

Copyright

by

Robert Olen McDonald

2010

**The Thesis Committee for Robert McDonald  
Certifies that this is the approved version of the following thesis:**

**The Subprime Object of Ideology**

**APPROVED BY  
SUPERVISING COMMITTEE:**

**Supervisor:**

---

Dana L. Cloud

---

Joshua Gunn

**The Subprime Object of Ideology**

**by**

**Robert Olen McDonald, B.A., B.J.**

**Thesis**

Presented to the Faculty of the Graduate School of

The University of Texas at Austin

in Partial Fulfillment

of the Requirements

for the Degree of

**Master of Arts**

**The University of Texas at Austin**

**May 2010**

## **Dedication**

I dedicate this work to Dr. Bryan McCann and Dr. Kevin Johnson, two unrivaled scholars without whom I would have never found my calling as a rhetorical theorist. And also to Didier Drogba, because he is my favorite soccer player. I couldn't have done it without you.

## **Acknowledgements**

Many deep thanks to my thesis committee, Drs. Dana Cloud and Joshua Gunn. Dana, your guidance over the past few years has been invaluable. I will always value your leadership on issues in the field, in academia, on campus, and for the world. You are the kind of engaged, public intellectual I hope to be one day. Josh, I have learned so much from you in two short years; you have given me the confidence and the vocabulary to learn and to do great things. Next, even though as her Teaching Assistant in Political Communication I was technically already Dr. Sharon Jarvis' subordinate, I would look up to her anyways. I feel fortunate to be in the presence of a virtuoso instructor for four semesters, and in the presence of a wonderful professional mentor who always looked out for me. I also thank Drs. Barry Brummett and Diane Davis, two peerless scholars who were instrumental in my success. Barry's "style" is irreplaceable—I thank him for leading our department, and thank him for introducing me to the foundations of rhetorical theory. Diane introduced me to an entirely new set of theorists in her course on ethics, and my "encounter with radical alterity" will inform my thoughts and my work from here on out. Finally, I could not have had such a wonderful time at Texas without the support of my friends in the graduate program. Sarah Vartabedian and Matt Morris, my closest companions in my master's program, deserve more praise and adoration than is possible in this short space. Each of my other friends from cohorts present and previous holds a special place in my heart as well. I will always be a Longhorn—not because of my three degrees from the institution, but because of the people who I have known here.

April 27, 2010

## **Abstract**

### **The Subprime Object of Ideology**

Robert Olen McDonald, MA

The University of Texas at Austin, 2010

Supervisor: Dana L. Cloud

This investigation combines contemporary Marxian political economy with Lacanian psychoanalysis to understand the discourse of finance capitalism, and to understand the dialectical seeds of the industry's eventual destruction that were inherent within the hegemonic commodities of the era. These commodities, which include derivatives, futures, collateralized debt obligations, credit default swaps and subprime mortgage loans, were ideological and communicative as well as profitable, and thus do a double duty under finance capitalism's dominance. Lacan's concepts of metaphor, fantasy, the quilting point, and the master signifier are extended in order to understand how subjects come to know themselves and their world through the terms given to them by capital. In addition, the rhetorical interventions of two chief ideologists for finance capitalism in the 1990s, Thomas Friedman and Alan Greenspan, are interrogated as exemplifications of the fantastical nature of late capitalism.

## Table of Contents

List of Illustrations.....	ix
Chapter 1 Introduction.....	1
On Method .....	3
In Defense of Marx .....	5
Taking Lacan Seriously .....	8
Subjects of the Investigation.....	10
Thomas Friedman .....	11
Alan Greenspan.....	12
Chapter 2 Toward a Communicative and Economic Theory of Finance Capitalism.....	15
A Brief History of Capitalism.....	23
Capital as the Symbolic Real .....	26
Finance and Fantasy.....	30
The Dominant Commodity .....	34
Toward Analysis .....	43
Chapter 3 The Financialization of Everything.....	45
Metaphor .....	48
"Thou Art," or the Ideological Function of Anecdote .....	55
Democratization or Dominance? .....	62
Milken's Bilking.....	64
Money, Commoditization and Metaphor .....	66
The Fear of God.....	68
Chapter 4 Alan Greenspan and the Objects of Ideology.....	70
Interest, Productivity and Continuity.....	73
The Price of Value .....	74
Fantasies of the "New Economy" .....	83

The Hegemonic Commodities of Ideology.....	86
The Promise of a Future.....	86
The Mathematical Subprime.....	90
The Value of Anti-Value, or the Commoditization of Abstraction .....	96
To the Crash.....	98
Chapter 5 Conclusion.....	102
"Lacconomics" .....	106
Future Projects .....	111
Final Thoughts .....	115
References.....	117
Vita .....	128



## List of Illustrations

Illustration 1:	Lacan's Graph of Desire.....	29
Illustration 2:	Federal Reserve interest rate, 1990-2005.....	76
Illustration 3:	Standard & Poor's 500 Index and NASDAQ composite index levels, 1994-2002.....	78
Illustration 4:	The ratio of median home price to median income 1977-2006 .....	96

## Chapter 1: Introduction

*“The fact that the movement of capitalist society is full of contradictions impresses itself most strikingly on the practical bourgeois in the changes of the periodic cycle through which modern industry passes, the summit of which is the general crisis. That crisis is once again approaching, although as yet it is only in its preliminary stages, and by the universality of its field of action and the intensity of its impact it will drum dialectics even into the heads of the upstarts in charge of the new Holy Prussian-German Empire.”—Karl Marx, 1873<sup>1</sup>*

*“We have lived through an event most of us thought we would never see. Global capitalism, on the precipice of collapse, has been rescued by the state.”—Paul Mason, 2009<sup>2</sup>*

The Great Financial Crisis of this decade, which ostensibly began in 2007 with the collapse of the hedge fund Bear Stearns, reached its dramatic apogee with the Troubled Assets Relief Program (a \$700 billion giveaway from the national government to the financial sector of the US economy), and continues today in what Paul Krugman (among many others) has termed the “Great Recession.”<sup>3</sup> Briefly put, this ongoing economic crisis is the most significant debacle under capitalism since the Great Depression. In terms of numerical wealth, this ongoing crisis far exceeds that of the Depression, and the worldwide impact on employment and manufacturing is yet to be fully calculated. The *New York Times* claimed in 2008 that the total cost of the bailouts from the federal government could top \$5.1 trillion, for the United States government has effectively nationalized major sectors of the country’s economy, including parts of the automotive industry and the financial system. <sup>4</sup> This move was (misleadingly) noted on

---

<sup>1</sup> Karl Marx, *Capital* vol. 1 (London: Penguin Books, 1990), 103.

<sup>2</sup> Paul Mason, *Meltdown: The End of the Age of Greed* (London: Verso, 2009), vii.

<sup>3</sup> Catherine Rampell, “‘Great Recession’: A Brief Etymology,” *Economix*, <http://economix.blogs.nytimes.com/2009/03/11/great-recession-a-brief-etymology>.

<sup>4</sup> Steve Lohr, “Government’s Leap into Banking Has its Perils,” *New York Times*, October 17, 2008, <http://www.nytimes.com/2008/10/18/business/18system.html?scp=1&sq=government%27s%20leap%20into%20banking%20has%20its%20perils&st=cse>.

the cover of a recent *Newsweek* that proclaimed “We Are All Socialists Now,” above a blue and red hand shaking.<sup>5</sup> Although the crisis struck down the highest flyers in the millennial “New Economy,” working people have been hit ferociously as well. The February 2010 Bureau of Labor Statistics report pegs nationwide unemployment at 9.7 percent.<sup>6</sup> In addition, the bureau noted in 2009, more than five million jobs have been lost in the United States since 2007.<sup>7</sup> In March 2009, a Goldman Sachs economist noted, “Manufacturing has fallen off the cliff, and it’s certainly the biggest decline since the Second World War.”<sup>8</sup>

This ongoing economic crisis has called into question several foundational assumptions about capitalism—not just by the aforementioned working people hurt most by the crisis, but by its staunchest defenders. The contradictions of global finance capitalism have come into sharp relief for three vital groups: its principal actors, its staunchest ideological defenders, and its (dis)loyal critics, all of whom accepted finance capital’s “virtuous circle” as the dominant paradigm of the world’s economic, political and social future. The three seemingly disparate groups share a homologous rhetorical structure, one which denies the efficacy (and even the existence of) contradiction as a determining factor in the economy. In other words, the subjects of my investigation, Alan

---

<sup>5</sup> Jon Meacham and Evan Thomas, “We’re All Socialists Now,” *Newsweek*, February 16, 2008.

<sup>6</sup> Bureau of Labor Statistics, “Regional and State Employment and Unemployment—February 2010,” March 26, 2010, <http://www.bls.gov/news.release/pdf/laus.pdf>. The unemployment rate is historically conservative, for the way that it is calculated ignores those who have given up searching for work, those whose unemployment benefits have lapsed, and those who are chronically under-employed or only marginally attached to a taxable wage structure. For these reasons, economists placed the actual unemployment rate at 16.8 percent late last year. See The Ticker, “Actual Unemployment Rate Hits All-time High of 16.8%,” *Economy Watch*, September 4, 2009, [http://voices.washingtonpost.com/economy-watch/2009/09/actual\\_unemployment\\_rate\\_hits.html?hpid=topnews](http://voices.washingtonpost.com/economy-watch/2009/09/actual_unemployment_rate_hits.html?hpid=topnews).

<sup>7</sup> Bureau of Labor Statistics, “Employment Situation Summary,” <http://www.bls.gov/news.release/empstat.nr0.htm>, April 3, 2009.

<sup>8</sup> Quoted in Nelson D. Schwartz, “Rapid Declines in Manufacturing Spread Global Anxiety,” *New York Times*, March 19, 2009, [http://www.nytimes.com/2009/03/20/business/worldbusiness/20shrink.html?\\_r=2&ref=business](http://www.nytimes.com/2009/03/20/business/worldbusiness/20shrink.html?_r=2&ref=business).

Greenspan and Thomas Friedman, necessarily lack an adequate theory of neoliberal finance capitalism, and therefore lack an adequate theory of capitalist crisis. To believe in the possibility of a crisis internal to the system of credit, finance and globalized capitalism means discarding the animating features of immanence and immateriality that characterize postmodern approaches to capitalism. A postmodern, or post-hermeneutic, approach, I will argue, typically means a fetishization of market and commodity structures; these approaches also discount the continued efficacy of the state structure under capitalism. Instead, my intervention in the debate over (what is interchangeably called postmodern, multitudinous, network-based, or informational) contemporary capitalism pivots on the (repressed) notion of extra-discursive internal, structural contradictions under this specific mode of production. While I do not deal extensively with the foremost post-Marxist critical theorists in the following case study chapters, this investigation is an intervention into their common understandings of finance capital by displaying the unconscious allegiances between understandings of “globalization” and the “New Economy” with those who claim to oppose finance capital.

#### **ON METHOD**

I primarily use the philosophies of Karl Marx and Jacques Lacan to investigate the theories of capitalism put forward by my subjects. Although Marxism has been attacked viciously since its founding by both critics and defenders of capitalism, Marx’s analysis of capitalism has become more, not less true since *Capital* was written. (It is a secondary gamble of this work that the lack of a widespread, appropriate symbolic framework for understanding the crisis of 2008 could have been directly countered by a nuanced understanding of Marxist economics.) But beyond the insights into capitalist (re)production, Marxism provides the intellectual foundation of the tradition of ideology

critique, which Eagleton calls “an inquiry into the ways in which people may come to invest in their own unhappiness.”<sup>9</sup> This of course presupposes that there are both opaque “relations of domination”<sup>10</sup> and that much of the world’s people would benefit from their destruction (two contestable claims from non- or anti-Marxist opponents).

Lacan formalized Freud’s psychoanalytic theories of drive and desire and began to apply it to social phenomena through the use of structuralist linguistics. Lacanian psychoanalysis provides a crucial link between the personal and the social, the epistemological and the rhetorical. A Lacanian-Marxist investigation is uniquely suited to examining the totality of the capitalist mode of production precisely because of its insight into the dialectical interpenetrations of the Imaginary, Symbolic and Real registers of human experience. Marx and Lacan are inextricably tied together for a number of reasons, the first of which is a commitment to materialism, or what has been more recently termed “materialist dialectics” by Gunn and Cloud,<sup>11</sup> as opposed to what Badiou has termed the “democratic materialism” of Deleuzean postmodernists.<sup>12</sup> Similarly, Marx and Lacan are indebted to Hegel for the dialectical method, both are invested in revealing “relations of domination,” and as Eagleton writes, “‘ideology critique’ has an interesting affinity with the techniques of psychoanalysis.”<sup>13</sup>

---

<sup>9</sup> Terry Eagleton, *Ideology: An Introduction* (London: Verso, 2007), xxii.

<sup>10</sup> John B. Thompson, *Studies in the Theory of Ideology* (Cambridge: Polity Press, 1984), 4.

<sup>11</sup> See Joshua Gunn and Dana L. Cloud, “Agentic Orientation as Magical Voluntarism,” *Communication Monographs*, forthcoming. The term “dialectical materialism” unfortunately carries with it the legacy of Stalinism, and thus a turn away from the term is a strategic move to disable knee-jerk critiques of Marxism because of that legacy; however, the phrase “materialist dialectics” adjectivizes materialism—precisely that which is properly distinguished from the idealist Romantic tradition. Both phrases hang rather incongruously (or rather, dialectically) in an unequal partnership, but as Badiou points out, that is precisely the animating force of a contradiction: “Any contradiction is fundamentally asymmetrical, in that one of the terms sustains a relation of inclusion to the other.” Alain Badiou, *Theory of the Subject*, trans. Bruno Bosteels (London: Continuum, 2009), 13.

<sup>12</sup> Alain Badiou, *Logics of Worlds: Being and Event, 2* (London: Continuum, 2009), 3.

<sup>13</sup> Eagleton, *Ideology*, xxiii.

## **In Defense of Marx**

As noted, Marxism has taken an ideological beating from the entirety of the political spectrum; from Francis Fukuyama's "end of history" thesis (history in the eminently Marxist sense of "the history of class struggles"<sup>14</sup>) to the post-structuralist Left represented by Hardt and Negri. This thesis is but one attempt to rehabilitate Marxist thought not because of a distant dogmatic past or a yearning for the simpler class analyses of Fordism, but rather because Marx's materialist dialectic is a living, nuanced and supple philosophical outlook that can provide insights no other method of thought can. As Ollman explains:

Dialectics restructures our thinking about reality by replacing the common-sense notion of "thing" (as something that has a history and has external connections to other things) with notions of "process" (which contains its history and possible futures) and "relation" (which contains as part of what it is its ties with other relations).<sup>15</sup>

Contradiction is at the heart of the dialectical method. Most significantly from a political standpoint, there is a deep contradiction between the interests of workers and owners under capitalism, which tends to drive the political struggle. Profit under capitalism is made not through the realm of exchange, via fortuitous timing or strategic pricing of goods, but rather from a divergence between what a worker is paid and the amount of value she or he produces.

This is the fundamental split, or antagonism, that characterizes capitalism, and is what Marx termed alienation: "A division between the product of labour and labour itself, between the objective conditions of labour and subjective labour-power, was therefore

---

<sup>14</sup> Karl Marx and Frederick Engels, *The Communist Manifesto: A Road Map to History's Most Important Political Document*, ed. Phil Gasper (Chicago: Haymarket Books, 2005), 39.

<sup>15</sup> Bertell Ollman, *Dance of the Dialectic: Steps in Marx's Method* (Urbana: University of Illinois Press, 2003), 13.

the real foundation and the starting point of the process of capitalist production.”<sup>16</sup> This economic setup leads to several important outcomes. The first is that because of the private character of workplaces and ownership, capitalists are placed in a competition with one another to maintain their profits; therefore capitalists are forced into increasing their exploitation of workers. Frequently, however, autarkic competition gives way to vertical and horizontal combinations, whereby capitalists improve stability and profit margins by expanding and coupling up with other capitalists.

However, we find contradiction at all levels of human experience: For instance, Cloud has discussed the contradictions between lived experience, consciousness, and ideological discourses in the South during the Great Depression.<sup>17</sup> Contradiction, as Žižek argues, is at the heart of the distinction between materialism and idealism:

Idealism gives priority to the dynamic antinomy, to the way the suprasensible Law transcends and/or suspends from outside the phenomenal causal chain: from this perspective, phenomenal inconsistency is merely the way in which the noumenal Beyond inscribes itself into the phenomenal domain. Materialism, in contrast, gives priority to the mathematical antinomy, to the inherent inconsistency of the phenomenal domain: the ultimate outcome of mathematical antinomy is the domain of an “inconsistent All”...In other words, mathematical antinomy “dissolves” phenomenal reality in the direction of the monstrous Real, while dynamic antinomy transcends phenomenal reality in the direction of the symbolic Law—it “saves phenomena” by providing a kind of external guarantee of the phenomenal domain.<sup>18</sup>

Furthermore, Marx’s investigation in *Capital* provides for us a framework for understanding ideological discourse under capitalism, the strength of which is derived

---

<sup>16</sup> Marx, *Capital* vol. 1, 716. It is crucial to note that capital is not a “thing,” but rather a process—workers are not “the proletariat” before they are brought into the system of commodity production, and that capitalists are not “capitalists” if they are not involved in the circulation of capital. Each mutually produces and reproduces the other. That is what Marx means when he states that “[I]n short, the capitalist produces the worker as a wage-labourer.”

<sup>17</sup> Dana L. Cloud, “The Null Persona: Race and the Rhetoric of Silence in the Uprising of ’34,” in *Readings on the Rhetoric of Social Protest*, ed. Charles E. Morris III and Stephen Howard Browne (State College: Strata Publishing, Inc., 2006), 411-437.

<sup>18</sup> Slavoj Žižek, *The Ticklish Subject: The Absent Centre of Political Ontology* (London: Verso, 2008), 41.

directly from his economic analysis. “A commodity appears at first sight an extremely obvious, trivial thing,” Marx begins his section on the commodity fetish in *Capital*.<sup>19</sup> From then he discusses how as the wage relation (wages being the payment for a commodity, labor-power) begins to envelop society, relationships between people become relationships between things.

The currency of this relationship, the money commodity, rises in importance as capitalist relations spread. Money functions as the *objet a par excellence*; it is a universal signifier of social wealth; it is not just that the daily toil of life under capitalism for so many people makes the experiences and commodities one can purchase with the universal equivalent the objects of envy, but that those with tremendous amounts of money are presumed to be the most successful in life, and at least are afforded tremendous social and political power to do as they please. As David Harvey writes, “As a social power that can be held by individual persons it forms the basis for wide-ranging individual liberty...Money unifies precisely *through* its capacity to accommodate individualism, otherness, and extraordinary social fragmentation.”<sup>20</sup> It is the continued importance of the money commodity under finance capitalism which I shall take seriously, for money today functions as this communicative instrument and also the instrument of the fetish. As we shall see in our discussion of Friedman, Hardt, Negri and Castells, other commodities (particularly communication technologies) substitute for the money commodity as the operational fetish around which theories of post-Marxist capitalism can arise.

---

<sup>19</sup> Marx, *Capital* vol. 1, 163.

<sup>20</sup> David Harvey, *The Condition of Postmodernity* (Cambridge: Blackwell Publishing, 1990), 103.



## Taking Lacan Seriously

As mentioned above, Jacques Lacan formalized a theory of interpellation based on a combination of the Freudian method and Saussurian linguistics; what emerged was a dialectical and critical understanding of how language (the Symbolic), the imagination (the Imaginary) and the hard outside world (the Real, according to some definitions) condition our existence as subjects. These three intertwined registers, as he called them, put into motion the concepts most pertinent for this investigation. Most importantly, Lacan provides a framework by which we can take seriously the Foucaultian pronouncements about discourses as constitutive of reality. Much of the political analyses from the politically committed poststructuralist Left rest upon the assumption that capitalism is both primarily a symbol-generating system, and that this break represents a shift in the commodity production process in general. Michael Hardt and Antonio Negri write that:

The contemporary scene of labor and production...is being transformed under the hegemony of immaterial labor, that is, labor that produces immaterial products, such as information, knowledges, ideas, images, relationships and effects...[T]he qualities and characteristics of immaterial production are tending to transform the other forms of labor and indeed society as a whole.<sup>21</sup>

Lacan, too, can be read like a poststructuralist; for he argued that “the world in which we carry on our everyday existence is always already structured by the signifiers of language,”<sup>22</sup> and denoted the algorithm

$$\frac{S}{s}$$

---

<sup>21</sup> Michael Hardt and Antonio Negri, *Multitude: War and Democracy in the Age of Empire* (New York: Penguin Books, 2004), 65.

<sup>22</sup> Philippe Van Haute, *Against Adaptation: Lacan's "Subversion" of the Subject* (New York: Other Press, 2002), 10.

which means the Signifier over the signified, as this process. However, the properly materialist reading of his dictum is that the symbolic realm exists, meaning that symbolic systems are material, and not in the manner post-structuralists claim, but that the symbolic *literally consists of* materials. This has an important consequence for critical theory and this investigation in particular: If we accept the thesis that the linguistic chain of signifiers conditions our reality then we must acquire an adequate theory of how crises in “reality” occur. What sets Lacan apart from this standpoint is that he insists on the primacy of the Real in destroying the “master signifiers” that provide temporary stability to the linguistic chain; there is an extra-discursive element that (in the last instance) induces change. I argue that the crisis of profitability in the late 1970s is precisely that structural crisis, and we can trace the new modes of subjectivity (characterized by indeterminacy and which appear to follow the forms of financial mechanisms) from the decline in paternal symbolic authority guaranteed by the Keynesian state. These forms of subjectivity are best understood as fantasies and fetishes.

Gunn has written extensively on the importance of fantasy in rhetorical studies, and his comments are a welcome move away from the “discourse”-centric trajectory; he writes that fantasy arises as a result of the primordial discord between self and Other:

The Other, either as the imago or as a love-object such as one’s parent or partner, is assumed to hoard something that one desires to possess, something that promises an impossible reconciliation. Whatever one elects this harbored thing to be is the *cause of his or her desire*, what Lacan algebraically designates as “*a*”... quests to bridge psychical gaps in pursuit of *a* or a Real cause compose the substructure of our realities and generate fantasies that take a basic form: the split or “barred” subject (\$) is set in relationship ( $\diamond$ ) to some cause of desire (*a*). Hence, Lacan’s algebraic expression of the fundamental fantasy of subjectivity is expressed as  $(\$ \diamond a)$ .<sup>23</sup>

---

<sup>23</sup> Joshua Gunn, “Refitting Fantasy: Psychoanalysis, Subjectivity, and Talking to the Dead,” *Quarterly Journal of Speech* 90 (2004), 9-10.

Thus the fundamental fantasy is a form that can be filled in by any content, and frequently under capitalism the *objet a* is a commodity that substitutes for this love-object. Fantasy, as Žižek argues, is a support of reality—not the reverse, as is commonly understood; this trajectory is both fruitful and necessary for understanding how subjects come to know themselves under a Symbolic order.<sup>24</sup>

### **SUBJECTS OF THE INVESTIGATION**

The plan for this thesis is to systematically analyze the public texts—speeches, testimonies, books—of each of my subjects to understand their different theories of how finance capitalism works. This textual investigation follows two knotted paths: One is an argument about the actual causes of the financial crisis, which requires an understanding the evolution of the current mode of production toward its current content. The other builds a case for how the symbolic matrix of the actors in question was conditioned ideologically by the logic of finance capital. In 2010, the master signifiers of finance capitalism are under severe duress, and I attempt to discover the seeds of the downfall of finance capitalism in the 1990s. Thus my analysis will thus contend with both the Real, the purely material (economic) side of the capitalist economy, and the unraveling fantasies of neoliberal capitalist globalization. Throughout my work, I offer that the discovering how the financial commodity appears in the texts of my subjects is our best hope of unraveling the problematic of unrepresentable social relationships in “postmodern” capitalism. What follows is a brief introduction to each of my subjects’ texts.

---

<sup>24</sup> Slavoj Žižek, *The Sublime Object of Ideology* (London: Verso, 2008), 47.

## **Thomas Friedman**

Thomas Friedman, former foreign affairs reporter and current columnist for the *New York Times* represents the “liberal” face of the new global economic order. Throughout much of his work, most notably *The Lexus and the Olive Tree* and *The World Is Flat*, Friedman offers the best possible case for neoliberalism and finance capitalism by arguing that the more market relationships surround us, the higher our wages will be, the greater our civil liberties will be, the more responsible and responsive corporations will be, and the more peaceful the world will be. (He “proves” this last point with two related pseudo-theories, “the Golden Arches Theory of Conflict Prevention” and “the Dell Theory of Conflict Prevention.”<sup>25</sup>) Friedman is first and foremost thought of as a thinker of globalization, which cannot be thought of apart from the process of neoliberalism and finance capitalism in the past 30 years. Friedman draws his persuasive strength from the power of the financial commodity across space, time and social spheres; this is summed up under what I call “the financialization of everything.”

Through a close reading of his 1999 text *The Lexus and the Olive Tree*, I argue that Friedman draws his persuasive power from the use of extended metaphors, anecdotes, fictitious stories, and advertising copy. I explain the ideological value of these strategies, and find that each radically represses the social conditions of their existence. For instance, instead of explaining concretely and historically why former “Second World” countries have improperly privatized their economies, Friedman compares their plight to AIDS. The power of metaphor hangs on the terms to which a subject has access; I find that the logic of capital is unconsciously inscribed in Friedman’s meta-discourse about economics. The most powerful metaphor Friedman offers throughout the book is

---

<sup>25</sup> Thomas Friedman, *The Lexus and the Olive Tree* (New York: Farrar, Straus and Giroux, 1999), 196; and Thomas Friedman, *The World Is Flat: A Brief History of the Twenty-First Century* (New York: Farrar, Straus and Giroux, 2005), 420.

the dollar itself, which is a metaphorical signifier of value under capitalism, one that also “actively forgets” its social origins in labor. The universal equivalent, the money commodity, is woven into the very fabric of the text.

In addition, I investigate the ways in which the author attempts to have his readers identify with the logic of hedge fund managers, corporations and capitalist countries in a move that Lacan calls the “Thou art” of discourse. Friedman’s “you” unconsciously “hooks” readers into the inevitable and attractive logic of capitalism. Ultimately, I argue Friedman constructs a universal rubric of success judged only by one’s level of comportment with neoliberal capitalism. Failure to institute neoliberal policies is the only thing stopping countries, corporations and individuals from wealth and productivity. The failures internal to neoliberalism, noted above, are never critically investigated as symptoms of this order. Friedman identifies globalization’s dialectical nature, but analyzes the wrong dialectical tension.

### **Alan Greenspan**

Years before the Great Financial Crisis of 2008, then-current Federal Reserve Chairman Alan Greenspan, and staunch defender of the financialization of the world economy claimed, “I do have an ideology. My judgment is that free, competitive markets are by far the unrivaled way to organize economies. We've tried regulation. None meaningfully worked.” However, while testifying before the U.S. Congress in October of 2008, Greenspan admitted that he had found a “flaw in the model that [he] perceived is the critical functioning structure that defines how the world works, so to speak.”<sup>26</sup> In other words, Greenspan discovered a constitutive block in his ideological framework that could only be reconstructed in hindsight. His admission sent a shockwave through the

---

<sup>26</sup> Quoted in NewsHour, “Greenspan Admits ‘Flaw’ to Congress, Predicts More Economic Problems,” PBS, [http://www.pbs.org/newshour/bb/business/july-dec08/crisishearing\\_10-23.html](http://www.pbs.org/newshour/bb/business/july-dec08/crisishearing_10-23.html), October 23, 2008.

political and financial sector, for Greenspan was one of the primary architects of the “New Economy” and of the last round of financial deregulations that both staved off and opened up the possibility for economic disaster.

An easy (and not exactly untrue) response to his headstrong cheerleading of the financial sector of the economy is his obvious interest in consciously propagating his ideology, though I find this unsatisfying. In contradistinction to affirmative and self-producing post-structural rhetorics of the finance era, it is imperative that we investigate how actors, even those with incredible political power, are subject to constraints beyond their control. This is not to give credence to the opposite valence, that of economic determinism, but rather we should be sensitive to the ways structures and actors mutually interact with one another, and discern a logic that cuts diagonally across the two. As with all of my topics of investigation, and in following the nuances of the dialectical method, we should understand that we should follow these logics through subjects and structures, not crudely counterpoise the two as if one or the other had strictly a mind of its own.

Greenspan, through his public speeches and his policies, spoke as the embodiment of the “discourse of the Master” in Lacanian parlance, expressing the logic of capital accumulation. This interpellation was so deep that his discourse, even in the face of two bursting stock market bubbles (in the dot-com and housing industries), could not have been otherwise. The former Fed chair also argued that a “virtuous cycle,” thanks to the trends of productivity and profitability in the “New Economy” had finally overcome the business cycle. I interrogate this claim economically, historically and psychoanalytically, and conclude that these trends were fantastical—such claims could not overcome the possibility of crisis and contradiction in capitalism despite several years of prosperity. In addition, I interrogate three of the hegemonic commodities of the financial industry: futures (also known as derivatives), subprime loans, and collateralized debt obligations

(and their synthetic cousin, credit default swaps). For each I discover the constitutive contradiction that spurred on their profitability, and tease out the possibility for crisis intrinsic therein. Before I turn to the texts and speeches of my chosen two ideologists of capital today, what follows is an meditation on finance capitalism as an orienting discourse.

## Chapter 2: Toward a Communicative and Economic Theory of Finance Capitalism

*“Neoliberalism has, in short, become hegemonic as a mode of discourse. It has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense many of us interpret, live in, and understand the world.”—David Harvey<sup>27</sup>*

As mentioned in the previous chapter, I offer a new method of conceptualizing the interpretive problems that postmodern capitalism poses to us. The two axes of “post-industrial” capitalism (immateriality and communication technology) seem to have flummoxed the most sober of ideology critics into the belief that capitalism has fundamentally changed, and that previous modes of analysis and resistance are misguided. One of the gravest errors in cultural criticism is a belief (unconscious or not) in the fantasies that the object believes about itself—we should be especially suspect of the concept of the “flow,” or as Hegel would put it, the immediate identity of an object with its interpretation. One of the aims of this chapter is to rehabilitate, methodologically, the concept of contradiction in rhetorical studies by restructuring the current understanding of “finance capitalism” using a psychoanalytic and materialist lens.

Specifically, I find that what is commonly thought of as the “discourse” of finance capitalism—the ephemeral, all-encompassing, invisible power of finance capital—papers over the historical and social antagonisms that brought finance capitalism to its pinnacle and unfortunately repeats the triumphalist free-market narrative that accompanied the financial explosion. I draw comparisons to the field of rhetorical study’s anxiety about its object and offer that (for better or worse) a return to studying the “text” of finance capitalism is an endeavor that will allow us greater insight to the production of subjectivity under capitalism today. I challenge the hypothesis of the “flow” of the

---

<sup>27</sup> David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2007), 3.



discourses of contemporary finance capitalism which end simultaneously in an always-already overdetermined “control society” or its obscene opposite, the possibility for uninterrupted freedom granted by (or from) the system.<sup>28</sup> Rather than this smooth narrative from new communication technologies or immaterial labor to one of these inevitable conclusions, I want to stress the importance of contradiction, or the notion that the discursive fantasies of finance capitalism finesse fundamental social antagonisms. In essence, the “text” of finance capitalism, the financial commodity itself, is a bundle of social relationships that we must discover and unravel despite its objective appearance, characterized by ephemerality and invisibility. The plane of immanence upon which the dazzling array of financial commodities rest is not where we end our investigation, but rather it is where we begin; however auto-referential and self-perpetuating the commodity is, it does not, in actuality, deconstruct itself. That is the task of the critic.

Rhetorical studies, Gunn argues, has from its inception had great anxiety about its object—be it speech or communication in earlier eras in American universities, to the contemporary text-centric and discourse-centric orientations thanks to rhetorical studies’ affinity for cultural studies. Each of these historically specific forms emphasizes and annuls different facets of the human experience: the act of speech highlights the quintessentially personal and embodied act of communication, exemplified by Wichelns’ foundational piece “The Literary Criticism of Oratory,” wherein he states, “Rhetorical criticism lies at the boundary of politics (in the broadest sense) and literature, its

---

<sup>28</sup> The work of Michel Foucault and Jean Baudrillard fall into the former category of a closed loop of resistance in postmodern capital, while Thomas Friedman, whom I discuss at length in Chapter 3 believes most heartily in the fantasy of frictionless, democratic and humanitarian finance capital through globalization; social theorists Michael Hardt and Antonio Negri develop their theory of resistance and exodus from capital by pointing directly to the liberating immaterial labor process. Many contemporary authors fall somewhere along these axes by either emphasizing the constraining or liberating aspects of capital—we would do well to hold the possibility for resistance and the structural limits thereto in dialectical tension with one another.

atmosphere is that of the public life, its tools are those of literature, its concern is with the ideas of the people as influenced by their leaders.”<sup>29</sup>

Yet the “good man speaking well”<sup>30</sup> paradigm rightly came under criticism from sub-dominant groups—Campbell, for example, attempted to produce a parallel history of female orators to combat the widespread ignorance of women’s contribution to the rhetorical history of the United States.<sup>31</sup> However, in contrast to similarly individualistic interventions (which Biesecker termed an “affirmative action approach to the history of rhetoric”<sup>32</sup>), rhetorical studies took a “textual” turn—away from the individual orator and into a study of human and social relations as condensed in textual formations. Privileging “the text” over the individual speech objectified of human activity into something pre-constructed and denaturalized. The textual turn, then, founds the individual subject in a bundle of these relations, and problematizes the very idea of a unified or individual subject.

This turn, structuralism, (the unconscious philosophical forbear of much rhetorical study today) portrayed “the text” as an expressive totality (to bastardize a Hegelian term), or system of effects. As Eagleton put it, “The structuralist emphasis on the ‘constructedness’ of human meaning represented a major advance. Meaning was neither a private experience nor a divinely ordained occurrence: it was the product of certain shared systems of signification.”<sup>33</sup> In rhetorical studies, the turn away from studying how the empowered white male created his own world through speech acts was

---

<sup>29</sup> Herbert Wichelns, “The Literary Criticism of Oratory,” in *Readings in Rhetorical Criticism* ed. Carl R. Burghardt (State College: Strata Publishing, 2005), 26.

<sup>30</sup> See Marcus Fabius Quintilianus, “The Institutio Oratoria of Quintilian,” in Barry Brummett, *Reading Rhetorical Theory* (Fort Worth: Harcourt College Publishers, 2000), 297.

<sup>31</sup> See Karlyn Kohrs Campbell, *Man Cannot Speak for Her* vol. 1 (New York: Greenwood Press, 1989).

<sup>32</sup> Barbara Biesecker, “Coming to Terms with Recent Attempts to Write Women into the History of Rhetoric,” *Philosophy and Rhetoric* 25:2 (1992), 144.

<sup>33</sup> Terry Eagleton, *Literary Theory* (Minneapolis: University of Minnesota Press, 1983), 107.

also a turn away from this particular theory of subjectivity—the subject as autonomous, individual and potent. In fact,

to say that structuralism has a problem with the individual subject is to put it mildly: that subject was effectively liquidated, reduced to the function of an impersonal structure. To put it another way, the new subject was really the *system itself*.<sup>34</sup>

McGee attuned rhetorical studies' attention to the power of economic and political structures with the concept of the ideograph. Starting with the assumption that much of what passes for “symbolic” criticism is either politically quiescent or willfully powerless, McGee argued that in conducting an ideographic, or political analysis (meaning an analysis of the distribution of resources in a given society) of a text, one can discern the structures “which have the capacity both to control ‘power’ and to influence (if not determine) the shape and texture of each individual’s ‘reality.’”<sup>35</sup> McGee claimed that ideographs “are the basic structural elements, the building blocks, of ideology,” and that they are “touchstones” of socialization. In short, ideographs provide the tent poles of subjectivity—they tell subjects who they are, where they come from, and what kind of individual to be.

McGee’s work, because it is centered on linguistic keywords, their uses and their connotations in relation to regimes of power, provides a link between textual criticism and the discursive turn in rhetorical studies. Beginning with McKerrow’s “Critical Rhetoric: Theory and Praxis,”<sup>36</sup> the dominant discursive pattern in rhetorical studies is

---

<sup>34</sup> Eagleton, *Literary Theory*, 113.

<sup>35</sup> Michael Calvin McGee, “The ‘Ideograph’: A Link between Rhetoric and Ideology,” *Quarterly Journal of Speech* 66 (1980), 5.

<sup>36</sup> Raymie E. McKerrow, “Critical Rhetoric: Theory and Praxis,” in *Readings in Rhetorical Criticism*, ed. Carl R. Burghardt (State College: Strata Publishing, Inc., 2005). McKerrow’s subtitle “Theory and Praxis” is misleading, for the concept of “praxis” is the very fusion of theory and practice. This should draw our attention to a symptom of the piece as a whole: The doubling down of “theory” in the title belies his emphasis late in the article that critical rhetoric is a practice, and that more emphasis is in actuality on the side of theory. The unclear connection between critical rhetoric as both a practice and as a performance

based on the idea that “power” is formed, legitimated and maintained through discursive formations irrespective of actually existent political or economic structures. Discourse, McKerrow writes, “brings power into existence in social relations and gives expression to the ideology that the exercise of power in that relation represents.”<sup>37</sup> McKerrow grounds this theory of “the pervasiveness of power” and its localization in discourse in his interpretation of the works of Foucault.<sup>38</sup> Of this connection between “critical rhetoric” and Foucault, Cloud writes:

Briefly stated, Foucault argues that power ought to be conceived as primarily constituted in discourses, unmotivated by extra-discursive economic or political interests, and emanating not from a discernable, repressive center of power (such as the state or the employer) but rather as a set of shifting discursive formations. On this view, discursive formations do not suppress or mystify social relations but rather establish in and of themselves what is real and true.<sup>39</sup>

Similar to textual or ideographic criticism, in discourse-centric rhetorical studies, the object is to “unmask or demystify the discourse of power,” but unlike ideographic criticism, the assumptions about the aim of activity and (more importantly) the status of the subject are vastly different. McKerrow, among others, questioned the Cartesian ego as the rational center of the world, and instead focuses on the way the subject arises as a set of effects, “constituted as one facet of the possibilities of change within social relationships.”<sup>40</sup>

---

also clues us into McKerrow’s conceptual slippage, for these terms mean vastly different things in different contexts.

<sup>37</sup> McKerrow, “Critical Rhetoric,” 121.

<sup>38</sup> Although McKerrow notes what Foucault termed “Nietzsche’s hypothesis,” the impact and importance of Nietzsche in the communication studies side of rhetorical studies is widely ignored. (His continued relevance to rhetoric and composition, on the other hand, is loudly trumpeted.) For an explication of the alliance between postmodernist philosophy and Nietzsche, see Alex Callinicos, *Against Postmodernism: A Marxist Critique* (Cambridge: Polity Press, 1989). A thorough analysis of the ideological and political implications of a Nietzschean rhetorical philosophy is a future project I hope to undertake.

<sup>39</sup> Dana Cloud, “The Affirmative Masquerade,” *American Communication Journal* 4 (2001).

<sup>40</sup> Raymie E. McKerrow, “Critical Rhetoric and the Possibility of the Subject,” in *The Critical Turn: Rhetoric and Philosophy in Postmodern Discourse*, eds. Ian H. Angus and Lenore Langsdorf (Carbondale: Southern Illinois University Press, 1993), 60.

This long excursus into (a very narrow and incomplete) history of ideological criticism in rhetorical studies is necessary, for, as I hope has been clear with each example of rhetorical study, I argue that a shift in the object of study is simultaneously an argument about the proper theory of rhetorical studies. Rhetorical studies' anxiety and debate over the object—be it speech, text or discourse—is less about the object (-in-) itself, but is rather about the proper characterization of the subject. But as Terry Eagleton writes, “When one emphasizes, as Jacques Derrida once remarked, one always overemphasizes.”<sup>41</sup> The oscillation between speech, text and discourse represents an anxiety about what constitutes the subject; as persuasive as the discursive thesis may be, I offer that the critic's time is better spent understanding the contradictions of late capitalism textually. The text, or object, is simply a hermeneutic device that allows one to abstract from the immediate identity of experience and interpretation—as Louis Althusser wrote, the concept of sugar does not need to be sweet.

Although earlier eras of inquiry centered on the passage from the Enlightenment to modernity, our contemporary debates are hinged on the status of the subject in a “postmodern” era. Given that postmodernity is characterized by floating signifiers, indeterminacy and play, this anxiety is well founded. Furthermore, the barbaric wars of conquest, the widespread environmental degradation, the hyper-exploitation of workers worldwide alongside lower living standards, and most importantly, the seeming indifference to much of this suffering by the political system and attempts by social movements to confront the state for redress makes postmodern understandings of state power, economic policy, and social theory entirely understandable.<sup>42</sup> Rhetoric's anxiety

---

<sup>41</sup> Terry Eagleton, *The Illusions of Postmodernism* (Oxford: Blackwell Publishers, 1997), 123.

<sup>42</sup> See Giorgio Agamben, *State of Exception* (Chicago: University of Chicago Press, 2005) and Michael Hardt and Antonio Negri, *Empire* (Cambridge, Mass.: Harvard University Press, 2000) for examples.

about the postmodern, de-centered subject is expressed in the focus on the singular orator as the synecdochal subject of collective resistance, or through the immanent power of communication itself.

This theory flows through the work of Thomas Friedman, Manuel Castells and the more radical thinkers like Hardt, Negri, Christian Marazzi and Jodi Dean is the concept of communicative labor, wherein discursive production becomes economic production (but in a way that is seemingly non-dialectizable and outside of the traditional Marxist vocabulary of labor and value). The final chapter of this investigation will point a way forward to a rigorous exploration of communicative value, but the immediate purpose of this thesis is not to gauge the veracity of what may very well be economically dubious claims, rather I engage the problem of communication in late capitalism from a diagonal: It is not primarily communicative labor which interests me, but rather the commodity as a communicative bundle of social relationships; it is not communication that produces the commodity, but rather the commodity communicates, or expresses, to us a host of symbolic social relationships brought on by the advent of finance capitalism. Rather than dismissing outright the “immaterial” thesis, I plan on beginning my investigation from a parallax shift in the apparent opposition of the terms of this debate.<sup>43</sup> As Slavoj Žižek points out, the commodity is our best hope of understanding the subject under capitalism, for it embodies the antagonisms, displacements and social relationships of capitalism itself:

---

<sup>43</sup> Žižek describes the parallax shift thusly: “Confronted with an antinomic stance in the precise Kantian sense of the term, we should renounce all attempts to reduce one aspect to the other...on the contrary, we should assert antinomy as irreducible, and conceive of the point of radical critique not as a certain determinate position as opposed to another position, but as the irreducible gap between the positions itself.” In Slavoj Žižek, *The Parallax View* (Cambridge, Massachusetts: Massachusetts Institute of Technology Press, 2006), 20.

The point of Marx's analysis, however, is that *the things (commodities) themselves believe in their place*, instead of the subjects: it is as if all of their beliefs, superstitions and metaphysical mystifications, supposedly surmounted by the rational, utilitarian personality, are embodied in the 'social relations between things.' They no longer believe, *but the things themselves believe for them*.<sup>44</sup>

This is what Žižek means when he claims that relations between persons under capital are de-fetishized—the aphorism “it’s just business” is an ideological or fetishistic notion *par excellence*, for the phrase means, “I approach our interaction as a strictly monetary transaction—we are simply embodiments of different sectors of capital; the social consequences of this interaction are of no matter to me.” Especially in finance capitalism, the fetishistic relationship exists primarily between the commodity and the subject rather than between subjects. The concept of the fetish is another worth rescuing for the purposes of this investigation for I believe it explains the relationships that pervade common understandings of finance capital. Unfortunately for our task, the commodity itself is largely invisible, immaterial and ephemeral. This difficulty does not invalidate Marx's crucial insight on the commodity fetish, rather it validates his analysis of the historical/philosophical genesis of the money commodity.

In sum, what I hope to accomplish in this chapter is shift from the “discourse” or, more appropriately, the system of finance capitalism, to a discussion of its dominant commodity form, the financial commodity. Both of these intertwined notions will allow us to better understand the precise ways in which subjectivity is produced under finance capitalism. The foundation that is built in this chapter will allow us to later study the works of finance capital's chief ideologues, Thomas Friedman and Alan Greenspan. I now begin with a short and basic introduction to the social system of capitalism itself, and a brief overview of the social causes that led to the rise of finance capitalism.

---

<sup>44</sup> Žižek, *The Sublime Object of Ideology*, 31.

## A BRIEF HISTORY OF CAPITALISM

At its most basic level, capitalism is an economic system in which an owner of capital (machinery, land, money, etc.) employs laborers in order to make a profit. Profit is made not through the realm of exchange, via fortuitous timing or strategic pricing as is thought in much of mainstream economic theory, but rather from a divergence between what a worker is paid and the amount of value she or he produces within the commodity. This is the fundamental split, or antagonism, that characterizes capitalism, and is what Marx termed alienation, quoted in the Introduction: “A division between the product of labour and labour itself, between the objective conditions of labour and subjective labour-power, was therefore the real foundation and the starting point of the process of capitalist production.”<sup>45</sup> This economic setup leads to several important outcomes. The first is that because of the private character of workplaces and ownership, capitalists are placed in a competition with one another to maintain the rate of profit; therefore capitalists are forced into increasing their exploitation of workers. Frequently, however, autarkic competition gives way to vertical and horizontal combinations (the former is the implementation of the entire labor process from raw material to service, while the latter is the purchase of disparate industries and products), whereby capitalists improve stability and profit margins by expanding and coupling up with other capitalists.

Either way, capital tends toward a mechanization of the economy as a consequence of the economic necessity to speed up production to produce more goods in a shorter amount of time. Mechanization, far from a tool to ease the manual toil of laborers, becomes a condition of their enslavement. Liu demonstrates that the mechanized capitalist workplace embodies the two definitions of “*machina*,” which are “any artificial contrivance for performing work,” and a “device, contrivance, trick,

---

<sup>45</sup> Marx, *Capital* vol. 1, 716.



stratagem.”<sup>46</sup> For capitalism is not simply an economic system; it is a social system that produces subjectivity alongside a production of commodities. Writes Cleaver:

The generalized imposition of the commodity-form has meant that forced work has become the fundamental means of organizing society—of social control...In fact, *we can define capital as a social system based on the imposition of work through the commodity form.*<sup>47</sup>

A related consequence of capitalism is the necessary rise of a universal equivalent, money. Because workers are paid less than their labor-power’s value, and because the increasing division of labor means that they cannot simply take home the fruits of their labor, money arises as the commodity *par excellence*. The development of the money commodity will be returned to shortly, for the money-form is the harbinger of the fetish and fantasy that surrounds capitalist ideology.

This excursus into the genesis of capitalism is necessary, for we cannot understand finance capitalism without understanding the fundamental antagonism and the tendency towards monopoly, which in turn bred the financialization of the economy. After the Great Depression, itself a product of monopoly capital tarrying in speculative finance, the Keynesian economic paradigm ruled the world economic roost. Keynes, briefly, demonstrated “that a free market economy, left to itself, was most likely to end up in underemployment,” and that “the cure was government spending, which would provide initial employment and disburse income.”<sup>48</sup> This system held sway over the capitalist imaginary for nearly 40 years. However, from the 1950s to 1973, the profit

---

<sup>46</sup> Catherine Liu, *Copying Machines: Taking Notes for the Automaton* (Minneapolis: University of Minneapolis Press, 2000), 23.

<sup>47</sup> Harry Cleaver, *Reading Capital Politically* (San Francisco: AK Press, 2000), 82.

<sup>48</sup> Meghnad Desai, *Marx’s Revenge: The Resurgence of Capitalism and the Death of Statist Socialism* (London: Verso, 2002), 180.

margins of massive corporations decreased “almost 50 percent, from about 22 to around 12 percent.”<sup>49</sup>

Paying massive amounts of taxes to the federal government inhibited the free flow of capitalist accumulation, and the economy dragged to a standstill, most notably through “stagflation” (economic stagnation and inflation) in the United States during the Carter administration. The profitability of manufacturing, which fell precipitously during this 30-year period as a result of monopoly and overproduction, also led to the need for widespread change in the system.<sup>50</sup> Foster and Magdoff explain the conclusion to which many capitalists came:

Unable to find profitable outlets for their universal investment-seeking surplus within the productive economy, corporations/capitalists sought to augment their money capital by means of financial speculation, while the finance system in its turn responded to this increased demand for its “products” with a bewildering array of new financial instruments—including stock futures, options, derivatives, hedge funds, etc. The result was the rise by the 1980s of a financial superstructure that increasingly took on a life of its own.<sup>51</sup>

Theoretically, credit, is assumed to mitigate the possibilities for crisis (which occurs because of the separation of sale and purchase) by making capital more available, and available more quickly. Harvey notes: “On the surface, at least, the credit system contains the *potential* to straddle antagonisms between production and consumption, between production and realization, between present uses and future labor, between production and distribution.”<sup>52</sup> And as Marx notes in vol. 3 of *Capital*, “What credit mediates here is therefore (1) as far as the industrial capitalists are concerned, the

---

<sup>49</sup> Fred Moseley, “The U.S. Economic Crisis: Causes and Solutions,” *International Socialist Review* 64 (2009).

<sup>50</sup> Robert Brenner, *The Boom and the Bubble: The US in the World Economy* (London: Verso, 2003), 21.

<sup>51</sup> John Bellamy Foster and Fred Magdoff, *The Great Financial Crisis: Causes and Consequences* (New York: Monthly Review Press, 2009), 72.

<sup>52</sup> David Harvey, *The Limits to Capital* (London: Verso, 2006), 285-286.

transition of industrial capital from one phase to another, the connection of spheres of production that belong together and mesh into one another.”<sup>53</sup> Because the rate of turnover of capital is crucial to the growth and sustenance of the system, any acceleration thereof can accelerate accumulation, and thus extend over space and time the class relationships of capitalism.

The rise of finance in capitalism is a structural fix to a persistent problem, because capital can now churn all unproductive capital into the process of reproduction. The death of the Glass-Steagall Act in 1999 by the Graham-Leach-Bliley Act provided a legal way to invest commercial deposits into productive ventures. In some sense, Lenin was correct in naming the banking stage of capital its “highest” form—however, today banks have not just socialized all industrial capital, but all of consumer capital as well. We shall investigate if and how finance fundamentally alters capitalist dynamics below; for now we have enough grounding in political economy to trace the process of capital upon Lacan’s graph of desire.

### **CAPITAL AS THE SYMBOLIC REAL**

Lacan’s graph of desire, in “The Subversion of the Subject and the Dialectic of Desire in the Freudian Unconscious” formalizes Lacan’s hypothesis that subjects become who and what they are as signifying beings. He locates how the Imaginary and Real registers condition subjectivity, but most importantly, he traces the splitting of the subject across the symbolic. As Fink puts it, the “Graph of Desire is designed to depict the advent of the subject through language.”<sup>54</sup> Lacan is indebted to Sigmund Freud and Ferdinand de Saussure in this operation: “The mechanisms described by Freud as those of the

---

<sup>53</sup> Karl Marx, *Capital*, vol. 3 (London: Penguin Books, 1991), 613.

<sup>54</sup> Bruce Fink, *Lacan to the Letter: Reading Écrits Closely* (Minneapolis: University of Minnesota Press, 2004), 118.

primary process, by which the unconscious is governed, correspond exactly to the functions of this school of linguistics...[T]he structure of language is recognized in the unconscious.”<sup>55</sup>

As a system that produces subjects, meaning as a system that produces sets of signifiers, we can classify capitalism as Symbolic. However, despite the protests of theorists who claim that capital exclusively deals in symbolic power, Lacan’s graph of desire helps us to understand that capital is much more than a producer of discourses. As with capital, the elemental cell of the graph is the “human being as a simple being of needs...prior to any linguistic mediation.”<sup>56</sup> That is to say, capital captures the “real body” of the human being prior to alienation. In the second graph, the subject is then interpellated, to use Louis Althusser’s famous term, into the symbolic system of capitalism, through the vector  $s(O) \rightarrow (O)$ , wherein  $s(O)$  “indicates the coagulation ( $s$ =signification) of the indeterminate possibilities of meaning in the Other ( $O$ ).”<sup>57</sup> Quilting points (or button ties), as Lacan called them, momentarily halt the indeterminacy of the symbolic order and give concrete meaning to the symbolic world.

But we must be more precise than this. Because the graph is designed to orient subjects to an Other, we witness an attempt to surmount the “primordial discord” through these button ties, but since subjects are never in complete control of language (it is our “mobile home,” as Jacques Derrida tells us<sup>58</sup>), our needs are cathected through the Other.

---

<sup>55</sup> Jacques Lacan, “The Subversion of the Subject and the Dialectic of Desire in the Freudian Unconscious,” in *Écrits: A Selection*, trans. Bruce Fink (New York: W. W. Norton & Company, 2002), 286-287.

<sup>56</sup> Van Haute, *Against Adaptation*, 21. Van Haute offers that what is primarily at stake in understanding the Lacanian relationship to the Symbolic and Real is precisely the relationship of “real” bodies to their “reality,” meaning their symbolic existence. It is therefore plausible to claim that the pure corporeality of laboring bodies is our only phenomenal guarantee of the indescribable Lacanian Real.

<sup>57</sup> *Ibid.*, 67.

<sup>58</sup> Jacques Derrida, *Of Hospitality* (Stanford: Stanford University Press, 2000), 89.

These captioning points are the “meaning of the subject’s demand as determined by the Other.”<sup>59</sup> Thus, under capitalism, our needs are never satisfied in actuality; the button ties of the church, the Law, Duty, or the American flag, cannot account for the surplus that eludes signification. And as Žižek explains, the master-signifier of capitalism—money—holds the place for this void in the Symbolic, but because it counts for “nothing,” (meaning that it has zero use-value, in Marxian terms), it can stand for everything: “[T]he multitude is totalized through the exceptional position of the One which embodies the moment of impossibility...In other words, the One ‘quilts’ the field of the multitude.”<sup>60</sup>

Graph Three (see fig. 1) brings us to fantasy, wherein Lacan brings us close to combining Marx’s epoch-making analysis of the commodity under capitalism with the orientation of subjects toward the desire of the Other. Lacan defines fantasy, embodied in the matheme  $\$ \diamond a$ , as “the moment of a fading or eclipse of the subject...to the condition of an object...[F]antasy is really the ‘stuff’ of the *I* that is primally repressed.”<sup>61</sup> Subjects are structurally incapable of reconciling language and material existence, and fantasy attempts to paper over this abyss for a modicum of mental stability; the *objet a* functions as a stand-in for the materialization of desire, one that spurs it on. By accepting that in the top half of the complete graph that “the Other hasn’t really got *it*,” fantasy “serve[s] as a screen concealing this inconsistency.”<sup>62</sup> Put simply, the elemental fantasy is ideological.

---

<sup>59</sup> Fink, *Lacan to the Letter*, 118.

<sup>60</sup> Slavoj Žižek, *For They Know Not What They Do: Enjoyment as a Political Factor* (London, Verso, 2002), 27.

<sup>61</sup> Lacan, “The Subversion of the Subject,” 301-302.

<sup>62</sup> Žižek, *The Sublime Object of Ideology*, 137002E

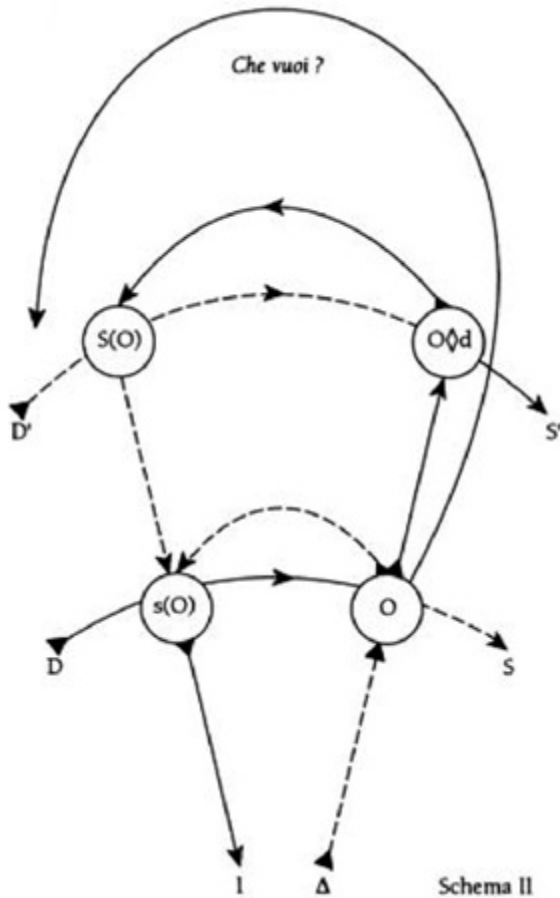


Illustration 1: Lacan's graph of desire.

These fantasies, of course, necessarily structure the gap between the Symbolic and the Real; for those laboring under capitalism, this means that consumerist fantasies mask the underlying (Real) exploitation of workers' labor. As we shall see, the symbolic chain is only broken by the torsion of the Real—such cracks in the mask of “objective” reality open up the critical space for a new constellation of master-signifiers. In a historical context, the breakup of the Keynesian economic paradigm in the mid-1970s indicated a shift in master-signifiers away from monolithic corporate and imperial power, but the tenacity of world capitalism (in that moment of political, social and economic

crisis) structured a new fantasy, that of finance capitalism, which redoubled the power of corporations and national governments. But the material consequences of capitalism cannot be understated—genocidal wars across the world, environmental degradation and the absolute and relative impoverishment of billions of people are the result of capital accumulation. It is for these reasons that Žižek calls capital “the real” of our age:

It is “real” in the precise sense of determining the structures of the material social processes themselves: the fate of whole strata of populations, and sometimes of whole countries, can be decided by the “solipsistic” speculative dance of Capital; which pursues its goal of profitability in a benign indifference to how its movement will affect social reality. Here we encounter the Lacanian difference between reality and the Real: “reality” is the social reality of the actual people involved in interaction and in the productive processes, while the Real is the inexorable “abstract” spectral logic of Capital which determines what goes on in social reality.<sup>63</sup>

It is with this in mind that we move toward a critical examination of finance as the latest hegemonic form of capitalism worldwide. We shall now investigate the historical and libidinal roots of finance, and the fictions that sustain it.

### **FINANCE AND FANTASY**

As mentioned above, finance, the system of betting on future profitability of labor and investments, became the worldwide answer to stagnation after the destruction of the Keynesian paradigm in the 1970s. It was the simultaneous opening up of new markets across the globe by military and economic coercion by the United States government and the deployment of consumer debt to fund capitalistic adventurism opened up the possibility for finance to drive the world economy. Credit has always been a part of the capitalist system, from the Dutch East India Company onwards; however now its role became that of atomizing the citizenry (through credit card debt and a host of pro-free market rhetorical interventions) and decoupling from state control and oversight the

---

<sup>63</sup> Žižek, *The Ticklish Subject*, 330-331.

vanguard mechanisms of the economy. Finally, as with every change in political economy, the state plays a role in defending and propping up the interests of capitalist interests. As the financial sector increasingly became hegemonic, the federal government often stepped in to aid the sector by lowering of interest rates, pressuring foreign governments and recalcitrant manufacturing sectors, and, if need be, by injecting massive amounts of money (liquidity) into the market. As Brenner puts it,

[W]here financial activity sought to be self-sustaining—i.e. independent of more or less direct state support—it almost always had to assume a highly risky form, and typically ended in disaster—although the government rarely failed to throw a life jacket...The resulting bailout of the S&Ls [the savings and loan industry in the 1980s] cost US taxpayers the equivalent of three full years of US private investment in new plant and equipment.<sup>64</sup>

For our purposes, finance capital is characterized in three important ways: Because healthy investments generate interest, they appear to generate surplus value from nowhere, “confirming the notion that capital is automatically valorized by its own powers.” Marx termed this motion the M—M’ cycle (meaning money capital that generates more money), as opposed to the M—C—M’ (money capital—commodity—profit) cycle of accumulation that occurs within “ordinary” capitalism. In addition, the parlor tricks of financiers (especially since the destruction of the Glass-Steagall Act in 1999) count capital in multiple ways in different situations (as debt, wages, loans, or the nearly inexplicable credit default swaps); and finally, its value exists only in motion, meaning that until the inevitable capitalist crisis, capital is only a referent for something else, another value at an Other time, but in the social realm becomes the universal equivalent for value and worth.<sup>65</sup>

---

<sup>64</sup> Brenner, *The Boom and the Bubble*, 86.

<sup>65</sup> Marx, *Capital* vol. 3, 595-601.



The money commodity under capitalism performs much the same tasks as language (which may point to a reason for capitalism's tenacity as an ideological system); and for these reasons, I find an astonishing confluence between Marx's definition of the finance capital and Lacan's discussion of signifiers. First, signifiers appear to have a life of their own (frequently in spite of their material signified). Second, they have a metonymical structure, meaning they are unable to actually refer to something tangible (their meaning is continuously deferred). As Lacan puts it, "[W]e can say that it is in the chain of the signifier that meaning *insists*, but that none of the chain's elements *consists* in the signification it can provide at that very moment.<sup>66</sup> Finally, signifiers have a metaphorical status: They are an irruption of the real, meaning their very presence halts an im-mediate relationship with the world.<sup>67</sup>

For theorists of culture, because the financial commodity is pure signifier and pure money commodity, then we can expect its concomitant fetish to be even more acute. Sigmund Freud initially claimed that "a fetish is determined by a symbolic connection of thought, of which the person concerned is usually not conscious."<sup>68</sup> The fetish provides material support for what is missing in the Other. Lacan formalized this notion as the *objet a*, mentioned above, and re-inscribed Freud's notion that the fetish arises out of a symbolic connection to one's conditions:

[Lacan] stresses that the equivalence between the fetish and the maternal phallus can only be understood by reference to linguistic transformations, and not by reference to 'vague analogies in the visual field' such as comparisons between fur and pubic hair.<sup>69</sup>

---

<sup>66</sup> Jacques Lacan, "The Instance of the Letter in the Unconscious, or Reason since Freud," in *Écrits: A Selection*, trans. Bruce Fink (New York: W. W. Norton & Company, 2002), 145.

<sup>67</sup> Van Haute, *Against Adaptation*, 7-19.

<sup>68</sup> Sigmund Freud, "Three Essays on the Theory of Sexuality," in *The Freud Reader*, ed. Peter Gay (New York: W. W. Norton & Company, 2005), 250.

<sup>69</sup> Dylan Evans, *An Introductory Dictionary to Lacanian Psychoanalysis* (New York: Routledge, 1996), 64.

We should understand the term “linguistic transformations” from a critical standpoint: we can read these transformations as the shifting values and arrangements of society based on the society’s mode of production. The commodity provides a symbolic quilting point by cathecting meaning through it.

But whereas Lacan called “the letter” (the signified) “the material medium that concrete discourse borrows from language,” postmodern finance makes this analogy more complex.<sup>70</sup> For the characteristics of finance capital point to what is, in my opinion, its overdetermining quality that of increasing intangibility. In the 1990s’ “New Economy,” the prime method of capitalization came not through manufacturing, but rather through investment in intangible assets “in the form of skills, organization and information...organizational practices, R&D capability and reputation.”<sup>71</sup> After 1971, the Bretton Woods agreement was tossed in favor of floating exchange rates across world currencies.<sup>72</sup> Some of the neoliberal era’s greatest gains came from the exploitation of unhinged currency.<sup>73</sup> As regards the crisis of today, financial institutions began to operate in the 1990s without governmental oversight and endlessly trade future profits for immediate ones through the swapping of pooled debts, most notably on “subprime” home mortgages, called collateralized debt obligations, or CDOs.<sup>74</sup>

---

<sup>70</sup> Lacan, “The Instance of the Letter in the Unconscious,” 139.

<sup>71</sup> Brenner, *The Boom and the Bubble*, 223-224.

<sup>72</sup> The Bretton Woods agreement, made in 1944 by 44 capitalist nations, fixed exchange rates across each country’s currency and fused the United States dollar to a fixed gold convertibility rate. See Harvey, *A Brief History of Neoliberalism*, 10.

<sup>73</sup> Take for example, George Soros, whose hedge funds bet against the ability of the collapsing economies of the former USSR to adhere to European Monetary Fund regulations. See Harvey, *A Brief History of Neoliberalism*, 121.

<sup>74</sup> Foster and Magdoff, *The Great Financial Crisis*, 120.

## THE DOMINANT COMMODITY

It should come as no surprise that speculation became the most definitive way to produce profit in the financial hegemony of recent capitalism, for speculation is primarily a communicative, linguistic act. In the 1990s, there was a veritable explosion in the stock market that came in the form of hedge funds, venture capital, and corporate mergers. Communication technology innovation followed shortly thereafter, which drove “dot com” equity prices skyward. Harvey characterizes this era as one of play, chance, indeterminacy, androgyny, flexibility and deregulation in all matters of culture, politics and economics.<sup>75</sup> Popular and critical theory has been similarly influenced by the financial moment. Jean-Francois Lyotard, for instance, staked his claims on postmodernity in part because of the new horizons opened to us by communicative technologies, which were by and large byproducts of heavy investment by the United States government and a result of the high-risk investment in electronic start-up companies.<sup>76</sup>

Thus the commodities and subjects produced under the different periods of capitalism are inextricably intertwined. Since the dominant commodity of the era tends to inflect the dispositions of subjects as a whole, the postmodern commodification of labor will appear qualitatively different from other periods. Max Weber heavily critiqued the Protestant logic that led to the scientific rationalization of all life under capitalism in the modernist era:

If one understands...the increase in the productivity of labor, which by structuring the production process along *scientific* lines has eliminated labor’s links with the naturally existing “organic” limitations of the human being. This rationalization

---

<sup>75</sup> Harvey, *The Condition of Postmodernity*, 340-341.

<sup>76</sup> See Jean-Francois Lyotard, *The Postmodern Condition* (Minneapolis: University of Minnesota Press, 1984) for his enthusiastic take on communication technology; see Brenner, *The Boom and the Bubble*, 185-186.

process in the field of technology and economics undoubtedly determines a significant proportion of the “ideals” of modern civil society: in the minds of the representatives of the “spirit of capitalism,” labor in the service of a *rational* structuring of the provision of the material needs of humanity has always been one of the guiding principles of their life’s work.<sup>77</sup>

Weber’s emphasis on the form of labor is instructive here: As Marx would remind us, it is the form of labor (which is itself commodified in a specific way) that ultimately determines the status of the subject under capital. Most notably today, in our postmodern economic era, the foremost theorists of labor under capital, Michael Hardt and Antonio Negri, argue that immaterial labor has become qualitatively hegemonic. The pair define immaterial labor as: “ideas, symbols, codes, texts, linguistic figures, images...that produce or manipulate affects such as a feeling of ease, well-being, satisfaction, excitement or passion.”<sup>78</sup> Immaterial (or biopolitical) labor has now inflected the way we conceive of, and perform all of our other activities:

Immaterial labor, in other words, is today in the same position that industrial labor was 150 years ago, when it accounted for only a small fraction of global production and was concentrated in a small part of the world but nonetheless exerted hegemony over all other forms of production. Just as in that phase all forms of labor and society itself had to industrialize, today labor and society have to informationalize, become intelligent, become communicative, become affective.<sup>79</sup>

Whereas in the modern(ist) period, wherein possibilities for both control and resistance were defined in Fordist terms, the dominant accumulation, subjectification and resistance strategy today, according to Hardt and Negri, is defined by the immaterial commodity form, characterized by affect, information, and ethereality. Most notably, Hardt and Negri have called for an end to state-based thinking against capitalism, and

---

<sup>77</sup> Max Weber, *The Protestant Ethic and the “Spirit” of Capitalism, and Other Writings* (New York: Penguin Books, 2002), 26.

<sup>78</sup> Hardt and Negri, *Multitude*, 108-109.

<sup>79</sup> *Ibid.*, 109.

instead offer the concept of the decentralized “multitude” as a counter-hegemonic force against the pervasive power of Empire, which is itself a decentralized network that is “vulnerable at all points.”<sup>80</sup> An investigation of this thesis is beyond the scope of my current investigation, but I believe that both approaches (state-based or Empire-piercing) have their merits. A debate would be most productively framed as a tactical question of when, how and where to attempt state-based or decentralized revolt.<sup>81</sup>

Yet as noted above, Hardt and Negri’s argument about a new phase of capitalism rests upon the hegemony of immaterial labor, meaning labor that is communicative, linguistic, social, collaborative and intangible.<sup>82</sup> Commodities produced by this form of labor (and now by all others, according to Hardt and Negri) acquire this symbolic, communicative status, and such categories are impenetrable to classical Marxian analysis. My remarks here will be brief, for I engage this concept from a different angle below, but I wish to highlight one productive tension that could put in sharper relief the debate over immaterial labor. I believe that one should conceptually distinguish between form and content—and in a dialectical reversal of Hardt and Negri’s position, I believe that “immateriality” is the *content* of the new capitalist paradigm, as opposed to a new form. Or, in following Jameson, if I wish to be more precise (but probably much more confusing), immateriality characterizes the “new” form of the content (of the commodity form).<sup>83</sup> And although Hardt and Negri would vociferously disagree with my particular

---

<sup>80</sup> See Hardt and Negri, *Empire*.

<sup>81</sup> However, I also am circumspect enough to realize my inner Leninist in framing the question thusly. An immanent attack on the pervasive power of Empire does not require strategy—the multitudinous act of exodus is pure spontaneity. This is still, clearly, an open question, not only for cultural and economic theorists, but also a question that will be answered in practice by the laboring classes.

<sup>82</sup> Hardt and Negri, *Multitude*, 336.

<sup>83</sup> I borrow this distinction from Jameson, who in *The Cultural Turn*, offers up a Greimasian square that contains: the form of the form, the content of the form, the content of the content, and the form of the content.

delineations, this unwieldy conceptualization is precisely that, a helpful conceptualization. Thus it exists as a mental category for us to better understand the immaterial commodity today.

Hardt and Negri also herald the production of commodified affects as evidence for the immaterial moment. But once again, we should be more vigilant about the profit/control logic that has permeated capitalism since its genesis. Marx, in *Capital* also announces the possibility for the commoditization of everything under capitalism:

Things which in and for themselves are not commodities, things such as conscience, honour, etc., can be offered for sale by their holders, and thus acquire the form of commodities through their price. Hence a thing can, formally speaking, have a price without having a value.<sup>84</sup>

The starting point of privatized labor for profit allows a starting point for a host of new commodity and social relationships to spring—immateriality is not a new dimension to the capitalist mode of production, rather it is a new content of the commodity form. Harvey notes that in the neoliberal economic paradigm, “everything can in principle be treated as a commodity.”<sup>85</sup> And finally, the commodity fetish helps us to distinguish between these concepts. In a theoretical sense, it is nothing but the “social relation of the producers”<sup>86</sup> which constitute capitalism that are mystified under the commodity; as long as labor is alienated into private property (or “the common is expropriated,” to borrow Hardt and Negri’s language), the form of objectified labor should continue to be our starting point in its analysis.

Hardt and Negri, in *Multitude*, open up the space for not a traversal of Marx, but rather to a return. Instead of attempting to find and appropriate assessment of our

---

<sup>84</sup> Marx, *Capital* vol. 1, 197.

<sup>85</sup> Harvey, *A Brief History of Neoliberalism*, 165.

<sup>86</sup> Marx, *Capital* vol. 1, 165.

postmodern predicament “beyond Marx,”<sup>87</sup> perhaps we can begin by attempting this assessment *within* Marx’s own work. As the pair put it, “Here at the end of our journey to outline a new method that goes beyond Marx and takes account of the changes in our world, we have the strange suspicion once again that Marx was here before us.”<sup>88</sup> Thus it is my gamble that we may find crucial insights that can lead us out of this dialectical impasse by analyzing Marx’s writings on the commodity and on the financial system.

In some sense, Hardt and Negri are mere theoretical inches away from confirming Marx’s insight about the labor theory of value under postmodern capitalism. Hardt and Negri initially dismiss the idea that time (from Marx’s concept of “socially necessary labor time”) can adequately account for the new economic paradigm of immaterial labor—“the working day and the time of production have changed profoundly,” argue the duo.<sup>89</sup> However, in the very same paragraph, the authors resort to a temporal extension of the working day as evidence for their thesis of the obsolescence of labor time’s primacy: “[C]ompanies like Microsoft try to make the office more like home, offering free meals and exercise programs *to keep employees in the office as many of their waking hours as possible*” [italics mine].<sup>90</sup>

If, as Marx’s labor theory of value states, “the value of a commodity is equal to the average quantity of labor needed to produce it,”<sup>91</sup> then we should think of this working relationship as (at least partially) temporal. But more importantly, we must not confuse Marx’s labor theory of value with the theory’s usefulness for capital. Time, as

---

<sup>87</sup> A nod to Antonio Negri’s *Marx Beyond Marx: Lessons on the Grundrisse* (South Hadley, MA: Bergin and Garvey, 1984).

<sup>88</sup> Hardt and Negri, *Multitude*, 152.

<sup>89</sup> Hardt and Negri, *Multitude*, 145.

<sup>90</sup> *Ibid.*

<sup>91</sup> Phil Gasper, *The Communist Manifesto: A Road Map to History’s Most Important Political Document* (Chicago: Haymarket Books, 2005), 49.

Cleaver notes, is but one way of rationalizing labor, and this is most evident in the Fordist/Taylorist paradigm. Today, labor can be controlled not only temporally (by an extension of the working day, however beneficent it appears) but also spatially (and certainly ideologically). The temporal labor theory of value is but one measure of value for capital. Furthermore, if we wish to believe that immaterial labor exists in the interstices of space and time, then we must be clear about how it is manifested in social practices (or corporate profits).<sup>92</sup>

But this is not the main aim of our discussion. Instead of the technological revolution, or the hegemony of immaterial labor, I offer that the finance commodity offers us the best insight into our “postmodern” moment. This is not because I believe that the above alternative approaches are wholly misguided—far from it. Each offers a glimpse into the financial commodity itself, for as Manuel Castells points out, the financialization of the world economy was accelerated in part by new technologies for computing derivatives, futures markets, and the financial system as a whole. And if we are to be precise about the hegemony of the immaterial commodity (as a result of the immaterial, communicative labor process), then the financial commodity appears to be the apotheosis of the immaterial turn. In a sense, the finance commodity is pure signifier; the money commodity *par excellence*. It is almost completely intangible, seen only in traces on balance sheets, and thus can be written off easily. However, because it is the money commodity, and thus both the ideological and material driver of the world economy, the consequence (as we have seen) from a financial rupture are dire.

---

<sup>92</sup> One could liken this distinction between immaterial and material labor processes to the distinction between absolute and relative surplus value. Hardt and Negri argue that the formal “wage” subsumption under capital has been replaced by an even more “real” subsumption of all time and space, then the intensity of an immaterial laborer’s work becomes multiplied (in terms of abstract labor), not fundamentally changed.



Therefore our starting point for analysis should be the specific inflections of the money commodity. As noted above, money is the commodity *par excellence*, and does a double-duty under capitalism: On the one hand, popular conceptions of “the almighty dollar” are a master-signifier that embodies the logic of the “free market,” or what James Arnt Aune has termed the rhetoric of “economic correctness.”<sup>93</sup> In addition, money functions as the *objet a* (or fantasy object) *par excellence*; it is a universal signifier of social wealth; it is not just that the daily toil of life under capitalism for so many people makes the experiences and commodities one can purchase with the universal equivalent the objects of envy, but that those with tremendous amounts of money are presumed to be the most successful in life, and at least are afforded tremendous social and political power to do as they please.

As David Harvey writes, “As a social power that can be held by individual persons it forms the basis for wide-ranging individual liberty...Money unifies precisely *through* its capacity to accommodate individualism, otherness, and extraordinary social fragmentation.”<sup>94</sup> Finally, money (as the *objet a*) finds its way into popular culture, another form of ideological interpellation. In a currently airing commercial for DirecTV, a white, middle-aged male invites friends into his middle-class home for a party, and as each guest walks in, her or his head morphs into the familiar green-tinted visage of Benjamin Franklin from the \$100 bill. By enrolling in a referral program for the satellite operator, each of the commercial protagonist’s acquaintances (literally) become money for his enjoyment.

---

<sup>93</sup> James Arnt Aune, *Selling the Free Market: The Rhetoric of Economic Correctness* (New York, Guilford, 2002), 4.

<sup>94</sup> Harvey, *The Condition of Postmodernity*, 103.

The difficulty for critical theorists today is the active forgetting of Marx's (and Lacan's) crucial insight of the financial commodity: It is a symbolic matrix of social relationships that stem from the surplus created by human labor—or, more importantly for the financial system, bets on the future profitability of labor. Thus the financialization of “dead labor” in wage form (deposited into banks) or in unused capital represents yet another instance of “dead labour which, vampire-like, lives only by sucking living labour.”<sup>95</sup> In this “past” form, the financial moment bespeaks a return to, not a fleeing from, the labor theory of value. The financial commodities traded are thus a calculable embodiment of the labor value condensed within them, and not just the nominal amount of labor done by financiers who bundle, shop, sell and trade them. Finance is the socialization of all workers' wealth, but because capital requires more immediate turnover, this wealth is at risk for erasure.

This is most evident in the way that pension funds have been handled in the neoliberal era, for workers' pensions are now subject to market forces just as much as consciously chosen risky investments. ABC News reported in 2008 that, “Pension funds in New Jersey also took a hit, with state treasurer R. David Rousseau saying that the state's Division of Investment lost more than half of the \$200 million it invested in June with the now-bankrupt Lehman Brothers.”<sup>96</sup> Yet the financial moment is unique for the strange temporalities it creates by “borrowing from the future,” as is the case with most speculative finance. This includes futures markets, collateralized debt obligations and derivatives (in a perverse way). In this “future”-oriented paradigm, credit “vampire-like,”

---

<sup>95</sup> Marx, *Capital* vol. 1, 342.

<sup>96</sup> Marcus Baram, Scott Mayerowitz, and Reynolds Holding, “Financial Crisis Hurts State Pensions, Budgets,” ABC News, <http://abcnews.go.com/Business/story?id=5921473&page=1>, September 30, 2008.

sucks from the future—and in a moment of crisis, forecloses the political and economic futures of workers.

It is the gamble of this intervention that the fetish of the money commodity stems. The money fetish arises from the kernel of the real—of the concrete labor put within it that functions as a symbol of social wealth; therefore the financial commodity represents the socialized wealth of the many embodied in a single commodity form. Everything we know about the money commodity becomes even truer for finance:

All the notions of justice held by both the worker and the capitalist, all the mystifications of the capitalist mode of production, all capitalism's illusions about freedom, all the apologetic tricks of vulgar economics, have as their basis the [money] form of appearance...which makes the actual relation invisible, and indeed presents to the eye the precise opposite of that relation.<sup>97</sup>

The mystification inherent in the money wage is replicated in the way financial commodities operate in society today. Much like the wage hides the contradictions of antagonistic class relationships on an individual level, finance capitalism hides the contradictions of the socialized wealth of society.

The values of immediacy, interconnectedness, and *bricolage* operative in the postmodern can certainly be thought of as values in themselves, but if we are to be precise about their efficacy today, we should be precise that they are caught up in a larger logic of profitability. Harvey notes that:

If we view culture as that complex of signs and significations (including language) that mesh into codes of transmission of social values and meanings, then we can at least begin upon the task of unravelling its complexities under present-day conditions by recognizing that money and commodities are themselves the primary bearers of cultural codes.<sup>98</sup>

---

<sup>97</sup> Marx, *Capital* vol.1, 680.

<sup>98</sup> Harvey, *The Condition of Postmodernity*, 299.

The rising cultural values brought on by postmodernity are precisely the values embodied in the financial form. In a society predicated on the image as pure signifier, as so many scholars have claimed,<sup>99</sup> then I posit a return to Marx on the question of the postmodern commodity as pure signifier:

The fact that money can, in certain functions, be replaced by mere symbols of itself, gave rise to another mistaken notion, that it is itself a mere symbol. Nevertheless, this error did contain the suspicion that the money-form of the thing is external to the thing itself, being simply the form of appearance of human relations hidden behind it. In this sense every commodity is a symbol, since, as value, it is only the material shell of the human labor expended on it.<sup>100</sup>

Thus the financial commodity is simply the condensation of human labor that resides within it—the symbolic matrix that we inhabit in postmodernity is an amplification of class relationships rendered symbolic. Commodities have always had this double identity of presentation and representation—in finance capitalism it is simply more acute.

#### **TOWARD ANALYSIS**

Terry Eagleton argues that the crisis of capitalist modernism was always a crisis of representation, and that postmodernist theorists bend the stick of unrepresentability to a politically neutered end:

Postmodernism, by contrast, commits the apocalyptic error of believing that the discrediting of this particular representational epistemology is the death of truth itself, just as it sometimes mistakes the disintegration of certain traditional ideologies of the subject for the subject's final disappearance.<sup>101</sup>

Perhaps today the crisis in understanding postmodern capitalism is similarly a crisis in representation of the commodity form. Its seeming invisibility and intangibility,

---

<sup>99</sup> See Guy Debord, *The Society of the Spectacle* (New York: Zone Books, 1995), Jean Baudrillard *Simulacra and Simulation* (Ann Arbor: University of Michigan Press, 1994), and Fredric Jameson, *Postmodernism, or The Cultural Logic of Late Capitalism* (Durham: Duke University Press, 1991).

<sup>100</sup> Marx, *Capital* vol. 1, 185.

<sup>101</sup> Terry Eagleton, "Capitalism, Modernism and Postmodernism," *New Left Review* 152 (1985), 70.

its pervasiveness in all facets of life, from consumer society to the fates of very nations, renders us paralyzed. But the apparent unrepresentability of the social relations in the basic commodity form also engender the same contradictions that the financial commodity does. And in the end, this crisis of representation is not capital's crisis— it is our crisis in representing the social relationships behind finance that I believe can be better discovered through a return to an analysis of Marx's commodity form. This hypothesis will be effected in the following chapters through an investigation of the words of Thomas Friedman and Alan Greenspan, the chief American ideologists for finance capitalism.

### Chapter 3: The Financialization of Everything

*“Whether it wishes to be an agent of healing, training, or sounding the depths, psychoanalysis has but one medium: the patient’s speech.”—Jacques Lacan<sup>102</sup>*

As mentioned in the previous chapter, I call for a return to the study of the representation of the financial commodity to better understand the production of subjectivities in postmodern capitalism. Because the financial commodity itself is largely empirically invisible (save for its inevitable representation in numerical form), what we in rhetorical studies must do is study the fantasies that surround this object through the work of the ideologists who describe it. Without access to the thing itself, our best hope to study comes in the speech acts of subjects that embody the finance capitalist ethos. As Lacan writes:

[Psychoanalysis’] means are those of speech, insofar as speech confers a meaning on the functions of the individual; its domain is that of concrete discourse qua field of the subject’s transindividual reality; and its operations are those of history, insofar as history constitutes the emergence of truth in reality.<sup>103</sup>

Of course, we cannot consider the particular standpoint of a singular rhetor to be “capital T” Truth, we should consider the *truth* of a subject to be rather an animating *fiction*—a symbolic configuration that produces a certain set of rhetorical choices. In addition, any discursive configuration, as Lacan notes, is also transindividual, meaning that it flows through subjects, with varying levels of success and continuity.

In order to discover the animating “truths” of the neoliberal subject, I have chosen to inspect the speech acts of Thomas Friedman, the chief liberal ideologist of globalized capitalism today. Although many consider Friedman first and foremost a theorist of the buzzword “globalization,” it is impossible to understand the financialization of the world

---

<sup>102</sup> Jacques Lacan, “The Function and Field of Speech and Language in Psychoanalysis,” in *Écrits: A Selection*, trans. Bruce Fink, (New York: W. W. Norton & Company, 2002), 40.

<sup>103</sup>Lacan, “The Function and Field of Speech and Language in Psychoanalysis,” 49.

economy without reference to the process of globalization that has taken place since the end of the Cold War. And in reverse, globalization as a process would be impossible without the dominance of finance capital. Friedman asserts that:

The driving idea behind globalization is free-market capitalism—the more you let your market forces rule and the more you open your economy to free trade and competition, the more efficient and flourishing your economy will be. Globalization means the spread of free-market capitalism to virtually every country in the world.<sup>104</sup>

Although his premise is tellingly self-reinforcing (the claims of efficiency and flourishing are only quantifiable in money terms, and only capitalist economies organize their economies through the money commodity), his claim is central to my argument, developed below, that the growing financialization of the world economy is the key to new social, economic and subjective forms.

Yet in a strange synchronic complement to his free-market triumphalism, nothing better embodies the contradictory and schizophrenic nature of contemporary global capitalism than the works of Friedman, current columnist and former foreign affairs writer for the *New York Times*. At times, he somberly reports the systematic environmental degradation, widespread (and growing) poverty, the lowering of wages and destruction of social services (among the many other effects) that globalization brings, and often does it alongside his explanations of the positive possibilities unlocked by this new economic order. The author's work is a testament to the paradoxical nature of capitalism in the advanced world: As a self-described "social democrat" (in the vein of former president Bill Clinton, rather than an actual European-style social democrat), Friedman embodies the contradiction of rising living standards for all through the

---

<sup>104</sup> Friedman, *The Lexus and the Olive Tree*, 8.

eventual neoliberalization of the government. He offers to the world that which is not objectively true in the United States. Hartcher writes:

The richest 1 per cent of American families banked 42 per cent of the market's gains between 1989 and 1997, and the wealthiest 10 per cent took 86 per cent...Meanwhile, the percentage of the population living in extreme poverty...rose slightly in the 1990s, from 4.9 per cent to 5.1 per cent.<sup>105</sup>

Friedman, in contrast to the following chapter's subject, Alan Greenspan, offers the American liberal's best case for globalized capitalism. If we wish to understand the foundations of the neoliberal fantasy, we could do much worse than his work.

In what follows I conduct a close reading of Friedman's 1999 ode to global capital, *The Lexus and the Olive Tree*. Although Friedman is better known for his more recent bestseller, *The World is Flat*, I chose the former for two reasons: First, the book contains more lucid and forthright explanations of the virtues of finance capitalism; and second, the book best exhibits the symptoms of the neoliberal subject, which I shall elucidate below.<sup>106</sup> Yet the books are meant to be taken as a cohesive whole on the new global order of things, according to Friedman, and thus I introduce several concepts of note that find expression *The World Is Flat*.<sup>107</sup> Finally, Friedman notes that many sections of *The Lexus and the Olive Tree* were originally delivered "in lecture form," and

---

<sup>105</sup> Peter Hartcher, *Bubble Man: Alan Greenspan and the Missing 7 Trillion Dollars* (New York: W. W. Norton & Company, 2006), 29.

<sup>106</sup> In addition, the final third of *The World Is Flat* is essentially a screed against Muslims and the Arab world for their recalcitrance to join the global capitalist order according to the rules of the United States. The book was released in 2005, so naturally the geopolitical importance of the occupations of Iraq and Afghanistan still held sway over even the liberal imaginary, but even given that, the ferocity of Friedman's attack is distracting at best and dangerous at worst. The treatment of Arabs and Muslims throughout Friedman's entire corpus deserves a study all on its own. For instance, in a recent column about the ongoing occupation of Afghanistan by the United States, Friedman likens the entire country to a child: "To put it another way, we are not just adding more troops in Afghanistan. We are transforming our mission — from *baby-sitting to adoption*." See Thomas Friedman, "From Baby-Sitting to Adoption," *New York Times*, September 5, 2009, <http://www.nytimes.com/2009/09/06/opinion/06friedman.html>.

<sup>107</sup> "This book [*The World Is Flat*] is not meant to replace *The Lexus and the Olive Tree*, but rather to build on it and push the arguments forward as the world has evolved." Friedman, *The World Is Flat*, 471.



thus we must consider his book a public argument about the necessity and virtue of globalized finance capitalism.<sup>108</sup>

As I explain through several sections, Friedman's persuasive strengths are summed up under "the financialization of everything," the universal rule of finance capital that initiates a common rubric of value and success. The following concepts include the prevalence of extended metaphor and anecdote within Friedman's work and the invitations for individual identification with the corporate capitalist model. Friedman develops several extended metaphors for global capitalism, which I claim both mystifies existing concrete social, historical and cultural social relations and signifies the apparent unrepresentability of such relations today. These relationships are, of course, in the last instance, penetrable, but the failure of imagination is an unconscious ideological process. As we shall see, the choice of terms is itself ideologically conditioned. Second, Friedman develops what Lacan calls the "Thou art" through his discourse, inviting his readers to identify with the corporations, countries and hedge fund managers that drive globalization through the use of pronouns, anecdotal evidence and advertising copy. Ultimately, these identification and epistemological strategies are woven together under the rubric of the "financialization of everything." If we conceive of the money commodity itself as a metaphor for social value and labor under capitalism, we can better understand its importance for Friedman over and above his claims of "democratization" and rising living standards. I begin, however, with a meditation on the ideological function of metaphor.

## **METAPHOR**

---

<sup>108</sup> Friedman, *The Lexus and the Olive Tree*, 382.

I like to compare countries to the three parts of a computer. First there is the actual machine, the “hardware.” This is the basic shell around your economy...The second part is the “operating system” for your hardware...In the communist countries...[t]here was no free market...I call that communist operating system DOScapital 0.0...In addition to the type of hardware enclosing an economy and its basic operating system, there is also the “software” it needs to get the most out of both. Software, for me, are all the things that fall broadly in the category of the rule of law.<sup>109</sup>

The above quotation is but one of many extended metaphors that Friedman develops in the course of his argument. Through a line-by-line count, *The Lexus and the Olive Tree* deploys 19 extended metaphors—similes or short like-for-like comparisons were not counted. The prevalence of metaphor makes it one of the central persuasive strategies used by Friedman.<sup>110</sup> In fact, the title of the book under investigation is an extended metaphor on the central cleavage of globalization—the distinction between past- and future-oriented societies, a metaphor that vivifies Friedman’s devised rubric of success under global capital. At the risk of appearing overtly neo-Aristotelian, I shall introduce metaphor as a rhetorical and psychoanalytic concept.

Burke informs us that metaphor involves a perspectival shift: “Metaphor is a device for seeing something *in terms of* something else. It brings out the thisness of a that, or the thatness of a this.”<sup>111</sup> Aristotle claimed that the persuasive power of metaphor came from symbolic clarity:

Metaphor, moreover, gives style clearness, charm and distinction as nothing else can: and it is not a thing whose use can be taught by one man to another. Metaphors, like epithets, must be fitting, which means they must correspond to the thing signified: failing this, their inappropriateness will be conspicuous: the

---

<sup>109</sup> Ibid., 128-129.

<sup>110</sup> Friedman often deploys reductive metaphors in his column for the *New York Times* as well. In addition to the above note comparing Afghanistan to a child, Friedman recently compared al Qaeda to a virus: “Al Qaeda is like a virus. When it appears en masse, it indicates something is wrong with a country’s immune system. And something is wrong with Yemen’s.” Thomas Friedman, “Postcard from Yemen,” *New York Times*, February 6, 2010, <http://www.nytimes.com/2010/02/07/opinion/07friedman.html>.

<sup>111</sup> Kenneth Burke, *A Grammar of Motives* (New York: Prentice-Hall, Inc., 1945), 503.

want of harmony between two things is emphasized by their being placed side by side.<sup>112</sup>

Aristotle, as a forebear of rhetorical theory, emphasizes this drive toward continuity in persuasion—the elements of a metaphor must “fit” together as a harmonious whole. But instead, we should consider the fact that Aristotle retroactively posits the definitions of a “good” metaphor after judging its harmony, rather than offering that metaphors provide symbolic continuity where there was not any before. Put differently, the sublime power of metaphor comes precisely from its phenomenal discontinuity in the terms. Lacan first problematized the Aristotelian notion of metaphor by claiming: “There’s not a comparison but an identification...Metaphor presupposes that a meaning is the dominant datum and that it deflects, commands, the use of the signifier to such an extent that the entire species of preestablished...connections comes undone.”<sup>113</sup>

The split level of meaning in *The Lexus and the Olive Tree* follows this structure precisely, for I argue that each metaphor radically represses the *social* conditions of its own existence. For example, Friedman analogizes any country’s recalcitrance to deregulation, privatization, and a destruction of the state government by the forces of neoliberalism to the AIDS virus:

MIDS: A disease that can afflict any bloated, overweight sclerotic system in the post-Cold War era. Microchip Immune Deficiency is usually contracted by countries and companies that fail to inoculate themselves against changes brought about by the microchip...The symptoms of Microchip Immune Deficiency appear when your country or company exhibits a consistent inability to increase productivity, wages, living standards, knowledge use and competitiveness and becomes too slow to respond to the challenges of the Fast World.<sup>114</sup>

---

<sup>112</sup> Aristotle, *The Rhetoric and Poetics of Aristotle*, trans. W. Rhys Roberts (New York: McGraw-Hill, Inc., 1984), 168-169.

<sup>113</sup> Jacques Lacan, *The Seminar of Jacques Lacan, Book III: The Psychoses, 1955-1956*, ed. Jacques-Alain Miller, trans. Russell Grigg (New York: W. W. Norton and Company, 1997), 218.

<sup>114</sup> Friedman, *The Lexus and the Olive Tree*, 62.

The metaphor's ethically problematic parallelism between the AIDS crisis in what we call the Third World (and what Friedman calls the "Slow World," or "olive tree" world) and the inability for a similar country to comport itself to neoliberalism is our key to understanding it as an ideologically sound proposition. The effect of this metaphor is a naturalization of the reasons why countries "win" and countries "lose" at globalization, rather than an explanation of the concrete historical reasons why the rule of capital encounters resistance.<sup>115</sup>

Lacan presents the structure of metaphor thusly:

$$\frac{S}{S'} \cdot \frac{S'}{x} \rightarrow S\left(\frac{1}{s}\right)$$

The three capital *S*s are signifiers (the two barred signifiers, the *S*s, represent a metaphor's efficacy, or its success in producing new meaning by being crossed out), the *s* is the signified induced by the metaphor under the 1, which is what Lacan calls the Name-of-the-Father, or for our purposes, the sway of the big Other, which provides symbolic continuity. The *x* then is that which is unknown, repressed, or left out in the metaphor's construction.<sup>116</sup> Lacan's formula, as initially confusing as it may seem, is simply a passage, or substitution of one level of meaning to another:

There are, as it were, four terms in metaphor, but their heterogeneity involves a dividing line—three against one—and is tantamount to the dividing line between

---

<sup>115</sup> Friedman achieves the naturalization of inequality in ways other than metaphor. For instance, in *The World Is Flat*, Friedman tacitly endorses Samuel Huntington's thesis of a war of civilizations, and argues that there is a cultural disposition against globalization, hence Arab and Muslims resist attempts by the US to create capitalist markets in their countries. In addition, Friedman calls oil a "curse" upon countries that produce it, for it allows the countries' rulers to refuse social justice claims with both autocratic repression and socially somatic cures thanks to petrodollars. However, Friedman's ideological blind spot represses a term inherent in dictatorships fueled by oil: The United States' consumption of and claims at control over the political and economic horizons of each producing country. See Friedman, *The World Is Flat*, 430 and 460-463.

<sup>116</sup> Jacques Lacan, "On a Question Prior to Any Possible Treatment of Psychosis," in *Écrits: A Selection*, trans. Bruce Fink, (New York: W. W. Norton & Company, 2002), 190.

the signifier and the signified...Metaphor is, quite radically speaking, the effect of the substitution of one signifier for another in a chain, nothing natural predestining the signifier for this function of phoros apart from the fact that two signifiers are involved.<sup>117</sup>

This lengthy digression on the structure of metaphor is a necessary introduction to its ideological function. Both Burke and Lacan argue that metaphor extends language and meaning by the creation of symbolically cogent signifying chains; in this case the extension of the AIDS metaphor to structural inequality provides the ideological coherence of the logic of capital—in this sense, the discourse of neoliberalism is the extended chain.

But not all of this can be labeled entirely a conscious act by our chosen author. Burke writes, “Indeed the metaphor always has about it precisely this revealing of hitherto unsuspected connectives which we may note in the progressions of a dream.”<sup>118</sup> Burke’s indebtedness to Freudian psychoanalysis clues us into the unconscious work of metaphor. I extend the notion of the structural function of metaphor by offering that the very use of metaphor is an indication of a linguistic lack, a gap in a discursive formation that begs an intervention. Metaphor is an attempt to mediate the gap between signifier and signified, as Lacan states above, but does so in a field of social relations that are not immediately apparent. Metaphor and its paradoxical dual status—radical discontinuity among terms and a structurally produced demand upon the limits of language—becomes all the more necessary in what we call the “postmodern” moment of capital, or as I have called it, the financial moment.

Friedman’s overreliance on metaphor is a testament to the apparent unrepresentability of capitalist subjective social relations in such a moment. Jameson

---

<sup>117</sup> Jacques Lacan, “Metaphor of the Subject,” in *Écrits*, trans. Bruce Fink, (W. W. Norton & Company, 2006), 756.

<sup>118</sup> Kenneth Burke, *Permanence and Change: An Anatomy of Purpose* (New York: New Republic, Inc., 1935), 90.

notes that in the postmodern, “our current malaise with the very idea of self-consciousness...is the symptom of a representational dilemma which is at best and most convenient to evoke by declaring that subjectivity cannot be represented at all in the first place.”<sup>119</sup> Of course, the apparent mystification of class relationships has been a part of social existence for the entirety of sociality: As Hegel reminds us, the secrets of the ancient Egyptians were also secrets to the Egyptians, and Marx reminds us in *Capital* vol. 1 that the commodity produces a substitution of relations among people with relations among things. “Postmodern” finance capital is no exception, rather it is an acceleration of the trends of unrepresentable relations thanks to the aforementioned primacy of flux, intangibility and invisibility of this era’s animating commodity—the purest form of capital, the financial commodity.

A return to Friedman’s computer metaphor for economic systems should illustrate the unconscious extension of both an unspoken admission of the unrepresentability of social relations and the need to produce an ideologically coherent signifying chain: Faced with synthesizing the past 200 years of human (economic, cultural and political) history into a single metaphor, Friedman chooses to represent it via a commodity internal to the logic of capitalism (one of the terms of his metaphor) and trace out developments in the gradual extension of capitalism over the globe and to every corner of human behavior as successive “upgrades” to the software (DOScapital 1.0, 2.0, to 6.0 and so on). One must ask whether the world resembles a computer in a metaphoric way (because we do not have access to the terms that would adequately represent social relations as such), or do we believe the capitalist world resembles a computer because we represent relations in a way that is consonant with our understandings of the presentation of information? The

---

<sup>119</sup> Fredric Jameson, *Valences of the Dialectic* (New York: Verso, 2009), 121.

answer to this question, which is beyond the scope of this investigation, is rendered more problematic by Castells' argument that the postmodern world now operates like a network of computers thanks to the transformations of social relations thanks to communication technologies, which he terms "*the culture of real virtuality*, in which the digitized networks of multimodal communication have become so inclusive of all cultural expressions and personal experiences that they have made virtuality a fundamental dimension of our reality."<sup>120</sup>

This question, however, cuts to the heart of the division between philosophical materialism and idealism: If the terms of our discourse are constituted by the materials (in this case, information technologies) that surround us and not the other way around, then we must think critically about the thesis that discursive production takes primacy over the social world upon which one finds terms. If we choose to restrict our discussion to an analysis of this text, then we can offer that Friedman's access to explanatory terms is severely limited by the ideological horizons of capitalism that he posits at the outset of his book. Perhaps this is what Lacan meant when he wrote that "there is no such thing as a metalanguage...no language being able to say the truth about truth, since truth is grounded in the fact that truth speaks, and that it has no other means by which to become grounded."<sup>121</sup> That is to say, the logics of a signifying chain produced in the unconscious of a speaker form the very ground from which the subject speaks her truth. The way in which metaphor is woven throughout the fabric of Friedman's book shall be discussed in the concluding section; now I move to brief discussions of the identification strategy *The Lexus and the Olive Tree* uses.

---

<sup>120</sup> Manuel Castells, *The Rise of the Network Society* (Malden, Massachusetts: Wiley-Blackwell, Ltd., 2010), xxxi.

<sup>121</sup> Jacques Lacan, "Science and Truth," in *Écrits*, trans. Bruce Fink, (W. W. Norton & Company, 2006), 737.

## **“THOU ART,” OR THE IDEOLOGICAL FUNCTION OF ANECDOTE**

Friedman advocates his book as a manual for orienting oneself in the new “Fast World” of globalization: He provides the geopolitical power terrain, a description of the companies that are successful therein, and advocates qualities of highly successful persons that “win” at globalization. In short, he invites his readers to possess a certain subjective disposition under global capital—that of the nascent bond trader, venture capitalist or “new middler.” He carries out this persuasion strategy by using two interrelated concepts: One, a reliance on personal anecdote; two, a production of what Lacan calls the “thou art” of discourse via the “quilting point.” I follow rhetorical theorists Aristotle, Burke, Black and Lacan to describe and extend these notions.

Burke offers rhetorical identification as a persuasion strategy that is predicated on a fundamental division among persons: “Identification is compensatory to division. If men were not apart from one another, there would be no need for the rhetorician to proclaim their unity.”<sup>122</sup> Therefore, identification is a structural relationship that arises from a lack in the Real, much like metaphor is a structural relationship that arises from a lack in the Symbolic. Edwin Black formalizes this discussion with his notion of “the implied auditor” of a rhetorical transaction, what he terms the “second persona.”<sup>123</sup> He claims is crucial to the sustenance of ideological discourses, each of which “generate[s] its own idiom of discourse, each tending to have decisive effects on the psychological character of adherents.”<sup>124</sup> The second persona is the ideal audience for a rhetorical intervention, one that does not objectively exist, but rather one that is posited by the rhetorical act and comes into being through the consummation of the act’s purpose.

---

<sup>122</sup> Kenneth Burke, *A Rhetoric of Motives* (Berkeley: University of California Press, 1969), 22.

<sup>123</sup> Edwin Black, “The Second Persona,” in *Readings in Rhetorical Criticism*, ed. Carl R. Burghardt (State College, PA: Strata Publishing, Inc., 2005), 89.

<sup>124</sup> Black, “The Second Persona,” 90.



Lacan, similarly, calls the implied audience the “thou art” implied in any “you” statement:

The *you* is in the signifier what I call a way of hooking the other, of hooking him in discourse, of fastening meaning to him...The *you* is the hooking of the other in the waters of language...[W]hat is required to elevate this *you* to subjectivity so that, in its form as signifier, present in discourse, it becomes the supposed support of something that is comparable to our *ego* and yet isn't our *ego*, that is to say, the myth of the other?<sup>125</sup>

This is Lacan's quilting point, or *point du capiton*, which is effected in Friedman's text by equating the interests of multinational corporations and leading capitalist countries to those of the individual. If we are to become global citizens, we should follow the advice of the best group of globalizers today:

Maybe that explains why I gradually found that some (but by no means all) of my best intellectual sources these days were neither professors of international relations nor State Department diplomats, but rather the only real thriving school of globalists in the world today—hedge fund managers.<sup>126</sup>

Friedman asks his readers to identify with the corporations and hedge fund managers that are driving globalization today—he details the best practices of companies not because corporations or entrepreneurs are primarily reading this book, but rather because he is asking his readers to begin to identify with the forces and flows of globalization itself.<sup>127</sup> As noted, devotes a section of *The World Is Flat* to the best advice for corporations in global capital, with seven rules that each must follow in order to be successful, but prior to this section, Friedman lays out the four ways in which individuals can become “untouchable” under the dominant flexible accumulation scheme: “workers who are ‘special,’ workers who are ‘specialized,’ workers who are ‘anchored,’ and

---

<sup>125</sup> Lacan, *The Seminar of Jacques Lacan, Book III*, 299-300.

<sup>126</sup> Friedman, *The Lexus and the Olive Tree*, 21.

<sup>127</sup> See Chapter Ten, “How Companies Cope,” in *The World Is Flat*.

workers who are ‘really adaptable’ will have a better chance of not being fired.<sup>128</sup> For example, “Michael Jordan’s jump shot is nonfungible,” meaning that it cannot be digitized or outsourced.<sup>129</sup> The latter two categories, “anchored” and “really adaptable” correspond primarily to low-wage service industry jobs and jobs that require multitasking in order to avoid outsourcing. In the updated edition of *The World Is Flat*, Friedman describes a Baltimore Orioles hot dog vendor as a “passionate personalizer,”<sup>130</sup> one whose job is simultaneously service-related, low wage and under the rubric of what Hardt and Negri would call “affective labor.”<sup>131</sup>

Rather than constituting a new form of value as both the poststructuralist and neoliberal thinkers do (see below section on commoditization and innovation), we should read Friedman’s rubric for “new middlers” entirely within the logic not of (the buzzword) informational capitalism, but rather under the purview of finance capitalism that has arisen in the past thirty years. If we accept the thesis that a primary push toward finance capitalism in the 1970s was an attempt to accelerate the circuit of money capital throughout the economy (rather than waiting on mature returns on investment, pacing investment out in front of payout), then we should understand Friedman’s concept of the “new middlers” in precisely this rubric. If those who will not be laid off are people who can synthesize information and produce a commodity from it, then we should understand the singular subject as part of this process of accelerating money capital—they have become the embodiments of the flow in a logic perfectly consonant with capitalist reproduction.

---

<sup>128</sup> Friedman, *The World Is Flat*, 238.

<sup>129</sup> Ibid.

<sup>130</sup> Ibid., 298.

<sup>131</sup> Hardt and Negri, *Multitude*, 108.

This thesis cuts against two competing theses which are also persuasive explanations for subjectivity today: One, the idea of embodied capital flow (under the aegis of the financial commodity) incorporates the argument that bodies moving and articulating in space under our current biopolitical administrative regime are productive of value.<sup>132</sup> The related thesis is that “corporate personhood” is the new foundation for subjectivity. In the light of the recent Supreme Court ruling that equates money with speech and corporations with people,<sup>133</sup> I find this thesis largely consonant with Friedman’s identification schemes, but if we wish to ground ourselves in the logic of capital rather than its mode of objective, embodied appearance (in either the corporation or person) then we must pay attention to the logic of its flow, which I have argued throughout is the logic of the financial commodity.

Later, in *The World Is Flat*, Friedman deals forthrightly in the pronouns “us” and “you” in order to intertwine the logic of the singular subject with that of the demands of free-market capitalism:

The free-software person in all of us wants no patent laws. But the innovator in all of us wants a global regime that protects against intellectual property piracy. The innovator in us also wants patent laws that encourage cross-licensing with companies that are ready to play by the rules...If you are in the business of selling words, music or pharmaceuticals and you are not worried about protecting your intellectual property, you are not paying attention.<sup>134</sup>

The “you” called into being for Friedman, in Lacan’s terms, is not consubstantial with the ego, but rather is the ideal ego posited by the Other, the globalizing logic of

---

<sup>132</sup> For examples in the discipline of communication studies, see Ronald Walter Greene, “Rhetorical Capital: Communicative Labor, Money/Speech, and Neo-Liberal Governance,” in *Communication and Critical/Cultural Studies* 4 (2007): 327-331, and Jonathan Beller, “Grammar of the McMultitudes: The Labor (Value) of Theory,” in *Communication and Critical/Cultural Studies* 1 (2010): 106-113.

<sup>133</sup> Adam Liptak, “Justices, 5-4, Reject Corporate Spending Limit,” *New York Times*, January 21, 2010, <http://www.nytimes.com/2010/01/22/us/politics/22scotus.html>.

<sup>134</sup> Friedman, *The World Is Flat*, 218.

capital. The “hooking” of the ego to the “you” is an admission of fundamental anxiety for the subject, for the disequilibrium between the terms demands an imaginary relationship to the idealized version of the ego. This discord, as explained above in Chapter 2, is the fundamental discord of the subject, and is a product of and is productive of desire, which, as Deleuze and Guattari point out, is central to the reproduction of capitalism as a social system.<sup>135</sup>

The identification strategy laid out also cuts to the micro levels of subjectivity in several ways, notably through the use of anecdote. Throughout the book, Friedman uses a personal anecdote 62 times, or once every six pages of text. His anecdotes usually follow the structure of, “No one understands this better than James Wolfensohn, president of the World Bank. Wolfensohn told me once of a trip he took to Guatemala, not long after taking over at the World Bank...” or “I was riding through the farmland of Indiana in the spring of 1997 on my way to Purdue University, being driven by a very thoughtful Purdue history professor, John Larson...”<sup>136</sup> What follows is a personal story of how one person is making a difference in the new global world—in his discussion of new neoliberal subjects who constitute the “backlash against the backlash [of globalization],” Friedman repeats the formula, “You’ll meet...” to introduce his character, then ends the anecdote with “That’s the groundswell at work.” His structure introduces a shoeless Thai woman who will work harder for less pay under IMF austerity measures, a Thai owner of

---

<sup>135</sup> “We have seen how the capitalist machine constituted a system of immanence bordered by a great mutant flow, nonpossessive and nonpossessed, flowing over the full body of capital and forming an absurd power. Everyone in his class and his person receives something from this power, or is excluded from it, insofar as the great flow is converted into incomes, incomes of wags or of enterprises that define aims... We see the most disadvantaged, the most excluded members of society invest with passion the system that oppresses them.” Gilles Deleuze and Felix Guattari, *Anti-Oedipus: Capitalism and Schizophrenia*, trans. Robert Hurley, Mark Seem and Helen R. Lane (New York: The Viking Press, 1977), 346.

<sup>136</sup> Friedman, *The Lexus and the Olive Tree*, 243 and 282, respectively. Interestingly enough, in order to find an example of an anecdote, I closed my eyes and opened the book to a random page, which worked. So I tested it again, and a second anecdote materialized.

a mutual fund, a Brazilian social worker who can now afford a television and telephone, a Kuwaiti scientist/business owner, and two social scientists who bought into the privatization of Australia's telephone company.<sup>137</sup> Each of these anecdotes provides ideological cover for the Utopian promise of globalization and the rule of free market capitalism.

I argue that anecdote is a way of hanging together the central premises of globalization—the singular subject substitutes for the many, which is a confirmation of the central individualist premises for capitalism as a subjective system.<sup>138</sup> But more importantly, in a symbolic web, anecdotes are not the “tent-poles” (or quilting points) of argument but rather that which hangs from them. I argue that the efficacy of the signifiers of global capitalism have to be already set in place for these anecdotes to be persuasive, which stems directly from the doctrine of inevitability and that the seeming domination of the world by capital as a foregone conclusion that Friedman lays out early on in the book. And like metaphor and the quilting point, anecdote provides continuity for the claims of the author, because, as Aristotle reminds us, they are “comparatively easy to invent,” and because of this, no anecdote will be deployed that contradicts the central premises of the act.<sup>139</sup> For Friedman, anecdote is confirmation.

This is especially evident in the use of advertising copy throughout the book, which he does at least 13 times throughout the work. As Friedman writes in his acknowledgements section (and without a hint of irony), “For some reason, advertising copywriters have a tremendous insight into globalization, and I have not hesitated to draw

---

<sup>137</sup> Ibid., 287-291.

<sup>138</sup> For a discussion of individual subjectivity in capitalism, see Mark Garrett Longaker, “The Political Economy of Rhetorical Style: Hugh Blair’s Response to the Civic-Commercial Dilemma,” *Quarterly Journal of Speech* 94 (2008).

<sup>139</sup> Aristotle, *The Rhetoric and Poetics of Aristotle*, 134.

on their work.”<sup>140</sup> The absurdity of the statement is clear to a critical reader: Any corporation that expends money on advertisement will be offering the rosiest possible display of their product, free of the contradictions and social antagonisms that go into its production; instead, the advertisement produces a fantasy, similar to the “you” produced in discourse, operating around an object. As described in Chapter 2, the structure of the fundamental fantasy is  $\$ \diamond a$ , meaning, the barred subject in relation to (and animated by) the *objet a*.<sup>141</sup>

To offer but a few choice examples of the strategy of using advertising copy as evidence, Friedman notes about an E\*Trade banner advertisement on his employer’s website approvingly, “I guess it is appropriate that E\*Trade’s television ads conclude with this declaration: ‘E\*Trade. Now the power is in your hands.’”<sup>142</sup> Later, Friedman notes for a Compaq advertising campaign, the company was selling a subjective disposition toward a product, not a product itself:

Compaq bought a twelve-page spread in *The Wall Street Journal* to unveil its new brand and that twelve-page spread did not include a single picture of a computer. Instead, it contained pictures, like that on the final page, showing two little kids walking through the forest, hand in hand, above the logo: “Compaq. Better Answers.”<sup>143</sup>

Finally, Friedman quotes at length a Charles Schwab advertisement in which he quotes the characters therein, and congratulates them on joining the mass of day-traders on the New York Stock Exchange *as if they were real people*.<sup>144</sup> These instances bespeak yet again the inaccessibility and unrepresentability of social relations under postmodern capital: Friedman cannot quote real people about the growing power of the stock market,

---

<sup>140</sup> Friedman, *The Lexus and the Olive Tree*, 381.

<sup>141</sup> Lacan, “The Subversion of the Subject,” 300.

<sup>142</sup> Friedman, *The Lexus and the Olive Tree*, 58.

<sup>143</sup> *Ibid.*, 190.

<sup>144</sup> *Ibid.*, 106.

rather he quotes fictionalized characters. Moreover, this is a testament to the fantastical power of finance capitalism: The vehicles for ideological fantasies, advertisements, provide the anecdotal confirmation of the virtue thereof.

### **DEMOCRATIZATION OR DOMINANCE?**

Friedman ultimately makes his case that “globalization constitutes a fundamentally new state of affairs” through his explication of three critical “democratizations” since the end of the Cold War: the “democratization of technology,” the “democratization of information,” and the “democratization of finance.”<sup>145</sup> In the following section, I detail the summation of the above “democratizations” in a common rubric, that of the universality of the financial commodity. The financial commodity, or dollar par excellence, is the new “master signifier” for social relations; it both constitutes the locus of meaning in the Other and produces the object-cause of desire—these two poles of oscillation provide the grounding for the subject. What Lacan calls the Other, or A, is that which quilts meaning, and what Lacan terms the *objet a* is the expression of desire by a subject. The interesting development of note in postmodern finance capitalism is that the “one” of the financial commodity is also the “one” of the *objet a*. It is both the phallic metaphor and the object of fantasy; the abstract, spectral logic of capital is the conditioner of social existence and the object-cause of desire therein. The thesis that all sectors of postmodern capital (image, form, content, culture, economics, politics, etc.) have been flattened into one another, or made immanent, to me signifies the becoming-finance, or becoming-dollar of discursive formations. This audacious hypothesis will become clearer through an analysis of how the financial commodity is woven through the fabric of Friedman’s text.

---

<sup>145</sup> Ibid., 19.

The author's third defined democratization, the democratization of finance, interests me most not just because of the nature of my fundamental claim, but rather because the three democratizations are so mutually intertwined—firstly, one can hardly conceive of “information” without the following word “technology” in discussing the widespread changes to the economy; secondly, as I argue in Chapter 2, the information technology revolution was partially a reaction to the crisis of profitability in world capitalism in the 1970s.

Jameson writes that the two poles of conceptualizing “globalization” are that of the communicative and the economic; the over-emphasis of communication produces the belief in the fantasies of globalization, while the over-emphasis of economics renders more opaque social relations. Instead, he offers that because each mutually interact in action, our task is to mutually consider them in thought:

[H]aving achieved these first twin positions, having in some first moment rotated the concept in such a way that it takes on these distinct kinds of content...now it is important to add that the transfers can begin. Now, after having secured first initial structural possibilities, you can project their axes upon each other.<sup>146</sup>

The democratization of finance thesis, instead of being the extreme “economist” end of one of Jameson's poles, is instead the over-determined synthesis<sup>147</sup> of social relationships governed by the rule of the money commodity. Therefore Jameson is correct in arguing that,

If the postmodern moment, as the cultural logic of an enlarged third stage of classical capitalism, is in many ways a purer and more homogenous expression of this last...then it makes sense to suggest that our waning sense of history, and

---

<sup>146</sup> Fredric Jameson, “Notes on Globalization as a Philosophical Issue,” in *The Cultures of Globalization*, eds. Fredric Jameson and Masao Miyoshi (Durham: Duke University Press, 1998), 57.

<sup>147</sup> Unlike the understanding of Hegel's “synthesis” as compromise, mixture or blend in the crude dialectical model, “Thesis—Antithesis—Synthesis,” “synthesis” is instead the outcome of the clash between a set of contradictory forces. Such an outcome can be both logically endogenous to the preceding contending terms and can appear phenomenally from without.



more particularly our resistance to globalizing or totalizing concepts like that of the mode of production itself, are a function of precisely that universalization of capitalism.<sup>148</sup>

The mode of production endemic to postmodern capitalism, of course, is finance capitalism, a mode of production with its own sets of fantasies detailed in Chapter 2 (instantaneity and immateriality, among other things). Friedman embraces these fantastical relations by breathlessly describing the speed at which a customized Dell laptop reaches his home in Virginia (four days, not counting a delayed part) and recent innovations in wireless and digitization in *The World Is Flat*.<sup>149</sup> One extended example should offer a clear case in which it is not “democratization” in the classical participatory sense, but rather the law of “one dollar one vote” which a market economy brings, wherein, as Milton Friedman put it, “each man can vote, as it were, for the color of tie he wants.”<sup>150</sup>

### **Milken’s Bilking**

One of the largest ideological blind spots in Friedman’s appeals for the appeal of the “democratization of finance” is his endorsement of the methods of Michael Milken, a Wall Street trader who made millions off of the sale of so-called “junk bonds.” As Friedman tells it:

Milken thought the major banks were stupid. He did his own calculations, studied some of the little-noticed academic research on the subject of junk bonds and concluded the following:...[J]unk bonds actually offered a chance to make a lot more money, without a lot more risk. And if you put a lot of different junk bonds together into a single fund, even if a few of them defaulted, the total fund would pay an average return three or four percentage points higher than the blue chips, with virtually no extra risk.<sup>151</sup>

---

<sup>148</sup> Fredric Jameson, *The Cultural Turn: Selected Writings on the Postmodern, 1983-1998* (New York: Verso, 2009), 43.

<sup>149</sup> Friedman, *The World Is Flat*, 165-167, 414-419.

<sup>150</sup> Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1982), 15.

<sup>151</sup> Friedman, *The Lexus and the Olive Tree*, 48.

This strategy may sound familiar, for it is precisely the strategy used by the same banks today that ignored Milken's methods in the subprime mortgage market, as well as the credit default swap market. But in the 1980s, the bundling of risk was a novel concept, and its rewards were enormous. According to the *New York Times*, Milken profited handsomely, to the tune of \$500 million dollars in one year.<sup>152</sup> If one of Friedman's main criteria for the virtue of unfettered capitalism is that one can become fantastically wealthy, then Milken is a fine example for it.

However, what Friedman fails to explain is that 10 years before *The Lexus and the Olive Tree* was published, Milken was indicted and convicted of securities fraud for precisely the activities that made him wealthy. Furthermore, the entire savings and loan industry collapsed for good in the late 1980s because of the inherent riskiness in the ventures. The *New York Times* wrote at the time of his sentencing that "By making huge borrowings possible, secured by no more than rosy forecasts of future profits, Drexel helped transform the mentality of Corporate America."<sup>153</sup> And as Henwood summarized it:

Auditors repeatedly certified fictitious financial statements, lawyers argued on behalf of con artists and incompetents, investment banks bilked naïve S&L managers, and consultants testified as character witnesses for felons...Huge quantities of public money—some \$200 billion...were spent with little discussion or analysis, and the affair is now largely forgotten.<sup>154</sup>

Friedman makes no mention of the scandal and the billions of dollars in wealth that Milken ultimately cost taxpayers and investors, and we should not have expected him to do so. The historical importance of Milken is that he was at the forefront of the

---

<sup>152</sup> Alison Leigh Cowan, "Milken to Pay \$500 Million More in \$1.3 Billion Drexel Settlement," *New York Times*, February 18, 1992, page D10, <http://www.nytimes.com/1992/02/18/us/milken-to-pay-500-million-more-in-1.3-billion-drexel-settlement.html>.

<sup>153</sup> Ibid.

<sup>154</sup> Doug Henwood, *Wall Street: How It Works and for Whom* (New York: Verso, 1997), 89-90.

dissolution of the distinctions between speculative capital and the other portions of the “real” economy; for this Friedman salutes him, and invites his readers to identify with the money commodity that Milken so fervently pursued. The “democratization of finance” is nothing more than the ever-increasing reach of finance into the lives of the many. We must return to the concept of metaphor as an orienting device to explain this “democratization of finance,” or as I term it, the “financialization of everything.”

### **Money, Commoditization and Metaphor**

As noted above, the concept of metaphor explains the ever-growing reach of global capital to the world through the unconscious discourse of Friedman. But we must add a more important hypothesis: Money, or the financial commodity, is itself a metaphor for the value of labor under capitalism. Burke and Lacan remind us that a metaphor suppresses a signifier in its creation; I argued above that social conditions are what is repressed in metaphors for capital. Ultimately, the money commodity as a symbol of social value, suppresses the specific amount of labor embedded within the social web which gives rise to this universal equivalent. As Marx put it,

Since a commodity cannot be related to itself as equivalent, and therefore cannot make its own physical shape into the expression of its own value, it must be related to another commodity as equivalent, and therefore must make the physical shape of another commodity into its own value form.<sup>155</sup>

It can only perform this task of social lubrication and organization by a Nietzschean “forgetfulness” of its origins in human toil.<sup>156</sup> Friedman’s meditation on the process of commoditization should illustrate.

---

<sup>155</sup> Marx, *Capital* vol., 148.

<sup>156</sup> “There can exist no happiness, no gladness, no hope, no pride, no real *present*, without forgetfulness.” Friedrich Nietzsche, *On the Genealogy of Morals* (New York: Barnes & Noble, 2006), 29-30.

Friedman uses “commoditization” as a dirty word and counterpoises it to “innovation”:

Any product or service can be transformed...from being an innovation—that only one or two players can make and that has a high-value-added component and fat profit margins—to being a commodity...Having your product or service turned into a commodity is no fun, because it means your profit margins will become razor thin, you will have dozens of competitors and all you can do is every day make that product or service cheaper and sell more of it than the next guy, or die.<sup>157</sup>

This typical business cycle is undoubtedly accelerated in the finance capitalist era, but Friedman confuses the term commoditization with substitution or reproducibility. Every innovation, once it is sold, has already become a commodity. The process of patenting and reproducing it is an inevitable, logical step. But what “commoditization” in Friedman’s terms means is the *condensation* of “immaterial” labor—an idea—into a tangible product, which does not have a “value-added component” of uniqueness. However, we should be clear that Friedman’s criteria does not clearly bifurcate the fictive material/immaterial axis; his examples of commoditization include information technology and stock market access. Rather, his criteria denote the extent to which he believes money can be made from such labor. Therefore, the distinction is between the concepts of metaphor and metonymy: The substitution of an idea into the money commodity is Friedman’s goal, for it is only the metaphorization of labor into the universal equivalent (as noted above) that makes all other substitutions possible. If, as Lacan noted, substitution is the defining feature of metaphor, then the money commodity, itself a substitution, is that which allows for the substitution of all other substitutions.

---

<sup>157</sup> Friedman, *The Lexus and the Olive Tree*, 66.

## THE FEAR OF GOD

Ultimately, Friedman produces one metric of success under the new global order, and that is the extent to which countries, cultures corporations and subjects have comported themselves to the rule(s) of the dollar: “You need a smaller state, because you want the free market to allocate capital, not the slow, bloated government, but you need a better state, a smarter state and a faster state, with bureaucrats that can regulate a free market.”<sup>158</sup> To produce a metaphor from Friedman’s own logic, the new code of neoliberalism is binary, meaning that it operates by a 0 or a 1: cultures and subjects who do not follow this rule are relegated to the “zero” of Friedman’s “Slow World.” Those who partake in the one of the money commodity are free to feast at the table of late capitalist living. Hence Friedman’s title:

It struck me then that the Lexus and the olive tree were actually pretty good symbols of this post-Cold war era: half the world seemed to be emerging from the Cold War intent on building a better Lexus, dedicated to modernizing, streamlining and privatizing their economies in order to thrive in the system of globalization. And half of the world...was caught up in the fight over who owns which olive tree.<sup>159</sup>

The singular rule of the dollar is precisely that which produces the desire for itself, the *objet a*, in the form of the money commodity. Lacan notes of the quilting point:

It’s the signifier that dominates the thing, since as far as the meanings are concerned they have completely changed. This famous fear of God completes the sleight of hand that transforms, from one minute to the next, all fears into perfect courage. All fears—*I have no other fear*—are exchanged for what is called the fear of God.<sup>160</sup>

---

<sup>158</sup> Ibid., 134. Note the repeated use of the “you,” in which Friedman assumes the “you” of the reader is already desiring of a neoliberal state.

<sup>159</sup> Ibid., 27.

<sup>160</sup> Lacan, *The Seminar of Jacques Lacan, Book III*, 267.

Friedman does, at one point, note that globalization is dialectical: “*Globalization is everything and its opposite.*”<sup>161</sup> However, Friedman identifies the wrong cleavage: He claims that five forces could spell the destruction of globalized capital, but each of the causes are precisely at the contradiction between globalization and resistance thereto, rather than that which resides within globalized capitalism. The fear of the rule of capital is the price paid for inclusion into its orbit; due to this singular rubric of success and failure, the mechanisms internal to the process of globalization—overproduction, destruction of social services, environmental destruction, a massive transfer of wealth both from public to private hands and upward from working to upper class people, financial crises—are not examined in detail.

Finally, we must note that the financial commodity (that which drives the innovations of late capitalism through speculative investment) produces a very real fear endemic to its mode of production, which is the fear of financial crisis. And as Friedman himself notes, “Global financial crisis will be the norm in this coming era.”<sup>162</sup> And to this actualized fear we shall go, through a brief investigation of former Federal Reserve Chair Alan Greenspan, whose policies and projections shaped the economic terrain which tumbled down in 2007 and 2008.

---

<sup>161</sup> Friedman, *The Lexus and the Olive Tree*, 332.

<sup>162</sup> *Ibid.*, 371.

## Chapter 4: Alan Greenspan and the Objects of Ideology

*“I do have an ideology. My judgment is that free, competitive markets are by far the unrivaled way to organize economies. We’ve have tried regulation, none meaningfully worked.”—Alan Greenspan, as quoted by Rep. Henry Waxman*

*“Yes. I found a flaw, I don’t know how significant or permanent it is, but I have been very distressed by that fact...I found a flaw in the model I perceived is the critical functioning structure that defines how the world works, so to speak.”—Alan Greenspan, 2008<sup>163</sup>*

As a former Federal Reserve Chair, Alan Greenspan’s reputation has risen and fallen with the level of the stock market. In the years 1996 to 2002, four glowing biographies of the man appeared on bookshelves, each of which comment in different ways on the “cult of Greenspan” which they partake in and cultivate. One notes, “Our subject has become a megacelebrity—known, respected, feared, scrutinized, consulted, and quoted throughout the world. Like Madonna and Schwarzenegger, Gates and Turner, Jordan and McGwire, he is a single-name household word: *Greenspan*.”<sup>164</sup> Another quoted Republican presidential candidate John McCain as saying, “And by the way, I would not only reappoint Alan Greenspan; if he were to die, God forbid, I would do like they did in the movie *Weekend at Bernie’s*. I would prop him up and put a pair of dark glasses on him.”<sup>165</sup> Another biography’s title deems the then-Chairperson “Maestro.”<sup>166</sup>

However, in recent years, since the recent stock market declines, the opposite phenomenon has occurred: five semi-biographical works have (rightly) blamed

---

<sup>163</sup> Alan Greenspan, “The Financial Crisis and the Role of Federal Regulators,” House of Representatives, Committee on Oversight and Government Reform, October 23, 2008.

<sup>164</sup> David B. Sicilia and Jeffrey L. Cruikshank, *The Greenspan Effect: Words that Move the World’s Markets* (New York: McGraw-Hill, 2000), x.

<sup>165</sup> Justin Martin, *Greenspan: The Man Behind Money* (Cambridge, Massachusetts: Perseus Publishing, 2000), 226. This book is notable for including a 16-page spread of candid and professional photographs of Greenspan.

<sup>166</sup> Bob Woodward, *Maestro: Greenspan’s Fed and the American Boom* (New York: Simon and Schuster, 2000).

Greenspan's economic policies for nurturance and subsequent bursts of both the dot-com bubble in the late 1990s and the subprime mortgage industry in 2007 and 2008.

According to one biographer,

Apart from issuing a famous public warning of “irrational exuberance” in 1996, three months after that meeting in the Fed's boardroom, Greenspan and his fellow priests had attempted nothing to prevent, deflect, manage or mitigate the bubble. Greenspan spent the next three years watching it grow, and did absolutely nothing about it.<sup>167</sup>

Another author states that:

The truth is that the majority of Greenspan's decisions as Fed Chairman from August 11, 1987 to January 31, 2006, were not beneficial to you, nor did they leave the country better off...In reality, the overwhelming majority of people in the United States will find that they are worse off in the years ahead as a result of his stewardship.<sup>168</sup>

A Reuters writer claimed nearly a year after Greenspan's above testimony before Congress, “Financial crises, no matter how inevitable, have causes, and certain people caused this one. Greenspan was one of those people. It's about time he admitted it, and apologized.”<sup>169</sup>

Greenspan, and his bivalent legacy, traipses across each of the preceding chapters of this investigation. The former chairman's policies were an integral part of the growing financialization of the world economy: His monetary policy, characterized by the term “loose money” in the form of ever-lowering interest rates, provided the profitable impetus for the boom in speculative finance. In conjunction, Greenspan championed the fantasies of the “New Economy” of technology (by which my fellow critical theoretical travelers seem similarly enthralled) as a rationale for rising equity prices and increased

---

<sup>167</sup> Hartcher, *Bubble Man*, xv.

<sup>168</sup> William A. Fleckenstein and Frederick Sheehan, *Greenspan's Bubbles: The Age of Ignorance at the Federal Reserve* (New York: McGraw-Hill, 2008), 2-3.

<sup>169</sup> Felix Salmon, “Greenspan's Apology: Still MIA,” <http://blogs.reuters.com/felix-salmon/2009/09/09/greenspan-apology-still-mia/>, September 9, 2009.



speculation. This in turn was the economic rationale for the “virtuous circle” of finance capitalism hypothesis delivered by Greenspan at other moments of his tenure. And thanks to new mathematical finance technologies, Greenspan’s legacy must be inflected through the dominance of three new commodity industries: futures markets, the subprime mortgage industry, and collateralized debt obligations, or credit default swaps. Finally, many of the above works personally excoriate or exalt Greenspan’s work as chairperson of the Federal Reserve; either the consistent lowering of interest rates and the endorsement of risky debt trading were criminal activities or they were the work of a “maestro.”

But what is more interesting as a rhetorical scholar is the ways in which Greenspan’s interventions were ideologically conditioned, and thus could not have been otherwise. The aforementioned “irrational exuberance” comment is a prime example: Although Greenspan bespoke the “reality” of the rising stock market bubble in 1996, his actions led him to the diametrically opposite conclusion. This contradiction between Greenspan’s rhetorical activities and his actual policies once again calls into question the thesis of the rhetorical constitution of reality. Neither Greenspan nor Wall Street investors changed their actions after Greenspan’s speech to the American Enterprise Institute on December 5, 1996. In fact, as Robert Brenner, Peter Hartcher and others have argued, Greenspan’s policies flowed in the opposite direction, inspiring even greater speculative investment.

There are, instead, two mutually interacting operative ways to conceive of this contradiction: One is a deep understanding of the extra-discursive priority of the logic of capital—understanding that there is a drive toward profitability outside of discursive rationalizations that operate according to political, social or situational valences. Another is the Lacanian distinction between reality and truth: the reality (not to be confused with

his more precise definition of the Real) of a subject differs from a truth that animates them; both can hang together, uncomfortably or not, in the discourse of a subject.<sup>170</sup> Sheridan notes that reality “is perfectly knowable: the subject of desire knows no more than that, since for it reality is entirely phantasmic.”<sup>171</sup> And in contradistinction, truth speaks through subjects; it exists logically prior to and animates them:

Let’s be categorical: in psychoanalytic anamnesis, what is at stake is not reality, but truth, because the effect of full speech is to reorder past contingencies by conferring on them the sense of necessities to come, such as they are constituted by the scant freedom through which the subject makes them present.<sup>172</sup>

Greenspan is thus significant for his above admission that his ideology failed him. If, as Eagleton writes, ideology is naturalizing and auto-referential, then the disruption of the continuity or flow thereof is the space for critique and intervention.<sup>173</sup>

### **INTEREST, PRODUCTIVITY AND CONTINUITY**

The following sections will engage Alan Greenspan’s rhetorical and policy choices throughout his tenure as Federal Reserve chairperson as symptoms of an ideological investment in neoliberal capitalism, characterized by the commodification and financialization of everything. This discussion will incorporate the hypothesis that despite the attempt at ideological continuity of both his rhetorical choices (such as the “virtuous circle” and the “New Economy”) and the financial commodities spurred which

---

<sup>170</sup> This hypothesis explains the split level of discourse that seemingly contradictory or ideologically uncharacteristic statements occupy, which Paul de Man describes as the “performative contradiction” of a text, wherein the statement’s words fail to match the situation or act. See Paul de Man, *Allegories of Reading* (New Haven: Yale University Press, 1979).

<sup>171</sup> Alan Sheridan, “Translator’s Note,” in Jacques Lacan, *The Seminar of Jacques Lacan, Book XI: The Four Fundamental Concepts of Psychoanalysis*, ed. Jacques-Alain Miller, trans. Alan Sheridan (New York: W. W. Norton & Company, 1998), 280.

<sup>172</sup> Lacan, “The Function and Field of Speech and Language in Psychoanalysis,” 213.

<sup>173</sup> “Successful ideologies are often thought to render their beliefs natural and self-evident—to identify them with the ‘common sense’ of a society so that nobody could imagine how they might ever be different. . .it is essentially a *reification* of social life, as Marx would seem to argue in his famous essay on the fetishism of commodities.” Eagleton, *Ideology*, 58-59.

spurred from his actions, this attempted continuity is a covering over, or disavowal of the contradictions that underlie globalized finance capitalism. To that end, I shall critically investigate the importance of “productivity” in Greenspan’s vernacular as a euphemism for “profitability.” Additionally, Greenspan’s manipulation of the Federal Reserve’s master code of finance capitalism, the interest rate, implicitly confirms the state’s role in market creation and sustenance. In his refusals to bet against the market despite economic evidence that a bubble was forming, the former Fed chair spoke as a “subject of the chain,” in Lacan’s terms, or put directly, as the embodiment of the logic of capital. The hegemonic commodities of the recent financial era—futures, subprime mortgages, and debt obligations—will also come under scrutiny as symptoms of the fundamental contradictions of capital.

### **The Price of Value**

As head of the Federal Reserve, Greenspan was tasked primarily with maintaining the stability of the system by “conducting the nation’s monetary policy by influencing the monetary and credit conditions in the economy in pursuit of maximum employment, stable prices, and moderate long-term interest rates.”<sup>174</sup> This is primarily done through manipulation of the Fed’s interest rate, which is, put plainly, the “price” of money predicted over a period of time. “The price of property titles is generally fixed by the present and anticipated future revenues to which ownership entitles the holder,

---

<sup>174</sup> Publications Committee, *The Federal Reserve System: Purposes and Functions* (Washington, D.C.: Board of Governors of the Federal Reserve System, 2005), 1. The careful reader should note that “maximum” employment does not necessarily mean “full” employment, for the two trends—full employment and inflation—tend to go together. Greenspan’s legacy is that he fought inflation more stridently than he fought for “full” employment. Rather, he subscribed not Milton Friedman’s notion that there is a “natural” rate of unemployment, and that any Keynesian interference in the job market would throw off the cycle of capital accumulation. The notion of “maximum” employment is an insistence on the primacy of the logic of capital rather than a human-oriented logic. Below I discuss Greenspan valuing technology as “productive” of value as a euphemism for “profitable,” which is consonant with the idea that capital’s “maximum” rate of employment is historically variable.

capitalized at the going rate of interest.”<sup>175</sup> Interest, is thus the “master code” of finance capitalism, for it offers a stable pole around which speculative and purposeful investment can be made. The Fed’s rate of interest does not determine every interest rate, but it is an indicator of the central bank’s confidence in the capitalist rate of accumulation as well as a guide around which other lenders can fix their rate.

I argue that the Federal Reserve’s interest rate is the “master code” of finance capitalism because if we understand that capitalism is a social system predicated on the pursuit of money (in profit form), then the price of money, meaning the rate over time at which an investment needs to be capitalized in order for it to be profitable, should take primary importance. And because this interest rate is tied to the charge that the Treasury puts on its “T-bills,” what many investors consider to be the safest securities because they are secured directly by the federal government, the Fed’s interest rate is then another representation of the “big Other,” in Lacanian parlance—the symbolic relation by which subjects find their bearing:

[A]n index is instated at the heart of being to designate the hole in it: introjections, a relation to the symbolic...In my view, the subject has to arise from the given state of the signifiers that cover him in an Other which is their transcendental locus; he thus constitutes himself in an existence which the manifestly constitutive vector of the Freudian field of experience—that is, what is known as desire—is possible.<sup>176</sup>

And much like “the quilting point,” discussed elsewhere, the interest rate is a guarantee from the big Other (in this case the United States government) for the value of money. The interest rate, for economic actors, is precisely this relation to themselves and to each

---

<sup>175</sup> Harvey, *The Limits to Capital*, 267-277.

<sup>176</sup> Jacques Lacan, “Remarks on Daniel Lagache’s Presentation: ‘Psychoanalysis and Personality Structure,’” in *Écrits*, trans. Bruce Fink (New York: W. W. Norton & Company, 2006), 549.

other that animates their interactions.<sup>177</sup> And as we shall see, changes in the interest rate had important consequences for the United States economy.

From July 13, 1990, until February 3, 1994, Greenspan lowered the open market rate from 8 percent to 3.25 percent. After a tightening of the interest rate up to 6 percent in February of 1995, the Fed “would go more than four years, from February 1995 through May 1999, without raising interest rates—and would actually temporarily lower them in both late 1998 and late 1999.”<sup>178</sup> Furthermore, from 1999 to 2006, the end of Greenspan’s term as chairperson, the Fed lowered interest rates from a “high” of 6.5 percent in May 2000 to a historic low of 1 percent in 2003, and finally up to 4.25 percent by the end of his term. Illustration 2 demonstrates this trend.

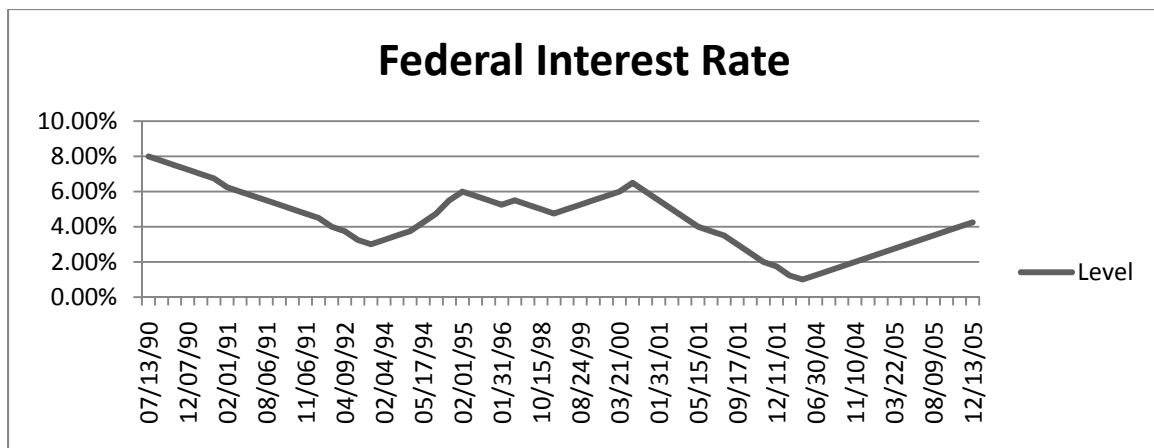


Illustration 2: Federal Reserve interest rate, 1990-2005.

The primary result of the lowering of interest rates and the loosening of credit restrictions was a rise in speculation most notably on Internet startups and communications or

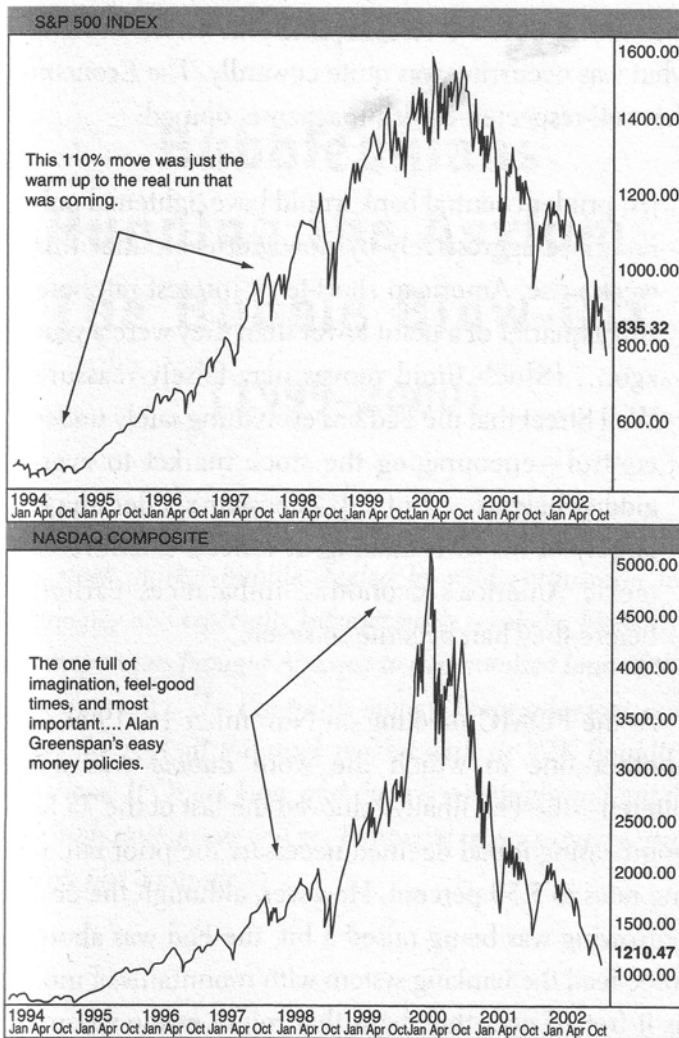
<sup>177</sup> And if we believe that there is a libidinal relation inherent in economic exchanges in capitalist life, especially at the top rungs of high finance, then the interest rate opens up this space for desire and enjoyment.

<sup>178</sup> Brenner, *The Boom and the Bubble*, 145-146.

information technology corporations. Brenner also argues that the Fed's cheap and free-flowing credit made it possible for corporations to purchase or take over other companies using debt leverage, and inflate their bottom lines by reporting projected profits as revenues. "Since rising equity prices, by providing growing paper assets and thereby increased collateral, facilitated still further borrowing, the bubble was enabled to sustain itself, as well as to fuel the strong cyclical upturn already in progress."<sup>179</sup> See Illustration 3 for details on the level of the stock market in roughly the same period.

---

<sup>179</sup> Ibid., 151-152.



Molly Evans

Illustration 3: Standard & Poor's 500 Index and NASDAQ composite index levels, 1994-2002.

What would explain the consistent lowering of interest rates to a level of almost zero in 2002? Greenspan offered that his purpose was to aid the free flow of capital into profitable investments. In a June 17, 1999 testimony before Congress, Greenspan claimed, "Bubbles generally are perceptible only after the fact. To spot a bubble in advance requires a judgment that hundreds of thousands of investors have it all wrong.

Betting against markets is usually precarious at best.” In April 2000, Greenspan told Congress, “I don’t think we can know there’s a bubble until after the fact. To assume we know it currently presupposes we have the capacity to forecast an imminent decline in prices.” Benjamin Friedman offers that Greenspan’s policies were not characterized by fixed rules, but rather by flexibility: “The Greenspan era, therefore, may stand as the modern-day pinnacle of ‘discretion,’ rather than ‘rules,’ in U.S. monetary policymaking. The record of economic performance that it leaves behind is surely one to be admired.”<sup>180</sup> Greenspan thus spoke as an embodiment of the logic of capital, or put differently, the discourse of the Master. Given that capitalism is the most dynamic of all economic systems designed thus far, the apparent contradiction between embodying the “big Other” and flexibly enforcing its logic is dissolved.

Lacan offers that the discourse of the Master is an example of “discourse without speech,” an extra-discursive symbolic relation which “can clearly subsist without words.”<sup>181</sup> I consider Greenspan’s manipulation of the Fed’s interest rate to be a prime example of such a “speechless” discursive production. The Symbolic relation is an inevitable one, meaning that it is a consequence of any relation to others, and it is simultaneously a freeing and constraining relationship. As mentioned in a previous chapter, the relation to the A replaces all other fears “with the fear of God.” Yet while the Symbolic, according to Jameson, is “a further alienation of the subject,” it also “releases Imaginary investments of ever new kinds of objects, which had hitherto been blocked, and permits the development of what Melanie Klein in her paper calls ‘symbol

---

<sup>180</sup> Benjamin Friedman, “The Greenspan Era: Discretion, Rather than Rules,” Working Paper Series, National Bureau of Economic Research, (Cambridge, Massachusetts: National Bureau of Economic Research, Inc., 2006), 8.

<sup>181</sup> Jacques Lacan, *The Seminar of Jacques Lacan, Seminar XVII: The Other Side of Psychoanalysis* (New York: W. W. Norton & Company, 2007), 13.



formation.”<sup>182</sup> Marx similarly describes alienation unique to interest-bearing capital, that “as a special kind of commodity...has a kind of alienation peculiar to it.”<sup>183</sup> The alienation to which he refers is the social relationship between buyer and seller that relies only on abstraction, and that other social relationships of capital (the worker-to-capitalist relationship primarily) are mystified in such a relationship to capital as a commodity.

Any discourse has four components, set up in a matrix:

$$\frac{\text{agent}}{\text{truth}} \rightarrow \frac{\text{work (the other)}}{\text{production}}$$

We have seen the terms of each discourse before. The Master discourse’s agent is the “master signifier,” that which quilts the field of signifiers. In this case, the signifier is the logic of capital. “Getting people to work is even more tiring, if one really has to do it, than working itself. The master never does it. He gives a sign, the master signifier, and everybody jumps.”<sup>184</sup> The truth that the master signifier produces is the barred subject, the subject brought into being by capital’s logic, and is a pliant subject thereof. The work, or the “other” of capital (Lacan is indebted to Marx for the equivalence of “othering” and the alienation of the work process) is knowledge: “Knowledge initially arises at the moment at which S1 comes to represent something, through its intervention in the field defined.”<sup>185</sup>

Finally, the *objet a* is the ideological leftover, the repressed discursive product of capital, that which spurs on the activities of the barred subject. Put schematically, the

---

<sup>182</sup> Fredric Jameson, “Imaginary and Symbolic in Lacan,” in *The Ideologies of Theory* (London: Verso, 2008), 91-92.

<sup>183</sup> Marx, *Capital* vol. 3, 470.

<sup>184</sup> Lacan, *The Seminar of Jacques Lacan, Seminar XVII*, 174.

<sup>185</sup> *Ibid.*, 13.

discourse of the Master looks like this:

$$\frac{S1}{\$} \rightarrow \frac{S2}{a}$$

Greenspan embodied this discourse by allowing the logic of capital accumulation to dictate the course of his policies. The Other spoke through his speech, and of this ideological conditioning, it could not have been otherwise. The Master discourse insists on continuity over contradiction, and Greenspan's refusal to raise interest rates is precisely this insistence on the continuity of fictitious accumulation over and above material accumulation: "That the equity price ascent was matched by the rise in *expectations of profits*, but emphatically *not* in *actually realized profits*, also failed to concern him."<sup>186</sup>

It is not hard to see that Greenspan is a perfectly conditioned ideological subject. What, then, does psychoanalytic theory have to improve this discussion? Lacan formalizes, and owes much to, Marx's discovery of the symptom in capitalist life: "What is it that is blocking? It is what results from the work. And what a certain Marx's discovery accomplished was to give full weight to a term that was already known prior to him and that designates what work occupies itself with—it's called production."<sup>187</sup> The repressed, the *objet a*, is the material production of capitalist relations and what spurs on desire. Yet desire is radically open, and infinite. The production of such object-causes of desire, then, is the precondition for crises of overproduction, especially if, in finance capitalism, the *objet a* is an extraordinarily profitable commodity. The discourse of the Master produces that which it cannot control despite its attempts at totalization and

---

<sup>186</sup> Brenner, *The Boom and the Bubble*, 146.

<sup>187</sup> Lacan, *The Seminar of Jacques Lacan, Seminar XVII*, 174.

coherent infinite accumulation. The kernel of crisis is intrinsic to the discourse itself. When Greenspan spoke of overcoming the business cycle, he rhetorically opened the gates for financiers to continue to pursue risky investments. His words were a guarantee from the big Other that speculative profit-seeking could continue in perpetuity: “Accumulate, accumulate! That is Moses and the [profits]!”<sup>188</sup>

We must thus keep in mind that financial activity is simply a bet on the future profitability of an enterprise, which has historically been dependent on the profitability of labor. Risk-taking and speculation eventually has to reckon with the appearance or nonappearance of a profitable investment. And as we shall see, the bundling of risks, and the deferring of payment into the future in order to profit in the present is still subject to this inevitability. As Harvey puts it, “if money capital increases by interest over a given time period, this is because productive capitalists have managed to produce sufficient surplus value within that period to cover the interest payment.”<sup>189</sup> The decoupling of profit from the value of labor has been a hallmark of every financial regime, but inevitably, each crisis returns capital to its monetarist basis.

If we consider the turnover cycles in which modern industry moves—inactivity, growing animation, prosperity, overproduction, crash, stagnation, inactivity, etc....we find that a low level of interest generally corresponds to periods of prosperity or especially high profit, a rise in interest comes between prosperity and its collapse, while maximum interest up to extreme usury corresponds to a period of crisis.<sup>190</sup>

The rate of interest, then, has an inverse relationship to the average rate of profit, a component of the section to which we now turn. As I discuss below, Greenspan

---

<sup>188</sup> Cheekily paraphrased from Marx, *Capital* vol. 1, 742.

<sup>189</sup> Harvey, *The Limits to Capital*, 258.

<sup>190</sup> Marx, *Capital* vol. 3, 482.

continued to lower interest rates to follow the trends of “productivity” and the “New Economy.”

### **Fantasies of the “New Economy”**

Greenspan haphazardly lowered the Reserve’s interest rate throughout his terms because of his hypothesis that increased labor productivity was behind more profitable investment. This productivity, argued Greenspan in a January 13, 2000, speech entitled “Technology and the Economy,” was deeply indebted to the rise of information and communication technologies:

But it is information technology that defines this special period. The reason is that information innovation lies at the root of productivity and economic growth. Its major contribution is to reduce the number of worker hours required to produce the nation’s output.

And several months later, in April 2000, Greenspan noted the same idea: “Those innovations, exemplified most recently by the multiplying uses of the Internet, have brought on a flood of startup firms, many of which offer the chance to revolutionize and dominate large shares of the nation’s production and distribution system.”

The idea of the “New Economy” remains operative in critical and cultural theory today. In fact, Manuel Castells enthusiastically endorsed Greenspan’s “New Economy” hypothesis:

A networked, deeply interdependent economy emerges that becomes increasingly able to apply its progress in technology, knowledge and management to technology, knowledge, and management themselves. Such a virtuous circle should lead to greater productivity and efficiency, given the right conditions of equally dramatic organizational and institutional changes.<sup>191</sup>

This statement is notable for two reasons. One, it was published nearly a decade after the dot-com disaster; two, it supports the fantasy of the “virtuous cycle,” one which

---

<sup>191</sup> Castells, *Rise of the Network Society*, 78.

Greenspan himself promulgated in a June 1998 testimony to Congress: “Our economy has continued to enjoy a virtuous cycle. Evidence of accelerated productivity has been bolstering expectations of future corporate earnings, thereby fueling still further increases in equity values.” Greenspan’s privileging of technology in the labor process is the logical result of the Federal Reserve’s pursuit of “maximum” employment as opposed to “full” employment: The “maximum” in this case is dependent entirely upon capital’s need for a labor force, not dependent on the actual size of the labor force. What Greenspan called “productivity,” then, was a euphemism for “profitability.” The split level of this characterization is what leads to confusion about what exactly constitutes the “New Economy,” as well as what constitutes a valid critique thereof.

We must distinguish among our criticisms of the concept of the “New Economy.” Certainly, technology over the past several decades has radically transformed the labor process in multifarious ways; similarly, such technology has affected the way cultural theorists analyze consumption and social interaction. Thus, from a production and consumption standpoint, what we call the “New Economy” makes social critique a different endeavor than before. However, from a macroeconomic standpoint, the “New Economy” is a fantasy in the strictest sense of the word. If we remember Lacan’s structure of the fantasy,  $\$ \diamond a$  (the barred subject animated by the *objet a*), then the “New Economy” certainly produces new sublime objects for consumption and subjectification. The iPhone and Bluetooth technologies are vanguard examples thereof. The other level of the fantasy is a disposition toward the world at large constituted by this fantasy of immateriality, immanence and omnipotence that financial speculation brings about. “Technology is indeed something like the cultural logo or preferred code of the third stage of capitalism: it is late capitalism’s own preferred mode of self-representation, the

way it would like us to think about itself.”<sup>192</sup> This fantasy of overcoming the business cycle, promulgated by Greenspan himself, was a strategic discursive production that would hopefully produce its own ground. This was an impossibility: As Illustration 3 points out, the stock market collapsed in 2001-2002 because expectations of profits from Internet startups were fictitious. Such profits were never realized.

What economists, pundits, and even the chairperson of the Federal Reserve called the “New Economy” was a combination of two forces: information technologies and financial speculation. However, as we have noted, speculation took clear priority over the actual implementation of “dot-com” innovations—by 2002, most companies with skyrocketing IPOs had simply ceased to exist or lost dramatic levels of fictitious wealth. For instance, in 2001, Enron stock dropped from \$90.75 to 8 cents; Global Crossing fell from \$61 to 2 cents; Razorfish fell from \$55 to 20 cents; Netcentives from \$80.63 to 9 cents; hundreds of others fell to zero.<sup>193</sup> Therefore we should note that the fantasies of the “New Economy” retroactively constituted logical causation, from “innovation” to “speculation;” as Fleckenstein reminds us, “Greenspan demonstrates that he apparently doesn’t understand cause and effect. The start-ups were a response to the bubble, not a response to the technology.”<sup>194</sup> That is the power of the big Other; in this case, the logic of capital. Causation can be retroactively conferred onto a profitable endeavor, promoting the idea of a “flow” where there was not before. The ideological attempt to cover the “real” economy with speculative financial flows is an admission that the separation of sale and purchase (within the circulation sphere) and the condensation of capital into materials and labor wages (in the production and consumption spheres) were genuine

---

<sup>192</sup> Jameson, *Valences of the Dialectic*, 371.

<sup>193</sup> Hartcher, *Bubble Man*, 38-39.

<sup>194</sup> Fleckenstein, *Greenspan’s Bubbles*, 96.

contradictions that could not be resolved within the industrial labor process. Other avenues were necessary; three of which will be discussed below.

### **THE HEGEMONIC COMMODITIES OF IDEOLOGY**

Three financial commodities in particular, which became widespread throughout the 1990s and early 2000s, demonstrate Greenspan's insistence on continuity over contradiction, and fall under the earlier description of "the financialization of everything." These commodities are futures, subprime mortgages, and derivatives. Each are conceptually linked through the housing market, but must be discussed as separately as possible. What ties each commodity together is the repressed constitutive contradiction of capital that spurs on their existence. For example: Futures markets were originally devised to control for market volatilities, but ended up producing price volatility and shortages in the present; subprime mortgages represent a simultaneous ideological and economic strategy that is predicated on an ever-increasing amount of pliant subjects for the entire industry to remain profitable; finally, the commoditization of housing risk represents the final step in the commoditization of everything, and the highest expression of contradiction under capitalism—the valuation of anti-value. But most importantly, for rhetorical studies, I argue that each of these commodities carries with it its own ideology, and that our neoliberal subjects make sense of the world according to the economic logic of each commodity. I begin with a discussion of the futures market.

#### **The Promise of a Future**

Futures contracts, also known as derivatives, according to Petzel, "are standardized legal agreements to transact in either physical or financial assets at some

designated future time,”<sup>195</sup> and as mentioned above, were originally designed to stabilize prices of raw materials, oil and food, and ensure delivery thereof despite potential price volatility. As with most finance, futures are bets on the future profitability of an investment, and futures are no different. Futures speculators can bet on either the rising or falling price of the commodity in question. However, because a futures contract is predicated on the profitability of the commodity at a certain date and not whether it is needed, some blame the futures speculation industry for the worldwide rise in food prices that has led to “100 million additional people...considered by the World Bank to have been forced into extreme poverty.”<sup>196</sup> Why is it that futures became their inverse? Instead of stabilizing price, they drove commodity price up beyond effective demand? Defenders of futures argue that futures represent another level of information for traders and producers: “[T]he trading of financial derivatives aids economic agents in price discovery—the discovery of accurate price information—because it increases the quantity and quality of information about prices.”<sup>197</sup> Yet this assertion, and many understandings of the concept of “price,” should be interrogated. As Kolb and Overdahl note:

While the price of silver 15 months from now cannot be known with certainty, it is possible to use the futures market to estimate that future price. For some

---

<sup>195</sup> Todd E. Petzel, *Financial Futures and Options: A Guide to Markets, Applications, and Strategies* (New York: Quorum Books, 1989), 5.

<sup>196</sup> William Pfaff, “Speculators and Soaring Food Prices,” *The New York Times*, April 16, 2008, <http://www.nytimes.com/2008/04/16/opinion/16iht-edpfaff.3.12052202.html>.

<sup>197</sup> Robert W. Kolb, *Financial Derivatives* (Cambridge, Massachusetts: Blackwell Publishers Inc., 1996), 17. Of course, Kolb claims that for his examples to work, there is “the initial assumption of perfect markets.” This animating fiction, no less ideological than the other concepts we have discussed, is misleading because, as Kolb and others note, futures are designed in order to produce “perfect markets” through the unveiling of information about potential buyers and sellers, and future profitability of investments.



commodities an estimate of the future price of the commodity can be derived from an examination of futures price.<sup>198</sup>

What is implied in the above quotation is that futures can *produce* the price of a commodity based on its future profitability.<sup>199</sup> Therefore in late capitalism, supply and demand can be abstracted from even the present, and reaches into the future. This relationship between traders is strictly a belief-oriented one, or rather, a fantastical one, that prices will fluctuate according to the dictates of the contract holders.

Thus the futures contract represents two conceptual contradictions: One, of course, is at the very heart of capitalism, that items are primarily produced for their exchange value and not their use value, and therefore critical human needs can go unmet in the pursuit of profit: “[T]he exchange relation of commodities is characterized precisely by its abstraction from their use values.”<sup>200</sup> As Thomsett puts it, ““Because futures are intangible contracts and not products, they are not investments but speculative plays. The entire futures market is a series of speculative trading decisions.”<sup>201</sup> That is, speculative decisions on the profitability of a commodity, not its use value or its

---

<sup>198</sup> Robert W. Kolb and James A. Overdahl, *Futures, Options, and Swaps* (Malden, Massachusetts: Blackwell Publishing, 2007), 32.

<sup>199</sup> This is not an endorsement of the thesis, shared by thinkers like Christian Marazzi, Joshua Hanan, and Ronald Greene, that “communicative labor” is productive of value. Rather this is an admission that profitability is more important to the circuit of capital than control over labor. This distinction will be clarified in my conclusion.

<sup>200</sup> Marx, *Capital* vol. 1, 127. Today, debate exists over the definition of use value, for many complex financial instruments exist that do not serve a “use value” at all; furthermore, some argue that use value is an inoperative concept, for in the postmodern, the distinction between “exchange value” and “use value” has been flattened. As Brummett put it, “Culture is instead based on structures of exchange values,” Barry Brummett, *A Rhetoric of Style* (Carbondale: Southern Illinois University Press, 2008), 15. However, the attempt to dismiss Marx’s notion of use value usually dismisses it from an ethical or political standpoint, and not from a conceptual one. Put differently, the Marxian use of “use value” is meant to understand historically what societies have deemed necessary. Capitalism is predicated on the eventual becoming-exchange-value of everything, so much like Chapter Two’s discussion of the labor theory of value, the concept of use value is important to capital, not to Marx(ists). The dissolution of the category is thus a confirmation, not a repudiation, of Marx’s theory of capitalism. “Use value has always already vanished by the time Marxism has begun.” Jameson, *Valences of the Dialectic*, 159.

<sup>201</sup> Michael C. Thomsett, *Winning with Futures: The Smart Way to Recognize Opportunities, Calculate Risk, and Maximize Profits* (New York: AMACOM, 2009), 8.

necessity. The second is that the attempt to control the future through guarantee of delivery ends up producing its (dialectical) opposite: volatility and rising prices. There is a tension between the demands of profitability and the demands of stability. This tension is exemplified in Nietzsche's notion of "the promise." Nietzsche argues that the ability to promise is solely the act of a willing being, a human, and that this ability to promise is essentially an attempt to control the future:

How thoroughly, in order to be able to regulate the future in this way, must man have first learnt...to think causally, to see the distant as present and to anticipate it, to fix with certainty what is the end, and what is the means to that end; above all, to reckon, to have power to calculate—how thoroughly must man have first become *calculable, disciplined, necessitated* even for himself and his own conception of himself, that, like a man entering into a promise, he could guarantee himself *as a future*.<sup>202</sup>

This attempt at a phenomenal guarantee, for Nietzsche, is ultimately misguided, but is symptomatic of beings that can will. Because here is not the place to test Nietzsche's (dubious) hypotheses about human nature, I speak historically: The attempt to literally "control the future" by finance may be a result of the widespread global turbulence that was brought upon as a result of the ever-growing financialization of the economy in the 1970s and 1980s. Thus the new commodities (collateralized debt obligations, securities, and commodity futures), which were attempts to control for market risks that already existed, became risky market ventures themselves.

However, futures do represent another level of commoditization endemic to "postmodern" capitalism, discussed in Chapters Two and Three. The very concept of the "future" commodity represents a condensation of the future—combining unforeseen volatilities and contingencies as well as the typically colonized notions of space and time—by capital: "By creating this homogenous good, the exchange concentrates trading

---

<sup>202</sup> Nietzsche, *On the Genealogy of Morals*, 30.

interest and promotes liquidity.”<sup>203</sup> The tension between volatility and control is resolved by a displacement into the unknown. And importantly, futures do an additional duty: They represent a profoundly profitable conduit of capital, in addition to the supposedly “social” function of stabilizing and revealing commodity prices. As Fed chair, Alan Greenspan was no stranger to this concept. In a speech to the Futures Industry Association in 1999, Greenspan praised the profitability of derivatives:

It should come as no surprise that the profitability of derivative products...doubtless is a factor in the significant gain in the overall finance industry’s share of American corporate output during the past decade. In short, the value added of derivatives themselves derives from their ability to enhance the process of wealth creation.<sup>204</sup>

If this statement appears tautological, it is. In effect, Greenspan explains that derivatives make money because they are profitable.

### **The Mathematical Subprime**

Greenspan’s claim of easily available credit in a June 1998 statement to Congress was due, in large part, to the boom in the housing market, especially in the subprime and home equity markets. This burgeoning industry was buttressed by rising home prices and an increasing number of building starts; the confluences of each fed the housing bubble and an increase in homeownership. Gramlich notes that in just 11 years, from 1994-2005, 12 million households became homeowners, from 64 to 69 percent of the United States household population.<sup>205</sup> Subprime mortgages:

[A]re basically loans to borrowers who do not qualify for prime mortgage loans. These loans carry higher interest rates than prime mortgages...This may sound

---

<sup>203</sup> Kolb, *Financial Derivatives*, 15.

<sup>204</sup> Quoted in Frederick J. Sheehan, *Panderer to Power: The Untold Story of How Alan Greenspan Enriched Wall Street and Left a Legacy of Recession* (New York: McGraw-Hill, 2010), 189.

<sup>205</sup> Edward M. Gramlich, *Subprime Mortgages: America’s Latest Boom and Bust* (Washington, D. C.: The Urban Institute Press, 2007), 1.

like a bad deal, but since subprime mortgages are secured by the value of the house, just as in the prime market, the APR on subprime mortgages is still well below that on credit card borrowing. In this sense, the subprime market is still the cheapest source of credit for millions of potential borrowers.<sup>206</sup>

The subprime mortgage as a cheap source of credit for low-income borrowers is a fortuitous development indeed, for as the Federal Reserve estimates, “half of all home equity borrowing was used to pay down higher-interest-rate consumer debt (usually credit cards).”<sup>207</sup>

Thus the subprime industry presided over a tangible microeconomic (subject-level) concern, the overwhelming private debt of individuals and families. But the loan industry did an additional ideological duty, that of the capture of families into the ideology of homeownership as a critical part of “The American Dream”:

Society has long felt that homeownership is responsible for all kinds of virtues: homeowners save more; invest more in their children, properties and neighborhoods; and build more wealth than their counterparts in rental housing. Such feelings could partly explain the many advantages the income tax code bestows on homeowners.<sup>208</sup>

Schiller, without a hint of support or evidence, suggests that “encouraging homeownership is a worthy and admirable goal. It conveys a sense of participation and belonging, and high homeownership rates are beneficial to a healthy society.”<sup>209</sup> Lewis derisively described the ways savings and loan industry professionals lobbied for tax loopholes for home mortgage loans thusly:

The savings and loan lobbyists in Washington evoked democracy, the flag, and apple pie when shepherding one of these breaks through Congress. They stood for homeownership, they’d say, and homeownership was the American way. To stand

---

<sup>206</sup> Gramlich, *Subprime Mortgages*, 17.

<sup>207</sup> Herman M. Schwartz, *Subprime Nation: American Power, Global Capital, and the Housing Bubble* (Ithaca: Cornell University Press, 2009) 100.

<sup>208</sup> Gramlich, *Subprime Mortgages*, 57.

<sup>209</sup> Robert J. Schiller, *The Subprime Solution: How Today’s Global Financial Crisis Happened, and What to Do about It* (Princeton: Princeton University Press, 2008), 5.

up in Congress and speak against homeownership would have been as politically astute as to campaign against motherhood.<sup>210</sup>

The George W. Bush administration attempted to conflate its foreign policy goals of invading Afghanistan and Iraq with the ideal of homeownership and “The American Dream.” As Bush said in a 2002 speech to the Department of Housing and Urban Development:

Let me first talk about how to make sure America is secure from a group of killers, people who hate—you know what they hate? They hate the idea that somebody can go buy a home. They hate freedom; that's what they hate...But I believe owning something is a part of the American Dream, as well. I believe when somebody owns their own home, they're realizing the American Dream. They can say it's my home, it's nobody else's home.<sup>211</sup>

But the ideological value of homeownership is not the only level at which the subprime industry works—the nonsensicality of ideological discourses regarding homeownership alone does not explain its importance to capital. Therefore the historical and economic process of how this loan industry came about is critical for understanding the multiple levels of ideological and monetary investment that the industry carries.

Several reasons exist for the subprime industry’s ability to articulate and promulgate the ideology of homeownership. The first is that complex financial instruments provided the technological preconditions for these loans, both on the micro and the macro scale: “Lenders now use credit scoring and similar techniques much more often than earlier, in the mortgage market and in other credit markets, leading to a faster and more inclusive mechanism for generating mortgage approvals.”<sup>212</sup> And on the

---

<sup>210</sup> Michael Lewis, *Liar’s Poker: Rising through the Wreckage on Wall Street* (New York: W. W. Norton & Company, 1989), 83.

<sup>211</sup> George W. Bush, “Remarks by the President on Homeownership,” Department of Housing and Urban Development, June 18, 2002, <http://www.hud.gov/news/speeches/presremarks.cfm>.

<sup>212</sup> Gramlich, *Subprime Mortgages*, 4.

macroeconomic level, subprime loans could now be bundled, divided and scattered into pieces:

Large lenders or other financial intermediaries pool subprime loans, along with other loans, into securities that diversify risks...Investors can in turn pass the securities onto hedge funds, to foreign investors, or to even further structured finance instruments called collateralized debt obligations. In the end, the financial complexities are such that it is almost impossible to tell what investor is holding what share of what loan.<sup>213</sup>

Such bundling theoretically should have decreased risk thereon, but instead, as pointed out above, the universalization of risk intensified the possibility for failure.

The second is that it was extraordinarily profitable to make subprime loans, at least in the short term. Countrywide Financial, which was at one point the country's largest and most profitable mortgage lender, was also the most aggressive corporation in providing adjustable-rate mortgage loans to customers regardless of their credit history:

As of the end of last year, the dollar amount of option ARMs on its books leaped more than fivefold, to \$26.1 billion, or 38% of its total mortgages held, vs. 11% in 2004. Three-quarters of the company's option ARM borrowers chose the cheapest mortgage payment, according to its latest earnings release -- meaning these loans could reset at much higher rates.<sup>214</sup>

This allowed Countrywide to report nearly \$300 million in deferred interest revenues in 2006 by counting adjustable-interest rate subprime loans as income. But a *New York Times* investigation discovered:

Countrywide's entire operation, from its computer system to its incentive pay structure and financing arrangements, is intended to wring maximum profits out of the mortgage lending boom no matter what it costs borrowers, according to

---

<sup>213</sup> Ibid., 22.

<sup>214</sup> "Phantom Profits," *BusinessWeek*, [http://www.businessweek.com/magazine/content/06\\_37/b4000010.htm](http://www.businessweek.com/magazine/content/06_37/b4000010.htm), September 11, 2006.

interviews with former employees and brokers who worked in different units of the company and internal documents they provided.<sup>215</sup>

And once again, in addition to the macro-level incentive for higher-interest loans, individuals involved in the review and approval of loans were told by their superiors to speed up their approvals of subprime loans: “They would basically tell you to keep your mouth shut. ‘Make it pass,’ I was told...*Fraud* was the f-word... ‘*Fraud*—don’t ever say that word,’” said an anonymous former “laptop grunt” in the loan industry.<sup>216</sup>

The situation ultimately became untenable, for the industry and its clients needed an annual 10 percent appreciation rate on the value of homes for homeowners to remain afloat and for the industry to remain profitable.<sup>217</sup> Yet the very turn to subprime mortgages as a way to spur on the homebuilding and home loaning industry represents what Arrighi calls a “signal crisis,” which has historically meant a turn toward financial speculation. Arrighi writes that such a “turning point” is

[A] negative judgement [sic] on the possibility of continuing to profit from the reinvestment of surplus capital in the material expansion of the world-economy, as well as a positive judgement [sic] on the possibility of prolonging in time and space its leadership/dominance through a greater specialization in high finance. This crisis is the “signal” of a deeper underlying systemic crisis, which the switch to high finance none the less forestalls for the time being.<sup>218</sup>

This “signal crisis” is distinguished from a bubble, for, although Greenspan incorrectly noted one cannot perceive a bubble to be occurring as it happens, the signal crisis is the

---

<sup>215</sup> Gretchen Morgenson, “Inside the Countrywide Lending Spree,” *New York Times*, August 26, 2007, [http://www.nytimes.com/2007/08/26/business/yourmoney/26country.html?\\_r=1&scp=1&sq="inside%20the%20countrywide%20lending%20spree"&st=cse](http://www.nytimes.com/2007/08/26/business/yourmoney/26country.html?_r=1&scp=1&sq=).

<sup>216</sup> Quoted in Paul Muolo and Mathew Padilla, *Chain of Blame: How Wall Street Caused the Mortgage and Credit Crisis* (Hoboken: John Wiley & Sons, Inc., 2008), 232.

<sup>217</sup> Schwartz, *Subprime Nation*, 188.

<sup>218</sup> Giovanni Arrighi, *The Long Twentieth Century: Money, Power and the Origins of our Times* (London: Verso, 2010), 220-221. The notion that the turn to a greater commoditization of life represents a failure of sorts will be discussed in the concluding chapter.

very turn toward speculative investment which should render it comprehensible to critical economic scholars.

Schwartz notes that for the subprime mortgage industry, “excessive faith in mathematical models, reliance on the historical default data behind those models, and a belief that housing prices would always rise” were at fault.<sup>219</sup> Each explanation is “faith-based” or fantastical, meaning it is predicated on the ideology of the continuity of capital, rather than its real effects. Yet the fact that faith wasn’t enough to stop the crisis should throw serious doubt on both capitalist and anti-capitalist critics who claim that the crisis was a “crisis of confidence” or liquidity rather than a crisis of solvency. Instead, we should be clear that subjects position themselves in a relationship to the Other, in this case, the logic of capital, to various levels of compartment, but that this split level does exist. The extra-discursive logic of capital takes priority over subjective dispositions thereto.

Yet the subprime mortgage loan, when it was profitable, is a pure example of the communicative commodity discussed in Chapter Two, the commodity that contains its own ideology. The profit needs of the subprime mortgage industry—an annual 10 percent appreciation rate, ever-increasing liquidity, a new group of potential homeowners each quarter, and the ability to bundle subprime loans into debt pools (discussed in more detail in the next section)—coincided with the ideology of homeownership. The commodity itself was predicated on those needs, and the fantasy that homes would rise in value (displayed graphically below in Illustration 4); the truths that rising subprime mortgages were the result of a signal crisis, and that workers who desired homeownership were also the ones who could not afford it (thanks to the structural changes in class composition

---

<sup>219</sup> Schwartz, *Subprime Nation*, 188.



and power since the 1970s), were repressed from the production of the loan. But when it was profitable, the commodity produced a subject in its own image, a pliant subject animated by the idea of owning a home (and thus identifying with “the American Dream”), which is simultaneously a lucrative conduit of money capital.

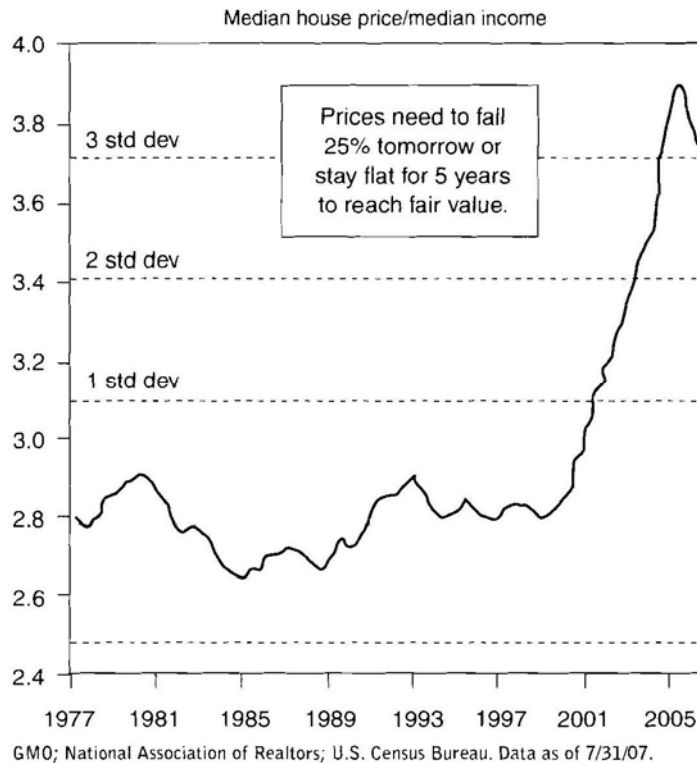


Illustration 4: The ratio of median home price to median income, 1977-2006.

### **The Value of Anti-Value, or the Commoditization of Abstraction**

As noted, the subprime mortgage industry would not have been possible were it not for the rise of exotic and synthetic financial commodities in the neoliberal period. On February 27, 2002, in testimony to Congress, Greenspan endorsed the production of these new financial markets: “New financial products—including derivatives, asset-backed securities, collateralized loan obligations...have contributed to the development of a far

more flexible and efficient financial system.” And combined with his earlier claims to the Futures Industry Association, he should have added “profitable” to that list. Such commodities were both the precondition for and that which spurred on the rise in speculative finance. In a sense, they were the object-cause of desire, the *objet a* for the finance industry. As Prins put it:

It was Michael Milken who constructed the first CDO in 1987 at the now-extinct investment bank Drexel Burnham Lambert. This CDO was basically a security made up of a bunch of junk bonds...In essence, CDOs are fabricated assets, which means that they are concocted from a little bit of reality and a lot of fakery. They are bonds whose value is backed by loans and promises rendered by a chain of interested parties in finance, from rating agencies that rake in fees every time a new CDO is created to insurance and reimbursement companies.<sup>220</sup>

Collateralized Debt Obligations were originally designed in order to reduce risk for companies who lent money by spreading it around to other companies and selling it to secure banks. CDOs can be used for almost anything, according to Tavakoli: “Any potential future stream of payments or future value can be securitized.”<sup>221</sup>

Another synthetic commodity related to the CDO is the Credit Default Swap, which is insurance against a loan default. “In the unregulated CDS market, the seller of a CDS gets paid a premium from the buyer, who in return gets protection from a bad credit event.”<sup>222</sup> This commodity’s importance to global capital directly corresponds to Greenspan’s interest rate policies and the need for liquidity in finance capitalism in general. If debt leveraging was a prime way that corporations could both influence their

---

<sup>220</sup> Nomi Prins, *It Takes a Pillage: Behind the Bailouts, Bonuses, and Backroom Deals from Washington to Wall Street* (Hoboken: John Wiley & Sons, Inc., 2009), 10-11. Michael Milken, as the reader will remember, was praised by Thomas Friedman for introducing these securities into widespread use. Friedman called this the “democratization of finance,” but as is clear, this was a conscious effort by large banks and hedge funds to profit from the illusion of security.

<sup>221</sup> Janet M. Tavakoli, *Collateralized Debt Obligations and Structured Finance: New Developments in Cash and Synthetic Securitization* (Hoboken: John Wiley & Sons, Inc., 2003), 24.

<sup>222</sup> Prins, *It Takes a Pillage*, 60.

reported bottom lines and to horizontally and vertically integrate (by swallowing up other companies), then the CDS offered liquidity backed only by a promise:

Let's say you think GE is rock solid, that it will never default on a bond, since it hasn't in recent memory. You could buy a GE bond and make, say, a meager 6 percent interest. Or you could just sell GE credit default swaps. You get money from other banks, and all you have to give is the promise to pay if something bad happens. That's zero money down and a profit limited only by how many you can sell.<sup>223</sup>

This is not an exaggeration: Money could be simply created out of nothing, provided the securitized loans did not default.<sup>224</sup>

## **TO THE CRASH**

In “postmodern” capitalism, everything can be assigned a value, including the opposite of value. The rule of materiality by abstraction, always endemic to capitalism, for a moment appeared to break free of the material bonds that hampered uninterrupted and rapacious accumulation. Capital accumulation, according to the fantasies of financiers, had finally found a way around the pesky problem of labor as productive of value, and instead simply produced the money commodity out of the future, projected profits, risks, and abstractions. Since financial, fictitious or interest-bearing capital in the process  $M—M'$  (as opposed to the previous “industrial” cycle of  $M—C—M'$ ) essentially created money from nothing, it is no surprise that the fetish thereof went even to the top of the financial system. Greenspan approved of these new practices, for he argued that the profit motive produced the impetus for innovation. As Žižek put it:

---

<sup>223</sup> Adam Davidson, “How AIG Fell Apart: The Dastardly Deeds of the Credit Default Swap,” *The Big Money*, September 18, 2008, <http://www.thebigmoney.com/articles/explainer/2008/09/18/how-aig-fell-apart?page=full>.

<sup>224</sup> Could this portend a death-knell for Marxist theories of capital accumulation? No, argues Harvey, for one can detect in Marx an argument that we must decouple the price of the financial commodity (and its value for the accumulation process) from the traditional notion of the labor theory of value, for it is subject to different economic laws, those of supply and demand of the money commodity and competition amongst speculators and capitalists on a macro scale. See Harvey, *The Limits to Capital*, 259-260.

It is one big fetishistic denial: “I know very well the risks I am courting, even the inevitability of the final collapse, but nonetheless...[I can put off the collapse a little bit longer, take on a little bit more risk, and so on indefinitely.” It is a self-blinding “irrationality”...Like love, ideology is blind, even if the people caught up in it are not.<sup>225</sup>

This should, of course, remind us of the split level of discourse in which Greenspan operated: One can at different times endorse two entirely different thrusts productive of profit, either innovation in technology, or the profit motive itself. And much like Friedman’s awry dialectic, Greenspan’s dialectical tension between profit and technology disavows the labor process’ importance in the production of value.<sup>226</sup> The “flow” of capital accumulation could presumably paper over the contradiction that is capitalism, but not forever.

As noted above, the profitability of CDOs and CDSs were contingent upon rising values, and were in trouble if there were any actual defaults:

Among other creative risk-hiding schemes, CDOs were squared, taking the most risky parts of CDOs and rescrambling them among less risky parts. Each time the same technology was applied, the risk was amplified that the whole thing would collapse if more loans at the bottom deteriorated.<sup>227</sup>

In AIG’s case, it “was providing insurance on securities that everyone assumed would keep churning out money, based on constantly rising housing prices. Once the CDOs or what was inside them, started to default, AIG had to pay back these insurance claims.”<sup>228</sup>

The belief that home prices would continue to rise, that speculative finance never had to render with its monetarist basis, and that the business cycle had finally been overcome

---

<sup>225</sup> Slavoj Žižek, *First as Tragedy, then as Farce* (London: Verso, 2009), 37.

<sup>226</sup> See Marx, *Capital*, vol. 1.

<sup>227</sup> Prins, *It Takes a Pillage*, 57-58.

<sup>228</sup> Prins, *It Takes a Pillage*, 60-61. Far from being a “democratization of finance,” as Friedman put it, CDOs were from the very beginning a commodity profitable only for the largest and most established banks and hedge funds. AIG, once the largest insurance company in the world, could insure risky debts whereas smaller entities could not. Given that AIG could only cover a fraction of its CDO risk with capital on hand, the CDO is the closest thing to a commodification of “trust” as one can get.

was a fantasy, and it was only a matter of time before these processes needed to be reconciled. Legitimacy of this process was conferred upon, and spurred on by, the words and actions of the Fed chair, the embodiment of the big Other.

Yet as we saw in Greenspan's testimony in 2008, this ideology failed him, and it failed millions of people worldwide. There is a contradiction, then, between the discourse of the Other and belief therein; there is an intra-subjective split that Lacan characterizes as repression:

There is the fundamental difficulty that the subject encounters in what he has to say; the most common is the one that Freud demonstrated in repression, namely, the sort of discordance between the signified and the signifier that is brought on by all censorship of social origin.<sup>229</sup>

In this case social origin is the widespread belief in capitalism as the best economic system possible. The Fed chair must, of course, pronounce this; instead of mercilessly attacking him (as many post-crash biographers did), we must remember that throughout his time as chairperson, *his discourse could not have been otherwise*. If, as Lacan wrote, the “master discourse masks the division of the subject,” then Greenspan is a prime example; he admitted as much in October of 2008. The retroaction of causation, the discursive insistence on flow, the slavish privileging of the signaling power of “price” in financial markets—all are characteristic of his embodiment of the discourse of the Master.

In this chapter, we have thus moved from a discussion of the financial commodity in the abstract to the more precise manifestations of derivatives, subprime loans, and CDOs. I have discussed how each of these commodities was a representative of, and an attempt to disavow, the irrepressible contradictions within capitalism. We have also seen

---

<sup>229</sup> Jacques Lacan, “Introduction to Jean Hyppolite’s Commentary on Freud’s ‘Verneinung,’” in *Écrits*, trans. Bruce Fink (New York: W. W. Norton & Company, 2006), 310.

how the material and symbolic webs that enrapture subjects can go up even to the top of society, in a process I described as the embodiment of the discourse of the Master. Greenspan's manipulation of the Federal interest rate conferred power onto financial markets and provided the precondition for the orgy of securitization and speculation that eventually ended in the financial crisis of 2007-2008. His pursuit of "productivity" through investment and technology proved to be a fantasy that could not repress its dialectical contradiction for even a decade. Inevitably, crisis is the resolution of the dialectical tension between social forces, and that is how the cycle of accumulation from the 1970s to 2008 was ended.

## Chapter 5: Conclusion

*“What you aspire to as revolutionaries is a master. You will get one.”—Jacques Lacan<sup>230</sup>*

This thesis now ends where it began: at the moment of terminal crisis for finance capitalism. But I have only scratched the surface; indeed this investigation was aimed at discovering the seeds of finance capitalism’s destruction inherent to the hegemonic commodities themselves, long before their actual insolvency in 2007 and 2008. This work has laid out a case for why the financial commodity itself is a fruitful object of study: A penetrating analysis thereof helps us to unmask the fetishes it produces and allows us to strip away, conceptually, the mystifications which surround dizzying new theorizations of capitalism today. I have also demonstrated the use of Lacanian psychoanalysis for understanding finance capitalism as a discourse that interpellates subjects through fantasy; albeit one that has material grounding in the logic of the changes in the economy since the 1970s. By taking seriously the claims of theorists who claim that capitalism is primarily a signifying or discursive system, one can see this most prominently in the ways the financial commodity signifies social value to its owners and managers. From a Marxist perspective, I offer that the financial commodity is a condensation of human labor (or speculation on the future profitability thereof) into a representation of social value. The commodity itself is communicative, meaning it carries with it its own ideology—of instantaneity, of immateriality, and of omnipotence, fantasies that produce the very subjective dispositions hegemonic in this world we call “postmodernity.”

In subsequent chapters, I offered that the rhetoric of Thomas Friedman and Alan Greenspan helped to produce these beliefs through public arguments about the virtues of the “virtuous cycle” and the exuberance over “irrational exuberance.” Friedman’s use of

---

<sup>230</sup> Lacan, *The Seminar of Jacques Lacan, Seminar XVII*, 207.

metaphors and anecdotes is indicative of the neoliberal subject whose very access to descriptive terms is truncated by the discursive and economic assemblages in which he found himself. His invitations to identify with hedge fund managers, multinational corporations, and finance ministers demonstrates the extent to which the hegemony of the financial economy inflects his work—if Burke proclaimed that we are sentenced to the sentence, Friedman proclaims that we are destined to the dollar. Friedman’s work is a testament to the apparent unrepresentability of social relations under capitalism today; one can only reach for historically inapt metaphors and mediate one’s social processes through the “financialization of everything.”

Greenspan, in a similar vein, embodies Lacan’s “discourse of the master,” which in this case is the logic of finance capital. Such a discourse both structures the barred subjects (\$) that intervene in the economy and through its production of the *objet a*, opens up the space for untrammelled accumulation beyond the material limits of economic productivity. Greenspan’s manipulation of the Federal Reserve’s interest rate to allow cheaper and cheaper credit for speculative financiers provided the preconditions for both the dot-com bubble burst and the subprime mortgage industry’s destruction. The fantasies of the “virtuous cycle” and of the “New Economy” animated this circuit of accumulation. I offer that Greenspan attributed (ideo)logical retroactive causation to the explosion in financial markets: Though he claimed that technological advances engendered profitable investment therein, he made speculation on Internet startups and technological stocks incredibly and easily profitable through his manipulation of the interest rate. In short, Greenspan got the profitability/productivity dialectic correct in policy and incorrect in pronouncements. Finally, his public approbation of the financial industry’s increasingly exotic and unreal instruments, including credit default swaps, futures, derivatives, and collateralized debt obligations, offered the industry ideological and material (in the form



of monetary liquidity) cover for their relentless pursuit of profitability. The divergence, however, between realized profits and speculation thereon, opened up the space for crisis. Greenspan, as an embodiment of the discourse of the master, was caught up in this logic, and therefore is not personally to blame, but rather is an example of a subject that becomes a structural effect of capital's logic.

This thesis, indirectly and directly, has attempted to intervene on a variety of questions that affect contemporary rhetorical studies and critical theory. In communication studies, there has been a surge in interest in economics and its relation to rhetorical and critical theory, most notably in works by Dana Cloud, Ronald Walter Greene, and recently by Joshua Hanan, among others; indeed, Cloud, Macek and Aune's debate with Greene (mainly in the journal *Philosophy and Rhetoric*) was the starting point for my interest in the subject.<sup>231</sup> My work sits at a diagonal to these authors for several reasons, the first of which is my reliance on psychoanalytic theory to help explain recent economic and subjective mutations. The second is that my work is not primarily organized around the possibility for class-based, instrumental politics or its perceived inaptness for this historical period; instead it is an attempt to understand the foundations of subject formation in the neoliberal period by critically interrogating the economic and philosophical conceits with which poststructuralist authors begin.

I have attempted to augment Cloud's insistence on class and capital as extra-discursive and experiential with a critical understanding of the fantasies that they are not. Hardt and Negri's Foucaultian assumption, repeated by Greene and others, that biopolitical administration characterizes this new accumulation scheme stands at odds

---

<sup>231</sup> See Ronald Walter Greene, "Another Materialist Rhetoric," *Critical Studies in Media Communication* 15 (1998):21-40; Ronald Walter Greene, "Rhetoric and Capitalism: Rhetorical Agency as Communicative Labor," *Philosophy and Rhetoric* 37 (2004): 188-206; Dana L. Cloud, Steven Macek, and James Arnt Aune, "'The Limbo of Ethical Simulacra': A Reply to Ron Greene," *Philosophy and Rhetoric* 39 (2006): 72-84; and Ronald Walter Greene, "Orator Communist," *Philosophy and Rhetoric* 39 (2006): 85-95.

with my understanding of capitalism as an economic system that indirectly and extra-discursively produces subjects. As I argue below, capitalism is ideologically tenacious because it offers no concrete mode of being, rather it is an open set predicated on the false choices of freedom within the marketplace. Greene offers that “communicative labor” is the dominant paradigm in capitalism today, which means that capitalism is primarily organized around producing value from communication. His diagnosis is thus a political economy of rhetoric, for it “provides the advantage of diagramming how different scales of governance—from the government of the self to the international trade in cultural commodities—rely on harnessing rhetoricality.”<sup>232</sup> While I am in solidarity with any attempt to critically understand precisely how rhetorical interventions govern and discipline subjects—indeed, the preceding chapters accomplish this very task—my work turns this assumption on its head. Rhetoric has not found its way into money; money has found its way into rhetoric. The question that remains is irreducible to tactics or even to the forms of subject that arise. I instead characterize the question that divides my position from Hardt and Negri (and their followers) to be of the animating logic that pervades our world. I argue that capitalism as an economic system is the empty set that animates these subjective formations; others are less charitable and offer up the thesis of the “control society” from a Foucaultian (Nietzschean) perspective.

That is precisely why a Marxist-Lacanian perspective is so vital to the critical project today. Marx offers us a critical, penetrating look at the world of commodity and capital flows; Lacan offers us a dialectical perspective on how signifiers can attach themselves to meaning. Further, he gives us a vocabulary for understanding the linguistic structures of fantasies, metaphors and discourses, which are applicable to subjects

---

<sup>232</sup> Greene, “Rhetorical Capital,” 330.

throughout capitalist life.<sup>233</sup> Capitalism's tenacity as a world system is its radical openness to any content, as long as it is subsumed under the form of the money commodity. This is why I argue that "postmodern" or communicative capitalism is not a new form of accumulation, as argued by critical scholars today, but rather a new content.<sup>234</sup>

The rampant neoliberal "marketization" of all forms of life is unquestioned in thinkers from Eagleton to Marazzi; I believe this is should not simply be a platitude to satiate the remaining vestiges of Marxist political-economic criticism, but rather should situate the rest of our questions about how the power of the dollar spreads through society. It is an overdetermining question, for our project should not begin with economic determination "in the last instance" but should rather be a set of coordinates with which a project begins. (It is therefore not an overdetermining answer.) As I have demonstrated, market logic provided the impetus for innovation and (risky) financialization—and, for the purposes of rhetorical or cultural studies, such a logic provided the ideological and subjective preconditions for this behavior.

### **"LACANOMICS"**

This project is an invitation for rhetorical studies to take economics and psychoanalysis seriously, in a research line I call "Lacanomics." This invitation is twofold. One, a serious study of economics requires a rigorous investigation of capital

---

<sup>233</sup> Lacan's diagnoses oscillate between structuralist and poststructuralist, as noted in the introduction, so perhaps this is not the appropriate axis to judge him by. Instead, his work oscillates between the simultaneously open and constricting discourses of the Other and the contingencies of the subject.

<sup>234</sup> The most egregious example of this is the focus on "affective labor" as a new category of proletarianization. I do not disagree that the marketing of feeling has important consequences for our world; advertisers have preyed on emotions to sell products as long as the industry has existed. The claim that affective labor somehow redefines or renders inadequate previous forms of conceptualizing labor is indefensible. Turning all of capitalist life into a market relationship and turning all persons into proletarians should confirm Marx's critical insights into capitalism, not render him a relic.

flows, new financial instruments and commodities, as well as workplace practices and accumulation schemes. These are “hard” market realities that demand our attention. The second portion of the invitation requires a serious study of the fantasies that surround these objects and structures: New economic theories, including “freakonomics,” behavioral finance, and the “network society,” are reactions to and productive of economic realities. As I have demonstrated throughout my thesis, the beliefs of neoliberal subjects are quite powerful indeed, and often shape both macroeconomic policy and individual subject formation. One cannot help but take such ideologies of the market seriously. However, as I have also noted, the hard kernel of capital’s logic puts a limit to the discursive formations that surround the economy. These multivalent forces come into conflict with one another; thinking historically and dialectically, one can trace how the idealism of financial speculation reigns supreme at some points, and how materialist crises of solvency can spread during others.

Those who advocate “communicative capitalism” as the dominant accumulation paradigm must become savvier about the dialectical contradictions up against such an accumulation scheme runs. Believing in the flow of communicative capitalism’s “virtuous circle” is just as dangerous as Greenspan and Friedman’s belief therein, and leads to the same conclusions. As critical theorists, we should be critical of a liberation theory that follows precisely the logic of its oppressor. Whereas Marx and Marxists attempted to explode the dialectic in a revolutionary rupture, the dominant poststructuralist critical stance is to retain the form of neoliberal, networked finance capitalism and alter its content. I do not disagree that we must pay attention to the new forms of subjectivity that spring from “postmodern” capital; and as a revolutionary, critical citizen of the world, I do not disagree that we cannot dismiss new forms of organizing across boundaries thanks to the technologies and subjective dispositions that

“postmodern” capital has foisted upon us. But the repetition of the theses of neoliberal’s chief ideologists should give us pause. From a psychoanalytic standpoint, the repetition of the Other’s discourse indicates to me a hysterical position—the Other believes for me, in a way.

I believe another main component of taking economics seriously involves distinguishing between the different facets of value—use, surplus, necessary and exchange value—and their importance to different sectors of the labor force. For instance, Marx demonstrated in *Capital* vol. 3 that to finance capitalists, money capital serves a use value in order to produce interest and returns on speculative investments.<sup>235</sup> Only the money generated from this investment should be considered “exchange value.” Today, a worker’s affective labor, say as a masseuse, serves as use value to a customer; the owner of the massage parlor then pays the worker a wage (a use value for the worker based on the difference between the necessary and exchange value of the work) on credit and pays interest on his business loan to a financial firm, who views this payment as a use value which only becomes exchange value when securitized by an insuring bank.

That the price of a financial commodity can be inflated or deflated based on the hopes of profitability by capital traders is not a wholehearted endorsement of the concept of communicative labor being productive of value, as thinkers such as Christian Marazzi and Ronald Greene believe. A precise understanding of the difference between “value” and “price” would clear up much conceptual confusion. We must entertain the idea that the gradual displacement of labor by capital (in all of its forms) in the pursuit of profit is (still) the relationship that overdetermines capitalist relations today, and that capital will exploit what is profitable rather than what is “valuable.” If capitalism is a social system

---

<sup>235</sup> Marx, *Capital* vol. 3, 462.

primarily based on profit, then we should not be astounded that GM invests its capital into its financial wing, GMAC, rather than in new production equipment, especially if we understand that GMAC was more profitable than GM's automobile selling sector (until its sale in 2006).<sup>236</sup> Moreover, we should be clear about the underlying thesis of the autonomist or poststructuralist tendency, evident in Negri and Cleaver, which is that control over labor in all of its forms is the primary goal of capitalism. If the "control society" is not the fundamental aim of society, then we are instead interrogating the logic of capital as the operative concept, not the dubious Nietzsche-informed hypothesis of the "will to power." This debate has psychoanalytic consequences as well.

The fundamental distinction between Lacan and Gilles Deleuze is whether lack or fullness (or perhaps more precisely, lack of lack) characterizes subjectivity, which is roughly analogous to my above distinction between "will to power" and the (open) logic of capital. If subjects are not originally discordant, but rather overflowing with power and life, then "civilization" is the problem, not the form it takes. This is also evident in Freud's hypothesis in *Civilization and its Discontents*.<sup>237</sup> In addition, if the "currency" (a term I use with all of its ironic weight) of sociality is "power," then the transactions are simply in terms of control or resistance. I argue that capital's tenacity as an ideological and economic system is its formal emptiness, its ability to be filled in with any positive content (hence the *objet a*) even before the age of "postmodernity." Subjects fill in and fill up their existence with fantasies and commodity relations because there is a lack in their originary existence. Capital is sustained by the production and presentation of a multitude of fantasies that can attract members of all social classes (under the sway of the

---

<sup>236</sup> "GM Issues 2005 Profits Warning," BBC News, January 14, 2005, <http://news.bbc.co.uk/2/hi/business/4174335.stm>.

<sup>237</sup> Sigmund Freud, "Civilization and its Discontents," in *The Freud Reader*, ed. Peter Gay (New York: W. W. Norton & Company, 1995), 722-772.

discourse of the dollar). Capital is the empty set that, by its sheer logic of inevitability and power presents itself as the “only game in town.”<sup>238</sup> In addition, if we conceive of the state’s (or an impotent individual’s) violence as a failure of discursive production and an adequate public sphere, then violence itself is a failure of the representation of social relations, and thus a tacit admission of the failure of communicating subjects.

The word, the commodity and all communication, then, is thus a tacit admission of failure—the gap in the symbolic gives rise to the imaginary, but also to the symbolic itself. If presentation was possible, then representation would be unnecessary. If representation is itself a fact of existence, then we must read this as the failure of the symbolic to provide access to terms. This is precisely why metaphor is so important to language—it extends language because language is not itself enough to adequately represent meaning. The same can be said for communication and intersubjectivity in general—fantasies arise between humans because “the Other hasn’t got it,” in van Haute’s words. The structure of the unconscious is the admission that the conscious world is not enough. And finally, the same can be said for the social world of capital. Sociality is predicated on the division among persons, and money, the universal equivalent is the attempt to traverse this distinction.

The rub arises precisely from the metaphorical status of the commodity: Human relations cannot be “represented” in money form, there is something that eludes this signification. To rephrase, the lack is in the Real, and therefore the symbolic arises. There

---

<sup>238</sup> In the “modern” period, critical theorists believed that this power was conducted largely through the church, the military, and schools, what Althusser called Ideological State Apparatuses. See Louis Althusser, “Ideology and Ideological State Apparatuses (Notes towards an Investigation),” in *Lenin and Philosophy and Other Essays*, trans. Ben Brewster (New York: Monthly Review Press, 1971), 127-186. Though I argue in this work that ideology is transmitted through the fantasies and flows of financial commodities, I hesitate to eschew entirely Althusser’s argument, given that the Texas State Board of Education recently refitted school curriculum full of admittedly right-wing ideology. See Mark Morford, “Dear Texas: Please Shut Up. Sincerely, History,” *San Francisco Chronicle*, March 17, 2010, <http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2010/03/17/notes031710.DTL>.

is an inability for the Symbolic to “actually” symbolize social existence, hence the rise of the Imaginary within individual psyches. The money commodity cannot represent desiring beings, or barred subjects, or even the proletariat. Thus each level of subjectivity oscillates around the concept of “lack”—the hypothesis of the fullness of the subject is a critique of capital as a subjectifying system, but is inadequate in discussions of subjectivity in the abstract.<sup>239</sup> Instead, the project should be to speculate on these new forms as a way of understanding the dialectical impasse that capital gives us today. Capitalism has not yet reached a “post-representational” status, for capitalism has always been both too representational (of the fantasies that capitalism wants to portray) and not representative enough (of “human” relations). The fantasy of post-representational capitalism is a starting point for examining the problematic of late capitalism in general, not its terminus.

## **FUTURE PROJECTS**

Several potential research projects can emerge from this line of work. First, I would like to critically investigate reactions to the government bailout. Despite the massive shock that finance capitalism underwent in 2008, clearly the fantasies of neoliberalism and finance capitalism are not dead and buried—despite their actual insolvency, the federal government’s massive bailouts of the industry only reinforce the power that finance has over both the economy and the economic imaginary. The bailout should then serve as a reminder that the guarantor of any discourse is ultimately a master signifier—in this case the federal government. That it follows slavishly behind the

---

<sup>239</sup> Speculation on future forms of subjectivity has been a subject of consternations from post- or anti-Marxists, but I argue that thinking of the future in this way is necessary in this post-post-Marxist period. Those who hypothesize about the power and prevalence of “control societies” or “impossible” relations (à la Derrida) are the ones stuck in the logic of capital. Which position ontologizes capital? My gamble is it is not the Marxists.



demands of the logic of capital accumulation should indeed clue us into the (class) nature of the state today. Moreover, the crisis of finance capitalism was simultaneously a crisis for its animating signifiers, and subjects were forced to reconcile or repress the paradoxical nature of postmodern capitalism. The hysteric responses by citizens, media pundits, elected representatives and financiers themselves should clue us into a properly psychoanalytic notion, that of the psychotic break. This contradictory notion—the world’s leading capitalist nation effectively nationalized the debt of its foremost capitalist entities—provides the material preconditions for such a rupture. An analysis of these responses to the big Other could be a research project in itself—one could argue that the assertion of (paternal symbolic) authority by the federal government is the cause of the hysteria, for it appears in some ways that the master signifier of the market has been replaced. In an October 2008 conference call sponsored by Bank of America, dozens of CEOs gathered to discuss a strategy for destroying the Employee Free Choice Act, a bill that would have eased restrictions on union organizing in workplaces.<sup>240</sup> The strategy was pure class consciousness, in the strong Marxist sense; I would like to pursue their signifiers using psychoanalytic theory as a supplement. Understanding how they produce their theory of the “big Other,” personified in the state, in contradistinction to the “big Other” they already believe in, which is capital, could be a font of insights into the capitalist imaginary. Of course, as I argued in Chapter 4, the state and capital are so intertwined that although they are conceptually distinguishable, their logics are similar. The state is the guarantor (in the production of the money commodity) and savior (through the giveaway of the money commodity) of market logic.

---

<sup>240</sup> Sam Stein, “Bailout Recipients Hosted Call to Defeat Key Labor Bill,” *Huffington Post*, January 27, 2009, [http://www.huffingtonpost.com/2009/01/27/bank-of-america-hosted-an\\_n\\_161248.html](http://www.huffingtonpost.com/2009/01/27/bank-of-america-hosted-an_n_161248.html).

For another project, I would like to connect Lacan's "odd or even" game of subjective emergence in *Seminar II* to the practice of Wall Street speculation.<sup>241</sup> Keynes likened the entire industry to be a parlor game on the level of Old Maid or Musical Chairs, wherein participants use "the third degree [of reason] where we devote our intelligences to anticipating what average opinion expects the average opinion to be. And there are some, I believe, who practice the fourth, fifth and higher degrees."<sup>242</sup> Badiou extends Lacan's dictum, "The symbol's emergence into the real begins with a wager,"<sup>243</sup> by offering that the force of competition "moves" subjects in this game.<sup>244</sup> I believe I can ground Badiou's theoretical declaration in the concrete practices of financiers through an ethnographic study.

This approach has three advantages. First, we can discover how the material demands of capitalist accumulation force subjects to compete with one another, and how this demand for competition produces subjects who glean *jouissance* from the process. Competition is thus an "ex-timate" logic that is both internal and external to the subject. Second, the virtue of competition is one of the oft-cited hallmarks of capitalism's worth as a social system. Competition is assumed to make everything better, and competition is taught at all levels of capitalist life, from youth sports to the academic publishing process. An investigation of competition from a Marxist perspective will be able to glean the destructive possibilities of competition: A critical macroeconomic perspective on the micro-level practices of financiers would be able to better uncover the tension between individual and universal market demands.

---

<sup>241</sup> Jacques Lacan, *The Seminar of Jacques Lacan, Seminar II: The Ego in Freud's Theory and in the Technique of Psychoanalysis 1954-1955* trans. Sylvana Tomaselli, (New York: W. W. Norton & Company, 1988), 175.

<sup>242</sup> Quoted in Henwood, *Wall Street*, 206.

<sup>243</sup> Lacan, *The Seminar of Jacques Lacan, Seminar II*, 192.

<sup>244</sup> Badiou, *Theory of the Subject*, 255.

A third is that financial speculators engage in what Greene and others call “communicative labor,” the production of value through rhetorical skill and immaterial labor. The preceding chapters have demonstrated that although communicative labor may be one avenue of accumulation, such a process dialectically interacts with other forces in the economy, be they institutional, economic, subjective, or material. If we can study more accurately the communicative labor of the vanguards of the finance capitalist class, this period of capitalism may be integrated into a larger history of accumulation on the level of Arrighi’s signal and terminal crises.<sup>245</sup> This historical cycle than can be understood in the same vein of speculation and, dare I say it, fraud of the early- to mid-19<sup>th</sup> century. The speculation on futures, swaps and derivatives may be akin to the “communicative labor” of American speculators who posited “the West” as the land of boundless profit opportunities, either in railroads, oil, land or gold. Although a primary hypothesis of many theorists of the postmodern claim that for capitalism, time has been spatialized, one could respond that in previous cycles of accumulation, profit was literally spatialized toward the horizon.

Communicative labor may be a way to understand the attempts to supersede the industrial business cycle, or the material demands of labor in a rapidly changing world. Indeed, Negri’s haughty laugh at striking Italian workers for not seeing the historical potentialities of postmodern capitalism merely replicate the haughty chastisement from American libertarians who blamed unions for the near-bankruptcy of GM in 2008. “Pointing to the workers [Negri] dismissively remarked, ‘It’s crazy, it’s like a Fellini film!’ For Negri, the workers stood for all that is wrong with traditional trade-unionist socialism focused on corporate job security.”<sup>246</sup> Compare this to a statement from a

---

<sup>245</sup> See Arrighi, *The Long Twentieth Century*, 221.

<sup>246</sup> Žižek, *First as Tragedy, then as Farce*, 103.

contributor to the Mises Institute, a think tank named after the neoliberal economic theorist Ludwig von Mises:

What is the best solution? In a word, *bankruptcy*. By filing for bankruptcy protection, GM can escape the death grip the UAW has on the business...Even if GM itself was unable to survive bankruptcy, the resources freed from its grasp could be hugely beneficial to other automotive companies that make products that American consumers value more.<sup>247</sup>

## FINAL THOUGHTS

In conclusion, the stakes of poststructuralist theory are thus: If one accepts that those who obstinately stand against the new accumulation scheme are historically obsolete, then the materialist task is incomplete, and the dialectician's has not yet begun. It is not only the dominant accumulation scheme, but rather the contradictions between it and the material forces which exist today (and the subjects that hold the progressive fantasies of a living wage, universal health care, and housing, and also the reactionary fantasies of a cold-blooded capitalist world, full of winners and losers) which produces "the state of things." To argue for a singular plane of immanence is to argue that what exists (for instance, the working class, which Negri argued does not)<sup>248</sup> is inexistent, to borrow Badiou's term. A proper dialectician holds the historical contradiction of workers and capitalists struggling within a new accumulation scheme; a proper materialist does not write the history of capitalism before it is over.

Psychoanalysis and Marxism are uniquely suited for this daunting task, for we must understand the Symbolic order, as Lundberg calls for, and have a firm footing in the

---

<sup>247</sup> Briggs Armstrong, "Yet Another GM Bailout," Ludwig von Mises Institute, November 18, 2008, <http://mises.org/daily/3202>.

<sup>248</sup> See Antonio Negri, "What to Do Today with *What Is to be Done?*, or Rather: The Body of the General Intellect" in *Lenin Reloaded: Toward a Politics of Truth*, eds. Sebastian Budgen, Stathis Kouvelakis, and Slavoj Žižek, (Durham: Duke University Press, 2007), 306.

material power of capitalism.<sup>249</sup> If one mistakes the content of capital for its form, and if one fails to distinguish between the schemes of accumulation and the schemes of subjectification, then capital will still outpace our attempts to conceptualize and critically analyze it. If we theorize this historical period incorrectly, we as workers and theorists have much to lose—not just our chains. This thesis is my first intervention in this world-historical problematic, but will provide the theoretical ground for a lifelong research project.

---

<sup>249</sup> “Thus, the important question may not be ‘the status of the other in the Symbolic’ but the status of the Other *as* the Symbolic.” Christian Lundberg, “The Royal Road Not Taken: Joshua Gunn’s ‘Refitting Fantasy: Psychoanalysis, Subjectivity and Talking to the Dead’ and Lacan’s Symbolic Order,” *Quarterly Journal of Speech* 90 (2004): 498.

## References

- Agamben, Giorgio. *State of Exception*. Chicago: University of Chicago Press, 2005.
- Althusser, Louis. "Ideology and Ideological State Apparatuses (Notes towards an Investigation)." In *Lenin and Philosophy and Other Essays*, translated by Ben Brewster, 127-186. New York: Monthly Review Press, 1971.
- Aristotle. *The Rhetoric and Poetics of Aristotle*. Translated by W. Rhys Roberts. New York: McGraw-Hill, Inc., 1984.
- Armstrong, Briggs. "Yet Another GM Bailout," Ludwig von Mises Institute. <http://mises.org/daily/3202> (accessed April 11, 2010).
- Arrighi, Giovanni. *The Long Twentieth Century: Money, Power and the Origins of our Times* London: Verso, 2010.
- Aune, James Arnt. *Selling the Free Market: The Rhetoric of Economic Correctness*. New York, Guilford, 2002.
- Badiou, Alain. *Logics of Worlds: Being and Event, 2*. London: Continuum, 2009.
- Badiou, Alain. *Theory of the Subject*. Translated by Bruno Bosteels. London: Continuum, 2009.
- Baram, Marcus, Scott Mayerowitz, and Reynolds Holding. "Financial Crisis Hurts State Pensions, Budgets." ABC News. <http://abcnews.go.com/Business/story?id=5921473&page=1> (accessed January 30, 2010).
- Baudrillard, Jean. *Simulacra and Simulation*. Ann Arbor: University of Michigan Press, 1994.
- BBC News. "GM Issues 2005 Profits Warning." <http://news.bbc.co.uk/2/hi/business/4174335.stm> (accessed April 1, 2010).
- Beller, Jonathan. "Grammar of the McMiltitudes: The Labor (Value) of Theory." *Communication and Critical/Cultural Studies* 7 (2010).
- Biesecker, Barbara. "Coming to Terms with Recent Attempts to Write Women into the History of Rhetoric." *Philosophy and Rhetoric* 25 (1992): 144.

- Black, Edwin. "The Second Persona." In *Readings in Rhetorical Criticism*, edited by Carl R. Burgchardt. State College, PA: Strata Publishing, Inc., 2005.
- Brenner, Robert. *The Boom and the Bubble: The US in the World Economy*. London: Verso, 2003.
- Brummett, Barry. *A Rhetoric of Style*. Carbondale: Southern Illinois University Press, 2008.
- Bureau of Labor Statistics, "Employment Situation Summary."  
<http://www.bls.gov/news.release/empsit.nr0.htm> (accessed October 3, 2009).
- Bureau of Labor Statistics, "Regional and State Employment and Unemployment—February 2010." <http://www.bls.gov/news.release/pdf/laus.pdf> (accessed March 27, 2010).
- Burke, Kenneth. *A Grammar of Motives*. New York: Prentice-Hall, Inc., 1945.
- Burke, Kenneth. *Permanence and Change: An Anatomy of Purpose*. New York: New Republic, Inc., 1935.
- Burke, Kenneth. *A Rhetoric of Motives*. Berkeley: University of California Press, 1969.
- Bush, George W. "Remarks by the President on Homeownership." Department of Housing and Urban Development.  
<http://www.hud.gov/news/speeches/presremarks.cfm> (accessed March 30, 2010).
- BusinessWeek, "Phantom Profits," *BusinessWeek*,  
[http://www.businessweek.com/magazine/content/06\\_37/b4000010.htm](http://www.businessweek.com/magazine/content/06_37/b4000010.htm) (accessed April 8, 2010).
- Callinicos, Alex. *Against Postmodernism: A Marxist Critique*. Cambridge: Polity Press, 1989.
- Campbell, Karlyn Kohrs. *Man Cannot Speak for Her* vol. 1. New York: Greenwood Press, 1989.
- Castells, Manuel. *The Rise of the Network Society*. Malden, Massachusetts: Wiley-Blackwell, Ltd., 2010.
- Cleaver, Harry. *Reading Capital Politically*. San Francisco: AK Press, 2000.

- Cloud, Dana L. "The Affirmative Masquerade." *American Communication Journal* 4 (2001).
- Cloud, Dana L. "The Null Persona: Race and the Rhetoric of Silence in the Uprising of '34." In *Readings on the Rhetoric of Social Protest*, edited by Charles E. Morris III and Stephen Howard Browne, 411-437. State College: Strata Publishing, Inc., 2006.
- Cloud, Dana L., Steven Macek, and James Arnt Aune., "'The Limbo of Ethical Simulacra': A Reply to Ron Greene." *Philosophy and Rhetoric* 39 (2006): 72-84.
- Cowan, Alison Leigh. "Miliken to Pay \$500 Million More in \$1.3 Billion Drexel Settlement." *New York Times*, February 18, 1992, page D10, <http://www.nytimes.com/1992/02/18/us/milken-to-pay-500-million-more-in-1.3-billion-drexel-settlement.html>.
- Davidson, Adam. "How AIG Fell Apart: The Dastardly Deeds of the Credit Default Swap," *The Big Money*. <http://www.thebigmoney.com/articles/explainer/2008/09/18/how-aig-fell-apart?page=full> (accessed March 22, 2010).
- Debord, Guy. *The Society of the Spectacle*. New York: Zone Books, 1995.
- de Man, Paul. *Allegories of Reading*. New Haven: Yale University Press, 1979.
- Deleuze, Gilles and Felix Guattari, *Anti-Oedipus: Capitalism and Schizophrenia*. Translated by Robert Hurley, Mark Seem and Helen R. Lane. New York: The Viking Press, 1977.
- Derrida, Jacques. *Of Hospitality*. Stanford: Stanford University Press, 2000.
- Desai, Meghnad. *Marx's Revenge: The Resurgence of Capitalism and the Death of Statist Socialism*. London: Verso, 2002.
- Eagleton, Terry. "Capitalism, Modernism and Postmodernism." *New Left Review* 152 (1985): 70.
- Eagleton, Terry. *Ideology: An Introduction*. London: Verso, 2007.
- Eagleton, Terry. *The Illusions of Postmodernism*. Oxford: Blackwell Publishers, 1997.
- Eagleton, Terry. *Literary Theory*. Minneapolis: University of Minnesota Press, 1983.



- Evans, Dylan. *An Introductory Dictionary to Lacanian Psychoanalysis*. New York: Routledge, 1996.
- Fink, Bruce. *Lacan to the Letter: Reading Écrits Closely*. Minneapolis: University of Minnesota Press, 2004.
- Fleckenstein, William A. and Frederick Sheehan. *Greenspan's Bubbles: The Age of Ignorance at the Federal Reserve*. New York: McGraw-Hill, 2008.
- Foster, John Bellamy and Fred Magdoff. *The Great Financial Crisis: Causes and Consequences*. New York: Monthly Review Press, 2009.
- Freud, Sigmund. "Civilization and its Discontents." In *The Freud Reader*, edited by Peter Gay 722-772. New York: W. W. Norton & Company, 1995.
- Freud, Sigmund. "Three Essays on the Theory of Sexuality." In *The Freud Reader*, edited by Peter Gay, 250. New York: W. W. Norton & Company, 2005.
- Friedman, Benjamin. "The Greenspan Era: Discretion, Rather than Rules." Working Paper Series, National Bureau of Economic Research. Cambridge, Massachusetts: National Bureau of Economic Research, Inc., 2006, 8.
- Friedman, Milton. *Capitalism and Freedom*. Chicago: University of Chicago Press, 1982.
- Friedman, Thomas. "From Baby-Sitting to Adoption." *New York Times*, September 5, 2009, <http://www.nytimes.com/2009/09/06/opinion/06friedman.html>.
- Friedman, Thomas. "Postcard from Yemen." *New York Times*, February 6, 2010, <http://www.nytimes.com/2010/02/07/opinion/07friedman.html>.
- Friedman, Thomas. *The Lexus and the Olive Tree*. New York: Farrar, Straus and Giroux, 1999.
- Friedman, Thomas. *The World Is Flat: A Brief History of the Twenty-First Century*. New York: Farrar, Straus and Giroux, 2005.
- Gasper, Phil. *The Communist Manifesto: A Road Map to History's Most Important Political Document*. Chicago: Haymarket Books, 2005.
- Gramlich, Edward M. *Subprime Mortgages: America's Latest Boom and Bust*. Washington, D.C.: The Urban Institute Press, 2007.

- Greene, Ronald Walter. "Another Materialist Rhetoric." *Critical Studies in Media Communication* 15 (1998): 21-40.
- Greene, Ronald Walter. "Orator Communist." *Philosophy and Rhetoric* 39 (2006): 85-95.
- Greene, Ronald Walter. "Rhetoric and Capitalism: Rhetorical Agency as Communicative Labor." *Philosophy and Rhetoric* 37 (2004): 188-206.
- Greene, Ronald Walter. "Rhetorical Capital: Communicative Labor, Money/Speech, and Neo-Liberal Governance." *Communication and Critical/Cultural Studies* 4 (2007).
- Greenspan, Alan. "The Financial Crisis and the Role of Federal Regulators." House of Representatives, Committee on Oversight and Government Reform, October 23, 2008.
- Gunn, Joshua. "Refitting Fantasy: Psychoanalysis, Subjectivity, and Talking to the Dead." *Quarterly Journal of Speech* 90 (2004): 9-10.
- Gunn, Joshua and Dana L. Cloud. "Agentic Orientation as Magical Voluntarism." *Communication Monographs*, forthcoming.
- Hardt, Michael and Antonio Negri. *Empire*. Cambridge, Mass.: Harvard University Press, 2000.
- Hardt, Michael and Antonio Negri. *Multitude: War and Democracy in the Age of Empire*. New York: Penguin Books, 2004.
- Hartcher, Peter. *Bubble Man: Alan Greenspan and the Missing 7 Trillion Dollars*. New York: W.W. Norton & Company, 2006.
- Harvey, David. *A Brief History of Neoliberalism*. Oxford: Oxford University Press, 2007.
- Harvey, David. *The Condition of Postmodernity*. Cambridge: Blackwell Publishing, 1990.
- Harvey, David, *The Limits to Capital*. London: Verso, 2006.
- Henwood, Doug. *Wall Street: How It Works and for Whom*. New York: Verso, 1997.
- Jameson, Fredric. *The Cultural Turn: Selected Writings on the Postmodern, 1983-1998*. London: Verso, 2009.

- Jameson, Fredric. "Imaginary and Symbolic in Lacan." In *The Ideologies of Theory*, 91-92. London: Verso, 2008.
- Jameson, Fredric. "Notes on Globalization as a Philosophical Issue." In *The Cultures of Globalization*, edited by Fredric Jameson and Masao Miyoshi, 57. Durham: Duke University Press, 1998.
- Jameson, Fredric. *Postmodernism, or The Cultural Logic of Late Capitalism*. Durham: Duke University Press, 1991.
- Jameson, Fredric. *Valences of the Dialectic*. New York: Verso, 2009.
- Kolb, Robert W. *Financial Derivatives*. Cambridge, Massachusetts: Blackwell Publishers Inc., 1996.
- Kolb Robert W. and James A. Overdahl. *Futures, Options, and Swaps*. Malden, Massachusetts: Blackwell Publishing, 2007.
- Lacan, Jacques. "The Function and Field of Speech and Language in Psychoanalysis." In *Écrits: A Selection*, translated by Bruce Fink, 40. New York: W. W. Norton & Company, 2002.
- Lacan, Jacques. "The Instance of the Letter in the Unconscious, or Reason since Freud." In *Écrits: A Selection*, translated by Bruce Fink, 145. New York: W. W. Norton & Company, 2002.
- Lacan, Jacques. "Introduction to Jean Hyppolite's Commentary on Freud's 'Verneinung.'" In *Écrits*, translated by Bruce Fink, 310. New York: W. W. Norton & Company, 2006.
- Lacan, Jacques. "Metaphor of the Subject." In *Écrits*, translated by Bruce Fink, 756. W. W. Norton & Company, 2006.
- Lacan, Jacques. "On a Question Prior to Any Possible Treatment of Psychosis." In *Écrits: A Selection*, translated by Bruce Fink, 190. New York: W. W. Norton & Company, 2002.
- Lacan, Jacques. "Remarks on Daniel Lagache's Presentation: 'Psychoanalysis and Personality Structure.'" In *Écrits*, translated by Bruce Fink, 549. New York: W.W. Norton & Company, 2006.

- Lacan, Jacques. "Science and Truth." In *Écrits*, translated by Bruce Fink, 737. W. W. Norton & Company, 2006.
- Lacan, Jacques. *The Seminar of Jacques Lacan, Seminar II: The Ego in Freud's Theory and in the Technique of Psychoanalysis, 1954-1955*. Translated by Sylvana Tomaselli. New York: W. W. Norton & Company, 1988.
- Lacan, Jacques. *The Seminar of Jacques Lacan, Book III: The Psychoses, 1955-1956*. Edited by Jacques-Alain Miller, translated by Russell Grigg. New York: W. W. Norton and Company, 1997.
- Lacan, Jacques. *The Seminar of Jacques Lacan, Seminar XVII: The Other Side of Psychoanalysis*. Translated by Russell Grigg. New York: W. W. Norton & Company, 2007.
- Lacan, Jacques. "The Subversion of the Subject and the Dialectic of Desire in the Freudian Unconscious." In *Écrits: A Selection*, translated by Bruce Fink, 286-287. New York: W.W. Norton & Company, 2002.
- Lewis, Michael. *Liar's Poker: Rising through the Wreckage on Wall Street*. New York: W. W. Norton & Company, 1989.
- Liptak, Adam. "Justices, 5-4, Reject Corporate Spending Limit." *New York Times*, January 21, 2010, <http://www.nytimes.com/2010/01/22/us/politics/22scotus.html>.
- Liu, Catherine. *Copying Machines: Taking Notes for the Automaton*. Minneapolis: University of Minneapolis Press, 2000.
- Lohr, Steve. "Government's Leap into Banking Has its Perils." *New York Times*, October 17, 2008, <http://www.nytimes.com/2008/10/18/business/18system.html?scp=1&sq=government%27s%20leap%20into%20banking%20has%20its%20perils&st=cse>.
- Longaker, Mark Garrett. "The Political Economy of Rhetorical Style: Hugh Blair's Response to the Civic-Commercial Dilemma." *Quarterly Journal of Speech* 94 (2008).
- Lundberg, Christian. "The Royal Road Not Taken: Joshua Gunn's 'Refitting Fantasy: Psychoanalysis, Subjectivity and Talking to the Dead' and Lacan's Symbolic Order." *Quarterly Journal of Speech* 90 (2004): 498.

- Lyotard, Jean-Francois. *The Postmodern Condition*. Minneapolis: University of Minnesota Press, 1984.
- Martin, Justin. *Greenspan: The Man Behind Money*. Cambridge, Massachusetts: Perseus Publishing, 2000.
- Marx, Karl. *Capital*, vol. 1. London: Penguin Books, 1990.
- Marx, Karl. *Capital*, vol. 3. London: Penguin Books, 1991.
- Marx, Karl and Frederick Engels, *The Communist Manifesto: A Road Map to History's Most Important Political Document*. Edited by Phil Gasper. Chicago: Haymarket Books, 2005.
- Mason, Paul. *Meltdown: The End of the Age of Greed*. London: Verso, 2009.
- McGee, Michael Calvin. "The 'Ideograph': A Link between Rhetoric and Ideology." *Quarterly Journal of Speech* 66 (1980): 5.
- McKerrow, Raymie E. "Critical Rhetoric and the Possibility of the Subject." In *The Critical Turn: Rhetoric and Philosophy in Postmodern Discourse*, edited by Ian H. Angus and Lenore Langsdorf, 60. Carbondale: Southern Illinois University Press, 1993.
- McKerrow, Raymie E. "Critical Rhetoric: Theory and Praxis." In *Readings in Rhetorical Criticism*. Edited by Carl R. Burghardt. State College: Strata Publishing, Inc., 2005.
- Meacham, Jon and Evan Thomas. "We're All Socialists Now." *Newsweek*, February 16, 2008.
- Morford, Mark. "Dear Texas: Please Shut Up. Sincerely, History." *San Francisco Chronicle*, March 17, 2010, <http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2010/03/17/notes031710.DTL>.
- Morgenson, Gretchen. "Inside the Countrywide Lending Spree." *New York Times*, August 26, 2007, [http://www.nytimes.com/2007/08/26/business/yourmoney/26country.html?\\_r=1&scp=1&sq="inside%20the%20countrywide%20lending%20spree"&st=cse](http://www.nytimes.com/2007/08/26/business/yourmoney/26country.html?_r=1&scp=1&sq=).
- Moseley, Fred. "The U.S. Economic Crisis: Causes and Solutions." *International Socialist Review* 64 (2009).

- Muolo, Paul and Mathew Padilla, *Chain of Blame: How Wall Street Caused the Mortgage and Credit Crisis*. Hoboken: John Wiley & Sons, Inc., 2008.
- Negri, Antonio. *Marx Beyond Marx: Lessons on the Grundrisse*. South Hadley, MA: Bergin and Garvey, 1984.
- Negri, Antonio. "What to Do Today with *What Is to be Done?*, or Rather: The Body of the General Intellect." In *Lenin Reloaded: Toward a Politics of Truth*, edited by Sebastian Budgen, Stathis Kouvelakis, and Slavoj Žižek, 306. Durham: Duke University Press, 2007.
- Nietzsche, Friedrich. *On the Genealogy of Morals*. New York: Barnes & Noble, 2006.
- NewsHour. "Greenspan Admits 'Flaw' to Congress, Predicts More Economic Problems." PBS, October 23, 2008. [http://www.pbs.org/newshour/bb/business/july-dec08/crisishearing\\_10-23.html](http://www.pbs.org/newshour/bb/business/july-dec08/crisishearing_10-23.html).
- Ollman, Bertell. *Dance of the Dialectic: Steps in Marx's Method*. Urbana: University of Illinois Press, 2003.
- Petzel, Todd E. *Financial Futures and Options: A Guide to Markets, Applications, and Strategies*. New York: Quorum Books, 1989.
- Pfaff, William. "Speculators and Soaring Food Prices." *New York Times*, April 16, 2008, <http://www.nytimes.com/2008/04/16/opinion/16iht-edpfaff.3.12052202.html>.
- Prins, Nomi. *It Takes a Pillage: Behind the Bailouts, Bonuses, and Backroom Deals from Washington to Wall Street*. Hoboken: John Wiley & Sons, Inc., 2009.
- Publications Committee. *The Federal Reserve System: Purposes and Functions*. Washington, D.C.: Board of Governors of the Federal Reserve System, 2005.
- Quintilianus, Marcus Fabius. "The Institutio Oratoria of Quintilian." In Barry Brummett, *Reading Rhetorical Theory*, 297. Fort Worth: Harcourt College Publishers, 2000.
- Rampell, Catherine. "'Great Recession': A Brief Etymology." *Economix*, March 11, 2009, <http://economix.blogs.nytimes.com/2009/03/11/great-recession-a-brief-etymology> (accessed October 11, 2009).
- Salmon, Felix. "Greenspan's Apology: Still MIA." *Reuters*, September 9, 2009. <http://blogs.reuters.com/felix-salmon/2009/09/09/greenspan-apology-still-mia/> (accessed March 19, 2010).

- Schwartz, Herman M. *Subprime Nation: American Power, Global Capital, and the Housing Bubble*. Ithaca: Cornell University Press, 2009.
- Schwartz, Nelson D. "Rapid Declines in Manufacturing Spread Global Anxiety." *New York Times*, March 19, 2009, [http://www.nytimes.com/2009/03/20/business/worldbusiness/20shrink.html?\\_r=2&ref=business](http://www.nytimes.com/2009/03/20/business/worldbusiness/20shrink.html?_r=2&ref=business).
- Sheehan, Frederick J. *Panderer to Power: The Untold Story of How Alan Greenspan Enriched Wall Street and Left a Legacy of Recession*. New York: McGraw-Hill, 2010.
- Sheridan, Alan. "Translator's Note." In Jacques Lacan, *The Seminar of Jacques Lacan, Book XI: The Four Fundamental Concepts of Psychoanalysis*, edited by Jacques-Alain Miller, translated by Alan Sheridan. New York: W. W. Norton & Company, 1998.
- Sicilia David B. and Jeffrey L. Cruikshank. *The Greenspan Effect: Words that Move the World's Markets*. New York: McGraw-Hill, 2000.
- Stein, Sam. "Bailout Recipients Hosted Call to Defeat Key Labor Bill." *Huffington Post*, January 27, 2009. [http://www.huffingtonpost.com/2009/01/27/bank-of-america-hosted-an\\_n\\_161248.html](http://www.huffingtonpost.com/2009/01/27/bank-of-america-hosted-an_n_161248.html).
- Tavakoli, Janet M. *Collateralized Debt Obligations and Structured Finance: New Developments in Cash and Synthetic Securitization*. Hoboken: John Wiley & Sons, Inc., 2003.
- The Ticker, "Actual Unemployment Rate Hits All-time High of 16.8%." *Economy Watch*, September 4, 2009. [http://voices.washingtonpost.com/economy-watch/2009/09/actual\\_unemployment\\_rate\\_hits.html?hpid=topnews](http://voices.washingtonpost.com/economy-watch/2009/09/actual_unemployment_rate_hits.html?hpid=topnews).
- Thompson, John B. *Studies in the Theory of Ideology*. Cambridge: Polity Press, 1984.
- Thomsett, Michael C. *Winning with Futures: The Smart Way to Recognize Opportunities, Calculate Risk, and Maximize Profits*. New York: AMACOM, 2009.
- van Haute, Philippe. *Against Adaptation: Lacan's "Subversion" of the Subject*. New York: Other Press, 2002.
- Weber, Max. *The Protestant Ethic and the "Spirit" of Capitalism, and Other Writings*. New York: Penguin Books, 2002.

- Wichelns, Herbert. "The Literary Criticism of Oratory." In *Readings in Rhetorical Criticism*, edited by Carl R. Burgchardt, 26. State College: Strata Publishing, 2005.
- Woodward, Bob. *Maestro: Greenspan's Fed and the American Boom*. New York: Simon and Schuster, 2000.
- Žižek, Slavoj. *First as Tragedy, then as Farce*. London: Verso, 2009.
- Žižek, Slavoj. *For They Know Not What They Do: Enjoyment as a Political Factor*. London, Verso, 2002.
- Žižek, Slavoj. *The Parallax View*. Cambridge, Massachusetts: Massachusetts Institute of Technology Press, 2006.
- Žižek, Slavoj. *The Sublime Object of Ideology*. London: Verso, 2008.
- Žižek, Slavoj. *The Ticklish Subject: The Absent Centre of Political Ontology*. London: Verso, 2008.



## Vita

Robert Olen McDonald was born in Athol, Massachusetts, and after too few years, he moved with his family to central Texas. He attended the University of Texas at Austin as an undergraduate, where he received a Bachelor of Journalism and a Bachelor of Arts in Government, both with high honors in May 2008. McDonald was a member of the Senior Fellows, the College of Communication's honors program, and was an associate editor of the *Daily Texan*. He also spent four years working in the Fine Arts Library. In August 2008, McDonald enrolled in the University of Texas at Austin's graduate program in Communication Studies to earn a Master's degree in Rhetoric and Language. He is enrolling in the Communication Studies department at the University of North Carolina at Chapel Hill in August 2010 to pursue a doctorate in Rhetorical Studies.

E-mail address: [romcd@email.unc.edu](mailto:romcd@email.unc.edu)

This thesis was typed by the author.