Porter observes that Labouchere’s ‘iconoclastic money article’ was out of step with what he calls the ‘dull circumspection’ of most financial journalism of the period, he does not expand upon this point.²¹

¹⁸ Though noting differences in tone, Gray highlights the continuities between the scandalous journalism of the early nineteenth century and the society journalism of the 1870s: D. J. Gray, ‘Early Victorian Scandalous Journalism: Renton Nicholson’s *The Town* (1837-42)’, in J. Shattock and M. Wolff, eds., *The Victorian Periodical Press: Samplings and Soundings* (Leicester, 1982), pp. 317-48, at 343-5. For an account stressing the American influence, see J.H. Wiener, *The Americanization of the British Press, 1830s-1914: Speed in the Age of Transatlantic Journalism* (Basingstoke, 2011), ch. 6.

¹⁹ G. Weber, ‘Henry Labouchere, *Truth* and the New Journalism of Late Victorian Britain’, *Victorian Periodicals Review*, xxvi (1993), pp. 36-43; P.D. Edwards, *Dickens’s ‘Young Men’: George Augustus Sala, Edmund Yates and the World of Victorian Journalism* (Aldershot, 1997); L. McCoy, ‘Edmund Yates and the Voice of Society Journalism’, *Victorian Periodicals Review*, l (2017), pp. 172-89.

²⁰ A.L. Thorold, *The Life of Henry Labouchere* (London, 1913), pp. 97-101; H. Pearson, *Labby: The Life and Character of Henry Labouchere* (London, 1936), pp. 114-22; Weber, ‘Henry Labouchere’, p. 38.

²¹ D. Porter, ‘City Editors and the Modern Investing Public: Establishing the Integrity of the New Financial Journalism in Late Nineteenth-Century London’, *Media History*, iv (1998), pp. 49-60, at 50; Porter, ‘Trusted Guide’, p. 2. For an account questioning the uniform dullness of earlier coverage, see

In this article, I argue that a more detailed exploration of Labouchere's writings on stocks and shares not only sheds new light on the development of financial journalism at a critical juncture, but also helps us better understand the terms on which investors were being brought into the late Victorian market – how they were being encouraged to comprehend the stock market and how this might have affected their expectations and behaviour. Though recent work by economic and business historians has provided much valuable data on who invested and what they invested in, our appreciation of the social and cultural dimensions of investment has lagged.²² Exploring the print culture which encouraged investors into the market enables us to study investment not solely as an economic proposition, but as a cultural practice shaped by a range of influences. Contextualising their behaviour in this way helps us to identify complexities and contradictions in the operation of trust. The market, rather than being straightforwardly normalised, came to occupy a liminal space *between* respectability and disreputability, safety and danger. Presenting the market in this way helped to create a close bond between journalist and readers, providing the former with a vital function – that of indispensable guide, who promised to share his knowledge of the market and keep investors safe from fraud and imposition. Yet the appeal of this style of journalism went beyond merely smoothing out informational asymmetries and allowing readers to invest more rationally. It had a powerful emotional appeal, constructing the stock market as an ambiguous object of curiosity and fascination, onto which investors could project their desires for wealth and excitement. Readers were told that this market was not entirely licit, but it was precisely this quality that meant that it could generate enormous fortunes – for those who were on the

J. Taylor, 'Watchdogs or Apologists? Financial Journalism and Company Fraud in Early Victorian Britain', *Historical Research*, lxxxv (2012), pp. 632-50.

²² Others have recently made this point: K. Heinemann, 'Popular Investment and Speculation in Britain, 1918-1987' (Univ. of Cambridge Ph.D. thesis, 2017), pp. 1-6; M. Hollow, 'A Nation of Investors or a Procession of Fools? Reevaluating the Behavior of Britain's Shareholding Population through the Prism of the Interwar Sharepushing Crime Wave', *Enterprise & Society*, xx (2019), pp. 132-58.

inside. And this is where the financial press promised to place the country squires, parsons, and widows who read it. Though financial knowledge was useful, more important – as Stutfield recognised – was being ‘in the know’.

I

In July 1874, a new weekly journal burst onto the London literary scene. Promising ‘an experiment wholly new in journalism’, *The World* would give its readers news and opinion stripped of ‘nonsense’, ‘fog’ and ‘twaddle’. The first issue declared that besides coverage of politics, literature, and art, it would ‘give the latest intelligence from the Turf, the Hunting-field, and the Stock-exchange; and will vastly surprise those who are wont to look upon Sport and City in their conventional aspect.’²³ Indeed, the second number introduced its City editor most unconventionally, in a passage worth quoting at length:

Some years ago, Mr. John F. Walker, having derived a considerable fortune from cheating at cards in Mississippi steamboats, determined to enjoy his well-earned gains in his native city of New York, and purchased an excellent house in that metropolis. In order to add to his income, he advertised that he was a ‘reformed gambler’; and, for a consideration, would instruct novices in all the tricks of his trade. ... In casting about for a City Editor for our journal, we have fallen upon a gentleman who, by promoting rotten companies, puffing worthless stock, and other disreputable but strictly legal, devices, has acquired a modest competence. He resides in a villa at Clapham, he attends church every Sunday with exemplary regularity, and is the centre of a most respectable circle of friends; many of his old associates still keep up their acquaintance with him, and therefore he is in a position to know all that passes in the City. This reformed speculator we have engaged to write our City Articles.

²³ *The World*, 8 July 1874, p. 16.

At least three things were going on here. First, *The World* was demonstrating that writing about the City need not be tedious, but could be humorous and entertaining. Second, it was establishing a view of the City as a financial jungle, riddled with corrupt, if legal, practices. Third, it suggested that the only useful guide to this dangerous environment was not the kind of respectable City correspondent who wrote for the London dailies, but a speculator who understood ‘the tricks of the trade’; not someone who stood aloof from the ‘disreputable devices’ of the market, but someone who had employed them for his own profit.²⁴ These three principles were to underpin society journalism’s take on the City, and this article will explore each in turn.

The World’s ‘reformed speculator’ was Henry Du Pré Labouchere. ‘Labby’, as he was widely known, was an unlikely financial journalist. A member of a very wealthy Huguenot family, he had a strong rebellious streak, and after Eton and Cambridge he travelled to Mexico and, according to stories he would later tell, joined a circus troupe, and lived for a spell with a camp of Ojibwe Indians.²⁵ His family placed him in the diplomatic service, where he remained for a decade before attempting a parliamentary career, with two brief stints in the 1860s as a Liberal MP, on the radical wing of the party.²⁶ Inheriting a fortune from his uncle and namesake, a former President of the Board of Trade for the Whigs, he then began dabbling in theatrical productions and journalism, winning much attention for his dispatches from besieged Paris in 1870-71 for the *Daily News*, in which he had purchased a quarter share. An inveterate gambler from a young age – he racked up debts of over £6,000 at nearby Newmarket during his Cambridge days – he progressed to the gaming tables of the Continent, before turning his attentions to the stock market in the early 1870s. Having friends

²⁴ *The World*, 15 July 1874, p. 10.

²⁵ These stories, and many others, are recounted at length by his biographers: Thorold, *Life of Henry Labouchere*; Pearson, *Labby*; H. Sidebotham, revised by H.C.G. Matthew, ‘Labouchere, Henry Du Pré’, *Oxford Dictionary of National Biography*.

²⁶ R.J. Hind, *Henry Labouchere and the Empire 1880-1905* (London, 1972), pp. 1-2.

involved in finance, he would often visit the City ‘in order to learn its ways’, and through his connections, he obtained directorships and an insider’s view of the commercial world.

Nevertheless, his interest, as he later explained, was as much anthropological as financial, the inhabitants of the City offering a ‘curious study’ to ‘any one desirous of gaining an insight into humanity in all its varied aspects’.²⁷

Though graduating to finance, Labouchere still enjoyed the racecourse, and at Royal Ascot in June 1874 he ran into an acquaintance, bohemian *bon vivant* and journalist Edmund Yates. Yates’s various journalistic achievements included pioneering the gossip column at the *Illustrated Times* in 1855, but he now planned to set up his own journal, and invited Labouchere to contribute. After pondering the matter, he offered to write a series of financial articles.²⁸ Early society journals like *The Owl* (1864) and the *Queen’s Messenger* (1869) had largely ignored finance, and while the very first issue of *Vanity Fair* in 1868 carried a lively City column, irreverently called ‘Other People’s Money’, it struggled to establish itself, sometimes disappearing for long stretches in its early years.²⁹ This suggests that the editors of such journals did not automatically assume that their readers would be particularly interested in the stock market, as opposed to the standard diet of politics, literature, and celebrity gossip. But it was to become a staple in *The World*. Priced at sixpence, *The World* and its fellow society weeklies were targeted at a solidly middle-class readership, not only in London but across the country. Both men and women read *The World*: Yates later argued that its success was in part due to its ability to ‘interpret the real wants’ of female readers, an appeal signalled in its subtitle: ‘A Journal for Men and Women’.³⁰ This readership included the kinds of

²⁷ *Truth*, 7 Oct. 1897, p. 880.

²⁸ Edwards, *Dickens’s ‘Young Men’*, pp. 41-8; E. Yates, *His Recollections and Experiences* (4th edn., London, 1885), pp. 456-7.

²⁹ *Vanity Fair*, 7 Nov. 1868, p. 11. *Vanity Fair* was established by Thomas Bowles, known for his irreverence and pungent wit: R.T. Matthews and P. Mellini, *In ‘Vanity Fair’* (London, 1982), pp. 16-18.

³⁰ A. Easley, *Literary Celebrity, Gender, and Victorian Authorship, 1850-1914* (Newark, MD, 2011), pp. 138-9. That said, one scholar notes that the paper’s female readers ‘had to put up with much the

people who had the means to enter the stock market, even if they were not yet invested.

Labouchere's aim was to make finance come alive for them.

He did so by applying society journalism's lighter, more personal approach to his City coverage. Financial journalists had until this point typically adopted the position of a neutral observer, reporting market movements objectively, and not drawing attention to their own role. Columns were not signed, in keeping with the long-standing journalistic convention of self-effacement, and very few financial journalists were known by the general public. The handful of exceptions included the prolific David Morier Evans, first of *The Times* then *The Standard*, who authored a string of books on financial topics between the 1840s and 1860s, and Walter Bagehot, editor of *The Economist* for much of the 1860s and 1870s.³¹ By contrast, *The World's* financial articles drew attention to their author. Though unsigned, they were written in the first person plural ('We hear'...), stressing their subjectivity, giving them a chattier, more gossipy tone than other financial articles, and making them consistent with the rest of the magazine.³² When Labouchere established *Truth* in 1877, its 'Mammon' articles remained in the first person, but switched to the singular, personalising them even further.³³ This stylistic convention encouraged readers to imagine that they were joining a private conversation, rather than consuming a mass-market periodical. As Lauren McCoy notes, the first-person perspective of the gossip column invites readers to think of the author 'as a real person and maybe a friend', forging a closer relationship between journalist and reader.³⁴ The intimacy of this relationship was deepened by the fact that reading the society newspaper was

same condescension and heavy facetiousness as those of most other papers': Edwards, *Dickens's 'Young Men'*, p. 139.

³¹ For a survey of their work, see M. Poovey, *Genres of the Credit Economy: Mediating Value in Eighteenth- and Nineteenth-Century Britain* (Chicago, 2008), pp. 243-75.

³² In doing so, *The World* was following in the footsteps of *Vanity Fair*, which deployed a similar device, though not so systematically. For examples, see *Vanity Fair*, 14 Nov. 1868, p. 23; 7 Mar. 1874, pp. 122-3.

³³ For Labouchere's preference for the first person singular, see Weber, 'Henry Labouchere', pp. 39-40.

³⁴ McCoy, 'Edmund Yates', pp. 176-7.

a habit woven into the daily lives of its readers: as Gary Weber observes, their relatively compact format meant that they could be ‘picked up and read indiscriminately, whether at the breakfast table, in the railway carriage, or even in the bedroom.’³⁵ This had significant implications when it came to the financial column, priming readers to view its contents in a particular way – as privileged, private information, shared by a trusted friend, rather than something commonly known.

Just as gossip columnists name-dropped in order to underline their credentials as members of a select group, Labouchere frequently reminded his readers that he moved in exclusive financial circles.³⁶ One moment he would recount a discussion with ‘a jobber of our acquaintance’ in the train, the next a conversation with ‘one of the first authorities in railroad finance’, or perhaps recall the time in Paris when ‘old Baron James Rothschild’ advised him to buy a particular stock.³⁷ This technique narrowed the imaginative distance between the financial elites of the City and the ordinary readers of the column. As Knight observes in the US context, this kind of writing ‘provided an imaginary resolution to the problem of asymmetric information in stock markets by rhetorically making outsiders feel like they were insiders.’³⁸ Labouchere was ‘in the know’, and by reading his column, you would join a select community of those who were similarly well informed.

Labouchere adopted the persona of the speculator-*flâneur*, and reading the column gave readers a tantalising glimpse into his adventures.

On Wednesday last week I was in the City, and passing by the office of a friend of mine who is given to dabbling on the Stock Exchange, I dropped in. My friend is a rich man, but I found him somewhat downcast, and I soon discovered the reason. He

³⁵ Weber, ‘Henry Labouchere’, p. 37.

³⁶ McCoy, ‘Edmund Yates’, pp. 177-8.

³⁷ *The World*, 4 Aug. 1875, p. 5; *Truth*, 3 May 1877, p. 562; *Truth*, 19 Apr. 1877, p. 499.

³⁸ Knight, ‘Reading the Market’, p. 1068.

was a bull of Egyptian Stocks, and these Stocks were falling. During the afternoon, having nothing particular to do, I sat in his office watching what was occurring. He sees a succession of brokers enter and leave the office bringing the latest news from the London Stock Exchange, and gets a lesson in the power of unsubstantiated, but co-ordinated, rumour to sway the prices of stocks. It was a 'bear' raid, which succeeded in forcing down Egyptian Stock three per cent before quickly recovering.

For my part, I did not happen to have any money to invest on this particular Wednesday, and I have such a dread of contangoes, commissions, and turns of the market, that I did not like to indulge in a speculative purchase, but I shall, to the last hour of my life, regret my timidity, for it was, as the event proved, an absolute certainty that the Stocks would recover their temporary depression.³⁹

He had even once ventured inside the forbidden precincts of the Stock Exchange, from whence strangers were, by tradition, violently expelled, and 'our reception was far from complimentary. We felt like a missionary amongst a tribe of cannibals. We speedily withdrew, for we happened to be wearing a new hat.'⁴⁰ Labouchere's writing thus represented a vicarious means for readers to experience the City, gaining access to its privileged spaces and talking to its leading figures.

Labouchere's gossipy informality was part of a broader aim of making the financial world intelligible, interesting, and, above all, entertaining. From its origins in the early 1820s, the City column quickly established itself as essential reading for market insiders, but its ability to reach wider audiences was doubted. It was sometimes assumed that only those financially involved in the matters described could possibly have any motivation to read such

³⁹ *Truth*, 24 Oct. 1878, p. 477. 'Contango' is the interest charged for carrying over a stock to the next settling day on the Stock Exchange.

⁴⁰ *The World*, 5 Jan. 1876, p. 6.

‘dull and repulsive’ content.⁴¹ Though a range of authors dealt with financial topics in imaginative ways, often borrowing literary devices, such approaches had limited impact on the venerable City column.⁴² Labouchere wanted to develop a different method of talking about the market, for this was the only way that his readers would begin to understand it. He explained that his aim was

to popularise the subject of finance, which, before our time, was treated in an abstruse and recondite manner. The consequence was that people spent half their lives making money, and then, for want of a little practical sense in investing it, lost it in the course of a few years.⁴³

To this end, he regularly deployed vivid images from everyday life to explain to his readers the dangers they faced when venturing into the City. Every reader would be familiar with adulteration, so would understand his description of how US speculators dumped rubbish investments onto British investors: ‘When an American has squeezed an orange nearly dry, his natural impulse is to stuff it full of sawdust, and sell it to an Englishman.’⁴⁴ He used the language of coining and uttering offences to describe selling rotten shares: ‘A jobber who, having an Erie share, sells it at present, is as guilty as a man who, having received a bad shilling, passes it off to his neighbour.’⁴⁵ He anthropomorphised the subject of foreign loans, explaining that investing in the loan of a state which had repudiated was like lending money ‘to some acquaintance whose income has never covered his personal expenditure, who has borrowed and reborrowed until he discovers that he can find no one to lend him anything, but who still knocks at this door and that in the hopes that the past will be forgotten’.⁴⁶ This

⁴¹ *Saturday Review*, 26 Apr. 1856, p. 516.

⁴² For an anthology of approaches, see M. Poovey, *The Financial System in Nineteenth-Century Britain* (Oxford, 2002).

⁴³ *The World*, 17 Nov. 1875, p. 5.

⁴⁴ *The World*, 4 Nov. 1874, p. 4.

⁴⁵ *The World*, 23 June 1875, p. 6.

⁴⁶ *Truth*, 18 July 1878, p. 79.

flamboyant repertoire of metaphor and simile made finance – and particularly financial misdemeanour – intelligible to a non-specialist audience. Yet this did not necessarily make the market more transparent, for the message was that navigating it safely depended upon having access to an insider such as Labouchere.

II

Whereas other City correspondents were obliged to produce a daily report focusing on the state of particular markets and the minutiae of price movements, Labouchere developed a different kind of reportage. Much of society journalism's appeal derived from the regular sensations it manufactured. Labouchere applied this method to his City column. Typical of his approach was to produce a series of in-depth articles on the same company or set of companies, documenting histories of corruption which, he claimed, were representative of wider practices in the City. As he explained, 'To put an end to abuses, it is far better to take individual cases than to generalise on abstract principles'.⁴⁷ This combination of narrative, analysis, and sensationalism can be seen as an embryonic form of investigative journalism, particularly significant at a time when this style of journalism rarely addressed financial topics.⁴⁸

An early example was a series of articles for *The World* in the autumn of 1874 which exposed Alexander MacEwen, a Scottish speculator operating in 'the dark recesses of the City'. MacEwen's strategy was to apply to securities 'the statistics of advertising', for he knew that 'the most worthless drug, when it is well advertised, and when its excellence is vouched for in puffs, sells freely.' He used pamphlets, circulars, and newspapers to publicise

⁴⁷ *The World*, 3 Mar. 1875, p. 8.

⁴⁸ Weber, 'Henry Labouchere', pp. 38-9. For more on the roots of investigative journalism, see S. Donovan and M. Rubery, eds., *Secret Commissions: An Anthology of Victorian Investigative Journalism* (Peterborough, Ontario, 2012), pp. 9-24.

his schemes, while he had also ‘at his beck and call a number of noisy brokers’ who ‘roar in the Stock Exchange, that the stock in which MacEwen is operating is, as may serve his purpose, the best or the worst of securities.’ Rather than dropping vague hints or innuendos, *The World* gave a detailed and forensic account of MacEwen’s machinations. After having operated in guano and asphalt shares, his latest scheme was to drive up the price of Anglo-American Telegraph Company shares which were already, Labouchere claimed, massively over-valued. These ‘corners’ and ‘rigs’ were conspiracies ‘to take money out of the pockets of the public’. He believed that uncovering this ‘City octopus’ would deprive it of its power to manipulate the market.⁴⁹

The exposure provided readable, sensational copy, and had other benefits too. The day after the third article on MacEwen appeared, Labouchere ran into the stockbroker William Abbott on Bartholomew Lane, outside the Stock Exchange. The men stopped to talk and the conversation, though beginning politely, soon soured. As one of MacEwen’s ‘noisy brokers’, Abbott did not care for the articles in *The World*, and although Labouchere’s identity as author was not widely known, somehow Abbott had found out. Labouchere told Abbott that if he was unhappy with anything that appeared in the press, he should sue for libel. Abbott replied that if Labouchere wrote anything about him in *The World*, he would horsewhip him. Labouchere then said, ‘If you want to horsewhip me, here I am. Horsewhip me.’ In the absence of an available horsewhip, Labouchere offered Abbott, a much larger man, his stick. As the subsequent report in *The World* summarised:

Mr. Abbott then said something to Mr. Labouchere, inducing Mr. Labouchere to reply, and then Mr. Abbott struck Mr. Labouchere a blow: not a blow of any violence. Mr. Labouchere, who had his stick in his hand, struck at Mr. Abbott’s hat, and then Mr. Abbott seized Mr. Labouchere by one arm, Mr. Labouchere seized him by the

⁴⁹ *The World*, 23 Sept. 1874, pp. 5-7; 30 Sept. 1874, p. 5; 7 Oct. 1874, pp. 2-4.

other, and as there was a gang of little boys and people all round, Mr. Labouchere said, ‘Is there any policeman here?’

There was, and Labouchere pressed charges against Abbott for assault. The case came before the Lord Mayor, Sir Andrew Lusk, in a crowded Mansion House and the proceedings, which frequently descended into absurdity, attracted much amused press coverage. Cross-examined by his solicitor, George Lewis, Labouchere insisted that Abbott’s ‘pugilistic attitude’ had not intimidated him, and the blow he landed ‘felt more like an indiarubber ball bounding against me than anything else.’ When asked whether he had any fear of Abbott, Labouchere replied, ‘Well, no. When I was in Spezzia I used to bathe a good deal in the Gulf, and there were a quantity of porpoises –’, at which point he was cut short by Abbott’s counsel, Alfred Thesiger, who complained that he was ‘making a farce of a Court of Justice.’⁵⁰

Labouchere insisted that he had pressed charges in order to defend the freedom of journalists to criticise without fear of violent reprisals. But, as Thesiger asserted, the action was chiefly a stunt to secure publicity for *The World*.⁵¹ As well as revealing Labouchere’s identity as the author of the paper’s financial articles, it gave him a platform in court to elaborate on his allegations of gross frauds in the Stock Exchange, and to cast himself as the defender of innocent investors who were induced to buy shares at inflated prices.⁵² The stunt had the desired effect. As Labouchere’s employer Edmund Yates later recalled, during the case, ‘[a] great deal was said about *The World*, and its determination to purge Capel Court of all engaged in iniquitous dealings, and all that was said was reported at length in the daily papers’. The effect was instant – whereas *The World* had been struggling to attract both

⁵⁰ *The World*, 14 Oct. 1874, pp. 19-22. The case was also extensively covered elsewhere: see, for example, *Pall Mall Gazette*, 12 Oct. 1874, p. 9; *Hull Packet and East Riding Times*, 16 Oct. 1874, p. 3; *Newcastle Courant*, 16 Oct. 1874, p. 6.

⁵¹ The use of the courts for advertising is discussed in A. Rosenberg, “‘Amongst the Most Desirable Reading’”: Advertising and the Fetters of the Newspaper Press in Britain, c.1848-1914’, *Law and History Review*, xxxvii (2019), pp. 657-706, at 690-92.

⁵² When the case was reported, Yates claimed that Labouchere did not pen all of his paper’s City articles, but there is little internal evidence to support this: *The World*, 21 Oct. 1874, p. 3.

readers and advertisers, the circulation shot up, and the paper had to expand from sixteen pages to twenty to accommodate all the new advertisements.⁵³

Before 1874 was over, Labouchere had followed up with further exposés, of Richard Oakley's Co-operative Credit Bank, crooked West-End money lenders, and what became a long-running series on insolvent life insurance offices.⁵⁴ *The World's* readers were coming to know that they could rely on a steady diet of financial scandal, helping it to become 'the most generally read paper in London'.⁵⁵ Circulation figures rose from just over 6,000 in late 1874 to around 11,000 in mid-1875, and over 20,000 a year later.⁵⁶ It was a model which Labouchere took with him to *Truth* in 1877, as signalled in the paper's slogan, *Cultores Veritatis Fraudis Inimicii* ('Worshippers of Truth, Enemies of Fraud').⁵⁷ Sometimes, his journalism provoked actions for libel, which Labouchere always welcomed, partly because his wealth meant he did not have to fear losing (though he rarely did), but mainly because such actions served as priceless advertisements for his paper.⁵⁸ They helped *Truth* reach an estimated weekly circulation of around 30,000.⁵⁹

Though the exposés were designed to create sensations, there was also a serious purpose. Animating Labouchere's journalism was a liberal belief in the power of publicity to defeat corruption. A permissive company law which placed few barriers in the way of incorporation with limited liability depended upon the press to police the corporate economy by publicising wrongdoing.⁶⁰ Indeed, the 'fearless exposure of anything like fraud or foul

⁵³ Yates, *Recollections and Experiences*, pp. 460-61.

⁵⁴ *The World*, 9 Dec. 1874, pp. 12-13; 9 Dec. 1874, pp. 4-5; 25 Nov. 1874, pp. 6-7.

⁵⁵ *Trewman's Exeter Flying Post*, 15 Sept. 1875, p. 8.

⁵⁶ *The World*, 2 Dec. 1874, p. 3; 14 July 1875, p. 3; 31 May 1876, p. 3.

⁵⁷ Thank you to Paul Hayward for the translation. For Labouchere's exposures of charity frauds, see S. Roddy, J.-M. Strange, and B. Taithe, 'The Charity-Mongers of Modern Babylon: Bureaucracy, Scandal, and the Transformation of the Philanthropic Marketplace, c.1870-1912', *Journal of British Studies*, liv (2015), pp. 118-37.

⁵⁸ Weber, 'Henry Labouchere', p. 38; Roddy et al, 'Charity-Mongers', p. 125.

⁵⁹ Hind, *Labouchere and the Empire*, p. 3.

⁶⁰ For the legislative context, see J. Taylor, *Creating Capitalism: Joint-Stock Enterprise in British Politics and Culture, 1800-1870* (Woodbridge, 2006), ch. 4.

dealing' was integral to early articulations of the role of the financial journalist.⁶¹ Publicity had a dual function in this context: it would equip potential victims with the information they needed to protect themselves, whilst shaming wrongdoers into reforming their behaviour, improving commercial morality without recourse to legislation.⁶² Thus, Labouchere gleefully claimed credit when Abbott was banished from the Stock Exchange for being unable to pay his debts, and when MacEwen was declared bankrupt a few weeks later.⁶³ After less than six months, *The World* somewhat hubristically declared that its exposures of fraud were 'unparalleled in the history of English journalism.'⁶⁴ In its early numbers, it even published a calendar summarising the impact of its articles, creating the impression that it was successfully cleaning up the City.⁶⁵

But was publicity enough to tackle the problem of City corruption? The number of defaults on foreign loans floated on the Stock Exchange from the late 1860s was creating a growing sense of scandal. Liberal MP Sir Henry James, Former Attorney-General in Gladstone's cabinet, successfully moved for a Select Committee in February 1875 to investigate these defaults, which had seen 'life's savings swept away' and 'widows reduced to absolute destitution'. James wanted the committee to consider whether there was a case for intervention to protect investors.⁶⁶ However, although identifying transactions 'deserving of much censure', the Committee's report opposed legislation. It thought that the Stock Exchange 'can hardly be interfered with by Parliament without losing that freedom of self-government which is the very life and soul of the institution', and suggested instead that its members take the opportunity to reform some of their practices to improve investor

⁶¹ [D. M. Evans], *The City; Or, the Physiology of London Business* (London, 1845), p. 134.

⁶² For an account of the regulatory impact of shame in other nineteenth-century contexts, see D. Nash and A.-M. Kilday, *Cultures of Shame: Exploring Crime and Morality in Britain, 1600-1900* (Basingstoke, 2010).

⁶³ *The World*, 21 Oct. 1874, pp. 6-7; 18 Nov. 1874, pp. 6-7.

⁶⁴ *The World*, 30 Dec. 1874, p. 3.

⁶⁵ See, for example, *The World*, 23 Dec. 1874, p. 15.

⁶⁶ Hansard, *Parliamentary Debates* [hereafter Hansard], 3rd ser., 23 Feb. 1875, vol. 222, col. 777.

protection. Ultimately, it expressed confidence in the regulatory power of publicity. Given that it was the ‘credulity and cupidity’ of investors that had led them to speculate so recklessly, the Committee hoped that the evidence presented in their report would ‘tend to enlighten the public’, allowing them to navigate the market more successfully in future.⁶⁷

Labouchere seemed to agree, arguing when the Committee’s report was published that the only way to combat ‘the pirates of the City’ was to draw attention to their proceedings.⁶⁸ A traditional radical in his preference for retrenchment in government, he was sceptical about paternalistic protections for investors.⁶⁹ ‘The Limited Liability Acts did not deprive enterprise of its risks, but enabled all to incur them’, he informed his readers. He therefore scorned ‘the nonsense of people choosing to risk their money ... then, if they lose it, becoming at once “widows and orphans”, and in these capacities complaining that they have been robbed.’⁷⁰ At the same time, he was concerned to ensure a fair market, and the Stock Exchange’s failure to make the slightest effort to reform itself following the parliamentary investigation convinced Labouchere that publicity alone was not sufficient.⁷¹ He increasingly painted the Stock Exchange as a corrupt, unaccountable, and monopolistic institution, and therefore a legitimate target for reform. Contrary to the Select Committee, Labouchere believed that its ‘freedom of self-government’ was not a strength, but the source of the problem. Scandals were not exceptions to a general rule of Stock Exchange honesty: rather, they were evidence of a corrupt system, ‘rotten to the core’.⁷² It had acquired a practical

⁶⁷ *Report from the Select Committee on Loans to Foreign States*, British Parliamentary Papers [hereafter BPP], 1875, XI.1, pp. xlv, l.

⁶⁸ *The World*, 11 Aug. 1875, p. 10.

⁶⁹ One biographer notes that as an MP, Labouchere ‘was indefatigable in his efforts to introduce economical Radical Finance into every detail of government’: Thorold, *Life of Henry Labouchere*, p. 224.

⁷⁰ *The World*, 13 Sept. 1876, p. 5. See also *Truth*, 5 Apr. 1877, pp. 434-6.

⁷¹ *The World*, 5 Jan. 1876, p. 5. For more on the importance of ‘fair play’ to the moral economy of mid-Victorian liberalism, see E.F. Biagini, *Liberty, Retrenchment and Reform: Popular Liberalism in the Age of Gladstone, 1860-1880* (Cambridge, 1992), p. 101.

⁷² *The World*, 21 Oct. 1874, p. 4.

monopoly of the market for securities, and used this to enrich its members at the expense of the public.⁷³ Long habit had ‘confirmed them in the notion that the public are a flock of sheep which they have some sort of divine right to fleece.’⁷⁴ His arguments were therefore in harmony with mid-Victorian liberal thought, which sanctioned regulation in markets where lack of competition imperilled consumers.⁷⁵

Labouchere’s columns dissected the various ways in which the Stock Exchange’s privileged position led to market inefficiencies. Stockbrokers systematically overcharged their clients, while jobbers were unnecessary middlemen: the total annual charge to the public of the broker’s commission and the jobber’s ‘turn’, he estimated, was approximately £2m.⁷⁶ The promoters of every company and loan which floated had to pay ‘blackmail’ to the Exchange to ensure that the shares were taken. This consisted of payments to brokers and jobbers to buy and sell the shares to ‘make a market’, and to arrange for a settlement and a quotation. He reckoned that the total cost of this could reach up to ten per cent of the invested capital, amounting to ‘the organised spoliation of the investing classes’.⁷⁷ Blackmail became bribery when it came to ‘rotten’ securities: members happily granted quotations to these in exchange for allotments which they then worked up to an artificial premium in order to make a quick profit. He gave the example of Lionel Cohen whom he claimed had received a lump sum of around £20,000 for the purpose of ‘sticking the investing public with’ a rotten Turkish loan. The public erroneously thought that a Stock Exchange settlement ‘was a sort of hall-

⁷³ *The World*, 5 Apr. 1876, p. 5; *Truth*, 11 Jan. 1877, pp. 49-50; *Truth*, 15 Feb. 1877, pp. 210-11. The monopoly argument underplayed the significance of provincial stock exchanges and brokers operating outside the official exchanges: Michie, *London Stock Exchange*, p. 123.

⁷⁴ *Truth*, 28 June 1877, pp. 818-19.

⁷⁵ Biagini, *Liberty, Retrenchment and Reform*, pp. 103-4; M. Daunt, *Wealth and Welfare: An Economic and Social History of Britain, 1851-1951* (Oxford, 2007), pp. 107-8.

⁷⁶ *The World*, 21 Oct. 1874, pp. 3-4; 5 Apr. 1876, p. 5; *Truth*, 11 Jan. 1877, pp. 49-50. Unlike brokers, jobbers did not deal direct with members of the public; their role was to facilitate transactions by providing a ready market in securities: B. Attard, ‘Making a Market: The Jobbers of the London Stock Exchange, 1800-1986’, *Financial History Review*, vii (2000), pp. 5-24, at 7-8.

⁷⁷ *The World*, 18 Nov. 1874, pp. 13-14. See also *The World*, 17 Mar. 1875, p. 5; 24 Mar. 1875, pp. 5-6.

mark' guaranteeing quality, whereas it simply meant that the necessary payments had been made.⁷⁸

The attack was not personal, but focused on the system. Labouchere admitted that the Stock Exchange was composed, with a few exceptions, of 'honest and honourable men', but, 'once within the portals of their Club, their perception of right and wrong becomes vitiated.' Normal standards of commercial morality were replaced by 'the artificial code' of the Exchange's rules and regulations which were 'those of a band of pirates.'⁷⁹ This had come about because the Exchange was governed by a body, the Committee for General Purposes, consisting of brokers and jobbers elected by their peers. 'To suppose that such a council will act independently, or in any manner legislate to reduce the gains of themselves and of their constituents, is to ignore the first elements of human nature.'⁸⁰ The argument thus paralleled contemporaneous debates in professions like law and medicine over whether self-regulation was sufficient to protect the public interest, or whether the state needed to intervene.⁸¹ Fundamentally, whereas Labouchere believed that the Stock Exchange should be a public institution, it actually behaved like a private club. The only solution was legislation reforming its constitution: 'A good lawyer could frame a bill in a day which would be worth several millions per annum to the public.'⁸² His programme of reform included incorporating the Stock Exchange by Royal Charter, abolishing jobbers, preventing members from manipulating prices on the official list, ensuring public representation on the Committee for

⁷⁸ *Truth*, 15 Feb. 1877, pp. 210-11; 2 Aug. 1877, pp. 146-7; 18 Oct. 1877, p. 471. The focus on Cohen is a reminder that Labouchere used *Truth* as a platform for his antisemitic views: C. Hirshfield, 'Labouchere, Truth and the Uses of Antisemitism', *Victorian Periodicals Review*, xxvi (1993), pp. 134-42.

⁷⁹ *Truth*, 18 Jan. 1877, pp. 84-5.

⁸⁰ *The World*, 17 Mar. 1875, p. 5.

⁸¹ G.R. Searle, *Morality and the Market in Victorian Britain* (Oxford, 1998), ch. 6.

⁸² *The World*, 24 Mar. 1875, p. 6.

General Purposes, and adding a public gallery, like the House of Commons and the Law Courts, to end the dangerous culture of secrecy.⁸³

The case for reform was gaining wider traction in the long depression afflicting the securities market in the mid-1870s, evidenced not only in the press but also in novelistic treatments dissecting stock market manoeuvres in unprecedentedly vivid detail.⁸⁴ The Commons responded in March 1877, when members successfully pressed Disraeli's Conservative government to appoint a Royal Commission on the Stock Exchange. The debate had some of the colour of a Labouchere editorial: just as the Athenians had 'paid an annual tribute of blood to the Minotaur', claimed Conservative MP John Yorke, so the nation was paying 'an annual tribute to the Stock Exchange of ruin, tears, and broken fortunes'. It was time for the government to 'destroy the monster of corruption that lurked in the labyrinths'.⁸⁵ Yet the Commission, which contained several City insiders among its number, most notably Nathaniel Rothschild, found no Minotaurs in the Stock Exchange, and was broadly supportive of the institution. It did, however, argue that legislation could improve its workings, and recommended some of the measures Labouchere had suggested, most notably incorporation, giving the Board of Trade a degree of oversight.⁸⁶ Labouchere welcomed the report, yet its proposals were ignored both by Disraeli's government and the Stock Exchange itself.⁸⁷

⁸³ *Truth*, 11 Jan. 1877, pp. 49-50; 8 Feb. 1877, pp. 181-2; 15 Feb. 1877, pp. 210-11; 28 June 1877, pp. 818-19.

⁸⁴ *Saturday Review*, 27 Mar. 1875, pp. 406-8; W., 'Stockbroking and the Stock Exchange', *Fraser's Magazine*, xiv (July 1876), pp. 84-103; *Limited Liability Review*, Feb. 1877, pp. 63-4; R.C. Michie, *Guilty Money: The City of London in Victorian and Edwardian Culture, 1815-1914* (London, 2009), pp. 77-87; J.R. Reed, 'A Friend to Mammon: Speculation in Victorian Literature', *Victorian Studies*, xxvii (1984), pp. 179-202, at 190-96.

⁸⁵ Hansard, 3rd ser., 20 Mar. 1877, vol. 233, col. 213.

⁸⁶ *London Stock Exchange Commission*, BPP, 1878, XIX.263, pp. 5-27. The evidence heard by the Commission, and the 1875 Select Committee, is usefully summarised in D. Kynaston, *The City of London, I: A World of its Own, 1815-1890* (London, 1995), pp. 269-86.

⁸⁷ *Truth*, 22 Aug. 1878, p. 223. It was not until the Great War that the Stock Exchange began to take on more of a public character: Michie, *London Stock Exchange*, pp. 153-4.

Though his stock market diatribes failed to secure reform, this was no setback. Labouchere's journalism relied upon the existence of antagonists. Explaining, for example, his constant criticism of the royal family to a friend, he confided: 'One must find some very solid institution to be able to attack it in comfort.' The last thing he wanted was for that institution to collapse, for then 'I should have all the trouble of finding something else to tilt against.'⁸⁸ Thus, the outcome enabled Labouchere to continue to harangue the Stock Exchange as a toxic monopoly.⁸⁹ The principal purpose of these attacks, then, was not necessarily to secure reform, but to embed a popular view of the City as a corrupt and perilous place, which was central to his broader aims, as we shall now see.

III

If the City was full of danger, and if parliament refused to reform it, then investors were particularly dependent on the press for protection. But, argued Labouchere, financial journalists had utterly failed the public on this score. From the start of his career at *The World*, Labouchere strove to highlight systemic problems with the press's City coverage. With his base in the financial district, away from the main offices, the City editor operated free from supervision, an independence that made his writing 'singularly corrupt'. By expressing confidence about the prospects of newly-launched companies or loans – or simply by withholding criticism – City editors could turn an annual salary of £600-700 into 'as many thousands'. It was common practice for a promoter to allocate a journalist shares at par, allowing him to sell them at the premium which he helped to manufacture with his coverage.

⁸⁸ Thorold, *Life of Henry Labouchere*, p. 221.

⁸⁹ See, for example, *Truth*, 29 Jan. 1880, p. 148.

By such means the public were regularly induced to place their money in ‘rotten bankrupt concerns’.⁹⁰

Sensationally, Labouchere took a high profile example – Marmaduke Sampson, City editor at *The Times* – to illustrate his case. Sampson, he claimed, used his daily column to line his own pockets at the expense of his readers, promoting bad companies on behalf of his City friends in return for payments which funded a lavish lifestyle. Labouchere gave two instances of this, the first being the Erie Railroad. The company’s reputation had become so tarnished in the US to the extent that ‘had any American purchased its shares for investment, he would have been prevented from doing himself further harm by removal to the nearest lunatic asylum’. But the management of the company was lauded in *The Times*, and as a result the company’s loans were enthusiastically taken up by the public. Whenever the shares were not buoyant, *The Times* denounced the company’s critics, and cautioned shareholders against parting with their valuable property. The second example was the battle over the Atlantic cables. The Anglo-American Telegraph Company, first in the field, enjoyed a monopolistic position which kept the price of telegrams high, and which rival companies periodically attempted to challenge. Sampson used his *Times* column to criticise these challengers, particularly the Direct United States Cable Company, and to support the financial machinations of the Anglo-American Company, to keep up the price of its shares. The common factor in both cases, Labouchere alleged, was an unnamed ‘German Hebrew’, an ‘intimate friend’ of Sampson. So close were they that the friend sometimes wrote the City article in Sampson’s absence. Some readers would recognise this figure as prominent company promoter Baron Albert Grant. Labouchere concluded that it was time that the public

⁹⁰ *The World*, 26 Aug. 1874, pp. 3-4. For more on relations between promoters and journalists, see James Nye, ‘Boom, Crisis, Bust: Speculators, Promoters, and City Journalists, 1880-1914’, in Schifferes and Roberts, eds., *Media and Financial Crises*, pp. 215-26.

‘should distinctly understand what little confidence is to be placed in its financial guides, and that a system which is a disgrace to the press should be exposed.’⁹¹

The impact was swift. Within days of Labouchere’s second article on the subject *The Times* had obtained Sampson’s resignation, replacing him, on the recommendation of the Directors of the Bank of England, with Arthur Crump, previously City editor of the *Pall Mall Gazette*.⁹² To exert greater control over their new employee, they closed Sampson’s former office on Lombard Street, and had Crump work in the main *Times* office in Printing House Square.⁹³ Sampson’s departure initially attracted little attention outside *The World*, though the London correspondent of the *Liverpool Mercury* hinted at disgrace, remarking that Sampson had occupied a position ‘of enormous responsibility, one exposing the holder of it to great temptations.’⁹⁴ But his relationship with Grant became a national scandal just a few months later owing to a libel case. During the trial, which revolved around Sampson’s imputations of fraud in *The Times* against a US diamond mining company in which a British adventurer named Alfred Rubery was involved, photographs of cheques from Grant to Sampson were produced. Sampson may have performed a public service in exposing the swindle, but that he had done so because of his financial relationship with Grant, who was pursuing a vendetta against the innocent Rubery, was a devastating revelation.⁹⁵

The trial received blanket press coverage, forcing *The Times* to address the issue in a leading article, in which the paper admitted that its City editor had betrayed the trust placed in him, to its ‘profound and unalloyed mortification.’⁹⁶ A great many other newspapers also

⁹¹ *The World*, 26 Aug. 1874, pp. 3-4; 2 Sept. 1874, pp. 3-5. For more on Grant, see Kynaston, *City of London*, pp. 264-9. For more on Atlantic cables, see D.R. Headrick and P. Griset, ‘Submarine Telegraph Cables: Business and Politics, 1838-1939’, *Business History Review*, lxxv (2001), pp. 543-78, at 554-5.

⁹² *The World*, 23 Sept. 1874, pp. 5-6.

⁹³ *Leeds Times*, 23 Jan. 1875, p. 5.

⁹⁴ *Liverpool Mercury*, 16 Sept. 1874, p. 6. See also *Hampshire Advertiser*, 26 Sept. 1874, p. 2.

⁹⁵ Taylor, ‘Financial Crises’, 209-10.

⁹⁶ *The Times*, 19 Jan. 1875, p. 9.

carried editorials on the subject, and though few went as far as *Reynolds's Newspaper* in condemning 'the prostitution of journalism', Grant's assertion under cross-examination that payments to journalists were common practice attracted much comment, providing worrying corroboration of *The World's* core claims.⁹⁷ As Labouchere reiterated after the case, the cost of promoting a new company was artificially and unfairly inflated by the charges that had to be paid not only to members of the Stock Exchange but to journalists like Sampson. The investor would not have 'fair play' until 'the leeches who, under the cloak of the promoter, prey upon new companies' were removed.⁹⁸

Having had their trust in the City and in standards of financial journalism so systematically undermined, it is telling to see how readers of *The World* responded. 'Scarcely a day passes that does not bring us communications from country gentlemen, country clergymen, and ladies, soliciting our advice in the matter of intended financial investments,' Labouchere noted in December 1874, after *The World* had been in existence for less than six months. By this point, investors were coming to expect such help from the press, with specialist financial newspapers answering their readers' investment queries in 'To Correspondents' columns.'⁹⁹ The general press, however, tended to be cagier about advising readers directly on their investments.¹⁰⁰ Labouchere, too, thought it entirely inappropriate to take on the position of adviser: for one, 'we are journalists and not stockbrokers'. The distinction was critical to his understanding of the role of the financial journalist: 'our

⁹⁷ *Reynolds's Newspaper*, 24 Jan. 1875, p. 3. Several papers also believed that the case highlighted wider practices: *Daily Telegraph*, 19 Jan. 1875, p. 5; *The Examiner*, 23 Jan. 1875, pp. 97-8. Others were more concerned to shore up confidence in the press: *Daily News*, 19 Jan. 1875, p. 4; *The Graphic*, 23 Jan. 1875, p. 74.

⁹⁸ *The World*, 20 Jan. 1875, p. 11.

⁹⁹ For examples, see *Shareholders' Guardian*, 25 Jan. 1865, p. 139; *The Money*, 21 Apr. 1871, p. 72; *Stock Exchange Review*, Jan. 1875, p. 8.

¹⁰⁰ 'Answers to Correspondents' columns were a longstanding feature of the general press, and though these could contain puffs for firms, they typically refused to advise readers on investment in this period: *Liverpool Mercury*, 9 Feb. 1870, p. 6; *Birmingham Daily Post*, 12 Dec. 1877, p. 5; *Sheffield and Rotherham Independent*, 21 June 1880, p. 3.

functions are chiefly of a negative kind. With the discovery and the exposure of fraud our duty begins and ends. Were we to exceed those limits we should be courting the accusation that we have often had such good reason to make against others, of partiality and puffery.’¹⁰¹

But the flow of letters did not abate: by March the following year, *The World* was receiving ‘a vast number of letters’ every week ‘requesting us to advise the writers respecting their investments.’¹⁰² This demand, Labouchere believed, was a result of widespread ignorance on financial matters to which the press had contributed. ‘Whilst the press teems with advice respecting most things in heaven and earth, it has always been singularly reticent in its treatment of financial problems in their practical aspect.’¹⁰³ And when City editors did try to explain the markets to their readers, they were little more than ‘blind leaders of the blind’, their own ignorance becoming embarrassingly apparent.¹⁰⁴ Having initially welcomed Crump’s arrival at *The Times*, Labouchere soon declared himself unimpressed, skewering him in mocking verse:

MUFFINS AND CRUMPETS

In turning out Sampson and putting in Crump,
The *Times* of course thought they were playing a trump;
Though no doubt for a bribe he would ne’er put a puff in,
Yet as well as a Crump it now seems they’ve a Muff in.¹⁰⁵

To combat this problem, Labouchere began sharing with his readers some general maxims: ‘Apply to investments the ordinary rules of common sense’; ‘remember the dictum of the late Duke of Wellington, that high interest means bad security.’¹⁰⁶ Such basic insights were

¹⁰¹ *The World*, 30 Dec. 1874, p. 3.

¹⁰² *The World*, 10 Mar. 1875, p. 5.

¹⁰³ *The World*, 28 Apr. 1875, p. 5.

¹⁰⁴ *The World*, 14 July 1875, p. 6.

¹⁰⁵ *The World*, 14 July 1875, p. 8. Elsewhere, Labouchere harangued Crump as a peddler of ‘pernicious twaddle’ and a ‘philosopher of humbug’: *The World*, 19 May 1875, p. 8; 26 May 1875, p. 5.

¹⁰⁶ *The World*, 10 Mar. 1875, p. 5.

relatively common in the wider investment literature of the period, but Labouchere soon went much further, fashioning an unusually practical approach to financial advice.¹⁰⁷

Responsible financial journalism, he argued, should be about trying to establish the intrinsic value of stocks – their ‘power, present or prospective, to earn a dividend’. Most City editors, by contrast, believed that all that mattered was the market price. They measured the financial condition of the country from these ‘fictitious’ prices, but this was illogical: ‘like children, [they] push the needles of a barometer to “set fair”, under the impression that this will cause the sun to shine.’¹⁰⁸ Such an approach was extremely harmful to investors, for it was ‘just as easy to lose by purchasing an existing security at too high a price as by investing in a new one which is comparatively worthless.’¹⁰⁹ Market prices fluctuated much more than intrinsic values, and often bore little relation to them. Despite being extensively reported in the daily press, they were of little significance, for they were usually the result of the manoeuvres of speculators.¹¹⁰ He explained what happened:

A stock has stood for some time at 50. It is bought by a gang of speculators, who have perhaps paid an average of 55 for it ... At 60 they carefully begin to sell; these sales send it down to 58. At once the City editors come to their rescue, and, entirely oblivious that the real price before the speculative purchases commenced was 50, profess the utmost horror of the adverse manoeuvres which are injuring property. On this, in steps the silly investor. The poor fool imagines that he would do well to buy at 58, and thus is comfortably robbed of 8 per cent on his purchase.¹¹¹

¹⁰⁷ For examples, see *Beeton's Guide Book to the Stock Exchange and Money Market with Hints to Investors and the Chances of Speculators* (London, 1870); T. Crumplen, *Practical Advice on Stocks and Shares, Addressed to Investors of all Classes* (London, 1878).

¹⁰⁸ *The World*, 30 June 1875, pp. 5-6.

¹⁰⁹ *The World*, 19 May 1875, p. 7.

¹¹⁰ *The World*, 14 July 1875, pp. 6-8.

¹¹¹ *The World*, 30 June 1875, p. 5.

Labouchere's approach was different. It involved calculating the intrinsic value of a security, and comparing this with its market price. If he bought (or sold) a security when this disparity was at its greatest, all he had to do was wait for them to move back closer together in order to realise a profit. He might have to wait a long time, but if his calculations were sound, he would eventually be rewarded. For Labouchere, this was the difference between speculation and calculation. Speculators were obsessed with short-term fluctuations in the price of stocks, and how to profit by them; for calculators – such as Labouchere – these fluctuations were irrelevant, for they were playing a longer game.¹¹² But how did one go about calculating intrinsic value? His message was democratic. Anyone with basic arithmetic and ordinary judgement could do it: there was 'no recondite mystery' to it. To illustrate his point, he frequently gave step-by-step explanations of his calculations, showing how to take information on earnings, profits, and dividends from published balance sheets to assess the comparative attractiveness of different securities at current market prices.¹¹³

This approach was not entirely new, for other journalists had drawn a distinction between market price and intrinsic value. In the era of the railway mania, for example, the broker-turned-journalist Robert Lucas Nash had provided unusually astute dissections of railway accounts, first in the *London Weekly Railway Share List* (1847-48), then in the *Money Market Examiner and Railway Review* (1848-50).¹¹⁴ These were small circulation publications targeting market professionals. But by the 1870s, financial papers aspired to reach a wider audience, and were therefore taking on a more explicitly educative role, one such describing itself as 'a school of practical finance', others carrying instructive articles on 'Rules for Investors', and 'Hints for Speculators'.¹¹⁵ Labouchere adapted this approach, and

¹¹² *The World*, 24 Mar. 1875, pp. 5-6.

¹¹³ For examples, see *The World*, 28 Apr. 1875, pp. 5-7; 30 June 1875, pp. 5-7; 9 Aug. 1876, pp. 5-7.

¹¹⁴ A. Odlyzko, 'The Collapse of the Railway Mania, the Development of Capital Markets, and the Forgotten Role of Robert Lucas Nash', *Accounting History Review*, xxi (2011), pp. 309-45.

¹¹⁵ *The Money*, 20 Feb. 1872, p. 305; *The Financier*, 16 Mar. 1870, pp. 3-4; *The Financier*, 23 May 1870, pp. 3-4.

by focusing so insistently on the issue of intrinsic value, anticipated later trends in investment advice. Calculating intrinsic value was central to the styles of ‘fundamental analysis’ developed by early twentieth-century US financial gurus, and also informed the successful investment strategies of John Maynard Keynes in the 1930s.¹¹⁶ Yet when Labouchere tried to explain his ‘rule of price and value’ to financial associates in the 1870s, he later recalled that he ‘was regarded as a theorist, which in City parlance is a term synonymous with a fool’.¹¹⁷ His readers were therefore getting something more than simply the received wisdom of the day.

Labouchere’s method of explaining intrinsic value brought the journalist-speculator centre stage, for the calculations he presented were not hypothetical, but underpinned his own market operations. As he put it much later, ‘the idea of the articles was that of a person speculating himself, and explaining why he bought or sold, with his reasons for so acting.’¹¹⁸ This helped to personalise what could seem a rather esoteric subject. So, in June 1875, he told his readers, ‘We have a trifle invested in Portuguese stock, another trifle in United States funded loan We are also in the Metropolitan and South-Eastern railroads. So far as we can make out, both these railroads are in a healthy position’.¹¹⁹ And as he updated his portfolio, he would share the details with his readers, together with his calculations: ‘Having a trifle last week to invest, we cast about for the best investment of the trifle; after considerable investigation we bought Caledonian stock.’¹²⁰ The nature of his journalism had thus

¹¹⁶ W.A. Friedman, *Fortune Tellers: The Story of American’s First Economic Forecasters* (Princeton, NJ, 2014), p. 203. Keynes attributed his success to the ‘careful selection of a few investments ... having regard to their cheapness in relation to their probable actual and potential *intrinsic* value’: cited in J.H. Chua and R.S. Woodward, ‘J.M. Keynes’s Investment Performance: A Note’, *Journal of Finance*, xxxviii (1983), pp. 232-5, at 235. See also D. Chambers and E. Dimson, ‘Retrospectives: John Maynard Keynes, Investment Innovator’, *Journal of Economic Perspectives*, xxvii (2013), pp. 213-28.

¹¹⁷ *Truth*, 7 Oct. 1897, p. 883.

¹¹⁸ *Truth*, 2 Dec. 1897, p. 1432.

¹¹⁹ *The World*, 16 June 1875, p. 6.

¹²⁰ *The World*, 13 Sept. 1876, p. 6. See also *Truth*, 10 May 1877, p. 594; *Truth*, 21 June 1877, p. 787; *Truth*, 15 Aug. 1878, p. 193.

undergone a complete transformation in the space of under a year. ‘The man who pays his sixpence for the *World* is our client’, he announced in June 1875, happily blending the functions of journalist and broker which he had initially been so anxious to keep apart.¹²¹

Labouchere blithely denied that there was any conflict of interest between his journalistic and speculative activities. Though ostensibly objective, the *City* articles of other newspapers were animated by secret financial agendas which readers could not hope to fathom; Labouchere’s approach, by contrast, was far more transparent. ‘Whenever I treat a financial question, in which I am personally interested, I shall always say so.’¹²² He even framed his speculations as a guarantee of good faith: ‘What greater proof can I give of my belief in the shares I write up than buying them? Or what stronger evidence can there be of my disbelief in a share than my selling it?’¹²³ Moreover, any money he made by ‘bearing’ securities ‘did not come out of the pockets of the public, but out of the pockets of those who had been endeavouring to fleece the public.’¹²⁴

IV

But the issues were much more complex than Labouchere admitted. A useful vantage point is offered if we fast-forward to the late 1890s. By this point, his career had moved on. Having returned to parliament as representative for Northampton in 1880, he turned his attentions to politics, establishing himself as an influential figure in the Liberal Party. Though nominally still editor of *Truth*, he delegated more to his deputy, Horace Voules, who in turn recruited Louis Brousson to helm the *City* column.¹²⁵ But Labouchere still contributed articles, using *Truth* to attack his political enemies, and in the 1890s became a vocal critic of arch-

¹²¹ *The World*, 30 June 1875, p. 6.

¹²² *Truth*, 8 Feb. 1877, p. 181.

¹²³ Pearson, *Labby*, p. 122.

¹²⁴ *Truth*, 8 Feb. 1877, p. 181.

¹²⁵ R. A. Bennett, ‘Mr. Labouchere as a Journalist’, in Thorold, *Life of Henry Labouchere*, pp. 444-67, at 455-7.

imperialist Cecil Rhodes. Among many other things, he accused Rhodes of manipulating the price of South African securities at the expense of British investors.¹²⁶ In retaliation, Henry Hess, an ambitious young financial journalist and an ally of Rhodes, obtained what he claimed was a cache of Labouchere's letters to his former 'stock-jobbing partner', written whilst he was penning the financial content of *The World*.¹²⁷ Hess printed facsimiles of the letters, anonymising the recipient, together with extensive commentary, in a series of articles in his financial paper, the *African Critic*, through the latter half of 1897.¹²⁸ His purpose was to prove that Labouchere's allegations against Rhodes paled into insignificance compared with his behaviour at *The World*.

Hess maintained that Labouchere's private speculations had entirely compromised his public responsibilities as a journalist. Whereas Labouchere claimed that he criticised stocks *because* he thought their price would fall, Hess believed that he did so *in order to* make their price fall. As his influence grew, Labouchere's weekly predictions became self-fulfilling prophecies, a performative power of which he was, Hess insisted, very well aware.¹²⁹ In one letter discussing how the prospect of amalgamation was affecting Anglo-American Telegraph stock, Labouchere told his correspondent

It seems to me that the money on the up & down scale is to be made between 58 and 68. Our object now ought to be to send them down, then let a lot of people sell at 56, 57 or lower if possible, and at once start negotiations & send them up again. It seems to me that this can be renewed several times.¹³⁰

¹²⁶ Hind, *Labouchere and the Empire*, pp. 20-27.

¹²⁷ Born in Germany, Hess successfully established *The Critic* in Johannesburg before moving to London to start a British edition of the paper: G. Hallé, *Mayfair to Maritzburg: Reminiscences of Eighty Years* (London, 1933), pp. 205-7.

¹²⁸ Hess then reprinted the articles as a threepenny pamphlet: *Supplement to The African Critic: The Stock-Jobbing of Henry Labouchere* (London, 1897).

¹²⁹ For more on the idea of performativity in finance, see de Goede, *Virtue, Fortune, and Faith*, pp. 5-13.

¹³⁰ *African Critic*, 31 July 1897, reprinted in *The Stock-Jobbing of Henry Labouchere*, p. vii.

This was not the long-term calculator at work, but a short-term speculator, using his position to cause sudden, profitable shifts in prices. Labouchere was uninterested in protecting the interests of small investors, claimed Hess; rather, they were to be induced to buy or sell as suited his financial interests. Though he shared details of his investments with his readers, he did not give the whole truth. One letter found him crowing to his correspondent, ‘I felt it my duty to allow the public to invest in N B [North British] at present prices, & sold them my stock.’¹³¹ In another, he wrote: ‘I have sent for the reports on the Caledonian Railroad, in order to prove after the manner of N British, that they are worth 500 in next week’s *World*. In the mean time I have picked up a few.’¹³²

Labouchere’s attacks on MacEwen, Abbott, and Sampson took on a new light, no longer principled exposures of corrupt practices, but part of a co-ordinated plan to ruin anyone who stood in the way of his scheme to ‘bear’ Anglo-American shares. His subsequent criticisms of Crump, Sampson’s successor at *The Times*, were unambiguous warnings not to cross him. In Hess’s opinion, each of his victims was, compared to Labouchere, ‘the very soul of honour and integrity.’¹³³ He concluded that Labouchere was a ‘heartless share-rigger, a man who prostituted his position as the trusted writer on financial subjects in the *World* in order to swell his own pockets at the expense of the public.’¹³⁴ He challenged Labouchere to sue him for libel if anything he said was untrue.¹³⁵

Hess’s campaign caused Labouchere some discomfort. In the course of a long career, Labouchere had made many enemies, political and personal, and these now seized on Hess’s allegations. Press commentary on the affair – which was voluminous – was generally critical of Labouchere and his failure to take legal proceedings to clear his name.¹³⁶ When the

¹³¹ *African Critic*, 7 Aug. 1897, reprinted in *The Stock-Jobbing of Henry Labouchere*, p. xiii.

¹³² *African Critic*, 31 July 1897, reprinted in *The Stock-Jobbing of Henry Labouchere*, p. vii.

¹³³ *African Critic*, 18 Sept. 1897, reprinted in *The Stock-Jobbing of Henry Labouchere*, pp. xxxix-xliv.

¹³⁴ *African Critic*, 7 Aug. 1897, reprinted in *The Stock-Jobbing of Henry Labouchere*, p. xiv.

¹³⁵ *African Critic*, 31 July 1897, reprinted in *The Stock-Jobbing of Henry Labouchere*, pp. vi-ix.

¹³⁶ Hess enthusiastically reprinted much of this press commentary through October and November.

scandal failed to dissipate, he eventually published a long rebuttal in *Truth*.¹³⁷ Certain aspects of his reply rang hollow, particularly his denial that his articles could have had any impact on the careers of MacEwen, Abbott, and Sampson, and his attempt to downplay the extent of his City speculations, contradicted as they were by his writings at the time. But he was able to point out that Hess was wrong when he claimed that the recipient of the letters was Labouchere's business partner. His correspondent was in fact Julius Beer, wealthy speculator, proprietor of *The Observer*, and trusted adviser of the Anglo-American Telegraph Company.¹³⁸ As a director of the Anglo-American's main rival, the Direct United States Company, Labouchere was in the opposing camp.¹³⁹ This cast the letters in a very different light. Rather than revealing the truth about Labouchere's speculations which his journalism concealed, they were part of a strategy of misinformation, 'sham confidences' designed to lull the Anglo-Americans into a false sense of security about the Direct United States' intentions and activities. But, unbeknownst to Labouchere, Beer and his friends were secretly buying up Direct United States shares in order to gain control of the company, a plan which eventually succeeded, to Labouchere's chagrin.¹⁴⁰

More fundamentally, Hess's allegations overlooked the complexity and ambiguity of Labouchere's journalistic persona at *The World*. Much of what Hess was 'exposing' in 1897, Labouchere had himself freely admitted in the 1870s. His involvement in the Direct United States Company came out in the course of questioning by Thesiger, Abbott's barrister, during proceedings in Mansion House in 1874. When Labouchere divulged that he had told his stockbroker to 'arrange an operation' in Anglo-American shares to benefit from the

¹³⁷ *Truth*, 7 Oct. 1897, pp. 880-90.

¹³⁸ For more on Beer, see E. Negev and Y. Koren, *First Lady of Fleet Street: A Biography of Rachel Beer* (London, 2011).

¹³⁹ Labouchere's earlier involvement in the company is outlined in D.W. Prowse, *A History of Newfoundland from the English, Colonial, and Foreign Records* (2nd edn., London, 1896), pp. 497-9.

¹⁴⁰ S.M. Müller, *Wiring the World: The Social and Cultural Creation of Global Telegraph Networks* (New York, 2016), pp. 65-6.

anticipated effects of the laying of the Direct United States cable, Thesiger felt sure that he had successfully exposed ‘what is the position of Mr. Labouchere, what are the interests which are involved, [and] what his objects are’.¹⁴¹ Yet far from wishing to conceal embarrassing revelations, the most detailed account of Labouchere’s interrogation was published in *The World*. As he observed, his readers knew in 1874 ‘the exact facts of my position in regard to Anglo stock, which are now, in 1897, offered to the public as news.’¹⁴²

Indeed, his market operations were renowned in the 1870s, providing rich fodder for gossip columns. One claimed that he had ‘made a pile of gold ... by running down Turkish, Egyptian, and Argentine stock’ in his columns. Another gleefully reported that he had lost upwards of £60,000 by ‘bearing’ Egyptian stock because he did not know that the British government was about to purchase Suez Canal shares.¹⁴³ Rival papers ran detailed exposés of Labouchere’s alleged hypocrisies as a financial journalist. In 1877, for example, the newly-established Conservative society journal *London* scoffed ‘[t]hat a person with the financial past of Mr. Labouchere should come forward, uninvited, gravely to constitute himself Financial Adviser to the Universe’ was unbelievable, calling him ‘the Most Impudent Man in the World.’¹⁴⁴ Anticipating Hess’s attack by twenty years, it highlighted inconsistencies in the advice given in Labouchere’s columns and argued that these were the result of his secret speculations, his opinions reversing whenever he switched from ‘bearing’ to ‘bulling’ a stock. It urged its readers ‘not to listen to the voice of this financial charmer.’¹⁴⁵

¹⁴¹ *The World*, 14 Oct. 1874, pp. 20-21.

¹⁴² *Truth*, 7 Oct. 1897, p. 887. Another factor in the stronger reaction to Hess’s revelations in the 1890s may have been changing attitudes to conflicts of interest in public life: G.R. Searle, *Corruption in British Politics, 1895-1930* (Oxford, 1987), pp. 44-5.

¹⁴³ *Trewman’s Exeter Flying Post*, 7 June 1876, p. 8; *Belfast News-Letter*, 3 Dec. 1875, p. 3.

¹⁴⁴ *London*, 31 Mar. 1877, p. 198.

¹⁴⁵ *London*, 7 Apr. 1877, pp. 222-3. See also *London*, 7 July 1877, pp. 534-5; 21 July 1877, p. 583. The theatrical journal *Touchstone* attacked Labouchere on similar grounds the following year: R. Whelan, ‘Touchstone: A Forgotten Theatrical Newspaper’, *Theatre Notebook*, lxxii (2018), pp. 100-19.

Awareness that Labouchere was playing the markets and might be using his columns to advance his own financial interests did cause some of his readers to lose confidence in him. One of them, ‘R. G.’, wrote to *The World* in 1875 accusing Labouchere of allowing his speculations to skew his journalism. Labouchere printed the letter, but dismissed it as an *ad hominem* attack which missed the point, for all his criticisms were based on rigorous calculations of intrinsic values, which he shared with his readers. His calculations were what mattered, not his morals.

We may be the vilest of the human race, we may be the best – that is a question which we are ready to discuss in its proper place. A City article is not its place. If Euclid had murdered his mother and robbed his grandmother, these domestic details would not have altered the correctness of his problems.¹⁴⁶

Though other readers may have shared the concerns of ‘R. G.’, buoyant circulation figures suggest that there was not a general loss of confidence among the readerships either of *The World* or later of *Truth*. Hess was more of a problem. He continued to hound Labouchere relentlessly and inventively after 1897, even sending a pamphlet reprinting compromising correspondence between Labouchere and his friend George Augustus Sala to every member of parliament.¹⁴⁷ Though this is sometimes represented as having hastened Labouchere’s retirement from politics in 1906, he was by now 74 and had already purchased a retirement villa in Florence.¹⁴⁸ Hess’s attacks were likely more a nuisance than a career-ender, and they certainly did not undermine *Truth*’s popularity.

Why Labouchere’s reputation was able to withstand both the charges of contemporaries, and Hess’s more sustained campaign, requires explanation. A clue is

¹⁴⁶ *The World*, 30 June 1875, p. 6; see also *Truth*, 12 July 1877, p. 50.

¹⁴⁷ T.M. Healy, *Letters and Leaders of My Day* (2 vols., London, [1928]), i. 308-9. For details of another of Hess’s attacks, see *Burnley Express*, 15 Feb. 1902, p. 4.

¹⁴⁸ Searle, *Corruption in British Politics*, pp. 37-8; Hind, *Labouchere and the Empire*, pp. 34-5; Sidebotham, ‘Labouchere’; *Courier and Argus*, 18 Dec. 1905, p. 5.

provided in a profile of Labouchere published in rival society paper *Vanity Fair* in 1874.

While most men pretended to be better than they were, *Vanity Fair* observed that Labouchere had ‘taken up the quite different line of presenting himself as being much worse than he is’. By his own account, he was an ‘unscrupulous sharper’, with ‘neither heart nor conscience’, but, despite appearances, he was in fact a moral man who despised City swindles and had sufficient vanity to set himself up as ‘a successful rebel against those swindles.’¹⁴⁹ Thus, there was an essential duality at the heart of his public persona, allowing him to switch between the two roles in his journalism.

To understand how this duality worked in practice, we need to place it in a wider cultural context. Labouchere’s journalism was designed to be an entertainment, and this function was integral rather than peripheral to the project of building trust. Aeron Hunt has recently drawn attention to ‘the performance of commerce’ in Victorian theatre and fiction, and it is helpful to view Labouchere’s technique as a performance in this way.¹⁵⁰ There were clear parallels with the stock-in-trade of the successful music hall entertainer, as Peter Bailey explains it. Popular singers would simultaneously inhabit a role and undercut it by directly addressing their audience with a spoken commentary between verses. These ‘shifts in and out of role and self, artifice and autobiography, allowed the audience to see, as it were, the joins in the performance.’ But rather than destroying the characterisation, it strengthened it, by encouraging a more intimate relationship between performer and audience. This relationship was based on ‘a common yet inside knowledge of what was really going on’, both in the performance and in the lyrics, which flattered the audience. They could enjoy a shared sense of being ‘in the know’ – unlike those outside the theatre. This method was invaluable for turning a diverse and volatile crowd into a receptive audience, and it established the

¹⁴⁹ *Vanity Fair*, 7 Nov. 1874, p. 257.

¹⁵⁰ A. Hunt, ‘Making Markets: Information and Parody in Victorian Commercial Representation’, *Victorian Literature and Culture*, xlvi (2018), pp. 157-180, at 161.

performer as a reliable guide to the complex and confusing new urban environment of the nineteenth century.¹⁵¹

A similar process was at work in the society gossip column. ‘Situated in a liminal epistemic space, both vice and harmless entertainment, true and untrue’, McCoy argues that these columns ‘flourished despite – and perhaps because of – the resulting ambivalence’.¹⁵² Labouchere translated the technique into financial journalism, playing with identity to create a compelling enigma. Was he an honest man posing as a rogue, as *Vanity Fair* claimed, or was he a rogue masquerading as an honest man, as Hess insisted? Was he cleaning up the City, or was he part of the problem? The ambiguity was very much deliberate; indeed, he made a joke of it in a story he liked to tell about the naming of his newspaper. Though eventually settling on the name *Truth*, he originally proposed calling it *The Lyre*, a path from which he had to be dissuaded by Voules, his deputy.¹⁵³ By not pretending, as his fellow journalists did, to be a paragon of virtue, he was subverting the usual signifiers of probity and integrity, helping to create a financial environment in which the waters of trust were becoming thoroughly muddied. Having brought down a trusted City sage, Sampson, it would be no good simply to act the role of saint, for he would be dogged by suspicions that he was no more saintly than Sampson. Inhabiting both roles – saint and sinner, watchdog and trickster – paradoxically made winning trust easier.

Consequently, there was more than one way to read his articles. When it came to the stock market, Labouchere declared, trust was a dangerous thing. Financial advice, ‘nine times out of ten, is interested.’¹⁵⁴ He took this idea to its logical conclusion. ‘Distrust all advice’, he

¹⁵¹ P. Bailey, ‘Conspiracies of Meaning: Music-Hall and the Knowingness of Popular Culture’, *Past & Present*, cxliv (1994), pp. 138-70, at 144-5.

¹⁵² L. McCoy, ‘“Waifs and Strays of Town Talk”: The Gossip Column’, *Victorian Review*, xliii (2017), pp. 192-6, at 195.

¹⁵³ Bennett, ‘Mr. Labouchere as a Journalist’, p. 445.

¹⁵⁴ *The World*, 3 Nov. 1875, p. 6.

urged, ‘and make no exception in favour of our advice.’¹⁵⁵ He said that he wanted his readers to become self-reliant calculators, developing the necessary knowledge and skills to exercise their own judgement. Yet, the ‘performance’ of his articles, encouraging an attitude of worldly knowingness towards financial matters, carried a different – and more seductive – message: that it was possible to make money simply by being ‘in the know’. In other words, readers paid their sixpence not so much for the course in financial education, but for the entertainment and the inside tips. Labouchere himself admitted that, based on the letters they sent in, what they really wanted to be told was ‘what they ought to buy or sell in order to realise a quick profit.’¹⁵⁶ An 1890s novel, *An Experiment in Respectability*, echoed this portrayal. In the novel, a junior doctor gets drawn into stock market speculation, and blindly follows the tips appearing in the ‘Mammon’ column of an unnamed society paper without making any further enquiries: ‘as this paper had undertaken the responsibility of advising him, he felt no desire to burden himself with details which he would not understand.’¹⁵⁷ This kind of trust easily hardened into faith: as one commentator later recalled, Labouchere’s readers ‘followed him religiously’. These ‘uninformed and inexperienced persons ... from their retreats in the depths of Donegal or the wilds of Wiltshire’ were confident that, with the help of Labouchere’s tips, they could ‘move the markets’.¹⁵⁸

This method of building a loyal readership was endlessly imitated. Its immediate impact can be detected in other society journals of the 1870s. Though *Vanity Fair*’s irreverent financial column had initially been an influence on Labouchere’s journalism, its appearance was sporadic, and it was only later that the magazine realised that the subject could actually be a draw rather than a bore for readers. By 1876, its newly-expanded City coverage was very

¹⁵⁵ *The World*, 5 Jan. 1876, p. 5.

¹⁵⁶ *Truth*, 21 June 1877, p. 787. See also *Truth*, 12 July 1877, pp. 49-50.

¹⁵⁷ J. Stern, *An Experiment in Respectability* (London, 1895), pp. 154, 156.

¹⁵⁸ M. Mortimer, ‘Stock Exchange Luck’, *Grand Magazine*, Feb. 1907, pp. 26-32, at 31.

much in the shadow of Labouchere, with its emphasis on identifying intrinsic value, its criticisms of rival financial journalists, and its courting of lawsuits.¹⁵⁹ When *London* (the Conservative weekly that loathed Labouchere) launched in 1877, pride of place was given to its ‘Capel Court’ column, which looked very much like Labouchere’s, promising to deal with financial questions ‘plainly and fearlessly’.¹⁶⁰

More importantly, Labouchere’s City coverage helped shape the paradigm of what became known as the ‘new financial journalism’: a livelier, more engaging, and more ambitious method of reporting the City.¹⁶¹ Labouchere’s emphasis on entertainment was clearly influential, and the tension present in his writing between education and share-tipping remained integral to financial journalism.¹⁶² Moreover, the persona Labouchere fashioned, and the version of the City his writing constructed, lived on. Hess himself owed an obvious debt, posing as a fearless watchdog, braving endless libel suits in order to expose wrongdoing in the vein of *Truth*, whilst also dispensing detailed financial advice. He tacitly acknowledged the influence in January 1897, just months before he launched his attack, congratulating Labouchere and his deputy Voules on twenty years of *Truth*, and praising them for ‘their admirable and continuous labours in the exposure of all sorts and conditions of scoundrels.’¹⁶³ Though Hess’s public persona was more earnest than Labouchere’s, there was nevertheless a moral complexity at work, as suggested by his eventual imprisonment for misappropriation and misrepresentation in connection with the investment syndicate he ran.¹⁶⁴

¹⁵⁹ See, for example: *Vanity Fair*, 15 Jan. 1876, p. 30; 29 Jan. 1876, pp. 58-9; 19 Feb. 1876, pp. 95-7; 8 Apr. 1876, pp. 198-9; 3 June 1876, pp. 324-5; 10 June 1876, p. 339.

¹⁶⁰ *London*, 3 Feb. 1877, p. 3.

¹⁶¹ Porter, ‘City Editors’; Parsons, *Power of the Financial Press*, pp. 36-41.

¹⁶² Tensions between education and tipping in post-1945 financial journalism are explored in Heinemann, ‘Popular Investment and Speculation’, ch. 3.

¹⁶³ *African Critic*, 9 Jan. 1897, p. 49.

¹⁶⁴ He received a sentence of 12 months: Old Bailey Proceedings Online (www.oldbaileyonline.org, version 8.0), Jan. 1909, trial of HESS, Henry (t19090112-80).

Others played the double game more openly, such as Harry Marks, of the *Financial News*. Offering, as Ian Klaus puts it, ‘expert opinion, delivered with confidence and bite’, his paper painted a picture of a City swarming with ‘dangerous predators’. Yet, paradoxically, repeated exposures of Marks’s own swindling – leading one judge to brand him ‘a dishonest rogue’ and ‘a scoundrel’ – did little to harm his paper’s reputation, or his position as editor.¹⁶⁵ Though they may have put more cautious investors off, for others, such revelations could be discounted with a knowing shrug, for they underlined Marks’s credentials as an insider, who could put readers onto a good thing. The method was perfected in the long career of notorious newspaper proprietor and entrepreneur Horatio Bottomley. In a 1918 pen-portrait echoing *Vanity Fair*’s assessment of Labouchere over forty years earlier, the journalist E. T. Raymond reflected that the world was ‘so used to high professions and low performances, that when a man says, “I pretend to be no better than I am”, it is apt to believe that he is much better than he pretends.’ Men like Bottomley, with their pose of excessive frankness, won trust more easily than the saint, who was ‘handicapped first by the suspicion that he may not be a saint after all and next by the assumption that if he is really is a saint his judgment of average humanity will be faulty.’¹⁶⁶

Thus, it is misleading to claim that rising levels of investment in stocks and shares in the late nineteenth century were simply the result of the growing respectability of the Stock Exchange. This undoubtedly helped to bring in conservative investors, but the appeal was more multifaceted. Though not necessarily understood, or trusted, the market became an object of fascination because of its connotations of danger and excitement. In 1885 a writer in *Chambers’s Journal* bemoaned the fact that most investors looked upon the Stock Exchange

¹⁶⁵ Klaus, *Forging Capitalism*, pp. 179, 201; Porter, ‘Trusted Guide’, p. 8.

¹⁶⁶ E.T. Raymond, *Uncensored Celebrities* (London, 1918), p. 151. For a longer study, see J. Symons, *Horatio Bottomley: A Biography* (London, 1955).

as a place of mystery, in which fortunes are made and lost between dawn and dusk, and the members of which lead a life of constant excitement and pleasure which does not fall to the lot of ordinary mortals. To such persons, the very name of the Stock Exchange is suggestive of money, financial shrewdness, and abnormal clear-sightedness, with a sort of *arrière-pensée* of double-dealing and chicanery.¹⁶⁷

If the game was rigged, then it was nevertheless possible to win with the right information. Amongst stockbrokers, the unrealistic expectations of clients (women and clergymen were often singled out) was a constant complaint. One told a story of ‘an old-world cleric coming in. He said he had had to promise a stained-glass window for his church, and must get the £600 to pay for it! What did we advise him to buy in order to make the requisite profit very quickly?’¹⁶⁸ The broker had to explain that such rapid and certain profits were impossible. But this way of viewing the stock market, as a place where fortunes could be manufactured as if by magic, left investors vulnerable to those who *did* promise them such wealth. As Raymond noted in his portrait of Bottomley, ‘there is a credulity of unbelief as well as a credulity of faith ... a certain class of practitioner flourishes on overknowingness rather than on simple ignorance.’¹⁶⁹ ‘Knowing’ investors were therefore in a similar position to the consumers of novels and plays about finance described by Hunt: ‘co-players in a performance that helped to maintain – even as it denied – the asymmetrical relationships that characterized the volatile, unequal marketplace.’¹⁷⁰

Emphasising this aspect of financial journalism illuminates an important dynamic driving widening participation in the stock market from the late Victorian period. As well as

¹⁶⁷ *Chambers's Journal*, 12 Sept. 1885, pp. 590-91.

¹⁶⁸ *Quiver*, Feb. 1926, pp. 405-8, at 408.

¹⁶⁹ Raymond, *Uncensored Celebrities*, p. 149. It is an irony that years after Labouchere's death, *Truth* played a significant role in the exposure of Bottomley's fraudulent Victory Bond scheme, leading to his imprisonment: A.-M. Kilday and D.S. Nash, *Shame and Modernity in Britain: 1890 to the Present* (London, 2017), pp. 79-81.

¹⁷⁰ Hunt, ‘Making Markets’, p. 160.

explaining why financial journalists were able to survive any number of accusations of chicanery, it also provides a solution to the puzzling fact that stock market investment was able to grow in popularity when it remained so closely associated with fraud. We can even see evidence of its enduring resonance in the mid-1980s, when Margaret Thatcher's Conservative government sought to popularise stock market investment. Designed to stoke interest in the shares of the freshly privatised British Gas, light-hearted advertisements depicted word spreading in the form of a secret tip whispered by one friend to another, the phone number to call scribbled on a scrap of paper. The campaign's success derived from its ability to reflect ingrained assumptions about the Stock Exchange. On the markets, money was made not through careful calculation but by being 'in the know', underlined by the campaign's catchphrase, 'If you see Sid, tell him.'¹⁷¹ Investors did not necessarily trust the stock market, but they trusted that the right tip could make them a fortune. A century after Labouchere, popular fascination with the stock market continued to derive not so much from its respectability as its questionable legitimacy.

¹⁷¹ 'British Gas Ad Tell Sid Postman', <https://www.youtube.com/watch?v=nedVpG-GjkE>; M. Francis, "A Crusade to Enfranchise the Many": Thatcherism and the "Property-Owning Democracy", *Twentieth Century British History*, xxiii (2012), pp. 275-97, at 292-3. See also A. Edwards, "Financial Consumerism": Citizenship, Consumerism and Capital Ownership in the 1980s', *Contemporary British History*, xxxi (2017), pp. 210-29; Heinemann, 'Popular Investment and Speculation', ch. 5.