

THE PRIMITIVE ACCUMULATION OF CAPITAL IN THE UNITED STATES

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*“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. These idyllic proceedings are the chief momenta of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theater. It begins with the revolt of the Netherlands from Spain, assumes giant dimensions in England’s Anti-Jacobin war, and is still going on in the opium wars against China, etc.”*¹

“Primitive accumulation of capital” was the term Marx used to describe the accumulation of the social and economic conditions from which capitalism arose. In *Capital* and elsewhere Marx was primarily concerned with this process as it affected Europe, and particularly England, the birthplace of the capitalist mode of production. Even in the above-quoted passage Marx referred to the plunder of Africa, Asia, and the Americas as part of the preconditions for the rise of industrial capitalism in Europe, rather than attempting to establish how, or even whether, that same process was creating the preconditions for establishing the capitalist mode of production elsewhere.

Of course today there can be no question that “primitive accumulation of capital” did occur in the rest of the world: capitalism is the dominant mode of production on a global scale, and within every single country of the world with the exceptions of those states where it has been expropriated. Yet between today’s accomplished fact of capitalist imperialism and the precapitalist past of the non-European world lies a long, violent, and tortured transition. The different ways in which this transition was accomplished in different parts of the world played a major role in shaping the present social, economic, and political physiognomy of the planet. Understanding that process is vital if we are to

understand either the different internal national political economic processes, or the international web of political economy within which those national processes are embedded.

This article will attempt to outline the most important features of the primitive accumulation of capital as they affected the present-day United States of America, both shaping its distinctive internal social and political structure, and propelling it towards becoming today’s hegemonic capitalist imperialism of the world.

Before proceeding, however, a brief note on definitions and a word of caution are in order. The pervasive revision of Marxism, especially since the rise of Stalinism in the 1920s, has resulted in a mass of confusion about the very meaning of the term **capital**, and hence of the meaning of **primitive accumulation** of capital.

Marx did not equate capital simply with wealth, privately owned property, or “market economies”. He wrote: *“In themselves money and commodities are no more capital than are the means of production and of subsistence. They want transforming into capital But this transformation itself can only take place under certain circumstances that centre in this, viz., that two very different kinds of commodity-possessors must come face to face and into contact; on the one hand the owners of money, means of production, means of subsistence, who are eager to increase the sums of value they possess, by buying other people’s labour power; on the other hand, free labourers; the sellers of their own labour-power, and therefore the sellers of labour.”*²

In other words, for Marx, money and private property could only become **capital** once they were “invested” in the exploitation of wage labor: either directly as in the case of agricultural and industrial capital, or indirectly through merchant and finance capital. In regards to the latter two forms of capital Marx wrote, *“The circulation of commodities is the*

*starting point of capital The production of commodities, their circulation, and that more developed form of their circulation called commerce, these form the historical ground-work from which it rises The modern history of capital dates from the creation in the 16th century of a world-embracing commerce and a world-embracing market.”*³ And, later in the same chapter, “...we shall find that both merchants’ capital and interest-bearing capital are derivative forms, and at the same time it will become clear, why these two forms appear in the course of history before the modern standard form of capital.”⁴

For Marx then, all these things which are commonly mistaken for capital and capitalism were merely necessary preconditions for its birth. The most important precondition for the formation of capital and the birth of capitalism was, at least for Marx, the existence of a mass of “free laborers” which could be transformed into a modern-day proletariat. Marx was very specific about what he meant by “free laborers” as well. He wrote, “*Free labourers, in the double sense that neither they themselves form part and parcel of the means of production, as in the case of slaves, bondsmen, etc., nor do the means of production belong to them, as in the case of peasant-proprietors; they are, therefore, free from, unencumbered by, any means of production of their own.*”⁵

Unfortunately these basic concepts of Marx regarding capital itself—and its most important value-producing component, variable capital or wage labor—have been quietly put aside by most academic, social democratic, Stalinist, and revisionist writers, and replaced by the vulgar concepts of pre-Marxian bourgeois political economy so long ago refuted by Marx himself.

What follows then is simply an effort to look at the well-known “facts” of the historical process which gave rise to capitalism in the United States of America; but within the framework of the Marxist conception of **capital**, which for the most part has been absent from the analysis of those same facts.

THE DISSOLUTION OF EUROPEAN FEUDALISM AND THE CONQUEST OF THE AMERICAS

“The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing

the producer from the means of production. It appears as primitive, because it forms the pre-historic stage of capital and of the mode of production corresponding with it.

*“The economic structure of capitalistic society has grown out of the economic structure of feudal society. The dissolution of the latter set free the elements of the former.”*⁶

In the broadest, most general sense the process of primitive accumulation of capital in the Americas was part of the same process in Europe. The conquest, plunder, and colonization of the Americas by Spain, Portugal, France, Holland, and Great Britain was both a last-gasp effort to revive the decaying feudal order, and a powerful impetus to its more rapid dissolution. But the way in which the capitalist mode of production itself arose in the Americas out of the dissolution of feudalism in Europe was a very different side of the same process which produced capitalism on the conquering continent.

The first important historic difference is the very fact that colonial societies were imposed upon peoples and lands which had never themselves known feudalism. The indigenous societies were either obliterated or enslaved. Almost as important is the fact that these new societies were established as colonies. This meant that whatever new wealth could be produced within them was continually drained away as plunder to the European mother country. Third, these subordinate colonial societies differed greatly among themselves, reflecting the different stages of the dissolution of feudalism in each conquering European country. Fourth, the differences among these colonial societies were heightened by the varying extents to which, and ways in which, the conquered societies were incorporated into the new colonial social structures.

In the case of the United States, colonial society reflected that of England, the country where the decay of feudalism was the most advanced of all major European states.⁷ Indeed, when British conquest and colonization of North America and the Caribbean islands began in earnest at the start of the 17th century, England was already on the eve of the Puritan Revolution: the first great national bourgeois revolution to succeed in Europe. The British colonies in the Americas were therefore very different, in important respects, from those of Spain, Portugal,

France, and even Holland.

At the outset neither of the two principal conditions for the formation of capital existed in the American colonies of any of the European powers. What accumulated wealth the conquered societies had was uprooted and shipped directly to Europe. Private property in the means of production and subsistence was virtually unknown among Native Americans, and a mass of free laborers was nowhere to be found in their largely communal societies.

When Britain entered the European competition for colonial conquest and plunder, Portugal and Spain had a century of looting under their belts, and Holland and France had already joined the contest. Britain was the weakest, most marginal of all the major feudal states.

Paradoxically the marginality of British feudalism, and its correspondingly late start at colonial conquest, are important circumstances when it comes to explaining why the primitive accumulation of capital in the British colonies occurred so much earlier, and was accomplished so much more rapidly, than in the Spanish and Portuguese empires.

The tremendous initial successes of Spain and Portugal in amassing wealth through colonial plunder, and the monopoly profits of the newly established world trade during the 15th and especially the 16th century, served to prop up the feudal absolutist states in those countries. In turn this provided insulation for the feudal social structures there against the full effects of the forces working to dissolve them. Neither country resorted to the extremes which were the rule in 16th century England: massive enclosures, plunder of church lands, alienation of royal estates, official Protestantism, etc. The relative social, political, and religious stability of these countries meant, among other things, no huge surpluses of dispossessed peasants, and no powerful radical Protestant sects. At the same time much of the potential social forces of disequilibrium could be absorbed into the immense mercenary armies (both in Continental Europe and in the colonies) and into the burgeoning government bureaucracy.

This relative Iberian feudal stability, created in large part by colonial successes, was in turn reflected within the empire. The American colonies of Spain, founded on the plunder of the existing wealth of

native societies—notably the Aztecs and Incas—continued primarily as a source of plunder. The *encomienda*, the primary subordinate mode of production in Spanish America, was a bastardized approximation of feudalism. Not integrated into the world market, it produced use values for the colonial silver and gold mines. Neither capitalist nor feudal, the *encomienda* system could serve only the temporary enrichment of Spain, decaying as the mines themselves were exhausted. On the other hand, the *encomienda* served as a barrier to the wealth and private property within the Spanish colonies, and most importantly, as a gigantic wall against the formation of a mass of free laborers necessary for the formation of a proletariat and the emergence of capitalism.

The Portuguese Empire, primarily Brazil in the Americas, differed from the Spanish in important ways. Prior to the conquest of the Americas, Portugal relied on the monopoly profits of mercantile trade, as compared to simple plunder, more than did Spain. Portugal was the first European power to conquer the trade route around the Cape of Good Hope to India. It soon followed this coup by monopolizing the trade in human misery known as slavery.

The acquisition of an empire in the Americas posed new problems for Portugal. Aside from the fact that their cut of the Americas contained no golden cities to loot, they also offered no new routes to the Oriental trade, no already established trade to monopolize, and—for reasons we will examine later—the native societies proved to be poor hunting grounds for the slave catchers. Hence **developing the production** of commodities in these colonies would be the key to Portuguese mercantile profits.

Already experienced in slave catching, slave trading, and on a limited scale the exploitation of slave plantation labor, a solution was at hand for 16th century Portuguese imperialism: slave plantations became the basis of Portuguese colonial exploitation in the Americas.

In a sense this transitional colonial mode of production was a step closer towards capitalism than was the *encomienda*. The Portuguese plantations, producing mainly sugar, were much more completely integrated into the world market than were the *encomiendas*. Correspondingly the possibilities of accumulating wealth and private

property in the means of production and subsistence were also greater in the Portuguese colonies. But like the *encomienda*, chattel slavery was an insurmountable barrier to the formation of a class of free-wage laborers, and hence to the formation of the most important precondition for capitalism.

The Portuguese colonies, rather than the Spanish, provided the rough model for England's belated conquests in the Americas. Like Portugal, England no found golden cities, no route to the Orient, no established native commodity production to monopolize, and no easily enslaved native population. And even more than in Portugal, mercantile profits loomed large in importance in English society when its transatlantic empire began. The Portuguese solution of developing the production of commodities through the exploitation of imported slave labor was therefore a natural choice for the new Northern European *conquistadores*.

The initial English efforts to produce sugar and tobacco in Jamaica and Virginia, using a complicated ad-hoc system of indentured English labor and small proprietors, was quickly jettisoned in favor of the full-blown Portuguese slave system. This system soon spread throughout the new British colonies in the Caribbean and on the southeastern shores of North America. As a colonial mode of production transitional to capitalism, it differed in no significant respect from the Portuguese plantation slavery upon which it was modeled.

Of course, if this had been all there was to British colonization in the Americas, the primitive accumulation of capital in the now United States would no doubt have been as retarded and deformed as it was in Latin America. But 17th century Britain was very different from Portugal, and consequently its colonies turned out very different as well.

PURITANISM AND NEW ENGLAND

The social forces which exploded in the Puritan Revolution in the 1640s were already approaching critical mass when the 17th century dawned on England. The years 1607, 1619, and 1655, when the British conquered Jamestown, Plymouth Bay, and Jamaica, respectively, could also be taken as benchmarks in the development of the British bourgeois revolution. Just as the internal social dynamic of Spain and Portugal was reflected in the

social structure of their new world colonies, so too was this revolutionary dynamic projected into the new British colonies.

Most striking in this regard were the New England colonies. Plymouth Bay, Massachusetts Bay, Connecticut, and Providence Plantation were all examples of a hitherto unknown type of European conquest and colonization in the Americas. Like the earlier varieties of colonies they too had to conquer, destroy, and displace the existing native-American societies. And, like the slave colonies, they were from the beginning mercantile ventures aimed at developing the production of commodities for export to the mother country. But unlike their predecessors, they had the purpose of creating European settler societies. Outwardly, and in their conscious design, these colonies were nothing less than religious utopias—the first generation of a long line of such utopias which has since included the likes of Amana and Jonestown.

From the point of view of the Puritan colonists themselves, these American outposts offered the possibility of establishing the type of society they could not yet achieve in England. From the point of view of the British monarchy, these colonies were primarily useful as a dumping ground for the radical Protestant sects then undermining political stability (and a potential dumping ground for the far larger, and potentially far more dangerous, mass of dispossessed peasants).

Stripped of their outward feudal religious ideology, the social content of the New England utopias was simply a petty-bourgeois society of independent yeoman farmers, small artisans, and merchants⁸. The Puritan colonists were trying to free themselves from the remnants of the feudal restrictions on private property in land, from the myriad restraints imposed by the mercantile monopolies on the profits of small producers and merchants, and so on.

As a mode of production transitional to capitalism this petty commodity production system was light years ahead of both the *encomienda* and chattel slavery. It provided a wider scope for the accumulation of wealth in colonial hands by establishing a larger and more diverse internal market, through the fact that every independent petty bourgeois was competing to accumulate his own little fortune; and especially by promoting a class of colonial merchants capable of profiting from the

trade between the European metropolis and the colonies, which was enriching the English merchants themselves. Most important, however, was the fact that of the colonial modes of production, it alone did not set up the barriers of a class of unfree labor and the concomitant class of exploiters of unfree labor that barred the path toward the formation of a class of wage laborers.

Yet they still suffered from two important obstacles to primitive accumulation endemic to all the colonies: the dearth of potential proletarians, and the drain of wealth to the mother country. The struggle to overcome the latter helped unite New England and the northern colonies with the southern slave colonies against England, leading to the American Revolution. The struggle to overcome the former played a key role in pitting the North against the South in the fight that was finally resolved in the American Civil War.

A SETTLER STATE BASED UPON PLUNDER

Despite the common absence of a class of potential free wage labor, both North and South were rapidly accumulating the other preconditions for the emergence of capitalism. They shared a common internal market, linked to the world market through England. Within both sets of colonies large accumulations of wealth, monetary as well as commodity forms of the means of production, were already growing. Part of these accumulations of wealth came from the frugality, abstinence, and hard work of the independent Puritan and Quaker farmers of the North. Another segment resulted from the derivative profits of the northern merchants from the trade in colonial commodities such as tobacco, sugar, indigo, naval stores, and fur. A very large portion of this wealth, however, came from the exploitation of chattel slaves, while the largest portion was derived from plunder.

Plunder is simply the expropriation through means of militarized force of the product or wealth of another person or society. Of course, in a sense, slavery was simply the organization of plunder as a continuous internal social order. But beyond this internal form of colonial plunder, two other related forms of plunder⁹ accounted for much of the accumulations of wealth by the settler societies: the expropriation of the lands of the Native Americans; and the wholesale kidnapping of much of the human population of Western Africa.

Both were forms of what amounted to a precapitalist form of imperialism. Both were hideous and barbaric, involving murder and torture on a scale unequaled until the fascism of this century. Both destroyed whole societies.

They shared other features as well, which linked them into the process of amassing wealth in these precapitalist societies. Both land and slaves were produced "outside" of the colonial social economic systems. Both ranked as the most important means of production within those colonial systems; slaves and land in the South, and land alone in the North. Far more than their mother country across the Atlantic at the same time, the British colonies in America were predominantly agricultural.

Simple expropriation of these means of production did not turn them into wealth, however; for that they had to be transformed into commodities, and a market created for those commodities. We have previously noted how the exploitation of chattel slavery, and with it the expansion of a market for kidnapped human beings, spread first through the expansion of the Portuguese empire, then through the adoption of the same colonial system by England (and also by Holland, France, and eventually in the Spanish colonies).

The commoditization of land was the product of another phase of the dissolution of European feudalism: the bourgeois revolution in England itself. Land as a commodity and a repository of wealth was highly restricted even within the decadence of feudalism of early 17th century England. Its purchase, sale, and exploitation was limited by a plethora of remnants of the old system of vassalage and serfdom. The Puritan Revolution liquidated most of these remnants in England. But in the North American colonies, vanguard expressions of the revolutionary process in Britain, those restrictions were never seriously established at all.

Thus wealth could be accumulated in the colonies through both of these forms of plunder, as long as the military means of expropriating the lands of the Native Americans or the people of Africa could be found. In the case of the slave trade, it was provided by the British state itself and the military raids of the internecine tribal warfare of West Africa (spurred on by the Europeans), and supplemented by the armed bands of slave catchers employed by the New England merchants.

In the case of the expropriation of Native American lands, however, the military might necessary for this plunder was provided in small part by British troops, but primarily by the armed settler population itself. Virtually the entire white male population of the colonies was armed. It was organized into militias for purposes of pursuing the Indian wars. These militias dated from the very earliest years of the colonies, and continued to form the backbone of the military strength of the United States until the Civil War.

Slave catching, land stealing, and the commoditization of both formed the foundation upon which the fortunes of the founding fathers were built. The size of the fortunes amassed through these means can be indicated with a few facts.

Between 1698 and 1807, the number of slaves imported into the Americas from Africa varied from 25,000 to 100,000 a year.¹⁰ The majority of these were imported by the New England slave traders, who supplanted the English by the beginning of the 18th century in the North American slave trade, and were a major competitor in the Caribbean and South American slave trade¹¹.

Of course, every square inch of land in the United States was stolen! Every colony had its own mechanism for turning stolen land into private property, and thence into commodities. The New England colonies chartered townships, allocating a parcel of unsettled and unconquered land to the latest batch of immigrants, who in turn divided the township into individual farms. The Southern and mid-Atlantic colonies made individual land grants, the size of which was often based on the number of servants a master brought with him from England.

Soon all of the colonies had claimed vast tracts of land far to the west of the conquered and settled Eastern seaboard. These lands continued to be granted to “deserving colonials”, sold outright to land speculators, or even used to underwrite colonial debts.

This process was refined after the War of Independence. Land grants were used to finance the construction of the railroads, canals, and public schools. First used by the new state governments established west of the Appalachians, after the Civil War these methods were used by the federal government in the construction of the entire Western

railroad system. The Union Pacific, Southern Pacific, Great Northern, and Santa Fe Railroads¹², among others, were financed through this refined form of plunder. They were the bedrock of some of the most important of the huge robber-baron fortunes of the late 19th century, and to this day the corporations derived from them are all huge real estate empires (some have even divested their railroad holdings to concentrate strictly on their real estate operations!)

This form of plunder’s final chapter followed swiftly on the heels of the completion of the Transcontinental Railroad in 1869, as the Great Plains and the valleys of the West were virtually all conquered, occupied, and turned into the modern private property of the European settler nation. However, even the complete defeat and almost total genocide of the Indian nations entailed in this continental plunder did not signal their end. The epilogue to this tragedy is still being written today as the mining conglomerates, land speculators, and agribusiness attempt to wrest away the miserable remnants of land “reserved in perpetuity” for the Native Americans after their final defeat.

PLUNDER: THE BASIS OF UNITY AND CONFLICT BETWEEN NORTH AND SOUTH

“These methods [of primitive accumulation] depend in part on brute force, e.g., the colonial system. But they all employ the power of the State, the concentrated and organised force of society, to hasten, hothouse fashion, the process of the transformation of the feudal mode of production into the capitalist mode, and to shorten the transition. Force is the midwife of every old society pregnant with a new one. It is itself an economic power.”¹³

As colonies of England, the force of the state belonged to Britain. It aimed at hastening the rise of the capitalist mode of production in **England**, with the colonies assigned the role of providing raw materials, a dumping ground for excess population, and monopoly profits for English merchants and manufacturers. To the extent that the mercantilist British system aided the colonials in the accumulation of wealth, they supported it; but to the extent that it conflicted with their own drive for profit, they opposed it.

Based on two different modes of production, the Northern and Southern colonies’ relations to British mercantilism were necessarily of very different

characters. By its very nature the slave plantation system of the South could not be a competitor of capitalist England; it could only be a supplier of raw materials and an importer of manufactured goods. Although the slave owners might chafe under unfair terms of trade, onerous taxation, or lack of representation in the British parliament, their subordinate mode of production left them little alternative to remaining within the British empire.

New England and the North were a different story. Northern merchants competed directly with British merchants, and aspired to compete with British manufacturers. The Northern colonies were a potential competitor of capitalist England. Mercantilist restrictions on trade prohibiting them from direct trade outside the British empire, and the virtual prohibition of all manufacturing within the colonies, were aimed almost exclusively at the political economy of the Northern colonies.

Political relations between the different sets of colonies and England corresponded to these different economic realities. The South tended to be Royalist, and lukewarm in its opposition to British mercantilism; New England, on the other hand, was in continuous struggle with the colonial regime almost from the moment the colonies were established.

Overriding all differences, however, was the unity of all the colonials in the plunder of the Western Native American lands. Thus the turning point in the struggle between the colonies and the mother country came in 1763, when England outlawed further westward expansion. This prohibition was itself the consequence of England's victory over France in the Seven Years War, which simultaneously gave Britain a new monopoly in the fur trade with the Native Americans (militating against expansion of the settler colonies) and left the British empire financially and militarily overextended.

For the two colonial societies, this prohibition was no different than a death sentence. Both depended on continued western conquest not merely as a means of accumulating wealth, but for their very survival. The slave plantation system rapidly exhausted the soil (due both to the primitive methods of labor imposed by the slave system, and the staple crops required by it), requiring the continual additions of new land for new plantations. On the other hand, the small

independent petty-bourgeois farmers of the North were just as dependent on westward conquest, for without new land each new generation of farmers would be left with diminishing acreage, and face eventual but certain proletarianization. With the passage of the Colonial Act of 1763 the South rapidly went over to the side of the North in the struggle against British mercantilism. The stage was set for the American Revolution.

The colonial victory in the War of Independence simultaneously stopped the drain of accumulated wealth to the mother country, and removed the British barriers to western conquest. But termination of the power of the British mercantile state over the colonies left the settlers with the task of constructing a new bourgeois state designed solely to advance their own accumulation of wealth.

Necessarily this meant a state designed first for continued westward conquest; and second for preservation of the two different modes of production, while strengthening the links between them. Implicit in this was also the necessity of incorporating the conflicting interests of the Southern slavocracy, the northern merchant bourgeoisie, and the Northern farmers and petty bourgeoisie within the structure of the state itself.

The weak and decentralized state established under the original Articles of Confederation failed to accomplish these tasks; this manifest failure led quickly to the political coup d'état that imposed the Constitution, and with it a new form of bourgeois state.

Enshrined within the Constitution were both slavery and western expansion: explicitly in the form of provisions for the return of escaped slaves, taxation of slaves, apportionment of representation in Congress based upon the slave population and the addition of new states to the union; implicitly in the whole centralized apparatus of the new state. Provisions for effective taxation, the establishment of an army and navy, federal control over state militias, etc. were all aimed at building a state structure capable of rapid and efficient resumption of western conquest, while simultaneously guarding against the dangers of slave revolts. Moreover, the Constitution rid the newly independent and united colonies of the remaining obstacles to internal trade, thus establishing a national market almost as large as those of the European nations themselves (and soon

to be larger).

In order to guarantee the unity within this framework of conflicting social systems and classes, the English political conception of a balance of powers was integrated in a radically expanded form in the new Constitutional state. The two legislative branches, House and Senate, were based on different systems of representation for this reason. Seats in the House were apportioned according to the population of states, elected in the same manner as representatives in the lower houses of the state legislatures. Those in the Senate were apportioned two to each state, elected indirectly by the state legislatures. Initially this meant that the North would control the Senate, while the South would control the House: there were only four fully slave states (and two marginal ones) but seven “free” states, while the slave South was more populous than the “free” North. It guaranteed the dominance of the propertied classes North and South through the Senate; **and the inclusion**, albeit in a politically subordinate position, of the small property owners of the North through the House. Some of the potential for conflict within this structure was eliminated at the start by leaving wide powers in the hands of the subordinate but partly autonomous state governments to regulate local social, economic, and political relations.

Capping this structure was what amounted to an elected monarchy with broad powers to act as an overriding Bonaparte in the case of conflicts within the legislative branch, and with centralized authority over implementation of virtually all state policy. A secondary Bonapartist institution, the Supreme Court, was established to regulate those conflicts which were either too small or too politically inexpedient for the President to resolve.

This new bourgeois state structure, entirely in the hands of the European settlers, could now be turned to the business of plundering the lands of the Native Americans west of the Appalachians, and thus expanding the existing slave society of the South, and the petty-bourgeois mercantilist society of the North. It did so with a vengeance. Nearly 170 years had lapsed between the first British footholds on the Eastern seaboard and the completion of the conquest of the Eastern seaboard area; yet it took only 75 years from Independence to expropriate all the Native American lands between the Appalachians and the Mississippi. In the course of that continuous military operation the United States also stole Texas

and the entire Southwest from Mexico, Florida from Spain, bought out the French claims to the Mississippi Valley, settled most remaining claims of England to the Native American lands south of Canada, and eliminated the tiny Russian foothold on the West Coast. A truly continental imperialism of plunder was established.

The centrality of landgrabbing to the social and political unity of this independent, imperialist settler state was demonstrated by the rise to political power of a succession of Presidents whose fame was based on military success in the wars against the Native Americans, and whose fortunes were built upon their share of stolen land (and related land speculation). The First President himself, George Washington, was the founder of this tradition, but it included such luminaries as Andrew Jackson, William Henry Harrison, and Zachary Taylor. The astonishing success of this hybrid precapitalist imperialism led to the extension of the slave system from Chesapeake Bay to the Rio Grande, and of the petty-bourgeois political economy of the North from Maine to Iowa, with an important outpost in California on the opposite side of the continent. All of the preconditions for the emergence of capitalism in the United States were now in place: a large and pervasive national market; huge accumulations of commodity wealth in money, means of production and subsistence; a powerful repressive state apparatus harnessed to the accumulation of wealth by the existing precapitalist classes. All preconditions were in place, that is, except for the most important one—a mass of free laborers. Slavery stood as an absolute barrier to the formation of a permanent proletarian class; “free soil” stood as a relative barrier. Paradoxically the success of their common imperialist expansion now pitted North against South in mortal combat in the American Civil War, and destroyed the last barriers to the triumphant emergence of capitalism in the United States.

A PRIVILEGED SETTLER STATE WORKING CLASS

“First of all, Wakefield discovered that in the Colonies, property in 1110.17q; means of subsistence, machines, and other means of production, does not as yet stamp a man as a capitalist if there be wanting the correlative—the wage worker, the other man who is compelled to sell himself of his own free-will. He discovered that

*capital is not a thing, but a social relation between persons, established by the instrumentality of things.”*¹⁴

*“We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production. The essence of a free colony, on the contrary; consists in this—that the bulk of the soil is still public property, and every settler on it therefore can turn part of it into his private property, and individual means of production, without hindering the later settlers in the same operation. This is the secret both of the prospering, of the colonies and of their inveterate vice—opposition to the establishment of capital. ‘Where land is very cheap and all men are free, where everyone who so pleases can easily obtain a piece of land for himself; not only is labour very dear; as respects the labourer’s share of the produce, but the difficulty As to obtain combined labor at any price.’ ”*¹⁵

Prior to the Civil War then, the one great barrier to the formation of capital was the near absence of its most important component: variable capital, wage labor—the only value-producing component of capital. Exchange value was produced primarily through precapitalist modes of production: slave plantation labor, independent petty commodity production, and plunder. In the South slavery stood as an absolute barrier to any widespread exploitation of wage labor. In the North “free soil”, or more accurately the continued availability of Native American lands to be plundered, stood as a lesser but still formidable obstacle. Together these factors shackled the early development of capitalism in the whole of the settler state.

Nevertheless, in the North free soil was only a relative barrier to the formation of a class of wage laborers, which did begin to form prior to the Civil War. It was derived from the same British, Scottish, and northern European immigrants who also formed the bulk of the petty-bourgeois mass, and often consisted of the small farmers and artisans themselves. The shipyards, fisheries, construction, and lumber industries of early New England relied on the seasonal employment of farmers. Even the early New England textile mills drew their labor from the small farmers—although in their case primarily from among the young, unmarried farm women.

But for the large scale formation of capital, the petty-bourgeois masses of the early United States were totally unfit. The small farmers used their wages to improve their own farms, or to buy a new farm, or to employ others as wage laborers. The young women saved their wages in order to build a dowry. When the next available farmboy appeared, they would promptly leave the textile mill, perhaps moving west to occupy a new homestead recently expropriated from the Native Americans. As long as the petty bourgeoisie was expanding through the plunder of land they could not become the source of a mass of “free” —in Marx’s double sense—wage laborers.

As long as “free soil” existed, moreover, it would act as a permanent drain on the supply of labor, for even those immigrants too impoverished to immediately join the ranks of the petty bourgeoisie could do so after a relatively short period of time. Cheap land, obtained through plunder, meant that not only was it possible for a worker to become a small farmer, but also that high wages would prevail because of the tight labor market it created. In turn the early capitalists could, and did, pay the high wages demanded by the tight labor market because the wealth accumulated through plunder made it profitable.

Of course, from the beginning the early capitalists, and wealthy would-be capitalists, sought out ways to overcome the shortage of exploitable labor. Indentured servitude was the earliest method used to obtain cheap labor. But the half-slave/half-free labor force created through this method was unstable and temporary. An indentured laborer in Boston could fairly easily escape to New York, unlike a Black slave from Virginia; and in any case the term of indenture was for a set number of years (usually seven), after which the laborer became free. Chattel slavery itself was adopted to solve this shortage of exploitable labor, at first as an extension of the indenture system (evidence exists that the first Blacks brought to America were indentured servants, and not chattels)¹⁶.

Free Blacks did form a substantial sector of wage laborers in the North up until the 1840s. They worked as stevedores, hodcarriers, coachmen, waiters, blacksmiths. But as long as the institution of slavery—and its legal and ideological extensions which embraced the North as well as the South—continued, Blacks could in reality be no more than a reserve army of labor. Racism, according to most

observers of colonial and early 19th century America, was even more pervasive and deep-seated in the North than it was in the South. Blacks could find employment where, and when, labor was in the shortest supply: such as during the Napoleonic Wars in Europe when immigration slowed to a trickle. But when immigration from Europe revived, free Blacks were pushed out of all but the most menial jobs.¹⁷

The rape of Ireland by British capitalism, and the ensuing potato famine of 1846, provided the first wave of European immigrants large enough to flood the labor market of the United States. It pushed Blacks out of virtually all skilled (and many unskilled) jobs, and provided the mass of “free” proletarians necessary for the tremendous expansion of the rail system, the early steel industry, the textile mills, etc. The Irish were soon followed by the “48ers”: refugees fleeing the failed bourgeois revolutions of 1848 in Europe. Fortuitously for the embryonic capitalists of the United States, the drain of “free soil” was temporarily clogged for these new immigrants—for the North and South had reached an impasse over which would gain the right to conquer the remainder of the Native American lands in the far West.

By 1860 the United States had a large working class, and the first beginnings of an industrial proletariat. Yet it had all the earmarks of the privileged settler state working classes epitomized today by the white workers of South Africa, the Jewish workers in occupied Palestine, or the Protestant workers in Ulster. It was virtually all white. It earned high wages (compared to its European counterparts) due to “free soil” and racism engendered by slavery. It was as opposed to competition from free Black workers as it was to competition from slave labor. It was as much in favor of plundering the lands of the Native Americans as it was in favor of reserving those lands for small farmers rather than slaveowners. To a far greater extent than even Blacks, the Native Americans were excluded from this settler state working class, as they were from virtually all classes in this society. This was a consequence primarily of the predominately communal social relations of the Native American societies more than the fact of conquest by the Europeans. Servile labor of any sort—“free” or slave—was anathema to the Native Americans who, for as long as the “frontier” lasted, chose to move further west and continue to defend their societies rather than be “assimilated” into the exploited

classes of the settler state. Only when a tribe or people had suffered complete defeat and the destruction of the fabric of their society, were Native Americans to become part of the working class.

It was the formation of this working class, prior to the Civil War, upon which the power and fortune of the rising capitalists of the North were based. Although it contained within it the shape the future mass proletariat of the United States was to take, in itself it was a wholly inadequate base for the kind of explosive development of capitalism in North America about to take place. A truly massive class of laborers which was propertyless, yet free from bondage, could not be brought into existence without the destruction of the barriers of free soil and slavery, or without a far more massive infusion of immigrant workers. As history has since proven, all of these conditions were created as a consequence of the victory of the North in the American Civil War.

THE CIVIL WAR: CAPITALISM VICTORIOUS

*“The whole movement [towards the Civil War] was and is based as one sees, on the **slave question**: Not in the sense of whether the slaves within the existing slave states should be emancipated or not, but whether the twenty million free men of the North should subordinate themselves any longer to an oligarchy of three hundred thousand slaveholders; whether the vast territories of the republic should be planting places for free states or for slavery; finally whether the national policy of the Union should take armed propaganda of slavery in Mexico, Central and South America as its device.”¹⁸*

“In the history of primitive accumulation, all revolutions are epoch-making that act as levers for the capitalist class in course of formation; but, above all, those moments when great masses of men are suddenly and forcibly torn from their means of subsistence, and hurled as free and ‘unattached’ proletarians on the labour market. The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process. The history of this expropriation, in different countries, assumes different aspects, and runs through its various phases in different orders of succession, and at different period's. In England alone, which we take as our example, has it the classic form.”¹⁹

The American Civil War was without any doubt just

such an epoch-making revolution as Marx had in mind. It served as the greatest of all levers in the formation of the capitalist class in the United States, catapulting it from marginality to absolute social, economic and political dominance. It destroyed slavery, the most important barrier to the formation of a massive class of wage laborers, and established the conditions for the rapid elimination of the other barrier to the formation of a proletariat: “free soil”. It broke and remolded the state and placed it entirely in the hands of the emergent capitalists. But it did not expropriate the “peasants” and throw them onto the labor market! On the contrary, the vast majority of the millions of Black former slaves were transformed into debt peons still tied to the land. On the other hand, the mass of “free farmers” of the North, themselves victors in the Civil War, continued to expand for another quarter century.

As has already been noted, the Civil War resulted from the collision between North and South over which of the two social orders within the United States would conquer and expropriate the remnants of the lands of the Native Americans. This collision itself, however, was the product of an international chain of events set in motion by the achievement of British domination of the world a century earlier, and the explosive development of capitalism which followed in its wake.

As Marx noted, and as many others have since observed, the Civil War resulted from the rapid emergence of the “Northwest” as the new center of the United States in the decades preceding the Civil War. In fact, it would be more accurate to say it was touched off by the emergence of the “Southwest” as well. Both were in large part products of global events centered on the other side of the Atlantic in capitalist Britain.

England's victory over France in the Seven Years War, a century before the Civil War, not only created the conditions for the colonial revolt that created the United States, it also gave England control over India. This in turn gave Great Britain a virtual monopoly of world trade in cotton textiles, which was soon transformed into a monopoly of production of cotton goods as well.

The traditional cotton handlooms of Calcutta were replaced by steam-driven looms in Manchester factories. The cotton itself was provided by vast new slave plantations in Alabama, Mississippi, Louisiana,

and Texas: the pre-Civil War Southwest.

In Britain for the first time a massive industrial proletariat was formed, and the class struggle between worker and capitalist soon followed. The Luddites were followed by the Chartist rebellion in 1839-1840. This upheaval, though it failed to achieve its own ends, split the British bourgeoisie. The new princes of the textile industry demanded that the mercantilist protection of agriculture—which kept food prices high, and thus served as a constant upward pressure on wages—be abolished. In 1846 they succeeded in rescinding the corn laws and establishing “free trade” in grain.

The small farmers of the new Northwest—the entire region between the Appalachians and the Mississippi, and the Ohio and Canada—were soon growing and selling the bulk of the wheat for the bread of the British working class. To do so they were linked with the Northeastern ports of the United States by a network of railroads and canals, and by a vast set of commercial ties. Whereas the South had previously been the most important market for any commodities produced by the small farmers of the West (through the natural links of the Mississippi River system), by the 1850s the Northeast and England were more important markets, and far more closely linked to the Northwest than was the South.

Capitalism in the North was linked to slavery through innumerable ties: commercial (e.g. New York was the entrepôt for most of the cotton shipped from the South to England), financial (plantation owners depended on credit provided by either Northern or British merchants and financiers), and even family relations. Moreover the “free” Black population of the North, a by-product of slavery, formed an oppressed caste within the working class. Its existence helped hold down the high wages of the white workers. At the same time Black workers could be used—and were used—as scabs against strikes by white workers, who by the same token could be used—and were used—as scabs against strikes by Black workers. The abolition of slavery not only threatened the profitable ties of Northern capital with the slavocracy, it also threatened to break down the barriers between Black and white workers in the North: if slavery were abolished, the implication was that Blacks might achieve real equality including the right to vote, serve on juries, etc. (all denied to most Blacks in the North). The

capitalist class of the North, then, was divided. One wing aligned itself almost openly with slavery and constituted much of the leadership of the Northern Democrats. Another wing sided with the small farmers of the West against slavery, for among other reasons the hope that once set free, the four-million-strong slave population of the South would flood the labor market with a mass of scab labor, and forever end the problem of high wages.

The settler state working class simultaneously maintained its steadfast support for “free soil” —and thus for the Northern cause, and its racist opposition to Black workers. The revolutionary implications of the Emancipation Proclamation for the defeat of the slavocracy also triggered race riots in the North as white workers and shopkeepers formed lynch mobs to attack Blacks in all the major Northern cities. Virtually all of the existing unions and workers’ organizations, save for one local of the Carpenters’ union and the Communist Club of New York, excluded Blacks prior to, during, and after the Civil War.

The absolute victory of the North in the Civil War ended forever the threat posed by slavery to the formation of a class of wage laborers. It was a real, but short-lived victory for “free soil” as well: the Native Americans still sovereign in the Great Plains were totally defeated within a decade and a half, and by 1890 it could be said that the frontier had disappeared. The real victors of the Civil War were not the small farmers and Northern workers who provided the footsoldiers —and even much of the leadership—for the Union, nor the now-free Blacks, but the capitalists of the North.

Reconstruction did not give “forty acres and a mule” to the former slaves; it did not give Blacks the right to vote, go to the same schools, or work at the same jobs as whites; it did not end the caste divisions between white and Black within the working class. Instead the majority of Blacks soon wound up as sharecroppers and debt peons to the remnants of the Southern slavocracy. That class, which lost the bulk of its wealth when its slaves were expropriated through emancipation, still held onto its land—or if bankrupt, those lands passed into the hands of Northern financiers, speculators, and carpet-baggers. The early demise of the radical reconstruction, and the rise of Jim Crow were the political events which placed the power of the State firmly behind this new social relationship in the South.

Those Blacks who joined the working class, either in the cities of the South or in the North, found themselves relegated to the same status of an oppressed caste of the working class: excluded from skilled jobs; excluded from almost all workers’ organizations; and subject to racist violence from the white settler working class.

Yet it was during these very same years of Reconstruction that the “primitive accumulation” of the proletariat in the United States was completed. A mass industrial proletariat, larger than any similar class elsewhere in the world, was rapidly created in the United States in the final decades of the 19th century. Neither the free Blacks nor the class of small farmers provided the bulk of the human material for this new class.

Instead, the largest migration ever from Europe flooded the United States in wave after wave from the end of the Civil War until the start of the First World War: 2.3 million in the 1860s; 2.8 million in the 70s; 5.2 million in the 80s; 3.7 million in the 90s; 8.8 million in the first decade of this century; and 5.7 million in the 1910s, despite the interruption of the World War.²⁰

These new immigrants were drawn predominantly from Eastern and Southern Europe, as opposed to the British and Northern European origins of the previous waves of immigrants. More than 30 million strong, and drawn from more than 20 different nationalities, these immigrants provided the “mass of free laborers” which filled the factories and workshops, built the railroads, and so on, in the explosive development of capitalism which occurred in the United States following the Civil War. They themselves were the product of the rapid advance of capitalism in Europe—the continuation of the same process which had earlier dispossessed the peasantry of the British Isles, only now at work in Sicily, Slovenia, Poland, and Latvia.

They neither displaced the privileged Northern European settler state working class, which now formed a real aristocracy of labor; nor the Black freemen, who even more than before the Civil War were relegated to the bottom of the ladder as a reserve army of labor. Having no common language, political traditions, or even religion, these new immigrants were both divided among themselves **and** divided from the earlier sectors of the working class. Like the Black reserve army of labor they were

excluded from almost all skilled jobs and from the organizations of the labor aristocracy; but like the labor aristocracy, more often than not they fought to exclude Blacks from the labor force.

While it is true that massive industrial struggles marked this entire period, without exception they failed. Their failure was due first and foremost to the castelike stratification of the working class. Many of these struggles were in fact aimed at preserving the privileges of one sector of the working class against another (these included the notorious racist strikes against Blacks, and on the West Coast against Asian workers, as well as strikes aimed at preserving craft methods of production).

While these struggles failed to unite and organize the working class, they did help unite the capitalist class. In response to the great strikes of the early 1870s major changes were made in the State apparatus (continuing a process that had begun in the Civil War). The National Guard was established as an internal military force to be used against strikes and other social upheavals, supplementing the professional army that had been maintained after the Civil War (both to prosecute the “Indian Wars”, and to maintain Union control in the South). The defeated slaveowners were reintegrated into the now fully capitalist state in an effort to strengthen the ruling class in the face of the new danger of working class upheavals. Out of this the modern political party system in the United States was born.

CONCLUSION

Though it was part of a single international process, the primitive accumulation of capital in the United States combined the common elements of this process (commercialization of production, accumulation of commodity wealth, accumulation of a mass of wage laborers, the harnessing or creation of the repressive power of the state for the purposes of accumulation, etc.) in a singularly discontinuous way. The profits from the plunder of the Native Americans and Africans served to unite all the settler classes in what appeared to be the most democratic republic on Earth; yet its violence, barbarism, brutality, and ruthlessness equaled or exceeded those of its apparently less democratic European rivals. The state, essentially a body of armed men, consisted initially of the entire white male settler population. It was not aimed at repression of its own members, for they were all armed; but rather of the slaves and

Native Americans.

This precapitalist bourgeois imperialism was born free of most of the major fetters of feudalism faced by rising capitalism in Europe. Yet its very nature as a settler state combining “free soil” and slavery was a tremendous obstacle to the accumulation of the most important element of capital...the working class. The revolutionary destruction of those barriers in the Civil War led to an almost unique solution to this problem: Neither the precapitalist class of petty-bourgeois farmers, nor the precapitalist class of slaves, were uprooted from the land and thrown onto the labor market. Instead a heterogeneous, socially, nationally, and racially divided working class was formed primarily from the ranks of the dispossessed peasantry of Europe. The pre-existing settler state labor aristocracy remained socially intact, providing a reactionary social force within the new working class.

The state itself was transformed both through the Civil War, and through the class struggle which followed in the wake of the explosive development of capitalism after the Civil War. All of the **forms** of settler state democracy were maintained, but the **content** was radically altered to exclude the newly formed working class through creation of a modern bourgeois military repressive apparatus, and the creation of the bi-partisan political party structure.

This capitalist continent empire, born as the result of a global process, was within a few short years the wealthiest and industrially most important country on earth. Its precapitalist imperialism was transformed into modern-day capitalist imperialism—marked by its victory in the Spanish-American War—even while the immigrant working class was being formed, and at almost the very moment the “frontier” was finally being closed.

Though it is beyond the scope of this article, this fact is of salient importance, for the new imperialism allowed the capitalist class and the capitalist state to maintain their unity with the mass petty bourgeoisie and the labor aristocracy in a way similar to the old precapitalist imperialism. The further internal social, economic, and political development of capitalism in the United States, as well as its rise to hegemony among the capitalist imperialisms, rest to a large extent upon this fact. Without it the United States could not have entered the two World Wars as the “defender of democracy”. By the same token, it was

the necessary basis for the “New Deal”, “Fair Deal”, “New Frontier” and “Great Society”. Needless to say, all of this prepared the way for U.S. imperialism, the most rapacious ever known in the history of humanity, to don the garb of the defender of human rights as it today pursues the goal of social counterrevolution on a global scale.

FOOTNOTES

1. Karl Marx, *Capital Vol. I*, ed. Frederick Engels (New York: International Publishers Co., Inc., 1967), p. 751
2. *ibid.* p. 714
3. *ibid.* p. 146 (emphasis added)
4. *ibid.* p. 165 (emphasis added)
5. *ibid.* p. 714
6. *ibid.* pp. 714-5
7. In many senses this process of decay was most advanced in Holland, not England; but Holland’s importance was transitory compared to the larger imperial powers.
8. Of course, differences among the New England colonies did exist: Plymouth, Connecticut, and Providence Plantation were all more religious and utopian in their origins than was Massachusetts Bay Colony, which was a consciously thought-out combination of both religious and mercantile objectives.
9. To this we should add the plunder, in the narrowest sense of the word, practiced through piracy and privateering on the high seas. While no accurate measure of the extent of this type of plunder exists, piracy and privateering were always a part of—occasionally the most important part of—the profit-making activities of the interloping mercantile seafarers of England who paved the way for colonization of the U.S., and continued to be an important activity of their predecessors in New England proper. States (New York: International Publishers Co., Inc., 1961), p. 71
10. W. E. B. DuBois, *The Suppression of the African Slave-Trade to the United States of America 1638-1870* (New York: Schocken, 1969), pp. 2-6
11. *ibid.* p. 5
12. John D. Hicks, *The Populist Revolt* (University of Nebraska Press, 1961), pp. 2-4
13. *op. cit.*, *Capital*, p. 751
14. *ibid.* p. 766
15. *ibid.* p. 768
16. Philip S. Foner, *Organized Labor and the Black Worker 1619-1973* (New York: International Publishers, 1978), p. 3
17. *ibid.* p. 6
18. Karl Marx and Frederick Engels, *Civil War In the United States* (New York: International Publishers Co., Inc., 1961), p. 71
19. *op. cit.*, *Capital*, p. 716
20. *World Almanac*, ed. Harry Hansen (New York: New York World Telegram, 1965), p. 659