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How to Begin and How to End National Narratives? Histories of Literature and Economic Thought in 19th-century Hungary

The nineteenth century witnessed the proliferation of scholarly disciplines, both national and historical in their scope. As nations became the rarely questioned framework of collective identification and as they were increasingly seen as historically unfolding idiosyncratic entities, their political legitimization demanded historical accounts to demonstrate teleological continuity from glorious origins to bright futures. Hence the key role historians came to play in the process of nation-building.¹ Political histories (emphasizing the continuity of statehood or that of ethnicity) eminently figured in the forefront but they were preferably accompanied by prestigious intellectual and cultural prehistories; for the vernacular was paramount in securing the idiosyncrasy of a nation, the latter usually processed literary or linguistic monuments. Hence the key role of linguists and literary scholars.²

Other fields, however, less obviously belonged to the scope of national histories. Inasmuch as it seemed to share an alleged universality with the natural sciences, *economics* appeared to be less open either to historicization or nationalization. Abandoning previous comparative tendencies, the early nineteenth-century British mainstream of political economy (from Jeremy Bentham to David Ricardo and James Mill) tended to see economic phenomena not as culturally or historically contingent but as having “iron laws” deductible from universal principles. From the 1840s, however, their assumptions came under attack from German economic scholarship. Friedrich List harshly criticized what he labeled the “Cosmopolitical School” for neglecting the role of nations as economic agents; in less antagonistic ways, the Historical School of *Nationalökonomie*, first formulated by Wilhelm Roscher, drew on Savigny’s historical jurisprudence in examining the regularities of economic development in nationally framed historical settings.³

1. Monika Baár, *Historians and Nationalism: East-Central Europe in the Nineteenth Century* (Oxford, Oxford University Press, 2013).

2. Marcel Cornis-Pope, John Neubauer (eds.): *History of the Literary Cultures of East-Central Europe: Junctures and Disjunctures in the 19th and 20th Centuries. Volume III: The Making and Remaking of Literary Institutions* (Amsterdam/Philadelphia: John Benjamins, 2007), pp. 345–428.

3. Keith Tribe, *Governing Economy: The Reformation of German Economic Discourse, 1750–1840* (Cambridge: Cambridge University Press, 1988), pp. 203–209; *Strategies of Economic Order: German Economic Discourse, 1750–1950* (Cambridge: Cambridge University Press, 2007), pp. 32–65.

At the time, economic thought in Hungary fell mainly under German influence. List's protectionist economic nationalism was eagerly received, giving urgency to the issues of economic independence and national industrialization. In parallel to political movements, historical research also turned towards the previously neglected subject. Mihály Horváth's path-breaking 1841 survey of industry and commerce in the Kingdom of Hungary since 1526 signaled a growing awareness for the "material side of life," and while emphasizing the historicity of "tranquil popular life" instead of dynastic politics or military fortune it also urged "the elevation of public welfare" through Hungary's reintegration into world commerce.⁴

A counterpart to nascent investigations into past economic *activities*, economic *thought* also called for a nationally framed historical survey. This was what Gyula (Julius) Kautz (1829–1909), professor of political economy and constitutional law at the University of Pest, set out to accomplish in his 1868 *Nemzetgazdasági eszmék fejlődési története Magyarországon* [A History of the Development of Ideas of National Economy in Hungary]. By then Kautz had already acquired international reputation for his 1858–60 two-volume *Theorie und Geschichte der National-Oekonomik*, still widely quoted as the first comprehensive account of the development of economic science on a nearly global scale. Turning to a similar task with regard to Hungarian history, Kautz aspired to raise economy-related scholarship to the stature of "national sciences," that is, to give Hungarian economic thought its due share in the nation's intellectual heritage building. (The nineteenth-century notion of "national science" implied that in addition to professional duties, scholars, as advocates for the national community, should foster national self-awareness and social progress, and, in the ultimate sense, contribute to the consolidation of the nation-state.⁵) Kautz's venture was unprecedented in his own field but his goals were similar to other Hungarian historical narratives of the 1850–60s. As Horváth and László Szalay in their many-volume political histories and Ferenc Toldy in his several ventures on a history of Hungarian literature, Kautz also wanted to highlight historical continuity, uncover trends, establish a canon of relevant authors and texts, and, possibly, detect an idiosyncratic mindset at work. Hence his aim to demonstrate the merits of Hungarian economic thought despite its rudimentary state for centuries: "as we do and have done in jurisprudence and politics, poetry and the arts, we also create originals in national economics [...] to give expression to our racial characteristics."⁶

His efforts, however, were informed by a peculiar double bind. Relying on the Historical School with which he became acquainted during his extensive studies in Ger-

4. Horváth Mihály, *Az Ipar és Kereskedés története Magyarországon, a három utolsó század alatt* (Buda, Egyetemi, 1841), pp. iv–vi, 366–367.

5. Cf. Péter Dávidházi, *Egy nemzeti tudomány születése: Toldy Ferenc és a magyar irodalomtörténet* (Budapest: Akadémiai–Universitas, 2004), pp. 19–55.

6. Gyula Kautz, *A nemzetgazdasági eszmék fejlődési története és befolyása a közviszonyokra Magyarországon* (Pest: Heckenast, 1868), p. 4.

many (foremost in Leipzig, where he was the student of Roscher), Kautz embraced the view that economic activities were determined by nationally specific historical, institutional, legal, political, and cultural aspects. At the same time, he was also confident that Adam Smith (and his British and French followers) had already uncovered the basic economic drives (i.e. human propensity to exchange, propelled by individual self-interest) and the economic laws (i.e. self-governing price mechanisms) and policies (i.e. unrestricted trade) adequate to them.⁷ Accordingly, Kautz drew on two mutually exclusive methodological stances: (1) “naturally given” economic laws stemming from universal human predilections, (2) culture-specific variability based on particular national developments. Kautz, of course, did not see this as a contradiction but rather as the consequence of the nature of his subject matter which, in turn, was immanently resolved by the methodology of the Historical School: here too he followed Roscher who, unlike Savigny, aimed less at tracing the march of an idiosyncratic national spirit but was to syncretize the laws of universal economic progress by comparing historical data from diverse national developments.⁸ (The organization of Kautz’s *Theorie und Geschichte der National-Oekonomik* also mirrored this inherent double bind: the two volumes were divided into accounts of theoretical principles and historical progress.)

The duality of national perspective and universal methodological truth nevertheless resulted in a clumsy historicity. Despite insisting on the opposite in the introduction (cf. 4–5), in the narrative Kautz routinely subordinates historical material to retrospective theoretical wisdom. While in principle uncovering a *national* and *historical* development, he tacitly judges theoretical stances and policies according to supposedly universal principles “discovered” only at a specific point in time. In the early phases of his history, Kautz seeks elements anticipating the Smithian understanding of economic laws and dismisses, as mercantilist *fallacies*, commercial or price regulations and the obsession for hoarding precious metal. His sources unfortunately abounding in the latter, what Kautz was able to display as the historical development of Hungarian economic ideas was a centuries-long *aberration from truth*. (Discrepancies between the “natural course of things” and actual economic history had already posed a dilemma for Smith: like him, Kautz also blamed social, political and geographical factors for hindering progress.) This *historicity of not-there-yet* which underpins Kautz’s narrative fails to see that what John Stuart Mill in the “Preliminary Remarks” to his 1848 *Principles of Political Economy* argued, i.e. that the truisms of the past become the absurdities of the present,⁹ also implies that the *truisms of the present* become the *absurdities of the future*.

Kautz’s gloomy history of centuries of fallacies finally arrives at the promised land of true economic principles at the turn of the eighteenth century, when Berzeviczy and

7. Whether this was a justifiable view of what Smith actually said, or rather what his nineteenth-century afterlife created out of his legacy cannot be discussed here.

8. Cf. Tribe, *Strategies of Economic Order*, pp. 68–71.

9. Cf. <http://www.econlib.org/library/Mill/mlP1.html#Preliminary%20Remarks>

others finally adopt the assumptions of Smithian political economy. As to the narrative structure, this resulted in his account having actually *two beginnings*, one historical, in the ninth century, and one theoretical, in the late eighteenth century.

Outlining historical beginnings, Kautz starts with economy related legislation after the Settlement and by the first Hungarian kings. Into his account he inserts a passing remark about the *Blood Oath*, which, according to the thirteenth-century chronicle *Gesta Hungarorum*, created the bonds between the Magyar tribes on their westward migration to the Carpathian basin. What fascinated Kautz in the myth was that the formal treaty sealed by the Oath decreed that from then on all their plunders would be distributed equally among the clans.¹⁰ Thus, Kautz was able to cite the Oath as a precious early example of Hungarian economic legislation, an act of economic policy regulating the division of their soon-to-be conquered country among the tribes.

In Edward Said's distinction, whereas *origins* are mythical and passive, *beginnings* are the consequences of human activity, and, presupposing a meaningful future process, determine some later time, place or event.¹¹ In view of this, the various ways the Blood Oath is being represented in mid-nineteenth-century Hungarian historical narratives present conspicuous examples of turning a mythical origin into a real, i.e. intentional and teleological, beginning. In the 1852 first volume of his *History of Hungary* Szalay left out the bulk of pre-historic mythology; still, his main field of interest being the nation's constitutional history, he highlighted the Blood Oath as the founding act of Hungary's constitution.¹² So did Horváth in his own *History of Hungary*, even if he otherwise took pains to distinguish myth from history, and, with a peculiar move, divided the beginning of his narrative into two distinct chapters, one giving an account of the Magyars' origin "according to national sages," the other "according to history."¹³ Thus Horváth offered *two parallel beginnings*, the first relying on a perspective akin to that of the *epic*, the other on the critical norms of historiography.

Toldy's 1864–65 *History of Hungarian National Literature* also had his share of difficulties reaching back to pre-history. Serving as the mythical start of Magyar literature Toldy envisaged a rich but lost *origin* of oral epic poetry to be followed by a documented *beginning* of Christian literacy, which he labeled "the first period of national literature."¹⁴ Efforts to reconstruct this lost literary heritage, on the grounds of which, as many thought, a *genuinely* national literature could be erected, were ubiquitous in the criticism and poetry of the era. It is noteworthy, then, that Toldy kept

10. Kautz, *A nemzetgazdasági eszmék*, 21.

11. Edward W. Said, *Beginnings: Intention and Method* (New York: Columbia University Press, 1985), pp. xiii, 4–6.

12. László Szalay, *Magyarország története* (Lipscse: Geibel, 1852), p. 9.

13. Cf. Mihály Horváth, *Magyarország történelme* (Pest: Heckenast, 1860), pp. 1–18, 21.

14. Ferenc Toldy, *A magyar nemzeti irodalom története. A legrégebb Időktől a jelen korig rövid előadásban. 1864–65* (Budapest: Szépirodalmi, 1987), pp. 29–33, 37.

mythic origin and historical beginning distinct even at the expense of an inherently interrupted narrative.

It is against the background of this repertoire, ranging from political to literary histories, that one can assess Kautz's adjustments to the models of where and how to start a national history. The integration, albeit by a short remark, of a mythical element enabled him to accommodate Hungarian history to the universal pattern of development at the earliest possible point: the Oath perfectly fitted the mode of distribution in nomadic societies described by Smith as the second stage in socio-economic progress.¹⁵ This was ideologically crucial even if the Oath, as the historical beginning of Hungarian economic thought, was theoretically fallacious: given Kautz's displeasure at any administrative regulation in economy, it only foreshadowed future misguided governmental interventions. It was of equal importance that by detecting nascent economic considerations in the myth Kautz could claim that political and constitutional development went hand in hand with the progress of economic thought. By turning the founding political myth of the Magyar nation into an early act of economic policy, he suggested that the very origin of the nation coincided with that of national economic thought. By emphasizing that the Blood Oath launched the progress of Hungarian ideas both in jurisprudence and in economics, Kautz also demonstrated the equal significance of economic scholarship to other historical disciplines.

However, the comprehensive national histories which Kautz followed also imposed the structural constraint of having to have an early start which made his account awkwardly lopsided. Tracing Hungarian economic principles and institutions, up to the late eighteenth century (until when, as he put it, medieval "natural economy" remained continuous, thus making economic thought "primitive")¹⁶ Kautz hardly found anything relevant. That is, his decision to include early or even prehistoric times had set too wide a frame, which in the early parts of his narrative he hopelessly struggled to fill, making the lack of genuine source material only more conspicuous. (This overstretching of the time span resulted in a change of pace: while moving forward, the chapters are growing in length, suggesting that time is not homogenous, but, as relevant events become more abundant, slows down.) In the face of scarce traces of early economic thought, the grandiose edifice Kautz erected (spanning prehistoric, medieval and modern periods) was hardly justifiable by any other means than by the pressure of the narrative models of national historiography.

Among these Toldy was surprisingly important for Kautz. Today, literature and economic thought are fields remote from each other but Toldy and Kautz had unexpectedly a lot to share. In the introduction Kautz explicitly claims that he wanted to

15. The four-staged "stadial view" of history, in which hunting, shepherd, farming, and commercial societies followed one another in fixed order was elaborated by Smith in Book 3 of *The Wealth of Nations* and in his 1762–63 *Lectures on Jurisprudence*.

16. Kautz, *A nemzetgazdasági eszmék*, pp. 15–17.

supplement “our domestic history of culture and our scholarly literary history.”¹⁷ Quoting Toldy on no less than thirty-five occasions, and once referring to him as “a genius of a historian,”¹⁸ Kautz not only wanted to complement his colleague but also to demonstrate the compatibility of his own field to Toldy’s. In this, Kautz could rely on a peculiar exchange between the two accounts: Toldy’s literary history replaced the non-narrative organization of eighteenth-century lexicographic compendiums (*historia litteraria*) with a narrative of temporal development but he maintained their wider notion of literature (*litterae*) encompassing all written works; as such, incorporating fields wider than an aesthetically conditioned view of literature would allow, Toldy kept track of the early works in economics (in addition to, among others, theology, mathematics or biology). Kautz also adopted Toldy’s *vindictive* voice (which he, in turn, borrowed from his eighteenth-century predecessors). Both strived to demonstrate that past Hungarian intellectual and/or literary achievements were worthy of international comparison.

Despite their partly overlapping sources and their shared apologetic intentions, Kautz and Toldy obviously do not tell the same story. Still, as far as they narrate the intellectual march of the same nation, their histories should allow for synchronization. Regarding the periods of decline and progress that Kautz and Toldy respectively highlight, however, their histories fail to go hand in hand: the eighteenth century, which Toldy deemed profoundly anti-national (that is, a full-scale setback in the development of national literary culture) is being described by Kautz as a period of rudimentary progress, although somewhat reluctantly, as it was induced by external factors.

Moreover, when it comes to terminating their narratives, the histories of economic thought and literary development appear to contradict, or, on the whole, counteract one another. Toldy’s history ends on a tragic note. Terminating in 1849, it recalls the apocalyptic fears of the period and leaves it rhetorically open whether Magyar literature would be resurrected from the turmoil left behind by the fallen revolution. Still, completing his story by the ultimate vindictive argument, Toldy also claims that had Magyar literature come to an end then, it would have already achieved a “not unmerited” status among civilized nations.¹⁹ In contrast, Kautz ends his account with an ecstatically optimistic vision: he points out an enormous progress in current economic thinking, adding (in a self-congratulatory manner) that Hungarian economics has begun to rise to the level of the greatest nations, and while emulating the Latin and German peoples, it has already surpassed the Slavs.²⁰

As Frank Kermode argued with regard to biblical apocalypse and its impact on historical, literary, or everyday fictions, an ending is responsible for making narrative

17. Kautz, *A nemzetgazdasági eszmék*, p. vii.

18. Kautz, *A nemzetgazdasági eszmék*, p. 81.

19. Toldy, *A magyar nemzeti irodalom története*, p. 408.

20. Kautz, *A nemzetgazdasági eszmék*, 598–599.

events consonant.²¹ In their efforts to harmonize their narratives retrospectively, both Toldy and Kautz fashioned their histories open-ended but in different modalities and narrative structures. For Toldy, even if the ultimate outcome remains dubious, the development is complete and self-containing; it has achieved what it was destined to. Kautz suggests that the most glorious part of the story remains to be written because it is yet to happen. That is, for Toldy, the ending brings an *apocalypse in suspense*; for Kautz, after centuries of hindering and procrastination the long-awaited triumphs of nineteenth-century economic nation-building bring *redemption*.

Toldy had several motivations for closing his account at a very delicate point, on the verge of destruction. His melancholic ending was in part the structural consequence of detecting decline in Hungarian literature from the 1840s—which was, in turn, the structural consequence of identifying climax in the 1830s, in the works of his friend, the poet Mihály Vörösmarty and in the achievements of the critics around him, including Toldy himself. For Toldy, therefore, the inherent vector of progress had already been negative, paving the way for an apocalyptic ending regardless of the political insecurity in 1849.²²

But perhaps there was another element at work. After their first clash in the 1810s (between the literary reformer Kazinczy and the economist Berzeviczy over the primacy of “Beauty” and “Gold”), by the midcentury the conflict of *utilitarian* and *cultural* values has reached new levels of intensity. From the early 1850s Toldy increasingly tended to see the rising “materialism of the age” as inimical to his (nationalized) ideal of humanist *Bildung*. In the face of the contestations whether after the 1849 collapse the nation should take a *pragmatic* or a *humanistic* orientation in its recovery, whether it should prioritize its financial and intellectual sources in “idealistic” cultural ventures (e.g. literature, history, philology) or in “realistic” profit-oriented ones (e.g. economy, technology, science), Toldy relentlessly gave voice to his fears in desperate outbursts against the “friends of the material.”²³ By a telling coincidence, the recently founded Palatine Joseph Technical College, where Kautz started to teach public law and administration in 1858, was in Toldy’s eyes a symptom of “material interest” and “technical expertise” overruling humanistic values.

Accordingly, in their histories Toldy and Kautz not only represented two different threads of the nation’s progress but also staged the controversy as to what truly constitutes the nation’s character and on what foundations its future should be built. Even if Toldy incorporated economists into his account of national literature and even if Kautz perceived his own work as a supplement to cultural history, their narratives ineluctably

21. Frank Kermode, *The Sense of an Ending* (Oxford: Oxford University Press, 1967).

22. For a thorough analysis of Toldy’s ending with regard to its theological and political components: Dávidházi, *Egy nemzeti tudomány*, 669–815.

23. See my “Always on the Run: The Vicissitudes of Realism in Hungarian Criticism,” *Hungarian Studies* (28) 2014/2, 275–303.

came to diverge with respect to the priorities of nation building. Both were aware that they wrote for an increasingly commercialized society, but whereas for Kautz it seemed to legitimize his own profession, for Toldy it threatened everything he stood for. His apocalyptic vision of Hungarian literature (or culture on the whole) coming to a bitter albeit dignified end in the age of positivism might have been a latent warning against a utilitarian view of values. For Kautz, however, the inevitable arrival of modern commercial society (bringing free markets and social liberty) represented the ultimate goal of history, to where, if only belatedly and abandoning an inherent neglect towards material growth, the Hungarian nation had also finally arrived. (When in the 1890s Kautz, then the vice-governor of the Austrian-Hungarian Bank, conducted a wide monetary reform, which eventually led to the introduction of gold standard, thus integrating his country into the community of the financially most advanced nations, he must have seen the process he outlined in his history of Hungarian economic thought to have reached its ultimate fulfillment.)

Regardless of their shared vindicative intent to demonstrate the merits of Hungarian national culture and intellect, the narratives provided by Toldy and Kautz might be seen as *hostile histories*. Informed by contemporary debates about the priority of material or spiritual values, they came to stage a latent rivalry as to which side the national character truly belongs and what its history conveys. Diverging along these contested priorities, what the respective developments of economic thought and literature thus reveal is the ultimate incompatibility of the diverse fields constituting a nation's history.

Beginnings and endings are crucial for any narrative, but, as we have witnessed, they carried a peculiar ideological weight and called forth particular structural problems in nineteenth-century national histories. In his survey of the various narrative structures in which national histories begin and end at the time, Joep Leerssen claims that beginnings and endings are in fact anomalies in history for the chain of causality goes back and forward in an endless succession of prequels and sequels; that is, properly speaking, historical narratives have only middles.²⁴ This is possibly true, but it makes the rhetoric of beginnings and endings all the more forceful, creating the impression that they only mattered and everything else in between was little more than filler.

24. Joep Leerssen, "Setting the Scene for National History," in *Nationalizing the Past: Historians as Nation Builders in Modern Europe*, eds. S. Berger, C. Lorenz (Basingstoke: Palgrave Macmillan, 2010), pp. 72–73.