The Formative Period of American Capitalism

A materialist interpretation

Daniel Gaido
The Formative Period of American Capitalism

Although the United States is the dominant force in contemporary world politics, critical overviews of American historical development are relatively rare due to the historic weakness of the American left. *The Formative Period of American Capitalism* offers a Marxist analysis of American history from its origins until the First World War.

The book analyzes topics including the following: the influence of the ethnic cleansing of the native Americans and the enslavement of the African population on the American bourgeois revolutions (the American Revolution and the Civil War); Lenin's study of “the American path of bourgeois development” and the almost direct transition from a colonial to an imperialist economy toward the end of the nineteenth century; the influence of plantation slavery, sharecropping, and segregation on the development of the African-American community and on US politics at large; the origins of American imperialism from the 1898 Spanish-American War to the First World War; and the rise of the American socialist movement from the First International of Karl Marx to the creation of the Third International by Lenin and Trotsky.

*The Formative Period of American Capitalism* is addressed to both an academic audience of Americanists and the general reading public interested in US history. The book can be used as an introduction to American politics, and will also be of interest to the growing audience of political activists who want to know more about the historical origins of a country whose corporations and foreign policy have such a crucial impact on the lives (and deaths) of peoples all over the world.

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Introduction

On December 29, 1890 the Seventh Cavalry killed more than 300 Lakota (Great Sioux Nation) prisoners at Wounded Knee Creek, in the territory of Dakota. The Wounded Knee massacre was the final armed chapter in a three-centuries-long policy of genocide aimed at replacing the native population of the United States with European settlers—the last of the so-called “Indian wars,” which Native American scholars call by the more accurate name of “Settlers’ wars.” This policy reduced the native population of the United States from an estimated 10 million inhabitants in 1492 to the barely over 237,000 Native Americans reported by the 1900 census—the same one that announced the “closing of the frontier,” that is the end of the settlement process.

Less than eight years later, on June 10, 1898, US troops landed at Guantánamo Bay, Cuba, in one of the first battles of the Spanish-American War. The immediate cause of the first American imperialist crusade was the depression which broke out in 1893—the worst crisis of overproduction and overinvestment in the United States until the Great Depression of the 1930s. The crisis led to the rise of a modern labor movement and to the appearance of a farmers’ organization called the People’s Party. Bourgeois alarm at the workers and farmers’ unrest joined to the existing fears that industry and capital had exceeded the capacity of the home market to push the United States into its first overseas military adventure, giving birth to an interventionist foreign policy that continues to this day. Thus, in the short space of a decade, the United States stood at the crossroad of the two main trends in its history: the end of settler-colonialism and the rise of imperialism.

In the aftermath of the Spanish-American War the United States annexed Hawaii and turned into formal or informal colonies the islands of Puerto Rico and Cuba in the Caribbean, as well as Wake Island, Guam, and the Philippines in the Pacific Ocean. The war also led to the seizure of Panama from Colombia in 1903 and to the construction of an inter-oceanic canal in order to unite the two halves of the new American empire. In the Philippines, US troops killed approximately a quarter of a million people during the repression of the independence war which began in 1899. This policy, and the subsequent military occupation of Haiti (1915–34) and the Dominican
Republic (1916–24), was no impediment for the white supremacist American President Woodrow Wilson to declare, in his War Message of April 2, 1917, that the United States wanted to intervene in the First World War in order to make the world “safe for democracy.” American imperialism for the first time presented its aims as a democratic crusade against Prussian militarism, much as the subsequent war of intervention against the Bolshevik Revolution was presented as a defense of parliamentary (capitalist) democracy against socialist dictatorship.

The aim of the present work, to put it in technical terms, is to show the way in which what Marx called “the economic law of motion of modern society” shaped the development of the United States during the first three centuries of its history. The central thesis of the book is that the main peculiarities of American history were determined by the almost direct transition from settler-colonialism to imperialism. The first chapter tries to set the American Revolution and the Civil War against the background of both the European bourgeois revolutions and the ongoing processes of ethnic cleansing of the Native Americans and enslavement of the African population. The second chapter is an analysis of Lenin’s theory about “the American path of bourgeois development”; it deals with the influence of the land tenure system on the process of capital accumulation and with the almost direct transition from a colonial to an imperialist economy towards the end of the nineteenth century. The third chapter focuses on the influence of plantation slavery, sharecropping, and segregation on the development of the African-American community and on US economics and politics at large. The fourth chapter offers an overview of the Marxist theory of imperialism and describes the evolution of American foreign policy from the 1898 Spanish-American War to the First World War, when the United States assumed its contemporary role as the major counter-revolutionary factor in world politics. The fifth and final chapter deals with the history of the American labor movement and the rise of socialism in the United States from the First International of Karl Marx to the creation of the Third International by Lenin and Trotsky. Hopefully this work will provide a stimulus for other scholars to write a much-needed overview of the history of American imperialism, and of the struggles against it both outside and within the United States, down to the present day.
1 Settler colonialism and the bourgeois revolutions

Settler colonialism and the early Marxist theoreticians

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 modern racism. Marx, in the chapters of Capital dealing with primitive accumulation, argued that capital comes into the world “dripping from head to foot, from every pore, with blood and dirt” and summarized as follows the results of the birth of capitalism in the colonies:

The discovery of gold and silver in America, the extirpation, enslavement, and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalized the rosy dawn of the era of capitalist production.1

This original insight into the racist and genocidal nature of capitalism was largely absent in the works of the Marxist theoreticians of the Second International period, including those of its center and left wings. In Kautsky and Mehring’s works on the colonial question, what Marx had called “true colonies” or “free bourgeois colonies”—that is colonies of settlement like the United States, Australia, New Zealand, Canada, Argentina, Chile, Southern Brazil, etc.—were usually called “work colonies” and favorably contrasted to the “exploitation colonies.”2

Franz Mehring (1846–1919), a prominent theoretician of the German Social Democratic left and founding member of the Spartakusbund, the early German Communist party, distinguished between “agricultural or work colonies” (Ackerbau- oder Arbeitskolonien) and “commercial or exploitation colonies” (Handels- oder Ausbeutungskolonien). He divided the history of European colonial policy into four periods, corresponding to different stages in the rise and decline of the bourgeoisie: the world policy of capitalist absolutism in the sixteenth century, as represented above all by Portugal and Spain; the world policy of bourgeois commercial capital, exemplified by the Netherlands in
the seventeenth century, and by England and France in the eighteenth century; the world policy of great industrial capital, as represented by England in the nineteenth century (Manchesterianism); and the world policy of declining capitalism, that is the imperialist policy of finance capital during the late nineteenth and early twentieth centuries. “The fact that states without a free bourgeois constitution cannot establish agricultural colonies is recognized by the bourgeois scholars themselves, especially by citing the English case as a positive and the French case as a negative example,” Mehring argued.

The Englishmen must thank, not their Navy, but their free bourgeois government for having consummated the world policy of capitalist commercial capital; for having established not only commercial but also agricultural colonies; for having grounded these colonies, not only on wasteful exploitation, but also on creative work. With the settlement of North America they accomplished for human culture an eventful and most beneficial task, which carried to its highest level of development the world policy of bourgeois commercial capital.3

Of course Mehring was lavishing praise, not on the ethnic cleansing of the Native Americans, but on the effect of settler colonialism on the growth of the productive forces and the development of the world market. And yet one cannot help feeling repelled by this complete overlooking of the Indian holocaust as the true basis of American history.

A similar bias can be observed in the work on colonialism by Parvus (1867–1924), a prominent member of the left wing of the Second International. He also distinguished between two forms of colonization and pointed out that, while the tropical and subtropical regions had been colonized by greedy adventurers, the temperate regions had received above all the peasants expropriated as a result of the primitive accumulation process in Europe.

To this difference in the social character of the immigrants, which coincides with the difference in the settlement regions, corresponds two different kinds of colonial development. The results lay clearly before our eyes; one has only to compare the economic and cultural conditions of North America with those of South America! And yet South America possesses an incomparably greater wealth in natural riches. What does that mean? It means that the development of the colonies depends less on their natural wealth than on the labor force applied to it. Even more than that: it was not the merchants, even less the colonial officials, or the bourgeoisie, or the capitalist profit-makers, but the proletarianized European peasantry that has brought about the development of North America.4

Here again the ethnic cleansing is overlooked and the emphasis placed on the creative energies of the European proletarians and “proletarianized peasants.”
The early Marxist theoretician who dealt most at length with the issue of settler colonialism was the “Pope” of the Second International, Karl Kautsky (1854–1938). In one of his early works, when he was still the most prominent theoretician of the Social Democratic left and was looked upon as a master by both Lenin and Trotsky, Kautsky argued that whereas “the work colony is settled by members of the working classes of the motherland, craftsmen, wage workers, and particularly, peasants,” the “exploitation colony is settled by members of the exploiting classes of the motherland.” Exploitation colonies were set up in the tropics, where only small numbers of Europeans were ready to settle. Hence “the economic utility of such a colony does not rest on the labor of the colonists, but on the plundering or forced labor of the natives” or of bound laborers imported from other tropical and subtropical regions. Since the productivity of forced labor is always very low, European colonization in places like the West Indies, India, and most of Latin America did not lead to capitalism:

Where social development makes unfree labor the general form of labor, it leads to a dead end, out of which a way to further advance can only be opened by the destruction of this culture by free laborers, or by laborers who have freed themselves.

The colonial powers that built their empires on exploitation colonies did not ultimately profit from their booty, as shown by the decline of Portugal and Spain.

Work colonies, on the contrary, were established in temperate and “very thinly populated regions, in which a very primitive mode of production predominates, perhaps hunting, which requires immense territories to support a single individual.” This passage from Kautsky’s book on colonialism is typical of early Marxist views on America in its combination of economic insight and disregard for the Native American holocaust:

If settlers from the European civilization come into a practically unpopulated land, and apply themselves to its cultivation, they immediately raise its productive power. They replace a backward economy, which hardly produces but rather mainly gathers what nature freely offers, with the highest productive methods of their time. Even more: freed from hidden pressure, and burdens of ground-rent, taxes, military service, etc., they are able to develop spiritual and material forces much more freely than in the mother country. They do not merely replace the tiny productive force of the savages with the high productive force corresponding with their cultural level, but are able to develop their own productive force much quicker than the motherland, and thus become one of the powerful driving forces for developing the general productive forces of mankind. The most shining example of this is provided by the United States of America.
Our readers are invited to draw their own conclusions from these quotations. We think they show that, though Marxism is the closest thing we have to a science of society, it does not make its representatives immune to the prejudices of their times. It was necessary that the racist contradictions of the United States should unravel in events such as the Vietnam War and the black liberation movement for Marxists to take into serious consideration the effects of settler colonialism, the Native American genocide, and African slavery on the historical development of the United States.8

The European empires in America

The colonial policy of Spain and Portugal was carried out by absolutist monarchies saturated with feudal elements, and satisfied above all the needs of the state bureaucracy (including the army needed for the grandiose plans of the Habsburg dynasty), the Catholic Church, the court parasites, and the nobility rather than those of the embryonic bourgeoisie. The discovery of precious metals and silver mines in Latin America gave to those absolutist states financial resources that for a long time ensured their prosperity without fostering the development of trade and industry and centralizing the country. The colonies themselves were regarded above all as sources of precious metals. The bullion stolen from their mines promoted the development of commodity production and monetary circulation above all in the countries of Western Europe located outside the Iberian Peninsula. After a short golden era in the sixteenth century, Spain and Portugal entered a long period of economic and cultural decline, beginning with the revolt of the Netherlands and the defeat of the “invincible Armada” by England in 1588 and ending three centuries later (1898) with the replacement of Spanish by US imperialism in the Caribbean and the Philippines.

The results of this policy for the development of the Latin American countries were described as follows by the Peruvian Marxist José Carlos Mariátegui: “The colonial inheritance we want to put an end to is that of the feudal economic regime, whose expressions are seigniorialism (gamonalismo), the latifundio, and serfdom.”9 The class of landowners known as terratenientes or oligarquia (in Mexico as estancieros, in Peru as gamonales, in Argentina and Venezuela as hacendados, in Brazil as fazendeiros, etc.) dominated the Latin American countryside. The cities were administrative and commercial rather than industrial centers, and the local bourgeoisie never went beyond an embryonic merchant stage. The organization of labor was equally rudimentary: alongside the enslavement of Indian populations in Mexico and Peru (encomienda, later mita) and Negroes in the Caribbean islands and Brazil, we find debt peonage under such names as enanche (Peru) and gañanería (Mexico), as well as sharecropping under at least seven different names: inquilinato, colonato, aparcería, yanaconazgo, mediería, agregaduría, and arrendamiento.

The seventeenth century witnessed both the replacement of the world policy of capitalist absolutism by that of bourgeois commercial capital and the beginning of English settlement in the North American colonies.
The first half of the century was dominated by Holland which, for all its contributions to nascent bourgeois culture, mostly plundered the richest Portuguese colonies and in the New Netherlands (later New York) proved incapable of embarking on a large-scale process of settler colonialism because of its small population and narrow mercantile outlook.

Very different was the case of the mainland English colonies in North America. The peculiarities of European settler colonialism in North America were determined by the precocity of the capitalist development of the metropolis, by the agrarian character of English capitalism, by the early outbreak of the English bourgeois-democratic revolution, and, last but not least, by the previous experience of colonialism in Ireland.

Protected by its insular position, England was able to dedicate the resources that the European continental states invested in standing armies and extravagant courts to the development of commerce and the navy. The early development of capitalism manifested itself in the political and religious spheres in the early development of Reformation and in the fact that English bourgeois revolution was carried out in the seventeenth century under religious banners:

On the continent, the fight between the revolutionary and reactionary classes took place in the eighteenth and the first two-thirds of the nineteenth century in the form of enlightenment against religion. In England, it was fought in the seventeenth century in the form of the struggle of one religious sect against another. The emigrants carried the peculiar Anglo-Saxon mode of thought along with them across the ocean.

The Puritan Revolution had beneficent political consequences for the English settlers in North America even before its outbreak. The historical origins of the Northern colonies as asylums for exiled revolutionaries, combined with English parliamentary traditions, led to the development of representative institutions in the colonies, in striking contrast with the bureaucratic and oppressive political regimes of the Spanish, Portuguese and French. The colonial legislatures retained control of the public finances and thanks to it were able to enjoy a large measure of self-government. As far back as the seventeenth century we find a sort of embryonic regime of double power in the mainland colonies. Even that paltry sequel of the great Puritan Revolution, the “Glorious Revolution,” contributed to preserve American democratic liberties, as shown by the abortive attempt of James II to transplant absolutist methods of government to the Puritan colonies by establishing the Dominion of New England (1686–89).

Unlike the French Revolution, the Puritan Revolution, in Kautsky’s words, “showed no tendency toward a general overthrow of landed property”:

In England the old feudal nobility had been destroyed during the War of the Roses, and had been replaced by a new fresh-baked nobility, who were in close sympathy with capitalism. The Reformation had plundered
the churches for the benefit of this nobility. The old feudal economy had completely disappeared by the seventeenth century. What peasants remained were free masters of their own ground. The great landed possessions were not operated by the compulsory service of feudal peasants, but through capitalist tenants with wage workers.12

The enclosure movement—the so-called “clearing of estates,” that is the eviction of peasants from arable lands to turn them into pastureland—provided workers for urban industry and for emigration to the English settlement colonies in North America. The English migration rate during the colonial period was therefore proportionally very high: about 3,300 European immigrants reached the mainland English colonies annually, whereas 3,400 came to all of Spain’s colonies, and merely 200 arrived in Quebec, of whom just 65 stayed.13

Finally, the English experience of colonialism in Ireland provided the ideological framework for dealing with the American “barbarians”: “We find the colonists in the new World using the same pretexts for the extermination of the Indians as their counterparts had used in the 1560s and 1570s for the slaughter of numbers of the Irish.”14 That included carrying over to the other side of the Atlantic the methods of warfare used by the English colonialists in Ireland.

Indians refrained from the total war that involved systematic destruction of food and property—until its use by Europeans roused the Indians to reprisal. In this respect, as in so many others, the English continued a tradition of long standing from their devastations in Ireland. Burning villages and crops to reduce Irish tribesmen to subjection under Elizabeth I led naturally enough to using the same tactics against the tribesmen of Virginia.15

In addition, segregation was the rule in Ireland and was carried as policy to Virginia, first against the Native Americans and then against black freedmen.

**English mercantilism**

In England, as elsewhere in Western Europe, the colonial policy of the metropolis was based on the principles of *mercantilism*, the economic policy of the European states during the age of merchant capital (sixteenth to eighteenth centuries). The basic feature of developed mercantilist policy, also known as the balance of trade system, was that the state used its power to implant and develop nascent capitalist trade and industry through the strict regulation of all aspects of economic life, the forced importation of precious metals to speed up the transition from natural to commodity-money economy, and the use of protectionist measures to defend the local bourgeoisie from foreign competition.16 But though the colonial policies of all the European empires were based on the same exploitative and monopolistic
principles, English mercantilism was distinguished by a number of progressive features, because England’s colonial policy developed under the auspices of a much more highly developed bourgeoisie.

Adam Smith dedicated a whole section of the Wealth of Nations, called On the Causes of the Prosperity of New Colonies, to the socioeconomic development of the future United States during the colonial period. Smith pointed out four reasons for the exceptionally rapid economic and demographic development of the English North American colonies. First, the American petty-bourgeois regime of land tenure, whose origin he traced to the colonial rules enforcing cultivation of land grants and the relatively liberal real property laws that facilitated alienation, as well as partition among male inheritors in the North. Second, the very low levels of taxation, due to the absence of a state bureaucracy and militarism, and of an established church in some of the colonies. A third reason was the early development of monetary economy because of the extensive English market and the relatively liberal English commercial policy (trade was not restricted to a single company or port as in the case of the Dutch, Spanish, and Portuguese colonies). Finally, the absence of a colonial nobility and the greater degree of self-government led to the establishment of parliamentary institutions in the framework of the British Empire. Not surprisingly, England was also the first country to successfully complete the transition from commercial to industrial capitalism in the late eighteenth and early nineteenth centuries.

But despite its progressive features, British colonial policy remained a means for the enrichment of the upper classes of the metropolis at the expense of the colonies. The English state actively intervened in order to prevent the development of certain branches of colonial economy that could lead to competition with the English bourgeoisie, such as iron wares, hats, and woolen goods. Those regulations, as Adam Smith remarked, prevented the establishment of manufactures of such commodities for distant sale, and confined the industry of the colonists “to such coarse and household manufactures as a private family commonly makes for its own use or for that of some of its neighbors in the same province.” 17 This affected mainly the Northern colonies, which could not export semi-tropical agricultural products like the Southern ones. Barred from developing an export industry (with the exception of shipbuilding), they suffered from an increasingly negative balance of trade.

As long as the British metropolis and its North American colonies faced a common enemy in Canada and the Mississippi region, those contradictions did not lead to a clash, but with the British occupation of French Canada, the Floridas, and the territory between the Alleghenies and the Mississippi River in the aftermath of the Seven Years’ War, the old British Empire broke up.

The American Revolution and the French Revolution

Marxists have traditionally seen in the two American revolutions links in the chain of nation-wide bourgeois revolutions that, anticipated by the medieval
heresies and jacqueries, began with the Protestant Reformation in Germany, extended from there to Switzerland, Holland, Scotland, and England, and reached their climax in the Puritan and French Revolutions. That is true in the general sense that they paved the way for the development of capitalism by removing mercantilist and pre-capitalist barriers to the appearance of a national market. But unlike their European counterparts, the American Revolution and the Civil War took place against a colonialist background of genocide that set them apart from the general rule.

War against Indians made possible the seizure of lands that was the colonists’ reason for being in America. Virginians had conquered the Powhatans; South Carolinians wiped out the Yamasees; Marylanders joined Virginians to attack Susquehannocks; New Englanders massacred Pequots and Narragansetts; New Yorkers negotiated with Iroquois to war against New France. Only Rhode Island and Pennsylvania renounced war against Indians, in Rhode Island’s case partly from prudence; in Pennsylvania’s from principle.

It is true that, for instance, Oliver Cromwell continued and intensified the traditional British policy of conquest and expulsion in Ireland. Nevertheless colonialism played a relatively subordinate role in the European bourgeois revolutions. The American Revolution, on the other hand, was a settlers’ revolt against, among other things, an imperial policy that threatened to restrain the displacement of the indigenous people. This was set out clearly by the imperialist President-historian Theodore Roosevelt in *The Winning of the West* (1896), which proudly called the Americans “a conquering or colonizing nation.” He pointed out “the twofold character of the Revolutionary war, wherein on the one hand the Americans won by conquest and colonization new lands for their children, and on the other wrought out their national independence of the British king.” In the frontier regions, the Revolutionary War degenerated into a war of extermination against Native Americans, who in most cases sided with Great Britain against the white settlers. Moreover, the leaders of the Revolution did not try to stop but, on the contrary, strove to expand and accelerate the ethnic cleansing. Thus the Iroquois called the most prominent of the Founding Fathers, General George Washington, by the unflattering name of Hä-no-dâ-gâ’-ne-ars—meaning “town destroyer”—for his role in the Sullivan-Clinton Campaign of 1779, which was the largest expedition ever mounted up to then against the natives of North America.

The immediate cause of the American Revolution was the change experienced in the implementation of Britain’s mercantilist policy after its triumph in the Seven Years’ War (1756–63). In order to help pay the huge national debt accumulated during the war, the British government for the first time tried to impose direct taxes on the North American colonies, tightened mercantile restrictions, and imposed firm measures against smuggling,
which was particularly important in New England’s trade with the West Indies. Last but certainly not least, the Proclamation Line of 1763 imposed limitations on white settlement of the Trans-Allegheny region. The revolution was therefore fought, among other things, to give the European settlers in North America a free hand in the extermination of the native population between the Alleghenies and the Appalachians.

The American Revolution was therefore a hundred percent settlers’ affair: it was largely waged against the native inhabitants of the country. The other victims of English colonialism—the slaves kidnapped in Africa—also remained largely indifferent or hostile to the settlers’ liberation movement; which is not surprising if we remember that Thomas Jefferson owned over 175 slaves when he wrote the Declaration of Independence. True, among the five workmen killed in the Boston Massacre (March 5, 1770) was Crispus Attucks, a runaway Negro slave who worked in the Boston harbor as a seaman and stevedore. But during the Revolutionary War it was the British who, for purely opportunistic reasons, granted freedom to runaway slaves reaching their lines and protected the Indian tribes west of the Appalachians from the spread of white settlement—that is from genocide. In the Declaration of Independence, Thomas Jefferson, the leader of the left wing of the Revolution, accused the British king George III of having “excited domestic [i.e. slave] insurrections amongst us,” and of having “endeavored to bring on the inhabitants of our frontiers, the merciless Indian Savages [sic], whose known rule of warfare is an undistinguished destruction of all ages, sexes and conditions.” The Revolution resulted in the establishment of what historians now term a *Herrenvolk* (ruling people or race) democracy, in which immigrants from Europe were turned into “whites” and granted political rights while Indians and slaves were excluded from the category of citizens.

Another peculiarity of the American bourgeois revolutions, also due to the colonial character of the economy, was the relatively minor role played by the plebeian urban strata. Marx pointed out that one of the distinguishing features of a bourgeois colony was the presence of a world market that enabled the settlers to specialize in the production of agricultural goods and receive in exchange finished goods that under other circumstance they would have had to make themselves. This world division of labor resulted in the retarded growth of local industry and urban underdevelopment. The cities played a crucial role in the European bourgeois revolutions out of all proportion to their numerical weight. England achieved her Puritan revolution when her population was 5.5 million, of whom 0.5 million were to be found in London; France, in the epoch of her revolution, had a total population of 25 million, of which 0.5 million lived in Paris. Of the less than 3 million inhabitants of the British mainland colonies of North America on the eve of the Revolution just 5 percent lived in urban areas. Only Boston, New York and Philadelphia (counting together no more than 80,000 inhabitants) deserved the name of cities, and they contained mostly independent artisans and merchants. The largest section of the wage earners was made up of
seamen: there was neither a modern proletariat nor a concentrated plebeian urban mass like the sansculottes of Paris. As a result of this urban underdevelopment, the American Revolution was never able to go beyond its first moderate stage, and the social agitation during the Confederation period failed to produce a plebeian revolutionary regime. The leadership of the movement remained firmly in the hands of a united front of Northern merchants and Southern slaveowners. The political form of the entente between these two potentially antagonistic dominant classes was the federalist character of the Union, which secured the slaveowners’ property rights in the Southern states.

The relative weakness of the urban population was accompanied by the numerical preponderance of the rural petty bourgeoisie. American agriculture outside the plantation areas was characterized by “the system of landholding which the classical economists called ‘peasant proprietorship,’ the system of small holdings where landowner, capitalist or farmer, and laborer are all one.” The rural petty bourgeois class, though present in large number in regions like the Upper South (Maryland and Virginia), was heavily concentrated in the Northern colonies, where it provided the fighting masses needed for the revolution. New England, with a population less numerous than that of Virginia, Carolina and Georgia, provided more than twice as many troops to the revolutionary forces.

On the positive side, the American Revolution pioneered the use of militia guerrilla warfare combined with regular troop formations to fight against a better organized and largely mercenary standing army, provided the first historical example of employment of international revolutionary brigades (e.g. French, German, and Polish volunteers), and acted as the trigger for the outbreak of the French Revolution and later of the Latin American wars of independence. The revolutionary leaders succeeded in shaking the British financial yoke, removed the mercantilist restrictions on American industry and foreign commerce, abolished feudal survivals on landed property such as primogeniture, entail and quit-rents, and established a secular democratic republic—for whites—as far back as the eighteenth century. The Revolution had positive consequences even on the defeated metropolis: it accelerated the transition (already demanded by the representatives of the new English industrial bourgeoisie such as Adam Smith) from the first British Empire, based on the principles of mercantilism and primarily focused on North America, to a new imperial order based on free trade centered in areas such as India and Australia.

But to what extent was the American Revolution also a social revolution? Did it clear the ground for the development of capitalist relations of production by making serious inroads into an outdated property regime? Revolutionary France had 5 émigrés per thousand of population, whereas there were 24 Loyalist émigrés per thousand of population in the American Revolution. France, ten times as large as revolutionary America, confiscated twelve times as much property, as measured by subsequent compensations. Jackson Turner Main estimated the amount of loyalist property confiscated by the American
revolutionaries at five million pounds sterling, or about “four per cent of the nation’s real and personal estates.” But he also remarked that, though the confiscation of the loyalists’ estates undoubtedly democratized American society and politics, the annexation of the lands between the Appalachians and the Mississippi had a much greater impact on white America’s social structure. Colonist expansionism, that is the expropriation (and extermination) of the native population played a much larger role in the democratization of the settler society in North America than the expropriation of the exploiting classes. That was the main distinguishing trait of the American Revolution vis-à-vis the European bourgeois revolutions.

Thermidor in America

We will leave aside for a moment the process of ethnic cleansing and focus on the class contradictions within the settler society.

An interesting analogy can be drawn between the events leading to the adoption of the Constitution of the United States and the French Thermidor. In his analysis of Soviet Thermidor (the rise of Stalin), Trotsky remarked that the French Thermidor was a reaction operating on the social foundation of the Revolution. The Thermidoreans did not attempt to restore the old forms of property or the power of the former ruling estates but to divide the gains of the new social regime among the different sections of the victorious Third Estate. “The overturn of the Ninth Thermidor did not liquidate the basic conquests of the bourgeois revolution, but it did transfer the power into the hands of the more moderate and conservative Jacobins, the better-to-do elements of bourgeois society,” Trotsky argued. “Napoleon guarded bourgeois property, including that of the peasantry, against both the ‘rabble’ and the claims of the expropriated proprietors. Feudal Europe hated Napoleon as the living embodiment of the revolution, and it was correct according to its standards.”

In the United States, the exigencies of revolutionary warfare gave the rural and urban petty bourgeoisie an unprecedented degree of political power, which after the 1783 peace treaty was turned against the abuses of the upper classes. Frightened by internal threats such as the paper-money laws and “stay-laws” adopted by the agrarian state legislature, and above all by the ominous rebellion of the Massachusetts farmers against creditors and tax collectors led by Daniel Shays, and under pressure from external menaces on the weak federal government, such as the British posts in the North-West and Spanish control of the Mississippi, the upper classes began to fight back. They wanted a stronger state, made less pliable to democratic control through the so-called “checks and balances” system (e.g. a federal judiciary appointed by the President with the concurrence of the indirectly elected Senate) and including some Napoleonic features, the most prominent of which was the new executive power, indirectly elected and expressly created for a conservative general and large slave-owner (Washington).
As Hamilton remarked in 1787:

The new constitution has in favor of its success these circumstances: a very great weight of influence of the persons who framed it, particularly in the universal popularity of General Washington; the good will of the commercial interest throughout the states which will give all its efforts to the establishment of a government capable of regulating, protecting and extending the commerce of the Union; the good will of most men of property in the several states who wish a government of the union able to protect them against domestic violence and the depredations which the democratic spirit is apt to make on property, and who are besides anxious for the respectability of the nation; the hopes of the Creditors of the United States that a general government possessing the means of doing it will pay the debt of the Union; a strong belief in the people at large of the insufficiency of the present confederation to preserve the existence of the Union and of the necessity of the union to their safety and prosperity.32

He also pointed out that in this upper-class coalition the Northern commercial bourgeoisie played the leading role, though receiving the active support of most Southern slave-owners:

It is worthy of remark that whilst in Virginia and some of the other States in the middle and Southern Districts of the Union, the men of intelligence, patriotism, property, and independent circumstances, are thus divided; all of this description, with a few exceptions, in the Eastern States, and most of the middle States, are zealously attached to the proposed Constitution. In New England, the men of letters, the principal officers of the Government, the Judges and Lawyers, the Clergy, and men of property, furnish only here and there an adversary.33

The largest section of the American population, the freehold farmers, were aware of the anti-democratic character of the Constitution, but they were incapable of bringing forward a program combining the most pressing need of the hour—national centralization—with democratic forms of government. The multiple and conflicting tariff policies and the lack of a national currency under the Articles of Confederation handicapped the development of shipping and manufacturing. The bourgeoisie also suffered from the default of the federal state, because the finances of the Confederation were dependent on payments by the agrarian legislatures, which held them back. But the farmers, weakened by their lack of leadership, were unable to provide an alternative to the 1787 constitution. The great majority of the former revolutionary vanguard, the ideologists of the rights of man for white settlers—people like Samuel Adams and Thomas Jefferson—sided with the Federalists. A Virginia slaveowner and future leader of the republican opposition to the Federalist
government, James Madison, was the brain behind the Philadelphia convention and the adoption of the new constitution.

The planters were later to fall out with the commercial bourgeoisie, when Hamilton’s bold and far-seeing policy of developing commerce and industry showed by its first fruits that the planters were eventually to become subordinate; and then the planter ideologists [Jefferson and Madison], seeking the agrarian masses as allies, reverted to the democratic slogans of the Revolution. But on the main issues against the agrarian masses, the planter ideologists joined the mercantile aristocracy in drafting the Constitution.34

The concessions made by the bourgeoisie to the slaveowners in the constitutional convention included the three-fifths clause giving the South extra representation in Congress, the prohibition on export taxes favoring the staple products of Southern agriculture, the slave trade clause securing them the right to import new slaves for at least twenty years, and the domestic violence clause guaranteeing them federal aid to suppress slave rebellions.35

The standing army and the militias

The Thermidorean reaction in the settler society of North America did not do away with republican institutions as in France. The white farmers and artisans were able to preserve their democratic liberties because the local exploiting classes had limited means of coercion at their disposal. At the conclusion of the Revolutionary War the Continental Army, set up to support the militia forces in the War of Independence, was disbanded, and the second amendment to the Constitution secured the right of citizens to bear arms in order to protect their rights. During most of the nineteenth century the standing army was relatively very small. Largely located in Western frontier posts, its main role was to assist the Western settler in the process of ethnic cleansing. It was re-established during times of conflict such as the Mexican War (1846–48), but by 1860 there were still 16,000 men in the US Army. During the Civil War it grew to over 1,000,000 but by 1875 it fell again to 25,000.

In the countries of continental Europe, historically burdened with huge standing armies, the revolutionary bourgeoisie and later the labor movement traditionally supported the militia system.36 In the United States, where this democratic measure was implemented during the American Revolution, the bourgeoisie gradually deprived the militia system of its revolutionary content long before the transition to imperialism gave rise to its monstrous military establishment, as testified by the traditional hostility of the American labor movement to the militia, from the first Workingmen’s Parties in the 1820s
to the Trotskyist parties in the twentieth century. The SWP publicist George Novack wrote in a 1938 review article on the militia:

These facts prove, beyond a doubt, that the National Guard, although supported by taxes wrung from the workers, is never the protector, but essentially the suppressor, of the rights of labor. The state officials who call out the National Guard aim to break the militant action of the workers for the bosses. They are greater and more dangerous strikebreakers than the thugs hired from private detective agencies.37

It should be pointed out, however, that this subject has been the object of furious polemics among American revolutionaries. For instance, in the founding convention of the Industrial Workers of the World, held in Chicago in 1905, a resolution on militarism was introduced denying membership to any person joining the militia. Delegate Murtaugh criticized the proposed resolution in the following words:

I believe the passage of that resolution by this convention would be a mistake, because it would be denying ourselves the use of the very weapon that we may have to use in order to emancipate the working class. The hope of Russia to-day, and the only hope of Russia to-day, is that the army of Russia may be permeated with the spirit of revolution. The thing that made the French revolution successful was the fact that the army in France at that time was permeated with that spirit. The reason for the outrages in Colorado was that we did not have men with the right spirit in the militia in Colorado. You allow the government to organize the other fellow against you, arm him with a superior weapon, and you become almost absolutely helpless. When we have sense enough to go into the militia as a body you will find that the other fellow will be opposing us in our attempt to do that, and we should not add our own opposition to it. I wish that every workingman in the United States, every member of organized labor at least in the United States, was also a member of a militia company and was armed with the best weapons known.38

Proslavery Populism

The Thermidorean coalition that enacted the 1787 Constitution eventually broke up because the Hamiltonian program leaned too heavily upon the Northern bourgeoisie for the slave-holders’ taste. In Guizot’s words, the Hamiltonian system “fortified the central government by rallying around it the capitalists, and by giving it powerful means of influence over them and through them.”39 The agricultural population had to pay most of the bill for Hamiltonian measures—such as the federal assumption of state debts and the payment of the federal debt titles at their nominal value, revenue tariffs and the chartering of a federal bank—in the shape of increased taxation.
The Southern slave-owners were also incensed by the clause in Jay’s Treaty, concluded in 1794 between the United States and Great Britain, providing for the payment of their pre-revolutionary debts to British merchants. The Federalist rejection of the mutual defense treaty with France and the repression of the American supporters of the French Revolution (the Alien and Sedition Acts of 1798), also served the interests of the bourgeoisie, largely mercantile in character and historically linked to the English capitalists. The historical task of Jeffersonian Republicanism was to organize yeoman discontent in the North and West and capitalize it politically in the interest of the Southern planter class. The slave-owners, represented by Jefferson and Madison’s Republican Party, were compelled to resort to Populist policies in order to keep together their anti-bourgeois coalition with the yeoman farmers.

Plebeian coalitions led by pre-capitalist dominant classes, with their inevitable mixture of progressive and reactionary aspects, were not an uncommon phenomenon in European history. In Russia, for example, the nucleus of the liberal party (the so-called Cadets) was formed, according to Kautsky, “by the large-scale landowners, as distinct from the latifundia owners, i.e., precisely that class against which liberalism in Western Europe directed its principal efforts.” Much like in the United States, it was easier for the landowning gentry to join the opposition because it came into direct conflict with the proletariat less frequently than did industrial capitalists in the cities. “As long as the peasantry remained calm, the Russian landowner could afford the luxury of liberalism, just as English Tories and some Prussian Junkers had permitted themselves the aura of friendliness towards their work force at the beginning of industrialization.”

In a similar way, the Southern slave-owners could play a paternalist role towards Western yeomen farmers and Northern urban workers as long as abolitionist agitation and slave rebellions remained marginal phenomena. And just as the Prussian peasants, subjected to semi-feudal exploitation, had to pay the price of the “philanthropic” stance of the Junkers, the black slaves in the United States paid the price of the “Populist” stance of the slave-owners.

The most popular political leaders of proslavery Populism were the presidents Thomas Jefferson and Andrew Jackson; its most important ideologist was John Taylor of Caroline, who in 1810 owned 145 slaves in his Virginia and Kentucky plantations. Taylor was one of the ideological representatives of the slave-holding class at a period in which the American bourgeoisie was making, through the Hamiltonian program, its first, as yet timid steps in the process of primitive accumulation—hence his diatribes against “legal frauds” and “paper systems” such as banking, funding, tariffs, and federal taxation. From his analysis of the rise of the English bourgeoisie, Taylor drew an interesting political conclusion:

The question is, whether the landed interest in the US as it cannot constitute an aristocratic order between a king and the people, had not better unite with the other popular interests, to strangle in its cradle an infant visibly resembling this terrible giant.

Settler colonialism and the bourgeois revolutions
Clearly, by “landed interest” Taylor meant the interests of the slave-owning class, whom he urged to make an alliance with the yeomanry against the ambitions of the Northern capitalists: “The landed interest,” he insisted, “has no alternatives, under our circumstances, but that of supporting an equal, free government, or becoming a slave to the system of paper and patronage.” Hence his insistence on presenting himself as the representative of the “agricultural class,” and in addressing his “fellow laborers” to denounce “the folly of starving this useful infant [agriculture], to fatten the pernicious legal infant called capital.”

The bill for this alliance was to be footed, according to Taylor, by the slaves. “Negro slavery” was “a misfortune to agriculture, incapable of removal, and only within the reach of palliation.” The first thing slave-owners had to do to “palliate” the situation of the slaves was to impede the development of “a free Negro or mulatto class,” which he compared to the “stock-jobber or capitalist class,” because both were (unlike the slave-owners) “unproductive classes living upon agriculture.” Unfortunately, Taylor argued, the exactions of the slave-owners were rendered useless by the ideas excited in the French Revolution; by the example of St. Domingo; by the lure of free Negroes mingled with slaves; and by the reproaches to masters and sympathies for slaves, breathed forth from the northern states. Sympathies, such as if the Negroes should transfer their affections from their own species to the baboons.

Under impressions derived from such sources, he bemoaned, “the justest punishment will be felt as the infliction of tyranny, and the most liberal rewards, as a niggardly portion of greater rights. For where will the rights of black sans culottes stop?” But there were practical solutions at hand, for instance “a law, compelling the sale of every Negro who should run away or be convicted of theft, out of the state, or at a considerable distance from his place of residence.”

Following the course charted by Taylor, Jefferson reduced taxation and the public debt, and contrary to his supposedly “states’ rights” ideology but very much in tune with the interests of the slave-owners, embarked on a policy of expansionism that led to the unconstitutional purchases of Louisiana and Florida, and to the ethnic cleansing of most Indian peoples east of the Missouri. The continuous addition of new Western agricultural states to the Union naturally strengthened the Republican Party and led to the gradual disappearance of the Federalist opposition. At the same time, the Jeffersonian embargo and especially the 1812 war with Great Britain provided a new impetus to industrial development and led to the growth of the public debt, strengthening the influence of the capitalist classes on the Republican party and leading to a partial re-enactment of the Hamiltonian program under Republican auspices (rise of the tariff, chartering of the second US bank, federal promotion of internal improvements, etc.).

When the Republican Party proved to be insufficiently committed to the South’s free-trade, low-taxation, slave-catching policies, the Jeffersonian coalition was renewed, with a more urban bias and an appeal to the wage
workers, by the Democratic Party under the leadership of Andrew Jackson, a large slave-owner from Tennessee. The Jacksonian coalition was a motley array of slave-owning amis du peuple, petty bourgeois reformers and panacea-mongers, and bona fide working-class leaders with an inflammatory rhetoric and a middle class program. Hence the contradictory character of its policies: the gradual adoption of white manhood suffrage by the states, the direct election of Presidential electors, and the election of Presidential candidates by nominating conventions, alongside the annexation of Texas and the war waged against Mexico in order to extend slavery. Moreover, the expansion of the white electorate during the Jacksonian era was accompanied by the disfranchisement of blacks in several states. “Jacksonian democracy, the child of Jeffersonian democracy, in fact spelled doom for black voting in Pennsylvania, Tennessee and North Carolina.”

The slave-owners’ tactics were largely successful: not only the small farmers, but prominent labor leaders of the Jacksonian period (such as Wilhelm Weitling and Hermann Kriege), as well as many immigrant workers from Ireland and Germany joined the pro-slavery Democratic Party. For instance Orestes Brownson, a prominent native labor leader born in Stockbridge, Vermont, announced his affiliation to the Democratic Party in 1839, and the following year described the class alignment in American politics as follows:

> The interests of landed property [note the Jeffersonian identification of slave-owners with “landowners” at large] combined with those of labor are now arrayed against the banks generally; but if they are successful, it will not be because the interests of labor count for anything; but because the farming and planting interests are stronger than the mercantile and manufacturing interests. The proletariat, though voters in this contest, serve merely to swell the forces of one or the other party…they will gain, however, if the landed interests triumph.

When the Lassalleans experienced a similar enthusiasm for Bismarck’s quarrels with the German bourgeoisie, Marx reminded them that the Junkers’ income was derived from the crudest and most brutal forms of exploitation, that their critique of capitalism was a reactionary one, and that it was the duty of the revolutionary working-class party to support the historically progressive struggle of the bourgeoisie against pre-capitalist dominant classes while remaining politically independent from the capitalist parties. That was the political line followed by the American followers of Marx such as Joseph Weydemeyer (1818–66), which unfortunately found a greater echo among the skilled and organized German workers than among the masses of largely Irish unskilled proletarians.

**Colonialist expansionism and ethnic cleansing**

The United States eventually became the most “successful”—from the point of view of capitalist development—example of a settlement colony, but
originally the American economic structure had a dual character (half settlement colony and half plantation colony) roughly coincident with the line of demarcation between North and South. That is the reason why the United States underwent two bourgeois revolutions, neither of which totally fits the pattern of the classical bourgeois revolutions in Europe.

In his book *The Development of Capitalism in Russia* Lenin distinguished between the development of capitalism in depth, that is, the further growth of capitalist agriculture and industry in a given territory; and the development of capitalism in breadth, that is, the extension of the sphere of domination of capitalism to new territory—such as when, for instance, the country is undergoing a colonization process. He remarked that, after the abolition of serfdom in 1861, the development of monetary economy changed the character of Russian agricultural colonization, and the settlement of the “outer regions” in the south and the east of European Russia, where commercial crops were grown, led to a more rapid development of capitalism in these regions than in central Russia. Then he added:

The development of capitalism in depth in the old, long-inhabited territories is retarded because of the colonization of the outer regions. The solution of the contradictions inherent in, and produced by, capitalism is temporarily postponed because of the fact that capitalism can easily develop in breadth. For example, the simultaneous existence of the most advanced forms of industry and of semi-medieval forms of agriculture is undoubtedly a contradiction. Had Russian capitalism had nowhere to expand beyond the bounds of the territory already occupied at the beginning of the post-Reform period, this contradiction between capitalist large-scale industry and the archaic institutions in rural life (the tying of the peasants to the land, etc.) would have had to lead quickly to the complete abolition of these institutions, to the complete clearing of the path for agricultural capitalism in Russia. But the possibility (for the mill-owner) of seeking and finding a market in the outer regions in process of colonization, and the possibility (for the peasant) of moving to new territory, mitigated the acuteness of this contradiction and delays its solution. It goes without saying that such a slowing down of the growth of capitalism is equivalent to preparing an even greater and wider growth of it in the near future.\(^51\)

In the United States, too, the expansion of the “frontier” postponed the solution of the economic contradiction represented by the coexistence of slavery in the South with petty and capitalist commodity production in the North and West. Shortly after achieving independence, the United States embarked in a process of colonialist expansionism that led to the annexation, in the first half of the nineteenth century, of the Louisiana Territory (purchased from France in 1803), the Floridas (“purchased” from Spain in 1819), Texas (robbed from Mexico in 1826), the Southwest region between
New Mexico and Utah to the Pacific Ocean (robbed from Mexico in 1846–48), and the Oregon territory, ceded by Britain in 1846. The extent of the public domain acquired by the government between 1781, when the state of New York ceded its western lands to the federal government, and the 1853 Gadsden Purchase was approximately 1,400,000,000 acres—and this figure does not include the vast amount of public lands held by the original thirteen states. Since most of these territories were public property, something akin to land nationalization existed in the United States during the formative period of American capitalism (we will analyze the economic significance of this fact for the development of American capitalism in Chapter 2).

The Southern slave-owners were the leaders of this expansionist policy. The bill for the recapture of runaway slaves, the filibustering expeditions against Cuba, the Dred Scott case, the repeal of the Missouri compromise, the Civil War in Kansas, the physical intimidation of Northern congressmen—these were some of the ways which the slave-owners employed to retain their control of the federal government. As Marx wrote on October 11, 1861: "The progressive abuse of the Union by the slave power, working through its alliance with the Northern Democratic party, is, so to say, the general formula of the United States history since the beginning of this century." The Republican senator and later secretary of state William H. Seward put it this way in his "irrepressible conflict" speech:

Did any propertied class ever reform itself? Did the patricians in old Rome, the noblesse or clergy in France? The landholders in Ireland? The landed aristocracy in England? Does the slaveholding class even seek to beguile you with such a hope? Has it not become more rapacious, arrogant, defiant?

It would be however incorrect to state that the slaves footed the bill for the slave-owners-farmers’ alliance. If the African-Americans paid for triumphal march of the “frontier” westwards with the horrors of the internal slave trade, the break-up of their families, and increased exploitation, the Native Americans did it with their lives. The whole Indian policy of the American state from its establishment to the Wounded Creek massacre in 1890 was at bottom a drawn-out campaign of ethnic cleansing and extermination.

The father of this policy was none other that the “anti-capitalist” opponent of Hamilton and most prominent ideologist of American democracy: Thomas Jefferson. “The federal policy of removal—voluntary or involuntary—as the solution for dealing with Indians who rejected ‘civilization’ or waged war on the United States was established by Thomas Jefferson.” During his presidency close to 200,000 square miles of Indian Territory were purchased in nine states.

The land thus acquired far exceeded the immediate needs of the expanding white population or the desires of the Native Americans to divest themselves of hunting grounds in order to take advantage of the
civilization program. When one looks at the location of the tracts secured, one realizes that for the most part they were chosen primarily to clear Indians from the banks of the great rivers, the Ohio and the Mississippi, and to compress the eastern tribes into an interior region west of the Appalachians and east of the Mississippi, where they would be easier to dominate. It was essentially a military strategy: secure the supply lines and encircle the enemy.56

Jefferson thus paved the ground for the wholesale ethnic cleansing of the Native Americans east of the Mississippi carried out by his disciple and fellow slave-owning champion of “democracy,” Andrew Jackson. Jackson was responsible for the passing of the Indian Removal Act of 1830, which led to the transfer of the Native Americans—especially the Southern tribes—from their ancestral lands east of the Mississippi river to an “Indian territory” in Oklahoma.

The Indian territory (as did other reservations) became a vast, poverty-stricken concentration camp for dispossessed Native Americans, administered by a federal bureaucracy—the Bureau of Indian Affairs, created by Jackson’s presidential directive—that largely controlled the local bureaucracy, the local police and the local schools.57

The most infamous episode in this ethnic cleansing campaign was the trans-Mississippi removal of the Cherokees in 1838, known as the Trail of Tears.58

In the transferist mind of white America, the idea of solving social problems by the physical removal of undesirable races was widespread and termed “colonization.” Just as the Indians were “colonized” west of the Mississippi, white settlers wanted to get rid of black freedmen by “repatriating” them to Africa. “Benevolent” associations were formed for that purpose, bearing names such as the American Colonization Society. As a result of that policy, a colony was founded in West Africa by former American slaves in 1820, which eventually became the nation of Liberia.

The Civil War

By the middle of the nineteenth century, the development of the productive forces had completely transformed the anatomy of the major classes of American society: the place of the old tobacco and rice slave-holders of the coast at the helm of the slave-owning South had been seized by the new aggressive cotton and sugar slave-owners of the Southwest; the supremacy in the North had passed from the old merchant bourgeoisie to the new industrial bourgeoisie which had forged, through the canal and railroad network, new economic links with the North-western farmers; the Western farmers themselves were seeing their efforts to pass free homesteads and internal improvements legislation thwarted by the planters who had formerly led the process of colonialist expansionism; finally, a growing class of wage-earners, composed mostly of immigrants, was replacing
the artisan class of the revolutionary period. The growing economic and demographic superiority of Northern bourgeois society was not paralleled by a corresponding growth of its political power. As the phrase of the day went, in the interregnum between the American Revolution and the Civil War, the slave-owners were fighting a losing battle against the census returns. The conflagration, sparked by the economic crisis which began in 1857, began as a clash between petty-bourgeois small farming and pre-capitalist slave agriculture, as witnessed by the fact that the Republican party was originally a Homestead rather than an Abolition party.

At first the best representatives of the rural middle class tried to carry out the revolution on their own by means of the method of struggle typical of the revolutionary petty bourgeoisie: *foquismo*. In his autobiography Frederick Douglass reports a conversation with the revolutionary terrorist John Brown, whose political views had been shaped by the struggle of the Abolitionists and Free Soilers against the Border Ruffians in Kansas, where Brown outlined his plans to set up abolitionist guerrillas in the Allegheny Mountains of Virginia and Maryland. The passage reads like a page from Che Guevara’s Bolivia diary in its advocacy of guerrilla warfare:

> I know these mountains well, and could take a body of men into them and keep them there despite of all the efforts of Virginia to dislodge them. The true object to be sought is first of all to destroy the money value of slave property, and that can only be done by rendering such property insecure. My plan, then, is to take at first about twenty-five picked men, and begin on a small scale—supply them with arms and ammunition and post them in squads of fives on a line of twenty-five miles. The most persuasive and judicious of these shall go down to the fields from time to time, as opportunity offers, and induce the slaves to join them, seeking and selecting the most restless and daring.⁵⁹

John Brown’s raid on Harper’s Ferry (October 17, 1859) failed to reach its immediate objective of arousing the slaves to armed action, but his martyrdom provided the catalyst for the outbreak of the Civil War. Longfellow wrote in his diary on the day of the hanging:

> This will be a great day in our history; the date of a new Revolution—quite as much needed as the old one. Even now as I write, they are leading old John Brown to execution in Virginia for attempting to rescue slaves! This is sowing the wind to reap the whirlwind, which will come soon.⁶⁰

Ralph Waldo Emerson said that if Brown were hanged, he would make the gallows as glorious as the cross.

John Brown had pondered the history of Toussaint L’Ouverture in Haiti; and of Gabriel Presser, Denmark Vesey, and Nat Turner [three famous leaders of slave rebellions] in the United States. If he overestimated the
strength of the infant Negro organization of his day, he was only before his time. Only one volunteer came down to the Ferry from his Chatham convention. But soon others would be Union Army officers, and later yet, Congressmen in the Reconstruction.61

On January 11, 1860 Marx described the Civil War to Engels as “the movement of the slaves in America started by the death of John Brown” and called it the most important event of its age together with the abolition of serfdom in Russia.62

The Republican Party, which seized federal power in the aftermath of the 1857 economic crisis, provided a bourgeois leadership to the abolitionist movement. But the character of the Civil War as a bourgeois revolution does not mean that the bourgeoisie bore the brunt of the military effort—quite the contrary. The first federal conscription measure in America’s history permitted wealthy people to buy themselves out of military service by paying a $300 commutation fee. This blatant instance of bourgeois cowardice led to the New York draft riots of July 1863, which degenerated into racist pogroms instigated by elements affiliated to the Democratic Party, resulting in the killing of more than a hundred people. Congress finally repealed the $300 clause but still allowed people to send substitutes. While the bourgeois were waging their battles in Congress to save their white skins, 186,000 Afro-Americans were finding their way to the lines of the Union army, of which 38,000 would eventually die in battle.63 The number of casualties, leaving aside the financial costs, was three times higher than the number of people for the sake of whose human property the war was fought: 622,511 dead and 381,881 wounded in a conflict involving 300,000 slave-owners.

From an international point of view, the Civil War was also a struggle for the control of the American market between the Northern capitalists and the British bourgeoisie. The attempts of the English ruling classes to intervene on behalf of the Southern slave-owners failed because of the determined opposition of the British working class, which demonstrated en masse against the intervention.64 By freeing the Union from the shackles of slavery, the Civil War opened the road for the rapid development of industrial capitalism in the United States. But its historical significance goes beyond that. In the words of Marx: “As in the eighteenth century the American War of Independence sounded the tocsin for the European middle class, so on the nineteenth century the American Civil War sounded it for the European working class.”65 The Civil War preceded and to a certain extent inspired the Paris Commune of 1871.

The Southern restoration

The Civil War produced a massive shift of economic and political power in favor of Northern capitalism. The main revolutionary measure implemented by Congress was the abolition of slavery without compensation: the 4 million slaves represented about $3 billion of property, or 44 percent of all wealth in
the major cotton-growing states of the South in 1859. It is not surprising therefore that Richard Taylor, a Louisiana planter returning home in December 1865 after four years as an officer in the Confederate army, found that “the [French] Revolution of 1789 did not produce a greater change in the ‘Ancien Regime’ that had this in our social life.” In addition, the Republican Congress enacted a whole series of bourgeois democratic reforms:

Higher tariffs to foster industrial development; national banking acts to restore part of the centralized banking and monetary structure destroyed in the 1830s by Jacksonian Democrats; land grants and government loans to build the first transcontinental railroad; a homestead act to grant 160 acres of government land to settlers; and the land-grant college act of 1862, which turned over federal land to the states to provide income for the establishment of state agricultural and vocational colleges, which became the basis of the modern land-grant state universities.

Yet those measures by no means represented the ultimate goal of the revolutionaries during the Civil War: Marx wrote in 1866 that the United States was only then entering the revolutionary phase. Once the minimum tasks of the Civil War as a bourgeois revolution were achieved, the revolutionary forces split. While most of its leaders, including Lincoln himself, declared themselves satisfied with the formal emancipation of the slaves, and hoped for the rapid restoration of white rule in the latifundia-ridden South to the Union, the goal of the consistently revolutionary wing of the Northern bourgeoisie, the Radical Republicans, was to re-create as far as possible in the South the rural social relations that had been so favorable to capital accumulation in the North by confiscating the land of the ex-slave-owners. Though they succeeded in securing the passage of constitutional amendments granting civil and political rights to the freedmen, they failed to carry out the most important bourgeois-democratic demand: agrarian reform.

The American bourgeoisie was unable to carry the bourgeois-democratic revolution in the South to completion because of the threat that land confiscation represented to the security of all forms of private property. The Civil War took place at a late stage of the bourgeois revolutionary cycle, after the bourgeoisie had already betrayed a whole series of revolutionary opportunities (notably the European revolutions of 1848–50) due to the advanced state of class differentiation within the “third estate” between the industrial bourgeoisie and the proletariat. By 1860, about 40 percent of the American workforce was employed for wages. This proletarian class was heavily concentrated in the North. The Northern bourgeoisie therefore exerted all its influence on the Republican Party in order to stop the revolution in the South after the fulfillment of the minimum program.

This line was clearly reflected in the bourgeois press. Peter Kolchin found that “the great majority of business papers that had anything at all to say on the subject of Reconstruction were decidedly hostile to the Radicals.”
The July 9, 1867 issue of the *New York Times* explained the nature of the conflict over Reconstruction in the following words:

If Congress is to take cognizance of the claims of labor against capital...there can be no decent pretense for confining the task to the slaveholder of the South. It is a question, not of humanity, not of loyalty, but of the fundamental relation of industry to capital; and sooner or later, if begun at the South, it will find its way into the cities of the North...An attempt to justify the confiscation of Southern land under the pretense of doing justice to the freedmen, strikes at the root of all property rights in both sections. It concerns Massachusetts quite as much as Mississippi.71

On June 21, 1871 the *New York Tribune* noted that there were 6,000 native adult whites in Georgia who cannot read or write, and if to them were added the whole bulk of the negro population, so vast a mass of ignorance would be found that, if combined for any political purpose, it would sweep away all the opposition the intelligent class might make. Many thoughtful men are apprehensive that the ignorant voters will, in the future, form a party by themselves as dangerous to the interests of society as the communists of France.72

As a result of those fears, the bourgeoisie finally reached a deal with the ex-slave-owners by which the latter agreed to recognize its political supremacy and retained most of their landed property. The basis of this agreement was the maintenance of racial caste system which for more than eighty years kept the majority of blacks in the status of semi-feudal sharecroppers.

But in spite of the betrayal of the freedmen by the bourgeoisie, the Civil War had a deeply revolutionary impact on the economic and political life of the settler society in North America. The average size of Southern farms declined drastically in the decades after the Civil War as many bankrupted ex-slave-holders were forced to sell at least part of their estates.

During the decade that followed the election of Lincoln, the size of the average farm in the ten cotton states fell from about four hundred acres to two hundred and thirty; while the number of freeholds embracing a hundred acres or less rose from three hundred and thirty thousand to five hundred and seventeen thousand. In the next thirty years the number of farms south of the Potomac and Ohio River line doubled in every state except Arkansas and Louisiana.73

The number of farmers also increased rapidly due to the passage of the Homestead Act of 1862 granting land to Western settlers, which accentuated the petty-bourgeois character of the settler society in North America. At the same time, by inducing more colonialists to settle in the West, the Civil War helped complete the process of dispossession and extermination of the Native Americans. In 1860 there were approximately 300,000 Native Americans...
living mostly west of the Mississippi river, of which less than a quarter of a million remained by the time of the 1900 census, while the total population grew from 31 million in 1860 to 76 million in 1900.\textsuperscript{74}

The ideology of white supremacy thus survived the abolition of slavery not only because of the Southern restoration but also due to the continuation of the colonization process. The American military government over the Cubans, Puerto Ricans and Filipinos inaugurated at the turn of the century would greatly strengthen the racist stereotypes on which the national settler colonialist ethos was based—a racist ethos which found a classical expression in the work of Roosevelt's \textit{The Winning of the West}:\textsuperscript{75}

\begin{quote}
The most ultimately righteous of all wars is a war with savages, though it is apt to be also the most terrible and inhuman. The rude, fierce settler who drives the savage from the land lays all civilized mankind under a debt to him. American and Indian, Boer and Zulu, Cossack and Tartar, New Zealander and Maori,—in each case the victor, horrible though many of his deeds are, has laid deep the foundations for the future greatness of a mighty people. The consequences of struggles for territory between civilized nations seem small by comparison. Looked at from the standpoint of the ages, it is of little moment whether Lorraine is part of Germany or of France, whether the northern Adriatic cities pay homage to Austrian Kaiser or Italian King. But it is of incalculable importance that America, Australia, and Siberia should pass out of the hands of their red, black, and yellow aboriginal owners, and become the heritage of the dominant world races.\textsuperscript{75}
\end{quote}

With the turn to imperialism at the end of the nineteenth century, bourgeois historians began to minimize the revolutionary character of the American Revolution and the Civil War. This trend was best described by the ideologist of early American communism, Louis Fraina:

\begin{quote}
The dominant class increasingly rejected the older ideals of liberty and democracy, while imperialism made the United States an international reactionary force instead of a progressive one. Sam Adams, the organizer of the American Revolution, has long since been thrust into obscurity. Now they “reinterpreted” Reconstruction, which offers the proletariat an example of dictatorship and force, and blackened the character of Thaddeus Stevens, the most revolutionary and implacable enemy of slavery. Yet they cannot alter the indisputable historical fact: the American bourgeoisie rose to power by means of one revolution and consolidated that power by means of another.\textsuperscript{76}
\end{quote}

In this chapter we have tried to show the place of the American Revolution and the Civil War in the cycle of bourgeois revolutions, while emphasizing their racist peculiarities born of the colonialist origins of the country. In our next chapter we will abstract from this background of genocide and focus on the peculiarities of capitalist development within the settler colonialist society in North America—more specifically, on the impact of the land tenure regime on the process of capital accumulation.
According to historical materialism, the basis of historical evolution is the growth of the productivity of labor through technological development. But this development assumes a peculiar form under capitalism: in the words of Bukharin, the evolution of the productive forces assumes in capitalist society the form of the accumulation of capital. Hilferding put it even more epigrammatically: "Capitalist development is the accumulation of capital." An analysis of the reasons for the rapid development of the United States before it embarked in its current imperialist phase should therefore pose the question as follows: how did the social relations of production prevalent in North America before the twentieth century influence the process of capital accumulation?

American capitalism and the Russian revolution

The development of American capitalism was a subject of profound interest for Lenin, who made his analysis of what he called “the American path of bourgeois development” the basis of the Bolshevik agrarian program until the revolution of February 1917. The central point of Lenin’s analysis was that ground rent is a fetter to capital accumulation, which seriously retarded the development of capitalism in Europe but hardly existed during the first three centuries of American history. In order to understand the reasons for Lenin’s concentration on this subject, it is necessary to recall briefly the major theoretical differences between the main currents of the Russian Social-Democracy.

The Narodniks, in the wake of the Slavophiles, proceeding from illusions concerning the absolutely original paths of Russia’s development, had refused to recognize any specific social content in the impending revolution, thus labeling it simply “democratic.” The founder of Russian Marxism, Plekhanov, convinced of the identity of the historical paths of Russia and the West, characterized it as bourgeois, arguing that political freedom was to be achieved in Russia by the proletariat in alliance with the liberal bourgeoisie, and that the Russian revolution could not possibly aspire to overthrow capitalism given the low level of development of the productive forces. Only after the triumph of the bourgeois revolution and a more or less prolonged period of capitalist development would the proletariat be able to carry out the socialist revolution against the bourgeoisie.
The theory of permanent revolution (so-called after the designation Marx gave it in his Address to the Central Committee of the Communist League\textsuperscript{79}), linking the minimum program of democratic political and social reforms attainable within the framework of capitalist society with the maximum program demanding the expropriation of the bourgeoisie and the socialization of the means of production, was re-discovered as a result of the 1905 Russian revolution by a series of prominent Marxist theoreticians such as Karl Kautsky, Rosa Luxemburg, and Franz Mehring. But within the Russian Social Democracy this perspective was represented before 1917 by only a tiny tendency led by Leon Trotsky, who rejected the limitation of the Russian revolution to bourgeois demands and upheld the idea that the dictatorship of the proletariat could be established in backward Russia, where serfdom was abolished as late as 1861. Trotsky argued that the peasantry, geographically dispersed and politically inarticulate, was incapable of playing an independent political role: it could only come to power under the leadership of the revolutionary section of the urban population. Since the Russian bourgeoisie had shifted to the camp of counter-revolution, only the industrial proletariat, numerically small but highly concentrated and class-conscious, could provide this leadership. Once in power, Trotsky continued, the proletariat would be compelled to go beyond the democratic tasks and place collectivism on the order of the day: the Russian revolution could therefore triumph only as a socialist revolution. The survival of a worker’s government established on such primitive economic basis would ultimately depend on the success of the socialist revolution in the West.\textsuperscript{80}

Lenin adopted an intermediate position between Plekhanov and Trotsky, advancing the agrarian question as the central problem of the Russian revolution, and land nationalization as the main demand of the Bolshevik fraction, but opposing the wholesale collectivization of the means of production. The aim of the Russian revolution, he argued, was to create the best possible conditions for the development of capitalism. The bourgeoisie, however, was incapable of undertaking this task because the relatively high level of class differentiation within the Third Estate had led to the reactionary degeneration of liberalism. The urban petty bourgeoisie, in turn, was too weak to play the role it played in Paris during the French Revolution. Since the bourgeoisie, out of fear of the mass struggle, was ready to reach a compromise with the landowners and the Tsar in order to develop Russian capitalism along Prussian lines (i.e. to betray agrarian reform), Lenin counterpoised to Plekhanov’s idea of an alliance between the proletariat and the bourgeoisie the slogan of an alliance between the proletariat and the peasantry. These two classes, upon seizing power, would establish a joint “democratic dictatorship,” proclaiming the republic, the eight-hour work day and the most radical agrarian reform (including land nationalization), thus clearing the way for Russia to follow what Lenin called “the American path of bourgeois development.” They would, moreover, carry the revolution to the West, where it would assume a socialist character. But because the peasantry would play the leading role in the revolutionary government, in Russia the revolution would stop short of socialist demands and restrict itself to clearing the ground for the most rapid development of bourgeois society along US lines.
In the exhilarating atmosphere of the First Russian Revolution Lenin sometimes made statements that went beyond that schema. For instance, in an article dated September 1905 he wrote:

> From the democratic revolution we shall at once, and precisely in accordance with the measure of our strength, the strength of the class-conscious and organized proletariat, begin to pass to the socialist revolution. We stand for uninterrupted revolution. We shall not stop half-way.81

But for all the insights they provide into the dynamics of Lenin's thought, those were no more than outbursts of enthusiasm that contradict the official statements of Bolshevik policy, as elaborated in Lenin's theoretical writings of the pre-1917 period.

The course of the February revolution in 1917 did not fit with that schema. It did not lead to the establishment of a “democratic dictatorship” but to a regime of double power in which a bourgeois government was confronted with the power of the workers’ and soldiers’ soviets led by the Social Revolutionaries and the Mensheviks. Lenin rearmed the party with his 1917 April Theses, setting before it the perspective of seizing power and establishing the dictatorship of the proletariat in the immediate future—thus virtually endorsing the theory of permanent revolution and paving the way for the incorporation of Trotsky and the other members of the Inter-District organization to the Bolshevik Party. But in the intervening years Lenin tried to substantiate the historical perspective he had set at the basis of the Bolshevik program by means of a study of the influence of land nationalization on the development of American capitalism.

**The Prussian vs. the American path of bourgeois development**

In his revision of the Social Democratic agrarian program, Lenin distinguished between what he called the “Prussian path of capitalist development,” in which pre-capitalist latifundia were preserved, gradually substituting bourgeois for feudal or slave methods of exploitation, and the “American path,” characterized by the development of capitalist farming based on wage labor out of petty-bourgeois agrarian commodity production, as in the American North and West. In order “to facilitate the development of the productive forces (this highest criterion of social progress),” he argued, “we must support not bourgeois evolution of the landlord type, but bourgeois evolution of the peasant type.”82 The conflict between peasants and landlords was a struggle for the American type of bourgeois development as against the Prussian, Junker type of bourgeois development:

> The more land the peasants received when they were emancipated [a reference to the abolition of serfdom in Russia in 1861], and the lower the price they paid for it, the faster, wider, and freer would have been the
development of capitalism in Russia, the higher would have been the home market, the faster would have been the introduction of machinery into production; the more, in a word, would the economic development of Russia have resembled that of America.83

Yet what Lenin called the “clearing of estates” for capitalism by the peasantry, that is, the confiscation of the pre-capitalist estates and the temporary renovation of small farming under capitalism, did not exhaust the content of the bourgeois-democratic revolution. For Russian capitalism to achieve “American rates of development” it was necessary to advocate the nationalization of the land: that was the basis of the Bolshevik agrarian program and its most radical social demand until April 1917. Land nationalization would abolish absolute rent, remove obstacles to the investment of capital in agriculture, eliminate parasites like landowners and usurers, accelerate the accumulation process, and raise the class struggle to a higher plane.

Marx allowed the possibility of, and some times directly advocated, the nationalization of the land, not only in the epoch of the bourgeois revolution in Germany in 1848, but also in 1846 for America, which, as he most accurately pointed out at that time, was only just starting its “industrial” development.84 The experience of various capitalist countries gives us no example of the nationalization of the land in anything like its pure form. We see something similar to it in New Zealand, a young capitalist democracy, where there is no evidence of highly developed agricultural capitalism. Something similar to it existed in America when the government passed the Homestead Act and distributed plots of land to small farmers at a nominal rent.85

In order to substantiate his analysis of the “American path of bourgeois development” Lenin made a special study of American agriculture, based on the 1900 and 1910 census returns. He distinguished between three main sections: the industrial North, where an intensive agriculture was practiced with high levels of investment, employment of wage labor and production for the market, though the farm acreage had been decreasing since 1880 “under the impact of competition from the free lands of the West (i.e. free from ground rent, from tribute to the landowning gentry)”;86 the former slave-owning South, where there had been an enormous decrease in the average acreage per farm in the decades immediately following the Civil War and the slave-holding latifundia were in process of breaking up; and the homestead West.

The West is a solid homestead area, where unoccupied land is given away practically free in a democratic manner (I nearly said: in a Narodnik manner; the American republic has implemented in a capitalist way the Narodnik idea of distributing unoccupied land to all applicants).87
In common with the rest of the theoreticians of the Second International, Lenin took for granted the Indian genocide and its legacy of racism, concentrating instead on the economic aspects of the colonization process. He emphasized time and again that “the peculiar characteristic of the USA” was “the absence of private property in land” in the huge public domain, and that “the availability of unoccupied, free land” explained “the extremely rapid and extensive development of capitalism in America.”

A full understanding of Lenin’s analysis of the American path of bourgeois development requires an acquaintance with certain aspects of Marxist economic theory, such as the relationship between commodity production and wage labor, and the classical theory of ground rent, to which we now turn.

**Simple commodity production and capitalism**

According to Marx, capitalism is that stage in the development of commodity production at which not only the products of human labor, but human labor-power itself becomes a commodity. Thus, in the historical development of capitalism, two stages are especially important: the transformation of the natural economy of the direct producers into commodity production through the development of the social division of labor and the specialization of the isolated producers into only one branch of industry; and the transformation of commodity production into capitalist production by the conversion of independent producers into wage-workers.

One of the main peculiarities of the American colonization was the petty-bourgeois regime of land tenure. On the basis of the first US survey of landed property, Lee Soltow has shown that in 1798 half of America’s free (overwhelmingly white) males 21 and older owned real estate—a percentage which was roughly maintained for the next half century.

> The extent of landownership was America’s outstanding achievement. Half of the free males 21 and older owned land. The proportion owning property was 29 percent in Sweden, 24 percent in Denmark, about 10 percent in England, and only 3 percent in Scotland.

As late as 1870 the percentage of real property holders in the settler society of North America was 43 for whites and 39 for both blacks and whites.

A second peculiarity of American agricultural colonization was the relatively early development of a monetary economy. Due to its leadership of European industrial development, Britain was able to provide its colonies with both a large market for their agricultural products and adequate commercial facilities (cheap shipping and insurance, credit, etc.); that is, to make their economic activities part of the international division of labor to a larger extent than the Spanish and Portuguese colonies in Latin America. As Adam Smith remarked in 1776: “In the disposal of their surplus produce, or of what is over and above their own consumption, the English colonies have been more
favored, and have been allowed a more extensive market, than those of any other European nation.”

As a result of this, “as early as 1740, taxes in the colonies were no longer paid in kind (produce) but in money, i.e., there existed a money economy based on production for the international market.”

The fact that the numerically strong colonialist farmers were petty commodity producers facilitated the development of American capitalism, because simple commodity production is both the logical and the historical precondition for the development of commodity production based on wage labor. Of course, commodity production per se is not a sufficient condition for the development of capitalism, as the example of the slave south eloquently testifies: the fundamental criteria in judging a social formation are the relations established in the sphere of production (this point will be developed in Chapter 3). The transformation of the petty commodity producers into capitalist commodity producers was accelerated by the presence of democratic republican state institutions for the settlers. The absence of monarchy, nobility, an established church, and a standing army, made the tax burden on production very low for European standards, creating the ideal conditions for the rapid development of accumulation.

The Marxist theory of rent

Capitalism first developed in the cities and gradually spread out to the countryside by waging a struggle against pre-capitalist forms of landed property, which it remolded in its own image. This process led to the gradual removal of all legal distinctions between commodity producers, of all restraints to the commercialization of land, and to the introduction of the conditions necessary for the growth of rural wage labor and for the free movement of capital between industry and agriculture. The renovation of social relations in the countryside (agrarian reform), and of the corresponding political superstructure (national unity within the framework of a republic or constitutional monarchy), were the main tasks of the bourgeois revolutions both in Europe and in the United States, with one major difference: that the “renovation” of agrarian social relations by the American bourgeois revolutions took place against the background of a three-centuries-long Indian Holocaust.

But even private property in land refashioned by the bourgeoisie is an obstacle to capitalist development, because whereas the capitalist is a necessary agent of the capitalist mode of production, the landowner is superfluous. Useful as the cupidity of the landowners was to expel the tenants from the land and to create the nucleus of a modern proletariat, when the capitalist mode of production penetrated the countryside it was compelled to pay a tribute to the owners of the land in the form of ground rent. In other words, private property in land represents a barrier to the development of capitalism because the landowners only agree to its productive use after appropriating part of the mass of surplus value available for accumulation. This is true even in those cases were land is bought by the actual tillers of the soil, because
ground rent is paid as a lump sum in the form of land prices, which is a
superfluous expenditure from the point of view of capitalist production (since
land is not a product of human labor, it cannot have a value; land prices are
therefore but ground rent capitalized at the current interest rate).

The source of modern agricultural ground rent lies in the fact that
capitalists can make a surplus-profit in addition to their normal profits. In
agriculture surplus-profit originates in the unequal productivity, the more or
less favorable location, and the more or less intensive cultivation of different
types of soils. This unequal productivity has a basis in natural conditions, and
given a certain level of technological development, it is a fixed magnitude.
The prices of agricultural products are determined by the conditions of pro-
duction not on the average soil, but on the worst soil, because the produce
from the best soil alone is insufficient to meet the demand. The surplus
profits arising from the cultivation of fields more fertile, better located, or
more intensely cultivated than the marginal land are pocketed by the
landowners in the form of ground rent (under normal circumstances, capital-
ists will not invest in agriculture unless they obtain the average rate of profit).
Marx called this kind of rent differential rent, to distinguish it from that rent
appropriated by the landowners even in the worst soils and based on their
monopoly of landed property. Differential rent springs from the limited
nature of land, quite irrespective of what the form of landownership is, and it
continues to exist even if the land is nationalized: it can be eliminated only
by abolishing commodity production—that is capitalism itself. Land nation-
alization results in its transference to the state, thus diminishing the burden
of taxation on production and accelerating the rate of capital accumulation.

Marx, unlike Ricardo, argued that prices are only indirectly determined by
values, and that the formation of an average rate of profit brings about a devia-
tion of production prices from the values of commodities. Whereas the value of
a commodity is determined by the amount of socially necessary labor time
invested in its production, its price of production is determined by its cost of
production plus the average rate of profit. As agriculture has historically been
on a lower technical level than industry, as the composition of agricultural cap-
ital has been marked by a larger proportion of variable capital (wages) than the
social average, the proportion of surplus value contained in agricultural products
has been traditionally higher than in the industrial products, and therefore the
former should have been sold at production prices lower than their values.

Private ownership of land, however, has enabled landowners to retire from
cultivation those lands that produced no ground rent and demand the pay-
ment of a rent even for the worst soil. In this way, private property in land
has caused agricultural products to be sold, not at the highest prices of pro-
duction, but also at the still higher individual values in order to yield an
additional surplus profit. This additional surplus profit does not arise from
the higher productivity of certain forms of agricultural labor as differential
rent does, but through a deduction from the available mass of value, implying
a diminution of profit, a deduction from wages, or a combination of both,
as well as a slowing down of the accumulation process. Marx called this second form of ground rent *absolute rent*.

Absolute rent is therefore a category of income that contains an element of monopoly price and produces a rise in the price of agricultural products at the expense of industrial profit. Private property on land creates a monopoly having nothing to do with the capitalist mode of production, which can exist on nationalized land. The non-capitalist monopoly created by the private ownership of land hinders the free investment of capital and, if the organic composition of agricultural capital is lower than the average, the leveling of the disproportionately high agricultural profit. Whereas differential rent is an inevitable feature of capitalist agriculture, absolute rent is not: it arises only because of the private ownership of land and the backwardness of agriculture. Lenin wrote against the Menshevik Pyotr Maslov, who in his book *The Agrarian Question in Russia* repudiated the concept of absolute rent:

The repudiation of absolute ground rent is the repudiation of the economic significance of private land ownership under capitalism. Whoever claims that only differential rent exists, inevitably arrives at the conclusion that it makes not the slightest difference to the conditions of capitalist farming and capitalist development whether the land belongs to the state or to private persons. In both cases, from the standpoint of the theory which repudiates absolute rent, only differential rent exists. Clearly, such a theory must lead to the repudiation of the significance of nationalization as a measure which accelerates the development of capitalism, clears the path for it, etc. For the defense of land nationalization follows from the recognition of two forms of rent: the capitalist form, i.e., the form which cannot be eliminated under capitalism even on nationalized land (differential rent), and the non-capitalist form connected with monopoly, a form which capitalism does not need and which hinders the full development of capitalism (absolute rent).95

**Ricardo’s theory of ground rent**

Ground rent played such a prominent role in Ricardo’s system that, according to Hilferding, he “made the growth of ground rent the true law of motion of capitalist society.”96 With the progress of civilization and population, Ricardo argued, men are forced to cultivate less fertile and worse located land, and the same amount of capital applied successively to the same land does not yield the same produce. The increasing difficulty of procuring food thus raises the cost of production of agricultural goods and, as a consequence, nominal (not real) wages and rent: “The rise of rent and wages, and the fall of profits, are generally the inevitable effects of the same cause—the increasing demand for food, the increasing quantity of labor required to produce it, and its consequent high price.”97

This famous Ricardian “law” of diminishing returns, which bourgeois economists later turned into the cornerstone of their subjectivist universe,
was held to be responsible for both the growth of rent and the tendency of the rate of profit to fall, caused by the rise in the price of agricultural products:

Thus by bringing successively land of worse quality, or less favorably situated into cultivation, rent would rise on the land previously cultivated, and precisely in the same degree would profits fall; and if the smallness of profits do not check accumulation, there are hardly any limits to the rise of rent, and the fall of profit.\(^98\)

Eventually, Ricardo predicted, the rate of profit would fall to such a low level that there would be no motive for accumulation, and the economy would stagnate. By then, "the whole net income of the country would belong to the landlords."\(^99\)

The economic antagonism between landlords and the other classes of capitalist society and the role of ground rent as a barrier to capital accumulation are therefore clearly outlined in the Ricardian system. Ricardo said so explicitly:

The interest of the landlord is always opposed to the interest of every other class in the community. His situation is never so prosperous, as when food is scarce and dear: whereas, all other persons are greatly benefited by procuring food cheap.\(^100\)

Again:

Rent is the effect of high price, and what the landlord gains in this form he gains at the expense of the community at large. There is no absolute gain to the society by the reproduction of rent; it is only one class profiting at the expense of another class.\(^101\)

It is therefore, in the interest of both capitalists and workers, and of the economic development of capitalist society as a whole, to reduce as much as possible the transfer of revenue from these two classes to the landlord by reducing ground rent. According to the Ricardian doctrine of differential rent, the abolition of ground rent by taxation or land nationalization would not reduce the price of agricultural products or raise the rate of profit through a diminution of wages, because the cost of production on the worst land would remain the same, but only contribute to economic development by diminishing the tax burden on capital accumulation.\(^102\)

Ricardo's theory of rent suffered from two main shortcomings: it denied the existence of absolute rent paid even on the worst soil and it was based on the inexistent "law" of diminishing returns. The theoretical reason for Ricardo's denial of the existence of absolute rent was his identification of prices of production with values, which Marx rejected.

Marx distinguished between two types of capital employed in the process of production: variable and constant. Variable capital is the money expended by the capitalist in wages. Value being the product of labor, this is only
this section of the productive capital that produces surplus value. Constant
capital is that portion of capital which the capitalist invests in means of
production (buildings, machines, and raw materials). The material elements
of production do not change the magnitude of their value during the
production process, they merely transfer it unchanged to the finished
product—hence its denomination: constant capital.

Not all the branches of production combine living labor and means of
production in the same proportions. Some of them require larger disburse-
ments in constant capital, due to the technical conditions of production, the
use of more advanced technologies, etc., and therefore in those branches the
proportion of constant to variable capital (called organic composition of cap-
tal by Marx) is high, whereas in more backward branches it is low. Since only
living labor produces value and therefore surplus value, the rate of profit of
those branches having a high organic composition would be lower than that
of the more backward branches of production. From the formula for the rate
of profit it is evident that if a particular branch of production employs a larger
proportion of constant capital than the average, all other conditions being
equal, it will produce a lower rate of profit, and vice versa. But according to
the logic of capitalist production, this cannot be so. Since profits, and not use-
values, are the object of the capitalist’s affections, he will simply retire his
capital from those branches yielding a lower rate of profit and invest it in
branches yielding a higher rate.

This movement of capitals from one branch of production to the other in
search of the Holy Grail of capitalism leads to the formation of an average rate
of profit through a deviation of the prices of production of commodities from
their values—that is, from the amount of socially necessary labor time
invested in their production. The capitalist does not receive the amount of
surplus value actually produced by his wage slaves but the amount corre-
sponding to him as the owner of an aliquot part of the social capital. Each
member of the capitalist fraternity pools his or her share of the common
booty of unpaid labor and receives only what the competition of capitals
determines, namely the average rate of profit. This is, of course, as long as
monopoly, that ubiquitous feature of contemporary capitalism, does not
hinder the free movement of capital from one branch of production to the
other; in that case, the corporate sharks will drive the small fish off the most
profitable waters and different rates of profit will arise.

The Marxist theory of profit was thus able to explain for the first time the
formation of an average rate of profit on the basis of the labor theory of value.
According to Marx, prices of production are not identical with values, as
Ricardo argued, but equal to the cost of production (constant plus variable
capital) plus the average profit. Competition between capitals does not
reduce commodities to their values, but to their prices of production, which
are above, below or equal to their values, according to the organic composi-
tion of the respective capitals.\textsuperscript{103} Though the prices of production diverge
from the values of the products, the law of value continues to exercise its reg-
ulative function indirectly, and retains its absolute validity for the totality of
the commodities and the aggregate mass of surplus value, providing the basis for both prices and the rate of profit—which in its absence would float in the air, like the marginalist subjective values and rates of return.

As for the “law” of diminishing returns, it does not at all apply to cases in which methods of production are progressing, and has only an extremely relative and restricted application to conditions in which technology remains unchanged—as witnessed by the fact that during the last centuries a diminishing rural population has been able to produce an increasing quantity of agricultural products for a growing world population. In fact, the law of differential rent does not require, as Ricardo thought, a diminishing fertility of the soil (on the contrary, the general fertility of the soil increases as agricultural technology develops) but only the existence of different degrees of fertility of different pieces of land, or different results from the successive investment of capital in the same land. “The only question will be how much variety there is in the quality of the land lying between the best and worst grades.”

The shortcomings of the Ricardian theory of rent can be explained by the historical background against which it was formulated: “Ricardo’s erroneous idea that technical progress in agriculture tended in a direction opposite to that of industrial development was simply a theoretical reflection of fortuitous economic phenomena that temporarily appeared in England at the beginning of the nineteenth century.” The tillage of new lands of poorer quality, the rising costs of producing corn, and the rise in corn prices, which Ricardo considered the natural tendencies of capitalist agriculture, were in fact historically transient conditions of English agriculture during the period 1770–1815. “Ricardo’s famous law of ‘diminishing fertility of the soil’ was formulated (and this was also done by his contemporaries, West and Malthus) as a hurried and mistaken generalization of the temporary phenomena that he was witnessing.”

Finally, the decreasing tendency of the rate of profit does not originate in the “law” of diminishing returns but in the rising organic composition of capital—the economic expression of the growth of the productive forces (technological development) under capitalism. Yet for all the corrections that have to be made to Ricardo’s theory of differential rent, it remains on the whole fully valid, though it needs to be supplemented by the doctrine of absolute rent in order to account for the fact that even the worst lands under cultivation can yield some rent.

Ricardo attempted to prove his theory that only differential rent exists through the example of the colonies, among which he included the United States. In The Principles of Political Economy and Taxation he asserted:

I believe that as yet in every country, from the rudest to the most refined, there is land of such a quality that it cannot yield a produce more than sufficiently valuable to replace the stock employed upon it, together with the profits ordinary and usual in that country. In America we all know that this is the case, and yet no one maintains that the principles which regulate rent are different in that country and in Europe.
To which Marx responded:

Indeed, the principles are substantially “different”. Where no landed property exists—actual or legal—no absolute rent can exist. It is absolute rent, not differential rent, which is the adequate expression of landed property. To say that the same principles regulate rent, where landed property exists and where it does not exist, means that the economic form of landed property is independent of whether landed property exists or not.109

As late as 1867 Marx wrote that “the United States are, speaking economically, still only a colony of Europe.”110 He described the economic character of colonial countries such as the United States and Australia as follows:

The criterion establishing a colony as a colony—we are referring here only to true agricultural colonies—is not merely the prevailing vast area of fertile land in a natural state. It is rather the circumstance that this land has not been appropriated, has not been subjected to private ownership. Herein lays the enormous difference, as regards the land, between old countries and colonies: the legal or actual non-existence of landed property, as Wakefield correctly remarks, and as Mirabeau père, the Physiocrat, and other elder economists, had discovered long before him. It is quite immaterial here whether the colonists simply appropriate the land, or whether they actually pay to the state, in the form of a nominal land price, a fee for a valid legal title to the land. It is also immaterial that the colonists already settled there may be the legal owners of the land. In fact, landed property constitutes no limitation here to the investment of capital—and also of labor without capital; the appropriation of some of the land by the colonists already established there does not prevent the newcomers from employing their capital or their labor upon new land. Therefore, when it is necessary to investigate the influence of landed property upon the prices of products of the land and upon rent—in those cases where landed property restricts land as an investment sphere of capital—it is highly absurd to speak of free bourgeois colonies where, in agriculture, neither the capitalist mode of production exists, nor the form of landed property corresponding to it—which, in fact, does not exist at all. Ricardo, e.g., does so in his chapter on ground-rent. In the preface he states that he intends to investigate the effect of the appropriation of land upon the value of the products of the soil, and directly thereafter he takes the colonies as an illustration, whereby he assumes that the land exists in a relatively elementary form and that its exploitation is not limited by the monopoly of landed property.111

Marx is arguing against Ricardo that the social relations prevalent among white settlers in North America were radically different from those prevalent among the European peasants because, for the European settlers in Indian
territory at any rate, something akin to land nationalization existed in the United States during the formative period of American capitalism. Though private property on land existed in a legal sense, due to the great “abundance of land relative to labor and capital as yet unable to offer resistance to capital, to transform agriculture into a field of action which, in contrast to non-agricultural industry, offers specific resistance to the investment of capital.”

In these conditions, Marx argued, “excess profit—just as the excess profit in industry—rarely becomes fixed in the form of rent (as in the West of the United States of North America).” The lower costs of production were thus reflected both in higher rates of profit (and therefore of capital accumulation) and in lower prices for agricultural produce, which raised real wages.

Ricardo was opposed to the exclusive taxation of land—which, have we have seen, the Physiocrats had already advocated—out of respect for what he called “that principle which should ever be held sacred, the security of property;” though he supported free trade in corn and the abolition of the Corn Laws in a polemic against Malthus.

Classical political economy and land nationalization

The elimination of ground rent through taxation or land nationalization was advocated by the early French political economists, as ideologists of the rising bourgeois class. Already the Physiocrats in the eighteenth century proposed to establish an impôt unique (single tax) on ground rent, though they reached this conclusion by considering agricultural labor as the only productive labor, and rent as the general form of surplus value—instead of being, as later economists beginning with Adam Smith correctly held, a deduction from industrial profit, which is the form in which surplus-value is originally appropriated by capital. As Marx remarked in his book *Theories of Surplus Value*, the Physiocratic plans, which were partially implemented during the French Revolution, implied “the virtual confiscation of landed property by the State, just as with the radical section of the Ricardians.”

In the nineteenth century, the radical disciples of Ricardo drew from his doctrines a similar conclusion. James Mill, for instance, not only advocated the repeal of the Corn Laws as Ricardo did, but proposed that government expenditure should be financed through the imposition of special taxes on the whole of rent, in cases where the land is not private property, and on the increase of rent, where the land is already privately owned. As Marx remarked, James Mill advanced the Ricardian view beyond the bounds reached by Ricardo:

He supports the same interests as Ricardo—those of industrial capital against landed property—and he draws the practical conclusions from the theory—that of rent for example—more ruthlessly, against the institution of landed property which he would like to see more or less directly transformed into state property.
His son, John Stuart Mill, repeated his reform proposals and toward the end of his life lent active support to the Land Tenure Reform Association.120

Some of Ricardo’s disciples, like the nineteenth-century American reformer Henry George, drew from his doctrines a conclusion identical to that of the Physiocrats: the abolition of taxation and its replacement by a single tax on land rent—with this difference, that while the Physiocrats and radical Ricardians advocated this measure in order to accelerate capitalist development, the petty-bourgeois George saw in this measure a panacea which would put an end to the ills of capitalism. On George and his acolytes Marx commented:

All these socialists since Collins have this much in common that they leave wage labor and therefore capitalist production in existence and try to bamboozle themselves or the world into believing that if ground rent were transformed into a state tax all the evils of capitalist production would disappear of themselves. The whole thing is therefore simply an attempt, decked out with socialism, to save capitalist domination and indeed to establish it afresh on an even wider basis than its present one. This cloven hoof (at the same time ass’s hoof) is also unmistakably revealed in the declamations of Henry George. And it is the more unpardonable in him because he ought to have put the question to himself in just the opposite way: How did it happen that in the United States, where, relatively, that is in comparison with civilized Europe, the land was accessible to the great mass of the people and to a certain degree (again relatively) still is, capitalist economy and the corresponding enslavement of the working class have developed more rapidly and shamelessly than in any other country?121

The most radical of Ricardo’s disciples were to be found in continental Europe. Cherbuliez, for instance, criticized the plans to tax ground rent as cumbersome and impractical and asked: “Why do not people take a further step and abolish private ownership of land?” Land should be nationalized without compensation, he argued, because “the landowners are idlers who are maintained at the public expense without any kind of benefit to industry or to the general welfare of society.” With the elimination of the private ownership of land, rent would replace all state revenues and “industry, liberated, released from all fetters, would take an unprecedented leap forward.” Marx called Cherbuliez’s proposal to nationalize the land “the real conclusion of the Ricardian theory.”122

The Ricardian School reaches the point where it rejects one of the forms of appropriation of this surplus-value—landed property (rent)—as useless, insofar as it is pocketed by private individuals. It rejects the idea that the landowner can play a part in capitalist production. The antithesis is thus reduced to that between capitalist and wage-laborer.124
The European agrarian crisis of the late nineteenth century

The low costs of production of the American farmer had a profound impact on European agriculture. In his 1899 book on the agrarian question Kautsky remarked:

In the United States, unlike Europe, the farmer does not have to use the bulk of his capital to purchase the land, but can use the whole amount for equipping the farm. Given the same expenditure of capital, and the same area, the farmer can therefore attain a much higher level of cultivation than is possible in Europe.125

The cheap American grain exports led to a European agricultural crisis from 1870 to 1895. European food prices and with them ground rent rose steadily until the second half of the 1870s, in marked contrast to the prices of industrial products. During the following decades, however, prices began to reverse direction: “A drastic reduction in transport costs, due to massive railway construction and falling shipping freight rates, led to a marked increase in agricultural imports to Europe,” Kautsky wrote in 1899.

It is not the volume of imported food which threatened European agriculture, but rather the conditions under which it was produced. Such produce did not have to bear the burdens imposed on agriculture by the capitalist mode of production. Its appearance on the market made it impossible for European agriculture to continue shifting the rising burdens imposed by private property in land and capitalist commodity production on the mass of the consumers. European agriculture had to bear them itself. And this is what is at the heart of the current agrarian crisis.126

The best study of the agrarian crisis of the second half of the nineteenth century was written by Parvus (Alexander Helphand) in a series of articles first published in Die Neue Zeit under the title The Agrarian Crisis and the World Market; later issued in book form in Russian and favorably reviewed by Lenin.127 Parvus analyzed the late nineteenth-century agricultural crisis as a by-product of the development of the world market, with the help of the Marxist theory of rent developed in the recently published third volume of Capital. He pointed out the colonial character of the US economy, as determined by its role in the world market as exporter of raw agricultural and mining product and importer of industrial goods.128 Since the American farmer developed and worked under the special conditions of a capitalist colony, his role in the world market had to be analyzed separately from that of the European peasant.129 The agricultural crisis that affected Europe since the late 1870s had its origins in the cheap American grain exports (from the 1850s to the 1880s their share of the English market grew from
roughly 6 percent to more than 50 percent), made possible by the low American land prices and by the massive European immigration (17.4 million people from 1820 to 1894). If in Europe the extension of the cultivated area resulted in rising ground rent and land prices, in America, because of the agricultural colonization process, it produced the opposite effect. The United States was the model agricultural capitalist colony, but the development of capitalism was already giving birth to other countries modeled on the same pattern which competed for a similar place in the world market, such as Argentina, Australia, and Canada. Parvus concluded that since European bourgeois society was incapable of providing a rational way out of the crisis through land nationalization and the abolition of ground rent, it could only adapt to its new position in the world market by ruining a large section of its agricultural proprietors. Through the auctioning off of most landed properties European ground rent would be reduced to a level corresponding to the new conditions, and agricultural prices would be once again be competitive in the world market without the help of protective tariffs.130

In his book Colonial Policy and the Collapse of Capitalism, written more than a decade later, Parvus remarked that until the 1860s cotton had dominated the export trade of North America. During that decade it was first surpassed by corn exports, made possible by the massive influx of European immigrants. The 1880s, in turn, saw the development of a great meat export trade.

The United States fulfilled the highest task that a colony can perform for its mother country. Through the supply of cotton the colonies freed European textile industry from the narrow bounds which European agriculture imposed on it. Through the supply of food American freed European industry in general from the constraints of local agriculture; it made possible the development of an industrial population whose food requirements were only partially supplied by European agriculture. This trade had also revolutionary consequences for European agriculture, for it tended to bring down the highly inflated ground rents of Western Europe to a level that made European agriculture competitive with the American. But the same reasons also increased the political opposition of the class of large landowners in the European continent, which sought to hold in check those effects by means of protective tariffs for agriculture.131

The superiority of the United States over European agriculture, Parvus remarked, had usually been attributed to American extensive cultivation. Though that was undoubtedly true, “the main point is that it was free land, land which had to bear no ground rent. The Americans had no landlord to maintain.” By 1907 those conditions were a thing of the past.

Though there is still free land in the West of the United States, it is arid land, far removed from the European market. Its cultivation is therefore only possible in conditions of rising corn prices. All other lands in
the United States are already private property, and therefore take part in the *process of formation of ground rent* . . . This rise in corn prices in America goes together, as in Europe, with an *increase in ground rent* —in fact it is determined by it—and is fixed in *the price of land*, so that a return to the old conditions is no longer possible.132

The completion of the colonization process led to the elimination of those traits that distinguished American from European—that is, fully developed capitalist—agriculture. In his 1911 essay *Malthusianism and Socialism* Kautsky criticized Maslov’s rejection of the Marxist theory of absolute rent and his attribution of the high cost of living at the beginning of the twentieth century to the “law of diminishing agricultural returns.” Kautsky argued that America lowered the price of foodstuffs in the last quarter of the nineteenth century because the construction of railway lines had suddenly opened up to cultivation huge extensions of unappropriated virgin soil.133

The monopoly of private property on land and absolute rent were thus abolished there. But private property on land remained; it was not replaced by common property or by a form of cultivation having regard for the long-term social interests . . . But such an economy cannot last long, and is now coming to an end with the exhaustion of the reserve of unoccupied free soil. In that way the soil in the corn regions of America has also acquired a monopoly character, which allows the landowners to raise the prices of their agricultural products above their value, and that all the more efficiently the more they are organized . . . Those are the real causes of the high cost of living in America, and not the supposed diminishing returns of its agriculture.134

The transition from a colonial to an imperialist economy

Up to the First World War, the United States combined traits typical of a colonial country with others characteristic of an imperialist country. As late as 1906 Werner Sombart pointed out that peculiarity of the American social structure:

Like economic life as a whole, the determination of prices in the United States is particularly influenced by two forces: the continuing colonial character of the country and the highly developed state of capitalism, the latter being expressed pre-eminently in the advanced development of technology of production and transportation. In the first place, the colonial character of the country is responsible for the high price of labor. . . . On the other hand, the colonial character of the country gives a cheap price to land, so that all commodities in which the price of ground rent amounts to a substantial portion are relatively cheap. This applies to agricultural produce grown in bulk.135
When Sombart wrote his book, the United States, with total exports of merchandise amounting to 1,718 million dollars, exported only 460 million dollars of finished manufactures and 226 million dollars of semi-manufactures, while exports of foodstuffs and raw materials amounted to over 1,000 million dollars.\textsuperscript{136} The United States still imported large amounts of capital, especially from Great Britain, which were mainly destined to the purchase of state, local, and federal bonds, or to the building of railroads.

Net foreign investment in the United States averaged 15.5 percent of domestic capital formation for the period 1869–75. In the years 1870–1914, 60 percent of private foreign assets were in railroads. The United States began to become less dependent upon European investment only after 1895.\textsuperscript{137}

Thus, despite its rapid industrialization, America still had many of the traits of a colonial country.

That situation changed drastically with the outbreak of the First World War, which led to the abrupt transition of the United States from a largely agricultural and debtor country, exporting mainly raw materials, into the leading world creditor, exporting mostly industrial products and investing extensively abroad. The best overview of this process was offered by Fritz Sternberg in his book \textit{The Decline of German Capitalism}, written in the years when he was close to Trotskyism.\textsuperscript{138} Before the First World War, Sternberg wrote,

The United States was still a capital-importing country; a country that preserved a certain colonial character; a country in which the number of gainfully employed people in agriculture still grew strongly; a country whose exports were as yet dominated by agrarian products and industrial raw material. As late as 1900, only a quarter of American exports consisted of manufactured articles, and one year before the outbreak of the war just a paltry third.\textsuperscript{139}

Other US peculiarities, characteristic of a colonial country, was the huge immigration (15 million from 1850 to 1900 and another 10 million from 1900 to 1914), its position in the world financial market as debtor to the European countries, and the fact that from 1880 to 1910 the number of people gainfully employed in agriculture was still growing in absolute terms, from 30 to almost 50 million.\textsuperscript{140}

All that changed drastically as a result of the First World War. The new position of the United States in the world market was reflected in the internal migration: the census of 1920 showed for the first time a preponderance of the town population over the rural one. While in 1910 there were still eight million more people living in rural zones (49.9 million) than in the
American capitalism has lost more and more its special character, which differentiated it from European capitalism; it has become more and more strongly Europeanized. American capitalism has lost its peculiar colonial structure; there is no longer a migration to the countryside; on the contrary, the number of persons gainfully employed in agriculture has been declining absolutely during the last years, at an increasing pace. American capitalism has lost its colonial structure also as a result of its new position in the world economy. It is no more a debtor country, serving as a capital investment sphere for other countries, but on the contrary it has become more and more the creditor country of the entire world. It is no more a colonial land, that essentially exports industrial raw materials and agricultural produce and imports manufactured products, but on the contrary it has become more and more an exporter of industrial goods. Its demography has also lost its colonial character. The United States is no more the immigration country for the European industrial reserve army.

Finally, Sternberg concluded, American capitalism had lost its peculiar character because the class struggles, which were supposed to be characteristic of Europe, were shaking it more and more.

Contemporary bourgeois economics and land nationalization

Nowadays all the lands suitable for cultivation in the United States are private property, and the rural petty bourgeoisie has either been wiped out as a result of the same tendency to concentration that creates the monopolistic corporations in industry and banking, or survives as an atavism soon to be disposed of. The number of farms declined drastically from close to 7 million in the 1930s to about 1.8 million by the mid 1990s. "At present, the 122,000 largest farms in the United States, representing only six percent of the total number, receive close to 60 percent of total farm receipts." Precapitalist social relations like sharecropping have been replaced by capitalist modes of exploitation employing wage labor and capitalist land leasing. In 1994, 48 percent of all US agricultural land was rented from others. Capitalist land leasing was more common in certain sectors, such as grain (60 percent) and cotton lands (75 percent). "Land rental is also more common on larger farms, with 58 percent of the land operated by farms with annual gross receipts of $250,000 or more under rental agreements." Social relations in agriculture are so similar to those of capitalist industry that "the US government has even been considering eliminating 'farming' as a population census category."
Those profound changes in class relations led bourgeois economists to make a U-turn on the issue of ground rent, for the most part abandoning the notion that there is any need for a special theory and of course staunchly opposing any form of land nationalization. The little attention paid to the subject of agricultural ground rent today compared to other forms of income such as interests/dividends or wages, and the greater attention paid to the subject of building lot rent in urban sites (a purely monopoly rent), is partly due to the fact that agricultural rent lost some of its former significance as a barrier to capital accumulation. The enormous reduction in the proportion of the labor force occupied in agriculture means that the mass of surplus value produced by the urban workers is much greater than the mass of surplus value produced by the agricultural workers. Marx already noted that variable capital in agriculture, unlike variable capital in industry, tends to decrease not only relative to constant capital but also absolutely. "In 1870, over half of the people in the United States were engaged in agriculture. By 1930, less than a quarter were. By 1975 the percentage was just over 4 percent; today it is less than 2 percent."

Moreover, the rise in the organic composition of agricultural vis-à-vis industrial capital has lead to a reduction of absolute rent. This possibility was also contemplated by Marx, who wrote:

If the average composition of agricultural capital were equal to, or higher than, that of the average social capital, then absolute rent—again in the sense just described—would disappear; i.e., rent which differs equally from differential rent as well as that based upon an actual monopoly price. The value of agricultural produce, then, would not lie above its price of production, and the agricultural capital would not set any more labor in motion, and therefore would also not realize any more surplus-labor than the non-agricultural capital. The same would take place, were the composition of agricultural capital to become equal to that of the average social capital with the progress of civilization.

Or, as he also put it, the same chain of reasoning which demonstrates the possibility of the existence of absolute rent also shows that it is "a purely historical fact, which belongs to a certain stage of development of agriculture and which may disappear at a higher stage." As early as 1906, Gustav Eckstein pointed out that this possibility was materializing in Europe. In the United States, especially after the Second World War,

Agricultural technology has kept up or exceeded that in industry. Since 1950 farm productivity has risen twice as fast as the productivity of manufacturing industry, the gains going to the very largest farms—for the investments necessary have become formidable—while the small and idealized farmer has been squeezed out of farming and into the factories and cities.
But the most important reason for the rejection of the classical theory of ground rent by bourgeois economists has been the amalgamation of the different strata of the dominant classes brought about by the development of finance capital and the removal of the capitalists from productive activity. The fusion of industrial and banking capital and the enormous growth of financial institutions made it easier for a rentier to make part of his income available for productive investment through the banks or the stock exchange. The investment of surplus income from industry in agriculture and vice versa, the development of agricultural industries and mining, the participation of finance capital in the mortgage business and the provision of credit to farmers, etc., have made of real estate a branch of investment like any other for the capitalist class. As Preobrazhensky wrote at a comparatively early stage of this development:

Through the process of circulation, through the banks, through the form of joint-stock companies and so on, these two classes, the industrial capitalists and the landlords, have to a considerable extent become transformed into a single class, the receivers of dividend. Dividend has become, so to speak, a synthesis of former heterogeneous types of income.153

As a consequence of this new solidarity of class interests, the formerly fierce battles between capitalists and landowners have disappeared from the contemporary political scene. In the words of Tom Kemp:

Today the capitalists are as ferociously opposed to land nationalization as they are to any other form, because the old distinction between landowners and capitalists has become blurred and they both stand in opposition as property-owners to the socialist revolution. It is not simply, therefore, that landed property has become a barrier to capital; capital itself is the main barrier to the development of the productive forces and the demand for the nationalization of the land can only be part of a comprehensive program for the nationalization of the means of production without compensation and under workers’ control. It would be utopian to suppose that rent can be abolished without at the same time abolishing the profit system as a whole.154
Lenin’s analysis of the American path of bourgeois development was based on generalizations drawn from the white settlement regions and especially from the homestead west. But the United States was not only a European settlement colony: the American South was a plantation or “exploitation” colony, according to the early Marxist taxonomy. Next to the Native Americans, the main victims of European settler colonialism in what is now the United States were the blacks kidnapped from Africa to be sold as slaves in America. In this chapter we will attempt to provide a materialist analysis of the evolution of the Southern mode of production and of its “superstructure” of segregation and white supremacy.

Bourgeois political economy and plantation slavery

“Neoclassical” (i.e. bourgeois) economic historians identify plantation slavery with capitalism. The second section of the third chapter of one of the so-called Cliometric works on Southern slavery, Robert Fogel’s Without Consent or Contract, for instance, carries the title “A Flexible, Highly Developed Form of Capitalism.”\(^{155}\) The reason for of this anachronistic view is the emphasis of bourgeois economic historians on exchange relations as the fundamental taxonomic criterion for the study of social formations, which in turn stems from their subjectivist theory of value.\(^{156}\) As Marx remarked long ago, the sphere of commodity circulation is the preferred terrain of bourgeois political economy, because in exchange the characters of the capitalist drama appear as buyers and sellers of commodities in possession of equal rights and constrained only by their own free will—whereas in the sphere of production they are clearly divided into wage workers and owners of the means of production, into exploited and exploiting classes.\(^{157}\)

It was from that point of view that Marxist classical scholars such as Ettore Ciccotti and Giuseppe Salvioli analyzed ancient slavery and its relation to the capitalist mode of production. Salvioli’s book Capitalism in the Ancient World\(^{158}\) criticized the views of bourgeois historians and economists such as Rodbertus, who, under the influence of modern conditions, found full-fledged capitalism in ancient society—much as bourgeois historians did with
Slavery, sharecropping, and segregation

the slave South more than a hundred years later. In a letter sent from the fascist prison on February 10, 1930, Antonio Gramsci praised Salvioli’s book as “a patrimony of European culture” and described it as

a revolt against the tendency created by Mommsen of finding every “monetary” economy “capitalist” (a reproach made by Marx to Mommsen which Salvioli developed and demonstrated critically), a tendency which today has assumed morbid proportions in the works of Prof. Rostovzef, a Russian historian teaching in England, and in Italy in the works of Prof. Barbagallo, a disciple of Guglielmo Ferrero.159

In his preface to the German translation of Salvioli’s book, Kautsky criticized the periodization of Karl Bücher, who divided economic history into three periods: production for self-consumption, direct production for consumers, and commodity production, in which goods had to pass through a series of economic agents before reaching the point of consumption. Kautsky criticized the fact that Bücher referred

for the characterization of the different modes of production, not to the totality of the process of production, but only to a small aspect of it, namely the circulation of finished products. The social role of the worker in the production process, his social claim to the means of production and goods, appear unimportant in Bücher’s characterization of the different modes of production. He is only interested in this question: how do the finished products reach the hands of the consumers? It is characteristic that the contemporary bourgeois theory of economic development, like the bourgeois theory of value, the marginal utility theory [Grenznutzentheorie], avoids dealing with the process of production and by “economy” understands only the circulation of finished goods.160

But commodity production is not the defining trait of capitalism, because commodities can be produced also by means of bound labor, such as slaves. It is impermissible to emphasize one aspect of capitalist production (general commodity production), Kautsky argued, while abstracting from its distinguishing character: the fact that to produce those commodities capitalists owning the means of production employed wage laborers in order to extract from them unpaid surplus labor. Marx’s description of the development of the different modes of production showed that the laws of capitalist commodity production are not eternal natural laws, but only characteristic of a passing historical stage. Precisely because Bücher’s three stages blurred the differences between the different modes of production they had become the vogue among bourgeois economists. The distinguishing trait of capitalism according to him was “that goods must, as a rule, pass through a series of economic agents before they reach the consumers’ hands. Not a word about the private property on the means of production, about the propertyless character of the
wage workers.” Bücher’s theory had the great advantage of hiding the historical character of capitalism, but it also made the understanding of economic history impossible.  

Trotsky had a similar polemics with the historian Mikhail Pokrovskii on the role of commercial capital in Russia in the sixteenth century. Much like the US South, the extensive trade of Russia, due to the backwardness of the country (whose demand for industrial products was supplied by foreign industry) and the sparseness of its population, was accompanied by a very low level of development of the productive forces and of general culture.

The German economist Karl Bücher twenty years ago tried to find in trade (the path between the producer and the consumer) a criterion of the whole economic development. Struve, of course, hastened to transport this “discovery” into the Russian economic “science.” At that time the theory of Bücher met a perfectly natural opposition from the Marxists. We find the criteria of economic development in production—in technique and the social organization of labor—and the path followed by the product from the producer to the consumer we regard as a secondary phenomenon, whose roots are to be found in that same production.

It is clear that plantation slavery played a major role in American commerce, especially in foreign trade. In 1768–72 the value of exports per capita in the West Indies was ten times higher than in New England, and Southern cotton alone made up 57.5 percent of the total American exports during the antebellum period. But foreign trade statistics cannot show the degree of development of capitalism, of commodity production based on wage labor. To repeat a truism of Marxist political economy: the historically progressive or regressive character of a social system is determined by the social relations established at the sphere of production, not by exchange relations.

Historical materialism and plantation slavery

Bound labor was established in the colonies as the only way to exploit people under conditions of what bourgeois economists, assuming that unemployment is in the natural order of things, call “labor scarcity.” It first appeared in the form of “indentured servants,” that is temporary white slaves serving for a period of four to seven years. The majority of the white immigrants, roughly 350,000 out of 500,000 people, reached the British mainland colonies as indentured servants. Black slaves gradually replaced indentured servants during the last decades of the seventeenth century: about 600,000 slaves were imported into the United States from 1616 to 1808. Yet the American South always contained a much higher proportion of white settlers than the Caribbean. Afro-American slaves comprised roughly one third of the Southern population at the time of the American Revolution, and amounted to 4 million people on the eve of the Civil War.
The replacement of European indentured servants by African slaves took place because massive British involvement in the slave trade brought down slave prices, but also for political reasons: black degradation served to bring together the white population despite class divisions. In the largest Southern colony, Virginia, in particular, Bacon’s rebellion in 1676 provided the impetus for replacing white indentured servants with a more stable and cohesive social order based on racism. The racial caste division tended to obscure class differences and enabled the ruling class to mobilize poor whites in defense of their racist privileges, for instance through the state militias.

American slavery received a major boost with the invention of the cotton gin in 1793 and the transition of the Southern plantations to cotton cultivation in order to supply the raw material for the English industrial revolution. Marx distinguished between the bound labor of societies in which use value predominated, where surplus labor was limited by a given set of wants, and that of societies ruled by exchange value, especially those exporting to an international market dominated by the capitalist mode of production, where the boundless thirst for surplus value imposed on the slaves the civilized horrors of over-work.

Hence the negro labor in the Southern States of the American Union preserved something of a patriarchal character, so long as production was chiefly directed to immediate local consumption. But in proportion as the export of cotton became of vital interest to these states, the over-working of the negro and sometimes the using up of his life in seven years of labor became a factor in a calculated and calculating system. It was no longer a question of obtaining from him a certain quantity of useful products. It was now a question of production of surplus-labor itself.

The slavery of the American plantations presupposed the presence of a world market and of wage-labor in the metropolises, but at the same time was, in Marx’s words, “incompatible with the development of bourgeois society and disappears with it.” Though plantations were a profit-making business, in the slave societies the capitalist mode of production existed “only in a formal sense, since the slavery of Negroes precludes free wage-labor, which is the basis of capitalist production.” When a pool of propertyless wage earners appeared in the East large enough to satisfy the exploitation needs of Northern industry and forge solid economic links with the Northwestern farmers, slavery was doomed.

The Civil War and reconstruction

But economic development only provides the material basis for a new society; the instauration of new social relations is a political task requiring the seizure of state power and the expropriation of the old ruling classes. This transformation was carried out in the American South by means of the Civil War (1861–65)
and the subsequent Radical Reconstruction. The governments of the Southern states during the Black Reconstruction period were described as “dictatorships of labor,” analogous to the Soviet dictatorship of the proletariat, by the great black scholar W. E. B. DuBois. This thesis has been criticized by other Marxist scholars as an exaggeration which obscures the essentially bourgeois character of the Civil War. But is should be remembered that Rosa Luxemburg, speaking of the experiences of the First (1792) and Second (1848) French Republic, and of the 1871 Paris Commune, wrote: “The contemporary arch-bourgeois French Republic has evolved historically as the product of three revolutionary actions of the proletariat—in fact, present-day bourgeois republicanism in France itself is but the historical product of a couple of ‘inopportune’ dictatorships of the proletariat.”

DuBois’ basic idea that for African-Americans the path to democracy inevitably passed through a period of plebeian dictatorship won wide acceptance in Marxist circles.

The American Civil War was followed by the Reconstruction period, in which the radical section of the Republican party, led by Thaddeus Stevens, attempted to implement a program of agrarian reform in the Southern states and grant to the freedmen “forty acres and a mule.” The failure of Radical Republicans’ plans, that is the incompletion of the bourgeois-democratic revolution, meant that the break-up of the plantations took place gradually and painfully in the retrograde form of sharecropping.

The compromise between the industrial bourgeoisie and the so-called bourbon former slave-owners was based on retarding as far as possible the formation of a Negro proletariat in order to leave intact the labor supply of the pre-capitalist latifundia. The bourgeoisie was compelled to sacrifice that section of the home market and maintain the archaic social structure in the South for the sake of “social peace.” In order to immobilize black workers in the period immediately following the Civil War planters had recourse, besides the naked violence of the Ku Klux Klan and similar bands, to a series of legal devices known as the Black Codes.

The Black Codes were repealed in 1867, but a number of laws of virtually identical content remained in force in the South into the 1930s: vagrancy
laws making it a crime for blacks to remain unemployed, anti-enticement and anti-recruitment legislation, convict labor laws, emigrant agent laws, breach-of-contract laws, apprenticeship laws, the crop-lien system, usury and debt peonage, discriminatory hiring practices in the manufacturing sector and the refusal to sell lands to Negroes. These measures kept most of the black population trapped in the poorest agricultural regions of the South. In 1870 the proportion of the African-American population resident in the South was 91 percent; forty years later it was still 89 percent. Not until the First World War did the percentage of black population resident in the South start to decline at a substantial pace, due to the disruption of European immigration.

From slavery to sharecropping

In the decades after the Civil War there was an enormous decrease in the average acreage per farm in the South. Census officials counted as separate farms (correctly from an economic point of view) not only the new farms created in the Midwest and West, but also the small plots resulting from the division of the old plantations and farmed by sharecroppers and tenants. The data they collected show that the average size of farms dropped dramatically after 1870.

Between 1860 and 1900 the average farm throughout the eleven states of the Deep South declined from 390 to 122 acres. In the main cotton states the drop was much greater. In Alabama, for example, the average farm contained 346 acres in 1860 and only 93 in 1900. The story was the same in Mississippi, the Carolinas, Georgia, Louisiana, and Arkansas. By 1900 farms averaged less than 100 acres in several southern states. In South Carolina the figure was only 91 acres.

Yet this historically progressive break-up of pre-capitalist latifundia did not lead to the renovation of small farming under capitalism but to the predominance of sharecropping arrangements between landlords and tenants.

In the Cotton South in 1880, 51 percent of all farms were tenanted, of which 72 percent were sharecropped, the rest being rented for a fixed cash rent. This burden fell overwhelmingly on the black population: only 16 percent of total white land was tenanted, compared to 60 percent for blacks; 9 percent of white land was sharecropped and 40 percent for blacks.

Studies of Southern agriculture found a whole gamut of tenant-landlord agreements, ranging from sharecropping to capitalist land-leasing: sharecroppers, providing only their own labor and sometimes one-half of the fertilizers and receiving half of the crop; share renters, furnishing part of the
stock and receiving from one-fourth to one-third of the crop; “cash renters” furnishing their own stock and tools and paying a fixed rent per acre in cotton; and genuine cash renters (the system most common in the North), some of them employing wage labor.\textsuperscript{180}

Benjamin Hibbard found in 1913 a well-defined caste system among tenants. The lowest class is represented by those who furnish little equipment and receive half, or less, of the crop; above this comes the group whose independence is measured by the possession of a mule and a plow and the means of subsistence till harvest time; the highest class consists of those who can be trusted to deliver a certain quantity of crop or possibly a sum of money, and who are by that fact emancipated in the main from the directing authority of the landlord.\textsuperscript{181}

More than twenty years later, Jerry Pytlak distinguished between four types of tenancy in the Cotton Belt: cash renting, crop-share renting or share tenancy, share cropping and standing rent.\textsuperscript{182}

With time an increasing number of white people also fell into this quagmire of pre-capitalist social relations.\textsuperscript{183} In 1930 there were 880,000 Negro farmers, of whom 699,000, or more than three-fourths, were tenants, and 392,897 were sharecroppers. By then the number of white sharecroppers almost approached that of the Negro croppers: 383,381.\textsuperscript{184} However a far larger proportion of the total Southern Negro population was to be found in the lowest class of tenants: the area cultivated by the typical Negro sharecropper before the Second World War was substantially smaller than the area cultivated by the typical white sharecropper.

Other avenues of escape from sharecropping being totally or partially closed by the racial caste system, blacks tried, as far as possible, to accumulate capital and buy land. Most of these attempts naturally ended in failure, but they nevertheless led to a temporary rise in black landownership, which reached its peak in 1910 and began to decline from then on. In 1930 “the acreage per farm of the average Negro owner was less than half, his value of land and building about one-fourth, and his value of implements about one-third of that of the average white landowner in the South.”\textsuperscript{185}

\section*{Sharecropping and the “Trinity Formula”}

In order to understand the character of the social relations established in the Southern countryside after the abolition of slavery it is necessary to recall briefly the role played by sharecropping in Europe during the period of transition from feudalism and capitalism. Sharecropping as a system of agrarian relations was the American version of the \textit{métayer} system that prevailed in France before the Revolution and generally speaking, in the most backward regions of South-Western Europe: in Italy under the name of \textit{mezzadria}, in Spain under the name of \textit{aparcería}, etc.
English capitalism was characterized by its agrarian character, that is by an early process of class differentiation in the countryside resulting in the tripartite division of the agrarian class structure into landowners, capitalist tenants and agricultural proletarians—what Marx called the “Trinity Formula.” Kautsky described this system as follows:

Under the system of capitalist tenant farming—the lease system—the three great categories of income in capitalist society appear sharply demarcated. The owner of the land and the owner of the other means of production, the capitalist, are two separate individuals, both of whom confront the wage laborers exploited by the capitalists. The worker receives a wage, the capitalist the profit of enterprise, and the landowner ground rent.186

We can trace this division in the writings of all the major English political economists. Adam Smith (1723–90), for instance, wrote in the *Wealth of Nations*:

The whole annual produce of the land and labor of every country, or what comes to the same thing, the whole price of that annual produce, naturally divides itself into three parts: the rent of land, the wages of labor, and the profits of stock; and constitutes a revenue to three different orders of people; to those who live by rent, to those who live by wages, and to those who live by profit. These are the three great, original, and constituent orders of every civilized society, from whose revenue that of every other order is ultimately derived.187

David Ricardo (1772–1823) began his major book, *The Principles of Political Economy and Taxation*, with the same description:

The produce of the earth—all that is derived from its surface by the united application of labor, machinery, and capital, is divided among three classes of the community; namely, the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the laborers by whose industry it is cultivated.188

He went on to argue that the whole produce of the earth is allotted to each of these classes, under the names of rent, profit, and wages.

Yet this class structure was not characteristic of the countries of continental Europe, or even of England. Marx remarked that the capitalist farmer in England first appeared in the form the bailiff, himself a serf.

During the second half of the 14th century he is replaced by a farmer, whom the landlord provides with seed, cattle and implements. His condition is not very different from that of the peasant. Only he exploits more wage-labor. Soon he becomes a métayer, a half-farmer. He advances
one part if the agricultural stock, the landlord the other. The two divide the total product in proportions determined by contract. This form quickly disappears in England, to give place to the farmer proper, who makes his own capital breed by employing wage-laborers, and pays a part of the surplus product, in money or in kind, to the landlord as rent.189

This process took place in England during the last third of the fifteenth century and the whole of the sixteenth century; in France, where agriculture was very backward compared to England, it developed much later, during the eighteenth and nineteenth centuries.

Describing the condition of ancien régime agriculture, Isaak Rubin wrote:

Unlike in England, the extensive spread of tenant farming in the eighteenth century, which went hand in hand with the improvement and rationalization of agriculture, was rarely to be found in France. In the French countryside of the eighteenth century the role played by the bourgeois forms of landed property and rent was still insignificant compared to ownership where a cens was paid or to sharecropping by métayers, both of which were enmeshed in a vast number of survivals from the feudal system.

(Rubin, p. 95)

A few lines earlier, Rubin had argued that most landless peasants in ancien régime France:

rented a piece of land from the seigneur or from another owner, paying for it in kind with half of their harvest. Having no resources for equipment, these sharecroppers or métayers (so called because they gave up half of their harvest to the landowner) often received seed, livestock, or simple agricultural implements from the landlord. If lack of means meant that the cens-paying peasant worked the land by primitive methods, cultivation was even worse on lands worked by the métayers.190

(Rubin, pp. 94–5)

The classical and Marxist theories of sharecropping

As a consequence of these conditions, the analysis of agrarian social relations and their influence on the development of capitalism played a central role in the theories of the pioneers of French classical political economists, the Physiocrats. Their leader François Quesnay (1694–1774) argued that the only way to increase the productivity of agriculture and of providing workers for industrial development was to follow the model of English agriculture and replace inefficient sharecropping (métayer) agriculture with the English system of leasing the land to capitalist farmers (fermiers), who would employ wage laborers.191 The problem was that capital accumulation had not developed sufficiently to produce a large class of fermiers with the funds necessary to advance wages and pay beforehand the expenses of cultivation. His proposal was to facilitate the development of this class by lightening the tax
burden on them through the imposition of a single tax (*impôt unique*) on ground rent; the first in a series of bourgeois programs to accelerate capitalist development by shifting the burden of taxation on the shoulders of the pre-capitalist classes.\textsuperscript{192}

Quesnay’s disciple Turgot (1727–81) pointed out that “in most of the provinces of the North of France, *fermiers* cultivate lands. In the provinces of the South, they are cultivated by sharecroppers (*métayers*); thus, the provinces of the North are incomparably richer and better cultivated than those of the South.”\textsuperscript{193} Unfortunately, he concluded, sharecropping dominates four-sevenths of the territory of France.\textsuperscript{194}

The Physiocrats’ views on sharecropping were endorsed by Adam Smith, who attributed its appearance to the dissolution of serfdom in Europe. Smith’s analysis of sharecropping runs as follows:

A villain enfranchised, and at the same time allowed to continue in possession of the land, having no stock of his own, could cultivate it only by means of what the landlord advanced to him, and must, therefore, have been what the French called a *métayer*. It could never, however, be the interest even of this last species of cultivators to lay out, in the further improvement of the land, any part of the little stock which they might save from their own share of the produce, because the lord, who laid out nothing, was to get one-half of whatever it produced. The tithe, which is but a tenth of the produce, is found to be a very great hindrance to improvement. A tax, therefore, which amounted to one half must have been an effectual bar to it. It might be the interest of the *métayer* to make the land produce as much as could be brought out of it by means of the stock furnished by the proprietor; but it could never be his interest to mix any part of his own with it. In France... five parts out of six of the whole kingdom are said to be still occupied by this species of cultivators.\textsuperscript{195}

In 1819 Sismondi (1773–1842) remarked that the French Revolution had “prodigiously multiplied the class of proprietary peasants” through the confiscation and sale of the lands of the *biens nationaux*. He believed that in his time more than three million families, representing more than fifteen million individuals, owned the soil on which they worked.\textsuperscript{196} Nevertheless, sharecropping continued to exist “in the provinces south of the Loire, where there are few cities, few intellectual centers, few communications, where the peasants are profoundly ignorant, bound to their habits, to their agricultural routines, and incapable of following the march of civilization of the rest of France.” In the most backward and reactionary provinces of France, such as the Vendée, the class of sharecroppers formed nine-tenths of the population, which had remained stagnant during four or five centuries. Sismondi concluded that in France a liberal and constitutional government would only be solidly established in the counterrevolutionary provinces south of the Loire “when part of the land becomes the property of the cultivators, and a different
class of peasants, more forward-looking and educated, shall be interspersed with the sharecroppers.” In 1837 Sismondi found basically the same productive relations in the British West Indies, where sharecropping had developed after slavery had been abolished without agrarian reform.

Richard Jones (1790–1855) showed that the social preconditions for the English system of land tenure on which the Ricardian system was based presupposed the separation between the capitalist farmer and the agricultural wage laborer, that is, the extension of the capitalist mode of production from the cities to the countryside. These social relations, Jones asserted in 1831, did not exist in more than “one-hundredth part of the cultivated surface of the habitable globe.” In order to explain the apparition of this new mode of production he drew a sketch of the history of the land tenure systems in which sharecropping appears an intermediary stage between serfdom and capitalist agriculture.

Marx’s reference to sharecropping can be found in the third volume of Capital, where he offered an evolutionary classification of the different forms of ground rent into labor rent, rent in kind, money rent, sharecropping, small-scale peasant ownership, and finally capitalist ground rent. The section of Capital dealing with sharecropping carries the title *Metariewirtschaft oder Teilwirtschaft-System*. It was translated in the first American edition of the third volume of Capital as *Share Farming (Métairie System)*. In the 1981 Penguin edition it reads simply *Sharecropping*. Marx pointed out that sharecropping is a pre-capitalist form of rent born of the low level of capital accumulation and the consequent underdevelopment of a class of capitalist farmers, and that it is characterized by a mixture of revenue forms, both in the case of the landowner (profit mixed with ground rent) and in the case of the cropper if he advanced any portion of the capital (wages plus a portion of profit).

In his book on the development of capitalism in American agriculture, published in 1915, Lenin found a striking resemblance between social relations in the South and those prevailing in the regions of Russia where the survivals of serfdom were most powerful. He rejected the views of those bourgeois economists who asserted that the United States had never known feudalism and was free from its economic survivals. “This is the very opposite of the truth,” Lenin wrote, “for the economic survivals of *slavery* are not in any way distinguishable from those of feudalism, and in the former slave-owning south of the USA these survivals *are still very powerful*.” Lenin concluded that there was “a startling similarity in the economic status of the Negroes in America and the peasants in the heart of agricultural Russia who were formerly landowners’ serfs.”

**Sharecropping and Southern economic development**

Sharecropping, as a pre-capitalist form of agriculture, retarded the growth of the productive forces in the post-bellum South. Between 1840 and 1920,
the percentage decrease in man-hours required to produce 500-pound bales of cotton (36.0 percent) was much lower than the decrease in man-hours required to produce 100 bushels of wheat (62.7 percent) and corn (59.1 percent). Labor productivity in Southern agriculture grew very slowly vis-à-vis the North and the West because Southern farmers were unable to adopt the new agricultural technology which was being used in the other regions of America:

Improved machinery such as cotton-seed planters, fertilizer spreaders, stalk cutters, and better plows and harrows did become available, but most farmers lacked money to buy the new equipment. Except for plowing, which was done with mule and horse power, cotton growing was mainly a hand operation. While Midwestern farmers were turning to the latest horse-drawn machines to prepare the soil, plant, cultivate, and harvest their crops of corn and small grains, southerners plodded along trying to produce a living by methods little advanced over those used in the eighteenth century.

Not surprisingly, Benjamin Hibbard reported in 1913, “in implements and machinery the North has an investment per acre two and one-half times as great as has the South; in live stock an investment about twice as great. All told a northern farm with its equipment is valued at $9,500; a southern farm at $2,900.” In 1920 “the North Central states had almost six times as many tractors per acre of cropland as the cotton states of the Deep South, because the South’s labor-repressive system provided no incentive to mechanize.” Ten years later, “the value of machinery and implements, for example, in North Carolina, South Carolina, Georgia, Alabama, and Mississippi averaged only $134 per farm,” whereas “in Kansas and Iowa it was $1,010 and $1,259 respectively.” As late as 1955, “67 percent of the cotton crop was mechanically harvested in California, 24 percent in Texas, 2 percent in Alabama and Georgia.” In regions where a different kind of productive relations predominated, the adoption of new agricultural technology was much more rapid:

although cotton production was only introduced in California, New Mexico, and Arizona after 1914, in a short fifteen years all of these states showed extraordinarily high average expenditures on wage labor and machinery per farm, surpassing both the Southeast and the Southwest.

The consequences of this retardation in the adoption of new agricultural technology can be seen most clearly if we compare the rate of growth of those states where sharecropping was dominant with those of the Northern ones:

Plantation agriculture was concentrated in the six states of Mississippi, Arkansas, Louisiana, Georgia and South Carolina. Not unexpectedly these states also tended to exhibit records in achieving economic growth
which were even poorer than those of other Southern states, not to mention
the industrializing states of the North. Thus, the fastest growing planta-
tion state between 1880 and 1900, Arkansas, experienced just about the
same rate of increase in per capita income as the slowest growing states
among the remaining eight Southern states, North Carolina and
Kentucky. In all other cases the plantation economy states grew more
slowly than the non-plantation Southern states.209

Colonialism and segregation

Slavery and sharecropping had much more onerous consequences than merely
retarding the economic development of the South: they provided the eco-

nomic basis for the imposition of a regime of segregation on the African-
Americans. We have seen that, from the point of view of political economy,
the productive relations established in the post-bellum South after the aboli-
tion of slavery were virtually identical to those established in Europe after the
abolition of serfdom. But the post-bellum South superposed to the evils of
sharecropping an Apartheid regime whose aim was to retain as many features
as possible of the former system of bound labor.

The so-called Jim Crow system of racial segregation was characterized by
forced physical separation of the two races in transportation, public facilities,
housing, education and the workplace, by the disenfranchisement of the black
population, and by racist paranoia about miscegenation (as late as 1930, 29 of
the 48 states outlawed interracial marriages). It prevented social mobility and
kept most blacks in the lowest categories of sharecropping agreements, the
planter usually providing most of the capital and supervising agricultural work.

Restrictions to labor mobility are a common feature of societies undergo-

ing a transition from feudalism or slavery to capitalism; what distinguishes
the European from the American experience is that the victims belonged to a
definite ethnic group. It is now commonplace among American historians to
refer to the South as an ethnocracy or Herrenvolk (ruling people or race)
democracy. Yet the American experience was not unique: the Southern
regime of segregation had a strong resemblance to similar racial or religious
caste systems prevalent in countries with a colonialist background, like
apartheid South Africa or Israel.210

The combination of economic backwardness and racial segregation held
down the wage scales throughout the South: a continuing gap existed
between the Southern and the Northern labor markets until the post-Second
World War period.211 The Southern population suffered from inadequate
housing, unbalanced diets, impure water, and unsanitary living conditions.
"Both children and adults were subject to dysentery, various kinds of stom-
ach trouble, malaria, typhoid, hookworms, and pellagra.” In addition,
Southern levels of illiteracy were extremely high for American standards:
"In 1870 the illiterate white population over ten years of age varied from
17 percent in Mississippi to 37 percent in North Carolina; for the newly freed blacks it was more than 80 percent in most southern states.” By 1890 the figure for whites had dropped to below 20 percent, but it remained between 50 and 60 percent for blacks, because black children were sent to a separate and miserably funded school system. Twenty years later, the proportion of illiterates among blacks was still seven times as high as among the white population.212

Blacks were excluded from industrial employment: Northern industry was manned mostly by European immigrants, while the Southern textile industry was lily-white. “Just as cotton labor was at first exclusively a Negro occupation, so textile labor has been exclusively a poor white occupation. As late as 1937 only 20,000 of the 350,000 workers in the textile industry were Negroes.”213

Imperialism and the rise of Jim Crow

The connection between imperialism and racism was not a distinguishing trait of the United States. As Hilferding remarked in 1909, with the rise of monopoly capitalism and the imperialist subjugation of foreign nations “there emerges in racist ideology, cloaked in the garb of natural science, a justification for finance capital’s lust for power.”214 In due time this civilizatory trend of monopoly capital found its climax in the racial policy of Nazi Germany, something that the American socialist leader Louis Boudin predicted as far back as 1916.215 What distinguished the American case was that the new racism born of imperialism appeared as a natural development of the doctrine of white supremacy—which in turn fed on three centuries of ethnic cleansing and slavery—and coincided with the rise of the Negrophobic segregation system.216

Negro disfranchisement and the whole paraphernalia of Jim Crow segregation laws developed together with imperialism at the turn of the nineteenth century against the background of the 1893–97 depression and of the planter-bourgeois reaction to the emergence of the People’s Party and the labor movement. Though the economic heresies of the People’s Party (bimetalism, anti-monopoly legislation, etc.) by no means undermined the foundations of capitalism, the initial success of its appeal to Negro voters was seen as a potentially revolutionary threat to the rule of the American upper classes. The path of Jim Crow was cleared in 1896 by the Supreme Court’s decision that racial segregation did not violate the fourteenth amendment as long as accommodations were “separate but equal.” Two years later American imperialism was born with the outbreak of the Spanish-American War. If the imperialist adventure of 1898 shifted public attention away from the class struggle and provided new markets for American capital, the segregation laws enacted during the same period hastened the demise of Populism and made much more difficult the joint organization of black and white workers. The imperialist seizure of Cuba, Puerto Rico, Hawaii, and the Philippines brought under the jurisdiction of the United States eight million people of
the “colored” races and led to the increasing adoption of Southern attitudes on the subject of race by the federal government. The “tutelage” over the “little brown brothers” in the Philippines was seen as a protective and educational trusteeship akin to the one already exerted over the segregated blacks of the South, the assumption being that “colored” races were infantile and required the civilizing efforts of the “Caucasians.” The Southern racial case system thus became the model for the US colonial possessions.

The North had taken up the White Man’s Burden, and by 1898 was looking to Southern racial policy for national guidance in the new problems of imperialism resulting from the Spanish war. Commenting on the Supreme Court’s opinion upholding disfranchisement in Mississippi, the Nation pronounced it “an interesting coincidence that this important decision is rendered at a time when we are considering the idea of taking in a varied assortment of inferior races in different parts of the world”—races “which, of course, could not be allowed to vote.”

What this meant for the inferior races of the Caribbean and the Philippines can be guessed by the fact that between 1882 and 1946, at least 5,000 people where lynched in the United States.

**White trash socialism**

Though the mostly German-American Marxist pioneers in the United States, such as Joseph Weydemeyer (1818–66), tried to swim against the overwhelming current of racism, the organized labor movement in the United States and even some of the socialist organizations adapted to white supremacy. We call this tendency “white trash socialism” because it represents the political aspirations of oppressed but relatively privileged social strata, who, because of their contradictory social position, want to solve their “social problem” without involving in this process the most downtrodden sectors of the population. It goes without saying that it has nothing in common with real socialism, because the socialist reconstruction of society is unthinkable without adopting the most uncompromising position on the unsolved democratic questions.

The clearest example of the white trash socialism prevalent in the American labor movement during the Civil War and Reconstruction periods was provided by William H. Sylvis and his organization, the National Labor Union (NLU). The NLU was founded at a congress held in Baltimore in August 1866, which put forward demands almost identical with those voiced a few weeks later at the Geneva Congress of the First International—notably a resolution in favor of the eight-hour day. At the second convention of the NLU, held in Chicago in August 1867, the question of an official adhesion to the International Workingmen’s Association came up for discussion. A proposal to that effect was brought forward by William J. Jessup, the
president of the Union, and was strongly supported by Sylvis. In a declaration addressed to the First International by the NLU on May 26, 1869, Sylvis wrote: "Our cause is a common one: It is a war between poverty and wealth. In all parts of the world, labor occupies the same lowly position, capital is everywhere the same tyrant." When Sylvis died shortly thereafter Eccarius sent to the NLU a letter of condolence in the name of the First International. On August 18, 1869, Marx wrote to Engels:

Much to be regretted is the sudden death of Sylvis (aged 41), President of the American Labor Union, just before the meeting of the Labor Union Congress, for which purpose he traveled across the United States agitating for nearly a whole year. Part of his work will thus be lost.

In his obituary of Sylvis, Friedrich Sorge described him as "one of the most earnest and energetic workers in our cause."

Yet this militant proletarian leader, who said that workers should not shrink from the use of revolutionary violence if necessary and died in great poverty, was also deeply racist.

We will quote two long passages from his "Letters from the South." The first, sent from Wilmington on February 13, 1869, contains the following description of the Freedmen’s Bureau:

After leaving the prison, we went to see that huge swindle upon the honest workingmen of the country known as the “Freedmen’s Bureau.” The officer in charge kindly invited us into the institution, where we had an opportunity to see the inside of the machine. A large number of people received “rations” while we were there; one quart of “soup” and a pound of corn-bread were served out to each one. We were invited to taste the soup, which was pronounced “excellent”; but as we espied a huge specimen of a “freed man,” with his sleeves rolled up, stirring the soup with his arm in up to the elbow, the sweat running down his arm and his face, and a suspicious-looking drop hanging on the end of his nose, which might not drop outside, we very politely declined “tasting.” The officer in charge of the books informed us that, on the day previous, rations had been served to 2163 persons, 89 of whom were white, mostly women and children. As we had heard many stories about these people who are thus fed at the public expense, while other men must work for a living or starve, we made many inquiries, and learned that hundreds of able-bodied men had come in from the country to get rid of work, and live from the “Bureau.” Hardly a day passes but men are in from the country in search of hands to work on farms, chop wood, etc., and cannot get them. One man wanted forty hands to chop wood; after much trouble, he succeeded in getting ten; half of them ran away before the end of the week, the balance remained until they got their week’s pay, and then left. The idea that one class of workingmen shall be fed at government expense, while
others must work or starve, is preposterous—it is a swindle; an outrage practiced by government, that no people should stand. We go for “smashing the Bureau,” and making these lazy loafers work for a living, as other men do.\textsuperscript{223}

In Norfolk Sylvis reported to have “conversed with a number of intelligent negroes, who were present at the meeting; they expressed themselves well pleased with our views, and in a short time there will be a second Labor Union in this city, composed exclusively of colored men.”\textsuperscript{224} The idea of segregated locals for a labor organization operating during the Radical Reconstruction and linked to Marx’s International didn’t sound incongruent to Sylvis. On March 8, 1869 he sent a letter from Mobile which contains passages of unbelievable racism:

During our stay in Montgomery, friend Casey remained with us, and took all pains to show us the sights. We visited the court-house, where, for the first time, we saw a “mixed” jury, nine blacks and three whites; from the verdict rendered, we concluded it was a “mixed” jury. The case on hand was that of a villainous-looking loafer, charged with arson. He keeps the lowest kind of negro dance-house, where he dispenses bad whiskey and other refreshments. There was no doubt as to his guilt, but he belonged to the right side, and was acquitted. The judge failed to make the jury comprehend the meaning of “arson,” or of circumstantial evidence. This is the way justice is dispensed in this part of the world. The readers of the Advocate have often heard of what are known in the South as “carpet-baggers.” There are many bad stories told of these men that are not true. Many of them are good men, and are esteemed and respected by all the people here; but there are many bad ones. We met two of them in Montgomery; one of them, a fellow by the name of Barber, from Saratoga, N.Y., is a sheriff of Montgomery County. He is a man without brains, education, or character. He is a common drunkard, and his looks stamp him as a common blackguard, and excludes him from all respectable society. The other is John C. Keffer, from Philadelphia, Pa., who is a Commissioner of Internal Improvements, a man that could not get a position as engineer of a train of night-carts at home. He came down here a practical adventurer, destitute of brains, honor, or honesty, and by worshipping his superiors—negroes—he obtained position. He has a family of daughters, who entertain young negro gentlemen in their parlors. It is just such low scoundrels as this Barber and Keffer, that has been the cause of so much bad feeling between the two sections of our common country; and one of the very best evidences to be found, that there is no such organization as the Ku-Klux Klan, and that the people are orderly and well disposed, having patience, charity, and sincerity, desiring peace and harmony, is the fact that such scamps are permitted to live here unmolested.\textsuperscript{225}
While Sylvis was writing these lines, Congress was forced to pass a series of anti-Ku Klux Acts to provide African-Americans with minimal legal protection against the terrorism of the white supremacists.

Communism and the black question

White supremacist racism toward the “colored races”—above all against the African-Americans, but also against Native Americans and later against Asians, Hispanics, etc.—continued to be the most serious deformation of the organized labor movement during the later nineteenth and early twentieth century. We will only mention in passing the involvement of the American Federation of Labor’s position on this question—which symptomatically paralleled its rejection of socialism, its abandonment of the unskilled workers, etc.226

Even the Debsian Socialist Party (SP) was not free of guilt in this respect. Though Debs himself had a strong record of struggle against racial discrimination, it has been argued that he tended to subsume the black liberation struggle into the class struggle and had no program of democratic demands for the African-Americans as an oppressed nation.227 Much worse was the fact that the SP had segregated locals in the South, and that some of its leading members were outspoken racists.228

During and immediately after the First World War, 1,500,000 blacks left the South during the first two great waves of migration to the North (1916–19 and 1921–24). The Wilsonian propaganda in favor of democracy and the right of self determination of oppressed nationalities led many African-Americans to believe that a new era had opened. But the racist pogroms that swept the Northern cities in the second half of 1919 in order to put the returning Afro-American war veterans “back in their place,” and the continued federal connivance with Jim Crow, made them realize what was in store for them in the Northern slum ghettos.

Among the people oppressed by imperialism, the Communist International singled out the blacks in the United States. The Fourth Congress of the Communist International, held in November 1922, set up a Negro Commission, whose members included the Jamaica-born Harlem Renaissance poet and activist Claude McKay (1890–1948), and Otto Huiswood, who would become the first black member of the Central Committee of the American Communist party. The multinational Negro Commission sought to unite all the black movements fighting colonialism in both Africa and America. The second section of the theses on the black question adopted by the Comintern reads:

The history of the American blacks has prepared them to play a major role in the liberation struggle of the entire African race. 300 years ago the American blacks were torn from their native African soil, transported to America in slave ships and, in indescribably cruel conditions, sold into slavery. For 250 years they were treated like human cattle, under the whip of the American overseer. Their labor cleared the forests, built the roads, picked the cotton, and constructed the railroads—on it the Southern
aristocracy rested. The reward for their labor was poverty, illiteracy and degradation. The blacks were not docile slaves; their history is full of revolts, uprisings, and an underground struggle for freedom, but all their efforts to free themselves were savagely suppressed. They were tortured into submission, while the bourgeois press and religion justified their slavery. When slavery became an obstacle preventing the full and unhindered development of America towards capitalism, when this slavery came into conflict with the slavery of wage labor, it had to give way. The Civil War, which was not a war for the emancipation of the blacks but a war for the preservation of the industrial hegemony of the North, confronted the blacks with a choice between forced labor in the South and wage slavery in the North. The blood, sweat and tears of the “emancipated” blacks helped to build American capitalism, and when the country, now become a world power, was inevitably pulled into the World War, black Americans gained equal rights with the whites...to kill and to die for “democracy.” Four hundred thousand colored proletarians were recruited to the American army and organized into special black regiments. These black soldiers had hardly returned from the bloodbath of the war before they came up against racial persecution, lynchings, murders, denial of rights, discrimination and general contempt. They fought back, but paid dearly for the attempt to assert their human rights. The persecution of blacks became even more widespread than before the war, and the blacks once again learned to “know their place.” The spirit of revolt, inflamed by the post-war violence and persecution, was suppressed, but cases of inhuman cruelty, such as the events in Tulsa, [a pogrom that took place in June 1921 in Tulsa, Oklahoma, in which up to 300 people were killed] still cause it to flare up again. This, plus the post-war industrialization of blacks in the North, places the American blacks, particularly those in the North, in the vanguard of the struggle for black liberation.  

Both McKay and Huiswood were Caribbean-born, as was Cyril Briggs, a third key figure of early black American communism. Inspired by the Easter Rebellion in Ireland, Briggs attempted to merge black nationalism with revolutionary socialism. In December 1918 he founded the magazine The Crusader, and in its October 1919 issue announced the formation of the African Blood Brotherhood. The ABB, set up against the background of the anti-Black riots of the Red Summer of 1919, would eventually reach about 3,500 members. It viewed the African-Americans as an oppressed nation and advocated the formation of an independent Negro state. It stood for decolonization in Africa and armed resistance to white attacks within the United States.

Briggs certainly believed that, in the long run, Euro-American workers would come to recognize their commonality of interests with Blacks. Yet he also held that, if Blacks were to devote themselves to the class struggle, there had to be an acid test of white friendship—which was the acceptance by Euro-Americans of the right of Black armed self-defense, even if such defense resulted in the killing of whites.
The post-IWW conditions gave rise to one of the largest black nationalist organizations in the history of the United States: the Universal Negro Improvement Association. Marcus Garvey, a former journalist from Jamaica, organized the first American branch of the UNIA in June 1917. The African Blood Brotherhood leaders Briggs and McKay participated in the UNIA's first international conferences, but after 1921 the two organizations grew apart, as the ABB joined the American Communist Party and the UNIA turned increasingly to the right. The organization created by Garvey (who personally had fascist and Zionist leanings) did not survive his arrest in 1925, but his “back-to-Africa” program captured the imagination of millions of African-Americans, including Malcolm X's father, the Baptist preacher Earl Little, who was murdered in 1931 by white supremacists. It was not just Stalin's “Third Period” craze, but this strong current of nationalism among African-Americans that led the American Communist party to adopt the program of “self determination in the black belt” in 1928.

While not endorsing this particular application of the principle of self-determination, Trotsky rejected the contraposition of socialist class slogans to the demand for national self-determination. He emphasized that the main goal was to make the white workers understand that the American state is not their state and that they do not have to be the guardians of this state. Those American workers who say: “The Negroes should separate when they so desire and we will defend them against our American police”—those are revolutionists, I have confidence in them. The argument that the slogan for “self-determination” leads away from the class basis is an adaptation to the ideology of the white workers. The Negro can be developed to a class standpoint only when the white worker is educated. On the whole the question of the colonial people is in the first instance a question of the development of the metropolitan worker.

The legal and political structure of segregation lasted until the rise of the black liberation movement in the 1950s. As late as 1949, C. L. R. James wrote about the fate of the Southern Negro:

There is a vast conspiracy of silence about the terror which is exercised every minute of the day against the 10,000,000 Negroes who live beyond the Mason and Dixon line. Every Negro in the South, whatever his status, knows that in any serious dispute with a white man, he can be beaten up, or shot down like a dog. The unwritten law does not sanction punishment of a white man for violent crime against Negroes. A Negro can be dragged out of his car, driven off, beaten or shot, and thrown into the gutter for taking the right of way against a white man. For trying to organize a union, he runs the risk of disappearing from his house, his body found weeks afterward under water or in the forest. A small percentage of the Negroes in the South can rise above starvation wages. In particular areas
some thousands can vote when allowed to or when they can band themselves together and enforce their rights. Tens of thousands of Negroes are in Southern unions with white workers and there are thousands of Negroes in Negro colleges in the South. But the terror of the white man’s revolver remains unchanged for all of them. This is the cement of the huge apparatus of superexploitation of the Negro by both Southern Bourbons and Northern capital. At its basis is the sharecropping system.236

The civil rights movement, black nationalism and Marxism

With the onset of the Great Depression, the Roosevelt administration launched the crop-reduction programs of the New Deal. The Agricultural Adjustment Administration destroyed agricultural “surpluses” to stabilize prices at a time when large sections of the population went hungry. The increasing availability of federal money enabled planters and rich farmers to mechanize cotton production by introducing tractors and, later, mechanical cotton pickers.237 Those sharecroppers which did not voluntarily migrate were expelled from their land in what Gunnar Myrdal called the “American enclosure movement.” Jack Temple Kirby put the number of people displaced between 1910 and 1960 at no less than 9 million.238 As a result of the massive black migration to the North and West, the racist dream of having a lily-white agriculture finally came true: the percentage of US farms owned by blacks went down from a high of 14 percent in the 1930s to less than 1 percent.239

The migration and urbanization of the African-Americans did not result in their full integration into the white American class structure. First, a much greater proportion of blacks remained permanently or temporarily unemployed, becoming a slum lumpenproletariat rather than a wage-earning proletariat. From this class some of the most militant black liberation organizations of the sixties, such as Malcolm X’s and the Black Panthers, would recruit their followers. Secondly, as Raya Dunyaveskaya put it in 1948 in the North, too, the proletarianization and trade unionization of the Negro did not raise him to the status of the white proletarian and did not dissolve his struggle for elementary democratic rights into the general class struggle of organized labor against the capitalist regime. First, in the trade unions he must fight as a Negro for his place as a worker. Wage differentials, discrimination in seniority, upgrading have by no means been abolished. Then, outside the trade union, he is ghettoized.240

Most African-Americans found themselves in a situation of double oppression, as workers and as a nationally oppressed minority.

On December 1, 1955 Rosa Parks was arrested in Montgomery, Alabama, for violating the segregation rules in a local bus. The Montgomery
Improvement Association, led by the Baptist minister Martin Luther King, Jr, countered with a boycott of the public transportation system, which lasted for more than a year until the Supreme Court ruled that the Montgomery buses should be integrated. Those events led to the creation, on January 10, 1957, of the Southern Christian Leadership Conference by a group of civil right leaders led by King. Thus began the first phase of the modern black liberation movement, known as the civil rights movement.

The figure of Martin Luther King, or rather a one-sided picture of him which emphasizes certain aspects of his ideology such as assimilation to American society, non-violence and passive resistance, has come to symbolize the struggle of Southern blacks. The civil rights movement did achieve the dismantling of legal segregation in the South and the eradication of racism from official political discourse—at least until the recent global “war against terrorism.” But the abolition of segregation laws and the affirmative action programs have benefited mostly the tiny black middle class. Most African-Americans continue to suffer from residential segregation, high levels of unemployment, crime and drug addiction, and low levels of education, income, and health care.

Above all it would be wrong to reduce the black liberation movement to the struggle for desegregation and civil rights. For one thing, it was part of a world-wide decolonization movement, especially in the former European colonies in Africa. The struggle to keep those national liberation movements in the American orbit (i.e. away from Communism) was, together with black activism, one of the reasons which compelled the federal government to intervene in the South in order to enforce the desegregation rules. Moreover, as it moved to the slum ghettos of the North and West, the black liberation struggle began to operate among the proletarian and semi-proletarian strata of the ghettos. If the African-Americans’ struggle in the segregated South produced the integrationist movement of King and the SCLC, their struggle in the urban ghettos of the North and West produced the separatist movement of black nationalism, with its emphasis on self-determination, self-defense, and solidarity with the Third World national liberation movements—especially with pan-Africanist ones, but also with the Cuban revolution and the struggle of the people of Vietnam.

Black separatism was but the political articulation of the gut feeling of the average African-Americans. As the black Trotskyist Robert Vernon put it:

Unlike Negroes of any persuasion, white radicals along with all other melting-pot whites in the US genuinely feel that this is their country, not just in words but deep down in their bones. White radicals seek to identify with the country’s alleged revolutionary traditions from way back—two hundred years ago (in the days of our slave-owning and slave-whipping founding forefathers), and feel they are the realest and truest Americans. For Negroes, nationalist or not, this is sheer self-deception and escapism.
Negroes are physically present in America, and their ancestors may have been here longer than some white families, but Negroes are not Americans if that word properly describes the white population.  

Eventually the ideas of black nationalism—including the criticism of the imperialist foreign policy of the United States—won over the student organization set up by King, the Student Nonviolent Coordinating Committee (SNCC), as well as the Congress of Racial Equality (CORE). The SNCC leader Stokely Carmichael pioneered the use of the Black Panther symbol and of the slogan of “Black Power for Black People.” On October 15, 1966 Huey Newton and Bobby Seale created the Black Panther Party for Self-Defense in Oakland, California, by combining Malcom X’s ideas on self defense elements of socialism and black nationalism. The Dodge Revolutionary Union Movement (DRUM), and later the League of Revolutionary Black Workers, created in June 1969, attempted a synthesis between black nationalism and militant unionism which was potentially more explosive than the more widely publicized urban guerrilla tactics of the Black Panthers.

Black nationalism aroused much interest among American Marxists. The Trotskyists of the Socialists Workers Party were quite close to Malcolm X, who spoke at their Militant Labor Forum, and the SWP leader George Breitman was instrumental in the publication of the first collection of his speeches. The Communist Party, in turn, recruited Angela Davis, and the Stalinist historian Philip Foner issued one of the first anthologies of documents by the Black Panthers. These events led the SWP to draft an adaptation of Trotsky’s transitional program to the black liberation struggle which described black nationalism as a step forward in the development of the revolutionary movement in the United States.

Though many things have changed since the sixties, the double burden of class exploitation and national oppression continues to weigh upon the vast majority of blacks and Latinos in the United States, and the resurgence of mass militancy in the future will probably give birth again to a combination of class and national struggles.
The main political peculiarity of US imperialism was the fact that it had, thanks to a number of special conditions, the possibility of wearing the mask of pacifism and of presenting itself as a democratic and even anti-colonialist force. The United States had no need for a big army and militarism to repeal foreign invasions because of its geographical isolation and its huge size. Besides, the United States began its imperialist career at a time when the entire globe was already divided up between the old imperialist powers. That is why the imperialist struggle of the American bourgeoisie for the redistribution of economic and political spheres of influence could begin under apparently emancipatory slogans, such as “freedom of the seas,” “open doors,” “equal rights,” etc. The American bourgeoisie was even able to present its imperialist wars as battles against imperialist oppression: it used the independence wars that broke up in Cuba in 1895 and in the Philippines in 1896 to disguise its campaign of plunder as a struggle for the freedom of Cuba, Puerto Rico and the Philippines from the Spanish yoke.250

While Marxist historians traditionally dated the beginning of American imperialism at the outbreak of the Spanish-American War in 1898, others argue that the war represented no new departure but was simply an internationalization of traditional American Indian-hating—a mere expansion of the continental empire acquired through three centuries of colonialism. It is indeed a peculiarity of American imperialism that it was born out of a process of colonialist expansionism and that white supremacist racism provided an ideological basis for the new foreign policy. This was explicitly stated by the bluntest spokesman of early American imperialism: “To grant self-government to Luzon under Aguinaldo would be like granting self-government to an Apache reservation under some local chief,” future president Theodore Roosevelt said in 1900. “The reasoning which justifies our having made war against Sitting Bull also justifies our having checked the outbreaks of Aguinaldo and his followers.”251 But, as we will attempt to show in this chapter, the Spanish-American War did mark a new stage in the history of US foreign policy. To understand the reason for this periodization we must make a short excursus into the Marxist theory of imperialism.
The Marxist theory of imperialism

Imperialism is the central question of modern politics. The most important work on this subject is Lenin’s famous 1916 booklet *Imperialism, the Highest Stage of Capitalism*, written against the background of the First World War. Chronologically, the first major source of Lenin’s work was the book of the British economist John A. Hobson, *Imperialism: A Study*, published in 1902 against the background of the US imperialist adventures in the Caribbean and the Philippines and of the British imbroglio in the Second Boer War (1899–1902). Hobson’s politics were avowedly petty-bourgeois but his work, written from the vantage point of a subject of the British Empire, offered a wealth of insights into modern imperialism. In his book Hobson argued that at the bottom of modern imperialism was the fight to secure foreign markets. Modern “over-production” was purely relative: production could not be absorbed by the home market only because of the “mal-distribution of consuming power.” The way to put an end to this “false economy of distribution,” according to Hobson, was through a political alliance of working-class organizations with the progressive petty bourgeoisie and the “productive” strata of the bourgeoisie, in order to tax away the surplus wealth of the financial plutocracy.

The only safety of nations lies in removing the unearned increments of income from the possessing classes, and adding them to the wage-income of the working classes or to the public income, in order that they may be spent in raising the standard of consumption.

Trade Unionism and Socialism were “the natural enemies of Imperialism, for they take away from the ‘imperialist’ classes the surplus incomes which form the economic stimulus of Imperialism.”

The intellectual source of Hobson’s reform program was the theory of distribution of the late classical English political economists, who, influenced by the growing strength of the labor movement, argued that the laws of production are fixed and permanent whereas the distribution of wealth is a matter of human choice. Marx argued in response that relations of distribution are but a reflection of the relations of production, and that it is utopian to attempt to alter in any significant way the former without changing the latter. Applied to Hobson’s theory, that means that it is impossible to abolish imperialism without abolishing the class differences that create the need to export “surplus” capital.

Hobson’s reform proposals were also utopian in their advocacy of national autarchy as a remedy for the evils of imperialism. He believed that foreign trade was diminishing in relation to the total economic activity of the imperialist countries, and that dependence on the world market could be reduced if income was more equitably distributed. Therefore, he concluded, “there is no necessity to open up new foreign markets; the home markets are capable of indefinite
expansion. Whatever is produced in England can be consumed in England, provided that the ‘income’ or power to demand commodities is properly distributed.” Lenin argued that, on the contrary, the increasing economic interdependence among nations did not imply, as Hobson feared, the historical necessity of imperialism, but the need to abolish capitalist commodity production altogether and replace it by a rational economy planned on a global scale.

Though English Marxists began to analyze the subject of imperialism as far back as 1885, continental Marxist theoreticians began to deal with the issue of imperialism at length for the first time in 1907, as a contribution to the debates on colonialism at the Stuttgart Congress of the Second International. In that year Kautsky published the brochure *Socialism and Colonial Policy*, and Parvus his untranslated work *Colonial Policy and the Collapse of Capitalism*. In 1910 the Austro-Marxist Rudolf Hilferding published his book *Finance Capital: A Study of the Latest Phase of Capitalist Development*, which together with Hobson’s *Imperialism*, provided the theoretical basis for Lenin’s book on imperialism.

In the section of his book dealing with “Capitalist Colonial Expansion,” Parvus pointed out that the drive to develop a mighty fleet and extensive colonial possessions was common to all the capitalist industrial states, and that it had a common cause in capitalist overproduction and capitalist competition.

People have long discussed in the literature on this subject whether there is indeed an over-production. They argued that there is no over-production but under-consumption, since the popular masses by no means consume all they need. That, however, is playing with words. If one understands by over-production a surplus over the people’s needs, then there is certainly no over-production, because the masses still lack the most elementary necessities of life. But that is not the point. Capitalist over-production results from the surplus of the incomes over the expenses of the possessing classes. This surplus is certainly enormous. And that is precisely the terrible contradiction: while the popular masses starve, a few capitalists have so much, that they don’t know where to put their wealth. The workers have the need, but not the money to buy the commodities, while the capitalist class has the money, but not the need. Thus a part of the annual production remains superfluous. Where to place it?

Imperialist colonial policy—born of the new community of interests between the large landowners, the cartelized industry, the banks, the state bureaucracy and militarism—was an attempt to avoid industrial crises by disposing of the surplus goods and capitals generated by the misery of the working masses.

Hence the striving of industry for foreign markets, especially for places which still find themselves at a considerably earlier stage of development. Instead of placing the native population of the industrial countries in a position of satisfying their needs by raising their wages, the capitalists
seek by all means to dispose of their surplus abroad. In each new country in which capitalist industry penetrates the market, the same development described above repeats itself. That was the case in England, France, and Germany, in Russia and North America. Everywhere capital awakened enormous productive forces, and everywhere the result was—growing over-production. Then it begins to push for new markets.267

In his 1907 brochure Socialism and Colonial Policy, Kautsky remarked that, since the 1880s, capitalism had begun to restrict the growth in labor productivity by limiting competition. The growth of monopolies could be followed most clearly in “that El Dorado of the trusts, America.” The capitalists sought to get rid of their surplus by exporting capital. These capital exports had resulted in a new type of colonial system: “The capitalists do not export their products as commodities for sale to the foreign country, but as capital for the exploitation of the foreign country,” Kautsky pointed out. A second way that the monopolies used to get rid of their surplus capital was militarism. Still writing under the influence of the Russian Revolution of 1905, Kautsky denied that there was a way out of militarism in the framework of capitalism: “The abolition of militarism, like that of the system of cartels and trusts, is today only possible through socialism.”268 After his break with Rosa Luxemburg three years later, Kautsky reversed his position and argued that disarmament is possible under imperialism.269 But back in 1907 he drew revolutionary conclusions from his analysis, similar to Lenin’s later positions on the national question. Kautsky argued that the proletariat must work “energetically against the acquisition of new colonies, and must support equally energetically all native colonial independence movements. Our aim must be: the emancipation of the colonies; the independence of the nations inhabiting them.”270

Another major theoretical source of Lenin’s work on imperialism was Hilferding’s Finance Capital.271 Hilferding introduced two new theoretical concepts to Marxist political economy: the founders’ profit, accruing to individual capitalists turning their enterprises into joint-stock companies (which explains their eagerness to turn to stock-exchange speculation), and finance capital, that is, capital in money form at the disposal of the banks, which is made use of by the industrialists and thus converted into industrial capital.

Finance capital signifies the unification of capital. The previously separate spheres of industrial, commercial, and bank capital are now brought under the common direction of high finance, in which the masters of industry and of the banks are united in a close personal association. The basis of this association is the elimination of free competition among individual capitalists by the large monopolistic combines.272

Following Hilferding, Trotsky once defined imperialism as “the expansionist policy of finance capital.”273
We have purposely left out of our review Rosa Luxemburg’s theory of imperialism (1913), based on a revision of the Marxist theory of accumulation according to which the capitalists need non-capitalist social strata as a market for the realization of their surplus value in order to ensure the process of expanded reproduction. Lenin, who had an enormous respect for her intellectual brilliance and revolutionary courage, nevertheless considered her views on accumulation a resurrection of the petty-bourgeois theories of the Narodniks, which in turn were a refurbished version of the Romantic theories of Sismondi.274

The immediate aim of Lenin’s book on imperialism—like that of his disciple Bukharin, written a year earlier and prefaced by Lenin275—was to uncover the economic reasons for the outbreak of the First World War and the collapse of the Second International. In his work Lenin gave both an epigrammatic definition of imperialism as “the monopoly stage of capitalism,” and the following more extensive one:

Imperialism is capitalism at that stage of development at which the dominance of monopolies and finance capital is established; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun, in which the division of all territories of the globe among the biggest capitalist powers has been completed.276

The growth of monopolies set barriers to the expanded reproduction cycle: by hindering the formation of an average rate of profit and the free movement of labor, they increased the imbalances between the rates of growth of different branches of production and the unevenness of capitalist development in different countries. But from the growing inability of the law of labor value to regulate production under monopoly capitalism, Lenin didn’t draw the mechanical conclusion that capitalism would automatically stagnate or collapse for purely economic reasons.

Imperialism and the national question

The main conclusions Lenin drew from his analysis of imperialism were political. He argued that the objective conditions for socialist revolutions had ripened on a world scale, even in colonial and semi-colonial countries with backward economies, because all nations have been thrown into the whirlpool of the world market and imperialist politics, and because parasitism was one of the distinguishing features of imperialism. Due to the massive capital exports, the income from trade paled in comparison with that yielded by foreign investments. “The world has become divided into a handful of usurer states and a vast majority of debtor states,”277 Lenin wrote almost three decades before the creation of the International Monetary Fund and the World Bank. To the exploitation through the banks and “multinational”
corporations (a misleading term, since these monopolies both transfer their profits to and rely on the military support of the imperialist centers from which they sprung) should be added the worsening of the terms of trade between the "Third World" and the imperialist countries.

For Lenin the imperialist or semi-colonial character of a country was defined by economic criteria (i.e. its exploiter or exploited nature) regardless of the democratic or dictatorial character of its political regime. He used the example of the United States to show that imperialist parasitism tends to blur the dividing lines between the different political regimes through which the bourgeoisie has historically reached power, because they all become servants of the great monopolies and implement their policies:

A comparison of, say, the republican American bourgeoisie with the monarchist Japanese or German bourgeoisie, shows that the most pronounced political distinction diminishes to an extreme degree in the epoch of imperialism—not because it is unimportant in general, but because in all these cases we are talking about a bourgeoisie which has definite features of parasitism.278

Two corollaries followed from the Leninist distinction between oppressor nations and exploited ones. The first was the impact of the super-profits accruing from this exploitation on the labor movement of the imperialist metropolises—namely the development of a labor aristocracy and union bureaucracy that became the social bases of reformism within the working class movement. This development was epitomized in the United States by the American Federation of Labor led by the Samuel Gompers. It is not casual that its analysis was pioneered by an American theoretician, the Socialist Labor Party leader Daniel De Leon, in his brochure *Two Pages from Roman History* (1902).279 Lenin would later refer to the labor aristocracy and bureaucracy as "agents of the bourgeoisie in the working-class movement" and "‘labor lieutenants of the capitalist class’, to use the splendid and profoundly true expression of the followers of Daniel De Leon in America."280

The second conclusion that the Third International drew from the theory of imperialism was that the national liberation struggles of the colonial and semicolonial peoples had a progressive nature regardless of the possibly reactionary character of their current leadership.281 Following this line of reasoning, the Comintern developed a specific tactic—the anti-imperialist united front—for the Communist parties of the "Third World."282 The Leninist position on the "Third World" nationalism was as a new departure in Marxist theory, recognized as such by Trotsky in his article on the *Communist Manifesto*.283

**The background to American imperialism**284

The United States entered the imperialist race with the 1898 Spanish-American War, which resulted in the occupation of the Philippines, Guam,
Wake Island, Cuba, and Puerto Rico and the annexation of Hawaii. The traditional US foreign policy of colonialist expansionism was based on the extermination of the Native American population and the bullying of weaker neighboring nations such as Mexico. Nevertheless, until the end of the nineteenth century, “the Constitution followed the flag,” that is the conquered regions were turned into territories and later into states where white settlers—and eventually even those original inhabitants who escaped ethnic cleansing—were granted democratic rights as US citizens. That was not the case with the territories conquered since 1898: they were not meant to become part of the American union but to be enslaved in the interest of the new financial aristocracy. In that sense the Spanish-American War represented a new departure: it marked the end of settler-colonialist expansionism and the beginning of modern US imperialist foreign policy.

In its immediate aftermath, the Spanish-American War led to the instauration of American military government over 8 million non-white peoples and the killing of more than a quarter of a million Filipinos during the repression of their independence war. On the long run, it would lead to a policy of overseas interventionism whose major highlights were the American intervention in the two World Wars, the Korean War, the Vietnam War, the Gulf War and the current American military occupation of Iraq and Afghanistan.

The economic background to the war was marked by the growth of monopolies, with their corollary of overproduction and overaccumulation. The appearance of monopolies led to the passage of the 1890 Sherman Anti-Trust Act—named after Ohio Senator John Sherman—empowering the federal government to institute proceedings against trusts threatening to restrain interstate and foreign trade. John A. Hobson described in the following terms the economic interests behind the new foreign policy doctrine:

The adventurous enthusiasm of President Theodore Roosevelt and his “manifest destiny” and “mission of civilization” party must not deceive us. It was Messrs. Rockefeller, Pierpont Morgan, and their associates who needed Imperialism and who fastened it upon the shoulders of the great Republic of the West. They needed Imperialism because they desired to use the public resources of their country to find profitable employment for their capital which otherwise would be superfluous.

The trigger for the Spanish-American War was the financial panic of 1893, which continued well into 1897 and constituted the worst economic crisis of overproduction and overinvestment in the United States until the Great Depression of the 1930s. The crisis exacerbated a long-standing social unrest among the American farmers and workers.
Largest in size, if not in historical significance, was the Populist movement. The People’s Party represented an attempt by Western and Southern farmers to form an independent political movement against the Eastern bourgeoisie. Its platform called for an increase in the circulating medium, the free and unlimited coinage of silver at the ratio of 16 to 1, a graduated income tax, a subtreasury plan of warehouse loans, government ownership of the telegraph and telephone systems, abolition of land monopoly and alien landownership, restriction of undesirable immigration, strict enforcement of the federal eight-hour law, the abolition of Pinkerton private armies, the Australian secret ballot, the initiative and referendum, the direct election of senators, and opposition to subsidies for private corporations. In the 1892 elections, the People’s Party presidential candidate, James B. Weaver, received 1,027,329 votes. Four years later, the party was seriously weakened by its endorsement of Democratic presidential candidate William Jennings Bryan on a platform of free silver. “The Spanish War finished us,” the Populist leader Tom Watson would declare later. “The blare of the bugle drowned the voice of the Reformer.”

Much more serious was the simultaneous rise of the labor movement. One of the largest employers of the period, George Pullman, used the depression as an opportunity to cut wages. Discontented workers joined the American Railway Union (ARU), led by Eugene Debs, and launched a strike which eventually reached 60,000 workers, mostly in the Chicago area. On July 2, 1895, a US Court issued an injunction against the strike under the provisions of the Sherman antitrust Act. In October 1895 the Supreme Court upheld the use of federal troops to maintain the flow of mails and interstate commerce in the Pullman strike, thus sanctioning the use of the Sherman antitrust Act as a strike-breaking device. The strike was eventually broken up by over 12,000 federal troops sent in by President Grover Cleveland. Thirteen strikers were killed and 57 were wounded, while Debs was sentenced to six months in jail. Debs used his prison term to read Marxist literature, and after his release in 1895 became the best-known socialist leader in America, running for President for the first time in 1900.

The ideological background to the war was marked by events such as the publication in 1890 of Captain Alfred T. Mahan’s book *The Influence of Sea Power upon History, 1600–1783*, which advocated the taking of Caribbean Islands, Hawaii, and the Philippines as naval bases, the building of an inter-oceanic canal and the creation of a strong navy to expand US commerce, and the reading, on July 12, 1893, of Wisconsin historian Frederick Jackson Turner’s paper *The Significance of the Frontier in American History* at the meeting of the American Historical Association in Chicago. This article publicized the “closing of the frontier” identified by the 1890 Census report, and contributed to existing fears that industry and capital had exceeded the capacity of the home market and had to look for new outlets abroad.
Even more significant for the launching of America’s imperialist career was the exacerbation of racism: in 1892 alone 161 lynchings of African-Americans were recorded. In November 1896 this racist wave received an official expression when the US Supreme Court upheld the policy of “separate but equal” facilities and accommodations for blacks in *Plessy v. Ferguson*, legitimating the Southern regime of legal segregation.

Internationally, the background to the rise of American imperialism was the partition of China between the imperialist powers (highlighted by the Sino-Japanese War of 1894–95), which drove the United States to conquer the Philippines as a beachhead to the China market, and the struggle with Great Britain over imperialist hegemony in South America. The US arbitration of the Venezuelan boundary dispute is the best-known event in this struggle. The Venezuelan territory of Point Barima, controlling the mouth of the Orinoco River, was claimed by the neighboring British colony of Guiana. In July 1895, US Secretary of State Richard Olney sent a note to Great Britain invoking the 1823 Monroe Doctrine—stressing European non-intervention in (South) American affairs—and demanding that the British submit the dispute to arbitration. Great Britain, already bogged down in South Africa by the Boer War of 1899–1902, could not afford another conflict. The arbitration commission included two Americans, two British, and one Russian citizen, but no *venezolano*. On October 3, 1899, the commission rendered a decision basically favorable to England: Guiana received most of the disputed territory, though Venezuela retained control over the Orinoco River. Venezuela was not consulted and refused to recognize the new boundary. The affair resulted in de facto British recognition of the US claim to hegemony over Latin America: the whole subcontinent was to be regarded as the US backyard. It was Cleveland’s Democratic administration that gave the Monroe Doctrine (originally proclaimed in 1823) its modern imperialist content.

**The Spanish-American War of 1898**

The Spanish-American War was preceded by a three-year-long liberation struggle waged by the Cuban people against the Spanish empire. The Cuban fighters led by José Martí began their fight for independence on February 24, 1895, when the Cuban Liberation Army issued the *Grito de Baire*. Martí’s second-in-command was Antonio Maceo Grajales, “the Titan of Bronze,” one of the outstanding guerrilla leaders in the Ten Years War (1868–78), the Independence movement that served as forerunner of the 1895 insurrection. Both were killed during the war. The Spanish fought back with a brutal policy of “reconcentración,” which resulted in the death of some 300,000 *reconcentrados* from hunger and disease (the Cuban population shrunk from 1.8 million in 1895 to 1.5 million in 1898).

The United States entered the war after the battleship *Maine* exploded at Havana harbor, losing 266 men. “Remember the Maine” became the battle
cry of the American imperialists who wanted war with Spain. In order to reassure the anti-imperialist elements Senator Henry M. Teller (Colorado) proposed an amendment to the US declaration of war against Spain. The Teller Amendment proclaimed:

First. That the people of the Island of Cuba are, of right ought to be, free and independent...

Fourth. That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said Island except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the Island to its people.291

The House adopted the Senate resolution and McKinley signed the Joint Resolution on April 20, 1898. The later US imperialist policy towards Cuba was implemented in violation of the promises made in the Teller Amendment.

War was formally declared between Spain and the United States on April 25, 1898. At that time the standing army had only 28,000 soldiers and officers, out of a total population of 76 million people. The bulk of the American forces during the war consisted of volunteers, which reached 200,000 by the war’s end. Theodore Roosevelt resigned his post as assistant Secretary of the Navy to help organize a volunteer regiment, the Rough Riders. Actual fighting lasted only 3 months, until August 1898. The only land campaign fought by the US army centered on the city of Santiago de Cuba, in the eastern half of the island. Roosevelt’s Rough Riders saw combat on July 1, 1898 at the battle of Kettle Hill. In the meantime the Spanish fleet had attempted to leave Santiago Bay and was halted by a US squadron, which sunk all the Spanish ships. On July 15, 1898, the Spanish forces capitulated and General Leonard Wood was appointed military governor of the island.

At the same time the US army occupied Puerto Rico and set up a military government over its 1 million inhabitants. In April 1900 the Foraker Act defined Puerto Rico as an “unincorporated territory” rather than as a colony, paying lip-service to the anti-imperialist rhetoric of the Spanish-American War and America’s own republican traditions.

In the interim, an armed revolt against Spanish rule broke out in the Philippines. Theodore Roosevelt ordered the Pacific Fleet to the Philippines with instructions to attack the Spanish fleet. On May 1, 1898, US Commodore George Dewey sunk the entire Spanish squadron in Manila Bay in six hours. On August 13, 1898, Manila fell to US troops after a sham fight with Spanish forces, which preferred to surrender to their fellow US imperialists rather than to the local freedom fighters led by Emilio Aguinaldo.

On December 10, 1898, representatives of Spain and the United States signed the Treaty of Paris. In exchange for $20 million, the United States gained
control of Cuba, Puerto Rico, Wake Island, Guam, and the Philippines. Anti-Imperialists condemned the purchase of 8 million natives at $2.5 per head as a return to chattel slavery. The United States would spend twenty times that sum in suppressing the Filipino Rebellion. The leader of the opposition, William Jennings Bryan, voted in favor of the treaty.

In Cuba, McKinley's main concern was to pay off and disband the revolutionary army, since it represented the only tangible threat to American rule. The Cuban general Máximo Gómez, unlike Aguinaldo, decided to accept a temporary US military occupation of his country, and the 48,000 Cuban army veterans were eventually paid $75 each. On December 10, 1899, General Leonard Woods became the new military governor of Cuba. He defined his "civilizatory mission" in January 1900 as follows: a stable government would have been reached when money could be borrowed at a reasonable rate of interest and capital would be willing to invest in the island.

On April 18, 1900, the United States imposed an electoral law disenfranchising most Cubans: it restricted the vote to males over 21 who were able to read and write (the 1899 census revealed that two-thirds of the population were illiterate), owned property over $250, or served in the Cuban army prior to July 18, 1898. Although most blacks and poor people were thus excluded from the electorate, the municipal elections held on June 16, 1900, resulted in a victory for the Cuban National Party.

In March 1901 a rider appended to the US Army appropriations bill, the Platt Amendment, stipulated the conditions for the withdrawal of US troops from Cuba. In violation of the Teller Amendment, the United States forced Cuba to insert an amendment into its constitution by which Cuba pledged itself not to transfer land to a foreign power or enter into treaties impairing its "independence," not to contract foreign debts without guarantees that the interest could be served from ordinary revenues, and to grant to the United States the right to intervene to preserve its "independence" and a stable government as well as control of a naval base in Guantánamo. The May 23, 1901, issue of the New York Evening Post summed up the goal of the US occupation of Cuba in the following words: "Cuba is now in a position to attract the investment of American capital."

The economic counterpart of the Platt Amendment (abrogated in 1934 as part of F. D. Roosevelt's "Good Neighbor" policy) was the December 1903 Cuban reciprocity treaty. The reduction of the sugar tariff tied Cuba's principal export crop to the American market, turning the country into an economic protectorate of the United States. Unlike direct military control in the Philippines, neocolonialism as first implemented in Cuba would become the model for future US imperialist enterprises.

The first US military occupation of Cuba ended in May 1902. The second began just four years later, when domestic uprisings seemed to threaten the status quo of the island. US troops landed in September 1906 and lingered on for two and a half years until January 1909. Roosevelt's Secretary of
War (and future US president) Howard Taft, who had previously served as military governor of the Philippines, was appointed military governor of Cuba. US Marines intervened again in 1912 to put down a rebellion of sugar workers and yet again in 1917 to guarantee Cuban sugar exports during the First World War. US investments in Cuba rose from $50 million in 1898 to $500 million in 1920. The Bay of Pigs invasion of April 1961 followed a time-honored tradition of American imperialist interventions in the island.

The repression of the Filipino insurrection (1899–1912)294

The Philippine-American War, or Filipino Insurrection, began on February 4, 1899. The US occupation of the archipelago had been preceded, as in Cuba, by an independence struggle against Spain which the Americans pledged to support. The Filipino equivalent of José Martí was José Rizal—like him the author of beautiful poems in Spanish—who was executed by a Spanish firing squad on December 30, 1896. Leadership of the Filipino independence movement passed to the hands of Andrés Bonifacio, who on August 26, 1896, issued the Grito de Balintawak—the Filipino equivalent of the Cubans’ Grito de Baire—which marked the beginning of the Filipino Revolution. The Spaniards moved against Bonifacio, forcing him to fly to the Marikina mountains, while other forces headed by Emilio Aguinaldo, the military leader of the revolution, were more successful and won control over some towns. When Bonifacio came out of his hiding in March 1897 and tried to reassert his leadership, Aguinaldo ordered his arrest and eventual execution on May 10, 1897. Toward the end of that year Aguinaldo and his entourage agreed to a cease fire with the Spanish authorities and went into exile to Hong Kong. But the Filipino resistance movement renewed its revolutionary activity shortly thereafter, in April 1898, when the United States declared war on Spain. The following month Commodore Dewey sunk the Spanish fleet in Manila. After his victory, Dewey sent a ship to Hong Kong to pick up Aguinaldo. When the latter arrived, Dewey urged him to assemble a Filipino army and remove the Spanish troops from the islands. After the Filipino Insurrection broke out, Dewey pretended not to know that Aguinaldo and his supporters wanted independence. Perhaps Aguinaldo was misguided by a naïve belief in the principles of American democracy, for he stated: “I have studied attentively the US Constitution and I find in it no authority for colonies, so I have no fear.”

On June 20, 1898, Spanish authorities surrendered the island of Guam to the cruiser USS Charleston. Guam was placed under control of the US Department of the Navy. An identical sequence of events would take place half a year later in Wake Island. On August 12, 1898, the United States
annexed Hawaii, which like the Philippines was seen as a beachhead to the potentially huge China market.

When the Americans arrived in the Philippines, Aguinaldo’s army had already cleared the Spanish from most of the island of Luzon. An army of 30,000 Filipinos surrounded Manila in 14 miles of trenches. The Americans joined the Filipinos and occupied a section of the trenches. The 15,000 Spanish troops trapped inside the city arranged a mock battle with US forces and surrendered on August 14. General Wesley Merritt set up a military government in the city, denying entry to the Filipino troops. On December 10, 1898, the United States signed the Paris peace treaty with Spain. Eleven days later President McKinley issued his Benevolent Assimilation Proclamation, instructing the American occupying army to use force to impose US sovereignty over the Philippines, and announcing his decision to keep the islands as an American colonial possession. In the interim the Philippine revolutionary congress (the Malolos Congress) approved a constitution for the new Philippine Republic and appointed Aguinaldo as its president. When it became clear that the US government had not intention of recognizing either the Malolos Congress or the constitution it had drafted, the Filipino insurrection against US occupation, or Philippine-American War, finally broke out.

On February 4, 1899, three Filipino soldiers were killed by US forces in a suburb of Manila. Aguinaldo sent a messenger to Elwell S. Otis, the first Military Governor of the Philippines, requesting peace. Otis refused, saying the war must continue “to the grim end.” The Americans attacked with heavy artillery, followed by an assault that routed the Filipino army, which suffered 3,000 casualties in a single day. Hundreds of Filipinos were killed trying to swim across the Pasig River to safety. American troops suffered only 60 casualties.

Atrocities marked the entire conduct of the war by the United States, both because the resistance forces operated among civilian population and because the American forces viewed the natives as savages: “Nigger” and “goo goo” were common racial slurs applied to the Filipinos.

Virtually every member of the high command had spent most of his career terrorizing Apaches, Comanches, Kiowas and Sioux. Some had taken part in the massacre of Wounded Knee. It was easy for such commanders to use similar tactics in the Philippines, particularly when faced with the frustrations of guerrilla warfare.

From 1898 to 1901 the US standing army was nearly quadrupled, from 26,800 to 104,000 soldiers. The growth of militarism led to widespread fears in the United States that the republic would be replaced by a Caesarist empire as in ancient Rome. To placate those critics, American “counterinsurgency” policy in the Philippines began to rely on the enlistment of native troops, much like Nixon would do later in Indochina with his “Vietnamization”
policy. Only peoples like the Macabebe, warlike natives to the island of Pampanga traditionally hostile to Aguinaldo and the Tagalogs (the ethnic group inhabiting central Luzon) enlisted as mercenary troops, as they had done under Spain. Over the course of the war, about 5,000 Macabebe were recruited, comprising 5 to 6 percent of the US Army. They taught American troops the method of torture known as the “water cure,” which has been described as “placing a man on his back, forcing open his mouth and pouring into him a pail or more of water ‘till he swells up like a toad,’ and then squeezing it out again.” Anti-imperialists thought the Macabebe had learned this torture from the Spanish as it was common practice in the Inquisition. The historian Charles Beard would later call the war “an imperialist crusade in the name of civilization,” and confess his preference for the ideals that were professed before we began, under the thoughtful patronage of our mother, England, to acquire dependencies, protectorates, moral obligations, and mandates in the interest of humanity, to administer water-cure and Krag-rifle medicines, to shoot, bayonet, gas, bomb, and eviscerate backward peoples in the name of the higher good and profitable investments.

American forces in the Philippines took no prisoners: the Filipino battle ratio was fifteen killed to one wounded, whereas the usual one was one killed to five wounded. On May 2, 1900, General Arthur MacArthur, the father of Douglas MacArthur, replaced General Elwell Otis as Military Governor of the Philippines. During the senate investigations on the atrocities in the Philippines (January to June 1902) General MacArthur was put on the stand, where he justified American policy by citing the precedent of the “expansion to the West”: the Spanish-American War, he told Congress, had swept “this magnificent Aryan people across the Pacific—that is to say, back almost to the cradle of its race.” On July 4, 1901, McArthur transferred his responsibility as military commander to General Adna Chaffee and as civil governor to William Howard Taft (later to become the 27th president of the United States), who described the Filipinos as “our little brown brothers.”

Now, with a strong base of operations just 400 miles from the Asian mainland, the United States used the Philippines to push through the “Open Door” policy in China—which incidentally contradicted its “closed door” policy in Latin America. On September 6, 1899, Secretary of State John Hay dispatched the first of his Open Door notes to Great Britain, Germany, France, Italy, Japan, and Russia—the powers that had partitioned China into “spheres of influence”—asking them to declare formally that they would “uphold Chinese territorial and administrative integrity” and guarantee equal trading rights for all nations. That diplomatic move, which elicited no immediate response, shows how America’s late start in the imperialist race enabled it to appear (outside Latin America and the Philippines) as a democratic supporter of the right of self-determination of oppressed peoples—a pose
which would become one of the main ideological weapons used by President Woodrow Wilson during the First World War.

In June 1900 the Boxer Rebellion broke out in China. The rebels attacked the "extraterritorial zones" in the cities of Tianjin and Beijing. The insurgents finally fell to imperialist forces from Japan, the Austro-Hungarian Empire, Great Britain, France, Germany, Italy, Russia, and the United States. The Allied forces numbered around 25,000, of which about 10 percent were American troops sent from the Philippines. In August the imperialist troops looted Beijing and ransacked the Forbidden City, leaving 15,000 Chinese dead. In the United States the repression of the Boxer Rebellion was known as the China Relief Expedition.

On March 23, 1901, the Philippine revolutionary leader Emilio Aguinaldo was captured by the US occupation forces. He issued a proclamation declaring his allegiance to the United States and asking other generals to surrender, which many of them did. Resistance survived in three main pockets: Batangas (Southern Luzon) under the leadership of Miguel Malvar; Samar island, where the resistance forces were led by Vicente Lukban; and among the Muslims of Mindanao and Jolo island.

On October 23, 1901, at Balangiga, in the southern coast of Samar Island, Brigadier General Jacob Smith ordered a battalion of 300 US Marines, under the command of Major Littleton W. Waller, to make Samar "a howling wilderness." Smith ordered Waller "to kill everyone over ten" and to take "no prisoners. I wish you to kill and burn, and the more you kill and burn the better you will please me. I want all persons killed who are capable of bearing arms in actual hostilities against the United States." From October 1901 to January 1902, the US "kill and burn" policy in Samar resulted in the death of more than 50,000 Filipinos: the island's population dropped from 312,192 to 257,715. The guerrilla leader Vicente Lukban finally surrendered on February 22, 1902. Smith and Waller later faced war trials for their roles in the Samar atrocities but were acquitted on the ground of having followed Chaffee's orders.

On November 30, 1901, Brigadier General Franklin J. Bell was put in charge of the first military district of Southern Luzon, which included the province of Batangas. On December 8, Bell issued a directive to set up "zones" around selected towns, allegedly to protect the civilian population from the guerrillas. Much like the Spanish reconcentración policy in Cuba (and the later American "strategic hamlet" policy in South Vietnam) the army herded the inhabitants of Batangas into the major population centers. Outside the zones everything was systematically destroyed. From January to April 1902, 8,350 Filipinos died in the zones, out of a total population of 298,000. There were several brief skirmishes with the guerrillas during this time, but no major battles. The majority of those deaths were due to diseases such as malaria. One thousand and three hundred prisoners were reportedly executed: groups of 20 prisoners were forced to dig their own mass graves and
then gunned down. The concentration camp policy was ended when Miguel Malvar surrendered on April 16, 1902. Bell himself, “the butcher of Batangas,” estimated that one-sixth of the population of the province—that is, 50,000 people—perished as a result of the occupation.

In July 1902 the Philippine-American War officially ended, with more than 4,200 US soldiers and an estimated quarter of a million Filipinos dead. But in actual fact Filipino resistance to American occupation, continued for many years. On March 8, 1906, US troops massacred 600 to 900 men, women, and children taking refuge in a crater after the Battle of Bud (Mount) Dajo. They were Muslim Filipinos, or Moros, living in the southern part of the archipelago. The Moro Massacre, or Massacre of Bud Dajo, was again reminiscent of later American atrocities in Vietnam, particularly the My Lai Massacre of March 1968. A US-supervised election to a Filipino legislature took place the following year, in which only 3 percent of the population participated.

After the Tagalogs and Visayans had been largely subdued (the last Filipino guerrilla leader in Luzon was captured and executed as late as October 1911) Chaffee opened a full-scale offensive against the Moros in Mindanao and Jolo. The Massacre of Bud Bagsak in Jolo, which took place on June 15, 1912, marked the end of the Filipino resistance and of the more than twelve-years-long American “pacification campaign” in the Philippines. Mindanao remained under military government until 1913.

The repression of the Philippine insurrection gave birth to an Anti-Imperialist League in the United States. Formed in Boston with a strong component of former abolitionists and Radical Republicans, the League counted among its members Mark Twain, Andrew Carnegie, William James, and Samuel Gompers. George S. Boutwell, former secretary of the treasury and Massachusetts senator, served as president. This organization of mainly upper class easterners claimed 70,000 members within a year. Mark Twain, a leading member of the Anti-Imperialist League, wrote about American peacekeeping in the Philippines: “As for a flag for the Philippine Province, it is easily managed. We can have a special one—our States do it: we can have just our usual flag, with the white stripes painted black and the stars replaced by the skull and cross-bones.”

The rape of Panama (1903)

During the Spanish-American War it took the USS Oregon 67 days to complete the 14,700 mile cruise from the Pacific Coast to the waters off Florida in order to join the Atlantic Fleet. Now in possession of colonial outposts in the Caribbean and the Pacific, the United States pushed on with its plans to construct a canal across the Panamanian isthmus connecting both parts of the fledgling American empire. The task fell on President Theodore
Roosevelt, the eulogistic historian of ethnic cleansing in the West, Rough Rider and future Nobel Peace Prize laureate.

Since Panama was then part of Colombia, Roosevelt proceeded to negotiate with the Colombians to obtain the necessary permission. On January 22, 1903, Secretary of State John Hay and Colombian foreign minister Tomás Herrán signed an agreement known as the Hay-Herrán Treaty, by which the United States would have acquired a renewable 99 year lease on a six-mile-wide strip across Panama in exchange for $10 million in cash and an annuity of $250,000. The New Panama Canal Company—the French Company that had begun and abandoned the construction of the canal—was to be paid four times more than Colombia ($40 million). In addition, the United States was granted the right to intervene militarily “in case of danger to the canal.” The treaty was ratified by the US Senate but rejected by the Colombian Senate, which claimed that it represented a renunciation of national sovereignty.

On November 3, 1903, a Panamanian “independence” uprising was engineered by Philippe Bunau-Varilla, a Frenchman acting as representative of the New Panama Canal Company, who had personally met Roosevelt and Hay and got from them the green light to organize the secession. The governor appointed by Colombia to rule the province, José Domingo de Obaldía, joined the conspirators and became one of Panama’s first vice-presidents. The Colombian army detachments in the province were bought off and US Marines were landed in Panama. The Colombian soldiers sent to prevent the secession were separated from their officers and shipped back to their country. “I took Panama without consulting the Cabinet” Roosevelt would later boast in his autobiography.

The head of the new ruling junta was Manuel Amadeo Guerrero, a physician closely associated with the Panama Railroad, owned by the New Panama Canal Company. Guerrero had traveled to New York, where he raised money and arranged support for the plot. Other conspirators were the railways’ attorney José Agustín Arango, the superintendent of the railway James Shaker, and the railway’s freight agent James Beers. They were joined by leaders of the local oligarchy such as C. C. Arosemena, Ricardo Arias, Federico Boyd, and Tomás Arias. Their lobbyist in the US Congress was the New York lawyer William Nelson Cromwell, of the Wall Street law firm Cromwell and Sullivan. On November 6, 1903, the United States recognized the newly-independent Latin American “republic.” Secretary of War William Howard Taft called it “an opera bouffe country.”

On November 18, 1903, Secretary of State Hay and Bunau-Varilla, in his new role as Plenipotentiary Ambassador of the Republic of Panama, signed the Hay-Bunau Varilla Treaty. In return for an annuity, the United States was granted control of a 10-mile-wide canal zone “in perpetuity,” the authority to act in the canal zone “as if it were the sovereignty of the territory” (including judicial and police power), the right to take additional territories and to use rivers and lakes unilaterally determined to be “necessary
and convenient” to the project, the right to intervene militarily in Panama “to preserve order,” and even the right to control Panama’s immigration policy. Article 136 of the Panamanian Constitution, approved in January 1904, explicitly stipulated the United States’ right to intervene in any part of Panama to restore order—a clause borrowed from the Platt Amendment. In addition, the Panamanian currency was tied to the dollar. By 1913 the United Fruit Company owned one-fourth of Panama’s private property. The construction of the canal was completed in 1914. Some 50,000 mostly black workers were employed to build it under conditions of segregation (separate toilets, drinking fountains, etc.), of which 5,000 died. Whites were paid in gold coin, blacks in silver coin.

Panama became a US protectorate and suffered repeated military interventions. The United States eventually established 14 military bases in Panama, and in 1946 set up the infamous School of the Americas, where future Latin American dictators like Manuel Noriega and Leopoldo Galtieri were taught to use “counterinsurgency” methods against leftist guerrillas.

The “Roosevelt Corollary” to the Monroe Doctrine

“Chronic wrongdoing,” President Theodore Roosevelt proclaimed in his annual message to Congress in December 1904, “may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power.” The background to the US self-proclamation as the regional cop in Latin America—a policy statement known as the “Roosevelt Corollary” to the Monroe Doctrine—was the default in the payment of its foreign debt by the Dominican Republic.

A New York banking syndicate called the San Domingo Improvement Company had bought the Dominican government’s European debts in 1893. In 1900 the Company was granted virtual control of Dominican customs collection. The customs revenue, which represented most of the government’s income, was to be divided up between the government and its foreign creditors. But due to its political instability the country proved unable to service its foreign debt. Both France and Italy threatened to intervene on behalf of their bankers. Using the rationale of the Corollary, on February 7, 1905, Roosevelt signed a treaty with the Dominican President Carlos Morales (approved by the US Senate two years later) which turned the Dominican Republic into a de facto protectorate. The Dominican customs receivership was headed by an appointee of the president of the United States, who distributed 45 percent of the revenues to the Dominicans and the rest to foreign creditors. This arrangement lasted, in one form or another, until 1941. The United States imposed similar customs receiverships on Nicaragua and Haiti.
The American interventions in Nicaragua

The next victim of the US foreign policy in Central America was the republic of Nicaragua. Between 1909 and 1933, US forces occupied Nicaragua three times. They eventually handed over the reins of power to Adolfo Díaz, a former treasurer of the American-owned La Luz y Los Angeles Mining Company. In 1925 a revolt broke out in Nicaragua with the support of Plutarco Elías Calles, president of Mexico from 1924 to 1928. Calles tried to apply Article 27 of the Mexican constitution of 1917, which nationalized subsoil resources. His support for Nicaraguan liberals was seen in the United States as an attempt to extend the revolution beyond Mexico’s boundaries (in actual fact Calles stepped back and Mexican oil was nationalized by President Lázaro Cárdenas in 1938). On December 24, 1926, 5,000 US Marines occupied Nicaragua again to stop the “Bolshevik-Mexican conspiracy” and prop up the Díaz regime. The opposition leaders capitulated and on May 4, 1927, signed the Pact of Tipitapa, by which they agreed to hold elections under US supervision. But Augusto César Sandino (1895–1934) refused to hand over weapons to the US forces and set up a guerrilla army in the region of Las Segovias.

The Nicaraguan resistance led by Sandino fought the US occupation forces for seven years. In 1933 the American troops finally left Nicaragua, unable to suppress Sandino’s guerrillas. In the interim the United States had abolished the army and replaced it by the Guardia Nacional, a constabulary organized and trained by US Marines under the command of Captain Smedley Butler—the same man who would later organize the Haitian constabulary. Anastasio Somoza García became the first Nicaraguan commander of the National Guard. The US-trained constabularies bred dictators all over the area: Fulgencio Batista in Cuba, Anastasio Somoza in Nicaragua, and Rafael Trujillo in the Dominican Republic. Sandino made a truce with the government but in February 1934 he was killed by agents of Somoza, with the approval of US ambassador Arthur Bliss Lane. With Sandino out of the way, Somoza became the official head of the state through a rigged election in 1936. He and his family ruled Nicaragua until 1979, when the Sandinista Revolution put an end to 43 years of US-backed dictatorship.

US interventions in the Mexican Revolution

The United States intervened militarily twice in the course of the Mexican Revolution, which is not surprising if we remember that by the time of Wilson’s inauguration half of the United States’ foreign investments of $5.5 billion were in Latin America. By one estimate Americans held 40 percent of Mexico’s property when the revolution broke out in 1910. On April 21, 1914, Wilson ordered US forces to invade the Mexican seaport of Veracruz. The official reason for launching the invasion was bizarre. Two US sailors were arrested in Tampico and released shortly thereafter. President Huerta offered
an apology to the United States for the incident, but Admiral Mayo demanded a twenty-one-gun salute to the US flag in addition to the apology. Huerta agreed only if the Americans would return the honor. Wilson considered the response insulting and ordered US forces to occupy, not Tampico, but the nearby city of Veracruz, which was Mexico’s main port and whose custom-house was the main source of revenue of the Mexican government. The American plan was to capture Mexico City, but it had to be cancelled in view of the unexpected civilian resistance: the invasion of Veracruz resulted in the death of 17 Marines and as much as 172 Mexicans. The Marines occupied Veracruz for more than six months, until November 1914.

The second American intervention in the Mexican Revolution, known in the United States as the Mexican Punitive Expedition, is referred to in Mexican historiography as “the third invasion of Mexico” by the United States, after the US-Mexican War of 1846–48 and the 1914 Tampico affair. On March 9, 1916, Pancho Villa led several hundred raiders in a cross-border attack against Columbus, New Mexico, killing ten American military men and eight civilians. Villa was angry at the US government’s official recognition of the regime of Venustiano Carranza. Wilson responded by sending an expeditionary force of more than 14,000 troops under Brigadier General John Pershing into the Mexican state of Chihuahua. From March 16, 1916, to February 14, 1917, Pershing’s expedition penetrated four hundred miles into Mexican territory but failed to capture Villa. The third invasion of Mexico was ultimately called off because troops were needed for the coming entry of the United States in the European war.

The American occupation of Haiti (1915–34)

The US crusade to export democracy in the First World War was preceded by two highly undemocratic interventions in Haiti and the Dominican Republic during the presidency of Woodrow Wilson. The first one chronologically was the US intervention in Haiti, which the Americans occupied from 1915 to 1934. After the United States, Haiti is the oldest independent nation in America. Independence was achieved during the French Revolution by the only successful slave revolt in history, led by Toussaint L’Ouverture and Jean-Jacques Dessalines. The defeat of Napoleon’s 30,000-strong army at Saint Domingue—the colonial name of Haiti—in 1801 was a critical factor in the French decision to sell Louisiana to the United States in 1803. Toussaint L’Ouverture became America’s first line of defense, despite the continued hostility of Southern planters to the new country. In 1824 France agreed to recognize Haiti as an independent nation in exchange for a huge indemnity. But only in 1862, during the Civil War, did the United States finally grant diplomatic recognition to Haiti along with Liberia.

The prelude to the US intervention began in 1910, when part of the capital of the new national bank was subscribed by the National City Bank of New York. Several US corporations with ties to the National City Bank had
plans to build a railroad system in Haiti. They pressured President Woodrow
Wilson and his Secretary of State, William Jennings Bryan, to find ways to
stabilize the Haitian economy by taking a controlling interest in the Haitian
custom houses, the main source of government revenue. The lobbyists
demanded a customs receivership like the one established in the Dominican
Republic in 1905. The American strongman in Haiti was Roger L. Farnham,
vice-president of the National City Bank of New York and of the new
National Bank of Haiti, and president of the Haitian National Railway. In
December 1914, Farnham and Bryan arranged for the U.S.S. Machias to come
ashore at Port Au Prince, march into the new National Bank of Haiti, steal
two strongboxes containing $500,000 in Haitian currency and sail to
New York, where the money was placed in the City Bank. The so-called
Machias incident made the Haitian government totally dependent on
Farnham for finances with which to operate.

On the eve of the 1915 US intervention, 80 percent of the government
revenues were pledged to the $21.5 million foreign debt service. Militarily,
the strategic significance of Haiti for the United States had increased with the
opening in 1914 of the Panama Canal, for the country lay along the
Windward Passage.

The final decision to intervene in Haiti came in July 1915 with the
overthrow of Haitian President Vilbrun Guillaume Sam. In July–August
1915, 2,000 marines landed at Port-au-Prince. For the next 19 years, the US
Marine Corps wielded supreme authority throughout Haiti. Shortly after
the invasion, martial law was declared and the Haitian legislature was
dissolved—a situation which lasted until the strikes and riots of 1929, which
eventually made the occupation untenable.

The commander of the Marine Expeditionary Forces and senior US officer
in Haiti, Colonel Littleton W. T. Waller, had commanded the Marine land-
ings in Cuba in 1906, and before that, had been linked to the Samar atroci-
ties in the Philippines in 1901. The Marine general who served as American
High Commissioner had absolute control over both the military and the
civilian facets of the occupation, though the Americans appointed a
client-president—first Philippe Dartiguenave and later, from June 1922 on,
Louis Borno, an admirer of Mussolini. General John H. Russell, a native of
Georgia in the Deep South, served as proconsul in Haiti from February 1922
until 1930. His tenure was compared to Lord Cromer’s rule as High
Commissioner in Egypt to protect the Suez Canal.

The 1918 US-sponsored constitution of Haiti for the first time recognized
the right to alien landownership, which was forbidden in all the previous
16 constitutions. It was rejected by the Haitian legislature but “approved” by
a US-sponsored plebiscite in June 1918, with 98,225 votes in favor and only
768 against it. Sixty-seven out of 96 polling places reported no negative votes
at all. Only 5 percent of the population was reported to have participated in
the plebiscite.
The aim of the 1918 constitution was the destruction of the small peasant landownership resulting from the revolution and the forced establishment of US-dominated plantation agriculture. The black small farmers were to be turned into plantation peons. In addition, the constitution established a Council of State, appointed by the client-president, which performed all legislative functions until the election of a new legislature (only called in the aftermath of the 1929 riots). All the acts of the US occupation were validated in a special article, and the irremovability of judges was suspended for six months to make the judiciary more pliable to US demands.

In 1917 Wilson's assistant Secretary of the Navy and future democratic President Franklin Delano Roosevelt visited Haiti, and according to his own later statements, wrote the 1918 Constitution. He also gave unqualified endorsement to the activities of the Marines, such as the obliteration of the German community: from July 1918 to July 1919, the leading members of the German colony were interned and their property sequestrated, effectively driving them out of business.

Since the US troops that occupied Haiti were mostly from the Deep South, Americans instituted Jim Crow racial segregation in Haiti. The president of Haiti was barred from the US Officers' Club in Port-au-Prince because he was black. The occupation also sponsored manual training programs for blacks modeled on Booker T. Washington’s Tuskegee Institute. Wilson’s new Secretary of State after Bryan’s resignation in June 1915, Robert Lansing explained that

the experiences of Liberia and Haiti show that the African race is devoid of any capacity for political organization and lacks genius for government. Unquestionably there is an inherent tendency to revert to savagery and to cast aside the shackles of civilization which are irksome to their physical nature. Of course, there are many exceptions to this racial weakness, but it is true of the mass, as we know from experience in this country. It is that which makes the Negro problem practically unsolvable.306

The marines were able to occupy Haiti without serious trouble, except for the resistance they encountered in the caco areas. The cacos were a large band of warlike ex-slaves (maroons) that had established their authority in the rugged interior of the north. The cacos rose briefly against American occupation in 1915 and again, in much greater numbers, in 1918. In the meantime, the United States had disbanded the Haitian army and police and set up in their place a new national constabulary, the Gendarmerie d’Haiti (later Garde d’Haïti), organized and commanded by Marines. Led by 115 marine and naval officers, the National Guard came to have 2,533 Haitian troops. In discipline, training and gear, it became a near-replica of the Marine Corps. The first commander of the Haitian constabulary, Major Smedley D. Butler, had...
previously campaigned in the Philippines, China, Honduras, Nicaragua, Panama, and Mexico. Butler was Waller's second-in-command and remained in Haiti until March 1918.

The major caco revolt in 1918 was triggered by the American enforcement of the corvée—a form of forced labor characteristic of ancien régime France by which every Haitian peasant had to perform unpaid labor in the construction of public roads. Initial fighting occurred in June 1918 when a gendarme force, sent out to enforce the edict, was severely beaten by a group of cacoss. During the summer and fall of 1918, and under the charismatic leadership of Charlemagne Peralte, the cacos developed a military force of 3,000 men and succeeded in organizing guerrilla resistance to the US occupation over one-quarter of the country. In racial terms the war became a black revolt against white invaders. With a force of 300 men, Peralte even launched an attack on Port au Prince itself on October 7, 1919. Peralte was killed by the marines in November 1919, and leadership of the cacos fell to Benoit Batraville, who still controlled about 2,500 irregulars in central Haiti.

With over 1,300 officers and men, aided by the 2,700-strong gendarmerie, the United States opened the year 1920 with a concerted effort to rid Haiti of the insurgents. In nearly 200 engagements, most of the remaining irregulars were either killed, captured or surrendered themselves under the government's new amnesty program. Another attempt on Port-au-Prince failed even more dramatically than the previous one. By March 1920, over 3,000 cacos had turned themselves in. In June, the war was effectively ended with the killing of Batraville in a surprise attack on his main camp. Only 16 US soldiers lost their lives during the rebellion, while between two and three thousand Haitians were killed by US troops, out of a total population of 2 million.

The brutality of the occupation gave rise to the creation in the United States of the Haiti-Santo Domingo Independence Society, an outgrowth of the Anti-Imperialist League whose leaders were also the early leaders of the NAACP. The protests against torture and the shooting of prisoners reached such proportions that the US Senate Committee of Inquiry held a series of hearings on the matter from August to December 1921. The Marine Corps was officially exonerated.

In 1921–2 Haiti's external debt was consolidated in the hands of American creditors. The National City Bank granted Haiti a loan of $16 million, which was not to be repaid in full until 1952, thus committing the US government to long-term supervision of Haitian finances. Franklin Delano Roosevelt finally pulled the US troops out of Haiti on August 15, 1934, in the framework of the so-called "Good Neighbor Policy." But the withdrawal took place on the condition that Haitians would not increase their public debt or change their custom duties without Washington's permission. The United States appointed a general receiver to administer the customs who remained until 1941, as well as a financial adviser to supervise the treasury. The latter retained his post until 1947,
when the bonds were fully paid. During all that time, the State Department acted as a collecting agent for the City Bank in Haiti.

The American occupation of the Dominican Republic (1916–24)

The US occupation of Haiti was paralleled by the occupation of the Dominican Republic. Both countries share the island of Hispaniola. As far back as 1869, President Ulysses Grant signed an agreement calling for the annexation of the Dominican Republic, which was rejected by the US Senate. In 1905, as we have already seen, the Americans imposed a customs receivership on the country. Then, after the outbreak of the First World War, the United States occupied the Dominican Republic in May 1916 and imposed a military government in order to secure control of the sea routes to the Panama Canal. The United States showed their determination to turn the Caribbean into an American “Mare Nostrum” with the purchase, on December 12, 1916, of the Danish West Indies (Virgin Islands).

A guerrilla resistance to the US occupation developed in the Dominican Republic similar to the ones that flared up in the Philippines, Haiti, and Nicaragua. The most intense opposition to the occupation arose in the eastern provinces. For five and a half years (from 1917 to 1922), the US forces battled a guerrilla movement in that area which enjoyed considerable support among the population. The number of regular peasant partisans reached 600 by late 1918. But the resistance movement eventually yielded to the occupying forces’ superior firepower and brutal counter-insurgency methods. These included the setting up in August 1918 of reconcentraciones (concentration camps) to cut off the guerrillas from their sources of supply and intelligence. All the people in a district were rounded up and relocated in rural centers while the marines hunted down all the “bandits” outside. The most important guerrilla leaders were killed by the US forces, notably Vicente Evangelista in July 1917 and Ramón Natera in November 1922. Armed opposition to the military government ended by May 1922. According to the rather fanciful military estimates only 13 marines died as result of the rebellion while 950 partisans were killed. At any rate the number of local casualties was relatively high for a total population of only 1 million people.

A new constabulary or Guardia Nacional Dominicana, staffed by local collaborators, was gradually able to replace the marines as a police force. It also provided the power base for the rise of the future dictator of the Dominican Republic, Rafael Leónidas Trujillo, after the US Marines pulled out of the country in September 1924. A member of the first class of officials graduated at the Haina Military Academy—a school for the National Guard trained by the US Marines to maintain order after the occupation—Trujillo became police commander in 1928. In 1930 he overthrew President Horacio Vásquez and ruled the Dominican Republic until 1961, when he was assassinated. On April 28, 1965, 42,000 marines invaded once again the
Dominican Republic to prevent the spread of the Cuban Revolution. More than 3,000 Dominicans and 31 US soldiers lost their lives as a result of the invasion.\textsuperscript{309}

**The First World War and the Democratic counterrevolution**

More than 8 million people died in the First World War, among them 130,000 Americans. For three years after the outbreak of the war the American bourgeoisie profited by financing the European slaughter. But the economic links of the United States with the warring parties were very one-sided: US exports to Germany fell from $345 million in 1914 to just $2 million in 1916, whereas US exports to Great Britain and France grew from $754 million in 1914 to $2.75 billion in 1916—to which should be added $2.6 billions in war loans.

The spectacular growth in US exports to the Entente countries, and the sudden threat of their cessation with the beginning of unrestricted submarine warfare, finally forced Wilson to intervene. The United States joined the war in order to crush its potentially most dangerous competitor in Europe (Germany) and secure its foreign markets and loans. True, Wilson had been reelected in 1916 by promising to do exactly the opposite, but as he remarked in his 1913 presidential campaign book: “The masters of the government of the United States are the combined capitalists and manufacturers of the United States.”\textsuperscript{310}

In his War Message of April 2, 1917, Wilson declared that the United States went to war because “the world must be made safe for democracy.” The democratic rhetoric represented an adaptation of the tactics of American imperialism to the new mood of the masses after the outbreak of the February Revolution in Russia. It sounds rather incongruous when set against the background of the previous policy of the United States in the Caribbean, Central America, and the Philippines. It was no less incongruent with Wilson’s racist domestic policy: his administration introduced a greater degree of segregation for black employees in the federal government, and during the “war for democracy” itself the 400,000 black troops served in segregated units and were mostly assigned menial tasks. To add a last shrill note, the deluge of “democratic” propaganda abroad was paralleled by the wholesale suppression of democratic liberties at home—the so-called “Red Scare”—which included the Espionage Act of 1917, the Sedition Act of 1918 and the Palmer Raids of 1919.

On January 8, 1918, Wilson announced his famous “Fourteen Points” promising the end of secret diplomacy through public covenants between nations, freedom of navigation in the seas, equal trading practices and elimination of protective tariffs, reduction of armaments, the self-determination of national minorities in Europe and an end to imperialism. The “war
for democracy” against “Kaiserism,” militarism, and “Junkerdom” would result in “peace without victory.” Wilsonian hypocrisy would breed a whole series of euphemisms to avoid unsavory imperialist terms: indemnities were re-baptized “reparations,” “colonies” became “mandates,” etc. Upon closer examination, the Fourteen Points were but a caricature of Bolshevik policy, especially of Lenin’s Decree on Peace of November 1917, which advocated the abolition of secret diplomacy, no annexations or indemnities, and self-determination for the oppressed nations, including territorial separation and independence for the colonies. In practical terms, Wilson’s policies resulted in the infamous Versailles Treaty, which by dismembering and exploiting Germany paved the way for the rise of Nazism.

“Wilsonism” was the great “democratic weapon” of the bourgeoisie in its struggle against the expansion of the Soviet Revolution. After the dissolution of the Constituent Assembly by the Bolsheviks in January 1918 the “Fourteen Points” provided the rallying point for the reformist wing of European Social Democracy, which had been shattered by the collapse of the Second International. In that way the democratic counter-revolution, a policy first applied in France after the slaughter of the Communards, was implemented on a world scale under the aegis of US imperialism, as a bulwark against the spread of socialism.

The American intervention in the Russian Civil War (1918–20)

Between 1917 and 1920 the United States supported the “white” side of the Russian Civil War. At first it sent money: at least $50 million was channeled to the white armies in Russia through Boris Bakhmeteff, the ambassador of the Russian Provisional Government to the United States. Then, in March 1918, the treaty of Brest-Litovsk was signed. Russia was forced to cede to Germany one-third of her farm lands, half of her industrial strength, and some 60 million people. Great Britain, France, Japan, and the United States refused to recognize the treaty, declared a naval blockade and eventually sent troops to Soviet Russia.

A conflict developed in Siberia between the Czech Legion (composed mainly of Bohemian and Slovak prisoners and deserters from the Austro-Hungarian army) and the Bolsheviks, which precipitated the Russian Civil War. With the withdrawal of Russia from the war against Germany, the 40,000-strong Czech Legion, which had been fighting with the Russians against the Germans, began a slow retreat eastward, through the Ukraine, and then into Siberia. The allies had decided to remove the Czechs from the port of Vladivostok and transport them around the world to the western front in France. But in May 1918, on their way across Siberia, the Czechs succeeded in defeating the local Bolsheviks and seized control of the entire Trans-Siberian railroad, from Samara in the west to the city of Vladivostok in the
east. By then the Socialist Revolutionaries (SR) were in open political opposition to the Bolsheviks. Around the towns and cities in the hands of the Czechs, armed bands of Socialist Revolutionaries sprang up which joined the opposition to the Bolsheviks. Encouraged by British, French, and US agents, the Czechs and Socialist Revolutionaries established two independent governments in Siberia. In August 1918, 7,000 American troops were landed in Vladivostok (Siberia), as part of an allied occupation force, despite Wilson’s uneasiness at the perspective of Japan gaining control of Manchuria against the US “open door” China policy. The Siberian adventure ended badly: on November 17, 1918, the SR ministers in Siberia were arrested by Cossack officers and replaced by the dictator-ship of Admiral Kolchak, who in turn was handed over by the Czech Legion to the Bolsheviks and executed on February 6, 1920. The American troops remained in Siberia until January 1920.

In addition, 5,000 American troops joined the allied intervention force at Archangel (North Russia) in September 1918, and remained there until June 1919. In September 1919 the United States supplied material to General Iudenich’s pogromist Northwestern Army during its offensive on Petrograd. The Red Army repelled the attack and drove the whites back into Estonia.

The American intervention force at its peak reached 12,858 soldiers. Two hundred and seventy five American soldiers died as a consequence of the American intervention in the Russian Civil War. The last American troops left Russia on April 1, 1920, one year and four months after the end of the First World War.

The aftermath of the First World War

The First World War shifted the center of the world economy from Europe to the United States. In 1926 the United States’ national income was two-and-a-half times larger than that of England, France, Germany, and Japan combined. In order to wage war, Britain and France sold off their holdings in the United States and went into debt, first by borrowing on the New York financial market, and then through loans extended by the government. After the war, the American capitalists appropriated more than half of the gold fund of the capitalist world and acquired many billions of liabilities of the European countries. Direct investments of American capital also became quite common. Formerly, European capitalists owned American shares and bonds; after the war, American capitalists bought up shares and enterprises throughout Europe at fabulously low prices.

As a result, the international financial status of the United States changed from a debtor into a creditor country. US investments abroad amounted in 1908 to $2.5 billion, while foreign investments in the United States were $6.4 billion. By 1924 the proportion had been reversed: US investments abroad amounted to $15.1 billion, while foreign investments in the United States were $3.9 billion. While in 1910 the income on foreign investments
in the United States was $172 million as against an income of $108 million on American investments abroad, in 1925 the sums were, respectively, $170 as against $921 million. America became the world banker, a position it would consolidate after the Second World War with the establishment of the International Monetary Fund and the World Bank in the Bretton Woods agreements.

Economically, this concentration of wealth accentuated the disproportions in the world market and created the preconditions for the Great Depression. Politically, the First World War, as Trotsky put it, “transformed North American imperialism into the basic counterrevolutionary force of the modern epoch.” The most famous overview of the new American foreign policy was provided by Smedley Butler, a Major General in the US Marine Corps, in an article published in November 1935 in the journal Common Sense:

I spent 33 years and 4 months in active service as a member of our country’s most agile military force—the Marine Corps. I served in all commissioned ranks from a second lieutenant to Major-General. And during that period I spent most of my time being a high-class muscle man for Big Business, for Wall Street and for the bankers. In short, I was a racketeer for capitalism…Thus, I helped make Mexico and especially Tampico safe for American oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect money in. I helped in the raping of half a dozen Central American republics for the benefit of Wall Street. The record of racketeering is long. I helped purify Nicaragua for the international banking house of Brown Brothers in 1909–12. I brought light to the Dominican Republic for American sugar interests in 1916. I helped get Honduras “right” for American fruit companies in 1903. In China in 1927 I helped see to it that Standard Oil went its way unmolested…Looking back on it, I feel I might have given Al Capone a few hints. The best he could do was to operate his racket in three city districts. We Marines operated on three continents.
The Antebellum period and American Civil War

The American labor movement created some of the first proletarian parties in the world, the Workingmen’s Parties established by the city central unions of the Northeast during the late 1820s and early 1830s. The program of those labor organizations included demands for a ten-hour working day, the abolition of imprisonment for debt, free public schools, the end of the death penalty, mechanics’ lien laws insuring the payment of salaries in case of bankruptcy—and above all free homesteads for settlers in Indian lands. The ascendancy of Andrew Jackson in 1828 led to their eventual assimilation by the left wing of the Democratic Party, which combined inflammatory diatribes against the “money power” and democratic reforms for poor whites with an amazing leniency toward the brutalities of the lords of the lash. It is true that that was only a continuation of the Jeffersonian Republican tradition, but the new development was particularly ominous because, by embracing the working class, it gave to the nascent American labor movement its distinctly racist character.

The slave-owners succeeded in infecting large sections of the working class (notably Irishmen, but also some German workers’ leaders) with racist prejudices through the “left” section of the Democratic Party. The infatuation of labor leaders like Hermann Kriege (1820–50) and Wilhelm Weitling (1808–71) with the Democratic Party made them turn a cold shoulder on the Abolitionists. Their work was made easier by the bourgeois narrowness of Garrison and other abolitionist leaders, who were appalled by the workers’ denunciation of wage slavery (later some prominent abolitionists, like Wendell Phillips, would become supporters of the workers’ movement) as well as by the Know-Nothing, xenophobic proclivities of the opposition party of that time, the Whigs.

The mostly immigrant American Marxists tried to swim against this current. They attempted to implement a united front policy with the revolutionary bourgeoisie represented in the Republican Party. The most prominent representative of Marxism in the United States, Joseph Weydemeyer (1818–66) volunteered to serve in the Union army. He rose to the rank of colonel and was assigned by Lincoln to the post of commander of the military
district of St Louis. Unfortunately not all the currents of the American labor movement shared Weydemeyer’s views on the “Negro question,” as we have seen in our chapter on the African-Americans.

**The First International in the United States**

The International Workingmen’s Association was created on September 28, 1864, when representatives of workers from various countries met in London and established a central commission. It was for this meeting that Marx drafted the famous Inaugural Address of the International, where he gave, in the words of Riazanov, a classical example of “united front” tactics. The first congress of the International Workingmen’s Association was held in Geneva in September 1866.

The backbone of the First International in America was Section I of New York, founded in December 1869—a small group consisting of 46 cadres in 1868 and 72 in 1873. Its leading spirit was Friedrich Sorge (1828–1906), a founding member of the Central Committee of the International Workingmen’s Association for North America, established in December 1870. Section I played an active role in some significant events, such as the organization, on September 13, 1871, of a 20,000 strong demonstration for the eight-hour day and in support of the Paris Commune (proclaimed on March 26, 1871), in which black workers took part—a rare occurrence at that time.

The main rival of Section I within the American branch of the First International was Section 12, founded in July 1871 by the famous sisters Victoria Woodhull and Tennessee Claflin and by the remnants of the New Democracy, a native reform movement created in 1868 whose leading spokesman was William West. Section 12 was a hodge-podge of spiritualists, charlatans and reformers who, unlike their Marxist opponents, did not share a common program or a commitment to united action. But the “Yankee Internationalists” did have a more advanced position on women’s rights than Marx’s supporters in America. The defense of the color line and of the national line in nineteenth-century America was paralleled by a defense of the sex line in the workplace and the household. In their eagerness to gain acceptance into the native trade union movement, the German-American Marxists were guilty of major mistakes on the question of women’s liberation. The statutes of the General German-American Labor Union, or *Allgemeine Deutscher Arbeiterverein*, which counted among its members the two most prominent German-American Marxists (Friedrich Sorge and Sigfried Meyer), read:

Whereas, universal suffrage cannot liberate humans from slavery, the General German Labor Union resolves: 1. The granting of the right to vote to women does not concern the interests of the workers; 2. It is the duty of the workers to include women in the social struggles to help liberate the workers and with them all mankind.
This was a concession to the animosity of the unions towards the suffragettes: Elizabeth Cady Stanton’s application for membership to the NLU on behalf of the Woman Suffrage Association was rejected in 1868, and the following year the same happened to her comrade Susan B. Anthony.

It should be pointed out that the German-Americans’ refusal to raise the issue of women's suffrage was also an overreaction to the inroads of bourgeois democratic ideology into the English-speaking sections of the First International in the United States. Sorge and his comrades were forced by the historical circumstances in which they operated to emphasize the Marxist critique of bourgeois parliamentaryism as the \( \textit{nec plus ultra} \) of political development. Nevertheless the positions adopted by the opponents of petty bourgeois reformism resulted in electoral and even political abstentionism: the short-lived Workingmen’s Party of the United States, founded on July 22, 1876, not only disposed of the suffragists by arguing that “the so-called women’s rights question will be solved with the labor question” but called on its supporters to abstain from all political movements.

The First International had at its peak around 30 American sections with 5,000 members, but this growth was achieved at the expense of programmatic delimitation. The largely German-American Marxists and the largely English-speaking American reformers finally split on November 19, 1871, when a central committee meeting adopted, at Sorge’s initiative, a resolution stipulating that a section had no right to a delegate unless two-thirds of its members were wage earners. In practical terms that meant a purge of the middle-class native radicals by the German-American Marxists. In May 1872 one of the offshoots of Section 12, the Equal Rights Party, nominated Victoria Woodhull and Frederick Douglass (who declined the offer) as presidential and vice-presidential candidates on an equal-rights, women’s suffrage, feminist/black liberation platform.\(^{326}\)

The cleavage deepened after Marx’s break with Bakunin and the anarchists. In September 1872 the Hague Congress decided to transfer the seat of the General Council of the First International to New York and appoint Friedrich Sorge as its new secretary. The mostly German-American Marxists did their best to keep the organization alive and even launched a periodical, the \textit{Arbeiter-Zeitung}, as the official organ of the North American Federation. But the International continued to decline in the United States as well as in Europe: the number of American sections declined from 30 in 1872 to 13 in 1874.\(^{327}\) By the end of 1873 it had a maximum of 750 members. The economic depression which broke out in 1873 gave a new lease of life to the Internationalists in America. In the aftermath of the 1873 economic crisis, the Marxists played a role in the organization of demonstrations of unemployed workers, demanding a program of public works, unemployment benefits for everybody, and the organization of neighborhood assemblies. Their plan, which could not be implemented, was to send delegates from these assemblies to a central body, which was to extend all over the state of
New York and act as an intermediary in deals between the state and the masses. But after a couple of unsuccessful attempts to establish a revolutionary socialist party, the North American Federation was finally dissolved on July 15, 1876.

The retreat to trade unionism

After the demise of the First International, the mostly German Marxists united with the Lasalleans and a number of American and Irish labor leaders to launch in 1876 the Workingmen’s Party of the United States, which in May of the following year issued an unanswered call to the American unions to create an independent labor party—an example of an early attempt by the American Marxists to apply the labor party tactic. The Workingmen’s Party was shortly thereafter taken over by the non-Marxist fraction and turned into electoralist and reformist channels.

In 1878 the Marxists united with the eight-hour advocates to create the International Labor Union (ILU), an organization which lasted for only three years but whose members played a leading role in several strikes during that period. After the demise of the ILU in 1881, what Friedrich Sorge called “the old Internationalists” withdrew more and more into trade union militancy.

Sorge explained to the German Marxists that those “somewhat heretical” tactics were dictated by the peculiar American conditions, which hindered the development of proletarian class-consciousness. He argued that, in the absence of an independent political movement, the workers instinctively moved back into their fortress, the unions, and the Marxists’ policy was to follow them to the industrial field in order to carry out their educational and organizational work.

The national divisions of the American workers

The development of a proletarian class consciousness in the United States was hampered for many decades by the largely immigrant character of the working class. Before and immediately after the Civil War, Irish and German immigrants made up an ever-growing percentage of the emerging American working class. The resulting decrease in wages and deterioration of the workers’ conditions led to the appearance of a native labor aristocracy composed of skilled workers, foremen, officials, clerks, and the like, which would later provide the social basis for the crystallization of the AFL craft union bureaucracy. Engels pointed out in 1892 that the “great obstacle in America” lied in “the exceptional position of the native workers.” He argued that up to 1848 one could only speak of the permanent native working class as an exception: the small beginnings of it in the cities in the East always had still the hope of becoming farmers or bourgeois. Now a working class
has developed and has also to a great extent organized itself on trade union lines. But it still takes up an aristocratic attitude and wherever possible leaves the ordinary badly paid occupations to the immigrants, of whom only a small section enter the aristocratic trade unions. But these immigrants are divided into different nationalities and understand neither one another nor, for the most part, the language of the country. And your bourgeoisie knows much better even than the Austrian Government how to play off one nationality against the other: Jews, Italians, Bohemians, etc., against Germans and Irish, and each one against the other, so that differences in the standard of life of different workers exist, I believe, in New York to an extent unheard of elsewhere.332

That situation worsened considerably with the onset of the new immigration from Southern and Eastern Europe in the couple of decades before the outbreak of the First World War. A major statistical study by the socialist scholar Isaac Hourwich, highly praised by Lenin, concluded that

the effect of immigration upon the occupation distribution of the industrial wage-earners has been the elevation of the English-speaking workmen to the status of an aristocracy of labor, while the immigrants have been employed to perform the rough work of all industries...It is only because the new immigration has furnished the class of unskilled laborer that the native workmen and older immigrants have been raised to the place of an aristocracy of labor.333

The Populist origins of the American socialist movement

Besides racism (in both its white supremacist and nativist variants) the major obstacle for the nascent US labor movement was the disproportionate weight of the middle classes, especially the Western farmers, in the social American structure. This fact found a political reflection in a series of agrarian reform movements such as the Grangers in the 1860s, the Greenbackers in the 1870s, the followers of Henry George and the Farmers’ Alliances in the 1880s, the Populists in the 1890s, and later the multiple forms of the Progressive movement.

In his review of Algie Simons’ book The American Farmer, Kautsky remarked that one of the main peculiarities of the United States was the fact that,

in spite of their highly developed industrial capitalism, they are a strongly agrarian country, which exports a surplus of farm products and in which the majority of the population are farmers. Every Anglo-American labor movement which pretended to be an independent movement therefore sought from the beginning the support of the farmers and found it. This was the case with the Greenbackers in the 1870s, with the followers of Henry George in the 1880s, the Populists in the 1890s.334
But Kautsky also pointed out the reactionary-utopian character of the Populist movement's aims:

> The American farmers' organizations, the Grangers and the Farmers' Alliance, show a fatal likeness to the German *Bund der Landwirthe*. Both of those American organizations failed after a mighty prosperity. The causes of their failure are correctly summed up by Simons in the sentence that “nearly everything these parties sought to accomplish was in opposition to the direction of social advance.” But this was not only due to their ignorance, but especially to the direction of the class interests which they served.335

Unlike the proletarians, the farmers had nothing to expect but on the contrary much to fear from capitalist development, and therefore faced it suspiciously or even with hostility, and were easily won over by reactionary forces. Kautsky warned his American comrades not to fall again into a refurbished version of the old petty-bourgeois traps.

A new attempt to unite large farmers and proletarians in the same party would end the same way as the Greenback and the Populist movement, or, what is more likely, will fail in the outset... An agitation which merely aims to win the good will of the farmers and to induce them to regard us as the lesser evil as compared with the capitalist parties, may count on good results. But I should certainly regard it as a dangerous mistake to repeat the short-lived experiments of the Greenbackers, Single-Taxers, and Populists, to weld farmers and wage workers into one party, and to modify our program and tactics accordingly. However useful the first method may be, the second is certainly injurious.336

The main source of strength of the middle class protest movement in its Granger, Greenbacker, Single-Tax, Populist, and Progressive phases was the fact that, unlike England, where the industrial revolution was preceded by the “clearing of estates” (i.e. by the dispossession of the yeomanry by landlords and capitalists), in the United States the primitive accumulation process took place alongside a growth in the number of petty proprietors, especially in the countryside. About half of America’s adult free males owned real estate during the first half of the nineteenth century, and as late as 1870 the proportion was roughly 40 percent.337 As a result of this petty-bourgeois regime of land property, farming occupied nearly 75 percent of the US labor force in 1800, and over half of it until some time between 1880 and 1890.338 In 1860 the federal census reported two million farms; in 1900 the number has reached 5.7 million: “In 40 years almost twice as many farms had been made as were made in all the years between 1607 and 1860.”339 And the number of farms continued to grow for another two decades: by 1910 it stood...
at 6,366,000, and by 1920 at 6,454,000. In 1900 a majority of the US population still lived in places with fewer than 2500 residents. The significance of these figures for American social and intellectual development is better grasped if we compare them with the evolution of the social structure of the European countries during the same period. The number of persons employed in agriculture in the United Kingdom, for instance, remained stationary between 1840 and 1910 (from 1,515,000 to 1,553,000), its relative strength falling from 36 percent of the British labor force in 1801 to 11 percent in 1891, while in the United States it grew by 330 percent (from 3,570,000 to 11,680,000).

Added to this strong bias towards the rural petty bourgeoisie were the democratic freedoms enjoyed by the white population and the political legacy of slave-owners-led plebeian movements, such as Jeffersonian “Republicanism” and Jacksonian “Democracy.” In those conditions it was only natural for the old middle class of petty proprietors to give birth to its own political and intellectual movements, which had not only a petty-bourgeois but also an “agrarian” cast. The best literary representative of the old American middle class was Mark Twain, while its most prominent ideological representative was the pragmatist philosopher John Dewey.

Dewey performed for the philosophy of Progressivism the same great work as Henry George and Veblen for its economics, Beard for its history, Parrington for its literary criticism, Holmes and Brandeis for its jurisprudence, Sandburg for its poetry.

Politically, the petty-bourgeois movement was based—especially in its Greenback, Granger, and Populist phases—upon the small farmers of the Middle West and South, pulling behind them the urban middle classes and even certain strata of the radicalized workers. The most prominent among these organizations was the People’s Party. Populist leaders such as “Cyclone” Davis and Tom Watson drew heavily upon the writings of Jefferson in their struggle against the encroachments of the “Hamiltonian” capitalists. Later the ranks of the Progressive movement came to be filled by the native-born urban petty bourgeoisie, such as shopkeepers and professionals, reflecting the diminishing importance of the rural population in the American economy.

Sometimes Populist politics had astonishingly “socialist” overtones. James B. Weaver, the Populist presidential candidate in 1892, polled more than a million votes on a platform which, in the words of the Progressive historian Charles Beard, stated

that America was ruled by a plutocracy, that impoverished labor was laid low under the tyranny of a hireling army, that homes were covered with mortgages, that the press was the tool of wealth, that corruption dominated the ballot box, that the fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few unprecedented in the history of mankind; and the possessors of these in turn despise the republic and endanger liberty.
The same platform called, among other things, for government ownership of the railroads. But for all its anti-capitalist rhetoric, the Populist movement was not inspired by proletarian socialist ideals but by the reactionary utopian vision of the mortgaged petty-bourgeois, who wanted to break up the trusts in order to let the little fellow have his own greedy chance in the marketplace. Angered and radicalized by the perspective of becoming wage slaves, the members of the old middle class were unable to grasp that simple commodity production inevitably leads to commodity production based on wage labor; that is to say, to that same capitalism that was devouring their petty-bourgeois “agricultural” America.\(^{346}\) Hence their tendency to fall prey to all sorts of panaceas like bimetallism—made famous by William Jennings Bryan’s “free silver” campaign in 1896—which Engels called “utter nonsense” and believed would only lead to a monetary crisis.\(^{347}\)

In 1891 Marx’s daughter Eleanor pointed out that, though “recognizing the antagonism between capital and labor to-day, the Grange makes no definite contribution to the solution of the problem.” Although it promoted discussions on economic questions among its members, “on further investigation the questions of political economy resolve themselves into ‘gold, silver, greenbacks, national banks, corporations, inter-state and transcontinental transportation, and the tariff as it relates to agriculture.’”\(^{348}\) For the Populist movement, every economic demand not issuing from the white petty-bourgeoisie, such as the agrarian reform demanded by the freedmen in the South and the socialization of the means of production advocated by the working-class organizations in the industrial cities, was beyond their ken, though these certainly would have had an infinitely deeper impact on American historical development than their soft-money, low-taxation, anti-trust demands. Those pseudo-reforms, besides being unable to save them from their impending doom—which was the effect of the growing agricultural competition of colonial areas, such as Argentina, Canada and Australia, and of the concentration of capital—had a deleterious effect on the bourgeoning American labor movement.

After the fiasco of the Populists’ support for the Democratic presidential candidate William Jennings Bryan in 1896, which resulted in the disappearance of the People’s Party, the middle-class protest movement took on increasingly bizarre forms, such as supporting the arch-imperialist “Progressive” Theodore Roosevelt, and the no less racist and imperialist “democrat” Woodrow Wilson. Wilson’s “New Freedom” was, in the words of the first ideologist of American communism, “the final expression of the middle-class revolt,” but it ended in “more statism, American entry into the imperialist world war, and the final supremacy of monopoly capitalism.”\(^{349}\)

### Middle-class radicalism and socialism in the United States

In his history of the American labor movement the “father of American Marxism” Friedrich Sorge criticized William H. Sylvis and his followers for
allowing themselves "to be captured in the nets of the petty bourgeois and small farmer quacks, the money reformers: the so-called Greenbackers," which led many unions to withdraw from the NLU as early as 1870\textsuperscript{350} (though, as we have seen in our chapter on the African-Americans, Sylvis's racism was a much greater obstacle to the development of the NLU into a genuine proletarian party than his Greenbackism).

On the other hand Sorge reported favorably on the father of the Eight-Hour League of Boston, Ira Steward, for his consequent fight against the petty bourgeois currency reformers, which was described as "a real oasis in the desert of reform humbug":

The worst case of this kind was the so-called greenback movement, that is, the demand for the issuing of irredeemable paper money in large quantities... A similar case, strongly mixed with deceitful practices, is the silver issue; that is, the demand that the value of the minted silver be decided arbitrarily, known in Europe as bimetallism.\textsuperscript{351}

Sorge considered petty-bourgeois reformism even more harmful to the labor movement than the traditional methods employed by the American bourgeoisie to intimidate and corrupt the workers when they began to move into the political arena, such as blacklisting, the ironclad, vote buying, building and loan associations, etc.

Other outstanding instances of petty-bourgeois reformism during that period were the followers of Henry George (1839–97), known as Single-Taxers because they wanted to replace all taxes by a single tax on ground rent. To a similar category belonged the so-called Nationalist followers of Edward Bellamy (1850–98). The Nationalists were, in Sorge's opinion, utopian reformers opposed to the class struggle who according to Sorge "for the most part came from the social group made up of official bureaucrats and academics—the middle class," and of course "the farmers' alliances, lately called 'Populists.' "\textsuperscript{352} He believed that the Nationalists "damaged the labor movement by supporting Mr. Powderly in bringing the Knights of Labor into closer contact with the Populists and the silver advocates."\textsuperscript{353}

Sorge praised the Knights of Labor for their efforts to organize the unskilled workers but blamed their "confused and self-satisfied leaders" for "paralyzing the eight-hour movement," for supporting and reinvigorating "the petty-bourgeois and small farmer reform humbug regarding the money question" and tail-ending the Populists.\textsuperscript{354} Grand Master Workman Terence Powderly (1849–1924) would eventually make a career in bourgeois politics as Democratic Mayor of Scranton (Pa.) and later as a Republican-appointed Commissioner of Immigration.\textsuperscript{355}

Sorge also praised the early American Federation of Labor for resisting the ideological pressure of the petty bourgeoisie and seeing in the Populist representatives of the old middle class, which given the opportunity
exploited its own wage workers no less than the corporations. At that time the AFL had still not hardened into a craft unionist organization of the skilled white native labor aristocracy controlled by a self-perpetuating bureaucracy, as it was later to do.

Sorge's description of the disposition of class forces between the three American bourgeois parties during the 1896 presidential elections, which took place against the background of the great upsurge in class struggles resulting from the 1893 depression, is an interesting early example of materialist analysis of American politics:

The Republican Party is the party of the bourgeoisie par excellence. Under its regime, American industry became a rival of the Old World’s industry. The Republican Party worked for the protective tariff system all the way to the McKinley Tariff, and it feeds also upon the somewhat threadbare glory of having abolished slavery... The Democratic Party, in general, constitutes the party of the little man in the North and the party of the white people in the South. A majority of the wage workers of the North votes for the Democratic Party because (or whereas) their exploiters belong to the Republican Party. In the South, the members of the ruling white race, the old slave-owners and their retinue belong to the Democratic Party while the blacks adhere to the Republican Party. It looks lately as if the poor white population in the South might go over to the Populist or Republican camps. The Democratic Party has a free trade background, and it is for this reason that the trading world favors it. High finance people and the industrialists belong, with few exceptions, to the Republican Party. The Southern states have until now constituted the bulwark of the Democratic Party, whereas the Western states and New England have formed the stronghold of the Republican Party. Some middle states in the East, such as New York and New Jersey and several Midwestern states such as Indiana, Illinois and Michigan have been the most contested areas in whose hands the final decision commonly rested...

To the two leading bourgeois parties (the Democratic and Republican Parties) must be added a third bourgeois party—the so-called People’s or Populist Party which arose during the past decade out of the Farmers Alliance, a farmers’ organization which had developed in the Eighties. In 1894 it had gained approximately two million votes and in some states, such as Kansas, Nebraska, Colorado, etc., it had achieved a total or partial control and had sent various members to the Senate of the United States. At first they demanded only a safeguarding of agricultural interests by the creation of federal storage facilities for agricultural products and the limitation of railroad privileges. Wherever they were strong enough they made life unpleasant for the mortgage holders by limiting their privileges. But in the end, they embraced, just like the agrarian people of all countries, the panacea of debased coinage and demanded silver currency so that they could pay off their gold debts with silver.
The origins of this new party go back all the way to the sixties, to the Civil War and the time immediately thereafter. They may be found in the hatred of the petty-bourgeoisie against the parvenu middle class, the hatred of the then artisans, farmers and grocers, who were paid off with cheap paper money and heavily taxed, against the capitalists who received gold for their state securities, and even were exempt from taxation as far as these state securities were concerned. The capitalists could also avoid service in the war by paying money or buying a substitute. Out of these dissatisfied elements arose at the end of the sixties the so-called Greenback Party (which wrecked the NLU) whose remaining members have joined the present Populist Party. The growth of that party in the western and southern states forced the old parties to recognize it and, during the past few years, to frequently enter into coalitions with it. In the South it is the Republicans; in the West, the Democrats who make common cause with the Populists. In the Midwest, the Populist Party has gained little ground; and in New England and in the central eastern states, almost none. There the industrial workers are too numerous and the proletariat has an instinctive aversion to the debasing of coinage. The bulk of the Populist Party is formed by the small farmers of the West who are scattered from Kansas to Dakota and find themselves in dire straits. They are joined by a large percentage of southerners, and in different parts of the country petty-bourgeois citizens are making common cause with small farmers.358

Sectarian tendencies in the American socialist movement

If until now Sorge appeared mostly as a critic of reformism and opportunism, we can see his warnings against another danger to the labor movement—sectarianism—in his criticisms of the Socialist Labor Party led by Daniel De Leon. Sorge dismissed as hopelessly sectarian the SLP’s belittling of the trade union movement on the ground that it was not socialist in its attempt to set up its own minuscule “red unions” under the pretentious name of Socialist Trade and Labor Alliance of the United States and Canada.359 The People, the newspaper edited by Daniel De Leon, retorted by describing Sorge’s pieces “humoristic articles” and “side-splitting harlequinades,” and their author as “an otherwise harmless and law-abiding German inhabitant of Hoboken.”

Responding to these attacks, Kautsky published a short note in defense of Sorge, whose history of the American labor movement was then being serialized in Die Neue Zeit, which among other things said:

In Europe it is, to put it mildly, quite unusual for a party organ to employ such a language against a comrade, who is not some newly arrived youngster, but a veteran, who took part in the great struggles of 1848 and 1849, and since his emigration to America has been an untiring
worker for the proletarian cause, the trusted friend of Marx and Engels, and the soul of the [First] International in America.  

Kautsky attributed the SLP’s vicious style to its sectarianism, born of the particularly hostile American conditions:

Just now Social Democracy had nowhere to struggle against such difficulties as in America. The disunion and petty-jealousies among the different socialist organizations are if possible even greater than in England. While in the latter these drawbacks have to a certain extent been balanced by great advances in the socialist consciousness of the proletariat, the mental effervescence lately to be seen in America has not yet led to a considerable furtherance of the socialist movement. On the contrary, some socialist organizations have even experienced a decline. Whether the fault lies in the American workers or in the socialists, whether the former are too limited and egoistical or the latter do not sufficiently understand the workers, or finally whether both are to be blamed for that situation—that is difficult to determine from here. But it is clear that, just as such a situation demands criticism, it must lead to particularly irritable reactions to it.  

It should be added that on this issue Kautsky was in agreement with Engels, who in a letter sent from London wrote to Sorge:

The Social Democratic Federation here shares with your German American Socialists [the SLP] the distinction of being the only parties that have managed to reduce the Marxist theory of development to a rigid orthodoxy, which the workers have not to reach themselves by their own class feeling, but which they have to gulp down as an article of faith at once and without development. That is why both of them remain mere sects and come, as Hegel says, from nothing through nothing to nothing.  

American bourgeois politics and the labor party tactic  

By the turn of the nineteenth century the American labor movement had an impressive record of heroic battles: the railroad strike of 1877; the May Day strike of 1886 in Chicago, resulting in the judicial murder of the Haymarket Square martyrs; the 1892 steel workers strike at Homestead, Penn., in which armed struggles took place between the workers and the Pinkerton detectives hired by the “democratic” and “anti-imperialist” Andrew Carnegie and his henchman Frick; and the Pullman strike of 1894, led by the American Railway Union, which resulted in the imprisonment and subsequent conversion to socialism of its leader Eugene Debs. Yet for all the
industrial militancy and spirit of sacrifice of the American workers, their political organization still remained at an embryonic stage vis-à-vis the European socialist movement.

In the second volume of his history of the American labor movement, Sorge condemned the “fragmentation mania” of the forces of organized labor and called for a united front of the major organizations of the working class at that time, that is, the Knights of Labor, the American Federation of Labor and the railway unions. He blamed the bureaucracy of the different organizations for engaging in a “fratricidal fight” instead of uniting their forces to struggle against the ever more concentrated forces of monopoly capital and its state, and praised Debs for his struggle for industrial unionism. As part of this policy, Sorge advocated the creation by the American unions of a Labor Party, programmatically based on the famous resolution of the British Trade Union Congress gathered at Belfast, calling for the collective ownership of the means of production. He described how in the December 1893 AFL Convention a proposal was narrowly defeated to establish an independent political workers’ movement based on eleven demands, of which the most important was Plank 10: “All means of production and distribution to be the collective property of the people.” The AFL boss Samuel Gompers was, needless to say, opposed to such an independent labor movement.

The labor party tactic was also defended by Kautsky in a 1909 polemical article against Karl Radek. Kautsky argued that, whereas in continental Europe the political organization of the proletariat—a mass party with a Marxist program—had developed before the trade unions, in the Anglo-Saxon countries (in England after the decline of Chartism), which enjoyed bourgeois democratic rights, the whole interest of the working masses was centered in the unions. Under these conditions, Kautsky argued, it was only possible to form a separate mass working-class party by amalgamating the trade unions into a common political organization (he hoped the AFL would be able to fulfill that role in the United States), as a transitional stage towards the creation of a revolutionary workers’ party with a definite Marxist program. As in many of Kautsky’s works, the brilliant historical analysis is marred by its rather equivocal political conclusions, leading in practice to an adaptation to the reformist union and party bureaucracy.

It is interesting to notice that a year earlier, in the October 1908 meeting of the International Socialist Bureau, Lenin had criticized Kautsky’s resolution supporting the affiliation of the British Labour Party to the Second International. Lenin agreed with the admission of the Labour Party, but since it was not a socialist organization pursuing a class policy fully independent of the bourgeoisie, he proposed an amendment to Kautsky’s resolution describing it as “the first step on the part of the really proletarian organizations of Britain towards a conscious class policy and towards a socialist workers’ party.” In Lenin’s opinion, the rectification of the sectarian errors of the Social Democratic Federation could not be done by giving “even a shadow of encouragement to other, undoubtedly and not less important errors of the British opportunists who lead the so-called Independent Labour Party.”
Later the Communist International itself attempted to implement a labor party policy in the United States, which resulted in the 1924 Federated Farmer-Labor Party fiasco. Those bitter experiences later led Trotsky to recommend to his American followers extreme caution in the application of the labor party tactic:

I will never assume the responsibility to affirm abstractly and dogmatically that the creation of a labor party would be a “progressive step” even in the United States, because I do not know under what circumstances, under what guidance and for what purposes that party would be created.

The Socialist Party and the Industrial Workers of the World

The dead end to which De Leon’s sectarianism had led the political movement of the American working class resulted in the creation of the Socialist Party of America in 1901. The Debsian SP resulted from the fusion of the Social Democratic Party (founded in 1898 by Debs) and the “Rochester” SP led by Morris Hillquit, a New York split of the SLP. The SP had almost from the start a serious mass base in the working class, and grew steadily from its foundation to the outbreak of the First World War. Its dues-paying membership increased from considerably less than 10,000 to 118,000 people, its electoral strength grew exponentially to 900,000 votes, and well over 2,000 of its candidates were elected to public office. But its numerical growth and electoral successes were paralleled by the growth of opportunist tendencies within the party, reflecting the pressure of hostile class influences on the revolutionary proletarian core.

The Industrial Workers of the World (IWW) was established under the impact of the 1905 Russian Revolution as a reaction against the craft unionism of the AFL and the growing opportunism of the SP. One of its great contributions was the promotion of the industrial form of organization by organizing all the workers of an industry in a single union. Launched as a hybrid of an embryo industrial union and a revolutionary party, the IWW eventually developed an “anti-political” (or rather, anti-electoralist) bias along anarcho-syndicalist lines. Historically there had been two tendencies within the American anarchist organization of the 1880s, the Central Labor Union: a current based in New York and the Eastern cities, led by the German Bakuninist Johann Most, leaning to individual terrorism, and a second one based in Chicago and the Western cities, led by Albert Parsons and August Spies, which approached the anarcho-syndicalist idea of replacing parties with revolutionary unions.

The IWW resembled the “Chicago idea” anarchists of 1886 in rejecting parliamentary action and advocating instead the building of unions and the use of strikes. The orientation of the IWW to direct action as opposed to electoral politics became more pronounced after two major splits: the first in
1906 with the two large industrial unions that supported it at its inception (the Western Federation of Miners and the United Brewery Workers, both of which eventually joined the AFL) and the second in 1908 with Daniel De Leon’s Socialist Trade and Labor Alliance. Debs had left the organization two years earlier feeling that it underestimated political activity.  

The Chicago wing of the “Wobblies” led by Vincent St John and William Haywood was a relatively small organization, with an average membership of between 10,000 and 15,000 militants—that is, approximately 10 percent of the SP membership and one percent of the AFL membership. Yet it was the most important revolutionary proletarian organization of the United States in the period preceding the formation of the Communist Party. Its formal rejection of “politics” was in fact a rejection of De Leon’s legalistic conception of “civilized” political action (the ballot box as opposed to barbaric “physical force”) and of the electoralist cretinism of the center-right wing of the SP. But because the Wobblies wanted to be both a revolutionary vanguard party and a union they could not adequately fulfill either role.

The unions are the most elementary form of the workers’ united front, and as such seek to embrace the entire working class, or at least its major strata. As mass organizations, they reflect the working class as it is, with all its contradictions, its backwardness, and its weaknesses. The politically conscious vanguard, on the other hand, which ideally embodies the historical experience of the class and is capable of generalizing theoretically and directing in practice the revolutionary struggle, represents the proletariat as it should be. Though the Wobblies fought for the industrial organization of the unskilled workers regardless of race and origin, because of their revolutionary program they in fact subordinated their unions to the needs of the party, and prevented them from becoming organizations of the broad masses. The IWW was jocularly called “Migratory Workers of the World,” because with a few exceptions such as the 1912 Lawrence strike, their social base was not among the Eastern industrial proletariat in the mass industries—its avowed public—but the migratory young and unskilled workers of the West.

Anti-parliamentarian and syndicalist ideas also affected the amorphous left wing of SP, whose unofficial theoretical organ was the International Socialist Review. As a result, no serious attempt was made to connect partial and democratic slogans with the overall struggle for power by means of transitional demands, and to undermine the existing leaderships of the working class through calls for united front action and similar demands on the reformist leaders. Thus the role of the party was reduced to abstract propaganda and fund-raising and to the prevention of government strike-breaking.

Similar circumstances gave rise to analogous developments in contemporary France, where the syndicalists, by constituting themselves as a de facto revolutionary party, on the one hand provided a pole of opposition to the opportunism and chauvinism of the SP and constituted the nucleus of the future Communist Party, and on the other hand gave rise to a harmful split of the trade union movement.
The peculiarly syndicalist tradition of the American left-wing socialists condemned them to sectarian isolation from the masses and especially from the organized working class. Dual-unionism in practice left the unionized workers in the hands of the union bureaucracy, unchallenged by a socialist opposition within the mass organizations. This led William Z. Foster to set up in 1912 the Syndicalist League of North America, which was replaced in November 1920 by the Trade Union Educational League. The TUEL, a section of the Red International of Labor Unions, tried to fight for industrial unionism within the ranks of the AFL and was endorsed by Debs.378 A TUEL pamphlet from 1922 drew the following unflattering portrait of the American labor movement:

Our labor movement’s non-revolutionary outlook, its lack of social vision, is unique in the international labor world; likewise its want of an organized, mass working class political party. Our trade unions are primitive to a degree in their structure and they cling tenaciously to the antiquated craft form, discarded by workers in other countries; they are exceedingly weak in numbers, encompassing only a small body of workers, instead of the great mass, as in Germany, England and elsewhere; they have not succeeded, as compared with European unions, in winning the shorter workday and in establishing the foundations of democracy in industry; the breath of progress is not in them. The international policy of our movement is a joke, when not a tragedy. Our labor journalism is colorless, stupid, and often corrupt; our co-operative movement is in its infancy; our labor leadership is incomparably reactionary. While the labor movements abroad, keeping pace with a growing capitalism, have gone ahead developing new conceptions, consolidating their organizations, and winning new conquests, we have practically stood still, stagnant, unresponsive, unprogressive. Finally we have arrived at the paradoxical situation where, apparently in contradiction to economic principles, the United States has at once the most highly developed industrial system and the weakest working-class organization of the modern capitalist world.379

A tale of two parties380

The fate of pre-First World War American socialism was common to that of the great majority of the mass organizations belonging to the Second International. Launched as an overwhelmingly European revolutionary working-class organization in 1889, the Second International began to shift to the right during the long period of gradual economic growth which lasted from the late 1890s until the outbreak of the First World War in 1914. This process unraveled most clearly in the dominant organization of the Second International, the Sozialdemokratische Partei Deutschlands (SPD), after the repeal of Bismarck’s Anti-Socialist Law in 1890. Its first major symptom
was the controversy between the Revisionist right wing of the German Social Democratic Party led by Bernstein (which in 1899 officially renounced the socialist revolution in favor of reforming capitalism under the labor bureaucrats’ slogan: “The final goal is nothing, the movement everything”) and the “orthodox” Marxist wing led by August Bebel and Kautsky. This debate had international repercussions and was replicated, to a greater or lesser degree, by all the national sections of the International—notably by the Russian one, where the revolutionary counter-offensive was led by Lenin’s teacher Plekhanov. But though the Kautsky-Bebel wing formally won the Revisionist Controversy, a decade later it turned into a reformist tendency and abandoned revolution for bourgeois parliamentarism. The timing of the rise and fall of German and American Socialism as revolutionary organizations is strikingly similar, as they resulted from similar causes.

The SPD majority underwent a major radicalization as a result of the Russian Revolution of 1905, which lasted approximately five years until the split between its left and center wings in 1910. In 1909 Kautsky wrote what Lenin considered his best book, The Road to Power, which defended the traditional Marxist ideas that ministerialism and budget voting were tantamount to moral and political suicide, and affirmed more clearly than before the revolutionary implications of imperialism. In that book Kautsky presented official US statistics showing that the buying power of US wages had stagnated for more than a decade, in spite of all the industrial struggles of the American workers, and argued that the rise in nominal wages had been more than counteracted by the rise in prices (in no little measure due to the growth of trusts and employers’ organizations) as well as by the increase in the intensity of labor, as reflected especially in the growth of piece-wages. This led to a furious exchange with the organs of the unionist right wing which accused him of being “an opponent of unionist organization” and of “undervaluing” trade union work. Kautsky countered by arguing that the industrial struggles could raise wages at a given moment, but not determine their long-term evolution, which depended on deeper economic processes. If the unions wanted to be able to withstand the concentrated power of the capitalist trusts and their state, they were forced to become more and more political and had to be prepared to employ their most powerful weapon, the mass political strike.

The exchange over the American statistics was only a chapter in a long-standing polemic between Kautsky and the SPD right-wing unionist organs. When Samuel Gompers, the leader of the American Federation of Labor, visited Europe in late 1909, he was praised by the leader of the general commission of free (i.e. social democratic) trade unions, Karl Legien, as “a true revolutionary, who seeks to unite the proletarian masses.” Kautsky reminded Legien that “Gompers is an opponent, not only of the special form that the socialist movement has assumed in America, but above all an opponent of the proletarian class struggle.” After quoting one of Gompers’ typical
Panglossian tirades about class harmony Kautsky added:

It cannot be said that this blissful trustfulness stems from the fact that in America the government and the capitalists are especially friendly towards the workers. There is scarcely a more unscrupulous and vulgar capitalist class than the American, and there is scarcely a country in which the capitalist class has a more exclusive control of the means of political power, in which the laws are more shamelessly manipulated (and, when profitable, violated) for the benefit of the capitalists and to the detriment of the workers, than the United States. Nevertheless Gompers is full of trust. His babbling about class harmony is however not an occasional speech to please the bourgeoisie but the true content of his political work. Thanks to it he has been able to become vice-president of the Civic Federation, a capitalist foundation created some years ago due to the rise of American socialism, which set itself the task of “bringing together” workers and bourgeoisie. In actual fact it is an organization of struggle against socialism and the proletarian class struggle, which, thanks to the large amounts of money at its disposal, is able to conduct an energetic propaganda.384

In fact Gompers had traveled to Europe in order to look for support there, after the spectacular failure of his policies had undermined his position in the Unites States.

He praises his “labor policy” as if it were to be thanked for the fact that the standard of living in America is higher than in Europe. That is ridiculous humbug. The higher standard of living of the American workers has not been won during the last years but inherited from their ancestors. It was above all a consequence of the previous presence of unappropriated lands, from which everyone who wanted to become independent received as much as he needed. But this superiority, about which Mr. Gompers is so conceited, is rapidly disappearing. That is clearly proved by the drying up of the German emigration to America. A few decades ago, a German worker still improved his situation considerably by emigrating to the United States; for that reason many went there to make their fortune. Today the superiority of American living standards has become so minimal, that emigration doesn’t pay anymore.385

Kautsky concluded his assessment of Gompers’ policy in the following words:

Precisely during the decade in which the American labor movement was dominated by Mr. Gompers, the upward movement of the American working class reached a standstill. We know very well that that depended on factors for which Gompers is not accountable. The exhaustion of the reserve of free lands, the influx of masses of workers with
lower living standards, the appearance of large-scale industrial enterprises in the South, and, last but not least, the strengthening of the capitalist associations have brought about this result. But that also proves that Gompers has no real reason for bragging about the superiority of American over European working conditions, and presenting it before the European workers as the fruit of his policy of harmony and trust. Mr. Gompers has not created the degrading tendencies of capitalism nowadays so strongly at work in America, but he has done his best to pave the way for them, because his policy of class collaboration has condemned the proletariat to complete political impotence. The proletariat can only acquire political power by uniting in a special political class organization. Gompers and his men have exerted all their influence to make such an organization impossible. The proletarians must not build a special workers party, but sell their votes to the highest bidder among the bourgeois candidates—not, of course, in the vulgar sense of selling their votes for money, but of giving them to those bourgeois candidates who make them more promises. A more ridiculous, corrupting and politically demoralizing policy is hardly imaginable. Thanks to it there is no democratic industrial land in which the worker is treated with more contempt by the government, and especially by the judicial power, than America.386

Kautsky’s criticism of Gompers was a projection of the struggle against the German union bureaucracy waged by the revolutionary wing of Social Democracy.

In his 1912 article In America, discussing the proceedings of the 32nd Annual Convention of the American Federation of Labor held in Rochester, Lenin described the AFL as “a living relic of the past: of the old craft-union, liberal-bourgeois traditions that hang full weight over America’s working-class aristocracy.” He denounced Gompers’ hypocritical defense of the “political neutrality” of the trade unions while carrying on a policy of support for the capitalist parties, and pointed out that “the state of affairs in the American labor movement shows us, as it does in Britain, the remarkably clear-cut division between purely trade unionist and socialist strivings, the split between bourgeois labor policy and socialist labor policy.” Lenin concluded that

the principal historical cause of the particular prominence and (temporary) strength of bourgeois labor policy in Britain and America is the long-standing political liberty and the exceptionally favorable conditions, in comparison with other countries, for the deep-going and widespread development of capitalism. These conditions have tended to produce within the working-class an aristocracy that has trailed after the bourgeoisie, betraying its own class.387

This betrayal would be consummated a few years later, when Gompers and the AFL leaders gave their full support to American imperialism during the First World War and the subsequent Bolshevik Revolution.388
Kautsky's polemic with the American and German trade union bureaucrats in November 1909 was the last flare of the fire that the 1905 Russian revolution had kindled in him. His own decline set in a few months later, when he began to accommodate to the reformist pressures of the labor bureaucracy and aristocracy. This resulted in the break of his personal relations with Rosa Luxemburg and Franz Mehring (who in 1912 was removed from the editorial board of *Die Neue Zeit*), as well as in a series of polemics on the mass strike in the columns of *Neue Zeit* which marked the beginning of the separation between the centre and left wings of the SPD and the Second International. In this debate Kautsky first developed his infamous “attrition strategy” of struggle against capitalism. Ironically the former leader of the struggle against the revisionist Bernstein, which began with an article by the maverick British left wing socialist Belfort Bax called *Our German Fabian Convert*, now found himself recommending the emulation of the strategy of Fabius Cunctator.\(^{389}\) In the process he was forced to revise his earlier theory that militarism is an inevitable outgrowth of imperialism, not because imperialism had changed its nature, but because his Fabian strategy of “wearing out the enemy” could not be sustained by his former analysis.\(^{390}\)

At the outbreak of the controversy between the left and center factions of the SPD, Lenin failed to take Rosa’s side due to a number of theoretical divergences with her Polish organization on organizational issues, the national question, and the criticism of Marx’s expanded reproduction schemes on which she based her theory of imperialism. Perhaps more important than all those disagreements was Lenin’s insufficient acquaintance with the internal German party affairs and its advanced state of bureaucratization. But he drastically reversed his position on August 4, 1914, when the SPD betrayed the most elementary principles of proletarian internationalism, as well as the traditional slogan that had always formed the basis of its agitation (“to this system, no man and no penny”), by voting for the war credits in the Reichstag.

Due to the much lesser weight of socialism in the United States the leading American union bureaucrats were never part of the SP, but the growth of the reformist cancer within its body followed a similar course. After the passing of the 1905 revolutionary wave, the party was gradually taken over by a Center-Right bloc led by Victor Berger and Morris Hillquit, whom Trotsky called “the ideal socialist leader for successful dentists.” This leadership diluted the socialist program until it became virtually undistinguishable from that of the left wing of the progressive movement. The party adopted an increasingly racist, chauvinist, anti-immigrant line; it adapted to the AFL craft-union bureaucracy, downplayed the agitation for industrial unions and the organization of unskilled workers, and increasingly focused on advocating a series of reforms such as trust regulation, nationalization with compensation of the large public utilities, an end to vice and corruption, and so on.

Debs belonged wholeheartedly to the left wing, but because of his conception of the party as an “all-inclusive” organization failed to support the left-wing leaders in the internal struggles for the direction of the party. As a
result, after the disappointing results of the 1908 presidential elections (akin to the 1907 “Hottentot elections” in Germany, where the SPD electoral reverses were also accompanied by a right-wing offensive) the Hillquit-Berger center-right amalgam finally succeeded in recalling from the National Executive Committee the most militant leader of the left wing, who was also a leader of the IWW and later of the Communist Party: Bill Haywood. After his recall in 1913 Haywood stopped paying dues and about 15 percent of the membership—the most committed militants of the old left wing—left the party with him. The SP never totally recovered from this purge, though it would still experience a short-lived revival during the First World War, when the new socialist left wing was formed.

During the war the chauvinist right wing, which included all the prominent leaders of the party with the exception of Debs, Hillquit and Berger, deserted the SP, and a new influx of foreign-born workers, inspired by the Russian Revolution, swelled the membership of the language federations, providing a new base of support for a reinvigorated left wing. The party had a loose decentralized structure, composed of all sorts of organizations and publications, each one of which was virtually autonomous. That was the case of the language federations formed by the immigrant workers: by 1915, there were fourteen such federations affiliated with the SP; in 1919, more than 50 percent of the SP members belonged to them.391

The First World War and the birth of American Communism

With the outbreak of the First World War the great majority of the Social Democratic parties betrayed their internationalist principles and surrendered to imperialist chauvinism. Lenin became a great historical figure because he was able to play the role of a revolutionary leader during that historical crisis. He argued that socialists had no right to take sides in a war that was being waged, not for the defense of the fatherland or democracy, but for the redivision of the world and colonial enslavement. The transformation of the imperialist war into a civil war was that general strategic task to which the whole work of a proletarian party during war should be subordinated. The interest of the working class on both sides was the defeat of its “own” government. Only after the workers had seized power could they adopt a defensist position.392

But the workers could not seize power and build socialism through parliamentary institutions as the reformists of the Second International argued. The bourgeois state, no matter how democratic, is but a group of men armed in defense of capitalist property, and the workers’ masses would only be able to free themselves and rebuild society on new social foundations by smashing the state machinery and replacing it with their own organs of power: factory committees and councils of workers’ delegates (Soviets).393 This policy enabled the Bolshevik party to seize power in Russia in October 1917, expropriate the bourgeoisie, and take the first steps towards the building of a socialist planned
economy. Immediately after that they set to the task of creating a new International, drawing above all on the left wing of the Social Democratic parties which had upheld a line of consistent opposition to the war.

The political allegiances of the revolutionary elements of the American labor movement at that time were divided programmatically between socialism and syndicalism, and organizationally between the IWW, the Socialist Labor Party and the left wing of the SP. The new Communist Party was built from all these elements, with the heaviest contingents coming from the left wing of the SP.

The war provided the exploiting classes in America with an excuse to “cleanse” the labor movement. One of the victims of repression was the SP, whose chauvinist right wing had left it during the war. The SP campaigned against the war and gained certain electoral successes (21 percent of the votes in New York, 34 percent in Chicago), but right-wingers raided 1,500 of its 5,000 locals, many of its leaders were jailed and the end of the post franchise strangled its press. The Sedition Act of 1918 forbade the use of “disloyal, profane, scurrilous, or abusive language” against the US government, flag, or armed forces. In September 1918, Debs was sentenced to 10 years in prison under this law for an anti-war speech. From his Atlanta prison, Debs ran for President on the SP ticket and received 913,664 votes in the 1920 elections.

State repression was even more brutal in the case of the IWW, which a democratic Senator called “Imperial Wilhelm’s Warriors” after the German Kaiser. 165 Wobblies were tried for conspiracy under the terms of the 1917 Espionage Act; in 1918, 15 of their leaders (among them Bill Haywood) were sentenced to 20 years in prison; 35 leaders received prison sentences of 10 years and 33 leaders were sentenced to 5 years in prison. Lynchings and judicial murders resulted in the death of Wobblies like Joe Hill, Frank Little and Wesley Everest. This brutal repression deprived the IWW of some of their most prominent leaders such as Haywood, who escaped to Soviet Russia.

In January 1920 the Comintern sent to the wobblies a special message, signed by Zinoviev, calling on them to join the ranks of the Communist International. The IWW did send delegates to the First Congress of the Red Trade Union International (or Profintern, an organization sponsored by the Comintern) in July 1921, but their refusal to affiliate ultimately sealed their fate. Eventually some 2,000 Wobblies, around 20 percent of their membership, went over to the Communists.

In 1919 the reformist leadership of the SP carried out a new purge of the American sympathizers of the Russian Revolution. A new left wing emerged from the internal struggle, which after an initial split became in 1921 the Communist Party of the United States. The new current for several years still carried over the sectarian and syndicalist traditions of its predecessors. In the same direction acted the influence of the theorists of the Dutch left wing, Anton Pannekoek and Herman Görter, which found its way to American communism through the writings of its first theoretician, the former
De Leonite Louis Fraina. Against the electoralist cretinism of the Social Democracy, which argued that the bourgeoisie could be voted out of power, the Dutch left leaders developed an ultra-left theory of purely extra-parliamentarian “mass action” and “mass strike.” The Seattle general strike of 1919 showed that, far from solving the question of power, the general strike only poses it in its sharpest form. By paralyzing the regular government power and to some extent assuming its functions, the general strike committee creates a situation of double power. But the major question of revolutionary politics remains unsolved: the workers could only seize power and expropriate the bourgeoisie by means of a revolutionary vanguard party.

Another ultra-left doctrine that received wide currency in the early years of American Communism, as a result of the experience with brutal state repression during the First World War, was the theory of “undergroundism in principle.” In his book *Left-Wing Communism: An Infantile Disorder* Lenin argued, by means of examples taken from the history of the Bolshevik Party, that revolutionary socialists should combine legal and illegal forms of struggle, and participate even in the most reactionary parliaments as long as the people still had illusions that the situation could be changed through the institutions of bourgeois democracy. Those ideas were subsequently incorporated in Theses on the United Front adopted by the Fourth Congress of the Communist International.

But in spite of all those mistakes, and of its subsequent Stalinist degeneration, the Communist Party left an invaluable legacy to the American revolutionary left: from its left wing would come the Communist League of America and later the Socialist Workers Party, the dominant section of the Fourth International during the 1930s, which ensured the continuity of the Marxist tradition at a time of the greatest defeats and betrayals of the working-class by the Social Democratic and Stalinist leaderships.
Notes

1 Settler colonialism and the bourgeois revolutions


4 Parvus [Alexander Helphand], *Die Kolonialpolitik und der Zusammenbruch*, Leipzig: Verlag der Leipziger Buchdruckerei Aktiengesellschaft, 1907, p. 82, emphasis in the original.

5 We have analyzed elsewhere Kautsky’s political involution from revolutionary Marxism to centrist and parliamentarist reformism. See Daniel Gaido, “The American Worker and the Theory of Permanent Revolution: Karl Kautsky on Werner Sombart’s *Why Is There No Socialism in the United States?*” *Historical Materialism*, November 2003, vol. 11, no. 4, pp. 79–123.


7 Ibid., ch. IV: Work Colonies.


The pamphlet does not contain a single reference to the effect of the Revolution on the Native Americans. Frankel’s analysis of the role of the Northern bourgeoisie is based on Arthur Schlesinger’s book *The Colonial Merchants and the American Revolution*, 1763–1776.


31 On the clashes between the middle classes and the bourgeoisie during the Revolutionary era see Lewis Corey [Louis Fraina], *The Crisis of the Middle Class*, New York: Columbia University Press, 1992, pp. 73–95.
33 James Madison to Thomas Jefferson, December 9, 1787, in Ibid., p. 9.
42 Ibid., pp. 224–5, 473.
43 Ibid., p. 59.
46 Ibid., pp. 116–17.
48 Ibid., pp. 180–1, 358.
Notes


56 Ibid., p. 239.


68 Karl Marx to Fredrick Engels, April 23, 1866, in Marx, *On America and the Civil War*, p. 274.


74 For an account of the last stage of the extermination campaign against the Native Americans, covering the years 1860 to 1890, see Dee Alexander Brown, *Bury my Heart at Wounded Knee: An Indian History of the American West*, New York: H. Holt, 2001.


76 Lewis Corey [Louis Fraina], *The Decline of American Capitalism*, New York: Covici Friede, 1934, p. 542, emphasis in the original.

2 The American path of capitalist development


83 Ibid., ch. 5: Two Types of Bourgeois Agrarian Evolution, p. 240, note, our emphasis.

84 The references are to the first of the ten demands listed in the *Communist Manifesto* of Karl Marx and to the article “The Volks-Tribun’s Political Economy and its Attitude Towards Young America (Circular Against Kriege)” (May 1846), in Karl Marx, *On America and the Civil War*, New York: McGraw-Hill, 1972, pp. 3–6. Vladimir I. Lenin wrote a review of this article where he argued that Kriege’s views were identical to the Narodniks’ doctrine of “general
87 Ibid., p. 21.
88 Ibid., p. 88.
90 Ibid., p. 237.
95 Vladimir I. Lenin, The Agrarian Program of the Social-Democracy in the First Russian Revolution, 1905–1907, p. 311, emphasis in the original.
102 “If all rent were relinquished by landlords, I am of the opinion that the commodities produced on the land would be no cheaper, because there is always a portion of the same commodities produced on land for which no rent is or can be paid, as the surplus produce is only sufficient to pay the profits of stock.” David Ricarde, ch. 20: Value and Riches, their Distinctive Properties, p. 189.
103 See Karl Marx’s letter to Frederick Engels, August 2, 1862, in Marx and Engels, Selected Correspondence, Moscow: Foreign Languages Publishing House, 1953, pp. 157–61.
104 Karl Marx to Frederick Engels, January 7, 1851, in Ibid., p. 63.

106 Ibid., p. 275. See also pp. 221–30 for a description of the economic conditions in Great Britain during that period.


112 Karl Marx, *Theories of Surplus Value*, vol. 2, ch. 12: Tables of Differential Rent and Comment, p. 303, emphasis in the original.


119 Karl Marx, *Theories of Surplus Value*, vol. 3, ch. 20: Disintegration of the Ricardian School, p. 85, emphasis in the original.


123 Ibid., p. 397.


129 Ibid., p. 518.

130 Ibid., pp. 819–27.


139 Fritz Sternberg, Der Niedergang des deutschen Kapitalismus, Berlin: Rowohlt, 1933, p. 18.

140 Ibid., pp. 20 and 30.


153 Eugene Preobrazhensky, The New Economics, Oxford: Clarendon Press, 1965, p. 243. “ ‘Wealth’ is no longer differentiated in terms of the source of income, according to its origin in profit or rent, but now flows from participation in all the sectors of the economy among which the surplus value produced by the working class is distributed.” Hilferding, Finance Capital, p. 342.


3 Slavery, sharecropping, and segregation


169 Karl Marx, Theories of Surplus-Value, vol. II, pp. 301–3, emphasis in the original.


197 Ibid., pp. 192–3.
224 Ibid., p. 337.
225 Ibid., pp. 343–4.


Jack Temple Kirby, “The Southern Exodus, 1910–1960: A Primer for Historians,” *Journal of Southern History,* November 1983, vol. 49, p. 585. This number includes people displaced as a result of developments outside agriculture, such as the mechanization of coal mining.


Freddie Forrest [Raya Dunyavskaya], “Industrialization of the Negro,” p. 29.


The standard works are Clayborne Carson, *In Struggle: SNCC and the Black Awakening of the 1960s,* Cambridge: Harvard University Press, 1995, and...


4 The birth of American imperialism

250 On this issue see Leon Trotsky, “Perspectives of World Development” (July 28, 1924), *Fourth International*, June, July, and August 1945, vol. 6, nos 6, 7, and 8.


256 That was also the theoretical basis of the American Progressives’ criticism of imperialism. “Every dollar taken away from the surplus of the plutocracy, diverted from investments in foreign countries to be lost in the next war for democracy (unless our soldiers and marines can bring it home on the point of a bayonet), and devoted to the extension and enlargement of our domestic economy is a gain to America and in reality a gain to the foreign countries that are encouraged to borrow instead of save,” Charles A. Beard, “Agriculture in the Nation’s Economy,” *The Nation*, vol. 125, no. 3241, August 17, 1927, p. 150. On Beard see Daniel Gaido, “The Populist Interpretation of American History: A Materialist Revision,” *Science & Society*, Fall 2001, vol. 65, no. 3, pp. 350–75.

257 “The laws and conditions of the Production of wealth partake of the character of physical truths. There is nothing optional or arbitrary in them… It is not so with the Distribution of wealth. That is a matter of human institution solely.” John Stuart Mill, *Principles of Political Economy, with Some of Their Applications to Social Philosophy*, Toronto, Canada: University of Toronto Press [1871] 1965, Book II: Distribution, ch. I: Of Property, p. 199.


266 Parvus, *Die Kolonialpolitik und der Zusammenbruch*, p. 11.

267 Ibid., p. 12.


277 Ibid., ch. 8: Parasitism and Decay of Capitalism, p. 241.

278 Ibid., ch. 10: The Place of Imperialism in History, pp. 259–60.


298 Drinnon, *Facing West*, p. 318.


5 The rise of American socialism


328 Ibid., pp. 274–5.


331 Ibid., p. 296.


335 Ibid.

336 Ibid.


“To say that the intervention of wage-labor adulterates commodity production is to say that commodity production must not develop if it is to remain unadulterated. To the extent that commodity production, in accordance with its own inherent laws, continues to develop into capitalist production, the property laws of commodity production change into the laws of capitalist appropriation.” Marx, *Capital: A Critique of Political Economy*, New York: The Modern Library, vol. I, ch. 24, Section 1: Transition of the Laws of Property that Characterize Production of Commodities into Laws of Capitalist Appropriation, pp. 643–4.


Ibid., p. 228.

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Ibid., pp. 147–8.

Ibid., pp. 242–5.


Ibid., p. 185


381 Karl Kautsky, The Road to Power, Chicago, IL: S. A. Bloch, 1909.


384 Ibid., p. 679.

385 Ibid., p. 680.


391 Draper, *The Roots of American Communism*, p. 32.


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