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Realizing Capital: Financial and Psychic Economies in Victorian Form
Anna Kornbluh
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Realizing Capital

Joshua Clover

"Psychic economy" is a metaphor of such seduction that we scarcely register it as metaphor at all. This is in a sense something metaphors are meant to do: match two logically independent terms to make one or both of them newly thinkable. Or, from a more skeptical position, a metaphor provides a subjective understanding of an object that excludes other understandings so successfully that it can appear itself objective, an incontestable truth. So: metaphor as either model or ideology. This is a hint of the lability that makes metaphors so anxiety-laden (and poets so dangerous, if one is to believe the old stories).

Realizing Capital pivots around a central claim regarding this particular metaphor, its power, and how it came to hold sway. In the book's accounting, the understanding of one's mental life as being structured like an economy — indeed like *the* economy — arose from the lived experience of a concrete economic situation: nineteenth-century British capitalism. In this telling, finance offers up the crucial hinge for a literary study of the era with the term "fictitious capital." If said term is these days most commonly heard in Marxist debates, the opening chapter — in a superlative archival jaunt — tracks the rhetoric of fictitious capital to its pre-Marxian locus in the writings of British bankers and journalists. Walter Bagehot, David Morier Evans, and others, it turns out, expended no small amount of energy wringing hands over this seemingly new mutation, discussing it often in the most literary of terms.

From this archive the book leaps to the literature of the following period, with chapters on Dickens, Eliot, and Trollope serving as demonstrations of the ways that the idea of psychic economy was taken up, worked through, critiqued, and finally hypostatized in Victorian literature. This is not the book's key argument, however;

merely its first move. From there it argues, quite persuasively, that the order of cause and effect becomes reversed in the general understanding — via a particular logic we shall revisit — such that the peregrinations and fearsome volatilities of the economy, particularly its irrational aspects, can be forgiven as inevitable effects of psychic economy.

The book is not the first to pursue the mind of capital into the BritLit of the nineteenth century and before. In a generic sense, the argument resembles that of Mary Poovey's *Genres of the Credit Economy*, which endeavors to demonstrate the ways in which novels taught publics to trust or at least accept a variety of modern and increasingly abstract financial instruments. Kornbluh's analysis, however, should be clearly distinguished from that of Poovey or Catherine Gallagher (*The Body Economic: Life, Death, and Sensation in Political Economy and the Victorian Novel*). Kornbluh cannily notes a certain antithesis which casts doubt on "historicist" (in truth, more or less New Historicist) approaches:

> 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. (12)

Against this, Kornbluh by her own admission takes a deconstructionist tack, an approach leading to interesting consequences indeed. It is this that marks the book in both its method and conclusions thereby derived — and it is this that engenders what is most insightful, impressive, and what is worthy finally of sustained debate.

Giving not just keen attention but priority to rhetorical figures and narrative structures, the book claims a greater access to the texts insofar as the method does not require reference to matters of finance or capital at the level of manifest content. Instead, it employs what it calls "financial formalism":

> 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. (15)

This formalism begins with the structure of fictitious capital itself. The simplest Marxian definition understands fictitious capital as paper claims on future value.

Hence, the standard sequencing of capital happens out of order: when such paper is exchanged at profit, the moment of realization in the market happens in advance of any underlying commodity's valorization by labor in the production process, M' seemingly preceding C even as the whole sequence shifts toward levels of abstraction and "the self-reflexivity of capital begetting capital" (78). The parts are out of place, wandering off, replaced by others, improperly exchanged. Kornbluh, mindful of contemporary commenters' own recourse to literary rhetorics, proposes thusly that finance has not just a linguistic but a literary arrangement: "[m]etaphoric substitutions, metonymic displacements, and ultimately the dynamic shuffling of one figure into another figure named by the metatrope of metalepsis organize the whole financial industry" (25).

This then becomes an optic for examining the literary objects of choice, discovering in their own metaleptic operations the formal logic of finance captured in the very process of being transfigured into models of psychic economy. It will turn out to help that *Great Expectations, Middlemarch*, and *The Way We Live Now* make mention of capital, credit, and economy, buttressing the formal equivalences. The method allows for inventive readings of the novels, arguing for example that

> *Great Expectations* finally portrays not a personal character, but an institution of the person — as Pip accords, "I felt like a bank of some sort, rather than a private individual." Here where the private individual dissolves into a bank, where the first person becomes the corporate person, where the psyche gilds as an economy, the irony of Pip's first-person tale realizes in the linguistic sense — performs, formalizes — the façades of personation countenanced by finance. (63-64)

The reading of Eliot is particularly nimble, throwing a new illumination on *Middlemarch*'s famous narratorial interruptions as a sort of metaleptic level-leaping, and offering an intensified assessment of the text's famous skepticism about metaphor itself. Regarding the book's well-known admonishment that we are inclined to "get our thoughts entangled in metaphors, and act fatally on the strength of them" (qtd in Kornbluh 81), Kornbluh revisits the full passage to argue that "[m]etaphors in general may entangle us, but the particular archetype of such entangling, the ur-metaphor, is the conflation of financial interest and emotional affection. Psychic economy is *the* paradigmatic dangerous metaphor" (81).

Why so dangerous? Here we must return to the double reversal which orients the book. One sees swiftly the elegance of its account. Finance reorders the defile of value, placing cause after effect (here my inner Quintilian wants to mention *hysteron proteron*, the trope specific to that confusion). Just so, the Victorian era reverses the order of financialization's ascent with that of the concept of psychic economy. So while *literary* metalepsis provides both symptom and mediation within the book's

architecture, we have at the heart of the matter a *political-economic* metalepsis and a *historical* metalepsis. If finance's M-M' motion is the sequence in which "capital assumes its pure fetish form," as Marx has it, the corresponding historical metalepsis which Kornbluh limns operates similarly.[1] Psychic economy can no longer be seen as a metaphor brought into being by finance, but now becomes real cause for the topsy-turvy world of a financialized economy: a purported grounding for the peregrinations of the market and of capital *tout court*. Psychic economy is thus "*the* paradigmatic dangerous metaphor" because it functions to make critique impossible by fetishistically obscuring the real relations of history. No matter how monstrous its outcomes, the economy now appears as an unassailable totality comprising all its participants as incorporated individuals, in a newly psychologistic return of Smith's invisible hand: "[n]ot the structures of finance, but the structures of feeling economists claim precede them are enshrined as the ultimate ground of the economy" (156).

It is greatly to the book's credit that it dispels the historical fetish, as it were, so as to make the idea of psychic economy thinkable again, a metaphor again rather than a home truth — and in so doing, seeks to restore to thinkability finance and indeed capital itself. What then does the book think about these matters? It is here that space for debate opens. The confrontation with what the book takes to be the actual situation of capital happens in chapters 5 and 6, literary readings of Marx and Freud.

The reading of *Capital* is filled with pleasures, turning familiar critiques of Marx's literariness on their heads.

> *Capital* may be, as one sneering biographer avers, "best understood as a Victorian novel," but in that case a different register of its meaning-making must open up from reading it that way; reading Marx's novel must enrich rather than impoverish our understanding of the Marxian edifice. (114)

Against banal positivisms holding that there is an external truth which a text endeavors to present, Kornbluh's financial formalism (here according personification pride of place along with metalepsis) shows that the literary tropes of Volume 1 serve not to undermine or obscure but to forward Marx's systematic critique of political economy, by enacting systemically sensuous actions. And so, for example, various moments of metalepsis perform the displacement of contradictions into larger spheres by which capital overcomes barriers to expansion, such that the real movement of the language makes the argument more apprehensible. There is a kinship here with Fredric Jameson's *Representing Capital*; Kornbluh is notably effective at presenting *Capital* as a text that conjoins both constructivist and expressivist aspects, and in so doing authorizes such readings (and writings) of other related texts. "It is, in other words, in the texture of the textual movement that we find a stunning engagement

with the text's subject," she writes, "a galvanized model of the metaleptic movement of capital itself" (129).

It is within this method of reading, however bravura, that certain risks arise. The proposition that language *as language* can make a political-economic argument does not compel the conclusion that capital is structured like a language. It does however invite such a possibility, and the book adopts it in what is for the most part a thoroughgoing fashion, even as it occasionally wrestles with such standard accounts of symbolic economy as Jean-Joseph Goux and the like.

This comes to a head during a sinuous late reading of Freud. Showing attentively how he wavered among ever-provisional formulations regarding psychic economy, the book takes this as a sign for the inadequacy of economy as a metaphor for the psyche, and in turn a sign of its inability to ground any understanding of political economy. That is, Freud's vacillations and emendations are seen to disclose the economy's groundlessness rather than being, say, a mark of his own hard-won uncertainty. This is, in the book's course, the last turn in what has already become an extended argument. In debunking the Victorian grounding of political economy in the psyche, the text relegates psychologism to the scrapheap, where it joins the substantialist value theory of Smith and Ricardo in being "a case of metaphysics" (in Dickens's repeatedly cited phrase).

One will no doubt recognize the critique of metaphysics and the unmaking of its ground. At its last, the book drafts Marx as an author of this critique, offering *Capital* as an argument that value is entirely ungrounded after the manner of language in the wake of Saussure and Lacan, subject to ceaseless metonymic slippage both logical and temporal.

> And so indeed no sooner has labor been introduced as a figure for the "makeshift" grounding of exchange than it is supplanted by a metonymically linked notion: labor-time. Labor as such cannot ground value (ultimately there is no ground for the ungrounded); and so a related figure replaces it, "labor-time," the abstract, universal, putatively comparable unit of expenditure of labor. But even then, labor-time is itself supplanted by the figure of "social labor-time" (as opposed to "abstract labor time"), for it is only after labor-time has been subject to "quantitative determination" and after it has been sold that it can precipitate the value it is purported to ground. (134)

Kojin Karatani is directly marshaled toward this understanding, for whom value for all practical purposes does not exist until the moment of exchange:

> A commodity cannot express its value — no matter how much labor time is expended to produce it — if it is not sold. Seen *ex post facto* the value of

> a commodity could be considered as existing in social labor time, while in *ex ante facto*, there is no such guarantee. (qtd. in Kornbluh 134)

Here value exists only if expressed, and expression is always belated. At any given moment there is no value, just the ceaseless susurration of commodities moving in relation to each other, occasionally switching places.

But one need not be persuaded by Karatani. The flight from failed positivisms might end elsewhere than the antipode of a purely negative, differential system; escaping the clutches of David Ricardo, we need not seek solace in the arms of Samuel Bailey. That would leave us far closer to marginal utility theory than to Marx's understanding (elsewhere Karatani claims rather more directly and disastrously that value comes from differentials between markets, and thus arises in exchange). "Dialectical" is a word that scarcely appears in the text; one might argue nonetheless that such an approach is precisely what mediates the polarity of grounded and groundless, Ricardo and Bailey. The dialectic, after all, provides precisely the possibility of system-as-ground, of apprehending relations rather than substances or subjects as a motive force. Grounding value in a social relation and a dynamic, mutually constitutive structure is not the same as having no ground at all.

It is this relation that is Marx's ground, and it is this that must be thinkable. In truth Marx does seem to think that a commodity bears value before that value is given a money name, reminding us that when a commodity makes its leap into gold, "if the leap falls short, it is not the commodity which is defrauded but its owner."[2] The very idea of a commodity selling below its value implies that value is grounded in advance of the moment of exchange. Moreover, the analysis that a commodity's price will eventually tend toward its value, a constant across all three volumes of *Capital*, equally affirms that value is grounded elsewhere, and that exchange is a series of approximations of this value. The commodity's value, to be crude, must stand in relation to the value of reproducing labor power plus the average profit rate, mediated by changes in total social productivity. If it's not grounded by these, capital cannot expand; capital not in expansion is not capital at all.

Why, finally, does this matter? Why take issue with the splendid synthesis of erudite scholarship and deft reading that Kornbluh has put on offer? It is largely a matter of time, or of history. Which is to say, a Bailey-Karatani model of groundless value might actually do quite a fine job of explaining how commodities exchange in a given moment; but it can tell us little about the wage-commodity system's dynamic over time. The confusions of cause and effect that the book rightly details do not gainsay the causality that is everywhere present in Marx: the set of determinations that push a system toward certain paths of development. And this — to restate at the last moment my own argument — is what ground must mean. It is Marx's dialectical ground which allows for an explanation of why commodities tend to bear increasingly less value over time, for example, and why this development will proceed in tandem

with production of surplus populations. It makes possible propositions about why our present world both does and does not resemble Victorian England. And perhaps more saliently in this case, it provides an account of why financial instruments, their prices wandering errantly, must eventually return to the ground of value via the annihilation of fictitious capital, whose "realization" now turns out to have been nothing of the sort, but was always a rearrangement of revenues lacking any new value at all. This is the moment of crisis, when gravity asserts itself — a force and a relation rather than a substance or subject — and the ground rises up to meet us.

Notes

1. Karl Marx, *Capital: A Critique of Political Economy*, Volume I, trans. Ben Fowkes (London: Harmondsworth, 1976) Chap. 24.
2. Marx, *Capital* 201.