

The Hegemon That Failed

Bradley L. Mayer
August 16th, 2015

An Abbreviated Balance Sheet of the U.S.A. Today

In the 1990's, with the dissolution of the Soviet Union and its bloc, and with the growth of capitalism on a truly world scale for the first time in its history, the road appeared open for the ostensibly “quintessential capitalist state”, the United States, to extend its hegemony from beyond its Cold War bailiwicks in Europe and Japan and encompass the entire globe. Indeed this prospect spawned, at the turn of the millennium, a new genre of “Empire” literature spanning the ideological spectrum; it was soon marketing fashion to attach this word to any broad geopolitical reference to the United States and its actions.¹ However this soon looked to be but another passing intellectual fashion, beginning with the now-in-retrospect iconic event of 9/11 as turning point, as the U.S. not only encountered reversals in moving towards its hegemonic goal of a “new world order”, but even began to appear itself as an important source of disorder. Hence from that event emerged the U.S.'s disastrous invasion and occupation of Iraq. In its aftermath, in combination with the Arab Spring, a chronic geopolitical abscess has opened and continues to grow, confounding and thwarting U.S. attempts to hegemonically manage the region. The Iraq War was soon followed by an even more dramatic event with the most profound implications, the 2008 “core breach” and meltdown of Wall Street finance originating in the insolvency of low-grade residential mortgages when their largely working class holders proved unable to pay the ballooning adjustable interest rates, as Federal Reserve chair Alan Greenspan foolishly sought to return monetary policy to “normalcy” - much as his successor once removed, Janet Yellen, is compelled to do today. It was not the first time landed property held center stage – as opposed to being the fundamental force – at the top of the boom/bust phase of the U.S. business cycle. But it was likely the first time in history that a bust in residential real estate values resounded with global effect, hitting the European residential property market particularly hard, and sending the E.U. zone into a recession even deeper than that in the United States. This “Great Recession” and the shock waves in its aftermath soon engulfed the rest of the world to one degree or another, slowing rates of GDP growth for the BRICs and other “emerging markets”, where a parallel crisis in landed property values has presently emerged in China, portending a similar cyclical crash in land values in a country that has been the leading engine of expanded accumulation over the last quarter century.

The truly remarkable feature of the Great Recession, though, is not its dramatic global scope or the speed with which it has unfolded, but how little constructive reform response it has elicited from the leaders of the source countries for this global economic crisis, now seven years on, beginning first and foremost with the United States itself. We are hardly witness to a New New Deal of some leftist dreams, not even one “right-sized” for the shallower depths of the Great Recession. Instead the ruling sentiment in the G7 core states is clearly an earnest desire to return to business as usual pre-2008 as soon as possible, with concessions made, if any, as minimal as possible. The result has been not only the weakest and most uneven recovery by far in the G7/OECD zone since the end of World War Two, but also the tendency to spread the chronic stagnation thought to be peculiar to Japan from the beginning of the 1990's – unevenly, of course - throughout the Triadic core. This feature specifically differentiates the present “general crisis of capitalist accumulation” from that of the 1970's. This latter was mostly localized to the U.S. in its relations to its Triadic partners, and in fact propelled Japan to the

first ranks of the old Cold War bloc. That crisis was surmounted by a tighter coordination of monetary policy within the G7 coupled to a united front on fiscal policy before the demands of their working classes.² The reaction to the present crisis has been essentially more of the same, only it may be that yesterday's solution is part of today's problem, as the crisis affects both the Triad as a whole, and in its relations with the rest of the capitalist world system. Here the Middle East and its geo-political crisis are one crucial overlapping fulcrum point in that relation, as Israel and Turkey, but not the G.C.C. States, are OECD members, despite the latter's fabulous wealth.³

The chief node in that relationship, however, is with the People's Republic of China, now the second-largest country in GDP terms. It was the intention of the G.W. Bush administration to "pivot towards" - no doubt against - "China" in 2000, and had this maneuver been successful in "China containment", it would have nonetheless stood as an admission of something less than a true "U.S. global hegemony", the U.S. as grand conductor of a global capitalist system. But the circumstances already indicated here acted as an enormous distraction that caused U.S. global aspirations to fall short of even a initial launch of a containment effort. The twilight years of the Barak Obama administration have seen some vigorous efforts to pick up the dropped ball, recently bearing fruit in the Trans-Pacific Partnership (TPP), the latest in the long history of U.S. neo-mercantilism misnomered as "free trade", a trade cartel arrangement that pointedly excludes everyone's most important trading partner in the Pacific region, China, while it features special protection of U.S. "intellectual property" as well as U.S. pharmaceutical commodities, whose inflated prices bear no small relation to the phenomenon of intellectual property. Even this success was embarrassed by the unseemingly haste with which many of the closest Triad partners of the U.S. - led by its "special relationship" partner, the U.K., who was first past the post - rushed to get in at the ground floor of the China-sponsored Asian Infrastructure and Investment Bank (AIIB) as founding members.⁴ Latin America is not to be neglected here, as the U.S. has failed to reverse the general drift away from the exercise of real hegemony in the region, a drift that took root in the 1990's at the end of the debt crisis and the Central American revolutions. The U.S. achieved some minor successes only in Haiti, Honduras and lately with a tentative opening towards Cuba. However the key U.S.-aligned countries remain Colombia, Chile and Mexico, the latter two also OECD members, though Mexico shows growing cracks in the foundation of the present political regime. Mexico is a country more than any other to be closely watched in connection with the destiny of the United States, as the connective axis between the two has turned at crucial points in the development of the U.S. itself, in relation to events affecting its southern neighbor. These turning points were the Mexican War in the 1840's that directly lit the fuse for the U.S. Civil War and end of slavery; and the Mexican Revolution of the early 20th century, a harbinger of the U.S.'s future "informal" imperialist approach that emphasized control over the structural conditions that would steer a country onto a capitalist road, rather than direct intervention to control the country itself.⁵

It is on that last note that one can point to what must stand as the most signal, and profoundly symptomatic, indicator that the U.S. try for global hegemony is on track for failure: the inability of the U.S. to integrate the Russian Federation into its Triad-based plan for a capitalist world order orchestrated by the United States. The roots of this particular failure can be traced all the way back to the 1990's springtime for what Peter Gowan called "Washington's Faustian bid for world dominance", in the fiasco of "shock therapy" applied with U.S. advice during the Yeltsin years.⁶ Perhaps failure here was thought to be a "win-win" at the time, since failure would leave Russia incapacitated for perhaps a generation, but whatever the thought-process in Washington, D.C., matters turned out differently. Instead of incapacity there was the rapid rise of the deeply conservative, even revanchist, regime led by Vladimir Putin, firstly over the corpse of the Chechen rebellion, ruthlessly suppressed with a scorched-

earth military policy at the dawn of the millennium. Subsequently the regime's biggest success to date has been the stabilization of the Russian economy on the however fragile basis of its independent reinsertion into the capitalist world system by means of its well-endowed resource extraction industries, notably natural gas. This in turn drove a growing trade integration with the European Union. It is empty and in any case needless to speculate on why the leaders of the United States decided to ring down a “new Iron Curtain” between Europe and Russia. The facts are all in: War in Ukraine, NATO militarization along the Russian frontier, EU sanctions renewed for another six months, a “New Cold War” has been announced to the world, Putin has been summarily court-martialed out of the former G8, Russia's OECD accession track has been indefinitely frozen. The process of further independent integration between the EU and Russia has been frozen for the foreseeable future and may likely be reversed. Perhaps the U.S. thought the independent character of integration transgressed the geopolitical and economic structural bounds required to manage and channel this development in a way conducive both to promoting capitalism *and* its own hegemonic, or potentially hegemonic, place in the world system? Perhaps its leaders are influenced by the archaic and crudely deterministic theories of Mackinder?

Whatever the case, two things are clear: The U.S. proceeds with the full cooperation of all of its Triad allies; and the U.S. has just upped the ante, and hence remains on track with its bid for global hegemony regardless of its diminished prospects. In the first we have a classic case of “class fractional displacement” in the Poulantzas sense, where the fraction in command of the state is not necessarily the same as that of the dominant capitals of the class of a given country.⁷ This case applies especially to Germany, and is the answer to whether German capitalism, or actually certain German capitalist concerns, would harm their own interests at the behest of the U.S.. The answer is, as with Japan, yes, though the former has more regional room for maneuver; its Eastern European neighbors would favor the restriction or exclusion of Russia in their own relations with Germany. Not so in East Asia, where unlike Germany, the Japan government has taken the initiative in ramping up tensions with China, yet often appears isolated in its own region, and the U.S. there has been holding a short leash.

In the second case, we see continuity with G.W. Bush's invasion of Iraq. This event is revealed to not have been an accident, a hasty act of passion, or some random stupidity or blunder, but the shape of things to come. Consistency has been retained. The U.S.A. has re-upped its stake in the global gamble on another, European, front. Much of the Left have over-focused on Ukrainian “Neo-Nazis”, forgetting that their revanchist Russian cousins pose a larger threat of fascism of global proportions. And it is hard to imagine what would replace the Putin regime. But another consequence, intended or not, has been to give Saudi Arabia more regional room for maneuver, acting more like a Japan in the Middle East in relation to the U.S.. In upping its stake the U.S. has also willingly traded away its great diplomatic coup of the 1970's – the Nixon/Kissinger China opening that by driving a further wedge between it and the Soviet Union, paved the way directly for the restoration of capitalism in both. The short term effect now has been to drive Russia into China's arms, increasing the risks for the U.S..

However a one-sided “declinist” teleology is to be avoided here. There are important reasons why the U.S. political and economic leadership would want to stay the course set in the G.W. Bush years. The U.S. retains an overwhelming military preponderance, augmented by a “diplomatic” spy/covert operations apparatus of vast and unprecedented global proportions. Its currency, if not “the global reserve currency” - a concept that has deserved obsolescence since the end of the last vestige of a gold standard with the end of Bretton Woods in the 1970's – is still very much the *leading* world currency, while the U.S. Treasury bond market remains the world's most important, still the ultimate world

“flight to safety” sanctuary, as repeated financial scares since 2008 demonstrate. Atop this Wall Street, together with The City in London, still hold the leading position in global finance, despite arguably destabilizing the world capitalist economy in 2008. The U.S. economy is still the world's number one in GDP, a “value weight” considerably augmented by those of its Triad allies, completely under U.S. hegemony. U.S. transnational corporations (TNCs) still are a leading presence in the capitalist world system, while overlapping with these, the U.S. retains a commanding lead in strategic scientific and technological areas, as in aerospace, information technology, biotechnology, agriculture and pharmaceuticals as well as in petroleum and other mineral extraction technologies. The highly sophisticated Mars rover, Curiosity, was after all successfully deployed by the United States, as was the Hubble telescope that has opened up an entire new era in astrophysics. Its scheduled replacement, the James Webb Space Telescope, is even more technologically awe-inspiring, as it is planned for deployment in a solar, and not earth, orbit, some 1.5 million kilometers in the direction of the outer solar system.⁸ Prowess in science and technology is supported by the U.S.'s top universities, “globalized and world-classed” to draw brain-power into the the U.S.A. from every corner of the globe, itself forming, in a new mode of interpenetration of state and capital, a “privatized”, cartelized, protected sector with quasi-”TNC” features, features congruent with that of the social formation that gave rise to it, as shall be seen in what is a major feature of this paper.

Finally there is manufacturing, generally the key site of “declinism” concerning the United States. Here the picture is clearly not pretty, but it depends on how “manufacturing” is defined. According to the U.S. Bureau of Labor Statistics “North American Industry Classification System” (NAICS) definition, it could be said that “In the 2000s, U.S. manufacturing suffered its worst performance in American history in terms of jobs. Not only did America lose 5.7 million manufacturing jobs, but the decline as a share of total manufacturing jobs (33 percent) exceeded the rate of loss in the Great Depression”⁹. In addition new factory orders have fallen in 9 of the last 10 months, a pattern usually seen in recessions. These are indeed bad numbers for this broad sector, out of proportion to any productivity gains, gains that are questionable in any case given the fall in share of value added over the same period. However this measure – to place our first theoretical stake here - excludes several industrial sectors considered as productive capital in the traditional Marxian definition. The first set, lumped under “goods producing industries” together with manufacturing, are the Construction; Natural Resources and Mining (including Forestry, Fishing and Hunting and Agriculture sector); and Mining, Quarrying, Oil and Gas Extraction. Agriculture, mining/mineral extraction and construction are three key strategic sectors in the history of the capitalist development of the U.S.A., all three are properly classed as employing productive labor without qualification, and all three have their own different but intimate relation with the use value of land and its social-relational form, landed property, in production. Construction of course was hard hit in the Great Recession, and has generally not followed the standard post-2008 “recovery path”, with employment and value-added remaining well below its 2006 peak, the latter remaining in a state of relative collapse, falling in value added from \$783B (2005) to \$584B at the end of 2014. U.S. agricultural value-added however, while bouncing around in the \$140-155B range in the 2004-2009 period (up generally from \$105B in 1999), took off strongly in the 2010-2014 period, from \$162B to \$226B, an over 100 per cent increase since 2000.¹⁰

Petroleum extraction has been the U.S. “star” player, notoriously propelled by the spread of “fracking” techniques, with the usual U.S. disregard for “its own people”, as well as disregard for global warming science. Here its contribution to total industrial employment has been minimal, no more than 35K workers since 2005.¹¹ According to the U.S. Census Bureau, total value in the petroleum and natural gas sector has increased 28.9 per cent, “from \$212.8 billion in 2007 to \$274.3 billion in 2012”.¹² In a

sector whose measure is overloaded and obscured by classic booster hype, official and unofficial, from 2012 to the present the U.S. claims to have become the world's number one producer of crude oil and natural gas, surpassing both Russia and Saudi Arabia. Oil refining and coal products also merit special mention as this sector has expanded counter to the general trend in mid-range manufacturing of which it is a part. According to the U.S. Commerce Department, refining value *added* is approximately \$120B. “In 2014, after years of trade deficits, the United States became a net exporter of (refined) petroleum and coal products with a trade surplus of \$4.2 billion”. The total value *output* in this sector quadrupled from 2002 to 2012, “from \$216.0 billion, or 5.5 percent of all manufacturing...to \$850.6 billion or 14.8 percent of all manufacturing shipments that year, making it the largest domestic manufacturing industry by value of output”. Clearly this includes a large fixed capital expenditure over and above the value of crude oil circulating inputs, and 2013 value added for crude and natural gas extraction was \$412B. The “Relative Importance Weight” of crude oil extraction has risen to an all time high of 8% of the value of all industrial production, up from a low of 1 per cent in 2000, while the index of crude oil production has risen 80 per cent since 2009.¹³ Whatever other names Barak Obama might be called, he certainly deserves to go down in history as the “Drill Baby, Drill” President, all the more remarkable as this sector traditionally aligns itself with the Republican Party. Then again, in the Rockefeller Republican tradition, an “Eisenhower Republican” Presidency should fit quite well.

What can be generically described as the “transport industries” are, however, further obscured in their BLS classification as “Service-Providing Industries”, together with commercial, financial and non-productive consumer provisioning capital. Excluding the latter, these are the Transportation and Warehousing, Utilities, and Information sectors, with further non-productive consumption such as passenger transport grouped under these, also to be theoretically excluded here. All of these minus exclusions are traditionally defined as productive industrial capitals, branches of industry specialized in the spatial transformation of commodity capital.¹⁴ Together with construction, they also have a specific relation to “landed” property, one with a specifically two-fold difference from that of the extraction and agricultural industries in that, first, it relates itself not to an intrinsic or absolute use value, but to a relative or “space-relational” use value, and second, that the form of “landed” property forms a metacategory including not only surface terrain, but the airspace, waterspace, near-Earth space, the electromagnetic spectrum, and the “terrain” of the human mind itself, covering both “public”, “commons” and “private” property.¹⁵ This paper will take the position that this combined sector, together with urban and infrastructural construction - structurally converse and complementary to transportation, but for this reason with *value* characteristics remarkably parallel to the transport sector - has been *the* strategic branch of industrial capitalist production in the U.S. since the Civil War, if not before, sharing together with the extractive and agricultural industries close and special relations with the North American state at all levels, differing with the nature of the various industries. Here the picture is generally brighter than that given by the narrow definition of “manufacturing”, both in the recovery of employment levels and value added. Within the transport sector as traditionally defined (including air, rail, water, trucking, pipeline and warehousing), total employment rose from 2.49M to 2.73M workers from 2005 to 2015, with only the air sector showing a fall (509K to 443K), while warehousing has shown a strong growth (493K to 658K) over the same period. Total value added in the entire sector has fully recovered its pre-recession levels, from \$446B (2006) to \$450B (2014). “Utilities” have also recovered employment (443K to 450K, 2005-2015) while exceeding their pre-recession value added levels (\$257B to \$290B, 2006-2014). “Information” employment has fallen (2.38M to 2.26M, 2005-2015), but value added has soared from \$613B to \$820B from 2006 to 2014, a 34 per cent increase.¹⁶

A final and revealing note can be struck when we consider the relative distribution of concentration of trade union membership across sectors, restricted to productive industries. Utilities and transport have the highest levels of unionization (23.7% and 20.7% per cent respectively), around twice the general average (11.1%), followed by construction (14.7 %). These areas define the main origin points of the historical trade union movement in the U.S. from the late 19th century. Information, as expected, shows a lesser rate (9.5%), just below manufacturing (10.5%), while mineral extraction comes in at only 5.9%.¹⁷ All of these rates have been in secular decline across all sectors.

Thus when we regard productive capital in general, and not merely the intermediate value added manufacturing sector, we see a picture less that of unilateral “industrial decline”, and more that of sharpening uneven development. Overall we could put U.S. capitalist production in both the plus and minus columns of the geopolitical-economic balance sheet of the United States in the world capitalist system. If a trend towards *growing disequilibrium* in the uneven development of capitalist production in the U.S. could be determined, this could then be identified as a crucial weakness in the overall position of the U.S., perhaps even as a social source for the apparently growing U.S. geopolitical *dérangement*. However the gross statistical evidence presented here does not allow us to do so with confidence. While the intermediate manufacturing sector has continued its long term secular decline at a somewhat accelerated rate in the last decade, the “greater transport sector” as defined here has sailed relatively smoothly through the eye of the recessionary hurricane, with turbulence felt only in the air transport sector. Likewise with steady growth in agriculture, while the \$200B collapse in construction has been more than offset by the dramatic value expansion of crude oil extraction, together with the downstream petroleum products industry. In a sort of theoretical appetizer for the main course, we will have to place one foot outside the frame of capitalist production, even as broadly defined here, if we hope to find the elements that will assist us in identifying any social source that would decisively contribute to a tendency towards growing disequilibrium, and this will move the account theoretically from production to accumulation, from the mode of production to the social formation, from economics to politics and the state. Hence the profits picture has been left out of the balance sheet in favor of indices of accumulation such as total value or value added.

Some Basic Matters of Conceptual Framework

Three areas deliberately excluded from the balance sheet – finance (money), non-productive consumption (particularly in connection with the reproduction of labor power), here also including state consumption, and the entire U.S.-based transnational corporate sector, or U.S. TNCs (foreign trade, world market, imperialism) – will have to be inducted theoretically into the account. The reasons for temporary exclusion are both tactical and practical, involving also matters of the basic theoretical framework for this paper. Hence some basic concepts must first be briefly staked out, while some of the deeper theoretical background is covered in a separate paper referenced here.

The capitalist mode of production is assumed to be a non-equilibrium system, deriving from the existential requirement of capital as self-expanding value.¹⁸ This will manifest itself in the uneven development of a given capitalist social formation, which when combined with the dominant mode of production will give us the “regime of accumulation” as the general political-economic combined social instance. The historical tendencies of uneven development are what we seek to establish in the case of the United States. The regime of accumulation, a category covering not only capitalist production but also productive and non-productive distribution and consumption, is therefore the result or effect of the combination, of primary interest here, of the economic and political social instances,

where the latter exists in relative autonomy in relation with the former, while what characterizes a social formation as capitalist is the dominance of the “capitalist economic”, the historical emergence of which is a specific contribution of the capitalist mode of production to human social development, and a premonition of a scientific approach to production and consumption. The “economic” is of relatively recent historical appearance, and therefore limits the historical applicability of concepts that depend upon the existence of the economic, such as regime of accumulation and “accumulation” itself. The concept of regime of accumulation is not to be taken however as encompassing *all* of the agents and actions of politics (including the state), ideology, science and aesthetics, such that all are reducible to the capitalist economic, the very definition of “economism” employed here. So too, not reducible to the capitalist economic, is the irreducibly non-capitalist “substratum” that are the set of “processes of material transformations” in general, underlying that economic, where the material process of the reproduction of labor power is of particular interest. This last is less a “social instance” than a remainder of the “so-called primitive” accumulation, called here *primary capitalist accumulation*.¹⁹ Otherwise the integration of the various relatively autonomous social instances/practices can be seen on a spectrum ranging, from highest to least, from the political, ideological, through the aesthetic to the scientific. “Technology”, on the other hand, is not a social instance at all, relative or otherwise. The dominant mode of production, further modified in the regime of accumulation, really does select technologies for compatibility with the relations of production.²⁰ The concept of relative autonomy employed here, of clear Althusserian origin, is the basic concept considered for critical salvage and recycling from that otherwise tragic theoretical current.²¹

Likewise, the concept of regime of accumulation here differs fundamentally from that of the Regulation School, also of basically Althusserian derivation, both on their mis-identification of the hegemonic fraction of the U.S. capitalist class – certainly a part of the regime of accumulation – with that of the Gramscian “ideal type of 'Fordism'”, as well as with their essentially conservative approach in regards to the role of politics and the state in the regime of accumulation, seen only as fostering its stable reproduction.²² In the first case - in a preview of what is to come here – the U.S. industrial manufacturing capitalist fraction, however broad and value-laden it was, was *never* the hegemonic fraction of the American bourgeoisie, as its fate since the 1970's illustrates. Andrew Carnegie, John D. Rockefeller (his descendants were another matter) and Henry Ford were outlier capitalists and, unlike their correspondingly characteristic commodities, steel, oil and autos, not of the hegemonic mainstream. Indeed this is why these three characters stand out so much in economic history, precisely because they were not of the U.S. bourgeois mainstream. In the second case, the one-sided emphasis on the conservative role of politics and the state is mirrored theoretically in the view of the same expressed by Nicos Poulantzas, to be foregrounded and not footnoted here as it pertains to a central aim of this paper. The state is the basic problem and object of political practice, said Poulantzas, because “inside the structure of several levels dislocated by uneven development, *the state has the particular function of constituting the factor of cohesion between the levels of a social formation*. This is precisely the meaning of the Marxist definition of the state as a factor of 'order' or 'organizational principle' of a formation: not in the sense of political order, but in the sense of the cohesion of the ensemble of the levels of a complex unity, *and as the regulating factor of its global equilibrium as a system*”.²³ This formulation is to be rejected, not because the state never functions in this way, but because this excludes the possibility for the *dysfunction* of the state, and of political actions of the dominant class and its hegemonic fractions more generally, in relation to precisely the unity or cohesion of the social formation. The state can also be a factor that promotes disunity or incoherence as well. Poulantzas never practically considers this possibility. He rendered his original formulation in the context of the objective of the state versus the state as object of revolutionary political practice. But it is precisely the

moment of the dysfunction of the state, when “the rulers can no longer rule in the same way as before”, that has always characterized revolutionary openings. Why theoretically exclude such an important possibility?

Wrenching the concepts of social formation, the relative autonomy of social instances / practices, and regime of accumulation from Althusserianism and its derivatives opens up the possibilities for a *disequilibrium* regime of accumulation, and to the question of the tendency of this disequilibrium. The general tendency is given by capitalist uneven development, and the most important sources of this uneven development in the the interaction of those “externalities” that give rise to *surplus profits* in distribution. The general categories of “externality” are the problems of money, the reproduction of labor power, and the metacategory of “landed” property, property in use values not the result of the expenditure of human labor power and therefore not commodities. All of these areas involve either fictional commodities - “land” - virtual “zero value” commodities, such as modern money, or the alternation in and out of the commodity form as with labor power, an important theoretical area unfortunately not to be explored even in outline here in an effort to adhere to a primarily historical approach to the case of the United States. There is also the historically specific externality, not integral to capitalism, of global inter-territoriality, a special source of what is called here *the surplus profits of commercial arbitrage*. It is not simply that capital will migrate to sectors with close connection to these externalities, and that this will give rise to a disequilibrium feedback loop fueled by these surplus profits. “Externality” surplus profits implies prior capitalist development in the actual appropriation of non-commodity use values for both production and consumption; in the classic case, undeveloped land will not sustain a rent, absolute or differential. Hence there is a general positive correlation between the expansion and intensification of capitalist production, and the possibilities of surplus profit “capture” in those sectors that have large “externality exposure”. Therefore there is also a positive relation between realization of the tendency of the rate of profit of productive capitals to fall, and investment migration of capitals to sectors that distribute surplus profits as a counter-tendency. Even counter-tendencies that emerge strictly within capitalist production, such as a shift to expansion of the mass of profits – as we see in the international crude oil industry right now – in order to counteract the fall in the rate, can also simply contribute to expanded surplus profit possibilities in the multiplication of commodity capital circuits that this implies – assuming constant turnover time in this circuit - both extensively in the additional geographical space required for this multiplication and/or their intensive multiplication in the same, already developed, space. In either case the possibilities for surplus profits are raised, and the migration of investment is promoted towards both productive sectors with high “externality exposure” as well as non-productive sectors. The general tendency of capitalist accumulation can thus be identified as a growing tendency towards disequilibrium, and thus the regime of accumulation tends towards incoherence and crisis.

Both the realization of such “external” surplus profits in distribution, and countering the disequilibrium effects of the real appropriation and accumulation of the same in both cases requires, of course, “state intervention” or more accurately, the “intervention” of the “extra-economic” generally, that is, the class struggle. Assuming a constant and relatively uncontested class character of politics and the state – an assumption of considerable validity for the case of the United States - this embodies an obvious contradiction of state or political action. Any state or politics can and will intervene to counter the growing incoherence of the existing regime of accumulation, in what is already a initial criterion for the definition of *combined development*. Of course “any” state or political practice would include the possibility of ending disequilibrium accumulation altogether through the abolition of the social dominance of capital. This is exactly why the capitalist state could act in the positive sense of

combined development in counteracting the tendency towards disequilibrium accumulation, if only to ensure its own survival. This can result in a new regime of accumulation in precisely a Gramscian “passive revolution”, and this precisely characterizes the New Deal in the U.S., as well as its extension in the postwar “Golden Age”, in the era still of the Russian Revolution, when the threat of appropriation appeared real. This conforms to the conservative “function of the state” per Poulantzas. However, on the one hand, this simply recreates the tendency towards disequilibrium on a “higher level”, that is to say, to a more monstrous extent, as we shall indicate later in the case of the United States. On the other hand, absent the “class threat”, there is no guarantee that the capitalist state and its politics will not only not move onto a path of combined development, but may be so situated in the world historical context as not only the most powerful beneficiary in the maintenance of that context, but also driven by a class politics towards a quest for world hegemony. That is the case of the United States today, and conforms to the dysfunction of the state in relation to a growing incoherence of the regime of accumulation that will ultimately threaten the very existence of that state. But either way, what we have before us, in the growing erosion of the differentiation of politics and the state from the “capitalist economic”, is the realization of the overarching historical tendency towards the *dissolution of the capitalist mode of production*, overtly appearing as the tendency towards the “parasitism and decay of capitalism” that so many on the Left seem to have theoretically forgotten about.²⁴

Finance, the Consumer / State Sectors, and U.S. Transnationals

Returning to our balance sheet, the quantitative omission of the financial sector is one such tactical theoretical consideration. “Financialization” has of course been all the rage and fashion, especially on the Left. Indeed there has been a none-to-subtle conceptual shift from an emphasis on “monopoly” to that of financialization.²⁵ This has included a “denaturing” or reduction of the original concept of “finance capital”, formerly seen as a concrete combination of banking and “industrial” capital, into simply an expression of money or banking capital in all of its forms.²⁶ The general view of this paper is that the “morbid” overgrowth of non-productive financial instruments out of proportion with value production is always an *epiphenomenon* of both the mode of production and regime of accumulation. In the first case this typically appears at the top end of the standard business cycle, while it is only in the second case that this becomes a persistent structural feature in the social formation. On this latter basis “finance capital” may periodically become a *politically* dominant or hegemonic class fraction, depending on the general balance of class forces, including that within the different fractions of the capitalist class. But the basic point to be made here is that finance generally adapts itself to the tendencies of productive capital as we define it above – this is the general essence of its epiphenomenality. Specifically, structural “financialization” is an epiphenomenal symptom of a terminal crisis of the regime of accumulation, of its inability to resolve the crisis of profitability, and therefore the expansion of value, within its existing confines. This will be illustrated when we turn to an overview of the main contours of U.S. historical development, where we will find that “it is *deja vu* all over again”. In the final analysis, in any case, finance capital has already been effectively weighed in on the negative side of our balance sheet, by means of the effects of the 2008 financial disaster, without having to trouble ourselves with quantitative value measurements of a sector notoriously opaque to productive/non-productive deductions.

Turning to the absent U.S. transnational capital, clearly important in relation to this account, sectoral analysis presents a practical problem in accounting for their total international operations in conjunction with their domestic contributions, as well as the contributions to domestic accumulation of foreign TNC's. U.S. - and some foreign - TNCs inordinately impinge upon the Federal state, and as a

special horizontal “sector” cuts across industrial, financial and consumer categories, and hence their total impact upon the trajectory of development of the U.S. is undoubtedly to contribute to its uneven development. U.S. TNC's historically are, however, an innovation very specific as an effect of the historic nature of the state and social formation, the determination of the latter which is an, if not the, overarching conceptual theme of this paper. Hence it is more appropriate to factor these into the account in the course of the presentation of the broad historical contours of the development of the U.S.A. In the process matters of theory concerning imperialism and the capitalist world system will be dealt with.²⁷

At the opposite pole to TNCs in terms of their sheer “domesticity” are the areas of interest within non-productive consumption - “final” consumption, “consumerism”. These are, first, what Ben Fine has called consumer “systems of provision”²⁸, and second, the whole sphere of the direct material reproduction of labor power itself. These two areas are, in different ways, seen as important contributors to the tendency towards growing disequilibrium in the regime of accumulation, and therefore in the trajectory and integrity of the social formation, and here they will be given prominence in the account. The first, a system of provision, impacts at these levels rather than at the level of the mode of production because it is non-productive capital (when not a publicly owned service), the second because it is an irreducibly non-capitalist material process of the “production” of labor power. The first partially and in varying degree, and the second wholly, operate outside the law of value. They are clearly closely conjoined and are structurally differentiated as, on the one hand, the “consumer household”, and on the other, the systems of provision focused upon this structure. On this account they sorely need closer integration into critical political economy. They are a favored site of the so-called “privatization”, with roots in the postwar development of the “consumer society” - for example in the “privatization” of the housing mortgage finance entity Fannie Mae in the 1960's, after which the halcyon days of runaway single-family residential suburban sprawl appeared in earnest, but only blossoming forth as a distinct tendency in the crisis of the 1970's. As with the other “so-called” - primitive accumulation - under modern conditions closely associated with the two related areas dealt with here - “privitization” specifies the new historical phase of the closest interpenetration of state and capital, “public” and “private”, politics and economics. Hence the “privatization” of “public services” could just as easily be depicted as the “statification of capital”, and, coming at a latter phase of this process, this nature was amply demonstrated in 2008 and in its wake with the TARP “reboot” of Wall Street finance and the bailout of General Motors, “nationalizations” quickly cycled back into the “private” sector. This indicates the decay of the capitalist mode of production itself, to be addressed in the context of the theory of imperialism. This last point brings us back to the question of the North American state, where it came from and where it is headed, a historical journey that this account is about depart upon.

Before departure, one last look at our sectoral balance sheet is in order, now that the sketch of a theoretical context for the inclusion of finance, the domestic component of the TNC's, and the consumer sector has been presented. Federal and State/Local categories are omitted as overlap with and duplication of equivalent private employment categories cannot be determined. The broad sectors are presented in descending value added order from left to right for 2006 and 2014, with the figures between parenthesis formatted as (Value Added : Non-Supervisory Employment : Average of Non-Supervisory Median Wage):

2006: All Consumer Provisioning²⁹ (4436B:54.4M:\$14) Greater Transport (2117B:17M:\$22)
Intermediate Manufacturing (1866B:10.2M:\$14) Business Svcs.³⁰ (\$1240B:14.4M:\$19)

Finance/Insurance (1040B:6.2M:\$26) Construction (783B:5.9M:\$20) Extractive³¹ (585B:514K:\$16)

2014: All Consumer Provisioning (6021B:60.6M:\$15) Greater Transport (3883B:18M:\$24)
Intermediate Manufacturing (1925B:8.7M:\$15) Business Svcs. (\$1488B:15.8M:\$24)
Finance/Insurance (1286B:6.0M:\$26) Extractive (752B:633K:\$16) Construction (584B:4.8M:\$20)

Value added and employment percent change: All Consumer Provisioning (+36:+11.4) Extractive
(+29:+23) Greater Transport (+29:+5.8) Finance/Insurance (+24:-3.2) Business Svcs. (+20:+9.7)
Intermediate Manufacturing (+3:-14.7) Construction (-25:-18.6)

It is to be noted that the largest single value added contribution to Consumer Provisioning comes from Real Estate/Rentals/Leasing (2006: 1700B; 2014: 2310B), followed by Health/Social Assistance (2006: 822B; 2014: 1270B), surpassing recently, Retail (2006: 878B; 2014: 1039B).³²

What we have is the picture of a tendency towards growing disequilibrium accumulation with the steady relative expansion of the non-productive sectors most insulated from the crises of the business cycle, together with the expansion of primary capitalist accumulation, counterbalanced by a volatile extractive production sector, with a recovered financial and unrecovered construction sectors, the greater transport sector acting as relatively stable fulcrum for the whole system. The decay of the mode of production is promoted through the expanding interpenetration of the “public” and “private” spheres, all three exemplified together by the extension of the private health insurance “market” under the aegis of the state in the form of Obamacare, the only substantive “public reform” claimed under this Administration.

A Historical Rhyme

While the United States is not *globally* hegemonic, with or without its allies, and while the U.S. appears to be “slipping” as of late in its quest for that hegemony, it remains nevertheless without a doubt the strongest social formation, more than a *primus inter pares* even without tossing its Triad allies onto the scale. A historical analogy could be made with the late feudal Hapsburg social formation of the 16th century. This was by far the the most powerful combination of feudal state powers in Europe since Charlemagne, and the Hapsburg overlords shared the former's aim to bring all of Europe under their dominion. The Hapsburg empire at its height not only politically combined the states of Spain, Austria and Portugal together with the territories of the former dukes of Burgundy, and all of Italy, thereby also encompassing the leading mercantile centers of the feudal bourgeoisie from Northern Italy through the Rhineland to the Netherlands, it surpassed the former in its vast new American colonial possessions, a untrammled field for feudal plunder and mining fated to be, in other hands, the original primary accumulation of modern capital. All of these were bound together with unprecedented transoceanic trade networks crossing the Atlantic, Indian and Pacific Oceans as well as the Mediterranean Sea, terminating in the Spanish and Portuguese colonies of South and East Asia. Spanish galleons circumnavigated the globe in a way analogous to how U.S. communications satellites circle near Earth and its spacecraft increasingly probe the solar system. The Hapsburg Empire therefore found itself engaged in warfare on several fronts: with its main dynastic rival Valois France, with the infidel Ottomans by land and sea, with the plunder of the indigenous peoples of the Americas and Asia, and of course in its “religious wars” with the Northern European Protestant heresy, particularly with those of the Calvinist sects.

With this latter the Hapsburg Empire famously ran up against its limits and eventually came to grief. This began with the near miss failure to crush the Dutch Revolt in the 1560's, although the Hapsburg Empire, in a measure of its great power, was able to effect the division of the old Netherlands into what became Belgium and Holland together with the mass transfer of refugee populations that marked the eclipse of the old mercantile centers of Flanders. This event came at the end of the long but inconclusive dynastic struggle with the French Valois resulting in the bankruptcies of both dynastic treasuries, meaning the bankruptcy of the feudal merchant bankers that financed them both, and was followed by the fiasco of the Invincible Armada sent against Elizabethan England in 1588, a casualty of weather more than war, in response to the growing inroads made by the English, following the Dutch, into the Portuguese and Spanish transoceanic trade. But here too the measure of the productive resources available to the Hapsburg Empire can be taken, for "The material effects of the defeat of the Armada were, however, much less striking. Out of an original total of 130 ships, as many as two-thirds managed to limp home. Moreover, the Spanish fleet not only made up its losses with remarkable speed, but actually became a more formidable fighting force than it had been before".³³ Indeed Hapsburg Spain easily warded off English sea raids, and even mounted another Armada in 1597 that also came to naught in the weather. This was a prowess that no doubt contributed to the more conciliatory posture of Elizabeth's Stuart successors, in an effort to maintain the traditional wool trade with Hapsburg-controlled Flanders – an important source of revenue for the cash-strapped English Crown - playing no small part in their own eventual political undoing. Nevertheless, it was the same era of that undoing of the Stuarts that also saw, by 1648, the final collapse of the Hapsburg imperial quest for European hegemony, and the appearance of the first modern capitalist world system, at first restricted to a partially revolutionized England, its new Caribbean and North American colonies, and the Rhineland and North German states it came to hegemonize, including by 1688 Holland itself. This historical result allows us to characterize the Hapsburg Empire as the highest and final social formation of late feudal Europe. It encompassed an articulation of multiple modes of production – household, serf, slave, guild artisan – in which none could be considered generally dominant within the social formation, as the formerly dominant mode of production characteristic of "classical" European feudalism – serfdom – had almost entirely disappeared in Western and West-Central Europe, while the "second serfdom" of East-Central Europe was closely bound up and modified by its dependence on the merchant trade in the Baltic, something rather different from the original. And indeed the relative incoherence of a late feudal "structure in dominance" of a single mode of production, the result of the fact that unlike their capitalist successor, none rested existentially upon their own self-expansion, rendered the traditional tributary form of their articulation in the feudal social formation, of lordship and vassalage, inadequate for the maintenance of its integrity and coherence. This naturally led to a powerful centralizing trend in the organization of the feudal nobility that generally falls under the label of "Absolutism", of which the 15th-16th century Hapsburg ruling classes were the "globally highest" but not final class expression. Of more theoretical import for the account here is that tributary forms of articulation governing the distribution of material wealth were *conservatively* fortified by feudal mercantile distribution of the same in simple commodity form, at both the imperial and regional market levels. Feudal mercantile transactions and its market did not comprise a separate "economic" space of the capitalist form, but *were part and parcel of the feudal social formation(s)* – in the old-fashioned terminology, here useful as it makes this point absolutely clear, an integral part of the social "superstructure", and not of any "economic" infrastructure - in this way simply acting as an alternative form of articulation to that of the tributary form.³⁴

Birth of the Modern Capitalist World System

This definition allows for a further distinction of the concept of a “capitalist world system” used here, with that of “world systems theory” famously associated in classical form with Immanuel Wallerstein.³⁵ For Wallerstein the modern world system was identified precisely with the late feudal expansion that we have associated with Spanish Hapsburg rule, on the basis of the extension of the circulation of commodities as well as the deepening of commodity exchange, both centered in Europe. This conception, together with the even more explicit theories of Andre Gunder Frank in connection with “the development of underdevelopment” outside the Triad metropolitan countries, came under a famous criticism by Robert Brenner as “Neo-Smithian Marxism”, because the criterion of capitalist *production* on the basis of wage labor was displaced by that of the circulation of commodities independently of the social form of labor power.³⁶ Brenner's response, in *Agrarian Class Structure and Economic Development in Pre-Industrial Europe*, fundamentally was that modern capitalism first emerged in England and was well placed in agriculture by the end of the 16th century.³⁷ This re-engaged the whole “transitions” debate first broached by Maurice Dobb and Paul Sweezy and others in the early 1950's.³⁸ The concept of “transition” as a tool for historical periodization is discarded as teleological here, for as it turns out, the English Puritans did not march under a banner emblazoned with the slogan, “Build Capitalism!” although that in effect is what their successors accomplished. Rather, they acted to build a “New Jerusalem” in both Englands, new and old, according to a theology that combined the “tribal republicanism” of the Hebraic Old Testament with that of what they understood of the early Roman Republic. Both emphasized the defense of this tribal republicanism against the “corruption of empire”, and thereby founded the English tradition of radical Whig or “Commonwealthman” politics from whence the founders of the United States traced their own descent. “Transition”, in other words, has meaning only for *conscious* projects of social transformation, such as for example, “the transition to socialism”. But conscious projects for a “transition to capitalism” did not emerge until the 19th century as will be seen.

So the modern capitalist world system is seen to have emerged, centered upon England and its environs, in the latter half of the 17th century. This is the framework applied here, despite legitimate objections centered around either Eurocentrism or evidence of capitalist modes of production existent in other times and places.³⁹ This development is best seen as the result of a series of unplanned “grand conjunctures” rather than “transition”, indicating that there was nothing inevitable in the movement from mode of production to social formation and world system. The criteria were that first, the capitalist mode of production take hold and come to be dominant in the one branch of material production that mattered the most to most people before modern times: agriculture. This happened, according to Brenner, from the 13th century onward, and it is noteworthy that here wage labor coexisted with “service in husbandry” - indentured servitude, typically of youths, from whence the English American adult version sprang - until the latter 18th century, something that Brenner tended to overlook. “Between one-third and one-half of *hired labor* in early modern agriculture was supplied by servants in husbandry, and most early modern youths in England were servants in husbandry”.⁴⁰ Thus Brenner's claims must be qualified with the observation that the relations of production in early modern English capitalist agriculture were, if beyond serfdom, still in an evolving, protean form. The English capitalist farmer's mind moved easily from independent wage laborer to dependent servant in husbandry, an observation useful for understanding early English American development as well.

However mere existence of the mode of production in agriculture in whatever evolutionary state is insufficient for our definition of an original capitalist world system, the lineal ancestor of the present

system, centered upon 17th century England. That required the “accident” of the grand conjuncture of the English revolutionary cycle from the 1630's to the 1680's that reduced the remaining feudal institutions to the rule of the first early modern, and not feudal, bourgeoisie. The breach was first opened by Brenner's “outlier merchants” in the 1640's, who momentarily displaced the chartered merchant oligarchy in London.⁴¹ This provoked the temporary exit of the landlord gentry from the London Parliament, no doubt together with their famous tenant capitalist farmers who otherwise are nowhere to be seen as a *class*. Hence there was no way for the petite bourgeois and outlier merchants to link up with this latter to form a “purely” bourgeois regime. Instead these were displaced and the formation of a bourgeoisie was intermediated by the reentry of the gentry under the Cromwell dictatorship, an arrangement secured by the restoration of the Stuarts after 1660. This allowed for the reconstitution of the Crown-oriented London merchant oligarchy, but this time as subordinates, not of the Crown, but the gentry in Parliament. Hence a fragment of the lowest, residual and generic “gentleman” order of the landowning English feudal nobility, extracting their rents from the evolving capitalist mode of production in agriculture, together with a reconstituted merchant oligarchy whose trade connections had been radically reoriented away from Flanders to Holland, the Rhineland and the transatlantic colonial trade, for which London acted as intermediary, was formed and further crystallized after 1688, when the Dutch Stadtholder William was “hired” by Parliament as King of England. This proved to be an arrangement of remarkable durability down to the mid-19th century, and indeed it was to prove to be the original template for the formation of the modern bourgeoisie throughout Europe, save France and Russia, in the development of Arno Mayer's “Old Regime”. In this way English capitalist agriculture, via the mediation of a class alliance of landlord gentry and chartered merchants, was linked up with that part of the transatlantic and North Sea trade in the hands of England, together with English colonial commodity production, launching the conversion of mercantile commodity circulation from an articulation of the social formation to that of a circuit of capitalist production in the birth of the “capitalist economic”. This expressed on the one hand, a classic “Poulantzasian displacement” of the political power of the English bourgeoisie by a class fraction of non-bourgeois, yet post-feudal, origin who commanded the upper reaches of the state, however coinciding with a “counter-displacement” of merchant trade that created the “capitalist economic” as a social instance differentiated from that state, precisely as the state was largely monopolized by the gentry. The “counter-displacement” was accomplished by the commercial intermediary role of London that in turn transformed the regional English market into the circulatory aspect of its agricultural capitalist mode of production, in turn furthering the spread of capitalism to other branches of material production, and eventuating the transformation of the landlord gentry into a bourgeois caste specialized in the affairs of state. Hence another old debate can be retired: neither the mere existence of capitalist production, nor extensive commodity circulation together within the same social formation, is sufficient for its transformation into a capitalist formation. This requires the differentiation of the “capitalist economic” from the state in an essentially *political* act, one that effects the transformation of the sphere of commodity *circulation* from a practice of state and politics to that of an integral part of the “economic”. From here simple commodity circulation is transformed above all into the circulation of *capital*. Henceforth *the sphere of the circulation of capital in particular becomes the political-economic fulcrum of the social formation*, the point of interrelation of the differentiated instances in relation to the state. Within these constraints, this is the “world system” concept deployed here, as distinguished from that of world systems theory. This portrait is to be held in mind as we embark on our travel to the other side of the Atlantic, to the state that proved to be the exemplar of this historic transformation.

The U.S.A.: Tabula Rasa or New *Ancien Régime*?

The question here might seem to have a ready answer, simply through observation of the fact that the U.S. constitution is already, at 228 years, the oldest constitution in the world, and that the present two party political system, emergent no later than the 1850-1870 period, is over 150 years old. This predates even the “constitution-less” U.K., whose political system dates from the 1920-1940's period, and now likely entering another period of its transmutation in studied contrast, once again, to the U.S.A. The U.S.A. appears *prima facie* “old” in global comparison, and therefore qualifies as an “ancien regime” today. However if the answer were so simple, there would not be the endless historiographical controversies concerning the historical character of this state, founded on the cusp of the high modern capitalist epoch at the end of the 18th century, some ten years before the opening of the French Revolution. For the *prima facie* observation simply begs the question of *why* that state and political system have lasted so long. There have been two basic answers: The U.S.A. was the first modern state, and remains a modernizing influence down to our time. This is basically the view of Panitch and Gindin in *The Making of Global Capitalism*, qualified by “financialization”, and is in practice a “purely bourgeois” view of the social formation. The second answers in the negative, based on interpretations of the ideology of the founders of the state, exemplified in the works of J.A. Pocock – overlapping with the historiography of “Atlantic Republicanism”, not to be explored here - and of William Appleman Williams, to be discussed further below.⁴² The approach here combines elements of this polarity in a new synthesis, and implies that the North American state represents a specific type of *historical anomaly as a state*, but certainly not as an exception to the historical tendencies of its dominant capitalist mode of production, even as this observation begins to provide a critical approach to ideologies of “American exceptionalism” still loudly spouted by Barak Obama today. “Anomaly” does not automatically equal “exception”, and had this anomaly been a planned project, we would describe the U.S.A. as a “transitional social formation”, “in transition to capitalism”, much as the former Soviet Union was described by some as in “transition to socialism”. But what sort of “anomaly” was the United States?

The classic case for the U.S.A as a “purely bourgeois” social development was made by Louis Hartz in *The Liberal Tradition in America* (1955). This was essentially an argument of intellectual history based on an “ideal typology” of John Locke, now questionable given Lockes' purported channeling of that scandal for bourgeois political philosophy, Thomas Hobbes.⁴³ Naturally an idealist intellectual history would be unsatisfactory to left-leaning interpretations of the United States. However, Hartz's essential material claim that the United States lacked a “feudal past” has remained a sticking point for leftist and Marxist interpretations of United States development even in the present form of the productions of Daniel Gaido and Charles Post.⁴⁴ Consequentially, Marxist analysis of the United States in particular remains mired in seemingly interminable debates on the “pre-history” of its capitalist development, in essence the period before the 1840's to 1870's. Consequentially it is precisely its subsequent “industrial capitalist” history that is the least understood yet urgently required now. The contribution presented here aims to begin to close out this debate and move on.

Hartz's claim is essentially a statement of the absence of a hereditary caste of landlord gentry of the English type, exercising an effective social monopoly of landed property within the social formation, *ipso facto* the “absence of the remnants of feudalism” tout court. It has been shown already that its existence in early Britain was in fact no absolute barrier to Britain's capitalist development, hence this factor of absence or presence may in fact be a secondary matter. However, more sophisticated leftist and Marxist interpretations, both domestic and foreign, have reproduced this question as a lacunae

around which their accounts revolve, and resolve either in the Hartz manner, or by emphasis upon another Marxian figure, “antediluvian merchant capital”, or what Marx also called “commercial capital in independent form”. Here, however, the term *merchant arbitrage* or for their agent, the *merchant arbitrageur*, is preferred so as to express its social essence prior to the modern capitalist social formations, embodying, not a trade in commodity *capital*, but simply in commodities as part of the articulation of different modes of production within pre-capitalist social formations, as has already been established here. This concept will be elaborated further when we present the key concept of U.S. capitalist development and the periodization that will follow from it.

The first trend in interpretation can be traced directly from the classics of Marxism. To cite just one example, “In a country as untouched as America, which has developed in a purely bourgeois fashion without any feudal past, but has unwittingly taken over from England a whole store of ideology from feudal times, such as the English common law, religion, and sectarianism, and where the exigencies of practical labor and the concentrating of capital have produced a contempt for all theory, which is only now disappearing in the educated circles of scholars...”, wrote Friedrich Engels to Friedrich Sorge in 1886, even as Engels had been made alert to the possibilities of class struggle in the U.S.A. by the great labor uprisings of that decade in the “pure, untouched” country.⁴⁵ Nor were the material basis for the “ideological contradictions” noted brought into question. This approach of an essentially empirical character was continued in another context by V. I. Lenin in his differentiation of the capitalist evolution of the forms of landed property into a “Prussian road” - a variant of the “English road” as we have seen – and, uniquely, an “American road”, preferred for the promotion of the more rapid development of capitalism favorable to the working class.⁴⁶ The question is, what is the full meaning of this observed difference for the theory of capitalism? Here one can already begin to trace a line through a Marxist version of “American exceptionalism” in a repetition of Hartz's thesis, oftentimes reproduced by the simple *absence* of the United States from the account, as for example in Arno Mayer's thematic *The Persistence of the Old Regime: Europe to the Great War* (1982), where the U.S., despite its growing influence on late 19th century Europe and in its decisive intervention in the final outcome, does not figure as a “regime” at all, “new”, “old” or otherwise.

The alternative approach has been to emphasize the dominance of “antediluvian merchant capital” or mercantilism in the “pre-history” of the capitalist development of the United States. The postwar representative of this approach was Louis Hacker's *The Triumph of American Capitalism* (1940, 1965), where U.S. development is framed within a scheme of “four stages of capitalism”: the mercantile until the 1840's in the U.S.; the industrial, corresponding to the mid-19th century “competitive capitalism” and “free trade” - a figure commonly seen in those Marxist accounts that also contrast this with “monopoly capitalism”; a finance capital stage associated with the “new imperialism” of the late 19th century to the First World War; and finally state capitalism, “the stage in which we now live”, leading one to wonder what “stage” have we lived in since the 1980's. Intriguingly, Hacker states that “The political aspects of modern-day state capitalism more and more take on the features of mercantile capitalism”.⁴⁷ Perhaps because in the case of the United States it never entirely cast off the very first, “mercantile” stage? In the scope of Hacker's history, this effectively covers the first two stages in a very characteristic division of early U.S. development into first, the rule of mercantile capitalism, victorious in the 1776 Revolution, broken by the “victory of American industrial capitalism in the Civil War”. The same schemata is basically visible in William A. William's *Contours of American History* (1961, 1966), though the dates and labels differ: the Age of Mercantilism: 1749-1828; the Age of “Laissez Nous Faire”: 1819-1896 (thereby lumping together cotton slavery at its zenith with the rise of industrial capital); and the Age of Corporate Capitalism: 1882-Present. The insertion of a “laissez

faire” phase tending to obscure what most in this genre consider the decisive break – the period of the Civil War – ushering in “industrial capitalism”, is an idiosyncrasy, but Williams here actually overlaps and combines the basic mercantile-industrial dichotomy with another favorite of the genre, that of the contrast of “competitive” with “monopoly” capitalism, often paralleled or superseded with the opposition of “productive industrial” capital with “parasitic financial” capital, especially in contemporary interpretation – not to state here that part of modern finance is *not* in fact parasitic.⁴⁸ This can also be seen in the historiography of Elizabeth Fox- and Eugene Genovese in connection with American slavery, a problem that the Genoveses associated with merchant capital in opposition to an industrial capitalism victorious in the Civil War.⁴⁹

The Missing Colonial Settler State DNA

But variations on these schema are to be seen generally in non-historical renditions of Marxist or Marxist-influenced theories of capitalism as well: in the aforementioned Monopoly Capital school, naturally, and in Poulantzas, where the opposite of the “competitive stage” is labeled “the imperialist stage”, conterminous with the monopoly stage, with the implication that prior to the latter stage, the capitalist mode of production had no imperialist aspect.⁵⁰ So too in the most recent historical presentations on the United States, and Panitch and Gindin's *The Making of Global Capitalism* warrants mention here in the chapter “The DNA of American Capitalism”. Panitch and Gindin correctly identify their metaphorical reference with the North American state, specifically that created in the period 1783-87. The case is somewhat obscured with their apparent identification with “American *capitalism*”, however modes of production do not “replicate” in a social vacuum, but within historically and materially given social formations and their states. This would then correspond to the conservative function of the state according to Poulantzas, and can be easily extended to include the possibility of its “cancerous” dysfunction. But to make full metaphorical use it must be asked if Panitch and Gindin, or for that matter, Gaido, Post or any of the other sources mentioned, provide the complete practical “sequencing” of that state DNA, that is, a complete account of *all* the fundamental elements that went into the formation of the North American state.

In Panitch and Gindin's case, the sequencing covers two short pages, and rests considerably upon Charles Post's theory of Northern independent household farmers in antagonistic relation to “antediluvian merchant capital”, as the authors happily acknowledge.⁵¹ The emergence of independent household farming is explained by simple reference to “plentiful land”. The legacy of commodity-producing slavery that encompassed the first two centuries of this social formation's existence in both British colonial and early republican forms merits a mere two very partial references as a pure negative, limiting factor, in reference to the creation of a high tariff system “in spite of Northern merchant and Southern planter opposition”, otherwise slavery only receives mention in the rear-view mirror, “After the defeat of the plantocracy in the Civil War...”. In other words, what we have here with both Panitch and Gindin *and* Post is the standard Left and Marxist response to the Hartz thesis: Yes, there was no landlord gentry exercising an effective social monopoly of landed property. As a result the social space conditioned by “plentiful land” was filled by Post's independent household farmers in antagonism with what was a dominant class of merchants, where Post goes one step further and puts forward the rather dubious if intriguing thesis that merchant land speculation exercised an effective social monopoly of rural landed property, so that the American merchants were functionally the same as the English landlord gentry in promoting the social conditions that pushed farmers into commodity, and eventually capitalist, production in agriculture.⁵² This gets us one more piece of the DNA sequence, in the role of the merchant arbitrageurs in the foundation of the North American state, but leaves anomalous the

events of the Andrew Jackson era in the 1830's, and indeed both accounts leave in complete anomaly the social status of the slaveowners, both tobacco and cotton, before and after independence. Hence both accounts simply reproduce the old problem of how to fit slavery into American capitalist development. Were the slave-owners merchants, part of the merchant ruling class? Were they an "extended" form of independent household production that "chose" to produce commodities by paternalistically adding human commodity chattel to their family chattel as "children"? Unaddressed in Panitch and Gindin's DNA sequence, Post basically treats slavery as a separate mode of production articulated by the merchant class into the larger social formation. Slavery came into collision with Post's agro-industrial complex in the Civil War – an explanation that is *empirically* true⁵³ - but still leaves unexplained the leading role played by the Virginia slaveowners, absolutely crucial in the achievement of independence and in the foundation of the new state, without whose key contribution neither independence nor state would have been realized over which one could have a civil war.

We have to turn to what is the single strongest aspect of Daniel Gaido's contribution to identify the next element missing in our DNA sequencing, stated baldly from the very start: "American capitalism had its origins in *settler colonialism* – the extermination or enslavement of the native population of the colonies - and *white supremacy* - the colonialist version of racism".⁵⁴ Yes indeed, Post's independent farmers, North or South, were no innocent babes in the woods! Those humble farmers – or actually their state agents – came, guns in hand, searching for land, and when they found it, proceeded over time to exterminate its indigenous inhabitants. Putting aside the important question of the institution of white supremacy for the moment – as this was a specific product of the peculiarities of English colonialism in North America, yet to be completely defined here – we have identified here one of the key DNA sequences missing from the fundamentals of the Panitch/Gindin/Post accounting. The purpose here is not to engage a "politically correct" morality play, but to underline a social scientific truth: Both the English North American colonies, and their independent successor the United States, were *colonial settler states*. The case of the latter embodied this in its own structure as a *conscious project for the colonial settlement of the entire continent*, including potentially British Canada, a truly astonishing historical fact when one thinks about it. Hence the Northwest Ordinance of 1787, platting out the entire Old Northwest (the present Midwest), was the one piece of legislation of the Confederation Congress inducted in whole by the successor Federal Government. Indeed as a conscious project the United States can be seen as the first instance in history of settler colonialism as an increasingly *automated mechanical reproduction*, initially in its "artisan manufacturing" Jeffersonian-Jacksonian phase, followed by its "industrialization" with the railroad, industrial settler colonialism, as in the railroad-farmer settlement of the Southwest, including the Los Angeles Basin in the 1880's, acting as a historical bridge between "the little house on the prairie" in the 19th century and the "little house in the suburbs" of the 20th. The whole mechanism had as its external aspect the acquisition of the continent either by "purchase" - it was the failure of Napoleon's France to suppress the Haitian slave revolt that forced Paris to unload its now-untenable Louisiana possessions into the hands of a gleeful Thomas Jefferson⁵⁵ - or by Yankee European-style colonization of "unclaimed territory" (the Oregon Territory), by external subversion (the Texas Republic, the American slaver's Donbas Republic of the 1830s) or by direct conquest (the Southwest in the Mexican War). Only the then-hegemonic power of Britain saved Canada from the same fate, though Britain took the lesson and implemented its own plan of systematic settler colonization in Canada, Australia, New Zealand and South Africa.

Then the mechanism itself kicked into gear, processing the acquisitions, reordering these from "unorganized" mass to "organized" territories, and then on to statehood, all comprising a state-

sponsored process of *internal (settler) colonization*, lasting for quite a long time, all the way to the First World War with Oklahoma, Arizona, New Mexico, Hawaii and Alaska, these last three still to this day bearing the aspects of internal colonies, while Arizona still retains some of the political-ideological bearing of a “militant settler outpost”. The longevity, and in particular the railroad mechanization of the process of internal colonization, indicates that not only are Posts' class of (settler) farmers directly implicated as active participants in the expropriation of the lands of the indigenous peoples, but also implicates a section of the *working class* of that period, particularly that section employed in transport, mining (especially gold and silver mining) and other extractive industries, as participants in the same, guns in hand. And it should go without saying that this process of expropriation materially benefited the U.S. working class of that time as a whole, particularly with the cheapening of foodstuffs in the expansion of acreage put under cultivation, so that the real U.S. wage actually rose during the “long depression” of the last quarter of the 19th century.⁵⁶ In addition, we would expect the extension of agriculture into less fertile Western lands in the last quarter of the 19th century to raise the surplus profits (or rents) of the more developed and fertile lands of the Midwest in particular, even in the face of falling agricultural prices, promoting the development of a stratum of wealthy capitalist farmers in those regions, thereby also sharing an interest in continued internal colonization. Finally there should be mentioned the “internal semi-colonization” of the South after the Civil War, a secondary layer upon the primary process of internal colonization. Altogether this process was an exemplar of the enduring extent of primary capitalist accumulation underlying the explosive industrial capitalist accumulation that traditionally captures the historical spotlight. More than that, this shows also how closely interconnected and inseparable primary capitalist accumulation was with “standard” accumulation, and remains so down to this day, comprising here both an intimate part of the DNA of the mode of production and the social formation and its state. On this point Panitch and Gindin are seriously in error when they state in passing that “Territorial expansion had taken place through the addition of new states, *not colonies*, and produced such a great 'plurality of interests' that, as Madison had hoped, the masses for the most part showed little common motive or capacity to come together to challenge the ruling classes”.⁵⁷ Be that as it may, the farmer-worker “masses” of that time may have also shared a *commonality of interest* of their own with their rulers, precisely in the internal colonial substance of this territorial expansion.

Settler Colonialism and Productive Forces

These observations hardly exhaust the matter at hand, however. Why did English settler colonialism in North America take the peculiar form it did in comparison with the colonialism of its competitors? And what is the place of settler colonialism in history? The answer to these questions will mark the completion of at least this missing piece of our DNA sequence, and provide part of the answer to the question of the present historical status of the U.S.A. itself. The first question has been approached in the accounts presented so far within the context of a “plenitude of land”. This “plenitude” was the condition that undermined attempts to implant a traditional European-style landlord aristocracy, by rendering impossible the establishment of its social monopoly of the land, thereby opening the floodgates to the effective parcellization of the land, either by squattage or sale, among a host of smallholding independent settler-farmers, producing for subsistence, commodities, or both.

The Spanish, French, Dutch and Portuguese competition also, to the extent they sought to colonize the American mainlands, enjoyed the same “plenitude” of land, yet did not generally manifest the English form of settler colonialism.⁵⁸ Political Marxism might answer that each colonizer brought over and tried to impose in the Americas the social property relations, or social relations of production,

characteristic of the metropolitan country. This would move us closer to an explanation of the difference of the English from the rest, as only in England (and in Holland, but the merchant trader oligarchy, and not the landlord gentry, were politically dominant there) was the capitalist mode of production dominant in agriculture in the 17th century, along with a landlord gentry that was socially dominant and usually politically hegemonic, and this should be reflected in a differing pattern of agricultural settlement in the colonies. This is a valid and valuable insight, as noting the capitalist character of English agriculture under the political domination of the landlord gentry is part of the explanation, but in a way obverse to that of England itself – it was precisely *not* the social property relations of English capitalist farming that were transferred to North America, as Charles Post understands in his response to Gaido: “the reproduction of the independent households did not depend upon successful market competition...and did not produce a dynamic specialization. Instead there was an actual *regression* of the productive forces in northern colonial agriculture compared with contemporary English agriculture, as northern farmers abandoned the “up-and-down husbandry” that marked English farming since the 16th century”.⁵⁹ It will be argued here that it was not merely the plenitude of land, but more significantly the independent *settler-colonial* household mode of production on the land, with the promise of ever untapped new land just over the horizon that, through its historical ebbs and flows, generally obviated the need for rotating the same patches of land in and out of cultivation and pasturage. Post cites a comparison with England in order to show how social-property relations determine the level of development of the productive forces, because “social-property relations (Brenner, 1985a 11-12) – *shape* the relation between humans and the natural world as mediated through the use of tools – the labor process or forces of production”.⁶⁰ But why a comparison with England? Would not a comparison with the level of the development of the productive forces employed by the indigenous peoples illustrate the same point, while also explaining how it was that their land could be eventually expropriated by the settlers, on the basis of their superior productivity, even if at a lower level than that of England? It would not be too gratuitous a criticism to point out the Eurocentrism contained here, as indeed it expresses the Eurocentric essence of the commonly accepted framing of the U.S.A as without a *European* feudal past and, therefore, that past not being European, having “no past at all”. In this way Eurocentric ideology obscures the real question: What is the actual past of the U.S.A. that made it what it is today?⁶¹

Further consideration of this condition of “plentiful land” reveals that this plenitude was enjoyed most of all by the indigenous peoples of North America themselves, whose general mode of semi-nomadic slash and burn agriculture supplemented by gathering and hunting, like their early Northern settler-farmer competitors, also did not require “up and down” rotation in detail, but instead, at least in 16th - 17th century Virginia, practiced a form of inter-generational up and down rotation over a large area, creating a park-like forest region clear of underbrush that paradoxically also eased the way for early settler penetration.⁶² This was an adaptation of the relations of production, not to the plenitude of land, but to the relative *paucity of the productive forces*, in particular the *scarcity of labor power*. This scarcity is thought to be a result of the “Columbian Exchange”, where the main uncertainty concerns the estimates of pre-settlement population rather than the demographic devastation wrought by the Europeans and their livestock as disease vectors. Hence estimates of indigenous populations of the Americas north of Mexico and the Caribbean range from 600,000 to ten times that number.⁶³ Contemporary Puritan settler accounts of smallpox epidemics among the indigenous peoples of New England – interpreted as God's sign that this was indeed His Promised Land – would indicate that the process of demographic collapse had not completely run its course in North America. Whatever the extent of the decline either before or after the beginning of English settler colonization, the contraction of the productive forces presented no fundamental qualitative problem for the existent indigenous

social relations of production.

However this decline *did* present a problem for the transplantation of the “social property relations” prevalent in 17th and 18th century England. Here the determinate were the relations of production, the determinant the forces of production, specifically the paucity of labor power in North America, under conditions where, unlike Spain, the early gentry settlers of Virginia could not rely on the El Dorado they had expected to find to plunder in compensation, nor where there any gold or silver deposits readily available in the eastern half of the continent, nor were there an indigenous labor power available to exploit these had they existed anyway. Once the settlers became a nuisance, indigenous tribes such as the Delaware could simply move from their old homeland river valley of the same name, cross the Appalachians, and resettle in what would later become Ohio, and indeed indigenous peoples were able to regularly range over a tremendous territory, from the Eastern seaboard to the edge of the Great Plains. The English and later British settlers addressed the paucity of labor power and forces of production in a variety of ways to be touched upon when we present a general periodization of the development of the U.S., but one peculiarity of that settlement can be observed immediately here: its extraordinary compactness along the Eastern seaboard, especially in the Northeast, prior to independence. The English and allied German colonial emigration did not exceed that of Spain prior to 1800,⁶⁴ but its exceptional concentration of population was one “macro” demographic contribution to a solution to the problem of the productive forces, one that helped brake the *real regression* in the relations of production. For in the North there was not only no reproduction of dependent capitalist farmers, but not even of an independent English-style yeomanry, this latter one possible index of regression. Rather there was a *further* regression, as the independent Northern farmer existed as a *colonial settler*, a specific mode of social existence with a very long pre-capitalist history in its own right.

Settler Colonialism in World and U.S. History

The history of settler colonialism likely extends back into prehistory, but in the Mediterranean zone is of course famously associated with the Phoenicians and their Carthaginian offspring, as well as the ancient Greek and later Roman colonizations, establishing also a specific relation between itself and the extension of merchant trade and offering an alternative form of articulation to tributary vassal relations, unstable in the colonial zone, with the Romans also extending settler colonialism inland on the European subcontinent itself. Settler colonialism did not cease with the Romans in Europe; there were feudal instances such as the German Ostsiedlung that sprang forth from the Charlemagnian “marches” from the 10th to 13th centuries, also closely associated with the appearance of towns in Northeastern Europe, and therefore continued the special relation between itself and the extension of merchant trade, and was sustained by the “first enserfment” of the indigenous Slavic peoples. Needless to say, a similar “marcher lord lieutenant” settler relation existed between England and Ireland, though it would have to await the era of the onset of early modern capitalism at the end of the 16th century to begin to meet with success in a landlord gentry-led process, and therefore this fundamentally differed from that of English North America. Finally there was the most dynamic settler colonialism of the age, that of Spain and Portugal with its beginnings in the Reconquista from the 13th to 15th centuries. In the Spanish case this was led on the ground by a so-called “hidalgo” gentry (“sons of somebody”, i.e., “excess or surplus gentry”), a description that neatly fits its American conquerors, Hernán Cortés and Francisco Pizarro. Behind these were a subordinate merchant trader class, typically either Aragonese or Italian in origin. Spanish landlord gentry social hegemony, if not necessarily productive dominance, was sustained by the capture of the main population centers of the indigenous Americas, Mexico and Peru, along with

their ready gold, but more importantly, particularly in the Peruvian Andean region, there existed sufficient survivals of indigenous labor power to work silver mines. Portugal presents the obverse, with a merchant trader class both hegemonic and dominant, in this case to relation to the development of African slavery.

With feudal merchant Portugal we close the circle with ancient Phoenicia in regards to settler colonialism, now also seen in very specific relations with both slavery and merchant trader arbitrage, two other social phenomena with ancient pre-capitalist histories. Here it can be stated unequivocally that settler colonialism and merchant trader arbitrage were, absolutely, reproductions of elements of the European feudal social formations, with the former in an articulation with the latter in the form of a merchant trader-slave mode of production. In the case of Spain, this combination was further mediated by the hegemonic landlord gentry of the *encomienda* and successor “feudal” agricultural systems in the Americas. At the opposite pole was the English American colonial case, where the lack in the forces of production produced a real regression in the corresponding social relations that elevated the importance of the more regressive aspects of the early modern English social formation, namely settler colonialism, and through the “outlier” merchant traders, fused this first on its Southern flank with the adaption of “service in husbandry” to an adult immigrant population as a sort of “term slavery” that, on this basis, was extended with the re-import of African slaves from the Caribbean, as a way to solve the “labor power problem”. This same dearth in the forces of production prevented the establishment of a “feudal” landlord gentry *precisely because this gentry subsisted on the basis of a capitalist mode of production in agriculture* that was impossible to reproduce in colonial North America. This represents a unique combination in comparison to its European competitors: In the English North American peripheral colonial zone – but not in England itself – there is the development of an independent trader merchant class articulated, in different regional ways, with the sui-generis settler colonialism of independent household farmers both North and South, *on an incipient continental scale*, an independence anchored domestically in the South by what was in essence mercantile slavery. It was the incipiently continental scale and sui-generis character of the English American colonial settlement that makes it unique. This socially anomalous character was preserved by the political events of the English revolutionary cycle from the 1630's to the 1680's, after which time it was too late to deepen integration with the metropolitan country, despite remaining a subordinate part of the early British Empire, as the merchant traders and slavers were able to continue to exercise hegemony in their own local colonial assemblies.

This finally allow us to approach our central concept here, by means first of a secondary observation that will allow refutation of the ideology of a “purely bourgeois” historical United States, at the same time that this concept will provide the framework for precise specification of the present-day United States as a type of “ancien régime”. The secondary note is that it is not merely that settler colonialism, merchant trader arbitrage and slavery were “present at the creation” in the last quarter of the 18th century, so that these left their indelible stamp upon the state of the newly independent social formation, as some historical interpretations noted here clearly establish. It is of even greater significance for the specification of the United States of today as a type of “ancien régime”, it must be underlined, that before being “cast off” in succession as “antediluvian relics”, both slavery and settler colonialism experienced a final effervescence, a “renaissance”, an expansion *unprecedented even in their own long histories of most ancient origin*, precisely as these were caught up in the gears of a both expansive and intensifying capitalist world system whose boundaries, propelled by the event of the French Revolution, had now begun to move beyond the limits of the early British Empire, into what was to become an increasingly “multipolar” world system throughout the 19th century, even as Britain

managed to stay on top of the heap. Here cotton slavery proved fabulously profitable as the primary capitalist accumulator-bootstrap that launched the United States into its premier role as top-dog accumulator of capital in general. Even after being cast off, its structural successors in the Jim Crows, old and new,⁶⁵ have left the mark of White supremacy, founded in English North America, inscribed much more deeply upon the social formation than what could ever be written into the constitution of its state. Above all, the regime of North American slavery set the standard for the industrial capitalist exploitation of “free” wage labor as well, throughout the U.S.A., reflected to this day in the relatively low quality of labor standards in comparison with its leading Triad partners, with the possible exception of Japan. Setter colonialism enjoyed a longer run in primary capitalist accumulation as has already been described above, its final industrial phase directly spawning its successor in the 20th century urban or metropolitan sprawl of the centerpiece of the American Dream, “the little house in the suburbs”.

The Persistence of the Mercantile Moment

Only merchant trader arbitrage and its living descendant structures were destined to persist as the characteristic “structure in dominance” of the U.S. social formation, absorbing both landed property and White supremacy into itself. This was due to the historic positioning of both colonial British North America and the 19th century United States on the most rapidly expanding periphery of the capitalist world system. In this way, though capitalism “annihilates space through time” in Marx's aphorism, continental colonial settler expansion ensured that there would be a continuous stream of fresh “space to annihilate” over a time span that occupied an entire historical epoch. The leading role of the colonial merchant trader class North and South in the foundation of the independent state was then both reproduced and transformed in the social formation and state. The colonial merchant trader was superseded by the regime of accumulation of the *mercantile capitalist cotton slaver* as the dominant aspect of its developing capitalist economic space, generally also hegemonic until the 1850's, when a displacement towards Northern Democratic Party “dough-faces” resulted from the collision of the rapidly expanding Midwestern “agro-industrial complex” with slaver inroads into the Kansas Territory, essentially a struggle over the way settler landed property would be integrated into capitalist accumulation.⁶⁶ This did not lead to the supersession of “merchant capital” with “industrial capital”, but to an end to the dominance of “commercial capital in its independent form” in favor of a combined *commercial-industrial* capital complex where the commercial aspect was dominant, the result of its historically favored position in the continuation of the mercantile form of the state, and its continued dominant position in the great and rapidly expanding cities on both the Northeastern seaboard and the Midwest, notably Chicago. In this way the structure of commercial arbitrage and its agents could both straddle the line separating the political and economic instances, as well as straddle the distance between city and country, urban and rural. The transformation of the regime of accumulation occurred over the 1848-1876 era and was not a “bourgeois revolution” but resulted in a classic “passive revolution”, essentially *conservative reform “from above”*. This does not mean there were no bourgeois-revolutionary aspects to the Civil War cycle, as with the abolition of slavery, but the Lincoln Republicans not only moved to this position with the greatest reluctance, but effectively reversed this reform in the compromise of 1876 that sold out the South's Black population and revived the Democratic Party as a competitor at the Federal level. Once again the key immediate question was the status of landed property, as the refusal of Liberal Republicans to contemplate land reform that would expropriate the holdings of former slave owners in favor of redistribution to the former slaves marked the end of the cycle. Landed property constantly comes into play in these struggles precisely as it was not the social monopoly of an aristocratic landlord caste, though in this case the land was handed back to the old ruling class, now in the relatively backward form of a dominant independent commercial-

landowner capitalist class in the South in an internal semi-colonial relation to Northern capital. However *politically* the Jim Crow apartheid “Solid South” would prove to be a reliable, stable anchor for the whole political regime especially as U.S. imperialism ventured into the world at large, and the regime of accumulation slid into a long crisis in the first three decades of the 20th century.

The characteristic institution of this new regime of accumulation was of course the railroad and allied communications complex, still largely privately owned down to the present day, making the United States a standout among equivalent countries, and is why the U.S. possess the most wretched passenger rail transport system compared to the same, where even Spain and Italy have advanced beyond the U.S. level of development here. But from this complex emerged the characteristic “corporate” form of U.S. capitalism persisting until today, while its “constitutional personhood” was guaranteed by the Supreme Court ruling on the case *Santa Clara County v. Southern Pacific Railroad Co.* in 1888, the plaintiff now the geographical seat of Silicon Valley, while the capitalist agents of the defendant were known as the “Big Four” - Leland Stanford, Collis Huntington, Mark Hopkins and and Charles Crocker – Yankee wholesale merchants who switched to the railroad business on the Federal subsidy of the first transcontinental railroad and who came to dominate early California government, and who are memorialized as “Heroes of Capitalism” with four High Sierra alpine peaks above 4,000 meters named after each. Indeed, this era was the continental triumph of Greater Yankeedom, as the flood of New England settlers that washed over Upstate New York – with a merchant capitalist branch “internally colonizing” New York City, beginning its transformation into a hybrid “Yankee” city - and throughout the natural transportation system of the Great Lakes region and into Canada, now leapfrogged from Buffalo, Cleveland, Detroit and Chicago, to Denver, Seattle, Portland, San Francisco and eventually Los Angeles, every one of these as well as Salt Lake City, pioneered by Yankee commercial-industrial-land speculating capitalists, in the last case though by an idiosyncratic Protestant sect of upstate New York origin. This, together with the financial forms appropriate to it, only realized after 1873 with the collapse of the holdover merchant-finance of the antebellum period, basically the replacement of Jay Gould with J. P. Morgan.⁶⁷ It was Morgan who was instrumental in launching the Wall Street stock market that we know today, with blue chip companies represented on the revealingly named “Transportation Index”, while the riskier companies were relegated to a “Dow Industrial” index, effectively the Nasdaq grade of its time. But the absence of a central bank until 1913 ensured that “financialization” would never gain the upper hand even as the railroad-centric commercial-industrial complex slid slowly into a crisis of relative stagnation beginning in the 1890's, reflected in the powerful movement of capitalist centralization in that decade as well as the emergence of new branches of capital accumulation in electrical power generation and distribution, telephony, film cinema, and the automobile, all with congruent relation, though, with the commercial-industrial “structure in dominance” and therefore not only not posing a danger to its continuation, but on the contrary offering the promise of its future reproduction. But at the moment, the railroad-led commercial-industrial complex had come up against the continental limits of its primarily extensive regime of accumulation.

Finally of course this was the era that saw the decay of the “old”, rural middle classes and the rise of the “new” middle classes tied to the management of capital generally, and to the various commercial, engineering and financial professions as well as the areas of ideological, scientific and aesthetic productions in the forms of the commercial newspaper business and the expansion of the university system. Last but not least there was the rapid development of the industrial working class, and this presented a particular problem for the two-party political regime of this era as it simultaneously sought to negotiate the transformation of its traditional mass social basis in the petite-bourgeoisie from rural to urban, from Populist to Progressive, while preventing the development of a class alliance of either old

or new sections with the emergent new class enemy. Supplementing the assistance of the Solid South in the racial division of the Populists and in the ideological separation of these, using religion, from the urban Progressives (with the exception of the upper Midwest), the generally high relative level of the real wage, together with its long term increase until the first decade of the 20th century, promoted the development of a layer of privileged workers that in certain sectors were able to crystallize into a labor-aristocratic caste by means of the organizations of craft trade unions, promoted not least of all by the steady stream of skilled workers from the British Isles into the U.S. in this period.⁶⁸ By now it will not surprise the reader to learn that craft union organization was concentrated in the skilled categories of the “greater transport sector” and in urban construction, the very sectors favored to this day as the “structure in dominance” of the social formation and its state, though the present state of collapse of residential construction since 2008 places this favoritism in question in a politically sensitive sector. On this basis arose the conservative American Federation of Labor (AFL), in this period indifferent to links with Populism and hostile to mass industrial unionism on the basis of its class collaboration strategy, but later to act as a key connection in the transmission of ideologies and structures of White supremacy and imperialism into the “Greater White Working Class” formed after the New Deal.

The Cold War Regime of Accumulation as Neo-Mercantilist Permanent Counterrevolution

The crisis of the post-Civil War, railroad-centric regime of accumulation, dragged out over the first three decades of the 20th century, also corresponded to the extensive “completion” of the United States as a *continent-country*, the first BRIC in modern history, rather than as a “nation”, especially as in 1900 some 80% of the U.S. industrial working class was either foreign-born, with a skew towards male immigrants, or the first native-born generation of the same.⁶⁹ From here the U.S. at first, perhaps “naively”, patterned the “New Imperialism” of its competitors in a quest for what was left over for colonial conquest. Here we must pause to make one thing clear: The United States is not now nor has ever been an “empire”, no matter what Thomas Jefferson, Noam Chomsky, Antonio Negri or Panitch and Gindin say.⁷⁰ However the U.S. has *always been an imperialist country* from its creation. In this way it differs from other BRIC countries *in origin* with the exception of Tsarist, and now again present-day, Russia. “An Imperialism, Not an Empire” is the motto here.⁷¹ This imperialism existed in four distinct historical forms, corresponding to the historical forms of the modern capitalist world system. First, in the American colonial settler periphery of the early British Empire as agents *errant* of that Empire from the mid-17th century to independence, where this independence itself began the development of multipolarity with the internal fracture of this world system. From the 1680's to the 1780's the world system was basically contiguous with the early British Empire, plus the hegemonized North German and Rhineland states together with Holland and its merchant trading empire. Second, from the end of the 18th to the end of the 19th centuries the U.S. existed as a continental imperialism engaged in a process of internal colonization and the emergence of an indigenous regime of capitalist accumulation, part of the multipolar development of the expanded capitalist world system as the French Revolution prodded the “old regimes” of Central Europe, and after mid-century Tsarist Russia and Meiji Japan as well – the latter by the “Black Ships” of the 1850's U.S.A. - onto the “capitalist road” in pursuit of their own self-preservation. Third, the period of the great crisis, near catastrophic collapse and eventual regroupment of a shrunken capitalist world system, in the face of the socialist revolutions in Russia and China that removed these from the world system, and anti-colonial revolts against European rule that brought a definitive end to the “age of empires” in human history, now a thing of the past not to return. The regroupment was led by the intervention of U.S. imperialism during and after the Second World War, in an extension of its characteristic continental “structure in dominance” as identified above, by means of its leading TNC's with the assistance of key U.S. Federal institutions

such as Treasury, State, the Federal Reserve and of course, the Pentagon and other security agencies such as the CIA – not to mention the fervent participation of the labor bureaucracy of the AFL-CIO, critical in cultivating key working class support in the U.S in this period for the new international regime of accumulation. In continuity with the past, the new regime was essentially the extension of neo-mercantilist protection to a core set of imperialist countries in West-Central Europe and Japan in a way favorable to their further infiltration by U.S. TNC's while remaking their own accumulation regimes in the U.S. image, Japan being a partial exception here. In a script straight out of a Hollywood Western, a genre avidly promoted at the time, the zone was protected in a classic “circle the wagons” military operation as the 7th Cavalry rode to the rescue. While trade and circulation of capital, including the circulation of productive capital, was selectively restricted with the rebellious world outside the system, it was vigorously intensified and multiplied within the protected zone, laying the groundwork for the “Golden Age” of, however, a more geopolitically restricted capitalist world system, losing thereby in glitter compared to the expansive 19th century Gilded Age.⁷² The latter process of intensification of the circulation of capital in all three forms of its circuit, called “free trade”, should not be allowed to obscure the fundamentally protectionist nature of the regroupment seen as a whole. Nor should the ideology of “free markets” be allowed to cover up the intensification of the erasure of the differentiation between capital and state, between politics and economics in the Triad zone, for “far from the globalization of production and finance 'disembedding' markets from society, it was the ways capitalist 'laws of value' are embodied in the 'rules of law' that make possible the further proliferation and spatial expansion of markets...The accompanying new codification of rules for the operation of 'free markets' bespoke not state retreat but the restructuring and expansion of linkages between states and markets. The more capital became internationalized” - at least within the Zone in this period - “the more states became concerned to fashion regulatory regimes oriented to the facilitation of rapid growth of international trade and foreign investment”.⁷³ Of course the tendency of erasure of the differentiation between capital and state is hardly limited to mere state regulation, as has been made perfectly clear since 2008. Alongside indirect and direct state subsidies to “private” capital, this tendency can also be seen as a more or less continuous cycle of temporary re-nationalization / denationalization, as in the cases of the U.S. auto industry, not to mention the Wall Street banks themselves. It does come at an ideological cost to capital and its state, part and parcel of the decay of capitalism.

That brings the account to the era of the re-expansion of the re-consolidated capitalist world system after the crises of the 1970's, a re-expansion still ongoing if stalled. Here we encounter another periodization popular within the Left that views the postwar “Golden Age” as a sort of “good” more or less social-democratic capitalism, followed after the crises of the 1970's by a “bad” neo-liberal capitalism, as with Naomi Klein's *Shock Doctrine*. More sophisticated accounts though, such as that of *The Making of Global Capitalism*, grasp the fundamental continuity between these two periods. Noting the rise of expropriations of foreign investments in “Third World” countries throughout the 1960's and first half of the 1970's, Panitch and Gindin state that “In this situation it was hardly surprising that the breakdown of Bretton Woods” - the postwar peg of the U.S. dollar to gold that was unilaterally ended by Nixon in the 1970's - “appeared to signal not only the 'downfall of the dollar' but the 'end of liberal multilateral internationalism', the 'erosion of U.S. hegemony' and even the return of 'interimperialist rivalry'. Such apocalyptic interpretations were misplaced. What was particularly significant, especially in the context of the challenge from the Third World coinciding with the crisis of Keynesianism, was actually the further integration of European, Japanese and American capital, as well as intensive cooperation between the European and Japanese states and the American state. In this context, it was a mistake to see the economic relations between the major capitalist states at this time in terms of U.S.

pro-market ideas clashing with European and Japanese interventionist ones". Further, "What was also not understood by those who saw the decline in the U.S. share of global GDP from 35 percent in 1950 to 27 percent in 1970 as evidence that the material base of U.S. hegemony had already disappeared, was that the project for a global capitalism *was always predicated on reviving the other capitalist economies and their capitalist classes*".⁷⁴ Hence it is fundamentally correct to see a single regime of accumulation comprising the entire historical period from the end of the Second World War to the present, but encompassing only the Triad countries and their minor satellites rather than "the globe", this last being the point where the perspective expressed here diverges sharply with that of Panitch and Gindin. The changes in that regime before and after the 1970's crises revolved around two axes. First, how to continue the process of *intensified* accumulation launched in the postwar without engendering all the class struggle problems that arose in the 1960's and 70's especially in Europe and the U.S., this escalating into crises of state power in individual European states, culminating in the showdown in the mid-70's U.K. Second, how to *extend* the U.S.-led Triad system to exploit the openings of, first, China's turn onto the capitalist road at the end of 1970's, followed by the dissolution of both the Warsaw Pact bloc and the U.S.S.R, as the leaderships of those countries also opted for the capitalist road between 1989-92.

The first process of the advance of intensive accumulation within the Triad zone has met with success in tamping down the class struggle. In the U.S., strikes – let alone wildcat strikes - have virtually disappeared in comparison with the strike waves of the 1960's and 70's, and indeed the last big labor confrontation featured a lockout by the Pacific Maritime Association (PMA) shipping companies of ILWU longshoremen along the entire West Coast, in response to a work "slowdown", perhaps in an attempt to provoke state intervention that would work in favor of the PMA: "Congress is considering the possibility of placing the ILWU and ILA under the Railway Labor Act, which could prevent the ILWU from using work slowdowns as leverage during contract negotiations."⁷⁵ Hence also those clashes that occur are by no coincidence within the "greater transport sector" as we have defined it here, with U.S. coastal ports a key part of that sector, and with the ILWU being one of the more "leftist" unions in the U.S.. But this is very much an isolated occurrence. How the class struggle in the Triad countries, especially in the U.S., was part of the crisis as well as one of its inevitable effects, involves understanding the contradictions of intensive accumulation in relation to the process of the reproduction of labor power, identified here previously as an irreducibly non-capitalist process, this to be covered in the final section identifying the fundamental characteristics of the regime of accumulation under examination here. Otherwise the proximate causes of the 1970's crisis are well-known as they pertain to the U.S.: Realization of the tendency of the rate of profit to fall (or TFROP) from the 1950's to the end of the 1970's, and the capitalist response, which generally was not to provoke a deep recession and mass unemployment to increase the profit share of value, but to raise prices so as to erode the real wage. This relieved capital both of the need to counter the fall with an increased mass of profit through investment in expanded production that would only strengthen the labor position, as well as investment in relative surplus value production by replacing labor power with automation, as this latter only intensifies the pressure of TFROP, and is reflected in the fall in the rate of increase of labor productivity in this period.⁷⁶ The falling rate of profit then interacts with the contradictions of consumer commodity provision of the reproduction of labor power (and with the consumer sector generally, including consumption by the state) in such a way that investment capital tends to migrate to both the new industrial branches in the greater transport sector, such as information technology, wireless telecommunications and cable broadcasting, and to the non-productive sectors involved in consumer provisioning, in search of both of surplus profits of "landed" property and commercial arbitrage as well as a higher rate of profit of enterprise, or to engage the process of primary

capitalist accumulation in connection with the reproduction of labor power, without these provoking class struggle reactions by workers as prices rise in these sectors above the rate of the consumer price index (CPI) as it was measured in the 1960's.

In the final analysis, though, success here did not amount to a new, “neo-liberal” regime of accumulation in a historic recovery of the profit rate, but was simply an extended lease on life of the now almost 70-year “old regime” of the Cold War. This is reflected politically in what is not merely the persistence of all the key Cold War military, internal security and surveillance structures largely monopolized by the U.S. within the Triad, but by a *vast expansion and intensification* of these political-institutional structures, including their extension to the North American continent and its people itself, as the recent Wikileaks and Snowden revelations show. It is in short a considerably augmented continuation of the Cold War political regimes throughout the Triad states, politically led by an increasingly hide-bound transnational Triad “Party of Order” that seeks to confront a world that it *does not hegemonize* with a united front of impervious militancy, particularly noticeable in the recent agitation of “flanking frontline” states of the Triad, Germany and Japan, the first in relation to an alteration in semi-colonialism from Southern to Eastern Europe, including Ukraine,⁷⁷ the second in relation to a China that cannot be politically semi-colonized. The same can be seen in the one key geopolitical-economic extension of the U.S.-led neo-mercantilist system to the Persian Gulf petro-states after the “loss” of Iran, here in the growing agitation of Saudi Arabia in the wake of the Arab Spring.

The same hard face is also turned by every key Triad state towards “their own people” and their respective regional semi-colonial peripheries with the domestic political regimes of the U.S., the U.K., Canada, Germany and Japan anchored upon their indigenous “Far Rights” exercising an effective political veto power in each of these countries, as in the case of the U.S., through the U.S. Congress – particularly the U.S. House of Representatives – the State legislatures (who control Congressional district reapportionment), as well as the Supreme Court, particularly when it comes to deciding on class issues, this in a Federal system already constitutionally skewed towards the over-representation of small rural States, ensuring in the framework of the constitutional separation of powers that a “semi-Bonapartist” Federal Executive and its vast bureaucracies never wanders too far off the political reservation. The periodic “rebellions” on the Far Right – the Tea Party, UKIP, the German “anti-Greek” rebellion and the anti-EU stance more generally, including the French National Front, this last presenting the prospect that France will soon align itself with the Triad mainstream – are to be seen in the light of the exercise of this veto power so as to maintain itself as the anchor of the political regime, and are to be seen in this way as successful “Frondes”. The polarization towards the Far Right in the political regime reflects one pole of a larger polarization driven by profound demographic transformations within these countries, particularly in connection with their working classes, with the United States irretrievably most advanced down this road, and the EU well entered upon the road but with the possibility remaining of a xenophobic reversal. Even Japan has finally entered the road of the transformation of its traditional demographics for the first time in its history with the admission of immigration from Korea, China and the Philippines, under the most xenophobic of conditions. The social character of these transformations in the case of the U.S. will be covered in the next section, but here facing off politically against the transformations of their working classes in particular is nothing less than a counterrevolution *en permanence*.

Advance along the second, extensive, axis has met with less success, despite the triumphalist optimism of the 1990's that greeted the prospect of the extension of the structure of the U.S.-led Triadic system

and its regime of accumulation to encompass the entire globe. What the perspectives of “Global American Empire” miss are precisely the many limitations and failures in what is largely an extension confined to the “capitalist economic”, one not necessarily successfully extended to the political and ideological spheres. The claim of “success of the U.S. in 'making a world after its own image'” in a chapter of the same name in *The Making of Global Capitalism*, for example, must immediately qualify the portrait that Panitch and Gindin seek to paint by noting “Of course, the extent of capitalist development in the 'Third World' countries needs to be kept in perspective. Despite the enormous volume of manufacturing production taking place in those countries by the first decade of the twenty-first century, the advanced capitalist countries, with one-sixth of the global population, still accounted for over 70 percent of world manufacturing production by value, and over 60 percent of the value of manufactured exports. Most MNC production and sales still took place in the developed world, which in 2007 was still the recipient of 70 percent of FDI”.⁷⁸ But *what* perspective is to be kept here? The macro-economic evidence presented by Panitch and Gindin themselves supports the perspective presented here: The fundamentally neo-mercantilist and protectionist structure of the U.S. led Triad had succeeded in the maintenance of its relative monopolistic weight in the world capitalist system, as well as the primarily intensive orientation towards its own domestic markets by the Cold War regime of accumulation, despite the great extension of the capitalist mode of production beyond its boundaries. Panitch and Gindin then present more evidence in support of the perspective put forward here by noting the *growing* unevenness of extensive development both within and without the Triad. Developed countries “used their advantages in new sectors of production, as well as in research and development, design, marketing business services and finance, to sustain their overall place in the global hierarchy. This was especially true of the U.S.. In 1981, the U.S. spent almost as much on research and development as Japan, Germany, the U.K., Italy and Canada combined; by the end of the millennium...it was spending *more* than the other G7 countries combined”. Further, “The U.S. share of global high-tech sectors (aerospace, pharmaceuticals, computers and office machinery, communication equipment, and scientific - medical, precision and optical – instruments)”, in other words, enterprises generally located in the “greater transport” and “consumer provisioning” sectors closely identified with the appropriation of the surplus profits of “landed” property and commercial arbitrage, “remained relatively steady, at 32 percent between 1980 and 2001, whereas that of Germany was halved (to 5 percent), that of Japan fell by a third (to 13 percent), and China's and South Korea's shares were still only 9 percent and 7 percent, respectively”. Outside the Triad, “In fact, in 2007 eight countries accounted for three-quarters of all the manufacturing output by the 140 developing countries in the World Bank's database” and “Although inequality between countries seemed to decrease, this was only because the enormous size of China and India skewed the international distribution data; once these two countries are excluded from the data, there was a rising trend in inter-country inequality after 1980. This was especially significant since 'the last two decades in the twentieth century saw a resumption in the upward trajectory of aggregate in-country inequality' - and this was as true for China and India, as it was for the advanced capitalist countries themselves”.⁷⁹

Even in the financial sector, heralded as having made the greatest extensive advance in the present era, clear limits were hit in relation to sovereignty in the global political economy. “More ambitious goals for 'the new international financial architecture' – from an international central bank to an international bankruptcy court to an international credit-rating agency – went nowhere”, because, “as Barry Eichengreen (who was working at the IMF at the time) has pointed out, it was precisely the unlikelihood of states, not least the U.S., ceding such power to an international agency, that ensured that all such proposals had 'not a snowball's chance in hell of being implemented’”.⁸⁰ “Meanwhile, the G7 remained a far more important site of coordination than the G20”, as “the hub-and-spokes structure

of the American empire still held in the first years of the twenty-first century. Not only did U.S. FDI in Germany, France and the U.K. still exceed that of any European country; the U.S. also remained the largest recipient of German, French and British foreign direct investment. Moreover the MNCs of these other countries produced more inside the U.S. than they exported to it”.⁸¹ In other words that dispense with the anachronistic concept of “empire”, what we have is the continuity of a neo-mercantilist cartel bloc *voluntarily* adhered to by its member states under the leadership of the United States – the very definition of a hegemony within the bloc, and not an empire. Development outside the cartel bloc has been largely unevenly confined to a select group of developing countries capable of sui-generis capitalist development, notably the BRICs who, like the U.S. itself, are continent-countries. This latter process is misleadingly framed as a passive “integrating” of these countries, presumably by the U.S., in the perspectives of Panitch and Gindin, even as they at the same time present abundant evidence of their development as sui-generis, as in the case of China.⁸² The general case of China is not to be extensively quoted here, but one piece of this evidence can be found in the legal system, the sine qua non for the security of private property. The “law generally followed, rather than constructed, the realities on the ground. China's lawyers did not so much inform clients about the legal landscape as help them to establish the proper contacts with regional and state officials. In other words, it was not so much the legal system that was crucial in protecting property rights” - note the key omission of the precise social character of these otherwise generic “property rights” - “as it was ‘the political structure itself [that] served as an alternative to the formal legal system in providing a reasonable degree of security’”.⁸³ Or in other words, because foreign capital had no alternative to the political system, and indeed China today represents a qualitatively more advanced historical case than the U.S. itself of the diminution of the differentiation of the political and economic, of “public” and “private”, in the process of the decay and dissolution of the capitalist mode of production, even as “capitalism grows more than ever”.⁸⁴

Grow it did, as indeed Panitch and Gindin show in this period, for “between 1980 and 2007, global GDP doubled, trade grew twice as fast as GDP, and FDI grew twice as fast as trade”. The authors identify three areas of interest in this growth: the expansion of finance, the development of integrated transnational production by the TNCs, and what are called “the novel aspects of U.S. economic centrality in global capitalism”, that are not so novel when seen in the perspective presented here.⁸⁵ We will continue to steer the emphasis away from “financialization” in keeping with the position that financial phenomena are an epiphenomenon of capitalist production, and “financialization” a symptom of crisis in the regime of accumulation, and focus on the two areas of capitalist production and reproduction of labor power. On transnational production, while “At the beginning of the twentieth century almost 80 percent of manufactured goods and almost 90 percent of manufactured exports were produced by the capitalist countries of Europe and North America”, “By 2000 manufacturing as a proportion of GDP was higher in the developing countries (23 percent) than in the developed ones (18 percent). The greatest changes in this respect occurred in the final decades of the twentieth century, with South Korea leading the way”. In a table listing of South Korea, Mexico, Malaysia, Turkey, India and Brazil, “Manufacturing Share of Exports by Country” are shown, in the same country order, as ranging from 87 to 39 percent in 1980, while in 2000 this range was from 94 to 60 percent.⁸⁶ This shift in what is primarily U.S. TNC-orchestrated “integrated production” of presumably intermediate manufacturing moved to developing countries shows the relatively lesser importance of this sector in U.S.-style capitalism compared to the greater transport, extractive and consumer provisioning sectors, while the transnational or *inter-territorial* deployment of intermediate manufacturing opens up all sorts of possibilities for realization of the surplus profits of commercial arbitrage through the exploitation of different labor regimes of capitalism, as in the now notorious case of Apple Computer, in what amounts

to an even more perfected international commercial-industrial regime of U.S. capitalist accumulation.⁸⁷ The addition of transnational U.S. finance simply extends the prospects for such arbitrage to the inter-territorial money-commodity and its virtual- and pseudo-commodity forms of capital itself.

This last is of course the other aspect under examination by Panitch and Gindin, the supposedly “novel” attempt by U.S. capitalism to monopolize the contemporary versions of the same sectors it had grown up on from its own beginnings, with one foot overseas and another at home in the greater-transport and extractive sectors, the other domestically in consumer provisioning. Hence “As of 2007, the top three or four global firms in such diverse sectors as technological hardware and equipment, software and computers, aerospace/military, and oil equipment and services were American, as were fourteen of the top sixteen global firms in healthcare equipment and services. In global media, four of the top five corporations were American, as were two of the top three in each of the pharmaceuticals, industrial transportation, industrial equipment and fixed-line telecommunications sectors. And five of the top six corporations in the general retail sector were American. These included Wal-Mart, which used its application of computerized information systems to become one of the world's most strategically important corporations”.⁸⁸ Within a framework that presents this as the “persistence of the old” U.S. regime rather than as a “novelty”, of course it follows that “two-thirds of their [U.S. TNCs'] global employment and capital expenditures and 85 percent of their research and development expenditures”, were located in the U.S., while “No less than 70 percent of the value of the goods and services they produced was accounted for by their activities in the U.S.”. All of this is tantamount to saying that the U.S. place in the re-expanded world capitalist system serves in the interest of the conservative reproduction of the U.S. social formation and state, as well as the reproduction of its hegemonic leadership of the Triad cartel plus the GCC petro-states, where the military, political and economic extensions beyond these limits serve primarily as supports for the reproduction of this structure, rather than as avenues for the “administration of global empire”.

The U.S.A.-Triad: Not a Global Hegemon

Here a comparison with the 19th century hegemony that Britain exercised over the *entire* world capitalist system at that time, at least until the 1890's, is instructive in exposing the strong and weak points of the present U.S. location in the contemporary world system. The strong point is clearly located in the sphere of capitalist production, where the U.S.A.'s relative weight is immeasurably greater than that of 19th century Britain. This is due only, however, to the steadily increasing interpenetration of “public” and “private” resulting from the effacement of the differentiation of the capitalist economic from the political, identified here as the general historic form of the decay of the capitalist mode of production that had only begun to take hold in the last decade of the 19th century, giving rise also to parasitism sustained by the decaying mode of production itself, rather than the parasitism associated with the privileges of the post-feudal holdovers of the European “old regimes”. Indeed on this last point we can identify the major weakness of the U.S. situation today as mainly *political*. First of all it should be recalled that for 19th century Britain itself this was the great age of bourgeois reform, one that the landlord gentry caste effectively acceded to in the elimination of the system of parish relief, whose administration they had traditionally monopolized, in the Poor Law reforms of 1834, and then again more decisively for their source of income in the repeal of the Corn Laws in 1846. This was also the era of the progressive extension of the voting franchise, gradually strengthening the political weight of industrial capitalist producers and their Liberal Party alliance with sections of the English working class, opening into the age of the capitalist mode of production in its “purest” historical form, due to the original differentiation of politics and the state from the emergent

“capitalist economic” that itself was the result of the political caste privileges of the landlord gentry and their favored merchant allies. What made the “old regime” in England so accommodating was of course the British Empire, a happy hunting ground for landlord rents and commercial arbitrage profits in places such as India, or for the plunder of primary capitalist accumulation in China or Africa. Hence political-economic differentiation was reproduced globally in the context not only of Empire, but also that of the “imperialism of free trade”, where British manufacturing capitalists could also join in on dumping their commodities in the former Spanish colonial zone of Latin America. Commodity dumping and raw materials extraction was facilitated by Britain's position in the international merchant marine, where as late as 1914 47.8 percent of the world's fleet sailed under the Union Jack, followed by Germany at 11.9 percent, and the U.S. at 4.7 percent. In 1937 the ratio was 32, 6 and 14.9 percent. During the war the U.S. was producing 85 percent of new merchant shipping among non-Axis countries, but what is interesting is that the U.S. did not emulate Britain in this regard, where it adapted to a “flag of convenience” system.⁸⁹ This is due to the United States being a continent-country, and the same apparent liberality is not shown with respect to North American transport, as it is not enough that goods arrive at port, they must also have continental distribution, and hence the transport sector may not only be trade balance neutral, but perhaps benefiting from increased imports.

Often forgotten in connection with this international colonialism or semi-colonialism was the geopolitical advantages that accrued to Britain in its long-running effective global condominium with the world's other leading colonial country, France, after the Restoration in that country. Not only did these two countries carefully divide their colonial possessions in Southeast Asia and Africa among themselves, they jointly cooperated in the assault on and plunder of, and later commercial profits from, China, when they could not otherwise colonially subjugate and divide. This condominium was further augmented by the colonial possessions of the minor European states hegmonized by either Britain (Holland and Portugal) or France (Belgium). Britain and France also cooperated in the case of the Ottoman Empire and Egypt, establishing financial control over both and allying with the former as a client state against Tsarist Russia, where Britain and France joined forces in the strategically successful Crimean War that also finally pushed Russia onto the capitalist road as well. Finally, Meiji Japan can be added as another British-backed client state cat's paw against Russian encroachment in China. Through this condominium France was thus able to “vicariously take the English road to capitalist development” even while lacking the domestic political means to do so. Adding it all up, only the United States itself and Prussian Germany (together with its Central European Austria-Hungarian “backyard”) could present credible paths of contemporary independent capitalist development, while Russia and China variously remained “unknowns” in this regard.

Compare 19th century capitalism to the geopolitical balance today. While in strictly quantitative terms the present far exceeds the past economically, it is precisely the political aspect of the balance that is in question here. The completely changed relation of especially India, but Brazil as well, to the old metropolitan countries and to the United States is most noteworthy here; recall that the mid-19th century saw Britain virtually complete the subjugation of the Indian subcontinent with the Anglo-Sikh Wars, encompassing also the violent repression of the Sepoy, a rebellion of pan-Indian proportions, as well as Britain extending itself into Burma in the East and into Persia/Middle East in the West. Neither today's United States nor its allies has any possibility of similarly tapping into the productive capabilities of the contemporary Indian subcontinent in the unfettered manner of 18th -19th century Britain. And of course there is the completely changed relation to China, a country having gone from a geopolitical nullity to the prime vector of world capitalist development. Completing the geopolitical balance sheet there are the Spanish-speaking South American countries, presently experiencing the greatest degree of

independence from semi-colonial ties since their political independence in the early 19th century, and of course there is the continuing failure to integrate both the Russian Federation and its CIS periphery and well as much of the African continent. And last but not least there is the continuous unraveling of the U.S. position in the Middle East, an area previously thought to be relatively “secure”. The relatively weaker U.S.-Triad position in the geopolitical balance is also reflected in the absence of substantial domestic reform within the same. One would think that “global American Empire” at a zenith it supposedly entered into in the 1990's would also be generous enough to exhibit the sort of broad-based reform movements already outlined in the 19th century British case. Quite the opposite has been the case since the 1970's as has already been indicated previously in other contexts. The Civil Rights Era was the last “age of reform” in the U.S.; indeed, given the phenomena of the “New Jim Crow”, the progressive disenfranchisement of layers of the Black and Latino population through their criminalization via a burgeoning “prison-industrial complex”, marks a real reversal of the reforms of that era. And of course few concessions are being made to the “non-criminalized” working class in terms of the wage, either private or social, the “\$15 an hour” movement among the lowest paid workers in the U.S. having made only partial advances in a very uneven manner limited to local city and State levels. “Obamacare” was of course no progressive reform at all, but positively regressive in that it expanded the market for private provision of health insurance, and had the express political object of “taking single payer out of the conversation”, shielding the same insurance business from this danger.

Otherwise the response to the 2008 crisis has been “steady as she goes” all along the line within the Triad countries. Indeed the political structures of the Triad countries, and particularly those of the U.S., appear largely hide-bound in their imperviousness to reform pressures. Since the failure of the Equal Rights Amendment (ERA) movement for women in the 1970s' – a failure that was also a signal inflection point in the emergent permanent counterrevolution - it is difficult to imagine any substantial structural progressive reform working its way through the ossified anachronism that is the U.S. Federal and State constitutional structure.⁹⁰ Reform at the State and municipal level present possible alternative avenues, but combined development here will in reality act to reinforce uneven development at the continental Federal level, contributing further to the political power of the Far Right in the “non-reforming” States and locales and thereby to political gridlock here. Indeed the ruling political regimes appear to have clear cognizance of a kind of inverted “transitional program” - the theory that a series of interrelated reforms – the “program” - can cascade into social revolution, hence the reforms themselves are “transitional” to the revolution. The fear is that if an inch is given anywhere, the whole counterrevolutionary front will come undone. Such hidebound tremulousness is hardly the mark of a real “global hegemony”, let alone a great “Global Empire”, secure in its strength. In the final political analysis, the demeanor of the Triad bloc resembles nothing much more as that of the developed Northeast-Midwest region of the U.S. itself in its general refusal to deploy the state in the extension of that development to the South and West prior to the New Deal.⁹¹ And that resemblance is no accident given the hegemonic role of the U.S. in forming the Triad bloc in the postwar.

The contrast between the 19th and 21st centuries is found to be the greatest, though, in that absolute requirement of hegemonic consent, the force of military power. As much advertised, this is the U.S.A.'s “strongest suit”, yet never has the actual use of military power been less effective than in the early 21st century. In contrast, the Anglo-French condominium was able to leverage relatively small military forces to considerable effect in the 19th century, using these to recruit larger indigenous forces as in the case of British India. In many cases the actual use of force was not required; a periodic show of gunboats would do to induce “consent”. Even when military reverses were experienced, as at Khartoum in Sudan or later in the Boer War, these reverses were soon in turn reversed, though the

effort in the latter case already foretold the setting of the British hegemonic sun at the end of the century. Today effecting a similar hegemonic result over the Triad by the U.S. requires the permanent mobilization in multiple dimensions of an immense military apparatus, famous for exceeding in expenditures the militaries of all other countries combined. However such “awesome” military power has become much less effective – indeed becoming even counter-effective - thanks to capitalist development of the forces of destruction. Nothing illustrates this more clearly than the U.S. invasion and occupation of Iraq in 2003. The U.S. had deployed the main body of its ground forces in Iraq, including Marines, paratroopers and National Guard units on perpetual recall. Yet by the end of 2011 the U.S. ground presence was effectively zero, the grand plan for four permanent military bases never implemented. Nor was the supposedly U.S.-trained and equipped new Iraqi military particularly effective, as the rise of ISIS has shown. Indeed on this last score the GWOT (Global War on Terror) appears to also be headed for failure, including in Afghanistan, despite that this is an effort in “asymmetrical warfare” intended to overcome the relative ineffectiveness of conventional military power in combating small dispersed guerrilla groups, particularly as the “terror” groups in question here enjoy access to big private monetary support from within the GCC states, a problem that can't be addressed with military means by the U.S.. Nor is the weight of the U.S. military presence particularly required to hold together the Triad cartel and satellites itself. The Triad is a voluntary, consent-based structure led by the U.S., and its partners have ample reason to remain aligned with it, as their own social formations were realigned with that of the U.S. in the postwar in what amounts to the “new obsequy” of the same, if “restructured” European and Japanese bourgeoisies, from their own “old regimes” a la Arno Mayer to the new “old regime” of the U.S.. In the final analysis, these states have their own ample means to expand their own militaries should they so choose, as Japan is choosing to do now. Hence unlike its Spanish Hapsburg predecessor, the Perpetual Invincible Armada of the U.S.A. that circles the globe on land, sea, air and near space does not need to actually sink in order to be rendered both militarily and hegemonically superfluous, just as strategic nuclear weapons don't actually need to be launched in order to reveal their practical geopolitical uselessness. On the contrary, the U.S. military is most effective in *not* being put to use; the results of the Iraqi invasion and occupation are a guarantee that the same won't soon be seen again in the Middle East or even elsewhere, as the current U.S.-Iran detente would also indicate. The U.S. military apparatus, in short, appears to be a particularly massive case of “state dysfunction”, the possibility of which was raised theoretically from the start here. Otherwise the real positive function appears to be strictly economic and ideological.

Finally then we can turn to the question of “war by other means” in regards to the relation of the same to today's geopolitical economy. Indeed here we encounter a favored tactic of “neo-mercantilism” rather than “neoliberalism” in economic sanctions and economic warfare more generally. Economic warfare has a history as old as that of paleo-mercantilism itself of course, but the contemporary version is now a manifold composition ranging from domestic sanctions in the form of austerity or structural adjustments applied to constituent cities and states, to the external variety imposed against errant states that range over a wide spectrum of trade measures calibrated in minute detail, from “targeted sanctions” aimed at political leaderships, as in the present case of Russia, to full-on economic blockades, as with Cuba or Yemen at present. Indeed the entire Cold War architecture established in the postwar and promulgated thereafter, effectively continuing down to the present, is best seen as one long multifaceted exercise in the imposition of multi-layered sanctions upon the world outside the Triad and its satellites. This is what would be expected from social formations whose relative economic weight and presence, strategically magnified and further enabled by the interpenetration of the political and economic via the agency of the state – the same actor in war by military means – is their strongest suit. So noted, it must be then further admitted by the theorists of “neoliberalism” that this *modus*

operandi is the very antithesis of “Smithian free trade” imperialism as practiced by Britain in the mid-19th century.

The Birth of the U.S. Cold War Regime as a Renewed Process of Internal Colonization

Finally we will begin to close the loop opened with our brief sector balance sheet of the United States at present, by relating this as outcome to key aspects of the anatomy of the new regime of accumulation that began to arise under the rubric of the New Deal in the 1930's. It is generally the case that the key “contact points” that wed the capitalist mode of production to the social formation, giving the basic parameters of the regime of accumulation, are those of the money-commodity, of “landed” property in the meta-definition employed here, and the problem of the reproduction of labor power, the source of all value under capitalism. All three require the political “intervention” of the state on a continuous basis and, to the extent that the capitalist state succeeds in their integration within the norms of the mode of production – an integration inevitable give capitalism's social nature as self-expanding value – to that same extent all three are sources of the historical development and decay of that mode of production. However due also to the mode of productions' tendency towards uneven development, all three appear in historically and materially different concrete combinations with both the mode of production and with each other across social formations, combinations dependent in the last instance on the active balance of forces in the class struggle, whose outcome gives the “structure in dominance” of a regime of accumulation, and if conservatively reproduced across successive regimes, of the capitalist social formation in history. In the case of the United States, the “structure in dominance” has been, if we want to simplistically reduce the definition to a single word, fundamentally “mercantile”, that is, as a dominant crystallization in the structures of the regime and, over time, of the formation, that has privileged the commodity and more importantly, the commodity-capital sphere of circulation, rather than that of the circulation of money, industrial manufacturing capital, or landed property which latter three rather, to the extent that they exist as commodities or commodity-capitals, are also at the same time made subordinate as they circulate as such. To the extent that this has succeeded in the conservative reproduction of the same, it stands as the fundamental description of the “persistence of the old regime” in, and as, the United States, and explains the longevity of its constitution and political system.

Of course a single word can hardly contain all the variations on a theme. The previous historical variations have already been addressed here, and the account will now pick up where it left off, in the early decades of the twentieth century, as the railroad-centric regime of accumulation slid towards stagnation. However the growth in the first three decades of the century of new branches of the greater transport sector in electrical utilities, telephony, automotive passenger and short-haul trucking, and aircraft as well as in film and radio distribution held open the promise of new sources of commercial-industrial led accumulation, as the prevailing regime of accumulation selects the technological forms conducive to its own reproduction. In addition that tried and true object of commercial-financial arbitrage as alternative to stagnation - money, money-capital and its derivatives – had critical reinforcement with the re-establishment of a central bank, the Federal Reserve System, after a hiatus of almost eighty years. However the mere appearance of these new industries and of the central bank only highlighted the problem of the organization of the “new frontier” presented in the form of the rapidly growing urban space of the great cities. The previous Civil War-era commercial-industrial regime had as its primary aspect the extensive conquest of the continent and the capture of its extraction resources in mining and timber, while its secondary, intensive aspect had been the conquest of agriculture in the Northeast and Midwest, a process that had already also extended itself into the West and South,

launching the historic shrinkage of the rural population and the mass internal migration to the cities that permitted the closure of unlimited immigration from abroad in the 1920's, now also seen as an unwanted conduit for working class subversion.

The first three decades of that century also saw the advent of mass production of consumer commodities on the back of the move from absolute to relative surplus value production. This same process also generated the new urban middle classes in the separation of mental and manual labor as a result of the same process. In this way mass production tends to produce its own consumers, of course without any guarantee of a smooth “equilibrium” development.⁹² These joined the older middle class layers of the Civil War-vintage commercial-agro-industrial complex centered around the medium-sized towns and small cities of especially the Midwest, but also the Northeast. In a regime of accumulation with a traditional historical orientation towards the aggressive promotion and multiplication of the commodity and commodity-capital circuits under the aegis of merchant and later commercial-industrial capital, the problem became one of convincing the middle class consumer to multiply their consumption needs. Hence the modern consumer marketing and advertising “sales effort” was born.⁹³ The intensified multiplication of commercial-industrial commodity circulation has the additional benefit of producing more middle class consumers employed in the non-productive commercial accounting, marketing and advertising departments of the new integrated corporations. In the face of chaotic urban congestion and, under conditions of private ownership of urban landed property that prevailed in the U.S., raising rents and housing prices, the new urban middle classes found their own solution: move to cheaper land served by passenger trolley and rail in what are now the inner suburbs of today's metropolitan areas. This had the additional benefit of creating new middle class consumer needs with more spacious housing, electrification and the commute, and the shift to mass production of the passenger automobile opened up a whole range of consumer durables as additional needs where, at the top of the list, the house itself circulated in place through residential real estate development and the housing mortgage market. This also completed the establishment of a commercial-financial social monopoly of urban, but actually metropolitan, landed property through the systematic appropriation of the main route of escape from rising urban rents, while the “housing market” itself created yet another layer of non-productive middle class consumers in the real estate and mortgage financing “industry”.

This spiraling multiplication and intensification of “consumer need” for which the new middle classes were the social lab rat was the path that the American configuration of the capitalist mode of production blindly felt its way along, towards the elements of a new regime of accumulation that was also consistent with its own traditions. Therefore this process did not require a bourgeois political revolution that would have the unfortunate side effect of creating a political opening for the now large industrial working class. The various elements of this process outlined here first came together in the 1920's, which is why that decade appears as a dress rehearsal for U.S. capitalism as we know it today. At root this process rested upon primary capitalist accumulation focused upon the material processes of the middle class household, old and new, and had the women and children of the household as its primary object. In this way capital appropriated the old patriarchal social relation typical of the 18th and 19th century Northern or Yankee rural settler household wherein the housewife and children were the patriarchs' producer-chattel, of which the slave-holding household was a commodity-mediated extension, so as to avoid the Northern pattern of very large families, placing an enormous burden on the housewife. This intercession of capital, no doubt as “the social patriarch”, the socialization of patriarchy, transformed the - non-capitalist - material processes of the Northern new middle class household in a progressive direction for middle class women at least, as evidenced in the right to vote attained in 1920 by the first modern woman's rights and feminist movements in the U.S.. Most

importantly for capitalist accumulation, the new middle class housewife could act to add her needs to the potential list of consumer commodities.

As a process of primary capitalist accumulation related to the commercial exploitation of material processes of household consumption, capitalist consumerism thus also represented a *new form of internal colonization*. This was not immediately apparent since the middle class prototype was of white, male, Anglo, Protestant origins, origins associated with the earlier settler colonialism. But the Yankees themselves had first pioneered “colonizing the colonizer” in their Civil War-era leap-frogging of the entire continent. Although mass marketing and consumption had not originated in the U.S., the continent-country's own settler state origins, and particularly the extensive, geographically ordered process of internal settler colonization in the 19th century already covered here, made the U.S. well suited for the promulgation of the new form of internal colonization and to become the first to establish this process on a continental society-wide basis. While the individual consumer household is the “cellular” social form of this process, internal colonization via capitalist consumer provisioning systems in fact *differentially* encompasses whole social layers by race, gender, age, class, and caste, and by combinations of these elements. Indeed at this level U.S. capitalist accumulation was ideally suited by its very origins, first in the foundation of slave production as a *internal colonial process* enforced through the structure of White supremacy in 17th century Virginia, and embedded within the *external colonial process* of early English settlement in North America; and second, with the vast expansion of cotton slavery in the first half of the 19th century in which the U.S. made its first “bundle” in accumulation in semi-colonial relation to the capitalist world system, enforced with a far more intensified White supremacist structure. American cotton slavery led the completion of the external conquest of the continent by embedding its own internal colonial process within that of the White settler mass generally – slave-holding households colonizing the settler household - until this collided with the leapfrogging Yankee capitalists attempting the same thing. White slave-holding settlement as internal colonization of Blacks was invented in and specific to the United States, and specifically differs in this way from slavery in the Caribbean and with slavery's historical antecedents.

However there still remained the problem, in relation to the new possibilities of the circulation and reproduction in the urban environment, of the one commodity upon which all others rested, labor power. While the tendency is for agricultural rents to fall relatively with the advance of mass industrial agricultural production, in the urban environment the tendency is the opposite; furthermore the pattern of urban rent cannot be described by either the von Thünen system for urban-related agriculture or by agricultural differential rent. It does conform to a pattern of uneven development, and makes it a target of commercial-industrial and commercial-financial arbitrage.⁹⁴ All of this makes it increasingly expensive for a wage worker to both live in or commute to the workplace then usually located in the urban zone, and that created a labor supply problem for the employing capitalist. Hence the largely immigrant or second generation “factory” industrial working class remained outside this process for the time being. The labor aristocracy organized around the AFL unions, however, were not, and it was convenient that their members were concentrated in precisely the sectors – transport and urban construction trades – that were the vehicle for this very same process. The AFLs' policy all the way up to the 1950's was to favor consumer provisioning through the private, and not social, wage, as this left AFL officials as the sole mediator of their members' wage. It was for this reason that the AFL also opposed mass industrial trade unionism, first because this potentially meant sharing out the wage share in surplus value they were able to negotiate with the employers, with broader layers of the working class. This would manifest itself in higher prices for the mass produced industrial commodities that AFL members could enjoy for cheaper from a non-unionized workforce, leaving more of that surplus

for, say, the purchase of a house. And second, because a mass industrial trade union would raise the specter of state intervention in the bargaining process, as well as political gains in social wage provision, as sure enough it began to do in the 1930's, compromising the bargaining monopoly of AFL officialdom.

Nevertheless, until the New Deal the AFL membership was able to exclusively represent the privileged working class share alongside the old and new middle classes in the emerging new process of primary capitalist accumulation through the commercial internal colonization of the urban household and of the urban environment more generally, congruent with the traditions of White supremacy, the old settler colonialism, and imperialism “old and “new”, in the latter case especially in connection with the First World War, with regard to avid support from both the Progressive middle class and the AFL. Here it is worth a moment to highlight the importance of home ownership to both of these, as a way eventually out of paying rent. All workers and salaried employees must cover housing rent out of their wages and salaries, so that any freeholding homeowner will realize an additional surplus value *not* transformed into these housing rents. Because, to remind the reader, the social relations of rent are *tributary*, a particular holdover from pre-capitalist times that however can be made “compatible” with the capitalist mode of production even as this specific relation is alien to that mode of production.⁹⁵ The appropriation of rents does not, therefore, require that the appropriator become a capitalist, and is therefore an avenue open to other social layers for appropriation of this form of surplus value. This is first realized by the non-capitalist household by first simply not having to pay rent on a freehold house. Additional surplus value can then be appropriated by the privileged worker or middle class household *themselves becoming a “landlord”*, appropriating the rents of less fortunate workers, in a process far more prevalent than usually thought. The extension of this privilege to broader layers of the U.S. working class would place this latter possibility in jeopardy – unless of course there existed subaltern populations available to pay the rent tribute, a question that will be revisited towards our conclusion.

Political Construction of the New Regime: New Deal and War Period to 1950

Now that the essence of the emerging regime of accumulation is identified with a new mode of multilayered, multifaceted internal colonization centered upon the urban/metropolitan environment, we can turn to those elements relevant to a history of the rise of the new regime within the social formation. What is immediately clear, first, is that the process developed in three distinct phases: the “political reform” period of the New Deal until 1939, the martial law period of the Second World War that crystallized the new regime on the basis of the restoration of the rate of profit of enterprise, and the Cold War extension of the new regime in the 1950's. Second, unlike the Civil War and even Progressive eras, the New Deal period and its two aftermaths involved no profound alteration of the basic framework of the North American state. This was a period, for example, bereft of substantial Constitutional Amendments,⁹⁶ as the crisis was that of an economic catastrophe, and engaging a process of altering the constitution would invite encoding restrictions on the freedom of capital accumulation into the foundations of the state. The main thrust of reform was toward the strengthening of the Executive power on the Federal and selected State level by legislative act, in a partial rendition of the handover of power to Louis Napoleon by the French Chamber of Deputies in the 1850's by a deeply frightened bourgeoisie, except that the American version had a ready-made quasi-Bonaparte build into its Constitution. This involved a very powerful displacement of the traditional political personnel from those of the agents of the commercial, financial and industrial representatives of the old regime centered around the Republican Party, to personnel drawn from the new middle classes to staff the greatly expanded Executive bureaucracies at the Federal and State levels. There was precedence for this sort of displacement in the Grover Cleveland and Woodrow Wilson Administrations, as well as a

failed attempt within the Republican Party by that original American Bonaparte of the “new imperialism”, Theodore Roosevelt, in harnessing the middle-class Progressive movement, only to accomplish the same outside that party by getting Wilson elected, but these did not result in the permanent displacement of what in the old arrangement had been little more than direct agents of concrete capitalist interests. However in every case except T. Roosevelt's effort, the displacement strategically hinged upon the officially White supremacist Democratic Party Solid South, without whose cooperation there would never had been a New Deal at all, a point often overlooked on the Left. A South with a different party coloration would act in the same way during the 1970's crisis.

In the New Deal phase Executive-led reform touched upon the economic class struggle, the financial/banking sector, the provision of some minimal social wage, and the regional development of the South and West. The centerpiece of the first was of course the Wagner Act, establishing a general legal basis for the existence of trade unions at the Federal level for the first time. However the Wagner Act left untouched the private contractual social character of the relation of trade unions to capitalist enterprise, even as it created an opening for state intervention in the National Labor Relations Board (NLRB), whose predecessors had been established on an emergency basis in the first years of the Franklin D. Roosevelt Administration. The financial/banking sector saw the imposition of the Glass-Steagall separation of investment and commercial banking and the centralizing reorganization of the Federal Reserve, with the creation of a more “technocratic” Board of Governors whose members are appointed by the Executive and reviewed by the U.S. Senate, thus shifting power away from the regional “Feds”, including the previously all-powerful New York Fed. This brought an end to the J.P. Morgan era of finance capital and its displacement by the Federal central bank itself. It will be seen later how the Federal central bank began to take on extra-constitutional form as yet another “separated power” shielded from popular pressure. In connection with these financial reforms, the Federal government got in the business of promoting home ownership via the Federal Home Loan Bank Act of 1932 in an effort to strengthen the savings and loan bank system – originally set up by insurance companies at the turn of the century – and a bit later in 1938 the Federal National Mortgage Association (FNMA or Fannie Mae) was created to make a secondary market in home mortgages, over which Fannie Mae held a monopoly for the next 30 years. The first Federally sponsored social wage was established by the Social Security Act (1935), while regional political loyalty to the Democratic Administration was bought with the launch of development projects aimed at the electrification of the South and West, producing along with Social Security some of the most iconic features of the New Deal.⁹⁷

Yet none of this activity had begun to solve the problems of the crisis of the Great Depression, and Roosevelt began to backpedal going into the 1936 Presidential elections, as the New Deal Democrats sought a secure base in a capitalist class that reacted with variable hostility to its measures. Thomas Ferguson, writing in the Charles Beard tradition of American progressive politics, gives a reasonable picture of which sectors lined up behind Roosevelt with campaign contributions: finance outside the old Morgan-dominated system, real estate, insurance, the newer branches of the greater transport sector in film media and radio, and some select actual or incipient TNCs. “Capital intensity” per se was not the criterion so much as it was *distance from the great mass of industrial labor* engaged in the economic class struggle that determined which sectors would be able to support Roosevelt.⁹⁸ Noted “dead-ender” TNC holdouts would be the DuPont chemical interests and of course the original “Fordist” himself, the open Nazi sympathizer Henry Ford, both with substantial investments in Germany and Europe more generally. Otherwise large U.S. industrial capital of potential or actual transnational dimensions was free to deal with organized labor as they saw fit. TNC capital was not

quite on board yet with the emerging new regime. In fact 1936, the peak of the recovery from the depths of the Depression, saw the peak in the economic class struggle in this period. Here it was an outlier AFL union located in the extractive sector, the United Mine Workers (UMW) of John L. Lewis, that came to play a key role. Lewis, a lifelong Republican and no labor radical, was happy to purge leftists from UMW locals throughout the 1920's. However in the 1930's Lewis saw an opportunity to organize in the "captive mines" owned upstream by the steel companies by giving support to labor radicals organizing in the steel industry. These formed the Committee for Industrial Organizations who, expelled from an AFL as hostile as any capitalist to the New Deal in 1936, became the Congress of Industrial Organizations (CIO).⁹⁹ The Roosevelt Democrats were able to capture their votes in their 1936 landslide victory, thanks in no small part with the assistance of labor radical members of the pro-Moscow Communist Party, USA, who actively encouraged worker support for the Democratic Party, ensuring that the class struggle would not spill over into politics at a time when capitalist politics itself was beginning to "spill over" into the economic realm.

For the last act of the New Deal was the creation of the U.S. Housing Authority in 1937. The broad Right rallied around Congressional blockage of Roosevelt's "court packing plan", which it rejected, and the end of the "Second New Deal" came in the wake of the sharp double-dip recession at the end of 1937 that made the Depression "great". The Roosevelt Democrats turned to preparations for U.S. intervention in the European and Asian wars that has begun to accelerate between 1937-39, culminating in a new pan-European war. In 1938 the Republicans made Congressional gains and soon the Southern pivot of the New Deal also began to pivot toward the Congressional Republicans. "By 1938 the newly formed House Committee on Un-American Activities, led by Texas Democrat Martin Dies and stocked with unembarrassed Dixiecrat racists, began to hold hearings on labor, especially the UAW in the famed Flint, Michigan, sit-down strikes".¹⁰⁰ Ultimately it was the mobilization for and entry into the world war that led economic recovery from the Depression, particularly in the restoration of the rate of profit of enterprise. This was accomplished under what were effectively extra-constitutional martial law conditions where unions were "encouraged" to sign on to a "no-strike pledge" with the support of the Communist Party USA¹⁰¹, while war materials demand drove inflation in consumer goods that lowered the real wage. When these conditions provoked a strike by half a million UMW mine workers in mid-1943 for a \$2 a day pay raise and other demands, Roosevelt ordered the U.S. Army to seize the struck mines while Interior Secretary and Solid Fuels Administrator Harold L. Ickes – a classic liberal/progressive Republican supporter of the New Deal - declared that miners "were working for the government".¹⁰² Congress also followed up with the Smith-Connally or War Labor Disputes Act in June 1943, effectively banning all strikes. While these draconian measures failed to break the UMW strike, they did create conditions where some unionized workers sought what were more "acceptable", that is more vulnerable, targets for going out on strike. As the reserve army of labor dried up, fresh sources were tapped in the induction of female and Black labor into the industrial working class, the latter leading to a rash of "white strikes" in opposition to the entry of Black labor in particular. The most noteworthy instance was the Philadelphia transit strike of 1944 in protest against the introduction of Black workers into conductor and train operation positions "reserved" for whites. The strike was suppressed after a week by Army seizure of passenger train operations, and by the threat to draft the strikers into the war.¹⁰³ The strike significantly affected war production throughout the Philadelphia metropolitan area, in an example of how passenger transport, a branch of non-productive consumer provisioning also related to the reproduction of labor power – where said reproduction also includes the "unpaid travel from the coal mine face", i.e., from the home to the workplace – can globally adversely affect production. The incident also exposed the deep roots of the future "Reagan Democrat" in the working class, and indeed one of the global effects of the war period was the forging of a "Greater

White working class” as “whiteness” was extended to the turn of the century “new immigration” from Catholic and Jewish Eastern and Southern Europe that had accounted for upwards of 80 percent of the industrial working class. African-Americans looked yet again to be excluded from, indeed the catalyzing victims of, yet another great White supremacist transformation of the U.S. social formation as they had been in the 1870's, and it is noteworthy that in preparation to fight any renewed attempt at such victimization, that from 1940 to 1946, the NAACP's membership grew from 50,000 to 450,000.

In parallel with the new “White” realignment in the working class the war period also accomplished the realignment of capitalist fractions that had hedged their bets in the 1936-38 period, particularly among the large corporations well positioned to exploit the transnational possibilities that impending victory in Europe and East Asia would bring. This also involved the expansion of ties between the “new middle class” of New Deal state functionaries, and key capitalist fractions embedded in the large corporations in connection with the war effort. Through the wartime version of the NLRB, the National War Labor Board, the capitalist state normalized interventions into labor disputes in conditions where strikes were banned. Hence this was also crucial to the disciplining of union officialdom of both AFL and CIO federations, as well as drawing union officials into closer cooperation with and dependency upon the employers, in effect pulling this “new middle class” layer away from its worker membership. This led to the birth of the “wildcat strike” phenomenon where workers “spontaneously” strike against both the employer and union officials, often over non-wage issues precisely because wages were frozen during wartime. Indeed “in 1944...there were more strikes than at any time in American history, averaging 5.6 days apiece”¹⁰⁴ Hence the “war period” should be seen as extending to the years before the Korean War, from 1946-50, as the lid of the repression of strikes was lifted - but as the reserve army of labor was recreated especially by the mass expulsion of female labor after the war - the greatest strike wave in U.S. history was unleashed as real wages continued to fall. At its peak in 1946 some 1.6 million workers were out on strikes concentrated in meatpacking, steel, transcontinental rail, oil refining and coal, while municipal general strikes broke out in Lancaster, Pennsylvania, Stamford, Connecticut, Rochester, New York and Oakland, California, this last serving as historical inspiration for one of the last acts of the Oakland Occupy movement in the enactment of a “general strike” that shut down the Port of Oakland overnight in cooperation with the ILWU.¹⁰⁵ The Administration of Harry Truman – a classic throwback to the pre-New Deal Democratic Party machine politician, in this case from St. Louis, Missouri – responded under the war powers acts still in place after the war to call in the military as strikebreakers in each and every industrial area cited above, as a direct confrontation between leading economic organizations of the working class and the state had ensued.¹⁰⁶ Hence this period establishes the bar to be reached and breached in any future social transformation in the United States.

The Exceptional Features of “The Golden Age”

Indeed the situation on the “home front” converged with the dire situation overseas – as India left the British Empire, China left the world capitalist system, and the U.S.S.R. “got the Bomb” between 1948-49 – in a way that produced a condition of near hysteria within the upper reaches of both state and business, so that an indefinite extension of permanent “war-like powers” appeared as the only alternative. Hence was born what is rightfully called the political structure of the “Cold War regime of accumulation” that brought an end to the phase of the “political New Deal” in the failure of a “Third New Deal” to materialize after the war, as the regime that continues, in crisis, to this very day. Its common domestic features are the permanent expansion of a military/security apparatus; the socialization of militarist ideology; the systematic politicization of commercial media (radio, television and film at the time), and a political economy centered upon the intensified and multiplied circulation

of consumer commodities, still of course through the middle class household, but now also extended to significant sections of the working class, in this way impinging upon the reproduction of labor power within the U.S. This political economy in particular featured the circulation of consumer durables such as automobiles, single family homes, and household appliances and furnishings, a tier of which were aimed at the more privileged working class households. There were two key conditions required for its successful emergence. The first was the transformation of the older, compact, urban environment into the present sprawling metropolitan environment, based upon its reordering for the convenience of the automobile, making possible also the decentered “suburban” house and the commercially centralized shopping mall, completely subsidized by public construction and maintenance of a massive metropolitan surface street and interstate highway system that began in earnest under the liberal Republican Eisenhower Administration. Here “automotive convenience” often meant the deliberate non-maintenance or even demolition of previously build urban rail and trolley systems, while in the newer “Sunbelt” cities these were simply left out of the metropolitan plan. This combined automotive distribution (the “car dealership”), residential real estate, local commercial media – whose “car ads” are a significant source of revenue – short and long haul trucking and highway commercial-industrial complex came to wield a social and political power out of all proportion to the usually “local” scale of its particular capitals, a domestic, and utterly parochial faction of capital able to leverage its grip on local and state policy upwards to the Federal level.¹⁰⁷ Needless to say, this has produced the relative destruction of public urban life on a human scale outside of a few surviving enclaves in older Northwestern cities, a not unimportant factor in mass demobilization. The second condition was the mass expulsion of female labor power from industrial production in the postwar. This was crucial for the attainment of the first condition, as this female labor power could now be commercially directed to “manage” the increased volume of household commodity consumption – and the increase in household labor that came with it - in the middle class patriarchal or “masculinist” pattern. Here it was the old “settler” suburban household itself, however, that was now subject to internal colonization – the commercial capitalist colonizer of the suburban “colonist”. It was also crucial as an unpaid labor subsidy for allowing the “male wage” to rise in real terms until 1972, as a more or less conscious state-led “wages policy” to secure relative labor peace on the home front.

The first period of the new regime, from 1950 to 1972, thus also included several features exceptional in U.S. history. The first was indeed the effective policy of allowing the real wage to rise, facilitated also by the shift in tactics from what used to be almost exclusive reliance on deploying private violence against workers, to primary reliance upon state intervention. Hence real wages did not rise in the postwar Golden Age for the same reason they rose during the “Long Depression” of the 1880's, where the price of the most essential labor consumer item – food – fell, while in the present Cold War regime of accumulation, consumer commodity prices tend to continuously rise, though not as fast as wages in the period under consideration here.¹⁰⁸ There was further compensation against this rising real wage by corporations large enough to engage in the TNC semi-colonization of Western Europe. The second exceptional feature was that the period from the 1930 to 1950 marked the lowest point in *absolute numbers* of immigration to the U.S. in its history.¹⁰⁹ Hence the U.S. industrial working class of the 50's and 60's was also the most demographically homogeneous in the U.S. history of that class, both in terms of its “Greater White” and “native born” identities. Subsequently immigration was to regain its old 19th century levels in absolute numbers – meaning immigration today has proportionately less demographic impact than in the past – but most noticeable would be the future dramatic shift in immigrants away from Europe and towards Latin America (mostly from Mexico) and Asia. The third exceptional element was the unprecedented opening of a rapidly expanding, and then still low cost, “public” college and university system to the sons and daughters of the working class. This

phenomenon played no small part in the rise of student radicalism in the 60's and early 70's. Finally and most critically of all, there was the North American state's political decision to facilitate the advance of the Black Civil Rights Movement, closely paralleled by the creation of a Black proletariat, particularly in the Detroit auto industry. The decision was no doubt motivated to seal off another potential source of internal subversion, as well as whitewash – to excuse the ironic metaphor – the face of the United States as shown before the world.

This produced a situation where the U.S.A. was temporarily unhinged from its deep White supremacist political moorings formally for the first time since the Civil War and Reconstruction (1861-1872), but this time not only for a longer duration but also, in more substantial political-economic and broader social terms, for the first time in its entire history. Here on the one hand the official traditional avatars of White supremacy located in the South began their long march in the political wilderness that would take them (and racial sympathizers across the U.S.A.) out of the Democratic and into the Republican Party of Pat Buchanan's "Southern Strategy". On the other hand the Black Civil Rights and liberation struggle – one of the most continuously sustained social movements in U.S. history – converged with the radicalized student movement in the 1960's, and this by itself represented the failure of anticommunism to suppress Left wing radicalism, assumed to have been all but dead in the 1950's in the wake of the McCarthyite purges aimed at the "new middle classes" of union officialdom, academia, the state apparatus, and Hollywood "infotainment", all of which depend on the college system for their own reproduction. But in connection with the conduct of U.S. Cold War foreign policy in the Vietnam War, these two movements threatened also a convergence with a third, the tendency towards wildcat strikes, as union officialdom proved unwilling to turn back the employer attempt to reverse the falling rate of profit through the intensification of work or the replacement of labor with automation, an offensive of capital that began in the late 1950's and steadily escalated until 1970, after which the offensive really took off.¹¹⁰ Convergence with the Black movement could already be seen in the wildcat Memphis Sanitation strike of 1968, where Martin Luther King, Jr. had intervened along with various other Civil Rights leaders, right before his assassination, and the wildcat Baltimore municipal strike of 1974, a general strike of city workers initiated by Black waste collectors.

The Permanent Counterrevolution Comes Home

Perhaps taking a leaf from the slogan of the most radical sections of the New Left to "Bring the War Home", the Cold War regime now moved to extend permanent counterrevolution abroad to the "home front" as well. Such an extension is obviously congruent with the overall structure of the Triad as a whole, so that the completion of the counterrevolutionary turn at "home" by the beginning of the Reagan Administration marked no great alteration of the basic New Deal structure, and hence all of the basic New Deal institutions remained in place, with the exception of the epiphenomenal case of finance, playing its usual role as "overflow valve" of crisis. This turn, however, apparently portended a crisis of the domestic aspect of the "structure in dominance", now centered on the commercial, financial and industrial internal colonization of the consumer household as a process of primary capitalist accumulation, should the domestic counterrevolution lead to a fall in real wages, as this process drives a tendency for the real wage to *rise*. Since reversing the immediate economic crisis of the 1970's requires expanding the reserve army of labor – unemployment, semi-employment, disguised "employment" - how to accomplish this without displacement of the "structure in dominance"? The general solution to this contradiction lay in the reversal of the bourgeois liberal politics that worked towards the homogenization of the working class and the tendency to equalize with the middle classes, actually a type of combined development process, and their replacement with processes that

deliberately promoted the uneven development of the working class in a reenactment of what Marx after all referred to, with emphasis, as the “absolute general law of capitalist accumulation”, that had been laughed off the stage of history in its presumed refutation by the Golden Age postwar process of combined working class development.¹¹¹ The particular solution was the redirection of the same process of primary capitalist accumulation towards the production of the multifarious “Lazarus layers” of the reserve army, as well as towards the expansion of the uneven development of the U.S. working class in general. The “secret” to understanding this shift lies first in understanding that the primary capitalist accumulation we have in focus here and have identified as basic to the “structure in dominance” of the Cold War regime of accumulation has as its essence the degradation of labor power, accomplishing therefore also its exchange value-cheapening in lower wages, that itself is accomplished through the same process of the mainly commercial invasion of the reproduction of labor power itself. Secondly, it lies in grasping that an absolute *non-identity* or *non-correspondence* exists between the *exchange value* composition of the consumer commodities and the *use values* consumed in the reproduction of labor power, because unlike in their capitalist production, these worker-consumer commodities are in a relation only as use values in an *irreducibly non-capitalist process* of that reproduction of labor power, no matter how saturated is the process with the commercial commodity capital circuit in consumables. Hence there is no *objective* regulation of the relation between use and exchange value by the law of value in the form of the structure of abstract labor-time as in capitalist production. No such law or structure directly applies in the case of the reproduction of labor power itself and only an indirect “pressure” via prices and wages can be applied to the process. Its effectivity is entirely dependent upon the subjective grasp by the workers themselves of these pressures upon the working class household, for which it is the central task of commercial marketing and advertising to cast a veil of obfuscation over, so as to induce a more indiscriminate, and less limited, commodity consumption, one that workers are least socially equipped to resist as individuals. Indeed it is no surprise to conclude that the commercial obfuscation can only be collectively resisted. This operates the usual “capital logic” analytical identity of the money wage with the commodity-goods wage in reverse to reveal the non-identity above, something “actually existing” Marxism has generally failed to notice.¹¹²

The practical result is that at constant exchange values, the use values of worker-consumer commodities can be degraded, become less useful or even harmful or simply fraudulent. Unlike the capitalist who might foolishly deploy use value in production, the worker won't “go out of business” of the reproduction of her labor power, short of disability or death, while the failed capitalist still remains a healthy being. Or else in the case of falling exchange values, the actual usefulness in labor power reproduction falls even further. This side of the matter, the reproduction of labor power, is wedded to the formal-legal status of the sale of that labor power for money wages as well as the same status as applied to the various “Lazarus layers” of the reserve army. The formal-legal side ranges along “degrees of unfreedom” of labor power, manufactured by politics and the state in the class struggle and affecting the capacity of the worker to freely sell their labor commodity. These two sides, the formal-legal and substantive-reproductive, together define what is called here the *labor regime*.¹¹³ Variations in both dimensions produce different labor regimes, and – quite literally since the beginning of historical time – it has been the central aim of merchant trade to profit by *arbitrage* of the differences between labor regimes. The contemporary form, deeply embedded in the general process of capitalist production and accumulation, is that of commercial capital, either in the “independent form” that Marx thought would disappear, or more likely in concrete commercial-industrial or commercial-financial combinations. Hence the potential field of commercial arbitrage *expands* with the greater differentiation of labor regimes. The well-known example of the U.S. TNC, Apple Computer, illustrates this quite neatly on the classic transnational scale, as it contractually exploits low-wage

Chinese, mostly female, labor locked up in the Taiwanese company Foxcomm's barracks-factory, and in turn sells the iCommodity produced at the prices of production prevailing in the U.S., as if the same commodity had been produced under the labor regime prevailing in the U.S.A.¹¹⁴ The difference in production prices based upon the different labor regimes is the commercial arbitrage surplus profit realized by Apple. But this same basic process can prevail within the same country – especially continent countries such as the U.S. or India – or within the same region or, most overlooked, within the same metropolitan area.¹¹⁵

This outlines the basic congruence of the neo-mercantile Cold War regime's “structure in dominance” of commercial-industrial transnational arbitrage through the export of productive capital, combined with domestic commercial internal colonization of household consumption and the reproduction of labor power, with the expanded differentiation of domestic labor regimes together with the expansion of the reserve army of labor that took hold in the U.S.A. so as to counteract the tendency of the falling rate of profit, without provoking an inflation that would undermine the international position of the U.S. dollar. Domestically latent in the Cold War regime as an inheritance of the preceding semi-colonial merchant capitalist and extensive commercial-industrial regimes of continental accumulation, an inheritance that, as mentioned, New Deal domestic politics did not break with, it only required a shift from the promotion of combined to that of uneven development. Initially this took the form of a “price inflation” offensive in the 60's and 70's but, as this endangered the exchange value of the dollar, ultimate “recovery” from the 70's crisis had as its major aspect a long-term secular tendency for the expansion of capital in the non-productive sectors of consumer provision – that is, the expansion of primary capitalist accumulation – in the food, health, education, housing and passenger transport “industries”, in what amounts to a clear instance of both the decay and parasitism of the capitalist mode of production, concentrated as one would expect in the leading imperialist country. This process is combined with the tendency for capital to migrate into exploitation of the expanded formal-legal differentiation of labor regimes in relation to immigration, the police-prison system and female labor, key historical instances of which will be outlined below. Of course this factors out the cyclical, but tendentially downward path of intermediate manufacturing, as well as the parallel secular tendency towards “financialization”, together with the multiplication of the productive commercial-industrial circuits of the “greater transport sector” in telecommunications and information technology, that receives much emphasis, while at the same time this last sector does not receive enough critical analysis that would relate these congruently with the basic theory of the capitalist mode of production. Hence it is the intent here to foreground the features of the process of the reproduction of labor power not adequately theorized and thus not adequately emphasized by Marxist and most Leftist interpretations of the U.S..

The Resurrection of Lazarus

The key political condition for the regime shift from domestic combined developmental reform to the uneven development promoted by the domestic permanent counterrevolution lay in reestablishing the traditional mooring of the political regime in a new, “color-blind” version of White supremacy. This was first accomplished, at the same time as Henry Kissingers' historic opening to China, by Pat Buchanan's “Southern Strategy”, and this strategy became the solid political bedrock of the counterrevolution until 2008, relied upon throughout by the Reagan, Bush I and II and Clinton Administrations, this last notorious for its Sista Soulja and Ricky Ray Rector “dog whistles”.¹¹⁶ The practical intent was of course to bring to a halt and reverse the advance of the Black proletariat within the Civil Rights Movement, and halt that Movement itself. This is the first social aspect of labor

regime differentiation of note, in the subjection to the “War on Drugs”, encasement of significant layers of the Black population within a rapidly expanding “prison industrial complex”, and the subsequent stigmatization and degradation of the entire Black population. Of special note is the transfer of enforcement of White supremacist structure from that of privately organized vigilante terror groups such as the Klan, to that of the state itself through the “welfare”, educational, court, police and prison systems, this in part due to profound changes in the general demographic mix of the U.S. population, and especially its working class, to be mentioned in conclusion. By now it should be needless to say that the state directed police and prison system is also a lucrative area for private provisioning of an ideal “captive” consumer, including here also the “on the job” consumption of the police, prison, and other bureaucracies involved in this non-productive and socially parasitic complex. As a result, no other section of the U.S. population has sustained such an intense, multifaceted assault on its social status as has the U.S. African-American people. It stands as testament to the abject failure of the U.S.A's attempt, begun in the 1950's, to whitewash its image before the world, as anyone who turns on a T.V. or surfs the internet today can easily confirm, as the parasitic overgrowth of the prison system has placed the U.S. in the front ranks of those countries that incarcerate “their own people”. Nevertheless this complex is jealously guarded by State and municipal officials, as the State prison systems have become the most powerful lobby at this level, and likewise in many municipalities the police departments have come to play the same dominant institutional role.

The “police-prison-industrial complex” combines with the next important aspect of labor regime differentiation and the expanded reformation of the reserve army of labor in the revival of immigration now redirected from Latin American and Asian sources. Here the mostly Mexican Latin American immigration has obtained under conditions of “illegality”, conditions deliberately “tolerated” and enforced by the U.S. authorities as a means of the degradation of the labor of the U.S.-born Latino population, and also as an addition to the prison-industrial complex, including the development of an additional tier specialized in the “temporary” incarceration of captive undocumented immigrants. “Legal” Latino labor power, together with a not insignificant, non-middle class immigration from East and South Asia, however, plays a very crucial role in the semi-employed or “fully” employed, but non-productive, service sectors that are, of course, closely related to consumer provisioning. This intersects also with another, and most important, process, the massive entry of women into the workforce since the 1970's. This movement has been overall regressive for women (and therefore for men) as first, this was conditioned by the studied rejection of the E.R.A. by Congress in the late Seventies so that the average “70 percent a man” wage standard - reminiscent of the “3/5ths a person” provision for slaves in the Constitution – could be maintained, and by the fact that women have not been relieved of primary responsibility for household labor, as is the ideological intent of the Far Right “anti-abortion” and religious fundamentalist movements (of all religious stripes) to enforce. Female labor has tended to be ghettoized in non-productive consumer provisioning sectors, and to the extent that these are low wage retail jobs, partially accounts also for the overall lower wage rate for women. This also includes concentration in better paid sectors of consumer provision such as the semi-professionalized health, education and state service sectors, including municipal transport, but here too male privilege is institutionalized not only in wage differentials in the same job, but in the relative monopolization by male privilege “at the top” in the prestige middle class professions of doctor, professor, administrator and so forth. Of course in the “GINI index list of infamy” wherein the United States features so prominently among “developed” countries, is also included its status as the sole such country to not publicly mandate paid maternity leave, leaving this to be a mainly privately provided middle class privilege. In the final analysis, the movement of women into paid labor has left the working class household even more dependent upon and vulnerable to the commercial commodity

provision/exploitation of the reproduction of labor power, in a very important gender aspect for furthering its degradation.

The growing list of domestic differential labor regimes and multiplying “Lazarus layers” of the reserve army of labor must also make room for the degraded status of young people of the post-Baby Boom generations. Here the counterrevolutionary *Schwerpunkt* has been the educational system at various levels. At the primary and secondary levels, the systematic undermining of public education in working class neighborhoods, particularly Black and Latino, intersects here also with the general process of the degradation of these ethnically marked-off sections of the class in the recreation of the reserve army of labor, as well as this same process acting to soften up public education for “privitization”, that is, for primary capitalist accumulation, as can be currently observed in Obama's political home town, Chicago.¹¹⁷ Of course the headline catcher has been the enormous state-promoted student loan debt that has driven – and is not driven by – the skyrocketing cost of college education. Federal student loan debt increased from \$806 billion at the end of 2014 to \$1.2 trillion by mid-2015 – a mere four month period!¹¹⁸ Naturally this has all the marks of a financial train-wreck waiting to happen. This same process at the working class technical school level is especially egregious, completely engulfed in private “educational” provision of dubious quality, feeding off the state-backed credit stream. However, besides driving young college-attending students into the low-paid retail service sector branch of the reserve army of labor – what Marx called the “stagnant layer” needs extension to include these non-productive, less than subsistence, “jobs” - it is also driving them back to their parents homes.¹¹⁹ With the continuing non-recovery of the residential housing market, especially at the “starter home” entry level, there is small prospect of indebted college graduates moving into the “middle class” in what is a process of proletarianization that also extends to this social layer, and was a spark behind the mostly young, white middle class Occupy movement. The rising cost of college education, combined with the “world-classing” of the top universities towards the admission of foreign middle class students, especially from Asia, has certainly put a damper on student radicalism, however.

In sum, what we have is the manifold expansion of the reserve army of labor as an adjunct process of the internal commercial colonization of the U.S. working class. To this one can add mention of more traditional and respectable “Lazarus layers” of the reserve army in the rank and file of the Armed Forces themselves as well as of the more marginal, high-turnover sections of “small business”, both forms of disguised “stagnant layer” unemployment. This process of primary capitalist accumulation extends itself in direct proportion to its effect in driving down the real manufacturing wage. At this it has been successful; the average median manufacturing wage in the U.S. hovers around \$15/hour, not much above the average for “low wage” service workers. Above all has been the collapse in auto workers' wages.¹²⁰ Around this downward trend has grown yet another parasitic layer of commercial arbitrage, the temporary staffing agency business, as “Industrial and factory staffing now form the single largest source of revenue for the staffing industry”.¹²¹ This has not been successful, however, in restoring the relative position of intermediate manufacturing within the total circuit of capitalist production, as was shown in value terms in the sectoral overview and comparison of the U.S. capitalist economy.

Continuing to omit the state and financial sectors here, the summary effect of the expanded and intensified process of primary capitalist accumulation on the sectoral balance of the regime of accumulation has thus been, first, an intermediate manufacturing sector either stagnant or in decline in direct value terms, and more substantially in comparison with the Golden Age, in social decline as a reliable basis for the political and economic regime. Second, a growing non-productive sector in

consumer provisioning systems, relatively insulated from the business cycle, feeding off a combination of commercial arbitrage and land rents in the metropolitan environment, key to the promotion of the uneven development of labor power and therefore disequilibrium accumulation, while supporting an enormous overgrowth of economically parasitic middle classes of all sorts, with highly parochial social perspectives given their “domestic” orientation (including in the secondary market for consumer durables such as autos and houses, not even analyzed here, though the NADA lobby receives honorable mention). Third, a substantial and globally strategic extraction sector, including agriculture, subject to business volatility given the classic land rent component inherent to production in this sector. In a traditional form of the tendency to fuse public and private, here on the “macro” level, this sector is now highly politicized on the geopolitical-economic scale as well, to be employed against competitor capitalist states in the world system. Fourth, a construction sector covering both large scale infrastructure, commercial, industrial and residential building, shaping the metropolitan and continental context for land rents and commercial arbitrage and being shaped in return by the same, and hence here also in combination with the state for better or worse, as can be seen in the continuing state of collapse of the residential housing sector. Finally, but certainly not least, the greater transport sector, including utilities, telecommunications and information technology, a relative island of stability and, in its more recent additions, of dynamic growth, through and around which the ebbs and flows, waxes and wanes of the other sectors are transmitted, for this sector is generally indifferent to the sources of the values and surplus value of the commodity capitals it deals in, or in their ultimate consumer destination. Straddling both capitalist productive and non-productive economy, the transport sector, in its close correspondence to the commodity-capital circuit and corresponding commercial-industrial capitalist agent, appears as the representative of the whole social product at any point in time, and as the unity of “The distribution of the total social product...into an individual consumption-fund on the one hand and into a reproduction fund on the other...included in this form in the circuit of capital”.¹²² Hence in social form this sector “clamors to be considered not only as the *general* form of the circuit [of the total circuit of social capital in productive-, commodity- and money-capital forms]...but simultaneously as a form of movement of the sum of the individual capitals, consequentially as the aggregate capital of the capitalist class...”.¹²³ Hence the social form of the “trucking and bartering” sector has also been the locus classicus of classical and neoclassical political economy. It is clearly the stable social fulcrum-point of the U.S. political economy as well as of the latter-day “triangle trade” bridging the circuits of money, landed property, and the reproduction of labor power, the real material basis of its “network power”.

Summary Conclusions

We can now give a positive answer to the question of whether the United States and its hegemonic Triad sphere constitutes an “Ancien Régime” on the world stage today. The simple absence of a social monopoly of landed property of the English form was no guarantee of the absence of other “pre-capitalist”, “antediluvian” and even “feudal” social forms in the background of U.S. historical development, the rubbish of a decayed European feudal order auxiliary to a landlord nobility. Identified here, and closely bound up with one another are settler colonialism, slavery and merchant trade, in their time found within a highly mercantilist early capitalist world system centered on England. These inheritances gave rise to a merchant-trader and merchant-slaveowner dominant class in alliance with farmer and artisan settler colonists, a class alliance that both further facilitated and was facilitated by a process of the internal colonization of African slavery, a population kept in bondage by the racialized alliance itself, giving birth to White supremacy, the oldest social institution of the United States, as a solution to the problem of the forces of production on the new continent. It was upon these

antiquarian social foundations that the United States of today was raised, foundations that persist in their reproduction to this very day. It is a persistence of an old regime that overtakes even that of Arno Mayer's description, where the European and Japanese states have maintained their own "bourgeois obsequiousness" in transference to a new and even more alien master.

The key to this interpretation has been the identification of the element of "structure in dominance" with the historical succession of first merchant, and then commercial-industrial-led (or, deliberately not emphasized here, but alternatively during structural crises, commercial-financial) regimes of accumulation. In a crucial theoretical-historical insight, the mercantile-commercial element has in turn been identified with articulation of different modes of production (and their underlying different labor regimes) at the level of pre-capitalist social formations, rather than as an always-ever "Smithian" incipient capitalism for the ages. In the U.S., this as a conservative succession has been the basis for the preservation of the general political system. In the process not only have Lockean "tabula rasas" been cast aside here, but also the more common historiographical sequence of merchant, industrial and financial periodizations that fail to account for the persistence of obvious features such as White supremacy or the political system. So too has the emphasis on the continuity of the postwar Golden Age with that of so-called "neo-liberalism" allowed us to discard the use of the latter in favor of "neo-mercantilism" as a more all-round description of the behavior of the U.S. and the Triad bloc. Triad neo-mercantilism is also preferred to emphasis on "free trade", and receives confirmation in the most recent trends in FDI, trends that deserve extended quotation here in order to press home the characterization: "the concentration of FDI in the triad of developed regions – Japan and the Southeast Asian NICs, Western Europe and North America – has in the most part increased since the 1970's. Whereas up to 1960 developing countries received 'half of the total direct investment flows'" – this in the 1950's period when the U.S. was aggressively attempting politicized "developmental investment" in Latin America and East Asia, an effort that was endangered by the Cuban Revolution and Vietnam in the 1960's – "in 1966 that percentage had declined to a third, in 1974 to a quarter, and by 1988-89 to considerably less than a fifth (Hoogvelt 2001, 78). In the 1990's, FDI to developing countries increased again. This is often cited as evidence of global integration and especially a positive shift in fortune for developing countries. The problem with this claim is that FDI to developing countries is selective: it is concentrated in a few large countries (China, Brazil)" - continent-countries like the United States capable of sui-generis development - "leaving most of the developing countries with little or no access to these financial flows...The percentage of FDI to developing countries has been declining since 1997, and fell to 17 percent in 2000 (UN 2001, 45)".¹²⁴ An update to 2013 confirms the same trend, here focused upon FDI to and from the United States: "About 74% of the accumulated U.S. foreign direct investment is concentrated in high income developed countries, who are members of the Organization for Economic Cooperation and Development (OECD): Europe alone accounts for over half of all U.S. direct investment abroad, or \$2.5 trillion. Europe has been a prime target of U.S. investment since U.S. firms first invested abroad in the 1860s. American firms began investing heavily in Europe following World War II as European countries rebuilt their economies and later when they formed an intra-European economic union". Also of note is that since 2007, while U.S. FDI outflows have ranged in an historic high between \$300-400B, inflows have been in a declining trend from about \$250B to \$150B in 2013.¹²⁵ Overall, twice the U.S. has attempted to lead FDI outside the limits of the Triad, first in the heat of the first Cold War in the 1950's and again in the triumphalism of the 1990's, and twice it has retreated.

Neither finance nor industry nor landed property has ever constituted the leading element of the regimes of accumulation of the United States. These have only ever entered in at various times as

junior partners to the dominant commercial element. Whereas classically landed property was dominant and mercantile capital was subordinate in England, the terms were decisively reversed in the case of the United States. That is but the essential distinction, a distinction that however made a large historical difference. When the U.S. became hegemonic in the shrunken postwar capitalist world system, the historical trajectory of world capitalist development jumped track in a way not anticipated by classical Marxism, which assumed the succession of mercantile by industrial capital, a succession delayed by the advent of the United States. Failing to acknowledge this, it has been assumed that the U.S. itself had to embody this teleology, and hence the U.S. itself remains poorly understood in the classical tradition.

The dissolution and decomposition of a social monopoly of landed property under the aegis of commercial capital highlights a certain synergy between these two areas, founded upon the relative permanence of the forms of surplus profits that accrue to them. The surplus profits of industrial production move ephemerally with the course of competition in relative surplus value production, while finance can leverage a greater share of surplus value via the operations of credit money, which in turn depends upon the degree of political displacement in favor of finance. But landed property can always obtain a rent – or else it is not landed property – whose magnitude varies directly with the extension of credit money against such property, in turn depending upon the leverage of finance, while commercial arbitrage obtains its surplus profits generally from uneven development, and particularly from arbitrage between differential labor regimes. Indeed finance itself obtains surplus profits via the commercial arbitrage of money, credit and even derivatives, as the insurance giant AIG showed the world, so that insurance can be said to be that branch of finance that specializes in commercial arbitrage based on intellectual property – a meta-category of “landed” property - in actuary data. So too do all the leading and much-celebrated latter-day “network society” Goliaths of American capital: Apple, differential labor regimes; Amazon, primary/secondary consumer transport trade; Google, advertising agency trade in intellectual property; and lately Uber, feeding off the detritus of the Lazarus layers of labor in the service of the new middle classes.

The theoretical framework that produces these historical concepts could only be touched upon in passing. However it has been a central purpose here to at least indicate the general outlines of that framework for future elaboration. This framework was developed with a mind for congruence with the basic theory of capital and value, with extensions, corrections and additions as necessary. These are primarily in the extended concept of “landed” property as a meta-category, the determination of rent (and taxes) as a tributary relation of production,¹²⁶ the addition of the surplus profits of commercial arbitrage, perhaps the most important omission in Volume III of *Capital*, where Marx assumed that “commercial capital in independent form” would wither away before the advance of industrial capitalist production, and finally the reproduction of labor power as a irreducibly non-capitalist process. On these bases three key “suture points” binding the capitalist mode of production to the social formation are identified: the money-commodity, the theory of which is hardly explored here,¹²⁷ the area of the meta-category “landed” property and the problems of both “securing” this form of private property as well as its “valorization”, requiring the intervention of credit money in forming what is the only *real* “fictitious capital”, a term otherwise not employed here, and finally the reproduction of labor power already explored here to some extent. The combinations and interrelations of all three in the course of capitalist production and accumulation are then closely associated with the manifold processes of primary capitalist accumulation so as to produce, in the absence of political intervention, a tendency towards the acceleration of uneven development. This itself is combined with the development of the “virtual zero commodity” in the course of competition for relative surplus value

and the cheapening of commodities, beginning with money itself, giving rise to the state management of money, but now extending also to the products of intellectual property. “Virtual” is not to be counterposed to the “real”, the virtual is as real as credit money is capital the moment it is lent, as an extension of the same, and all virtual commodities including money still require some determinate quantum of labor power to produce, considering the immense data centers upon which the trade is based, and hence still fall under the labor theory of value. All of these combine to produce the tendency towards the effacement of the difference of politics with the capitalist economic, thereby also the promotion of the decay of the capitalist mode of production, while the growth of unevenness promotes social parasitism. But “landed” property falls partially outside the law of value and the reproduction of labor power entirely, and both fall outside capitalist labor value, and all unavoidably involve politics and the state, and hence this is a source for the rise of the class struggle with the increase in unevenness, posing a danger to the integrity of the social formation. Growing unevenness in relation to the foundations of the regime of accumulation, not momentary “decline”, is what to watch for in a social formation, while the mode of production will decline or decay in any case with the accumulation of capital.

In the recent case of the United States, this unevenness has taken the forms, interrelated per above, of the stagnation or decline of intermediate manufacturing, here also now conjuncturally joined by housing construction, coupled to the continuous, relatively cycle-free expansion of the capitalist consumer provisioning sector. Political-economic variability with effect on the global balance is provided by the extraction sector, punctuating the general tendential relation between manufacturing and consumer provisioning. All three sectors have value relation to one another via the greater transport sector, thus acting as a relatively stable fulcrum for accumulation, and therefore as a relatively stable basis for finance and the state in a path for the persistence of the traditional regime. Two points can be made here: First, the form of this sectoral analysis is to be preferred to the traditional “three standard sectors” of primary (extractive), secondary (manufacturing) and tertiary (“services”), one that for example V. Spike Peterson adheres to despite the semiotic-based universalizing critical claims of post-modernism to “rewrite geopolitical economy”, in this way rather uncritically reproducing conventional categories and concepts, as also with the unreflective global use of “neo-liberalism”. The primary result of the first is to obscure a view to the specifics of the greater transport sector as well as to the significance of commercial saturation of consumption, while the form of that result is the continued uncritical circulation of the terminology associated with the latter. Erstwhile Marxism has not performed much better, despite that Marx drew a clear analytic distinction around the commodity-capital circuit and the transport sector, although he failed to develop an adequate theory of commercial capital.¹²⁸

The second point concerns the relation of the process of accelerated uneven development between sectors to the tendency of the rate of profit of enterprise to fall. Here the relation has the potential to counteract, but also reinforce, the tendency of the profit rate of enterprise. This relation has only been indicated here, and deserves more extensive theoretical attention, especially in light of what has been outlined with respect to the rents of landed property and the surplus profits of commercial arbitrage. Accounts of the rate of profit, Marxist or otherwise, typically factor out finance, and may sometimes also factor out “residential investment”, at least taking into account the factoring out of rents and landed property as a clear non-productive consumer case. Marx clearly distinguished rent as surplus profits from the norm of a generic average rate of profit, hence of “enterprise” generally, so that rent is clearly categorized as an immediate effect of distribution, however the magnitude depends on the general advance of capitalist production and accumulation. Here the same categorization is applied to

commercial arbitrage as well, however these are not so easily factored out, as commerce, unlike land, is directly integrated into the general circulation of capital as one of its circuits. Hence the surplus profits of commercial arbitrage, not being theoretically recognized, will be folded into the standard average rate, or perhaps simply folded into top-line revenues. This could go some way to explain why “network society” capitals such as Amazon thrive without apparently “turning a profit”.¹²⁹ It is rather similar to the problem of how one measures the profits of merchant capitalist cotton slavery. Regardless of the particular case, the standard procedures for determining the average rate of profit may need adjustment in light of the observations made here, in a way that may also shed light on its relation to accelerated uneven development.

Finally in the area of historical theory there has been the geopolitical distinction of the United States as a continent-country rather than as a European-style nation state. This characterization was coupled to a rejection of the popular notion of the U.S. as an “empire”. At the same time the U.S. is confirmed as always having been an imperialist country since its creation, a country always striving for but – uniquely in the history of empire and imperialism – never attaining “empire”. Reconfirmed and retained also is the classical criterion of the export of productive capital as the primary measure of imperialist geopolitical power. This criterion is the basis for the characterization of the U.S. as occupying the place of a neo-mercantilist social formation in the capitalist world system, as well as the basis for the characterization of both its effective hegemony over the Triad zone, as well as the determination of its lack of effective hegemony over the entire capitalist world system in the period of its re-expansion from the 1980's onward. Hence the popular imagery of the “world hegemon” is rejected as overblown and factually false, in favor of an increasingly multipolar capitalist world system. Hence also the Triad as a whole forms a U.S. hegemonized neo-mercantile bloc confronting this multipolarity. Triad neo-mercantilism is actually reinforced by the acceleration of uneven development within the Triad zone, as this process expands the potential of commercial arbitrage, relatively “secure within the Zone”, save perhaps Greece. Lastly the trend towards uneven development and commercial arbitrage of the export of productive capital is associated with the parasitism and decay of the capitalist mode of production, a largely forgotten historical process that is explicitly revived and placed front and center in this account.

Towards a Multipolar U.S. Working Class

We end with a general characterization of the political situation of and for the U.S. working class, the ultimate object of anti-capitalist theory and practice. Here it should be clear that this working class is undergoing one of the most profound transformations in its existence, comparable to the inundation of the original White settler working class with European immigration in the last quarter of the 19th century, and its counter-tendential homogenization into a “greater White working class” in the 1950's. The current transformation features its profound de-homogenization along several axes. The first has been covered as a main theme here, with the degradation of intermediate manufacturing labor and the vast growth of the manifold layers of the semi-employed “precariat”, really an integral part of the reserve army of the same working class. This has also involved a sharp contraction in the total civilian labor force participation rate. This rate, hovering under 60 percent until 1970, began its historic climb to a peak of 67 percent in 1998, reflecting the movement of women into the labor force in this period. Since then it has declined, precipitously since 2008, returning to levels seen at the end of the 70's.¹³⁰ As such it is a failure of U.S. capitalism in the waste of human resources, and portends a growth in its prison population precisely as the police-prison industrial complex itself becomes a source of political instability, currently in the Black Lives Matter neo-civil rights movement. A second axis concerns the

changing racial/ethnic composition of the U.S. working class. The “Non-Hispanic White” percentage - a categorical curiosity of U.S. White supremacy - of the U.S. population is projected to fall below 50 percent in 2044 and fall further to 44 percent in 2060, and “by 2060, 29 percent of the United States is projected to be Hispanic—more than one-quarter of the total population”. If “Hispanic White” is factored out, the Latino population alone should amount to about 20 percent of the total U.S. population.¹³¹ The future is not waiting in some regions, where Whites are already a minority in the largest state, California. It is a future that will set the United States off from its generally xenophobic Triad partners, if the project for a “Great Wall of Hungary”, a new King Stephen confronting a latter-day version of “Turkic hordes”, is to be the future of Europe.

This U.S. future is not to be read in a racially essentialist manner. Its effect is already manifest in the profound inter-generational difference in racial attitudes within the favored “White” population itself, in particular among “Millenials” (defined as those reaching young adulthood around the year 2000) and even more so by those now reaching young adulthood after 2008. To this extent young “White” people are becoming something other than ideologically “White”. These were crucial in the election of Barak Obama, symbolic of what is an emergent *organic crisis of White supremacy*, and likely the terminal crisis of this, the oldest and most enduring general institution of that country. By “organic crisis” it is meant that the previous crises of White supremacy, temporarily displacing the traditional anchor and pivot of the political and economic system, were themselves of bourgeois political origin, a policy tool of bourgeois inter-factional struggle, and therefore readily reversed, as they were in the 1870's and 1970's. However the present crisis has its roots in a combination of demographic and current economic trends, the first of which is not likely to be reversed, and is a combination especially focused upon the Millennial-plus generations, for whom the second trend may become the “new normal”. Hence younger people are increasingly locked out of a housing market still not recovered from its collapse in 2008, while the index for urban housing rents has grown 56 percent from 2000 to 2015 in a continuation of a trend in growth that began in the 1970's.¹³² Combined with the increase in the student debt burden, Millenials and beyond are also falling out of “love” with the almighty automobile. “From 2007 to 2011, the number of cars purchased by people aged 18 to 34, fell almost 30%, and according to a study from the AAA Foundation for Traffic Safety, only 44% of teens obtain a driver’s license within the first year of becoming eligible and just half, 54% are licensed before turning 18. This is a major break with the past, considering how most teens of the two previous generations would race to the DMV for their license or permit on the day of their 16th birthday”.¹³³ What will become of the little house in the suburbs should these trends continue to crystallize as new structural features of the regime of accumulation and social formation?

Confirmation likely awaits the turnover of the present business cycle now already in its seventh year and counting, but it is clear that the 2008 blowout has left a festering political-economic wound that the political system does not have long to staunch. Yet since 2008 the old political system has now been unhinged once again from its White supremacist moorings, in the American political tradition a portend of deep and fundamental bourgeois political crisis, but this time in an organic way that also portends something more long term and persistent than a conjunctural political crisis. Hence this also indicates that – in the absence of drastic counterrevolutionary measures to shore up the institution of White supremacy - the United States has entered an era of chronic political crisis. Overcoming it will require the same restoration of the anchor as in the 1970's, but in a more state-amplified and reinforced manner, and that is exactly what is indicated, as a tip of the iceberg, in the confrontation of Black Lives Matter with a highly militarized and Federally centralized police force. Behind this repression lies a Far Right animated by the symbolism of the election of Obama in 2008 and what this said about the continued

efficacy of White supremacy as a tool of divide and conquer, and since then every effort of this political fraction has been bent to fill the breach and restore the anchor of the system. In this the Far Right has the anachronism of the political system working in its favor, allowing it to also drive the broad Right, including the right-of-center Clinton-Obama Democrats, in its direction. The congruence of the U.S. political system with the program of the Far Right, as with that of the European “old regimes” of the “antediluvian” landlord aristocracies of the 19th century, is grasped by the astute critic of the U.S. political-institutional system, Sanford Levinson, who mentions Tea Party support for two constitutional amendments, one to repeal direct election of U.S. Senators (who were originally elected by their State legislatures), the other a “Repeal Amendment that would grant two-thirds of State legislatures the right to invalidate any Federal legislation, noting his “grudging respect for their proponents, who at least realize that there is indeed a connection between political structures and the outcomes they support”. Levinson goes on to note that “Instead of confronting proposed amendments on their merits, too many liberals have emulated [former Stanford law School Dean Kathleen] Sullivan by condemning the very possibility of amendment. This comes dangerously close to suggesting we have a basically “perfect Constitution” that should be worshiped rather than subjected to tough-minded analysis”.¹³⁴ This is because American political liberalism is wedded to the preservation of the status quo of the Cold War regime of accumulation and a liberal capitalist version of permanent counterrevolution, and that means preservation of the very political structures conducive to the advance of the Far Right, an advance resembling less a “long march through the institutions” than a leisurely stroll through the park, something fans of Gramscian “wars of position” should heed. The antique U.S. system has been well-noted for lending support to the most parochial sections of the U.S. bourgeoisie in more or less obvious ways: “horizontally” at the Federal level with the deep skew towards rural, low population and low wage states as against the states that contain the major metropolitan regions; and “vertically” at the level of the individual States, and within these States, at the rural small town/county level as well, retaining as these do much local institutional political power, easily manipulated to foster increased uneven development, to the benefit of the same non-productive, generally parasitic, provincial capitalist fractions, a social parasitism found more in the “gut”, rather than in the “brain”, of the U.S. as social formation. It is a parasitism that somehow senses its dependence on the health, well-being and success of U.S. imperialism abroad for its own existence, and hence is usually a reliable social basis for militarism and foreign wars.

The same antiquarian provincial skew works well against advance by the working class and the Left. Hence a semi-syndicalist orientation towards a largely “economic class struggle” that relies on mass trade union organization has been the enduring working class tradition in the U.S.. The problem is, the “big battalions” of the industrial manufacturing working class have been largely dispersed. Another “CIO” will not arise again from this quarter, ever. Another problem is that the sector with the highest concentration of unionization, and with something to fight for in wages, is in the greater transport sector, and, due to their strategic location and relative strength, subject also to the most acute state legal repression.¹³⁵ The transport sector as a whole has the power to shut down the entire U.S. economy, but for precisely this reason cannot move alone in the absence of a mass working class-oriented movement. This is where the significance of both the \$15 per hour movement among retail workers, as well as the new Black civil rights movement, come in. Some in the traditional labor Left don't quite grasp that the problem for the U.S. working class is *immediately* political, and not immediately trade unionist. In other words, the trade union movement *will only be revived in the wake of a broadly organized political movement of the U.S. working class*. This is the very opposite situation from that of the 1930's. Charles Post, in a recent interview for the online magazine *Jacobin*, states the “need to bring in a strategic vision. There’s been lots of discussion of how do you organize Walmart, which is the biggest

retailer in the United States....To be honest, my sense is while it's important and should not be given up, this will not be *strategically central* because no group of workers in these stores, even those employed regularly, *has the social power* to disrupt their operations and force Walmart to give in to something", and again, "we need to do this strategically, and if young radicals are thinking about how to organize Walmart, [what] you need to think is the key getting a job at a store or a distribution center? At the latter, a small, concerted group of radicals can make an impact to disrupt and bring the company to its knees for a short period of time and exercise more social power".¹³⁶ The confusion of union organizing tactics as "strategy" is a common error of trade unionist economism. Post doesn't grasp the essentially *political* character of the \$15 per hour movement. It is not a "trade union movement", instead its intent is to bring political pressure to bear on the state, and has begun to achieve some results in the more "advanced" - that is to say more expensive - states such as in the Northeast and West Coast. The failure of trade union socialists to properly grasp its political character has allowed the Democratic Party - who clearly understand its political potential especially to spill over into "\$15 per hour" manufacturing - to effectively hijack this movement, and in particular, steer it away from the new Black civil rights movement where, after all, Black labor is disproportionately over-represented in the low wage retail sector. At the conceptual root of this practical failure is the confusion of the *objectively* strategic social position of value-productive wage labor, with the subjective state of the working class as a whole. Since 2008 political movement has come not from the productive labor sector, but from its "Lazarus layers", particularly from its Black component, or else from proletarianized white middle class youth as in the Occupy movement. The former is strategic for any project for a socialist transition, but the mobilization of the latter, in conditions of the advanced decay of the capitalist mode of production, is of primary political strategic importance, and will require a working class political movement to mobilize, bringing forth the revival of the trade union movement in its wake.¹³⁷

One exception to socialist political inaction has been Kshama Sawant, a Seattle, Washington, city council member elected in 2014, and who has just received over 50 percent of the vote in a primary this August, 2015, making Sawant the top vote-getter among candidates for the Seattle council.¹³⁸ Sawant has consistently grasped the essentially political character of the \$15 per hour movement, and hopefully will link this up to the new Black civil rights movement as well. The Sawant phenomenon, should it develop beyond the limits of a fractional socialist deployment, also indicates something else of strategic importance. This is not simply that a "bottom up" approach is morally superior or simply more accessible than attempting entry into a hopelessly anachronistic political system "at the top". It is that it launches the political struggle in the urban/metropolitan locus of primary capitalist accumulation and internal colonization, striking at the political roots of bourgeois rule in precisely its most parasitic aspect. There is no objective reason why the Sawant phenomena could not be reproduced right now across the major cities of the U.S.A., networked together on a reasonably common continental political platform. This can serve as a lever to win elections in the overlying urban districts at the State and Federal levels as well. This will require entering into competition with the "progressive" Democrats and other political careerists who currently monopolize these districts, but who have otherwise proven their uselessness to the U.S. working class. Given the character of the political system, the idea here is not to hope to build towards a parliamentary-style "majority" as in the European fashion, but to build a public "wedge" or fraction that can serve as a political beacon for the entire U.S. working class at the continental level. This in itself will not create a "revolutionary situation", but combined with the continued dysfunction of the anachronistic state, it is vital to realization of that potential. The historic transformations of that working class away from its White supremacist, settler roots now under way, a new multipolar working class freed from the shackles of White supremacy, one moreover that has never undergone the "socialist" betrayals of the twentieth century, gives every reason for optimism

despite the obvious dangers. To invoke our thematic historical rhyme, it was the major urban centers of late feudal Western Europe that were also the centers of resistance to Spanish Hapsburg rule, beginning first in Northern Italy in the 15th century and culminating in the Dutch Revolt and English Revolution of the 16th and 17th centuries. They went on to win a world for themselves and their class, and so, for our own class, may we.

Select Bibliography

Aglietta, Michel (1976, 1997) *A Theory of Capitalist regulation: The U.S. Experience*

Alexander, Michelle (2010, 2012) *The New Jim Crow: Mass Incarceration in the Age of Colorblindness*

Althusser, Louis (1971, 2014) *The Reproduction of Capitalism: Ideology and Ideological State Apparatuses*

Arnesen, Eric, Ed. (2007) *Encyclopedia of U.S. labor and working-class history, Vol. 1*

Arrighi, Giovanni and Silver, Beverly J. (1999) *Chaos and Governance in the Modern World System*
(2007) *Adam Smith in Beijing: Lineages of the Twenty-First Century*

Atkinson, Robert D. (March 2012) “Worse Than the Great Depression: What Experts Are Missing About American Manufacturing Decline”, *Information Technology & Innovation Foundation*

Banaji, Jairus (2010) *Theory as History: Essays on Modes of Production and Exploitation*

Baptist, Edward (2014) *The Half Has Never Been Told: Slavery and the Making of American Capitalism*

Baran, Paul A. and Sweezy, Paul M. (1966) *Monopoly Capital: An Essay on the American Economic and Social Order*

Belich, James (2009) *Replenishing the Earth: The Settler Revolution and the Rise of the Anglo-World, 1783-1939*

Berger, Sebastian, ed. (2009) *The Foundations of Non-Equilibrium Economics: The principle of circular and cumulative causation*

Blaut, James (2000) *Eight Eurocentric Historians*

Brass, Tom (2011) *Labour Regime Change in the Twenty-First Century: Unfreedom, Capitalism, and Primitive Accumulation*

Brecher, Jeremy (1972,1980) *Strike!*

Brenner, Robert (1976) “Agrarian Class Structure and Economic Development in Pre-Industrial Europe”, *Past & Present No. 70*

(1977) "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism", *New Left Review* 1/104, July-August 1977

(1993, 2003) *Merchants and Revolution: Commercial Change, Political Conflict, and London's Overseas Traders*

(1998, 2006) *Economics of Global Turbulence: The Advanced Capitalist Economies from Long Boom to Long Downturn, 1945-2005*

Buchanan, Patrick J. (1999) *A Republic, Not an Empire: Reclaiming America's Destiny*

Buhle, Paul (1999) *Taking Care of Business and the Tragedy of American Labor*

Calfruny, Alan W. (1987) *Ruling the Waves: The Political Economy of International Shipping*

Castells, Manuel (2000, 2010) *The Rise of the Network Society, 2nd edition*

Chernow, Ron (1990) *The House of Morgan: An American Banking Dynasty and the Rise of Modern Finance*

Colby, Sandra L. and Ortman, Jennifer M. (2015) "Projections of the Size and Composition of the U.S. Population: 2014 to 2060", *U.S. Census Bureau*

Comer, Edward A. (2008) *Consumption and the Globalization Project: International Hegemony and the Annihilation of Time*

Crosby, Alfred (1986) *Ecological Imperialism: The Biological Expansion of Europe, 900-1900*

Dawson, Michael (2003) *The Consumer Trap: Big Business Marketing in American Life*

Doyle, Michael W. (1986) *Empires*

Dubois, W.E.B (1935) *Black Reconstruction in America, 1860–1880*

Elliot, J. H. (1963) *Imperial Spain 1469-1716*

Ferguson, Thomas (1995) *Golden Rule: The Investment Theory of Party Competition and the Logic of Money-Driven Political Systems*

Fine, Ben (2002) *The World of Consumption*

Fogel, Robert and Engerman, Stanley (1974) *Time on the Cross: The Economics of American Negro Slavery*

Foster, John Bellamy (2014) *The Theory of Monopoly Capitalism*

- Fox-Genovese, Elizabeth and Genovese, Eugene (1983) *Fruits of Merchant Capital: Slavery and Bourgeois Property in the Rise and Expansion of Capitalism*
- Fraser, W. Hamish (1981) *The Coming of the Mass Market 1850-1914*
- Freeman, Alan and Charchedi, Guglielmo (1996) *Marx and Non-equilibrium Economics*
- Gaido, Daniel (2006) *The Formative Period of American Capitalism: A Materialist Interpretation*
 (2013) “The American Path of Bourgeois Development Revisited”, *Science & Society*, 77:2
- Garnham, Nicholas (1990, 1994) *Capitalism and Communication: Global Culture and the Economics of Information*
- Genovese, Eugene (1961, 1965) *The Political Economy of Slavery: Studies in the Economy and Society of the Slave South*
- Gowan, Peter (1999) *The Global Gamble: Washington's Bid for World Dominance*
- Graziani, Augusto (2003) *The Monetary Theory of Production*
- Hacker, Louis (1940, 1965) *The Triumph of American Capitalism*
- Hartz, Louis (1955) *The Liberal Tradition in America*
- Harvey, David (1982, 2006) *The Limits to Capital*
- Hawk, William (2014) “Made In America: Petroleum and Coal Products”, *U.S. Department of Commerce, Economics and Statistics Administration*
- de la Haye, Yves (1979) *Marx & Engels on the Means of Communication (the movement of commodities, people, information & capital)*
- Heilbroner, Robert and Singer, Aaron (1994) *The Economic Transformation of America Since 1865*
- Hobson, John A. (1902) *Imperialism, A Study*
- Jackson, James K. (2013) “U.S. Direct Investment Abroad: Trends and Current Issues”, *Congressional Research Center*
- Kussmaul, Ann (1981) *Servants in Husbandry in Early Modern England*
- Lazare, Daniel (1996) *The Frozen Republic: How the Constitution is Paralyzing Democracy*
- Lebowitz, Michael (1992) *Beyond Capital: Marx's Political Economy of the Working Class*
- Levinson, Sanford (2012) *Framed: America's 51 Constitutions and the Crisis of Governance*

- Lenin, V.I. (1907, 1972) *The Agrarian Programme of Social-Democracy in the First Russian Revolution, 1905-1907*
- (1916, 1963) *Imperialism, The Highest Stage of Capitalism*
- Licht, Walter (1995) *Industrializing America: The Nineteenth Century*
- Lipietz , Alain (1974) *Le Tribut Foncier Urbain*
- Macpherson, C.B. (1962) *The Political Theory of Possessive Individualism: Hobbes to Locke*
- Mann, Michael (2003) *Incoherent Empire*
- Mayer, Arno (1982) *The Persistence of the Old Regime: Europe to the Great War*
- Mayer, Bradley (2015) “Accumulation and Imperialism: A Review of David Harvey, Part I: Towards a Theory of Disequilibrium Accumulation and Accelerated Uneven Development”, *academia.edu*
- Marx, Karl (1967) *Capital, Vols. I,II and III*
- Marx, Karl and Engels, Frederick (1953, 1969) *Letters to Americans*
- Morgan, Edmund S. (1975, 2003) *American Slavery, American Freedom*
- Moseley, Fred, Ed. (2005) *Marx's Theory of Money: Modern Appraisals*
- Nager, Adams B. and Atkinson, Robert D. (Jan. 2015) “The Myth of America's Manufacturing Renaissance: The Real State of U.S. Manufacturing”, *Information Technology & Innovation Foundation*
- Negri, Antonio and Hardt, Michael (2000) *Empire*
- Panitch, Leo and Gindin, Sam (2013) *The Making of Global Capitalism: The Political Economy of American Empire*
- Peterson, V. Spike (2003) *A Critical Rewriting of Global Political Economy: Integrating reproductive, productive and virtual economies*
- Pope, James Gray (2004) “How American Workers Lost the Right to Strike and Other Tales”, *Rutgers Law School (Newark)*
- Post, Charles (2006) “The Myth of the Labor Aristocracy, Part 1 & Part II”, *Solidarity online magazine*
- (2012) *The American Road to Capitalism: Studies in Class-Structure, Economic Development and Political Conflict, 1620–1877*

(2014) “The American Path of Bourgeois Development Revisited: A Response”, *Science & Society*, 78:3

(2015) “We’re All Precarious Now”, *Jacobin online magazine*

Pocock, J.G.A. (1975) *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition*

Poulantzas, Nicos (1968, 1978) *Political Power and Social Classes*

(1974,1978) *Classes in Contemporary Capitalism*

Preis, Art (1972) *Labor’s Giant Step: The First Twenty Years of the CIO: 1936-55*

Rey, Pierre-Philippe (1973) *Les alliances de classes*

Ruckelshaus, Catherine and Leberstein, Sarah (2014) *Manufacturing Low Pay: Declining Wages in the Jobs That Built America’s Middle Class*

Schwarz, Jordan A. (1993) *The New Dealers: Power Politics in the Age of Roosevelt*

Wallerstein, Immanuel (1974) *The Modern World System Vol I*

(1980) *The Modern World System Vol II*

Williams, Eric (1944) *Capitalism and Slavery*

Williams, William A. (1961, 1966) *Contours of American History*

Woodward, C. Vann (1951, 1971) *Origins of the New South, 1877-1913*

- 1 The genre has become quite large, and was likely critically inaugurated by the poststructuralist *Empire* (2000), Antonio Negri and Michael Hardt. There is also an indigenous “Empire” interpretation from within the U.S. loosely organized around Znet Magazine/American Empire Project, Monthly Review and Socialist Register. associated respectively with the perspectives of Noam Chomsky, Baran/Sweezy/Foster and Panitch/Gindin. These last has thus recently contributed *The Making of Global Capitalism: The Political Economy of American Empire* (2013), to be of some assistance here. Attempts at scientific approaches to the question can be found in *Empires* (1986), Michael W. Doyle, while finally the critical approach most aligned with the perspective presented in this paper is found in *Incoherent Empire* (2003), Michael Mann: “I hope to convince them – or at least you, the citizens and voters of various powers – that the United States has greatly exaggerated its powers, that it could found only a militaristic Empire, not a benevolent one, and that it will destroy very many lives, including American and British ones, before finally undermining the basis of its own power”., pg. vii.
- 2 See *The Making of Global Capitalism*, *ibid.*, whose strengths and weaknesses will act as a convenient foil for this paper. In the context of this note see Chapter 6, “Structural Power through Crisis”, pgs. 133-159.
- 3 OECD membership is a good indication of the total reach of the Triadic core plus outliers. Its membership clearly bears the marks of the mandates of U.S. hegemony over the Triadic zone. Therefore it is remarkable that this membership excludes the GCC/Saudi Arabia, despite their intimate interconnections with the Triadic financial system and its energy supply. See “OECD Members and Partners”, oecd.org
- 4 Leaving Japan once again isolated within its own region, once again due to the priority it gives to its subordination to U.S. hegemony – not a small determinant in its decades-long stagnation. See “Prospective Founding Members”, aiibank.org
- 5 Of course this was not due to any genius on the part of the agents of the U.S. government, but was forced by contingency. The U.S. did intervene in Mexico in 1916-17, only its entry into WWI put it at an end. By the 1920's circumstances had changed in Mexico, and the 1930's New Deal were the seal on these circumstances.
- 6 *The Global Gamble: Washington's Bid for World Dominance* (1999). It is more a measure of the ossification of politics and ideology in the United States on the core matters of political economy that liberal Keynesians such as Sachs, Robert Reich, Paul Krugman or Brad DeLong appear as powerless “official dissidents” on the political scene today, including during Democratic Administrations. On the one hand, their monetary Keynesian proposals are in fact the ones currently in application, hence these constitute no “opposition” at all on this score; while on the other hand their structural policy proposals aimed at boosting “effective demand” by shifting the balance of class forces towards the Triad working classes would undo the “holy class alliance”, the united front forged out of the 1970's crisis, plunging Triad political and economic leadership back into the nightmare world of that era of the seeming “impending doom of capitalism”. This has become literally unthinkable.
- 7 “It is certainly true that ... it is the cycle of productive/industrial capital which produces surplus value, and within which the capitalist relations of production are constructed, that determines the overall features of the reproduction of capital in such a formation ...But this does not prevent the *preponderant place in economic domination* being occupied, according to the different stages, and often alternatively, by one or the other fraction of the bourgeoisie: the industrial bourgeoisie itself, the commercial bourgeoisie, the banking bourgeoisie. On this domination will depend the concrete path, the demeanor and the rhythm that the development of capitalism in this formation will follow”. *Classes in Contemporary Capitalism* (1974,1978), Nicos Poulantzas, pgs. 92-93, emphasis added.
- 8 “About JWST's Orbit”, jwst.nasa.gov
- 9 “Worse Than the Great Depression: What Experts Are Missing About American Manufacturing Decline” (March 2012), Robert D. Atkinson et al, ITIF www.itif.org This is from a mainstream perspective, with a notable information technology focus, loosely affiliated with the Republican Party. According to the same criterion, minus the computer sector, over the 2000-2009 period “value added” manufacturing fell -0.9% and durable goods -9.6% while GDP expanded 14.8%. The percentages for 2007-2013 are worse for manufacturing: -7.7% and durables, -2.2%, with non-durables falling -11.5% after having expanded 5.6% 2000-2009. “The Myth of America's Manufacturing Renaissance: The Real State of U.S. Manufacturing” (Jan. 2015), Adams B. Nager and Robert D. Atkinson, *ibid.*
- 10 For construction, see *Bureau of Economic Analysis (BEA) "GDP by Industry / VA, GO, II 1997-2014"* and *FRED Economic Data "Real Value Added by Private Industries: Construction"*. For relative global agricultural comparisons, see worldbank.org , “Agriculture, value added (current US\$)”. In what could be seen as a measure of relative decline in the U.S. position, China's agricultural value added, already first in the world at \$175B in 1999, stood at \$252B in 2004, and then doubled and virtually doubled again to \$500B (2009) and \$950B (2014). China clearly has moved onto the path of the capitalist industrialization of agriculture since 2000, and looks to become the first 1 trillion dollar agricultural producer in history. India, while slow on the uptake 1999-2009, rising from \$105B to \$140B, suddenly more than doubles the value added of its agriculture to \$323B in 2014, surpassing the United States for the first time.
- 11 BLS, “Oil and gas extraction”, Production and Nonsupervisory Employees, Oil and gas extraction from 2005-2015. A further examination along the lines of “Employment by Occupation” will show a distribution reminiscent of a Silicon Valley tech company.

- 12 “Economic Census Reveals Sharp Growth in Value of Shipments for Oil and Gas Extraction Industry; Biofuel Sales Nearly Quadruple” (2015), www.census.gov
- 13 “Made In America: Petroleum and Coal Products”, *U.S. Department of Commerce, Economics and Statistics Administration* (2014), William Hawk. Unfortunately, but perhaps tellingly, the St. Louis Fed's FRED database uniquely does not report “real value added by private industry” for the mineral extraction sector. Fred does list for “Real Value Added by Private Industries: Mining”, \$382B for 2014. See FRED [op cit.](#), for crude oil index and relative industrial importance.
- 14 For the classic definition see Marx, *Capital Vol. II*, “Costs of Transportation”, pgs. 152-155 (1967), where he concludes that “...the actual locomotion of commodities in space, resolves itself into the transport of commodities. The transport industry forms on the one hand an independent branch of production and thus a separate sphere of investment of productive capital. On the other hand its distinguishing feature is that it appears as a continuation of the process of production *within* the process of circulation and *for* the process of circulation”. Emphasis is in the original, and will have re-emphasis in this paper. See also Notebook V of the *Grundrisse* for further elaboration of the same theme.
- 15 David Harvey was the pioneer of considerations of spatiality within Marxist political economy, see *The Limits to Capital* (1982, 2006), especially chapters 8 and 12.
- 16 Employment: “Industries at a Glance: Information”, www.bls.gov; Value added, FRED [op cit.](#), “Real Value Added by Private Industries: Information”.
- 17 “Industries at a Glance: Transport; Utilities; Information”, FRED [ibid.](#), for real value added in these areas.
- 18 For post-Keynesian theories of non-equilibrium, see for example *The Foundations of Non-Equilibrium Economics: The principle of circular and cumulative causation* (2009), Sebastian Berger, ed.; for a Marxian approach to the matter, see *Marx and Non-equilibrium Economics* (1996), Alan Freeman and Guglielmo Charchedi
- 19 David Harvey calls this “Accumulation by dispossession”. See “Accumulation and Imperialism: A Review of David Harvey, Part I: Towards a Theory of Disequilibrium Accumulation and Accelerated Uneven Development”(2015), academia.edu, Bradley Mayer, to see one way of relating primary capitalist accumulation to uneven development.
- 20 *Classes in Contemporary Capitalism* (1974,1978), pgs. 235-239. Poulantzas does not explicitly point to a relative autonomy of science, although there is recognition that not all scientific productions are reducible to a functional relation with capital. But it is correct to note the close historical association of the development of science (and of aesthetics) with the separation of mental and manual labor peculiar to capitalism.
- 21 “Structure in dominance” is another useful concept. Generally not salvageable is “ideological state apparatuses”, a semi-Maoist concept of later vintage that obscures the basis of communications media in the capitalist economic. Application to the educational system would be a closer fit, though the trend towards “privitization” is closely associated with the encroachment of the communications/information branches of the greater transport sector. See *The Reproduction of Capitalism: Ideology and Ideological State Apparatuses* (1971, 2014), Louis Althusser, G.M. Goshgarian, translation. See also “Althusser Glossary 1969”, www.marxists.org, for a full listing of Althusser jargon.
- 22 The basic Regulation School text is Michel Aglietta's *A Theory of Capitalist regulation: The U.S. Experience* (1976, 1997). See also Alain Lipietz, (1974) *Le Tribut Foncier Urbain*, quite relevant to the question of urban land rent and the value mechanics of real estate development. The Regulations are also descendants of Althusser, see for a criticism Michel Husson, “The Regulation School: A One-Way Ticket from Marx to the Saint-Simon Foundation?”, cddc.vt.edu The demise of the Regulation School interpretation has much to do with the strategic theoretical hinge on the concept of “Fordism” as “the” framework for understanding the capitalist development of the U.S..
- 23 *Political Power and Social Classes* (1968, 1978), pgs. 44-45, italics in original. The same formulation is repeated, but in a revealingly modified form in *Classes in Contemporary Capitalism* (1974, 1978), pg 78: “The task” - no longer a 'function' - “of the state is to maintain the unity and cohesion of a social formation *divided into classes*, and it focuses and epitomizes the class contradictions of the whole social formation in such a way as to sanction and legitimize the interests of the dominant classes and fractions as against the other classes of the formation...” (italics added). A shift in the correct direction, but only halfway to the truth of a class-divided society.
- 24 This expression clearly comes from Lenin's *Imperialism*, though John A. Hobson, in his *Imperialism, A Study*, first broaches the question of parasitism, perhaps inspiring Lenin along these lines. Nevertheless the concept of the parasitism and decay of the capitalist mode of production as an inevitable historical tendency, even as it continues to “grow, more than ever” (see Note 83 below for reference) – probably the best concept in the original presentation - has virtually disappeared in debates over the same.
- 25 The Monthly Review school is the leading North American exponent of this shift, especially under the editorship of John Bellamy Foster, *The Theory of Monopoly Capitalism* (2014). The view here is that neither “monopoly” nor “financialization” are adequate as general organizing concepts in grasping either the dynamics of the mode of production, the tendencies of the regime of accumulation, or the trajectory of the social formation.
- 26 This of course was the position adopted by Lenin from Rudolf Hilferding, now seen as specific to the German social formation of that time. Here we adhere to the contemporary identification of finance with commercial and investment banking and insurance.

- 27 This view corresponds to that taken in *The Making of Global Capitalism: The Political Economy of American Empire* (2013). As will be seen, the framework presented here differs utterly from that of Panitch and Gindin, even if it can be agreed that the modern TNC emerged specifically out of, and therefore was and is stamped with, the characteristics of the U.S. social formation.
- 28 Fine, *The World of Consumption* (2002), pgs. 79-100
- 29 Note that the BLS categories “Accommodations/Food Service, Education, Health/Social Assistance, Real Estate/Rentals/Leasing, Administrative/Waste Management, Arts/Entertainment/Recreation, and Retail” are all grouped together under non-productive “Consumer Provisioning”.
- 30 “Business Svcs.” stands in for the BLS Professional and Business Services minus Administrative and Waste Management.
- 31 The “Extractive” sector includes Agriculture, Timber, Fishing, Mining, Crude Oil and Natural Gas.
- 32 Value Added, “Archival Federal Reserve Economic Data (ALFRED)”, *alfred.stlouisfed.org*; Employment and average wage calculated from standard BLS NAICS industry classifications, *www.bls.gov*. Note that BLS sometimes includes what are either supervisory or non-productive professional employees, under “non-supervisory employees”, and these have been excluded from the wage averaging. Wages are an average of the median wage for each non-supervisory occupation within a NAICS classification.
- 33 *Imperial Spain 1469-1716* (1963) J. H. Elliot, pg. 285
- 34 Not to be pursued in depth here, the concept of “articulation” is normally associated in Marxism with another Althusserian derivative, the anthropologist Pierre-Philippe Rey (*Les alliances de classes*, (1973)), and the concept enjoyed a certain vogue in the golden age of the 1970's. However Rey's articulation was limited to that between an imperial capitalist metropole and the colonized non-capitalist modes of production, one not only not easily applied to late feudal Europe, but also to the originally non-metropolitan social formations of European colonial settler origin, such as the United States.
- 35 *The Modern World System Vol I* (1974), *Vol II* (1980), hence another “golden age” production. There is also the variant in the hands of Giovanni Arrighi, who made some progress in seeking to loosen the rigid teleology of “hegemonic succession”. The lesser-known work that illustrates when this turn in Arrighi's thought occurred is to be found in *Chaos and Governance in the Modern World System* (1999), authored together with Beverly J. Silver. There Arrighi considers the possibility that there may be no “hegemonic successor” to the United States in the capitalist world system, an outcome with truly revolutionary implications. With *Adam Smith in Beijing: Lineages of the Twenty-First Century* (2007), he appears to backtrack in favor of China.
- 36 *The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism*, New Left Review I/104, July-August 1977. Brenner, although usually associated with the “Political Marxism” of Ellen Meiskins Wood and Charles Post, and in “International Relations Theory” with Benno Teschke, is actually of Analytical Marxist origins, in the September Group of academics dedicated to “no bullshit Marxism”, essentially one of the tradition of English analytical philosophy. Brenner in particular reacted against the “technological determinism” seen as embedded in Marx's concept of forces and relations of production, in favor of an (almost) exclusive emphasis upon the latter, often referred to as “social-property relations”. In practice this meant the reduction of Marxism to historical materialism, and the abandonment of the abstract analysis of the capitalist mode of production. See <https://politicalmarxism.wordpress.com/>
- 37 Robert Brenner, Past & Present No. 70 (Feb., 1976), pp. 30-75. Of course Brenner's argument went beyond the immediate question of the origin of modern capitalism. The notion that this was “unique” to England is to be rejected.
- 38 See <https://politicalmarxism.wordpress.com/debates/dobb-sweezy-debate/> for an extensive list of sources for that earlier debate.
- 39 For Eurocentrism, see James Blaut, *Eight Eurocentric Historians* (2000); For capitalism elsewhere in time and space see Jairus Banaji, *Theory as History: Essays on Modes of Production and Exploitation* (2010). In the first case, what underlies Eurocentric criticism is the historical fact that the colonizer was indeed a European, while there is no methodological reason to restrict ourselves to a view strictly outside of that of the world of the colonizer, for there is also the moral story of “know thine enemy”; in the second case, it is of course perfectly conceivable that the capitalist mode of production emerged in other times and places long before Europe, and for all we poor, Eurocentric-addled mortals know, it existed perhaps in ancient Sumer. However its mere existence as such is hardly a sufficient criterion for the framework deployed here. This observation is exactly what allows rejection of the Brenner thesis that declares its appearance in England was “unique”.
- 40 See *Servants in Husbandry in Early Modern England* (1981) Ann Kussmaul, pg 4 (italics added)
- 41 *Merchants and Revolution* (1993, 2003), Chapter VIII “The Radical's Offensive”. Here these worked in conjunction with their Massachusetts Bay brethren.
- 42 *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (1975). Pocock traces a republican ideological thread that runs from Machiavelli, through a more obscure Venetian “mercantile-aristocratic” political philosophy, to James Harrington's *Commonwealth of Oceana* of the mid-17th century. This thread evolves into the English dissident Whig tradition that becomes the dominant ideology of the outlier North American merchant slave-

owner and trader class that founded the United States. Pococks' point, expressed in his conclusion, was that this republican ideology was entirely “pre-capitalist” and backward-looking, based essentially on classical Hellenic conceptions of monarchy, aristocracy, and democracy, and thought that their “evil twins” in tyranny, oligarchy and anarchy could be avoided by a judicious institutional separation and balance between the three. The chief innovation was borrowed from the imperial Roman Republic in James Madison's notion of an expansive republic of multiple countervailing interests, a geographical adaption of the same basic concept.

- 43 See for example *The Political Theory of Possessive Individualism: Hobbes to Locke* (1962), C.B. Macpherson. Hobbes/Locke are better seen as two logical halves of the same coin.
- 44 Including the heated Gaido-Post debate that ensued in 2013-14. For their basic works, Daniel Gaido, *The Formative Period of American Capitalism: A Materialist Interpretation* (2006); Charles Post, *The American Road to Capitalism: Studies in Class-Structure, Economic Development and Political Conflict, 1620–1877* (2012). For the debate, see Gaido, “The American Path of Bourgeois Development Revisited”, *Science & Society*, 77:2, April 2013, pgs 227-252; Post, “The American Path of Bourgeois Development Revisited: A Response”, *Science & Society*, 78:3, July 2014, pgs 369-379.
- 45 *Letters to Americans* (1969), pg. 161
- 46 *The Agrarian Programme of Social-Democracy in the First Russian Revolution, 1905-1907* <https://www.marxists.org/archive/lenin/works/1907/agrprogr/ch01s5.htm#v13pp72-238> . On this basis Daniel Gaido concludes, absurdly enough, that in the U.S., “This widespread landownership amounted to a form of land nationalization that created favorable conditions for capitalist development through the abolition of ground rent...”, op.cit. Pg 250. No such thing ever happened in the U.S., where nationalized land, i.e., unsalable land, is typically held for use by capitals in the extractive and agricultural industries. Gaido's fixation on Lenin's empirical induction of a “American Road” is the weakest part of his account. We will soon feature Gaido's strongest contribution.
- 47 *The Triumph of American Capitalism* (1940, 1965), pgs. 16-27. Here Hacker's stages scheme is revealed as a theory, popular at that time in certain currents of the U.S. Left, of “state capitalism of the new managerial ruling class”, with the inclusion of the Soviet Union under this stage.
- 48 *Contours of American History* (1961, 1966), “Table of Contents” pgs. 11-16. Williams goes even further and describes the U.S. constitution as “feudal”, which would effectively refute the Hartz thesis. But that is to go too far from the historical evidence, despite the germ of truth it references: the basic U.S. constitutional order still in force today was crystallized before the spread of modern capitalist industrial *production* and the emergence of a *proletariat*. This crystallization actually dates from the radical Whig current of the English revolutionary period, one that formally included neither Locke or Hobbes.
- 49 See especially *Fruits of Merchant Capital: Slavery and Bourgeois Property in the Rise and Expansion of Capitalism* (1983), a work that bears the mark of the impact of the cliometrics of *Time on the Cross: The Economics of American Negro Slavery* (1974), by Robert Fogel and Stanley Engerman, who argued for cotton slavery as a great capitalist economic success, and that this somehow benefited even the slaves themselves. Subsequently there is plenty of evidence that supports the first while rejecting the second, see for instance *The Half Has Never Been Told: Slavery and the Making of American Capitalism* (2014), Edward Baptist, a work that as a synthesis of both these points, could well stand as the last word on the subject. Baptist's antecedents are to be found in Eric Williams, *Capitalism and Slavery* (1944).
- 50 A point that Poulantzas rather insisted upon, op cit., pgs 42-47. However early modern *capitalist* manufacturing or industrial production hardly existed in a sphere separate from that of the sphere of the circulation of capital, or of commodities more generally. This was the period of the merging of early capitalist production with the sphere of merchant or commercial capital, together with financial capital, in the formation of the “capitalist economic” and the capitalist social formations more generally that began after the English bourgeois revolution, and that was propelled across Europe by the French Revolution, and the latter sphere of circulation certainly was “imperialist”. Indeed it was quite mercantilist as well.
- 51 *The Making of Global Capitalism*, pgs. 26-27. See also the same work's notes 6 & 8.
- 52 Merchant financial arbitrage did act to raise land prices above the Federal minimum as Post correctly notes. See Post's response to Gaido, op cit, pgs 373-375. But this did not act as an effective social monopoly of the land in the period before the advent of industrial railroad transport. The earlier U.S. land speculators were merchant arbitrageurs who bought land with the aim of sale, and were not merchant or commercial *capitalists*, and their relation to landed property was quite unstable. The reality here was somewhere in between the positions taken by Gaido and Post: Independent household farmer property, together with independent artisan manufacturing, *was* victorious for a time in their class struggle with the merchant arbitrageurs during the Jackson Era, thanks to their “household settler” bloc with the merchant *capitalist* cotton slaveowners. Their position was overturned by means of the Civil War with the advent of commercial-industrial capitalist railroads in a bloc with Midwestern capitalist farmers and their regional merchant allies..
- 53 See Post, *The American Road to Capitalism* op cit, pgs (need page refs).

- 54 *The Formative Period of American Capitalism*, op cit, pg. 3, italics in original.
- 55 As argued by Baptist, *The Half Has Never Been Told*, op cit, pgs. 44-48.
- 56 *The Economic Transformation of America Since 1865* (1994), Robert Heilbroner and Aaron Singer, pgs 95-97. The real wage increase from 1850 to 1880 was considerably less than 40% when the wide swings in unemployment and household size / members working are factored in, this in a period where welfare, public or private, was scarce. However this does not disallow an overall long term positive gradual increase in real wages over this period.
- 57 Op cit, pg 31, italics added.
- 58 We leave aside the special case of the Caribbean island zone, where by definition there was no “plentiful land”, which for this very same reason made an ideal site for African slave labor camps in the cultivation of sugar cane as a luxury export commodity, while the same geographical feature also made it possible to competitively share out the Caribbean among all the European colonial powers as an early “special economic zone”.
- 59 *The American Path of Bourgeois Development revisited: A Response*, op cit, pg 373, italics in the original.
- 60 Ibid, pg 370. Brenner reference is from “Agrarian Class Structure and Economic Development”, in *The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe*, T. H. Aston and C. H. E. Philpin, eds.
- 61 There is no space here for a general critique of Political Marxism. The main areas of contention are: The Analytical Marxist rejection of dialectical methodology; the practical abandonment of the classical Marxist analysis of capitalist production, in favor of an emphasis on capitalist accumulation (“rules of reproduction” rather than rules of production; “social-property relations” rather than social relations of production), and finally the matter at hand here, the effectively dogmatic insistence upon non-determination by the productive forces at all times, everywhere. Overlying these are historiographical controversies concerning the rise of capitalist agriculture in England as a “unique” event, and here in the case of the U.S.A., whether merchant capital exercised an effective social monopoly of rural landed property – one proposed solution to Lenin’s “American road” problem – or whether a social monopoly of landed property had to await the advent of the railroads and the growth of large cities, the latter in particular being the site of a social monopoly of urban landed property.
- 62 According to *American Slavery, American Freedom* (1975, 2003), Edmund S. Morgan, see in particular pgs. 53-56.
- 63 *Ecological Imperialism: The Biological Expansion of Europe, 900-1900* (1986), Alfred Crosby
- 64 *Replenishing the Earth: The Settler Revolution and the Rise of the Anglo-World, 1783-1939* (2009), James Belich, pgs. 27-42
- 65 For the “old” Jim Crow regime, the classics are both W.E.B Dubois, *Black Reconstruction in America, 1860–1880* (1935) and C. Vann Woodward, *Origins of the New South, 1877-1913* (1951, 1971). For the New Jim Crow, see *The New Jim Crow: Mass Incarceration in the Age of Colorblindness* (2010, 2012), Michelle Alexander. This latter is a structure that extends well beyond the Black population, though Blacks remain its central target, as an endless stream of contemporary headlines show.
- 66 This is an interpretation congruent that of Charles Post, see op cit..
- 67 See *Industrializing America: The Nineteenth Century* (1995), Walter Licht, pgs. 135-138 for the former, mistakenly listed under a section labeled “Founders”; for the latter, pgs 145-147; for more detail, see *The House of Morgan* (1990), Ron Chernow.
- 68 For one account of the influence of British skilled workers, see *Industrializing America*, op cit. Pgs 104-108 and 178-180 on U.K. emigrant Samuel Gompers. Also generally on the labor bureaucracy, not to be confused with the labor aristocracy, *Taking Care of Business and the Tragedy of American Labor* (1999), Paul Buhle, Chapter 1.
- 69 *Industrializing America*, ibid., Pgs. 127-128. Hence the present-day BRICs – India, Russia, Brazil, and China – are also continent-countries rather than European-style nation-states.
- 70 *Empire* (2000), where one can also dispose of another in the stream of post-modernist (post-structuralist) mystifications, “U.S. network power”, now revealed here as literally the “network” of merchant and later commercial-industrial capital as the “structure in dominance” of the social formation. Negri was however quite perspicacious in relating this to the constitution of “U.S. sovereignty”, i.e., the state and social formation. With Panitch and Gindin, op. cit., “American Empire” appears less as a scientific category than a fashionable ideological overlay intended, perhaps, to impress the reader with the overwhelming majesty of its object.
- 71 With no apologies to “A Republic, Not an Empire” by the U.S. paleo-conservative Pat Buchanan, of Nixonian Southern Strategy fame, thus once again deploying White supremacy and the “Solid South” as the vital pivot and axis for a generation of Reagan-Thatcher counterrevolution, only now beginning to become undone.
- 72 The account of the process of postwar regroupment is one of the strong points of Panitch and Gindin’s *The Making of Global Capital*, op cit., despite the ideological overlay of “global empire”. The U.S., Europe and Japan are, alas for this ideology however, not “the globe”.
- 73 Ibid, pg. 223.
- 74 Ibid. pg. 134, italics added. See ibid. note 5 for the targets of this criticism: H.L. Robinson, “The Downfall of the Dollar”, *Socialist Register* (1973); Paul Sweezy and Harry Magdoff, “The Dollar Crisis”, *Monthly Review* 28:1 (May

- 1973); and Ernest Mandel, *Late Capitalism* (1975), Chapter 10.
- 75 “ILWU-PMA contract no game changer for West Coast productivity”, *JOC.com*, May 23rd 2015. The practical effect of the Railway Labor Act has been to make strikes impossible in the transcontinental railroad sector through the Presidential executive imposition of 60-day “cooling off periods” and binding arbitration.
- 76 See *Economics of Global Turbulence* (1998, 2006), Robert Brenner, Chapter 8, “Descent into Crisis” for the empirical details of the 1970's crisis process. The framework presented in this paper permits an agnosticism with respect to TFROP controversies of this period, particularly that between Andrew Kliman, *The Failure of Capitalist Production: Underlying Causes of the Great Recession*, (2011) and Gerard Dumenil / Dominique Levy, *The Profit Rate: Where and How Much Did it Fall? Did it Recover?*, (2005). For even if “recovery” can be said to have occurred in the 1980's and 90's, this did not amount to a *historic* recovery of the profit rate typically associated with the advent of new regimes of capitalist accumulation, and indeed the profit rate “recovery” appears to have stalled in the U.S., as also reflected in the decline in the rate of labor productivity increases, now in 2015 at a point even lower than that reached at the end of the 1970's.
- 77 Again there has been too much emphasis on the U.S. role in Ukraine, and not enough on that of the German-led EU, whose own actions in fomenting the Maidan were the necessary conditions for any U.S. role. The Maidan flew the EU, and not U.S., flag.
- 78 Op cit, pg. 275
- 79 Ibid, pg 276. See *ibid*, Note 8 for sources of embedded quote.
- 80 Ibid, pg. 279
- 81 Ibid, pg. 281
- 82 Ibid, “Integrating China”, pgs. 282-300.
- 83 Ibid, pg. 296, see Note 90 for sources of embedded quote.
- 84 This last from an all-too brief mention in Lenin, *Imperialism*, “The Place of Imperialism in History”, Selected Works (1963), Volume 1, pg. 298: “It would be a mistake to believe that this tendency to decay precludes the rapid growth of capitalism. It does not. In the epoch of imperialism, certain branches of industry, certain strata of the bourgeoisie and certain countries betray, to a greater or lesser degree, now one and now another of these tendencies. On the whole, *capitalism is growing far more rapidly than before*; but this growth is not only becoming more and more uneven in general, its unevenness also manifests itself, in particular, in the decay of the countries which are richest in capital (Britain).”
- 85 Op cit, pg 284
- 86 Ibid, pgs 286-287
- 87 “Accumulation and Imperialism: A Review of David Harvey”, op cit, pgs. 10-12, “Surplus Profit: Unveiling Commodity Capital- Commercial Capital- Commercial Arbitrage”.
- 88 Op cit, pg 289. Amazon just recently overtook Wal-Mart on this score, at least in market cap, see “Amazon's Rise and How It Became Bigger Than Walmart”, ABC News, Jul 24, 2015. Both corporations are concrete instances of classic U.S.-style commercial-industrial arbitrage plays. “TNC” and “MNC” are considered interchangeable here, and “TNC” is not to be taken as indicative of “supra-nationality”.
- 89 *Ruling the Waves: The Political Economy of International Shipping* (1987), Alan W. Calfruny, pgs 64,74.
- 90 A problem whose obviousness has spawned its own genre of “constitutional crisis” literature. Representative examples can be found in *The Frozen Republic: How the Constitution is Paralyzing Democracy* (1996), Daniel Lazare, and *Framed: America's 51 Constitutions and the Crisis of Governance* (2012), Sanford Levinson
- 91 Of course an important political impetus for the New Deal reforms came from the *urban* areas of the Northeast-Midwest itself, as the city was yet another underdeveloped “periphery” of U.S. capitalism, as it is again today.
- 92 Mass production of consumer commodities was not “invented” in the United States, and first appeared in mid-19th century England. See *The Coming of the Mass Market 1850-1914* (1981), W. Hamish Fraser
- 93 This was the term used by Baran and Sweezy in *Monopoly Capital* (1966), in the theoretical context of the “surplus” and its “absorption”. Their monopoly capital framework prevented them from perceiving the real significance of mass marketing, although Baran and Sweezy sensed its import. See pgs. 113-131.
- 94 “Accumulation and Imperialism: A Review of David Harvey”, op cit, pgs. 15-17 “Towards a Theory of the Tendency Towards Disequilibrium Accumulation and Accelerated Uneven Development”.
- 95 In a theoretical excursus beyond scope here, a compatibility basically involving the construction of a pseudo-equivalence of rent with the temporary use of land. But this rationally assumes the *productive* use of land, a rationalism that breaks down with the non-productive household use of land. This is the precise source of the irrationality of urban land “valuation” and use under capitalism, the resulting uneven development also therefore a continuous source of commercial arbitrage surplus profits.
- 96 Except for the the 20th amendment moving the Presidential inaugural date from March 4th to January 20, and the 21st amendment amendment nullifying Prohibition, itself an amendment to the 1787 constitution, and hence an effective nullity.

- 97 See *The New Dealers: Power Politics in the Age of Roosevelt* (1993), Jordan A. Schwarz, for a biographically orientated catalog of New Deal development projects
- 98 *Golden Rule: The Investment Theory of Party Competition and the Logic of Money-Driven Political Systems* (1995) Thomas Ferguson. Panitch and Gindin miss this point in their criticism of the “revisionist” interpretation. One does not have to endorse Ferguson’s simplistic “capital intensive” interpretation to grasp the validity of his other criterion, “distance from employment of industrial labor”, with which Ferguson tended to conflate. See *The Making of Global Capitalism*, op. cit., pgs. 59-61. Of course the Roosevelt Administration notoriously kept to a “hands off” approach to the great labor battles of the mid-30’s, allowing for instance “Little Steel” to crush union drives in this area the old fashioned way, with the traditional terror tactics of private armies of goons working with the local police. The Wagner Act was not intended to alter the fundamentals of the economic class relation, but to create an opening for *possible* Federal intervention. That did not mean that they *would* intervene.
- 99 *Taking Care of Business*, op.cit. Pgs. 103-109 for the Lewis role.
- 100 Ibid pg. 109
- 101 As noted in "Bridges' Setback," *Business Week*, March 18, 1944, pp. 83-84
- 102 See *Labor’s Giant Step: The First Twenty Years of the CIO: 1936-55* (1972) Art Preis.
- 103 See “Philadelphia Transit Strike (1944)”, James Wolfinger, *Encyclopedia of U.S. labor and working-class history*, Eric Arnesen (Editor), Vol. 1, pp. 1087–1088.
- 104 *Bureau of Labor Statistics Bulletin 878* (1946) pg. 3, quoted from *Strike!* Jeremy Brecher (1972,1980), pg. 224.
- 105 “Oakland’s Port Shuts Down as Protesters March on Waterfront”, *New York Times*, Nov. 2, 2011.
- 106 Ibid, pgs. 221-231.
- 107 As the travails of the current Federal Transportation bill shows, also as an index of Congressional dysfunction. See “What’s in the 6-Year Senate Transportation Bill”, A.P., *New York Times*, July 28, 2015, and note the sums disproportionately devoted to the highway system. For Congressional dysfunction even in this area of “systematic regime accord” see “Senate Passes a Highway Bill, but Only for Three Months”, Andrew Siddons, *New York Times*, July 30, 2015. For the influence of such as the National Auto Dealers Association, whose lobbying expenditures have quadrupled since the onset of the present economic crisis in 2007, see “Influence & Lobbying / Organizations / National Auto Dealers Assn / Lobbying” tab at *Opensecrets.org*: “Auto dealers-not automakers-are the biggest source of campaign dollars within the transportation industry. The association, which overwhelmingly supports Republicans, lobbies on trade and environment issues, as well as for tax cuts and other economic issues, while “22 out of 28 National Auto Dealers Assn lobbyists in 2013-2014 have previously held government jobs”. The NADA is of course only one of the lobbies of the commercial-industrial complex referred to here.
- 108 *Economics of Global Turbulence*, op cit. pg. 4, figure 0.2 “The Growth of Real Wages in U.S. Manufacturing, 1890-2004”. Note that real wage growth in the 1948-1972 postwar is the most sustained of any period in U.S. history. The caveat must be added that this measure is limited to “manufacturing”, and therefore likely leaves out the transport and extractive sectors. Including these would likely skew wages even higher.
- 109 *Immigration and Naturalization Service*, “Immigration by regional and selected country of last residence: fiscal years 1820 – 2000”.
- 110 As measured in *Economics of Global Turbulence*, op cit., pg. 64, Figure 42, “US Unionization and Employer Opposition to Unions as Reflected in Violations of the National Labor Relations Act, 1945-1995”.
- 111 *Capital, Vol I*, (1967) pgs. 640-644.
- 112 This pertains precisely to the point concerning the “worker’s side” of the equation in *Beyond Capital: Marx’s Political Economy of the Working Class* by Michael Lebowitz (1992), only it is posed here as a *logical* rather than *moral* failing of Marxists, although the failure does have moral consequences for their relation to the class struggle.
- 113 This expression is borrowed from Tom Brass, *Labour Regime Change in the Twenty-First Century: Unfreedom, Capitalism, and Primitive Accumulation* (2011). However the concept is given depth by the addition of the reproduction of labor power as a necessary attribute of the capitalist labor regime.
- 114 “In China, Human Costs Are Built Into an iPad”, *New York Times*, Jan. 25, 2012; “How the U.S. Lost Out on iPhone Work”, *New York Times*, Jan. 21, 2012. “Many more people work for Apple’s contractors: an additional 700,000 people engineer, build and assemble iPads, iPhones and Apple’s other products. But almost none of them work in the United States. Instead, they work for foreign companies in Asia, Europe and elsewhere, at factories that almost all electronics designers rely upon to build their wares.”
- 115 See “Accumulation and Imperialism: A Review of David Harvey”, op cit, pgs. 10-15
- 116 See “Bill Clinton’s Sister Souljah moment tops year of political controversy”, *The Guardian*, May 1992; “The 1992 Campaign: Death Penalty; Arkansas Execution Raises Questions on Governor’s Politics”, *New York Times*, Jan. 24, 1992. The world waits with bated breath Bill Clinton’s latest apologies in this regard.
- 117 On the bitter Chicago teachers strike, see “Union leader to Chicago teachers rally: In for the long haul”, *U.S. News*, Sept 11, 2012; On the relations of “public” to “private” see “Chicago Schools Chief Resigns Amid Federal Investigation”, *New York Times*, June 1, 2015

- 118 “Federal Student Loan Debt Tops \$800 Billion”, *cnsnews.com*, Dec. 31, 2014; “National student loan debt reaches a bonkers \$1.2 trillion”, *USA Today*, April 8, 2015
- 119 “Millennials Less Likely to Leave the Nest, a Pew Study Finds”, *New York Times*, July 29, 2015
- 120 “Earnings by Occupation”, *BLS*, Manufacturing: NAICS 31-33. “Purchasing Agents” are of course excluded. See also “Manufacturing Low Pay: Declining Wages in the Jobs That Built America’s Middle Class” (Nov. 2014), “Manufacturing wages are in decline”, pgs. 6-8, Catherine Ruckelshaus & Sarah Leberstein, where our rough estimate of \$15/hour as of 2014 is confirmed.
- 121 *Ibid*, “Heavy reliance on staffing agencies obscures much deeper problems in manufacturing”, pgs. 13-14. This marks the transformation of the staffing agency business from a supplier of service labor to manufacturing.
- 122 *Capital Vol II* (1967), pg. 96. Pages 95-102 cover Marx's analysis of the commodity capital circuit, for which there is no space for an exploration in depth here. However Marx's inclusion of the reproduction of labor power as “Productive consumption (which essentially includes the individual consumption of the laborer, since labor power is a continuous product, within certain limits, of the laborer's individual consumption)...” (pg. 96) is wrong on the face of it. “Productive consumption” is only ever a function of capitalist production, within the limits of the analysis of the capitalist mode of production. Otherwise outside these analytical limits, all human material processes are “productive”.
- 123 *Ibid*, pg 99.
- 124 V. Spike Peterson, “*A Critical Rewriting of Global Political Economy: Integrating reproductive, productive and virtual economies*” (2003), pgs. 57-58. Interesting parallels can be drawn between the contents presented here and Peterson's feminist post-structuralist theory. In contrast to Peterson's approach, part of information technology would belong to “productive economy” in the productive transport sector, but more deeply the “virtual” and “reproductive” are not seen as “economies” at all, but as particular negations of the commodity form, the first tendential and the second absolute. Both the tendency towards subjective idealism, as well as the classification of information technology as part of a historically new “virtual economy”, indeed the concept itself as well as the teleological sequence of agricultural-industrial-virtual “immateriality” is to be rejected.
- 125 “U.S. Direct Investment Abroad: Trends and Current Issues”, James K. Jackson, *Congressional Research Center* (Dec. 2013), pgs 2-3. The sectoral shifts in U.S. FDI go uncommented here.
- 126 The concept together with an emphasis on rent and landed property that, thanks to Anthony Boynton, got everything else started.
- 127 A basic text is *The Monetary Theory of Production* (2003) Augusto Graziani, see particularly pgs. 58-64. But here we hold that money is always a money-commodity under capitalism by the introduction of the concept of the *virtual commodity*, and no institutional adjustment to Marx's original concept is required here, also erasing the dichotomies of “token” or “fiat” versus “real” money. There is also Moseley, ed., “*Marx's Theory of Money: Modern Appraisals*” (2005), and poststructuralist/postmodernist semiotic theories of money, and “information economy” as well. See Manuel Castells, “*The Rise of the Network Society, 2nd edn.*” (2000).
- 128 Some from a Marxist-influenced perspective have grasped parts of this peculiarity American elephant from within various disciplinary limits. Aside from the previously mentioned Ben Fine, from whom we have borrowed the terminology of “consumer provisioning systems”, there is, from the commercialized consumption side, Edward A. Comer, *Consumption and the Globalization Project: International Hegemony and the Annihilation of Time* (2008); in a more popular vein, Michael Dawson, *The Consumer Trap: Big Business Marketing in American Life* (2003), part of the “The History of Communication” series edited by Robert W. McChesney and hence of a broader critical communications media genre. A U.K. representative can be found in “The Media and Culture Series” edited by John Corner, Nicholas Garnham, et al, see for example *Capitalism and Communication: Global Culture and the Economics of Information* (1990, 1994), Garnham. For what Marxist classics had to say on the communication sector, see *Marx & Engels on the Means of Communication (the movement of commodities, people, information & capital)* (1979), Yves de la Haye, editor. Needless to say, emphasis on this area collides directly with the semiotic interests of post-structuralism/post-modernism on “hallowed ground”. However it is really the fault of Marxism to have allowed this ground to be occupied by others.
- 129 See for example “Amazon: Nearly 20 Years In Business And It Still Doesn't Make Money, But Investors Don't Seem To Care”, *International Business Times*, Aug. 8, 2015. See also “Amazon.com's Workers Are Low-Paid, Overworked And Unhappy; Is This The New Employee Model For The Internet Age?”, Dec. 19, 2013. Here the old “coal mine face” interface with the reproduction of labor power reappears: “Chief among the complaints, which could soon be consolidated into a nationwide class action lawsuit, is the allegation that Amazon.com fails to compensate hourly workers for time spent waiting in airport-like security lines each time they exit the warehouse. Aimed at combating product theft, this process can take up to 20 minutes”. This is a prime example of the positive relation of the capitalist and state obsession with “security” and the degradation of the quality of the working class, who can no longer “be trusted not to steal”.
- 130 *BLS*, “Labor Force Participation Rate”, 1950-2015, *data.bls.gov*
- 131 “Projections of the Size and Composition of the U.S. Population: 2014 to 2060”, Sandra L. Colby and Jennifer M.

Ortman, March 2015, *U.S. Census Bureau*.

132 “Consumer Price Index of All Urban Consumers: Rent of Primary Residence” (2015), BLS, *research.stlouisfed.org*

133 “Millennials Don't Care About Owning Cars, And Car Makers Can't Figure Out Why”, March 26, 2014, *Fast Company*

134 Levinson, op cit, pgs 13-14.

135 For a view of the state of labor law in the hands of the U.S. Supreme Court, see “How American Workers Lost the Right to Strike and Other Tales” (2004), James Gray Pope, *Rutgers Law School (Newark)*

136 “We're All Precarious Now”, Charles Post, *Jacobin* April 2015. Post is correct on the “precariat” as part of the broad working class, and correct on the emphasis on the Walmart distribution centers – part of the greater transport sector – but wrongly sees this as “strategic”, rather than a necessary *tactical* consideration for union organizing. As a theoretical aside, Posts' (or Hal Draper's) definition of “proletariat” is inadequate. The proletariat is not only distinguished from the broad working class by value-production, but also by 1) exercising the maximum legal freedom in the sale of their labor power – Tom Brass' criterion, op cit. - and 2) not owning property that otherwise appropriates surplus value, typically in the form of housing rents. This last includes freehold owner-occupied homes, where the worker enjoys the privilege of appropriating surplus value not transformed into rents, acting as “their own landlord”.

137 It is characteristic here that Post also denies the existence of a “labor aristocracy”, see “The Myth of the Labor Aristocracy, Part I & Part II”, Solidarity online magazine, *solidarity-us.org*. Denying the existence of privileged workers and ignoring the politics of the “precariat” are two sides of the same economic trade unionist coin.

138 “Godden trailing; 5 incumbents move on for City Council”, *Seattle Times*, Aug. 4, 2015. See also “Kshama Gets 49.9% in Primary Vote”, *Socialist Alternative*, Aug. 5 2015.