

The Politics of Opinion: The Public Sphere and the Financial Crisis of 1710

A serious financial crisis enveloped England in 1710, arguably causing more economic hardship than the South Sea Bubble. Despite the fact that England now enjoyed firm financial property rights and a vibrant secondary market in financial securities – the two most essential ingredients of *Credible Commitments* – public credit was in a horrible state. The deeply discounted government bonds forced the government to borrow on increasingly unfavorable terms, jeopardizing not only England's quest to definitively defeat the French in the War of the Spanish Succession, but also the sustainability of the new Tory ministry headed by Robert Harley. It was therefore essential for Harley to shore up public credit. In addition to securing new loans, he launched a major propaganda campaign to bolster people's confidence in the national debt. He hired a number of prominent writers, including Daniel Defoe and Jonathan Swift, to shape the notoriously fickle public opinion. Not only were news about England's political, economic, and military conditions spun, these writers offered theoretical frameworks intended to shape the public's economic literacy and therefore their assessment of public credit. Unsurprisingly, the Whig opposition employed its own set of writers to forge an alternative political economic understanding of credit. My paper, "The Politics of Opinion: The Public Sphere and the Financial Crisis of 1710," explores this politically motivated war of words that structured the nascent financial discourse.

Carl Wennerlind
Barnard College, Columbia University