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This issue is dedicated to the winning of the fourth annual Edith Wharton Essay Prize. The judges were: Co-Editors, Carole M. Shaffer-Koros and Linda Costanzo Cahir; and Associate Editor, Margaret Murray. The winner received an award of \$250. There were 21 entries.

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The Spectres of Capitalism and Democracy in Edith Wharton's Early Ghost Stories

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The vicissitudes of American markets – the scandals, the panics and particularly the vanities they helped to display – were more than a backdrop for much of Edith Wharton's fiction; money and a skepticism over the political economy which governed it were at the heart of her work. Wharton's aptitude for capturing the greed, the mixed motivations and the pathos that often attended efforts at American wealth creation (and maintenance) is one area, in fact, where she outperformed Henry James, whom "often bewailed [to her] his total inability to use the material, financial and industrial, of modern American life" (*A Backward Glance* 176). To Wharton, "everything connected with the big business world" did not remain the "impenetrable mystery" that it did for James (*BG* 176). Rather, the capacity of a person to either master, succumb or fall victim to the vagaries of the market and the political system which supported it, fascinated her, in part, perhaps because Wharton had a similar proclivity to the canny use of power that accompanied the possession of wealth as well as knowledge of the fears associated with losing it.

Yet Wharton retained a degree of self-restraint and self-mastery that were distinctly missing in the new breed of millionaire. As Clare Preston has argued, Wharton detected a certain uninhibited hubris at work where the modern financier was not only a money-man, but a new kind of master of the universe, navigating the complexities of markets and circumventing niggling obstacles, such as regulation, through the keen manipulation of newly established networks (57). Wharton's

class and generation often found themselves confronting class slippage precisely because they could not contemplate that such frank departures in business probity would not exact the harshest of social penalties (*BG* 22). In her memoirs, she recalls the manner in which the families of "two or three men of high social standing [who] were involved in a discreditable bank failure ... were made to suffer to a degree that would seem merciless to our modern judgement" (*BG* 22). However, by the first decades of the twentieth century, the moral and political landscape had shifted utterly. While Yeats may have reposed mournfully over the parturition of a "terrible beauty" in Ireland, in America an enlarged, though inattentive, democracy gave birth to a new kind of financial libertine.

The birth metaphor is apposite to the argument of the following article, which examines the spectres of capitalism and democracy in Wharton's early uncanny stories. Exploration into the etymology of the uncanny reveals that birth is entailed in its meaning. As Nicholas Royle has noted, "one archaic synonym for the time of birth, giving birth or being born, is the 'canny moment'"(viii). Freud discusses the uncanny or the *unheimlich* as "the entrance to the former *Heim* [home] of all human beings, to the place where each one of us lived once upon a time in the beginning" (368). However, something is distinctly uncomfortable about that space; one's home is no longer cozy.

It is no secret that Wharton felt deeply conflicted in her relationship to America as her home, and I will argue that it was this shift in values that made Wharton feel not "at-home" at home. My analysis relies on a definition of the uncanny as relating to cusp experiences, such as when the old value system encounters the new. The uncanny, in these terms, refers to the

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moment before fear, when one is both enchanted and bewildered by the new, yet the new has not yet proved itself fully trustworthy. A similarly wary stance describes Wharton's attitude toward the values in America during the first years of the twentieth century. There is a view in Wharton scholarship that Wharton's feeling of being "not quite 'at-home' in the world" intensified following the collapse of traditional structures after the First World War (Olin-Ammentorp 170). Certainly, readings of her uncanny fiction completed during and after the war provide evidence of her discomfort with social, cultural and political issues during the war and the post-war periods. However, the following discussion will demonstrate that Wharton's unease over the shift in values in America was a subject with which she engaged from the very start of her career.

Specific comment will be devoted to the manner in which three of her early ghost stories adumbrate ideas contained in two influential books, Walter Lippmann's *Drift and Mastery*, published in 1914, and *Problems of Power*, which was written by her lover William Morton Fullerton and that Wharton read, as well as offered editorial suggestions, prior to its publication in 1913. Both of these books discuss the challenges associated with emerging notions of "democracy" and the rise of a newly wealthy class of bankers and corporate leaders in America. The argument in this paper does not seek to demonstrate that Wharton's ideas in these areas somehow anticipated Lippmann or Fullerton, but rather that her early ghost stories mirror their mutual interest in the concerns of the times.

Wharton's first ghost story, "The Lady's Maid's Bell" (1902), presents a picture of the haunted conditions that can arise when old money loses its hold on power and resorts to marrying new money as a way of staving off erosion in social and economic position. The pallid Mrs. Brympton in the story has made such a compromise. The main character, however, is Mrs. Brympton's maid, Miss Hartley, an Irish immigrant, who shortly after she reports to her new position, realizes that some kind of mystery surrounds the woman's previous maid and then she starts seeing the first maid's ghost. When the story was written, America was already twelve years into the Progressive Era. At this time, scandals relating to unsafe work places, corruption in business along with unrestrained levels of conspicuous consumption introduced new points into the debate about the "responsibilities" that attended wealth.

A review of Wharton's letters and outlines for novels illustrates how she shared this concern with realigning a sense of responsibility with wealth, as well as her skepticism about the promises of an egalitarian democracy. For example, in the outline of 'Disintegration,' an unfinished novel, Wharton has the protagonist reflect on the kind of novel he would write about contemporary American manners:

It's to be a study of the new privileged class – a study of the effects of wealth without responsibility. Talk of the socialist peril! That's not where the danger lies. The inherent vice of democracy is the creation of a powerful class of which it can make no use – a kind of Frankenstein monster, an engine of social

disintegration. [...] The place to study them is here and now – here in this huge breeding-place of inequalities that we call a republic, where class-distinctions, instead of growing out of the inherent needs of the social organism, are arbitrarily established by a force that works against it! (Qtd in Lee 178)

The haunting in "The Lady's Maid's Bell" does not stem only from Wharton's reservations about the way old money had begun to be complicit with new, and how new money was somehow irresponsible. The uncanny element in the story is also motivated by her unease over a new breed of servants: typhoid-afflicted immigrants like Hartley from countries such as Ireland, who congregated as the servants "under the stairs," under the foundations of society, and who represented a new form of power base that threatened to contaminate American democracy.

Hartley finds her job at the suggestion of Mrs. Railton, "a friend of the lady that first brought [her] out to the States" (12). Hartley's status as an immigrant, shepherded into a new job and a place to live by someone more powerful, reflects a portrait of influence that fueled nativist arguments at the time, namely that certain immigrant groups, under the control of powerful political bosses with strong ethnic ties, were pressured to vote in a certain way in local elections. Thus, because they were easily manipulated, immigrants and their guardians were considered to be obstacles to good democracy. (People like Mrs. Railton were not good for America and they were not helpful to innocents like Hartley. Based upon what happened to the previous maid, Mrs. Railton could have actually been sending Hartley to her death.) The multiplying numbers of immigrants created a xenophobia best captured by Mr. Brympton's remark when he sees Hartley for the first time and confuses her with the ghost of his wife's previous maid. Bewildered, Brympton wonders, "*How many of you are there?*" (24). His wife's previous maid, Emma Saxon, bears a name that allows Wharton to suggest that the rate at which Anglo-Saxon Americans were being replaced by immigrants, particularly from "backward" places such as Ireland, threatened to upset, not only to America's demographic, but also the smooth functioning of democracy itself. To Wharton and certain of her contemporaries, such as Theodore Dreiser, America was turning into a polyglot nation with uncertain political, economic and social consequences, particularly as these newcomers appeared to care most about earning a living and surviving, to the neglect of American politics and culture more generally.¹

Both Walter Lippmann and W. Morton Fullerton write about the need for a new kind of vigilance on the subject of democracy. Lippmann explains that in the hands of the uncritical, democracy is at risk of mutating into a new form of tyranny:

Without a tyrant to attack an immature democracy is always somewhat bewildered. Yet we have to face the fact in America that what thwarts the growth of our civilization is not the uncanny, malicious contrivance

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of the plutocracy, but the faltering method, the distracted soul, and the murky vision of what we call grandiloquently the will of the people. If we flounder, it is not because the old order is strong, but because the new one is weak. ... A nation of uncritical drifters can change only the form of tyranny, for like Christian's sword, democracy is a weapon in the hands of those who have the courage and the skill to wield it; in all others it is a rusty piece of junk. (15-16)

In the introduction to *Problems of Power*, W. Morton Fullerton refers to America as under the grip of "two occult forces." One of these is "the disseminated Wealth of Democracy," which he defines as the "plutocratic oligarchy" of bankers, manufacturers and mining proprietors, who exercise undue influence on democratic policy, and the other is "the mysterious pervasive force known as Public Opinion," which refers to the same uninformed view Lippmann is critical of in the general populace (Fullerton 1). The domestic staff at the haunted Brympton mansion represent the uncritical mass to which Lippmann refers. Hartley is perhaps too full of heart and sensibility, the housekeeper "Mrs. Blinder" is too blind to see what is really going on in the house, and the butler, Mr. Wace, wastes his more discriminating faculties by burying himself in the prophets of the Bible.

Mr. Brympton runs the estate practically from a distance. His business affairs in the West Indies keep him away from home for extended periods, and Hartley tells readers "It was plain that nobody loved him below stairs" (17). One interpretation is that Wharton discreetly suggests that nobody likes a bully in the territories "below stairs," an oblique reference to American intervention in Central and South America and in the Southern Pacific at the time.² Fullerton discusses the Monroe Doctrine applied by America in this period as a "rusting weapon" and that the economic imperatives of increased internationalism in world trade might "ultimately

cause the United States to be brought to bay by rival powers" (12). He further adds that the bullying side of the Monroe Doctrine may have to be readjusted "to bring it into harmony" with the interests of other powers in the region (12-13).

Wharton conveys unease over the manner in which ordinary citizens at home, who are represented as blind as "Mrs. Blinder" and as wasteful as "Mr. Wace," did not seem to take much notice or have many opinions about America's foreign policy or America's changed economic landscape; much less did they demonstrate or express any kind of resistance. Instead, they buried themselves in work or in religion, but yet something was off-kilter, nearly uncanny, about their being:

Mrs. Blinder took uncommon care with the dinner that night, but she snapped at the kitchenmaid in a way quite unusual with her; and Mr. Wace, the butler, a serious, slow-spoken man, went about his duties as if he'd been getting ready for a funeral. He was a great Bible reader, Mr. Wace was, and had a beautiful assortment of texts at his command; but that day he used such dreadful language, that I was about to leave the table, when he assured me it was all out of Isaiah; and I noticed that whenever the master came Mr. Wace took to the prophets. (17)

Here Wharton complains that many Americans, too uncomfortable or unconscious to oppose the bullying practices of business trusts at home and the actions of their government abroad, took refuge in either work or religion as a stalwart support for the times when they came face to face with the figures who were *really* organising their lives. There is something futile in the efforts Mr. Wace puts into his knowledge of prophets and religious texts, which stand as "beautiful emblems" rather than effective agents which might bring about true justice or change. The dreadful language he uses hints toward a dark, hypocritical side of Christian Bible enthusiasts, who were active in the first two decades of the twentieth century. And yet, worryingly, these were the kind of people America was relying on to be the guardians of the new democracy. Part of the uncanny involves confrontation with that which is unreliable or untrustworthy about one's environment; the new Americans and the new democracy, Wharton suggests, were similarly treacherous.

In addition to the challenges of democracy, Wharton was equally intrigued by stories involving rogue deal-makers and conflicted regulators in America. Wharton's interest in the business scandals of her day is perhaps most evident in the title she gives to her first commercial best-seller, *The House of Mirth* (1905), which references the name of a social club established by Wall Street financiers to gain influence with Albany legislators. With parallels to a more recent scandal involving New York's former Governor, the "regulators of Wall Street" were indulged with female entertainment. Wharton was not so much interested in chronicling the lurid details of the affair; rather, her principal motivation was to register the shift in values that made such behaviour possible in the first place. Great fortunes were being made through, what some regarded as, a new kind of financial chicanery. Figures such as Elmer Moffatt

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and Harmon B. Driscoll in *The Custom of the Country* (1913) amassed empires by adroitly manipulating influence and information, rather than products, through the markets (Preston 59-60). By 1920 when *The Age of Innocence* is published, a fundamental rebalancing had occurred in America's ethical environment that allowed, as Steve Fraser notes in his cultural history of Wall Street, Julius Beaufort's financial misconduct to be summarily forgotten, because by then "Society [was] living in a House of Mirth" (209).

This theme persists in "Afterward" (1909), where Wharton reveals how business ethics had become muddled, so obfuscated by grey areas, that the perpetrators of inappropriate commercial behavior were hardly aware they were committing a crime. The story engages directly with a new kind of organised crime by giving vent to public outrage over the prevalence of collusion and fraud in the mining industry. Three years earlier, in 1906, William B. "Big Bill" Haywood was tried for the murder of former Idaho governor Frank Steunenberg in 1906; during the trial, it emerged that Haywood was, in fact, innocent and that the Mine Owners' Association had hired a spy, Harry Orchard, to plant the bomb outside Steunenberg's home. The attack on an innocent represented a new kind of coordinated business strategy. Despite Roosevelt's 1904 campaign promise to reform business, it was obvious to many Americans that a new level of danger (as well as a new kind of ethics) had been introduced to the business environment. While "Afterward" may not reference a specific case of fraud in the mining industry, it certainly taps into this general unease felt toward mine owners at the time. It tells the story of a rich American couple, Mary and Ned Boyne, who move to an old estate in England on the ill-begotten profits Ned has made on a mining deal in America. In the end, Ned is haunted and finally abducted by the ghost of the man who killed himself, because he lost all means of supporting his family after Ned double-crossed him in business.

"Afterward" chronicles the Boynes' self-deception as they pursue this pastoral experience. Significantly, the estate they move into is spelled out for readers as L-Y-N-G, a cipher for the way the Boynes have lied to others to get where they are and for the manner in which they are lying to themselves in their escape into this simpler life. As "romantic Americans" (58) they are charmed by their ability to rough it and live as guileless retirees, when in reality it was their rugged materialism and Ned's double-dealing ways that earned them the money and leisure for this new contemplative life.

At the time the story was written, environmentalists and labour leaders in the Progressive Movement took offence at the presumptive methods of business leaders who disregarded the consequences of their practices. In a desire to profit from the increasing demand for raw materials, driven by industrial expansion in America, mining companies in places like Pennsylvania and states across the Midwest stripped the natural beauty of the mountain landscapes. In "Afterward" Wharton derides the Boynes' insensitivity to the fact that they can now enjoy the beauty of the English countryside because of the wealth they earned by ravaging the American landscape as mine

owners. Wharton describes how the Boynes were attracted to the "ever-recurring wonders" of Britain, how its compressed nature, as a "nest of counties," produces a pleasing effect as one viewed the many contrasts in the panorama of the landscape (60). But Ned regards the view from their new estate with relish, as if it is a meal the English have readied for his consumption:

"It's that," Ned had once enthusiastically explained, "that gives such depth to their effects, such relief to their contrasts. [The English have] been able to lay the butter so thick on every delicious mouthful." (60)

The danger, Wharton hints here, is that after the novelty of country living has worn off, Ned's enterprising spirit may look to ravish Britain as well. Further, Wharton inveighs against the practice of "laying the butter thick" on the people Ned double-crossed in business to gain the view he currently holds.

To fill their time, Mary cultivates their garden and oversees the refurbishment of the estate; Ned's plan is to write a book "he has long planned on the 'Economic Basis of Culture'" (60). With this reference, Wharton draws readers' attentions to the kinds of books, written by business leaders and economists that were popular at the turn of the century.³ In particular, the essays and books of Simon N. Patten helped to remove some of the negative connotations attached to the notion of consumption. Though Patten himself was critical of wasteful forms of consumption, such as conspicuous displays and luxury items, his theories were influential in shifting the American economy from nineteenth-century economic modes, which emphasised production, on to consumption models that maintained America's economic future relied on surpluses and on ideas of prosperity and abundance, where the consumer rather than the producer was the new focal point.⁴ Patten's theories, and the popularity of them, represented a significant shift away from the Victorian ideals Edith Wharton grew up with, which emphasised production, conservation, and personal responsibility.

To cause further offence to public opinion, certain business leaders believed that they were somehow divinely endowed to use and direct America's resources, and in turn, that they were the best individuals to decide how the wealth generated from those resources was to be spent. Andrew Carnegie's 1899 social treatise, *The Gospel of Wealth*, predicated on the ideas of Social Darwinism conveyed by Herbert Spencer, argued that the rich became rich because they are more "fit to." Carnegie's origins as a Scottish immigrant, who made his fortune in steel, and his behaviour as a great philanthropist, who donated \$335 million in his lifetime, embodied a new kind of American and a new attitude toward the display of wealth that Wharton found disturbing (Lee 47). Figures such as Carnegie along with Henry Frick and John D. Rockefeller introduced a uniquely American slant to the idea that the direction of wealth and resources were linked to spending. More ostentatious levels of charitable contributions were to be seen as not only divinely inspired, but acted as a way of inspiring others to see such charitable "spending" (and eventually all spending), as another competitive act. Wharton

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was dismayed by this emphasis on outward expenditure versus inward examination.

This new relationship between having wealth and then spending it in order to generate more wealth was a development that unsettled Wharton, particularly because the parvenu members of society she witnessed around her, like the Boynes in "Afterward," had wealth, but had earned that wealth through deceptive means. Thus, not only were they illegitimately wealthy, they were also ill-equipped to administer that wealth ethically; much less were they in the position to write books such as the "Economic Basis of Culture," which advised other parvenus how to do it. Wharton delivers her criticism again by punning with names. One of the characters who advises Mary Boyne on matters of her estate following her husband's death is the not-fully-trustworthy lawyer, Mr Parveni, who is perhaps one of the least qualified to "advise" because he is tangentially linked to the business scandal that brought about her husband's disappearance in the first place.

In "Afterward" Wharton casts a light on a new kind of criminal, the white-collar criminal, who does not even realise he is committing a crime. Close reading of the numerous grey symbols in the text reveals Wharton's discomfort over the new "grey" areas in business. The first time Mary sees Robert Elwell's ghost she remarks to herself that "it looked like a blot of deeper grey in the greyness" (66). Soon after, "Her spirit sank under the impending fear of the disclosure" (66). Robert Elwell's ghost represents the disclosure of information about her husband's business practices that she has allowed to be kept secret from her. She then reminds her husband of something a friend of theirs remarked to them that "when one sees the Lyng ghost one never knows it" (60). Wharton here conveys the difficulty of seeing certain business practices as unjust when *everyone* is at it, because unscrupulous methods have become nearly acceptable.⁵ A conversation follows where Mary asks her husband has he "given up trying to see the ghost?" To which he replies, "I never tried" (67). He never tried being conscientious in business so he was not even aware of when he was not. Then Mary persists, "the exasperating thing is that there's no use trying, since one can't be sure till so long afterward" (67). Thus, Wharton's title for her story provides clues as to the subject of her discomfort: it is not until after it emerges that bad business deals have bad consequences – for the environment, for labour, for families – that people realise there is something unethical or indeed even criminal about them.

The theme of corruption in business presents itself again in Wharton's 1914 story, "The Triumph of Night." Wharton's description of the landscape in "The Triumph of Night" reveals much to readers about her regard for the excesses of capitalism. Depictions of enormous homes, equipped with every comfort, are perched uncertainly on icy slopes; luxury sleighs are used to convey VIP passengers but are also at risk of getting marooned in deep snow; modern trains careen around mountain corners that are combed by cutting winter winds. Hostile environmental factors serve as metaphors for harsh,

unforgiving economic laws which create a society of extremes and an economic class structure, where even those who have achieved a level wealth remain vulnerable to slipping and thus they endure only by abiding in a paranoid consciousness that, one day, they too might find themselves "out in the cold."

This image of the precarious nature of the American economic system was at odds with notions at the time that maintained America's surpluses were fundamental to the democracy envisioned by President Woodrow Wilson when he was elected in 1912. That Wharton was uneasy with the excesses of capitalism is not to suggest that she was an unconflicted socialist; her correspondence with Upton Sinclair demonstrates her problems with extreme socialism (EW to Upton Sinclair August 19, 1927 in *Letters* 500-1). Nonetheless, "The Triumph of Night" shows Wharton's ambivalence toward the much-touted "progress" of the Progressive Age. She was discomfited by many aspects of unrestrained capitalism as well as sceptical of the efficacy of government controls designed to restrict market abuse.

The story begins with the protagonist, George Faxon, waiting for a sleigh to collect him from the train station and convey him to the estate of "Weymore," where he is to take up a new job as secretary to the wealthy Mrs. Culme, who by all accounts has "way more" than most Americans at the time, and who certainly has more than the Harvard-educated Faxon. In forgetting Faxon at the station, Mrs. Culme (whose name may be a pun on anthracite clum, a waste product in the coal mining industry) embodies the distracted nature of the newly wealthy, who, in managing ever complex levels of wealth, forget common decency and manners. For example, Mrs. Culme does not consider how paying for a night's lodgings elsewhere will devastate Faxon's delicately balanced finances. She requires numerous intermediaries to help her keep track of it all, and still, certain duties get neglected:

Yet to say that Mrs. Culme had forgotten him was too crude a way of putting it. Similar incidents led him to think that she had probably told her maid to tell the butler to telephone the coachman to tell one of the grooms (if no one else needed him) to drive over to Northridge to fetch the new secretary; but on the night like this, what groom who respected his rights would fail to forget the order? (119)

Wharton's description of the many levels of Mrs. Culme's domestic staff structure can be read as a conceit that remonstrates a new phenomenon emerging in the American economy at the time: the multi-layered corporation. This new organisational structure relied on intermediate layers of holding companies and middle-level managers; however, big business organised itself along such complicated lines often to hide less forthright activities, to camouflage incompetence, or to mask monopoly positions in certain industries.

The modern corporation had introduced a fracture with the past and traditional notions of property ownership. As Walter Lippmann relates,

No one has ever had a more abstract relation to the thing he owned. The absentee landlord is one of the sinister figures of history. But the modern

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shareholder is not only an absentee, he is a transient too. (46)

In this detached and evanescent environment, it was easy to think of defrauding shareholders in impersonal terms. According to Lippmann, the very notion that a shareholder “may never see his property” and that financial positions could appreciate or depreciate overnight were interpreted by some as “inscrutable mysteries” (45).

Accompanying the rise of the modern corporation and shareholder was the rise of the “manager” as a salaried worker who is “divorced from ownership” of the company he works for, yet represents a newly powerful class of worker that has been educated specifically for the role by schools of business (Lippmann 43). Wharton read the introduction of business courses at Harvard as signalling the twilight of a superior age in education (EW to Sara Norton, June 23, 1907, Beinecke, Qtd in Lee 172). She suggests that someone with Faxon’s distinguished education, but perhaps not with his sensitivity, would have performed better, and with a greater sense of judgement, had he gone into business than those professionally trained for the role. However Faxon’s delicate emotional constitution causes him to choose a more peripatetic existence and to develop spiritual abilities he would rather not have. The new economy of the 1910s has no real value for people educated as he is, and he is literally exposed to the cold without the proper coat.⁶ Rather than train as the new type of worker in business, the middle manager that Walter Lippmann mentions as being ascendant in the time, Faxon has opted for a more independent, though uncertain existence as a personal assistant.⁷

Initially, Faxon represents the kind of figure Lippmann writes about who is unable to master the economics the world of trusts had introduced to American society. “Drifters,” Lippmann explains, move through the world either nostalgically, clinging to a past that they believe was easier; or they position themselves rebelliously against an imagined authority; thus, in effect, “their revolt is the endless pursuit of what their own disharmony will never let them find;” or they simply drift unconsciously into careers or relationships (110). “Mastery,” on the other hand he argues, involves waking oneself up to full consciousness; it involves “the substitution of conscious intention for unconscious striving” (148). Lippmann explains that “those who are really at home” in the modern world “find life more interesting as they mature; experience for them is not an awful chance but a prize they can win and embrace”(103). Faxon is not quite at this level of mastery. He barely survives in the frozen landscape.

The uncanny element in the story centers on the appearance of John Lavington’s evil *doppelgänger*. Despite the “exuberance of Lavington’s public personality” as a generous philanthropist and a gracious host, he is a tycoon in the construction industry with dubious connections in the higher echelons of the banking sector (124). In business, he wears a vacant “pinched smile” and at critical points in the story, this second side of Lavington actually detaches in the form of an evil double, a ghost-like demon that directs Lavington’s unethical behaviour in business (124). This double hovers as a

Mephistophelian figure to coerce his tubercular nephew into signing-over his estate to prevent Lavington’s imminent bankruptcy. It is no accident that the ghost is visible only to Faxon; as in “Afterward” everyone else is so inured to unscrupulous practices in business, they no longer see the ghosts.

“The Triumph of Night” reveals a portrait of America on shaky regulatory ground; even if businesses were seen to be cooperating with government reforms, collusive practices were still taking place behind the scenes. The Clayton Antitrust Act and the Federal Trade Commission had helped to curb some of the most abusive practices that were more common earlier in the century; however the final version of the Act was less robust than originally intended after powerful business interests lobbied Congress. “The Triumph of Night” conveys Wharton’s empathy with this general feeling of distrust that the reforms in banking and the regulations in business were not enough; hidden centres of power still existed and were still marred by corruption. Isolated locales such as Northridge, New Hampshire, where business leaders met, almost clandestinely, represented such centres of power and secret coterie of influence.

When Lavington’s double appears to Faxon a second time, Faxon has a breakdown and spends time recovering in the Malay Peninsula. The references to Southeast Asia in the story are significant because with them Wharton alludes to America’s trading designs in that region as well as in others. Faxon is in Malaysia accompanying a man he had known from Harvard on a “business trip” (143). At this time, in 1914, American businessmen looked to the government to help them secure new markets to trade their surplus products abroad, particularly in Southeast Asia as well as in Central and South America. Although in a 1901 letter to Sara Norton, Wharton confesses herself to be a “rabid imperialist,” close reading of “The Triumph of Night” suggests a certain instability in this pose.⁸ The moral of the tale points clearly to Wharton’s discomfort over the collusive practices and imperialist designs that seemed to be critical to securing America’s brand of “New Freedom” in the Progressive Era. The story presents an uncomfortable portrait of the personal sacrifices individuals were expected to make, as for example Faxon does, where a once earnest personal assistant finds his recuperation by taking convalescence with the same class of business people who made him sick in the first place.

Wharton was troubled by how life consisted of such “shabby compromises” (*The Gods Arrive* 322); in particular she was disturbed at witnessing members of the old money class surviving in the modern world by becoming complicit with the practices of the newly wealthy. These practices constituted the kinds of accommodations or progressive advances that made Wharton feel not “at home” among the new breed of Americans. These new Americans were either rich and unscrupled or immigrant and diseased; both left Wharton distrustful of the new, uncanny democracy they empowered. While Wharton’s early ghost stories engage with a context that slightly pre-dates the publication of Lippmann’s *Drift and Mastery* and

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Fullerton's *Problems of Power*, they reflect concerns strikingly similar in their conservatism. The spectres of capitalism and democracy in Progressive Era America both unsettled and beguiled Wharton as the familiar strange; Wharton's treatment of them continues to intrigue modern readers as strangely familiar.

Notes

¹In *Hey rub-a-dub-dub*, Theodore Dreiser, relates a conversation with a neighbor of his in Jersey City, where the immigrant "Mr. Spitovesky" explains that he "doaned mix in no politics" because he "got no time" as he needs to "mine store." See Dreiser, *Hey rub-a-dub-dub: a book of mystery and wonder and terror of life*, English Edition (London: Constable, 1931) 9. Originally published in New York: Boni and Liveright, 1920.

²Following the end of the Spanish-American War in 1898, there was great debate over what to do with the territories formerly controlled by Spain. Territorial governments were established for Hawaii, Wake Island, Guam and eventually Puerto Rico, but the Philippines proved more difficult to manage with great losses suffered in 1899 as American forces helped to suppress insurrections from opposition forces in an effort to establish a system whereby the people of the Philippines could govern themselves. The Spanish-American War itself was inspired by an effort to "liberate," not colonise Cuba; however, withdrawal of American troops in Cuba in 1902 was made conditional on acceptance of the Platt Agreement, whereby Cuba could not make any treaty impairing its sovereignty without the U.S., which also allowed the U.S. to intervene in Cuba whenever it saw it appropriate in the name of securing political and social stability. In 1895, the U.S. threatened to go to war with Britain if Britain did not submit to arbitration in settling the conflict over the Venezuelan border with British Guiana. In 1901 the Hay-Pauncefote Treaty with Britain cleared the way for America to build and control what would later become the Panama Canal, after the U.S. made a \$40 million payment to the French company who had tried but failed to build the canal in Panama. And in 1902, Roosevelt invoked the Monroe Doctrine again in an effort to block German, British, and Italian naval intervention in Venezuela to collect debts owed to German banks.

³These books included three written by Simon N. Patten, *The Premises of Political Economy* (1880), *The Theory of Prosperity* (1902) and *The New Basis of Civilisation* (1907); *Looking Backward* (1888) and *Equality* (1897) by Edward Bellamy; *An Introduction to Political Economy* (1889) and *Outlines of Economics* (1893) by Richard T. Ely; and Thorstein Veblen's *The Theory of the Leisure Class* (1899) as well as *The Theory of Business Enterprise* (1904), the latter of which provided counsel on the ways that "business methods and business principles ... influence the modern cultural situation" (21). See Kathleen G. Donohue's discussion of these books in *Freedom from Want: American Liberalism and*

the Idea of the Consumer (Baltimore: Johns Hopkins UP, 2003) 41-74.

⁴Simon N. Patten, "The Effect of the Consumption of Wealth on the Economic Welfare of Society" (1902), *Essays in Economic Theory* by Simon Nelson Patten, ed. Rexford Guy Tugwell (Port Washington, NY and London: Kennikat, 1971). Also see Donohue's discussion of the impact of Patten's theories in *Freedom from Want*, 41-113 as well as David M. Potter, *People of Plenty: Economic Abundance and the American Character* (Chicago: The University of Chicago Press, 1954) 172-174.

⁵In 1907 sociologist Edward A. Ross protested that old ideas about morals no longer seemed applicable to social codes of the modern age and gave rise to a new kind of white-collar criminal called the "criminaloid." See Edward Alsworth Ross, *Sin and Society* (Boston: Houghton Mifflin, 1907) 47-52.

⁶Faxon's frustrated career mirrors the doubts Fullerton expressed to Wharton a few years earlier about his own career path. At the time Fullerton was contemplating leaving the *London Times*, but similarly questioned whether a world motivated by new economic realities would have a place for a generalist like himself. In a letter to Fullerton (25 October 1910) Wharton encourages Fullerton to steel himself to the challenge and overcome the way he has let himself "drift" into a career whereby he became "a highly intelligent automaton." Wharton urges Fullerton to leave the *Times* while he is still young enough (he is forty-five) to "make [him]self over." *Letters* 224.

⁷This characterisation of Faxon is similar to that of the impoverished writer, Ned Winsett, that Wharton creates later on in *The Age of Innocence*. In conversation with Newland Archer, Winsett justifies his choice of profession: "You see, Monsieur, it's worth everything isn't it, to keep one's intellectual liberty, not to enslave one's powers of appreciation, one's critical independence? It was because of that that I abandoned journalism and took to so much duller work: tutoring and private secretaryship. There is a good deal of drudgery, of course; but one preserves one's moral freedom, what we call in French one's *quat à soi*. And when one hears good talk one can join in it without compromising any opinions but one's own; one can listen, and answer it inwardly. Ah, good conversation -- there's nothing like it, is there? The air of ideas is the only air worth breathing. And so I have never regretted giving up either diplomacy or journalism -- two forms of the same self-abnegation" (195-96).

⁸See Letter from Edith Wharton to Sara Norton, March 12, 1901 in *Letters* 45. Although Wharton's close friend, Walter Berry supported American expansion in the Caribbean, Wharton's own stance was more conflicted; as Bauer notes, "Wharton's imperialist impulses are more preservationist rather than expansionist, more aesthetic than political, and more aligned with European tradition than American progressivism" (14). Wharton's image as a "rabid imperialist" is further destabilized in a later story, "A Bottle of Perrier" (1926), where uneasy questions are raised over the notion of empire as she depicts an American visitor to a haunted palace along the North African coast who wonders at

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the absence of his British host, and grows to suspect that he too is at risk of not making it out alive.

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**Edith Wharton as Economist: An Economic
Interpretation of
The House of Mirth and *The Age of Innocence***

Jenny Wahl¹
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The novels of Edith Wharton powerfully illustrate the principles of mainstream neoclassical economics in what may seem an unlikely setting—the courtship and mating rituals of high society. Yet, as Wharton makes clear, marriage can be much like any other voluntary transaction: It takes place in a market-like atmosphere with participants offering something of value and anticipating something worthwhile in return. What is more, people forego alternatives -- lost opportunities to marry others or to remain single—even as they expect a net benefit from marriage to a particular person. These fundamental economic concepts of markets, gains from trade, opportunity costs associated with choices made, and cost-benefit calculations permeate Wharton's work.

Literary scholars have applied certain types of economic theory to Wharton's novels. Wai-Chee Dimock interprets *The House of Mirth* from a Marxist view, for example, portraying the market as a brutal place manipulated by the rich and powerful. Elizabeth Ammons and Ruth Yeazell cite the work of Thorstein Veblen --particularly his emphasis on conspicuous consumption as a driving force and measure of success for the "leisure class" -- to analyze Wharton's writings. Irene Goldman suggests that Wharton uses a Jewish character to "make overt what is being practiced covertly by all members of society, namely the governance of private life by the exchange theory of economics" (32).

But the discipline of economics encompasses far more than these studies imply. This essay proposes that the standard neoclassical economic model, which centers on the positive rather than the normative, offers a useful lens for looking at literature. In *The House of Mirth* and *The Age of Innocence*, Wharton masterfully portrays both what can be gained and what can be lost as people participate in the market for mates. Although her focus is the marriage market, Wharton displays a firm grasp of a variety of economic ideas as she unfolds her stories of strategy and intrigue.

The House of Mirth is, above all, a story of people optimizing their opportunities, doing the best they can, given the objectives they have, constraints they face, and resources they possess. In other words, it is an economic tale. As Lionel Robbins succinctly states, "Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses" (16).

Formal markets appear peripherally in *The House of Mirth*; for example, in the stock market where Lily's father loses everything, Gus Trenor obtains the cudgel he tries to wield against Lily, and Simon Rosedale acquires the means of

entry into the society he so desperately wants. As Elizabeth Ammons points out, even the title of the book -- though taken from a Biblical passage -- suggests a mercantile firm (25). But most transactions in *The House of Mirth* take place in a less formal setting. It is a setting which, nevertheless, has recognizable prices and institutional rules.

Informal markets, like formal ones, generate prices. Wai-Chee Dimock speaks scathingly of the fact that "everything has a price" in Lily's world (784), but economists have long recognized that, like it or not, all human activity carries an implicit price -- the opportunity cost of foregone alternatives.² Lily understands this all too well: if she publicizes Bertha Dorset's love letters to Lawrence Selden, she would "profit by a secret of his past" but would also "trade on his name" and lose his friendship (282).

Economists recognize that humans act within a context as they evaluate alternatives. Strategic behavior designed to obtain one's desires, given existing constraints, is a hallmark of game-theoretic economic models, pioneered by John von Neumann and Oskar Morgenstern. *The House of Mirth* memorably illustrates the gains from cooperation and the losses from defection within this sort of structure. As an example, Lily sighs with frustration after Simon Rosedale spots her leaving Lawrence Selden's rooms, because she knows she "must . . . pay . . . dearly for her least escape from routine" (18). Her high-society environment is filled with intrigue and game-playing, with violations of the rules punished by ostracism and, in Lily's case, an impoverished death.

Edith Wharton frequently chooses the language of economics to describe Lily's world. Lily herself is a costly piece of work, although expensive inputs don't necessarily lead to a valuable output, as exemplified in one of the most often-quoted lines in the novel: "[S]he must have cost a great deal to make, that a great many dull and ugly people must, in some mysterious way, have been sacrificed to produce her. . . . [W]as it not possible that the material was fine, but that circumstance had fashioned it into a futile shape?" (7).

Futile as Lily's shape might seem, her mother knows it is their only asset, even resorting to that term to describe it as they spiral downward into poverty after Mr. Bart's death: "Only one thought consoled her, and that was the contemplation of Lily's beauty. . . . It was the last asset in their fortunes, the nucleus around which their life was to be rebuilt" (37).

Lawrence Selden, too, is well aware of the "market" Lily is in and what qualities are rewarded, even if he is unsure of her true value. Economic terminology colors his words as well as Lily's in this exchange: "'Who wants a dingy woman? We are expected to be pretty and well-dressed till we drop -- and if we can't keep it up alone, we have to go into partnership.' Selden glanced at her with amusement; . . . 'Ah, well, there must be plenty of capital on the lookout for such an investment'" (14).

These passages highlight the differences among costs, private benefits, and social benefits -- familiar concepts to economists. A piece of fine jewelry fashioned from precious

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metals extracted with cyanide, for example, might sell to a private buyer at a high price. Yet the resulting ecological destruction could mean that the net social benefit of the jewelry is scant or even negative, even though the costs of making it and the private benefits are large. Likewise, Lily “cost a great deal to make” and her beauty could count as a private asset to a husband from her social group, but she adds little productive value to society in general.

Economists craft models of production in which multiple inputs yield a particular output. Beauty is not the sole input required to produce the sort of output Lily and her mother seek, as Lily recognizes. Humility is another quality she needs: “Lily understood that beauty is only the raw material of conquest and that to convert it into success other arts are required. She knew that to betray any sense of superiority was a subtler form of . . . stupidity . . . and it did not take her long to learn that a beauty needs more tact than the possessor of an average set of features” (38).

Increasingly, Lily must come up with cash as well, if she wants to take part in this particular market: “For in the last year she had found that her hostesses expected her to take a place at the card-table. It was one of the taxes she had to pay for their prolonged hospitality and for the dresses and trinkets which occasionally replenished her insufficient wardrobe” (30).

Although money is what Lily needs to make a permanent place for herself, money alone is not sufficient to purchase a position in high society. Lily’s friend Carry Fisher reveals this in her frustration at trying to obtain introductions for her new patrons, the Wellington Brys: “‘It’s all very well to say that everybody with money can get into society, but it would be truer to say that nearly everybody can. And the London market is so glutted with new Americans that to succeed there now they must be either very clever or awfully queer. The Brys are neither.’” (195) Participants in this market require inputs in addition to financial capital if they want to gain a firm footing.

Lily’s first hope is that her wealthy aunt Mrs. Peniston will supply her with funds. But Mrs. Peniston has her own objectives. Here, Lily’s aunt displays a canny economic sense of how to get what *she* wants:

It seemed to her natural that Lily should spend all her money on dress, and she supplemented the girl’s scanty income by occasional “handsome presents” meant to be applied to the same purpose. Lily, who was intensely practical, would have preferred a fixed allowance, but Mrs. Peniston liked the periodical recurrence of gratitude evoked by unexpected cheques, and was perhaps shrewd enough to perceive that such a method of giving kept alive in her niece a salutary sense of dependence. (42)

This passage is reminiscent of work done by economists to explain bequest and gift behavior, particularly research by B. Douglas Bernheim, Andrei Shleifer, and Lawrence Summers. These scholars suggest that people may hold out the promise of a bequest so as to obtain interim caretaking from their

potential heirs.

When she arrives at a house party hosted by the Trenors, Lily realizes anew how constrained she is by her lack of money. As she surveys the luxurious home and bejeweled women in it, Wharton comments that “[t]here were moments when such scenes delighted Lily, when they gratified her sense of beauty and her craving for the external finish of life: there were others when they gave a sharper edge to the meagerness of her own opportunities. This was one of the moments when the sense of contrast was uppermost . . .” (28). She also realizes the gendered inequities of the marriage market and fears that “one misstep would throw [her] hopelessly out of time” (51).

And Lily does misstep. She is acutely conscious of the opportunity cost of making the social blunder of visiting a single man alone and, to make things worse, trying to cover it up when she is spotted by Simon Rosedale. “This [impulse], at any rate, was going to cost her rather more than she could afford” (18). Sadly for Lily, she realizes afterward that she had possessed plenty of power to undo her mistake, for Simon Rosedale operates in the same market she does:

If she had had the presence of mind to let Rosedale drive her to the station, the concession might have purchased his silence. He had his race’s accuracy in the appraisal of value and to be seen walking down the platform at the crowded afternoon hour in the company of Miss Lily Bart would have been money in his pocket as he might himself have phrased it. (18)

Yet all is not lost. On the train to the Trenors’ weekend party, Lily positions herself perfectly when she engages wealthy Percy Gryce in conversation about his stultifying hobby of collecting American artifacts:

She returned a sympathetic inquiry, and gradually he was drawn on to talk of his latest purchases. . . . The only difficulty was to introduce the topic and to keep it to the front; most people showed no desire to have their ignorance dispelled, and Mr. Gryce was like a merchant whose warehouses are crammed with an unmarketable commodity. . . . She had once more shown her talent for profiting by the unexpected . . . (23)

To Percy Gryce, Lily is exceedingly valuable because she is a rare being willing to pay attention to his boring monologues. He fails to perceive that she does so because her expected payoff from this strategy is high. Not only might she obtain a wealthy husband, but she is certain that “in a short time she would be able to play the game in her own way” (52).

Lily is not the only one of her set to profit from listening to dullards. Carry Fisher has honed this to a fine art, as Judy Trenor admiringly notes that “Carry is the only person who can keep Gus in a good humour when we have bores in the house. . . . It’s rather clever of her to have made a specialty of devoting herself to dull people. . . . She finds compensations, no doubt – I know she borrows money of Gus – but then I’d pay her to keep him in a good humour, so I can’t

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complain, after all" (45). Thus, Judy indicates that everyone gains from Carry's behavior, not just the woman herself. An economist would say that Carry creates a positive externality: her actions generate benefits for which other people would be willing to pay.

Despite her initial success with Percy Gryce, Lily fails to hold his interest. In desperation, she turns to Gus Trenor's superior knowledge of the stock market. As she relaxes under Trenor's assurance that he will multiply her meager savings many fold, Lily mistakenly supposes that she alone can determine the price she will pay for his expertise:

Even the immediate [demand] of letting Trenor . . . lean a little nearer and rest his hand reassuringly on hers, cost her only a momentary shiver of reluctance. . . He was a . . . mere supernumerary in the costly show for which his money paid; surely, as a clever girl, it would be easy to hold him by his vanity, and to keep the obligation on his side. (90)

But, as is typical in a market, both suppliers and demanders influence the price paid. So Lily is disagreeably surprised when she discovers that Trenor expects much more for his favors than a hand to hold and a chance to see her in public:

If Lily's poetic enjoyment of the moment was undisturbed by the base thought that her gown and opera cloak had been indirectly paid for by Gus Trenor, the latter had not . . . lost sight of these prosaic facts. He knew only that . . . hitherto he, to whom she owed the opportunity of making this display, had reaped no return beyond that of gazing at her in company with several hundred other pairs of eyes. (123)

Wai-Chee Dimock claims that Trenor's ability to set the rate of exchange and impose it says something about his superior power (784). Yet Dimock fails to recognize that Trenor in fact does *not* obtain what he wants – Lily's wits save her from sexual assault -- because she is a powerful player in this market as well.

Despite escaping Trenor's clutches, Lily is not home free. She learns more about what she is up against when Simon Rosedale unexpectedly reveals his knowledge of her transaction with Trenor. Like everyone else, Rosedale seeks his own best interests given the social constraints he faces.

As Lily contemplates what she must do to keep Rosedale in line, she phrases things – appropriately enough - - in terms of prices: "[S]he walked beside him . . . telling herself that this momentary endurance of his mood was the price she must pay for her ultimate power over him, she tried to calculate the exact point at which concession must turn to resistance, and the price he would have to pay be made equally clear to him" (263).

Once again, she is unpleasantly surprised when she learns that Rosedale is no longer willing to marry her because her social circle has decided to accept Bertha Dorset's cruel and misleading interpretation of Lily's relationships with Trenor and her own husband, George Dorset. The exchange between Lily and Rosedale is rife

with economic analogy, as well as a certain amount of irony. People make choices based upon the opportunities they have as well as their own tastes. Lily considers Rosedale no more attractive than she did before, but she has far fewer prospects. Likewise, Rosedale's preferences have not changed, but the price of associating with Lily has. "“You mean to say that I'm not as desirable a match as you thought me?” . . . [The] “small, stock-taking eyes, which made her feel herself no more than some super-fine human merchandise” clarifies for Lily that her value has bottomed out since he first broached their merger. Rosedale even articulates that he has better market options than her (265).

Left adrift, Lily turns to Carry Fisher in desperation. Mrs. Fisher does her best to seek out a market for Lily's talents, but even she finds it a difficult undertaking. The qualities that made Lily so desirable in the artificial world of New York society carry little value in the real world:

[Lily] vaguely imagined that [her] gifts would be of value to seekers after social guidance; but there was unfortunately no specific head under which the art of saying and doing the right thing could be offered in the market, and even Mrs. Fisher's resourcefulness failed before the difficulty of discovering a workable vein in the vague wealth of Lily's graces. (277)

Lily even tries her hand at hat-making but realizes “the small pay she received would not be a sufficient addition to her income to compensate her for such drudgery” (305). Her comparative advantage does not lie in the labor market, since she was “brought up to be ornamental” (308). So she comes to her untimely end, done in by the world she cherished and so badly wanted for herself.

At times, Lily seems a silly and self-centered creature who dwells upon useless things, especially in contrast to the working girls that Gerty Farish champions. But Edith Wharton's portrayal is not an indictment of one person, but rather of a whole slice of society. Lily was simply doing the best she could to achieve her objectives, given the constraints she faced:

She had learned by experience that she had neither the aptitude nor the moral constancy to remake her life on new lines, to become a worker among workers and let the world of luxury and pleasure sweep by her unregarded. . . . Inherited tendencies had combined with early training to make her the highly specialized product she was: an organism as helpless out of its narrow range as the sea-anemone torn from the rock. (311)

Ultimately, Lily recognizes what could have happened between her and Selden, if only the pressures of her social set had been different:

She had a premonition of it in the blind motions of her mating instinct, but they had been checked by the disintegrating influences of the life about her. All the men and women she knew were like atoms whirling away from each other in some wild centrifugal dance; her first glimpse of the continuity of life had come to

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her that evening in Nettie Struther's kitchen. (332)
As Lily realizes at last, Nettie was the one person she knew who had found the secret of a happy, successful match in the marriage market. "The poor little working-girl who had found strength to gather up the fragments of her life and build herself a shelter with them seemed to Lily to have reached the central truth of existence" (332).

The Age of Innocence, which is a study in what economists call positive assortative mating (less clumsily thought of as "likes associate with likes"), also reflects Wharton's economic instincts. Among the most influential proponents of this sort of economic theory of marriage is Gary Becker (see particularly *Treatise*, Ch. 4). As he points out, what we tend to observe in life as well as Wharton's novels are matches made between persons of similar tastes and background. This happens partly because of the dimensions of the market: people have relatively more frequent contact with people like themselves. But if we consider marriage a voluntary transaction and we believe people make the best choices possible given the circumstances, marrying someone like oneself could also be thought of as leading to the largest gains from trade. One does what is best for oneself by choosing someone similar. Perhaps this occurs because

sameness in some dimensions reduces the possibility of discord. Whatever the reason for positive assortative mating, the data testify to its existence.

Matches between those who seem alike, at least on the surface, abound in *The Age of Innocence*. One such match is between Archer and May: "[I]n spite of the cosmopolitan views on which [Archer] prided himself, he thanked heaven that he was a New Yorker, and about to ally himself with one of his own kind" (31). Elsewhere, Wharton makes clear how narrow that "own kind" is.

Insiders do not usually perceive their own cultural smallness, but Archer is sometimes an exception, as he proves relatively adept at spotting nearby frauds. For example, Mr. Sillerton Jackson preferred to dine with the Archer women without the presence of Newland because "the old anecdotist sometimes felt, on Newland's part, a tendency to weigh his evidence that the ladies of the family never showed" (32).

Yet even Archer displays his ignorance of what those on the outside face when he meets with journalist friend Ned Winsett. Archer considers Winsett a person who strikes a boring Bohemian pose by his failure to dress for dinner. He doesn't know just how wrong he is, for "Archer, who dressed

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in the evening because he thought it cleaner and more comfortable to do so . . . had never stopped to consider that cleanliness and comfort are two of the costliest items in a modest budget” (122). Scarcity dictates the choices Winsett must make in his wardrobe; not so for Archer.

The van der Luydens are another maritally matched set: “[They]were so exactly alike that Archer often wondered how, after forty years of the closest conjugality, two such merged identities ever separated themselves enough for anything as controversial as a talking-over” (52). This couple never goes out, and that is their secret to their powerful social success; they make themselves scarce. Ellen recognizes this explicitly: as she puts it, the reason “for their great influence [is] that they make themselves so rare” (74). This passage identifies subtle economic reasoning: the price of something typically depends on both supply and demand. By restricting desired social interactions, the van der Luydens effectively reduce supply, making their occasional foray into the outside world seem quite valuable.

Even the apparent pairing of Julius Beaufort and Ellen highlights their commonalities; Beaufort, like Ellen, is an alien creature:

[Beaufort’s] habit of two continents and two societies; his familiar association with artists and actors and people generally in the world’s eye, and his careless contempt for local prejudices. . . . and a certain native shrewdness, made him [for Ellen] better worth talking to than many men, morally and socially his betters, whose horizon was bounded by the Battery and Central Park. (127)

Not all traits are shared by partners, of course. In fact, Archer has good reason to celebrate his relatively more worldly knowledge of the physical side of things. “He could not deplore . . . that he had not a blank page to offer his bride in exchange for the unblemished one she was to give to him. He could not get away from the fact that if he had been brought up as she had they would have been no more fit to find their way about than the Babes in the Wood” (46). Accordingly, Wharton here alludes to the worth of information, in this case, about sexual matters. So assortative mating that leads to the largest gains from trade can be negative as well as positive, as Gary Becker emphasizes in *A Treatise on the Family* (117).

Even though spouses appear to be freely chosen in New York society, assortative mating may cause them to line up in such a way that outsiders perceive some invisible hand at work. When Ellen first meets Archer, she is delighted by his romance with May and asks if it was arranged: “Archer looked at her incredulously. ‘Have you forgotten . . . that in our country we don’t allow our marriages to be arranged for us?’” (64). This passage implicitly contains Adam Smith’s ideas on how markets can seem guided by some outside force - - some “invisible hand” -- to match buyers and sellers effectively.

Marital choices in Wharton’s novels – as in life – are constrained by the spatial limits of the market because one has

to choose from among the persons one meets. But time imposes a constraint as well. Most people don’t take the first potential partner that comes along, but rather wait a bit to see if something better appears. Yet, because people live only a finite amount of time, they cannot postpone the choice forever if they perceive that the married state offers more than solitude.

Economic models that embody this kind of choice are known as “optimal stopping” models, pioneered by Albert Shiryaev. An imperfect but illustrative example is the game show *Deal or No Deal*. Contestants can choose to stop the game and depart with a known amount of money, or they can play another round in the hopes of getting more. Eventually, the game ends because the show is over. This construct applies to Archer’s situation: “He had married . . . because he had met a perfectly charming girl at the moment when a series of rather aimless sentimental adventures were ending in premature disgust; and she had represented peace, stability, comradeship, and the steadying sense of an unescapable duty” (207).

But Ellen’s exotic presence shakes Archer’s firm belief in his social milieu and his love for May Welland. As he hears more about the Countess’s escape from her husband, allegedly with the Count’s secretary, Archer surprises himself by saying that “women ought to be free – as free as we are” (41). He follows this revelation with a disquieting thought; Archer realizes with a shiver the possible detriments of marrying someone superficially like oneself as he foresees his own impending marriage becoming like the others around him, “a dull association of material and social interests held together by ignorance on one side and hypocrisy on the other” (44).

Still, Archer and May do marry. On their honeymoon, he ruefully begins to understand why the van der Luydens may seem so similar when May is astonished that he might want to invite a lowly French tutor to dine with them. Wharton seems to suggest that successful marriages may typically involve the matching of certain initial characteristics, but good marriages require something more which isn’t explained by observable traits. Being alike on the surface is not enough to guarantee marital closeness.

Within Archer’s social set, in fact, the accepted practice was for husbands eventually to look for love elsewhere and for wives to avert their eyes. This created opportunities for gains from trade among men: By unspoken agreement, they covered for one another to preserve appearances. For example, when Archer surreptitiously goes to meet Ellen after a party, “[H]e was aware that Lefferts and Chivers . . . had discreetly struck away across Fifth Avenue. It was the kind of masculine solidarity that he himself often practiced . . .” (308). Lawrence Lefferts asks Archer for a favor in return: “I say, old chap: do you mind just letting it be understood that I’m dining with you at the club tomorrow night? Thanks so much, you old brick!” (341).

Archer and Ellen never consummate their love,

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despite everyone thinking they have. And this missed opportunity has its costs, as both of them know. Ellen is devastated when she discovers how unhappy Archer is and how her sacrifice has not saved him from disillusionment and misery (242). Archer in turn ruefully acknowledges: "Something he knew he had missed: the flower of life" (347). Edith Wharton successfully uses the theme of "options denied" to lend vitality and poignancy to the story (Lewis x).

As he reflects upon his son's upcoming wedding to Julius Beaufort's daughter, Archer realizes that the bounds of the marriage market have expanded considerably:

[N]obody was surprised when Dallas's engagement was announced. Nothing could more clearly give the measure of the distance that the world had traveled. People nowadays were too busy . . . to bother much about their neighbors. And of what account was anybody's past in the huge kaleidoscope where all the social atoms spun around on the same plane? (353)

Perhaps Dallas's love match with Fanny Beaufort will lead to a more fulfilling marriage than Archer had.

Still, Archer seems unsure that he would have had things differently: "[T]hese young people take it for granted that they're going to get whatever they want, and . . . we almost always took it for granted that we shouldn't. Only, I wonder – the thing one's so certain of in advance: can it ever make one's heart beat as wildly?" (353). To Archer, marriage is ultimately an enterprise whose success depends on the suitability of the initial match coupled with reasonable

expectations and hard work on the part of participants.

Archer may simply be justifying the choices he made. But an economist studying marriage and divorce statistics today might come to a similar conclusion. Regrettably, these data alone would not tell us if couples who stay together are more like the Archers in *The Age of Innocence* or the Struthers in *The House of Mirth*. And that, perhaps, is one reason why reading classic novels can be a useful enterprise for economists.

Edith Wharton paints her corner of the world with vivid exactness. Her deft touch owes partly to her instinctive understanding of basic economic principles: We are born with unlimited desires and scarce resources, so we make choices that carry with them lost opportunities. Everything therefore has its price. All we can do is what is best for ourselves given the constraints we face. Wharton's keen insights into the behavior of men and women as they court and wed reveal that, whatever else she is, she is an economist at heart.

Notes

- ¹ Special thanks to Ned Wahl for helpful comments.
- ² See for example, Becker, *Economic Approach*, 6.

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Edith Wharton Collection Research Award

Deadline: March 15, 2010

Each year the Edith Wharton Society offers an Edith Wharton Collection Research Award of \$1500 to enable a scholar to conduct research on the Edith Wharton Collection of materials at the Beinecke Library at Yale University. Prospective fellows for the 2010-2011 award are asked to submit a research proposal (maximum length 5 single-spaced pages) and a resume by March 15, 2009 to Margaret Murray at murraym@wcsu.edu or Western Connecticut State University, Danbury, CT 06810, USA.

The research proposal should detail the overall research project, its particular contribution to Wharton scholarship, the preparation the candidate brings to the project, and the specific relevance that materials at the Beinecke collection have for its completion. The funds need to be used for transportation, lodging, and other expenses related to a stay at the library. Notification of the award will take place by April 15th and the award can be used from May 1, 2010 through May 1, 2011. A final report will be due May 1, 2011.

We are pleased to announce that the winner of the 2009 Edith Wharton Research Award is:

Donna Campbell, Associate Professor of English and Buchanan Scholar
Washington State University
for her project:

"Wharton and the Transnational Body: Gabrielle Landormy, Citizenship, and Modernity
in the Late Works of Edith Wharton"

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Edith Wharton and the Visual Arts. By Emily J. Orlando. Tuscaloosa: Univ. of Alabama Press, 2007, xiii + 250 pp. Cloth, \$47.50.

By Gary Totten
North Dakota State University

Emily J. Orlando's *Edith Wharton and the Visual Arts* makes an important contribution to our understanding of Wharton's engagement with the visual arts and offers new ways to think about her relationship to gender ideologies in the late nineteenth and early twentieth centuries. Orlando counteracts the tendency in previous criticism on Wharton and art to discount Wharton's considerable knowledge of the visual arts or to ignore the art allusions in her short fiction. In both the novels and short stories, Orlando examines how Wharton interrogates male artists' misrepresentation of women, and the study is particularly impressive when it focuses on Wharton's critique of the passive, sexualized, and sickly (or dead) women depicted in the art and literature of the Pre-Raphaelite Brotherhood. Orlando argues that without an understanding of Wharton's simultaneous participation in and questioning of such representations, readers miss the revolutionary potential in her work for women to challenge their own objectification.

The organization of the book allows readers to comprehend the progression of Wharton's thinking on the subject of female passivity and its representation, as her characters move from victims

to agents within visual culture. In chapter 1, Orlando examines early Wharton stories such as "The Muse's Tragedy," "The Moving Finger," and "The Duchess at Prayer," in which women are enshrined in art; but even here she notes Wharton's revision of patriarchal politics. In chapter 2, Orlando views Lily Bart's act of self-representation in *The House of Mirth's tableaux vivants* scene as another revisionary moment in Wharton's oeuvre and considers Lily's reluctance to compromise herself in contrast to Kate Arran of "The Potboiler." Orlando's analysis of Lily's tableau performance in the context of the art portrayed by her peers is a seminal reading of the novel's most famous scene. Chapter 3 concerns the compromises of women in *The Custom of the Country*, "The Temperate Zone," *Hudson River Bracketed*, and *The Gods Arrive*, but Orlando explains how these characters channel their objectification to their advantage. In chapter 4, Orlando examines works in which women function as caretakers of art, including "The House of the Dead Hand," "The Rembrandt," "The Angel at the Grave," "Mr. Jones," and *Summer*, noting that in their relationship to art, these women suffer from a lack of agency but also exert some control over the ways in which their own bodies are placed into circulation. Orlando observes that Wharton critiques Progressive Era feminism through these female protagonists. In the final chapter, Orlando investigates *The Age of Innocence* and, briefly, *The Buccaneers*, as cautionary tales about the dangers of the artistic misrepresentation of women.

Throughout the study, Orlando's close textual analysis is impressive, as is her ability to infuse this analysis with historical context and theoretical inquiry without sacrificing her focus on the literary texts themselves. Orlando's stated emphasis is on literary and visual intertextuality in Wharton's work, and she displays a firm command of the visual arts context informing the fiction and also provides a compelling discussion of Wharton's literary allusions, including George Eliot and Dante Gabriel Rossetti. These allusions are so intriguing that I found myself wanting more details about the implications of such connections when, near the end of the book, she examines the notion of the woman as artist in Wharton's works. *Edith Wharton and the Visual Arts* will likely become essential reading for those hoping to further investigate Wharton's art in historical context. It is a smart, engaging, and eminently readable work of scholarship.

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