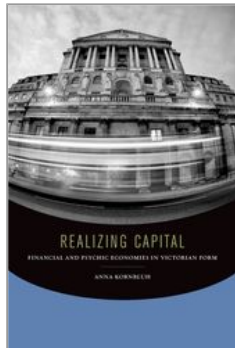


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**Realizing Capital: Financial and Psychic Economies in Victorian Form**

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“A Case of Metaphysics”

Realizing Capital

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**[–] Abstract and Keywords**

This introduction establishes the problem of realizing fictitious capital as it appeared to the Victorian observers of financialization and chronic financial crisis, and as theorized by Marx. It encapsulates the book’s argument that the metaphor of psychic economy emerged as the new real estate in the disconcertingly liquid world of finance. Reviewing prevailing critical approaches to realism and economics in literature, it argues that literary realism’s engagement with finance is best approached through formalist reading, rather than historicist reduction.

*Keywords:* Realization, Realism, Fictitious Capital, Finance, Financialization, Financial Crisis, Psychic Economy, Marx, Formalism, Historicism

As we contemplated the fire, and as I thought what a difficult vision to realize Capital sometimes was, I put my hands into my pockets.

—Charles Dickens, *Great Expectations*, 1860

“To realize capital” is no mean feat. When Dickens’s narrator glumly appraises the dim financial prospects of his naïve enterprising friend, the simple indicative clause “I put my hands into my pockets” effectuates a contrast between the materiality of hands and the ideality of vision, the physical gesture and the metaphysical realization. Beside the worldly difficulties of *acquiring* capital, such a contrast underscores, stand the philosophical difficulties of *realizing* capital, securing the status of “real” for something evidently ethereal. Ambitious naïfs and their

generous friends—and every other player in the mid-Victorian economy—found themselves beset by these difficulties of the real as a result of the ascendance of capital propelled by “financialization,” the transition to an economy in which the speculative begetting of money from money supersedes the industrial production and consumption of goods.<sup>1</sup> During the nineteenth century, shifts in what counted as “real” ignited considerable havoc: the era of financialization saw fiery debates and explosive volatility, chronic insecurity and—most surprisingly for anyone who shares Alan Greenspan’s “shocked disbelief” at the financial catastrophe of 2008—regular, constant crisis.<sup>2</sup> From the 1830s to the 1880s, crises were rampant and recurrent. Financialization developed from rapidly paced legal innovation: every few years, new individual legal measures—like the 1833 Bank of England Charter Act, the 1844 Limited Liability Act, and the 1856 Joint Stock Companies Act—licensed the corporation, created the corporate person, and codified instruments like shares, futures, and derivatives. Each new act drew fierce contest, followed by yet another large-scale crisis. **(p.2)** To schematize this cyclicity: as soon as a century-old ban on corporations was repealed in 1824, a financial crisis erupted in 1825; pursuant to the 1833 Bank of England Charter Act’s erasure of strictures on usury and authorization of paper banknotes, crises ensued in 1837 and 1839; the legalization of Joint-Stock Companies in 1844 resulted in the Railway Mania of 1845–1856 and subsequently stirred the 1847 financial crisis; Limited Liability was set in 1855 and Joint-Stock Companies further licensed in 1856; a crisis struck in 1857; and the 1860 repeal of Barnard’s Act legalized futures and fomented the catastrophic 1866 crisis, collapsing Overend, Gurney, and Co. (the so-called “banker’s bank”).<sup>3</sup> Additional crises convulsed throughout the 1870s. The frequency and extremity of financial instability over most of the nineteenth century, in my reading, frames Dickens’s observation that realizing capital posed some difficulties: how can one reliably go about “the business of getting on” if the bottom keeps falling out? Worse yet, how can something so manifestly tempestuous be moored in reality? Difficult to accumulate, capital is also difficult to stake as real. Traversing concrete and abstract, literal and figurative, Dickens’s very phrase “to realize capital” crackles with irony—an irony that reverberates throughout the Victorian novel.

As the Victorians’ preferred verb for financial genesis, “to realize” keys us in to the dynamic flux of the real in the epoch of financialization. According to Dr. Johnson’s dictionary, when “realize” first came into financial usage in the eighteenth century, it meant, as we might expect from the idiom “real estate,” “to convert money into land.” The Victorian usage, by contrast, connotes the *conversion of land into money*, and more generally the conversion of assets, whether “real” estate or virtual futures, into the realer real of capital. To realize capital under financialization is a “difficult vision” because the real has crossed sides. How can something be made real if “real” itself is hard to pin down? Perhaps “a difficult vision” could regard “real capital” as something other than an oxymoron, but the vision of *Great Expectations* fully beholds these incongruities, pointing to the ontological instability and epistemological uncertainty of making something “real” when the real is on the make. No wonder it deems this predicament “a case of metaphysics.”

*Realizing Capital: Financial and Psychic Economies in Victorian Form* analyzes this “case of metaphysics” of the mid-Victorian moment. It explores diverse mid-Victorian discourses—financial journalism, emerging psychology, political economy, and, above all, the realist novel—as they register these numerous difficulties in realizing capital. In these discourses we will

encounter the idea of “fictitious capital” and its manifold significations, all at **(p.3)** base denoting the intuition that capital is not real—not only not material nor concrete, but not subject to the laws of time and space of this world, not possible to ground in ordinary logic. In nonfiction prose and through the literary conventions of realism (the aesthetic movement stirred by questions about the real), the Victorians trained their sights on the difficult vision of realizing fictitious capital. From the 1830s until the 1860s, Dickens was far from alone, and yet *Great Expectations* appears in retrospect to hail from the pivotal moment in history when capital did become real and the very idea of “fictitious capital” faded away.

*Realizing Capital* explores the rhetoric of this turn by which fictitious capital became a new kind of truth. In the sentence from Dickens with which we began, contemplating the difficulties of realizing capital prompts a gesture of inward retreat: “I put my hands into my pockets.” I find this gesture emblematic of Victorian thought’s struggle with fictitious capital and retreat to interiority. Confronting the manifest contradictions of realizing capital, Victorian thinkers looked inward to the capital of the self: the construct of “psychic economy,” the idea that subjectivity is fundamentally economic and that the economy is fundamentally psychological, rose to prominence after the heyday of the idea of “fictitious capital.”<sup>4</sup> Arguably one of the seminal metaphors of late modernity, this trope adopts “economy” as the preferred prism for understanding subjectivity and heralds desire as the motor of the macro-economy. The posited continuity that ensues from this metaphor—the characterization of capitalism as the natural issue of universal human psychology—has provided post-Victorian generations with the ultimate ideological alibi for a contingent mode of production: no matter that capital is speculative and ungrounded, for it is the manifestation of our nature. My book aims to account for this conceptual torsion, contextualizing the emergence of the fundamental trope for both psychology and political economy within the difficulties of realizing capital. It contends that “psychic economy” emerged as the new real estate of a disconcertingly liquid financial universe. Psychic economy realized capital.

The Victorian novel dexterously divulges this tropological movement. That modal realism abidingly defined by Georg Lukacs as the balancing of economic realities and psychic interiorities, social expansiveness and depth psychology, powerfully reveals the interpenetration of the intimate and the historical.<sup>5</sup> In addition, the self-consciousness of craft that effects this interpenetration calls attention to techniques of representation and to organizing metaphors while announcing the irony that rouses the realist literary project. **(p.4)** Particular tropes of irony, such as parabasis, and particular modes of irony, such as satire, will orient my analysis in the coming pages, so it is important to note at the outset that realism figures in this book as generally ironic, unrolling tropes, defamiliarizing realities, and exposing the rhetoric by which realities are constituted.<sup>6</sup> Thus, in the tradition of structuralist poetics most starkly formulated by Claude Levi-Strauss’s “The Structural Study of Myth” and then taken up by dialectical literary criticism of both Marxist and psychoanalytic persuasions, I situate realism not as the determined reflection of established reality, but as the over-determined representation of unsolvable dilemmas that disrupt the integration of reality.<sup>7</sup> The particular dilemma that this book addresses is the historical process of financialization as it poses a profound set of questions about what is real, what is simulated, and whether there is any difference between the two. The realist novel works out this problem across its aesthetic registers (narratological,

temporal, rhetorical, modal). In taking this “working out” to comprise neither closure à la false resolution of contradictions nor claims that could simply be made about “the” world, but rather the insightful framing of problems, I practice reading broadly informed by deconstruction. A deconstructive accent should also be heard in my argument’s centralization of tropes—specifically, as I describe later, the tropes of personification and metalepsis—and the exchanges between tropes that enable the construction of worlds.<sup>8</sup> Realist fiction makes a world while highlighting the artifice of its making, in the process exposing the untenable opposition of real and made and the contingent fabrication of the life-worlds that parallel its own. This contrastive focus on the made world and the made real primes realist fiction to engage the paradoxes of fictitious capital. It is as fiction—the creation of excessive, aberrant, counter-factual realities—and not as documentary evidence—that realist literature is able to think the conditions of fictitious capital.

### Fictitious Capital

Though now regarded as one of Marx’s obscure whims, “fictitious capital” featured regularly in preeminent Victorian publications like the prominent weekly the *Economist* and the most famous daily newspaper, the *Morning Chronicle* (staffed by William Hazlitt, Henry Mayhew, John Stuart Mill, and Charles Dickens). Even if they ignored him, Marx’s Victorian neighbors partially resembled him, detecting fictitious capital at the heart of the financial revolution and the astronomical growth of the credit economy. From the **(p.5)** fourth principal participle of the Latin *fin gere* (to form, to feign), “fictitious” meant feigned capital that alchemically precipitated real wealth. But the real could not be easily divested of feints. Credit instruments and the development of credit markets fomented a state of trade in which, as an 1840 House of Commons report held, “it is impossible to decide what part arises out of real *bona fide* transactions, such as actual bargain and sale, or what part is *fictitious, and mere accommodation paper*—that is, where one bill is drawn up to take another running, in order to raise a fictitious capital.”<sup>9</sup> In the initial stride of this “running,” credit instruments operate by deferring the completion of a sale. It is impossible to decide in the present tense whether that sale will be completed; only the future may finalize the sale. Any creditized transaction remains in a state of perpetual suspense respecting its *bona fides* until such moment in the future when its authenticity will have been confirmed. The advent of a market for the buying and selling of credit instruments simultaneously intensifies and alleviates the suspense of this temporal openendedness. Once it is legal to purchase a futures contract it is technically feasible “to take another running”—to defer the completion of a sale by executing another sale in a different register, multiplying impossibilities in the guise of managing them.

As a market in credit, the London Stock Exchange enabled financial transactions and the generation of wealth in a purely speculative or proleptic way: all Victorian corporations, with the exception of the Bank of England, conducted IPOs *before* they commenced operations, utilizing the public stock market as their venture capital forum.<sup>10</sup> For example, if an entrepreneur wanted to build a railway, he would offer shares in a company with the promise that *eventually* he would indeed build the railway. The public would “subscribe” to buy shares, but payment for subscriptions would only be collected on the bimonthly “Accounting Day.” Since, by the time of the Accounting Day, the price of a railway share might have fluctuated due to hype about subscriptions or to the availability of new information about the project, subscribers might

exercise the option to further postpone payment until the next Accounting Day. This option was known as a “contango”—a fortuitous neologism that a Victorian etymology dictionary appraised “a corruption of *continue*.” If, in the time lag between a subscription and Accounting Day, the price of a share had risen, an investor could “realize” a profit by immediately turning over his shares.

The essential thing to note about these credit protocols of investment is the case of metaphysics they pose, the difficult realities they commission: The **(p.6)** “realized” profit differs principally from the profit of shareholder dividends, since the companies did not exist, and no labor had been performed, and it differs principally from the subscription that begets it, for the moment of realizing would be the only moment in the entire lengthy process at which actual money changed hands. “Fictitious capital” thus signifies the differential reality of a promise (the subscription) that profits (creating a new state of affairs, the actual money), a speech act whose eccentric felicity we could deem a “material event.”<sup>11</sup> “Fictitious capital” brands these ontologically dubious profits; “fictitious” names this contrivance of finance, the futurity of “another running,” the feigning of wealth that itself produces wealth, the power to make something out of nothing.

And yet. Profits reaped *within* the nexus of financial instruments/profits reaped *outside* this nexus; profits scored without an original outlay/profits scored with an original outlay: at some point it becomes “impossible to decide,” as the House of Commons report warned, what part is real and what part is fictitious. The economist Henry Dunning Macleod stated the case plainly in 1855: “one is sometimes called real capital, and the other fictitious capital, but such a distinction leads to great confusion of ideas, because the results to the banker are absolutely identical in either case.”<sup>12</sup> The case of metaphysics triggered by realizing capital through the Stock Exchange retroactively raises the specter that any valorized exchange is ontologically unstable, logically ungrounded—that is, even if critiques of financial artifice risk hypostasizing a “real economy” free of speculation, these critiques also open onto the unshakeable reality that all capitalist valorization is artificial.<sup>13</sup> Ultimately, “fictitious” signals not a firm classification, but rather the very impossibility of firm classification, the very violation of class—category, but also, for this matter, caste—incited by the financial revolution. In this sense “fictitious capital” is finally not a static concept, but a charismatic trope, the self-reflexive naming of the slippery problem of categorization in capitalism, which revolutionizes all categories (master and slave, general and particular, real and fictitious). The popular promulgation of the trope of fictitious capital goes some way toward helping us understand why, for the Victorians, realizing capital was such “a difficult vision.” If capital in the throes of financialization was subject to a changing sense of the real, these changes might be said to have replaced an opposition “real-unreal” (land vs. money) with a dialectic of “real  $\leftarrow \rightarrow$  fictitious” (money and its mutations in credit). In the sway of this new order, “to realize capital” is to advance that dialectic toward a synthesis in which the fictitious becomes the real.

**(p.7)** Real fictitiousness, the fictitious real, realizing capital—these are the strange formulations barely grasped (“realized” in a more colloquial sense) at the moment of finance. As a Victorian observer Marx brilliantly explicated the implications of this discourse about fictitious capital, sublimating the journalism he heartily consumed. For Marx the impossible indeterminacy noted by the House of Commons report (which he cites) opens onto the prospect that the fictitious cannot

be isolated from the ordinary transactions, that capitalism is always already a machine of virtualizations, that something within all capital is fictitious. In the critical discourse around our present financial crisis, there is an unfortunate tendency to overlook this constitutive dimension, romanticizing the integral real of prelapsarian prefinancial capitalism.<sup>14</sup> By contrast, in his fluency with the Victorian fictitious real, Marx had no question that earlier periods of capitalism were inherently speculative.

This insight into the speculative core of capital comes early in *Capital*, volume 1, and composes one of Marx’s greatest discoveries. Speculation takes place as soon as the most basic exchange relation is submitted to the very idea of formal equality in the name of “value,” for equality between two qualitatively different goods, in two different spatiotemporal situations, is, as Marx put it, “in reality impossible.” The very idea of “value” is this “makeshift,” an abstraction that exceeds the exigencies of mere reality and conjures an ersatz grounding for the logical non-groundedness of exchange.<sup>15</sup> Speculation consists not only in this abstraction, but in the logicotemporal leap that realizes the abstraction: although parties in an exchange relation act *as if* the value of their objects already inheres before the sale, there is no possible guarantee of value ahead of the time of the exchange; only after a sale can value obtain. *Ex post facto*, value may be presumed to have grounded an exchange, but *ex ante facto* there are no logical grounds. Valorized exchange thus entails the conversion of *ex post facto* effects into *ex ante facto* causes.<sup>16</sup> Following Paul de Man’s particular understanding of “metalepsis” as this substitution of effects for causes, we can see that the tropes and figures attributed to the stage of fictitious capital in fact condition the very possibility of capital at any stage.<sup>17</sup>

Immigrant in London, immersed in the mid-century financial press, Marx elicits the latent core of the Victorian discourse on finance, opening onto the ultimate difficulty of realizing capital: it is always already fictitious. Where there is value, there is fictitious capital; where there is money, there is fictitious capital; where there is credit, there is fictitious capital; where credit is bought and sold, as on the stock market, there is fictitiousness capitalized and **(p.8)** intensified. Hence the opposition “fictitious/real” cannot hold in capitalism, when the fictitious *is* the real. In this sense “realizing capital” is not an ongoing action focused on an object, but a verbal adjective that modifies a subject: capital goes about realizing because capital’s business is the incorporation of the virtual into the real.

The image of fictitious capital, circulated widely by the Victorian financial press and extrapolated by Marx, necessitates some revisions to prevailing New Historicist models of financialization and literature’s role therein. Prominent genealogies of finance by literary historians, such as Mary Poovey’s *Genres of the Credit Economy*, historicize the realization of capital as the triumph of “belief-producers,” characterizing financial journalism and literary realism as accomplices in a project to normalize the instruments and culture of finance by familiarizing readers with economic facts and by constructing fiction as a regime of representation operating according to rules different than those of financial realities.<sup>18</sup> Viewing financial journalism through a less Foucauldian prism of discourse and discipline, epistemic breaks and teleological developments, and with more of a commitment to close reading, *Realizing Capital* uncovers the complexity and heterogeneity of Victorian conceptualizations of finance, gauging the uneven developments by which financialization evolved in tandem with

widespread acknowledgment that its instruments were literally unbelievable. As my concentration on the actual representations of finance by Victorian journalists will bring to light, and as my readings of literary fiction’s practice of irony and suspended disbelief will reveal, the institutionalization of finance emerged in the midst of the widespread conviction that there was nothing factual about it. Moreover, because the critical agency of literature inspires my analysis, I depart from those scholars like Poovey, Ian Baucom, and Sandra Sherman, who diagnose an “epistemological malaise” aroused by finance and then assuaged by literature.<sup>19</sup> My readings of the archive of financial journalism and of Victorian novels reveal that far from testifying to the accumulating reality of finance, journalists and novelists were actually obsessed with images of its evanescence. In taking stock of this obsession, my argument provides a richer, if more terrifying, account of the power of capitalism to perpetuate itself so as to render the question of belief in finance irrelevant. No tectonic knowledge revolution coerced the Victorians to, as Baucom puts it, “credit the existence of imaginary values”—they were not dupes inhabiting castles of sand that crumble in the hands of enlightened critics; *they simply acted as (p.9) if it did not matter that everyone knew that capital values were imaginary.*<sup>20</sup> Rather than belief, it was this state of knowing very well, but nevertheless acting as if unknowing—the state that psychoanalysis terms “disavowal”—that secured the financial revolution.

Instead, then, of a historicism that solemnifies discourse as the arena in which power naturalizes itself, my argument heeds psychoanalytic and Marxist insights into the inconsistencies of ideology, mapping the displacements and condensations, the metonymies and metaphors, that structure social reality, and thereby tells the story of the displacement of “fictitious capital” by “psychic economy”—a displacement inscribed in the archive of Victorian financial journalism and early psychology, but interrupted and interpreted by the realist novel.<sup>21</sup>

### From Fictitious Capital to Real Psyche

Despite the insights of Victorian financial journalists, and despite Marx’s advancement of those insights—despite, that is, commanding evidence from the moment of financialization that capital is fictitious—the ideological normalization of finance from that moment to our own bespeaks a counter-offer: capital is real. In the Dickensian idiom with which we began, realizing capital involves putting hands into pockets, reaching inward to a wealth of affect capable of endowing particular fortunes (as Pip does for Herbert) and stabilizing the very idea of financial fortune. Likewise, as the Victorians encountered the virtual reality of capitalism—and indeed, as capitalism exposed itself as a metaphysical system capable of deflecting the question of its groundlessness—reaching inward touched a substitute ground: a psyche whose intrinsic economy of unlimited desires and unpredictable vacillations could be located as the final cause of a volatile economy. I maintain in this book that this personification of capital preoccupied journalists, political economists, psychologists, and novelists with different degrees of sagacity: while prose writers proliferated this displacement, novelists probed many of its effects. I explore the pervasive image of “psychic economy” as it congeals the mutually grounding relationship between psychology and economics in Victorian intellectual traditions. Beyond its literal iterations, “psychic economy” sustains the conceptual infrastructure of numerous discourses, consolidating the imaginary continuity of the financial economy and the psychological subject—the continuity first conceived in the Victorian era and **(p.10)** bequeathed to us as one of its most enduring legacies. As such, it encapsulates the ideological operation called “psychologism”: naturalizing contingent relations as innate.<sup>22</sup>

To understand why the rhetoric of psychic economy assumed the function of naturalizing the economy precisely at the moment when the economy was coming to seem most artificial, it is helpful to recall not only the momentous Victorian shift toward a secular ontology “in which human subjectivity seems to become the foundation of all things,” but also the strategic invocation of this foundation in the rhetorical traditions around capitalism from the seventeenth century onward.<sup>23</sup> In focusing on this economic work of the idea of psychic economy in the Victorian period, I extend the insights of historians of those traditions of personal and characterological rhetoric. Albert O. Hirschman formidably established that early modern political debates over capitalism were won through appeals to “interests” as the taming of the passions.<sup>24</sup> J. G. A. Pocock’s seminal argument that financial instruments like credit ordained a “new image of social personality” has been elaborated by *dix-huitièmists* Deidre Lynch, Margot Finn, and James Thompson into an account of the importance of individual character to the basis of credit. Economic historians deem the credit economy “reputationally intensive” because exchange relations stabilized themselves by reference to character and by establishing chains of acquaintance across social distance.<sup>25</sup> Poovey helpfully describes the mode of knowledge that this connection between character and credit entailed:

Before the nineteenth-century development of extensive banking and bill-broking systems, an individual could typically judge the value of a particular credit instrument—say, a merchant’s bill of exchange or a neighbor’s promissory note—by personal knowledge of the individual who offered it.<sup>26</sup>

As Poovey herself acknowledges, the Victorian era’s sophistication of credit occasioned a reorientation of this social epistemology. Poovey characterizes that shift as one from knowledge of “an individual” to knowledge of “an instrument itself,” and much of her impressive oeuvre examines the development of technical expertise as it factualized finance. I pursue a different, complementary possibility in this book. I argue that this shift could equally be understood as a transition from knowledge of an individual in the particular to knowledge of an individual in general: instead of the comportment of a character, one deals in characterology. When distances in time and space made intimate knowledge of trading partners untenable, technical **(p.11)** knowledge of trading instruments surely compensated—and, I assert, so too did knowledge of intimacy itself—generalizations about character, subjectivity, and interiority.<sup>27</sup> Early psychology, a discipline steeped in economic language, cultivated theories of the ways and means of desire that could reassure economic agents. “Psychic economy,” the crowning personification of the economy, is the figurehead of this assurance, a trope whose universal heuristic value was taken to the bank.

### Reading Fictitious Capital

A curious sentence from Dickens begins this book, a renowned moment from Eliot stands as epigraph, and throughout, the rhetoric of the novel guides my analysis. My argument that finance gained traction in part through the economic metaphors in psychology is inspired by the realist novel’s nuanced exploration of the power of metaphor. In line with Louis Althusser’s famous position that art “gives us to see (*nous donner à voir*) something which alludes to reality,” *Realizing Capital* contends that the realist novel gives us to see the metaphors of modernity.<sup>28</sup> Realism commences from the premise that reality is not self-evident—that the structuring metaphors of the world merit and indeed require elaboration of the sort uniquely



afforded by literature.<sup>29</sup> To appreciate this interrogation of the real requires setting aside the new historicist orthodoxy that literary texts reiterate the (supposedly coherent) sociopolitical networks that determine them. Only by honoring realism’s innate desire to defamiliarize reality may we encounter the full force of realism’s astonishing capacity to, in the words of J. Hillis Miller, “bring into the open the imaginary quality of reality”—to contravene the givens of the cultural symbolic world and invite new gifts.<sup>30</sup>

My readings build upon this understanding of realism as a destabilization of reified reality, taking it as the foundation from which the Victorian novel launches its investigation into financial capitalism’s parallel destabilizations. In discerning the specific ways in which the novel form intermeshes with economics, I thus diverge from the traditions of both the history of novel criticism and orthodox Marxist literary analysis, for I see the realism of capitalism not as a matter of mimetic recording, but rather of aesthetic mediation. Literary historians have often hypothesized a preference for mimesis over metaphor that positions realism as an epistemological guarantee for capitalism. By virtue of what Ian Watt describes as “a language (that) is much more largely referential” than other literary modes, realism adheres to laws **(p. 12)** of time, space, probability, and plausibility, and ultimately achieves, Patrick Brantlinger pronounces, a “reification of the status quo.”<sup>31</sup> The most insidious result of this reification, John Vernon argues, is that realist language under-writes paper money: it secures referentiality in a way that guarantees money’s claim to refer to value.<sup>32</sup> In these histories capitalism launches a “system-wide determination to credit the existence of imaginary values,” deputizing literary realism to “produce belief.”<sup>33</sup> Realism thus appears a determined appendix to a preexisting reality, a dependent superstructure unidirectionally flowing from the base. Orthodox Marxist literary criticism, often accused of exactly such vulgar determinism, has surprisingly been more willing to grant realism a critical rather than reifying function in its potential to achieve a cognitive map of the totality of social relations.<sup>34</sup> Although these two trends in criticism thus seem locked in opposition, they share the underlying assumptions that realist referentiality comes at face value and that our relationship to capitalism is primarily *epistemological*—either we believe in financial value or we don’t; either we can cognitively map capital’s organization of the social or we cannot. I have already begun to demonstrate, based on the archive of the idea of “fictitious capital” and the insights of psychoanalysis, that our relationship to capital more likely sidesteps entirely the question of what we know and what we believe, instead finding its stride in what we do. Victorian thought about the mediated, figurative, and unreal prowess of capital highlights this irrelevance of the epistemic problematic. Moreover, the presence of the discourse of fictitious capital necessarily complicates our understanding of the economic facts the realist novel is said to report. In short, the realism of capitalism queries whether or in what sense capital is real; the Victorian pinnacle of literary realism coincides with a pervasive and powerful conception of capital as unreal—ethereal, virtual, imaginary.

Furthermore, this archive equally necessitates complicating our understanding of the mode of realist representation. The prevalent notion of fictitious capital capaciously captured the ungroundedness of capital and the financial economy’s traffic in figurative language. Where the industrial economy traded goods, the financial economy exchanged representations of value—representations that the Victorian financial press expressly likened to metaphors, to figural language, and, indeed, to poetry. “The poetry of banking,” we will learn in the coming pages, evoked both Plato’s restricted sense of imagistic language and his general sense of making

something out of nothing. The reality of capital is poetic, unreal, and fictitious; realist depiction of it must therefore involve feigning and forming.

**(p.13)** And here we come to another signification of realizing capital: to “realize” in a linguistic sense is to express “in a particular phonetic, graphic, or syntactic form.” In the form of the word “dreamed,” for instance, *-ed* realizes the grammatical morpheme {past}. To realize capital is to express capital graphically, rhythmically, structurally—to craft language so as to crystallize or perform the figurative, fictitious agency of finance. The case of metaphysics posed by capital’s oscillations between real and fictitious finds its strongest record not in referential depiction, but rather in aesthetic disclosure. This opposition between reference and form comprises the core of *Realizing Capital*; on the model of Lukacs’s remark that “the truly social element in literature is the form,” I suggest that the truly financial element in realism is the form.<sup>35</sup> The realist novel engages economics neither via reference to economic content nor through its production and consumption in the market, but in its narratological, rhetorical, and temporal structures and the resonance, smooth or sticky, intensive or ironic, across those structures. For example, to read *Middlemarch*’s ideas about finance, I look not for portraits of bankers, but to that novel’s remarkably odd, recurrent topos of metanarrative intrusion. As formal elements in which the narrator excessively worries her own distribution of narrative “interest,” these self-reflexive structures perform the self-referential morphology of financial interest, money begotten by money. In a novel conspicuously set during the run-up to the Bank of England Charter Act’s revolutionary repeal of bans on usury, deliberating forms of interest take place through imagistic structures of interest.

When historicist critics define realism as an endeavor to mimetically capture or account for capitalism, when they presume that the novel primarily incorporates capital indexically (by directly referring to economic facts in the world), they overlook the historically specific fact that, for the Victorians, capital was no simple referent amenable to mimetic index.<sup>36</sup> The rendering of capital in realism therefore entails less reference—to brokers, to laws, to new instruments readers must learn about—and more aestheticization, crafting forms that engage the formal logic of capital. In turn, the criticism of realism requires less what Michel de Certeau terms “tirelessly restoring referentiality” and more *reading*.<sup>37</sup>

“Reading” I employ here in a highly specific sense: attending to the aesthetic material of literary language. To the historicist’s reduction of literature to discourse, I oppose deconstruction’s insistence on the irreducibility of tropes to intuitive ideas, and I work instead to encounter the material and process of literary thinking.<sup>38</sup> The book’s animating protocol is thus to **(p.14)** encounter this material through close, tropological reading, but my stress on “thinking” is not strictly deconstructive in a de Manian sense of revealing the autonomy of language from logic or meaning.<sup>39</sup> It is rather owing to Marxist and psychoanalytic materialisms that mind inescapable problems in human experience (antagonism and its displacement in representation) and register formulations, incarnations, articulations, and distortions of those problems in aesthetic production. The distinction between materialism and hermeneutic is crucial here: Marxism and psychoanalysis are often pilloried for their apparent procedures of excavating hidden meanings, but such caricatures are entirely inconsistent with the core commitments to structural analyses of forms that organize these endeavors.<sup>40</sup> As the energetic, self-reflexive interrogation of *method* in both of these traditions indicates, these materialisms have neither predestined conclusions

nor a priori concepts at which their readings must arrive—they have only the point of departure of insuperable antagonism and the purely formal tracks of mediation and overdetermination.

In privileging *reading* thus balanced on the touchstones of deconstruction, psychoanalysis, and Marx, this book breaks not only with “the new economic criticism,” but with much of current scholarship on Victorian literature and culture, finding common ground with the exceptional reconceptualized formalism lately practiced by Caroline Levine and Alex Woloch.<sup>41</sup> While Levine is far more explicit about her methodological innovation, authoring a manifesto “toward a new method,” she is joined by Woloch in a commitment to modifying existing formalisms so as to underscore neither the intrinsic unity of a work nor its unredeemable disunity, but rather the friction within and between forms, the way a work calls attention to the under- and overlap between itself and the social world.<sup>42</sup> Thus Levine urges surrendering the conviction that literary forms “fit” the social, and Woloch insists on the possibility that literary form might work as “a representation of, rather than simply a derivative reproduction of, this (social) structure.”<sup>43</sup> The ill fit between the literary and the social—the asymmetries, the chafing, the strained seams—delineates those spaces of irritation through which literature may ultimately ironize the social regimes it mobilizes.

The method I propose follows the lead of Levine’s “strategic formalism,” a kind of “social close reading” blending deconstructive techniques and the best historicist impulses to explore the intellectual and political force of literary forms that do not reiterate a preexisting world, but rather limn, ironize, and even unmake forms of worlding.<sup>44</sup> One might call this reading **(p.15)** “financial formalism” to feature its situatedness: a formalism that reads literary form’s critical thinking about the historically specific material and conceptual question of finance. Financial formalism esteems figurative language as a mode of thinking about finance, tracking the labyrinth of aesthetic responses to intellectual pressures situated in history, but irreducible to it. Emphasizing what literature mints, financial formalism uncovers texts whose financial intelligence is discounted by historicism: texts whose plots do not depict financial crises or bank failures, whose pages do not feature financiers or stockbrokers. While the historicist expects evidence of financialization in texts like *Hard Cash*, *The Game of Speculation*, *Cranford*, and *Hester*, as most recent studies of economics in Victorian literature do, the financial formalist has greater expectations of literary form.<sup>45</sup> Instead of reducing literature to false resolution of systemic contradictions or to flat-footed iteration of a putatively prior and already fixed discourse, this book’s method foregrounds the contemplative agency leveraged by literature.<sup>46</sup> My readings affirm formal structures of literary self-reflexivity such as irony and satire as modes of critical inquiry that convey not just the mechanics of their tropes, but their effects in any world. That is, where some versions of deconstructive literary criticism might circumscribe the functions of language within the context of a given reading, or of a text reading itself, it strikes me as necessary, in the case of the realist novel (the aesthetic mode whose specificity is its mediation of realities and of worldliness; the aesthetic mode less commonly studied by deconstructive critics), to attend to the ways that realism strategically reveals the work of tropes in worlds.

Marking the aesthetic verve with which literature thinks, I invite a reappraisal of Victorian literary realism that foregrounds what John Ruskin called the “imaginative power” of Victorian thought, acknowledging the creativity with which literature interrogated (rather than simply

promoted) pivotal contemporary events like financialization.<sup>47</sup> This crucial critical faculty guarantees that an aesthetic work opens portals onto not only what *is*, but also what *could* or *should be*.<sup>48</sup> Literary thinking elucidates problems in different registers, reframes concepts so that other ideas may emerge. Literary language—even in the high realist novel—works not instantiatively, but performatively. Literature is a mode of thought structured by juxtaposition and condensation, by sensuous synthesis and syncretic sedimentation. To read literature, to be open to how literature thinks, is to pose that quintessential Dickensian question, “what connexion can there be?”: what connection exists between the voices, plots, motifs, temporalities, and images that **(p.16)** are mobilized within one bounded work? Form, as forum for these elective affinities and flattering contrasts, wields a conceptual agency—an agency for assembling concepts while simultaneously defamiliarizing them—for relating without reifying, for weaving a loose and gossamer web.<sup>49</sup> Literary form seeks out connections where there were none, charts dislocations where there were destinations, represents what has been all too present. When literature thinks, it asks us to cock our heads and think with it, to think in a distinctive and oblique mode, to perambulate the web rather than toeing the line. The principles and principals of the novel’s *own* world—its counterfactuality, its creativity, its standing-in-excess of what *is*, its tropes, its strophes, its syntax, its purr—impel its elucidation of the world outside its world.

This argument unfolds in three stages: unpacking the tropes of personification and metalepsis at work in the discourses around finance and psychology; illustrating the novel’s critical engagement with these tropes; and showing how the major analysts of modernity inherit this novelistic concern. Chapter 1, “Fictitious Capital/Real Psyche: Metalepsis, Psychologism, and the Grounds of Finance,” establishes the broad contours of the coincidence between financialization and the psychic economy metaphor. Drawing on the financial press and literary periodicals, I explore the analysis of fictitious capital propounded by leading Victorian intellectuals, with particular mindfulness of the close association of fictitious capital with figurative language, or “the poetry of banking.” Through close reading of works by Walter Bagehot, a founding editor of the *Economist*, and David Morier Evans, an acclaimed and best-selling financial journalist, I heed the disoriented tenor of this discourse as it plumbed the vortex of finance and surveyed the calamities of recurrent financial crises. Just as I do not reduce literature to the referential function of language, I do not treat nonfiction prose as pure deixis, working instead to orbit the figurative trajectories of financial journalism.<sup>50</sup> I find a curious reversal in the 1860s: psychological *effects* of financialization began to appear as *causes* of financial events. By way of this metaleptic substitution of cause for effect (a particular case of the general definition of metalepsis as “the substitution of one trope for another”), the discourse of fictitious capital dissolved and the construct of psychic economy solidified.<sup>51</sup> An ingot in the menacingly abstract financial vortex, this trope offered itself as the anchoring cause of crisis and the anchoring signifier for the emergent discipline of psychology.

**(p.17)** At the center of the book are novel readings. I show how three major texts spanning the heyday of Victorian realism, from the late 1850s through the late 1870s, all engage formally, narratively, and imagistically—in addition to thematically—with the financial economy, the problematic of realization, and the construct of psychic economy. My choice of canonical texts supports my emphasis on the heterogeneity of Victorian discourses, for even these most

Victorian of Victorian novels will be seen to investigate, rather than disseminate, those ideas we now take to be reigning ideologies. Canonicity, my selection of texts implies, is an internally riven sphere in which literature both subtends and transcends the state of ideas in which it takes shape. The tendency to reduce majority to hegemony not only oversimplifies the operation of ideology; it also, as Harry Shaw points out, aggrandizes the critic-qua-anatomist of discipline infinitely wiser than lay readers at whom the ruses of power are directed.<sup>52</sup> My arguments activate the critical agility of literary form, finding in the astuteness of major texts an alternative basis for their ongoing resonance with generations of readers.

Chapter 2, “Investor Ironies in *Great Expectations*,” reads Dickens’s unusual use of first-person narration as a reflection on the logics of personhood and tropes of personification that accompany financialization. Attending to unanswered questions, haunting images, and unreliable narration, I read figural and narrative irony as engagements with financial temporality and personified economies. Linking the novel’s investment plot to both the Limited Liability Act of 1855 and the birth of the corporate person in 1856, I argue that the radically unreconciled temporal structure of the narrative and the conspicuously problematized images of psychic economy simultaneously undermine the narrator’s supposed moral development and inflect the novel’s thinking about both the unaccountable persons of limited liability and the relentless futurity of financial investment. Chapter 3, “The Economic Problem of Sympathy: Parabasis and Interest in *Middlemarch*,” details the strange narrative gesture of parabasis (moments at which the narrative “stands beside” itself) as it performs the self-reflexive topos of financial interest, disclosing the artifice of finance. Examining Eliot’s commingling of financial form and affective content in her famed philosophy of sympathy, I argue that *Middlemarch* directly casts aspersions on psychic economy as the prime instance of “thoughts entangled in metaphors.” Chapter 4, “‘Money Expects Money’: Satiric Credit in *The Way We Live Now*,” considers the remarkable fact that this novel, widely celebrated as the most vitriolic satire composed in the Victorian period, actually abandons its satire for its last two (p.18) hundred pages. Reading this modal crisis as an allusion to financial crisis, I argue that the novel’s satire implodes when it realizes that satirizing finance is logically inconsistent. It is not possible to coherently critique the circulation of exaggerated tropes (i.e., to critique fictitious capital) if the means of critique is satiric hyperbole, the circulation of exaggerated tropes. The modal conversion stemming from this hypocritical collusion compels Trollope to put down “the whip of the satirist,” resulting in a conventionally realist focus on interiority and intimacy as hypothetically less figurative (more real) subjects of narration. If the novel thus performs that very recursive grounding of the financial economy in the inner economy of the psychological individual that I argue permeates Victorian discourse, it also critically destabilizes this gesture through the many ironies at work in this last quarter of the text.

These novels share three features. They model their narrative frameworks on various financial instruments whose legal ratification they observe, showcasing the figural artifice of finance; they mobilize, thematically and within the narrative discourse, the rhetoric of psychic economy; they are peculiarly riven by ironies that deform their narratives (Eliot’s intrusions, Dickens’s undermined first person, Trollope’s deflated satire). My analysis reads the coincidence of these three stylistic features (tropes of psychic economy, narrative modalities of finance, formal ironies) as illuminating the connections between textual economy, financial economy, and

psychic economy. In explaining these three interlinking registers, I argue that *Great Expectations*, *Middlemarch*, and *The Way We Live Now* eloquently engineer a critique of the power of the image of “psychic economy” to ideologically ground finance in the psyche. Reciprocally, I maintain that this historically specific intellectual context of constellating finance and the psyche provides an indispensable aperture onto the contemplative agency of these texts: only if we apprehend the great stakes of the many conceptual problems provoking these novels can we adequately appreciate their adroit aesthetics. Toward that appreciation, my readings consider not merely theme or plot, but metaphorical, modal, narrative, and temporal layers as they bisect and enfold one another, aiming to suggest answers to perennial questions about the form of these novels: Why is *Great Expectations* temporally out of joint? What does that middling narrator of *Middlemarch* want? Why does *The Way We Live Now* abandon its satire?

*Realizing Capital* premises its valorization of literary thinking upon the contrast between the nonfiction prose in Chapter 1 and the novels in chapters 2, 3, and 4, ultimately drawing a distinction between the order of discourse (p.19) and that of literature. Though Victorian discourse eventually resolves its own critique of fictitious capital into its embrace of the rhetoric of psychic economy, the novels preserve a critique of financial ungroundedness and reject psychic economy. In the third and final section of the book, I alter the terms of this contrast between fiction and nonfiction, taking up Marx’s *Capital* and Freud’s economic hypothesis as nonfiction interventions into both the artifice of finance and the vicissitudes of psychic economy, but as interventions that come into greatest relief when we approach these texts through figural readings—that is, when we read them as we read novels. Psychoanalysis and Marxism drive the book’s method, but in this final section major texts of Marx and Freud are encountered less as handbooks of method than as aesthetic works meriting their own close treatment and magnifying the lasting critical project of the Victorian novel.

Chapter 5, “London, Nineteenth Century, Capital of Realism: On Marx’s Victorian Novel,” rethinks Marx’s critique of political economy as a companion instance of the Victorian novel’s meditations on realizing capital. Taking a cue from the literary thinking of *Great Expectations*, *Middlemarch*, and *The Way We Live Now*, I read the first volume of *Capital* as a Victorian novel in order to approach anew its insights into finance capital. Focusing on the structuring role of the tropes of personification and metalepsis, I suggest that a number of Marx’s most significant ideas about capital find their strongest expression performatively rather than instantiatively. Those ideas, I submit, pertain to the ungroundedness of capital (much in line with the Victorian discourse of fictitiousness in which Marx was immersed) and to the drive of capital (the metaphor of psychic economy traversed, brought through the looking glass). Like Walter Bagehot, David Morier Evans, and others, Marx criticized the artifice of capital; like those of Dickens and Eliot, his ideas took shape aesthetically, and he disdained the ideological project to impute capital to “the innermost life”; however, he went beyond all these thinkers when he began to articulate a version of the psychic economy metaphor in which the psychological subject in question is not *homo economicus*, but capital itself. In Marx’s great Victorian novel, the protagonist is the title character.

Chapter 6, “Psychic Economy and Its Vicissitudes: Freud’s Economic Hypothesis,” approaches Sigmund Freud’s oeuvre with the same method of figural interpretation employed in the other

chapters. Though language, geography, and, eventually, time separate Freud from the Victorian context of the other chapters, profound and unexpected conceptual affinities span this distance. In his conspicuously cautious exploration of the metaphor of (p.20) psychic economy, Freud thus stands heir to Victorian novels rather than to Victorian psychology. Present-day discourse in both popular and scholarly arenas widely employs the construct of “psychic economy” as an explanatory principle, generally crediting Freud with its discovery. As a complement to my analysis of the concept’s emergence long before Freud, I disrupt facile attributions of the concept to him by showing how psychic economy is anything but a simple, unified notion within his project. Following his caution that economic language “leads us to one of the most important, but unluckily also, one of the most obscure, regions of psychoanalysis,” and closely reading his language, I argue that Freud’s various formulations perform the essential deferral of the grounding of economy: *there is no given economy*; no hypostatized, orthographically capitalized “Economy.” This—and no ideological naturalization of capitalism—is what defines Freud’s economic thought, and what makes him, as he himself claimed, a product of Victorian novels, even as he revolted against Victorian psychology.

Finally, the brief Epilogue concludes with reflections on the psychic economy trope in the discourse around the global financial crisis of 2008. In finance and in crisis, in organizing structures and defining metaphors, we are far more Victorian than either millennial fundamentalists or historicist critics would maintain. But just for that reason, we might take a page from Victorian novels and defamiliarize the metaphors we live by.

Practical difficulties, metaphysical difficulties, aesthetic difficulties—“what a difficult vision to realize capital sometimes” is. It has perhaps become clear that a spiral of interlocking considerations anarchically governs *Realizing Capital*: that realist form is an economically astute mode of thinking; that the Victorians were more sophisticated in their relation to finance than many historicists would have us believe; that the critique of fictitious capital evidencing that sophistication was eventually eclipsed by the trope of psychic economy; that this trope crystallizes one of the pivotal ideologies of modernity; that questioning this trope inspired Dickens, Eliot, and Trollope, as well as Marx and Freud; that any possible union of psychoanalysis and Marxism rests in the same questioning and problematizing, rather than reifying, “psychic economy.” If this spiral is at times dizzying, that will have been, I hope, the performative effect of the metaleptic maelstrom inducing the vertigo of finance.

Notes:

(1) . Exactly when financialization begins is subject to varying interpretations in economic history and Marxist historiography. In the wake of the 2008 economic crisis, the term has enjoyed widespread usage as a name for the qualitative and structural economic transformations since 1973 (the end of Bretton Woods), but it is also used more generally by the highly influential historian Giovanni Arrighi to name a particular and *recurrent* phase in the capitalist cycle of accumulation (beginning in Genoa in the fifteenth century); see Arrighi, *Long Twentieth Century*. In between these two usages are thinkers as disparate as the cultural materialist philosopher Walter Benjamin, *The Arcades Project*, and the literary historian Mary Poovey, who both characterize the nineteenth century as fundamentally constituted by the flows of capital and the development of institutions, protocols, and epistemologies comprising “the

financial system”; Poovey, ed., *Financial System*. My own usage aligns with this middle point, identifying the Victorian era as the crucible of qualitative transformation, while nonetheless maintaining a structural Marxian framework within which all capital is thought to be finance capital, transcendently if not empirically. I elaborate this distinction later. For a discussion that typifies the recent usage of the term, see Postone, “Theorizing the Contemporary World.”

(2) . The phrase “shocked disbelief” comes from Federal Reserve Chairman Alan Greenspan’s testimony to the United States Congress on 23 October 2008 about the rarity and unpredictability of crisis; Scannell and Reddy, “Greenspan Admits Errors.”

(3) . For one of the earliest definitive histories, see Andreade’s, *History of the Bank of England*. More comprehensive are Crouzet, *Victorian Economy*, and Doubleday, *Financial, Monetary, and Statistical History*; see also Matthews, *Study in Trade-Cycle History*; Collins, *Banks and Industrial Finance*; and Morgan, *London Stock Exchange*.

(4) . This concept was first enunciated in the epoch of financialization, but has two important precursors: the use of the image of economy to refer to the concrete physical system of the body and the conjuring of ideas of a harmonious confluence of psychical and material interests, not yet deemed “the economy.” On “economy” in the anatomical and medical discourse of the seventeenth and eighteenth centuries, see Rabinbach, *Human Motor*; and Barker-Banfield, “Spermatic Economy,” 47–70. It is only in the nineteenth century, when, as historians like Appleby, *Economic Thought*, and Schabas, “Victorian Economics,” 72–93, argue, “economy” undergoes “abstraction,” emerging as an autonomous realm exempted from political and ethical determination, that the word “economy” itself shifts toward “reference to immaterial things,” as the OED notes regarding Darwin’s *On the Origin of Species*. Thus Adam Smith’s seminal idea of a field of aggregate desires attaining equilibrium—an idea elaborated in both *The Wealth of Nations* and *The Theory of Moral Sentiments*—is named by the force of coordination, “the invisible hand,” but does not yet congeal in an image of the economy of desire.

(5) . Lukacs, “Reportage or Portrayal” and “Realism in the Balance.” Alex Woloch draws attention to this balancing act in arguing that “depth psychology and social expansiveness” comprise “two contradictory generic achievements” (19); Woloch, *The One Vs. the Many*.

(6) . On this idea of “unrolling,” George Eliot’s companion, George Henry Lewes, instructively defined realism as “economy of art,” highlighting this exposure of tropes; realists in the Victorian moment understood their aesthetic project in part as the foregrounding of tensions between figurative and referential language; Lewes, *Literary Criticism of George Henry Lewes*, 91. Paul de Man defines irony as the thematization of this tension; de Man, *Blindness and Insight*, 209.

(7) . Levi-Strauss, *Structural Anthropology*, 206–31.

(8) . In *Allegories of Reading*, de Man regards literary language as an incitement to discern the tense conjunctions of the literal and the literary, the material and the speculative, the real and the fictitious. He ultimately distinguishes between reading for metaphor and reading for allegory: “The paradigm for all texts consists of a figure (or a system of figures) and its



deconstruction. But since this model cannot be closed off by a final reading, it engenders, in its turn, a supplementary figural superposition which narrates the unreadability of the prior narration. As distinguished from primary deconstructive narratives centered on figures and ultimately always on metaphor, we can call such narratives to the second (or the third) degree *allegories*. Allegorical narratives tell the story of the failure to read, whereas tropological narratives, such as the *Second Discourse*, tell the story of the failure to denominate. The difference is only a difference of degree, and the allegory does not erase the figure. Allegories are always allegories of metaphor and, as such, they are always allegories of the impossibility of reading—a sentence in which the genitive ‘of’ has itself to be ‘read’ as a metaphor” (205). In this model the literary framing of a problem carves new facets, but does not fix the problem in place, much less solve it.

(9) . Leatham, *Letters on the Currency*, 44 (italics original). Leatham was a Yorkshire banker whose report cautioned the government that the inordinate numbers of economic transactions conducted with bills of exchange were of indeterminate value: “It is impossible to decide what part arises out of real *bona fide* transactions, such as actual bargain and sale, or what part is *fictitious, and mere accommodation paper*—that is, where one bill is drawn up to take another running, in order to raise a fictitious capital, by creating so much currency. In times of abundance, and cheap money, this I know reaches an enormous amount ... and it is full of rottenness and unsoundness, and a great source of speculation and failure.”

(10) . These hypercreditized protocols of the London Stock Exchange were routinely explicated in the Victorian financial press, and just as routinely decried. For exemplary expository essays, see “The Stock Exchange,” in *The Chambers Journal*, 366-68, and Francis, *Chronicles and Characters of the Stock Exchange*.

(11) . On promises that create new states of affairs, see Austin, *How to Do Things with Words*. On the materiality of performatives, see Tom Cohen and Barbara Cohen, eds., *Material Events*, and Mario Ortiz-Robles, *The Novel as Event*.

(12) . Macleod, *Theory and Practice of Banking*, 1:258; italics original.

(13) . The *New York Times* made special note of the phrase “the real economy” when it became a motto of the 2010 World Economic Forum in Davos; thereafter the paper adopted the phrase into its regular usage, as did Federal Reserve Governors and U.S. officials. At Davos and elsewhere, the phrase is intended to differentiate goods and services from financial instruments; Smale, “Bankers Put Focus on ‘Real Economy.’”

(14) . This romance is especially prevalent in the recent global crisis, and at times enchants even astute readers of Marx, like Harvey, a great popularizer of the concept of fictitious capital, who aligns it with a postmodernity “dominated by fiction, fantasy, the immaterial (particularly money), fictitious capital, images, ephemerality”; Harvey, *The Condition of Postmodernity*, 339. See also Richard Godden’s opposition between financial “fantasy” and “actual production”: Godden, *Fictions of Capital*, 185–86. For helpful arguments in an opposing tradition, see Bajorek, *Counterfeit Capital*, and Mieszkowski, *Labors of Imagination*.

(15) . Marx, *Capital: A Critique of Political Economy*, 1: 151.

- (16) . For further philosophical elaboration of this projection of *ex post facto* achievements onto *ex ante facto* thinking, see Kojin Karatani’s brilliant exposition of the Kantian transcendental illusion in Karatani, *Transcritique*.
- (17) . De Man, *Allegories of Reading*, 108.
- (18) . “Belief producers” is Mary Poovey’s phrase; Poovey, *Genres of the Credit Economy*, 249.
- (19) . J. G. A. Pocock’s seminal formulation that in the credit economy “property ... has ceased to be real and has become not merely mobile but imaginary” has inspired a generation of critics; Pocock, *Virtue, Commerce, and History*, 112. I take the phrase “epistemological malaise” from Sherman, *Finance and Fictionality*, 3.
- (20) . Baucom, *Specters of the Atlantic*, 17, 67. Shifting the frame from belief to action owes much to the Althusserian theory of ideology: socioeconomic cohesion does not require belief—it requires only action; Althusser, “Ideology and Ideological State Apparatuses.” Slavoj Žižek offers a helpful note on this formula, which resonates with our discussion of metalepsis: “When Althusser repeats, after Pascal, ‘Act as if you believe, pray, kneel down, and you shall believe, faith will arrive by itself,’ he delineates an intricate reflexive mechanism of retroactive ‘autopoetic’ foundation ... the external ritual performatively generates its own ideological foundation”; Žižek, *Metastases of Enjoyment*, 58.
- (21) . Žižek’s project to radicalize the possible connections between Marxism and psychoanalysis and renew the critique of ideology has been based in no small part on this distinction between belief and action, discourse and displacement. In his theory ideology is not a set of ideas, but a set of practices constituting reality and preconditioned by fantasy. “The fundamental level of ideology is not of an illusion masking the real state of things but that of an (unconscious) fantasy structuring our social reality itself”; Žižek, *The Sublime Object of Ideology*, 33. Displacement and condensation are the master tropes of dreamwork identified by Freud; I invoke them here as figures opposed to the often literal way in which Foucauldian discourse is thought to operate, disseminating ideas that are directly adopted as beliefs by the subjects of power; Freud, *The Interpretation of Dreams*, Chap. 6.
- (22) . I mean “psychologism” here in the broadest sense in which the critique of philosophy has employed it: the conflation of nonpsychological entities with psychological ones, the displacement of logic by psychological naturalism. For an argument that psychologism originates with the Victorian philosopher John Stuart Mill, see Godden, “Psychologism in the Logic of John Stuart Mill,” 115–43.
- (23) . In *The Form of Victorian Fiction*, J. Hillis Miller describes this secular ontology: “The situation which they (Victorian novelists) confront may most properly be described not as the disappearance of God but the death of God,” which involves “first, a vanishing of any extrahuman foundation for man, nature, society” and results in a “situation in which human subjectivity seems to become the foundation of all things, the only source of meaning and value in the world” (31–32).
- (24) . Hirschman, *The Passions and the Interests*.

(25) . Pocock, *Virtue, Commerce, and History*, but also Lynch, *The Economy of Character*; Thompson, *Models of Value*; and Finn, *The Character of Credit*. See also Collini, *Public Moralists*: “an economic world in which reputation played a powerful part: to be known as a man of character was to possess the moral collateral which would reassure potential business associates or employers” (106). For the phrase “reputationally intensive,” see Morrison and Wilhelm, *Investment Banking*, 125.

(26) . Poovey, “Discriminating Reading,” 10–35.

(27) . Victorian financial journalism, I argue in Chapter 1, is far more likely to criticize finance or to perform the logical contradictions of finance than to exposit it. On another point: my argument reverses the claim that “sexology and psychoanalysis borrowed much of their aura of scientificity from the putatively objective discourses of thermodynamics and economics”; Bennett, “Desire as Capital,” 105. Pointing instead to the historical situation of contest, debate, and anxiety about the science of economics and the economic practices of finance, my research suggests that the relationship of putative objectivity functioned in the other direction: Political economists promoted the economic language in psychology because psychology was shoring up the scientificity of economics.

(28) . Althusser, “A Letter on Art,” in *Lenin and Philosophy*, 152.

(29) . I echo here Frederic Jameson’s observation that the realist novel is “the privileged instrument of the analysis of reality”; Jameson, *Marxism and Form*, 195.

(30) . J. Hillis Miller, *Form of Victorian Fiction*, 35.

(31) . Watt, *Rise of the Novel*, 30. The notion of this reifying function founds the dominant paradigm in Victorian studies, as well as in studies of literature and money more generally. Patrick Brantlinger, *Fictions of State*, formidably contends that while “realistic fiction is often highly critical of such generalized social evils as avarice and materialism ... its rhetorical conventions and structures involve the reification of the status quo” (146).

(32) . “As money became more representational, representation became more real”; Vernon, *Money and Fiction*, 7.

(33) . Baucom, *Specters of the Atlantic*, 17. Belief-production is a repeated refrain in Poovey’s work; see especially *Genres of the Credit Economy*, 249.

(34) . In work by Lukacs, Fredric Jameson, and others, realism wields force as a sociological record of capital’s transgressions; see Lukacs, “Art and Objective Truth,” 25–60, and “Realism in the Balance,” 28–59; Jameson, “Cognitive Mapping.”

(35) . Lukacs, *A History of the Evolution of Modern Drama*. Similarly important here is Marc Shell, who remarks apropos painting that “the participation of economic form in painting ... is defined neither by what painting depicts (sometimes money, sometimes not) nor by why painting

depicts it (sometimes for money, sometimes not) but rather by the interaction between economic and aesthetic symbolization and production”; Shell, *Art and Money*, 4.

(36) . For just a few examples of this dominant indexical approach, see Freedgood, “Banishing Panic,” 180–95, and Crosby, “A Taste for More,” 251–61; see also Shrimpton, “Even These Metallic Problems,” 17–38; Henry, ““Ladies Do It?””; McGann, “Literary Realism,” 133–56; and Wagner, *Financial Speculation*.

(37) . “Literary history’s function is to tirelessly restore referentiality; it produces such referentiality and forces such recognition from the text. Literary history thus contrives the belief that the text articulates the real. In this fashion it transforms the text into an institution”; de Certeau, *Heterologies*, 32.

(38) . On the prevailing literary criticism whose “sole purpose is to do away with reading entirely,” see de Man’s *Resistance to Theory*, 31.

(39) . De Man, *Allegories of Reading*, 66–67, 137.

(40) . On this anti-hermeneutic in the case of psychoanalysis, see, in addition to the entire oeuvres of Freud and Lacan, specific admonitions against hermeneutics in Freud, *The Interpretation of Dreams*, Chap. 6, and Lacan, *The Four Fundamental Concepts of Psychoanalysis*, Chap. 1. For a systematic and cogent argument, see Jean La Planche’s thesis that psychoanalytic interpretation is not translation, but “detranslation,” “with no pre-established codes,” and that the only possible syntheses are “purely spontaneous, and above all, individual”; La Planche, “Psychoanalysis as Anti-Hermeneutics,” 8.

(41) . The inquiry into connections between literature and capitalism known as “the new economic criticism” emphasizes, as I do, the synergy between the modern novel and industrial and financial development. Poovey’s work in particular has delineated an archive of primary financial events and sources that constitute a backdrop for the very idea of literary value; that archive is also engaged here. Catherine Gallagher has explored, as I do, the mutual concerns of Victorian novels and the discipline of political economy. Where the prevailing thesis among the scholars identified with the new economic criticism is that Victorian fiction ideologically supported the financial economy by accurately representing it, I argue that novels criticized finance precisely by uncoupling it from accurate or referential representation. I identify a rapidly changing matrix of cultural representations of finance, desire, and metaphoricity itself that novelists actively engaged, rather than passively reflected. I encounter the economic interests of the realist novel neither by factchecking literature’s references to actually existing capitalism nor by taxing how much Dickens got paid per word. In particularly rejecting such emphasis on the business aspects of publishing and authorship, I maintain that the mid-Victorian realists were sensitive to economic meaning, economic form, and economic representation in ways that vastly exceeded their self-interests as commercial agents. Just as I do not limit my selection of economically astute novels to those with verisimilitudinous plots, I do not equate the economic consequentiality of novels with the professionalization of novelists. Amanpal Garcha has recently argued that the obsession in Victorian literary critical circles with the construction of the author as a commercially viable professional is more a projection of contemporary

anxieties of career competition in the American academy than an impartial examination of Victorian quandaries; Garcha, “Careerist Theory.”

(42) . In his discussion of Austen, for example, Woloch concludes of the asymmetrical distribution of character space that “the disturbing recession of equality to the invisible horizon of Austen’s narrative shows the profound and perhaps unique way in which she grasped the emergent structure of modern capitalism and represented it on the literary plane”; Woloch, *The One Vs. the Many*, 124. In his analysis, then, the character system as an organizing structural principle of the novel is itself the materialization “on the literary plane” of capitalism’s organizing structural principle of asymmetry and inequality.

(43) . Levine, “Strategic Formalism,” 640; Woloch, *The One Vs. the Many*, 124.

(44) . Levine, “Strategic Formalism,” 632. On this distinction between referring to the world and disclosing the craft of worlding, see Paul de Man’s analysis that “a theory of constituting form is altogether different from a theory of signifying form”; de Man, *Blindness and Insight*, 232.

(45) . See the discussions of those texts and others in editor Francis O’Gorman’s compendium, *Victorian Literature and Finance* (Oxford: Oxford University Press, 2007), as well as in Wagner, *Financial Speculation*.

(46) . These two options representing, respectively, Marxist literary criticism and historicism.

(47) . Ruskin, *Modern Painters*, 43.

(48) . In 1852 *The Spectator* succinctly imparted this performative: “in the picture of society as it is, society as it ought to be is implied”; “Thackeray’s *Esmond*,” 1066.

(49) . While I take the phrase “conceptual agency” from Susan J. Wolfson’s discussion of literary form, she intends “the way form shapes perceptions and critical thinking,” but I am after the way form thinks; Wolfson, “Reading for Form,” 16. In this endeavor I am indebted to Julia Reinhard Lupton’s formidable models of “thinking with” literature, especially as developed in Lupton, *Thinking with Shakespeare*.

(50) . Here too I break with Poovey. To be sure, Evans and Bagehot were prominent financial essayists, but I find nothing expository about their discourse, and certainly nothing sufficiently expository as to justify Poovey’s identification of them as the managers of public trust in finance. Theirs is a language and a corpus demanding fastidious reading, full of contradictions, paradoxes, supernatural images, dream sequences, mysteries, and a staggering incapacity to enumerate the fundamentals of finance.

(51) . This general sense is developed by Bloom, *A Map of Misreading*.

(52) . “We promote some to the status of knowing (tenured?) readers by envisioning a group of very differently endowed ‘normal’ readers to whom the ruses we are able to decode are in the first instance directed”; Shaw, *Narrating Reality*, 34 (parenthesis original).



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