

Reading The Market: Genres Of Financial Capitalism In Gilded Age America

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Review

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Knight, Peter *Reading the Market: Genres of Financial Capitalism in Gilded Age America*. Johns Hopkins, \$50.00 ISBN 9781421420608

The “Culture of the Market” Revised

After at least a generation of neglect, the field of economic history has in recent years become visible again, if not quite trendy. Many observers have viewed such renewed interest as something of a scholarly aftershock of the Great Recession, which reminded most people (including, somewhat surprisingly, many historians) that the grubby world of “getting and spending”—Wordsworth’s famously disparaging description—matters a lot and is worth studying. The manifestations of such renewed interest are everywhere, most notably, of course, in the wild success of Thomas Piketty’s *Capital* in the Twenty-First Century (2013), which actually deals with income and wealth inequality since the eighteenth century, and in the burgeoning movement in the U.S. field of scholars working on what has become known as “the new history of American capitalism.” Such scholars have treated a number of topics, but are perhaps best known for their treatments of slavery, or, more to the point, the economic importance of slavery to the growth and development of the entire United States, not just to slaveholders or even just to the South.

However prominent studies of slavery have been to the “new history of American capitalism”—and they have been prominent indeed—such studies haven’t completely crowded out work on other important themes. For example, a good bit of scholarship in this vein has focused on questions relating in one way or another to money, banking, and finance per se, or on correlative matters such as debt, credit, risk, speculation, gambling, counterfeiting, and confidence games. Peter Knight’s smart and sophisticated new book *Reading the Market: Genres of Financial Capitalism in Gilded Age America* is an exemplar in this regard, providing, as it does, a rich, if difficult and occasionally opaque analysis of how financial markets were rendered understandable in Gilded Age America

during the same time period and as part of the same process wherein they were being made.

Building on, if sometimes deviating from the work of influential cultural critics and social theorists such as Mary Poovey, Marieke de Goede, Alex Preda, and Niklas Luhmann, Knight is concerned, first and foremost, with explaining the tortuous process by which “ordinary Americans” in the late nineteenth century and early twentieth century came at once to understand and to become “emotionally invested” in markets, particularly financial markets. Such understanding and emotional investment, according to Knight, preceded and created the necessary conditions for widespread participation by ordinary Americans in the stock market, commodity exchanges, and the like. How did this process work? In a variety of ways, but mainly through various channels of popular culture, which, taken together, succeeded over time in personalizing “the market” generally and financial markets in particular even as capitalism took deep root in the U.S. and markets in the country became more and more abstract.

In so arguing, Knight breaks with both pioneering social theorists such as Sir Henry Maine and Georg Simmel and with later theorists such as Karl Polanyi and Luhmann who depicted more linear processes of social evolution whereby, as market society develops, concepts such as reciprocity and obligation give way to market mechanisms, status yields to contract, and trust is “mechanized” and increasingly embedded not in human beings but in “abstract and anonymous systems, including legal, regulatory, and scientific institutions” (p. 17). Things are not nearly so simple, claims Knight, who believes that with the intensification and entrenchment of the capitalist system in Gilded Age America a “double movement” occurred in cultural terms, whereby “economic ideas were abstracted and, in turn, humanized,” (p. 20), the impersonal personalized, and the abstract concretized, all of which cultural work served the interests ultimately of finance capital and capitalists.

The author, it should be noted, makes it clear that with regard to popular culture he is not invoking the trope of personification, and, thus, arguing that Gilded Age America was made safe for finance capitalism because the cultural forms he studies comforted ordinary folk by simply attributing “human emotions and intentions to transpersonal entities” such as the stock market” (p. 20). Rather, Knight prefers here the more complex trope of prosopopeia, which allows us to view such forms as “personaliz[ing] and abstract[ing] at one and the same time,” thereby helping to create a “rhetorical accommodation,” however

unstable, to the ‘great transformation’ of capitalism between roughly 1870 and 1920 (p. 21).

As suggested at the outset of this review, *Reading the Market* is at times rather abstruse and, as such, though not for the uninitiated or faint of heart. Fortunately, if readers are reasonably successful in grappling with the theoretical and methodological sections of the book—admittedly, a big if—they will find the five individual cases into which it is divided fascinating, even stimulating to work through. These chapter-long cases treat seriatim: the development of market reporting and the market report; the story of the stock ticker and the useful “legibility” it brought to increasingly abstract financial markets; the visual representations of such markets, which did so much to personalize the impersonal and concretize the abstract; the persistent sense that cons, confidence games, and private information informed Gilded Age financial markets (which case Knight attempts to make mainly through discussions of literary works by Herman Melville, William Dean Howells, and Edith Wharton); and in the concluding chapter “a range of conspiracy-minded interpretations of financial capitalism from the 1870s to the early 1900s,” (p. 193) which the author believes captures nicely the era’s need to personalize abstractions such as the financial panics of the early 1870s, the early 1890s, and 1907. Readers familiar with Knight’s earlier work on “conspiracy cultures” will find this last case especially revealing. After the cases, the author ends with a brief epilogue wherein he discusses the ways in which the “popular modes of ‘reading the market’” (p. 254) he treats in his study have remained the same and changed over the last hundred years.

This intriguing book illuminates much about markets and, particularly, about the “culture of the market” as financial capitalism began its will to power in America. At times the relationship between the actual history of Gilded Age financial markets and the way in which such markets were represented and interpreted is rather tenuous, but, in the author’s defense, Knight is writing as a cultural critic and professor of American Studies not as a practitioner of, much less believer in positive economics.

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