

Featured review

Political Marxism and the rise of American capitalism

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Charles Post's new book, *The American Road to Capitalism*, is sure to become a reference point for debates among historians and Marxists about the transformation of the English colonies into the fully developed capitalist United States. In this collection of essays written over the last three decades, he does not assume that capitalism sprang directly out of the early colonies in Jamestown and Plymouth like Athena from the head of Zeus. Instead, based on an impressive combination of Marxist theory and historical investigation, he argues that American capitalism was the unintended consequence of class struggle, the American Revolution, and the Civil War.

Post situates himself squarely in the "political Marxist" tradition established by Robert Brenner and Ellen Meiksins Wood. The political Marxists reject the traditional Marxist argument that a given mode of production, such as feudalism, develops society's forces of production to the point where they conflict with the prevailing social relations of production—leading to the possibility of social revolution. They argue this is a form of technological determinism that down plays class agency and class struggle in the transformation of human societies. They further contend that such determinism leads to a teleological view that human history advances through a series of stages from early class society, slavery, feudalism, capitalism, and finally to socialism. When it comes to the transition from feudalism to capitalism in Europe, they disagree with Marxists who argue that the rising productivity of feudalism opened space in its interstices for urban merchants, yeoman farmers, and petty commodity producers to establish emergent capitalist relations, a process that brought them into conflict with the feudal lords, monarchs and their state, a conflict that could only be resolved through bourgeois revolutions to establish new capitalist states and societies.

Instead, the political Marxists contend that capitalism emerged uniquely in the English countryside. According to them, capitalism was the unintended consequence of the stalemated class struggle between the English feudal lords and peasants. The lords were unable to maintain the old feudal relations and the peasants were unable to free themselves from the lords' control of land. This stalemate compelled the lords to lease out their lands to tenant farmers who, in turn, hired wage laborers, giving birth to the new capitalist labor relations in the countryside. By contrast, France's peasants successfully freed themselves from serfdom and retained their control of land, blocking the development of capitalist agriculture. In Eastern Europe, the peasantry was not strong enough to free itself from serfdom, so their lords managed to reinforce feudalism.

In England, Brenner argues, the lords were thoroughly transformed into capitalists well before the time of the English Revolution. This leads Brenner, Woods, and others to challenge what they see as the traditional Marxist interpretation of the revolution—a rising urban bourgeoisie overthrowing feudal lords and their monarchical state. Brenner argues instead that the rural capitalist lords united with new merchants to overthrow the feudal king and his state to build a new state more compatible with their capitalist order. Some of his followers have generalized his challenge to the so-called traditional interpretation to question the utility of any theory of bourgeois revolution. Ellen Wood claims in her book *The Origins of Capitalism* that the attempt to defend the theory has led to

so “many redefinitions” that it is now used to describe “any revolutionary upheaval that, in one way or another, sooner or later, advances the rise of capitalism, by changing property forms or the nature of the state, irrespective of the class forces involved.” She concludes that such an “all embracing notion obscures as much as it reveals.” George Comninel goes even further to assert in his book *Rethinking the French Revolution* that “it may be better simply to drop the idea of bourgeois revolution.”

Post employs this variant of Marxism to explain the emergence of American capitalism. He argues that English merchant capitalists aimed to establish commodity-producing agriculture in the colonies but ran into obstacles that prevented them from achieving their goal. In the North, they failed to impose a capitalist market in land. After they had cleared away the Native American population through terror, they could not prevent small farmers from squatting on land and establishing what Post calls “non-capitalist independent household production,” essentially subsistence farming. As long as cheap land was available, such farmers could resist their subsumption to commodity production for the capitalist market.

In the South, the merchants and planters attempted to set up commodity-producing plantations, but they immediately confronted a problem of scarce labor. They failed at attempts to enslave Native Americans, who were vulnerable to European diseases, had no experience with or skills for agriculture, and because of their knowledge of the country, could simply flee their captors. The planters instead turned to a mixed labor force of indentured servants from England and African slaves. Soon they faced a massive revolt, Bacon’s Rebellion, which united servants and slaves against the planters. In response the planters abandoned indentured servitude for racial slavery, employed their former servants to police the African slaves, and kept both down and divided with a new ideology of racism. Post argues that this plantation slavery was non-capitalist. As a result, Post contends, “The dominance of non-capitalist social-property relations in both the South (plantation-slavery) and North (independent household-production) produced a pattern of extensive, non-capitalist economic growth in the British-North American colonies.”

Post recognizes that the British colonies were not a world apart but a component in the emerging triangular trade that linked the New World colonies, Britain, and Africa. The northern farmers initially had loose connections with the market, but they were not compelled to produce commodities for the market in order to pay for their land, so they could maintain self-sufficiency, meeting their needs through household production and networks of household producers. The southern plantations were different; they were thoroughly integrated into the Atlantic economy, producing tobacco, a key commodity for the emerging consumer market in Britain, and cotton, which became the most important raw material for the British textile industry.

Post takes great pains to challenge claims that southern slavery was capitalist. He convincingly refutes the “plantation capitalist” thesis put forward by Robert Fogel and Stanley Engerman in their book, *Time on the Cross*. He rightly shows how slavery’s pre-capitalist relations of production compelled the slave masters to behave very differently than capitalists. Slave masters owned their slaves while capitalists purchase workers’ ability to work, their labor power. As a result, the slave masters could not lay off their slaves and use their capital to invest in technology to improve agricultural productivity. They could only increase production by beating more labor out of the slaves and expanding geographically to new land. Moreover, slavery constrained the development of a consumer market because the masters met the needs of their slaves through subsistence production on the plantations. Plantation slavery therefore impeded the development of capitalist industry in the South.

Post also criticizes Marxists, especially Eugene Genovese, who argues in *The Political Economy of Slavery* and *The Fruits of Merchant Capital* that plantation slavery formed the basis of a “non-

bourgeois society” in the South. He rejects Genovese’s claim that the root of the economic problems with slavery was that slaves were “reluctant workers” who had no incentive to work compared with free laborers who earned wages. Post argues that this gets the problem with slavery upside down; it was not the slave’s subjective response to their unfreedom, but the objective fact that the slave master owned them as constant capital that led to a lack of investment in labor-saving technology. He also contends that Genovese’s argument idealizes wage labor by effectively downplaying how workers are in fact disciplined in capitalist industry.

The transformation of these non-capitalist British colonies into the capitalist United States, according to Post, was the result a sequence of class struggles, the American Revolution, and the Civil War. The American Revolution is a key turning point. He shows how the increasingly integrated American economy came into conflict with British capitalism and its colonial policies. The American merchants, slaveholders, and small farmers formed an alliance that won independence through the Revolution and in the process fundamentally altered the nature of the emerging U.S. economy. Through the war, the merchants and land speculators were able to secure control over the market in land in the North and West, driving up the price and trapping farmers in expensive mortgages.

To meet these new expenses, farmers were forced to abandon independent household production to become petty commodity producers selling their crops on the market. Their transformation was not a peaceful process. The merchants and land speculators used the new American state to put down a series of post-war rebellions by subsistence farmers, Shay’s Rebellion in particular. The farmers were desperately trying to protect their threatened system of non-capitalist household production. After the new rulers defeated the rebellions, they established a strong federal government, a Constitution designed to protect slaveholder and merchant rule, and a standing army capable of crushing any resistance to the new market rules.

The Revolution, however, set the North and the South on a collision course that would explode in the Civil War. As Post writes, “the process of capitalist expansion based on the subordination of petty-commodity production to the capitalist mode of production, faced only one obstacle prior to 1860: the expansion of the slave-form of production, which would strangle industrial capital’s home-market and block its political policies at the level of the state.” He develops a new social explanation for the “irrepressible conflict” through an extended examination of John Ashworth’s brilliant two-volume work, *Slavery, Capitalism and Politics in the Antebellum Republic*. He rightly criticizes Ashworth for rooting the cause of the Civil War in ideological misperception by the rulers of the two competing labor system.

Instead, Post argues that the causes were deeper than ideological; the two labor systems in the North and South could no longer co-exist. He shows how an emergent agro-industrial complex transformed the North and its economy. Industrial capitalists began to exploit a new stock of immigrant labor—mainly Irish but also German—to produce farm tools and machinery for petty commodity producers in the countryside. Compelled by intercapitalist competition to expand, merchants, industrialists, and petty commodity producers aimed to open the West to “free labor” in the form of commercial farms and wage labor in industry. In the South, British capitalism’s spiraling demand for cotton pressured the slaveholders to increase their production. Because they were unable to invest in labor-saving technology to improve productivity, they too looked westward, to establish new slave plantations to produce for the British market. As a result, Post concludes, “the continued development of capitalism and slavery were incompatible after 1840.” The dominance of one or the other could only be resolved through the Civil War.

Lincoln did not enter the Civil War intending to abolish plantation slavery, but to preserve the Union. He only adopted abolition when it became clear that it was a military necessity to destroy the southern economy in order to win the war. The mass flight of the slaves into Union territory, which

W.E.B. Du Bois called a “general strike,” further forced Lincoln down this road. When tens of thousand of self-emancipated slaves flooded into the Union lines, he was forced to decide whether to return them to their masters or recognize them as free citizens. Military necessity and a general strike of the slaves compelled him to opt for emancipation, even going so far as to mobilize Black troops, mostly freedmen, to wage war on the slave system itself. In the aftermath of the North’s victory, Post argues that industrial capital was able to subordinate the entire economy and society under its rule.

But in the South, the U.S. state was unable to shift plantations from exploiting slave labor to wage labor. In a sustained class battle, the freedmen resisted plantation labor. They waited in vain for their “40 acres and a mule” during Reconstruction and, in the end, settled on a compromise with their former masters in the form of non-capitalist sharecropping. After the ruling class divided and conquered the Populist movement, which had united Black sharecroppers and white cash farmers in class struggle for the first time since Bacon’s Rebellion, they were able to establish the United States as a fully capitalist society. They further developed capitalist industry in the North and imposed capitalist plantation agriculture in the South enforced with Jim Crow segregation.

Post’s book is an invaluable contribution to developing a revitalized Marxist analysis of the rise of American capitalism, but it is not without its weaknesses, mainly flowing from his political Marxist framework. First and foremost, Post insists that the development of capitalism was the contingent, unintended consequence of class struggle in America. On historical grounds it is a bit hard to accept this case especially when, as Post knows and states, British merchants, planters, and land speculators as representatives of the emergent capitalist mode of production in their home country were so intent on setting up commodity production in their New World colonies.

Theoretically, Post is so opposed to technological determinism that he goes too far in the opposite direction when he emphasizes the “contingent,” and even, in his words, “random” outcome of class struggle. Post maybe be engaged in a bit of polemical exaggeration, but such formulations compromise the basic Marxist proposition that the forces and relations of production make possible some results and not others at certain phases in history. It was not possible to leap from the Roman slave mode of production to capitalism, let alone to socialism. The undeveloped productive forces and the nature of that system’s relations of production simply precluded such a possibility.

On the other hand, Post’s insistence that the outcome of the class struggle is unintended actually minimizes class agency. The very development of modes of production open up new possible ways of organizing human labor, and rising classes can certainly intend to organize society in new ways. Marx captures the dynamic between determination and agency far more accurately in the 18th *Brumaire of Louis Bonaparte* when he writes, “Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past.” A healthy dose of Marx’s dialectical theory of determination, and agency is what the left needs after the last few decades of obscurantist postmodernism with its emphasis of indeterminacy, contingency and randomness.

When it comes to discussing the transition to capitalism in the United States, Post, like all political Marxists, suffers from a narrow focus on the countryside and its labor relations, almost to the exclusion of its interconnection with the cities and developing world market. The late Chris Harman called this “rustic economism.” Of course, Post and the political Marxists have a point; one of the keys for the development of capitalism is the process of dispossessing peasants or subsistence farmers of their land to force them into the cities as workers. But to discuss the economy with little to no reference to the merchants, international trade and early manufacturing in the cities—shipbuilding for example—leads to a one-sided picture of the rise of American capitalism.

Post also minimizes discussion of the ideological battles within the developing American society, especially in the run-up to and in the aftermath of the American Revolution. He is much more insightful on the role of ideology in his discussion of the Civil War period. But in his analysis of the Revolutionary period he pays little attention to ideology. This is a real weakness, since the merchants and slaveholders who led the Revolution articulated and developed bourgeois liberal ideology to mobilize the population behind them. As Domenico Losurdo documents in his new book, *Liberalism: A Counter History*, the merchants and slaveholders used liberalism and its ideas of individual freedom and the rights of man to justify their rebellion and design their democratic government, while also legitimizing through racism the enslavement of Africans on the South's plantations.

The root cause of Post's one-sided picture of the development of American capitalism is his theoretically-driven characterization of merchant capital. He rejects the idea that merchants were central to the development of capitalism. They are, in his phrase, "structurally indifferent" to labor relations. He claims that all they care about is buying commodities cheap and selling them dear, not how those commodities are produced. But Post contradicts himself when he argues, "the goal of British-colonial Administrations, representing large landholders and merchants was to promote commodity production [i.e., production for sale] in the colonies." He also states the new merchants who set up the colonial plantations "sought to develop profitable forms of commodity production." Marx himself and many other Marxists have argued that merchant capital was a key part of capitalist development. For example, Marx, in the first volume of *Capital*, documents how merchants in England established forms of early commodity production through the "putting out system." He also states, in the third volume of *Capital*, that mercantile capitalism "had an overwhelming influence on...the rise of the capitalist mode [of production]."

Ironically for a tradition that focuses on the transition from feudalism to capitalism, political Marxists like Post have demonstrated a particular difficulty in grasping what Lenin called "transitional forms" of labor relations. Post has a simple taxonomy of discrete categories for what counts as capitalism and what does not. If the labor relations are not between capitalists and workers subject to the pressures of market competition, they are not capitalist. Such a taxonomy can't come to grips what Robin Blackburn in *The Overthrow of Colonial Slavery* calls "hybrid forms of labor" that emerged in the New World—indentured servitude, slavery, sharecropping and petty commodity production.

Instead of being external to capitalism, or non-capitalist, or pre-capitalist, such forms were products of capitalist expansion during its early period that Marx describes as "primitive [i.e., initial] accumulation." Trotsky's theory of uneven and combined development is a better guide to understanding how capitalism came into being by incorporating such pre-capitalist labor relations and subordinating them to the laws of the emergent capitalist market. Capitalism did not suddenly come into being in "pure" form, but emerged through a variety of hybrid and transitional forms.

Post acknowledges this kind of transitional form when he describes how merchant capital was able to compel farmers after the Revolution to engage in petty commodity production to pay their mortgages. By contrast, Post calls plantation slavery "non-capitalist." This definition in the negative ducks the question of what slavery actually was. Was it pre-capitalist? Was it its own distinctive mode of production? Jairus Banaji helps unlock the seemingly peculiar nature of southern slavery in his book *Theory As History*. He argues that it is important to distinguish between modes of production, relations of production, and forms of exploitation:

"Relations of production are simply not reducible to forms of exploitation [such as slavery], both because modes of production embrace a wider range of relationships than those in their immediate process of production and because the deployment of labor, the organization and control of the

labor-process, “correlates” with historical relations of production in complex ways.”

While no doubt, capitalism's essential relations of production are between capitalists and wage laborers, it has, as a mode of production from its inception down to today, used and subordinated other forms of exploitation, including types of unfree labor, to its dictates. Plantation slavery is thus more accurately characterized as a product and part of early capitalism. Merchant capital and their planter allies turned to this pre-capitalist form of exploitation to produce commodities for the capitalist consumer market and raw materials for capitalist industry. As a result, slavery responded to the dictates of the capitalist market. The very drive to beat more labor out of the slaves and expand geographically was rooted not by its own internal logic but by the demands of capitalism, especially the British textile industry. At the same time, plantation slavery suffered from all the pre-capitalist defects that Post identifies, especially the inability to invest in labor-saving technology to improve agricultural productivity. Such a characterization of slavery as a hybrid or transitional form helps explain why it was a part of Atlantic capitalism, stimulated industrialization, but later became an obstacle for its further development. And it retains the important insight that Post develops about the unavoidable conflict between what Marx called “two social systems”—industrial capitalism and plantation slavery. The triumph of American capitalism could only be fully achieved by clearing away what had once been a prop but had become developmental obstacle.

Given Post's description of the irrepressible conflict between the North and South and how it was overcome through nothing less than violent revolutionary war, you would expect him to re-affirm the common Marxist description of the Civil War as the second part of America's bourgeois revolution, the first being the Revolution. But he does not. At points in his earlier essays, he seems to endorse the formulation, but his concluding essay seems to reject it. This is another example of how Post's political Marxism prevents him drawing the logical conclusion from his own analysis. Robert Brenner and Ellen Wood claim that Marx, in his early writings, uncritically accepted liberal ideas from French historians about bourgeois revolution and that in his mature writings, for example in *Capital*, he abandoned them. Many critics have pointed out that the political Marxists are on shaky ground about Marx's naïve acceptance of the liberal tradition, which he was of course influenced by but also systematically critiqued. They also have only flimsy evidence for his supposed abandonment of his early conception of bourgeois revolution.

Be that as it may, Post in fact uses a straw man of “bourgeois democratic revolution” to seemingly reject the theory of bourgeois revolution as whole. Certainly some Marxists, especially in the Stalinist tradition, promoted the idea of “bourgeois democratic revolution” in which the bourgeoisie aimed to rid itself of the obstacles to capitalism, transform the state, and establish democracy. Of course, Post is right to call for Marxists “to jettison the notion of bourgeois democratic revolution.” But, as Neil Davidson has argued in “How Revolutionary Were the Bourgeois Revolutions?” published in *Historical Materialism* and forthcoming in a longer study from Haymarket Books, the classical Marxist tradition in fact argued that the bourgeoisie did not have to be the agent of the revolution, and it did not have to produce democracy.

Instead, the classical Marxists argued that bourgeois revolutions simply had to clear away obstacles to capitalism and transform the state into a facilitator of capitalist development. Thus bourgeois revolutions could take various forms from the French Revolution to the Meiji Restoration in Japan. Not all were led by the bourgeoisie, not all culminated in democracy, but certainly the impact of the revolutions was to clear the path for a capitalist state and capitalist development. Such a conceptualization certainly describes the Civil War; it was a bourgeois revolution. Merchant and industrial capital in alliance with farmers and artisans smashed plantation slavery, remade the national government, and implemented state policies to further capitalist expansion throughout the United States.

Disagreements aside, Post has made a major contribution to the discussion about the founding of

American capitalism. For now, the hardcover edition is so prohibitively expensive that you may have to check it out from your library or wait for the affordable, paperback edition to be published by Haymarket Books in 2012. But it should be widely read, appreciated for its insights and rigor, and also debated.

Ashley Smith

P.S.

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<http://www.isreview.org/issues/78/featrev-amcapitalism.shtml>