

**Notes on the present political / economic transformation of the United States of America: A contribution to the analysis of the changing relation between the State and Corporate - Capital, and its implications for the future of democracy.**

Beyond Capital and Beyond Democracy:  
What will it look like?

To paraphrase István Mészáros and Rosa Luxemburg: Beyond Capital and beyond democracy ...  
Barbarism?

The current range of the debate on the political transformation of States and their relations to Transnational Corporate-Capital, particularly with reference to the United States of America (USAmerica or USA) has clustered around two major positions related to sovereignty: one stresses the consequences of the formation of Supra-National, quasi-governmental, administrative institutions such as the World Trade Organization that mediate the broad interests of Transnational-Capital, while the other emphasizes the continuing effort of the USA to maintain its assumed hegemonic leadership of shaping the future Neo-liberal Corporate-Capitalist agenda also known as The Washington Consensus. The second, the USAmerican defense and projection of its National-hegemonic position presents two important divisions within the National Ruling Class which may be best described as tactical differences on the same strategic objective of National Corporate-Capitalist domination of resources, communications links and labor supplies essential to its National-Imperialist goals. Both the unilateralist Neocons grouped around the present administration and those advocating a return to a multilateral, shared-power, posture of the Clinton-democrats no longer represent viable options.

Although the quarrel between the two National Parties of Corporate-Capital may mean the difference between the continuation of murderous Imperialism and Imperialism Lite, or returning Iron Fist to the Velvet Glove, the goal is international economic and when necessary political domination. The National process of the inter-party debate and political maneuvering are changing the political landscape of the process of meeting the insatiable needs of National and transnational Capitalism. Furthermore, the long term tendencies of Capitalism that gave rise to the corporate form have been resulting in radical changes in the norms of capitalist practices that have affected the political relations between the state and Capital that go beyond classic economic theory. The cumulative affects of the cultivated interplay between the State and Corporate-Capital has already taken corporate operations beyond Classic Capitalism in ways that have brought Corporate-Capital to high levels of political prominence that are influencing major transformations in State relations with Capital that have resulted in what may be called State Capitalism. The operations of the National-State and Corporate-Capital have never been as a tightly coordinated and both are turning their back on democracy.

I argue that the authoritarian character and operational style of Corporate-Capital insinuates its culture of regimentation and conformism into the operations of the host state and subverts democratic standards, forms and processes of decision making as it circumvents the practices and content of the remnants of popular democracy, thus changing the nature of the Constitutional State.

The entire history of the forming bond between the USAmerican Governments and Capital must be set in the context of the long history of the USA's territorial expansion in every compass direction throughout all the Americas. The long National-Imperialist drive dates from the first years of the War for National Independence continues into the present wars to secure its self-proclaimed global "national interests". Motivated economically and supported politically, Capital expansion required military aggression. While the slogans may have changed, the objectives have not: from its early expansion into the Ohio and Mississippi River valleys to its move into the Tigris/Euphrates Valley, the character of USAmerican expansion shows the true face of the economic motives of political domination. Whether expanding cotton production with slave labor or attempting to control world-wide oil supplies, this long

easily documented transcontinental and transoceanic effort to control the resource and labor supplies has conditioned the formation of the Military-Corporate nexus that shapes the priorities of the Neoliberal project today designed to gain greater economic and political control of the wealth essential to continue the operations of the Military-Corporate State.

I will further argue that recognizing the long history of US American Imperialism is merely a point of departure in a more comprehensive analysis of the melding of a refined interplay among powerful institutionalized economic and political forces that are shaping the relations between the National-State and the Corporate-state.

As a preliminary attempt to more clearly appraise the outline of the well-advanced political / economic changes that are mutating both the nature of Capital and the assumptions about its political relations to the state, I present this essay as an introduction to a broader inquiry into the present stage of Capitalism and the consequences it portends.

### **A Few Focus Questions**

- What are the basic needs of a National Ruling Class with Globalizing designs?
- How are the Rulers presently organizing for Corporate-Capitalist, Global Domination?
- What are the systemic limitations to Global Domination?
- Is the Corporate-Capitalists' Globalization process already revealing its dangerous tendencies?
- Is the current debate within the USA confined to the right of the political spectrum? Why? What is necessary to shift the discussion and decision making process toward the Left?
- Is all that was old new again? Will we live our past errors at higher, more intensely dangerous level?
- Is Neoliberal Globalization more than a Capitalist plan of world-wide economic rationalization of production?
- What are the Consequences of Neoliberal, Corporate-Capitalist expansion?

### **How should we, ordinary people “The Ruled”, respond?**

- Can we study Capitalist Globalization historically?
- Do Historic patterns exist?
- What mutations can we identify?
- Why do the changes imply?
- Do we think also think “There Is No Alternative”?
- Or can we project that – THERE ARE ALTERNATIVES which we, “the ruled” must construct?

**Might Neoliberal Globalization destroy Capitalism? Can we project the outcome? What are the consequences? Can we affect the outcome?**

*The ensemble of the material forces of production is the least variable element in historical development: it is the one which at any given time can be ascertained and measured with mathematical exactitude and can therefore give rise to observations and criteria of an experimental character and thus to the reconstruction of a solid skeleton of the historical process. The variability*

*of the ensemble of the material forces of production can also be measured, and one can establish with a fair degree of precision the point at which its development ceases to be merely quantitative and becomes qualitative. The ensemble of the material forces of production is at the same time a crystallization of all past history and the basis of present and future history: it is both a document and an active and actual propulsive force.*

*Antonio Gramsci , Secections from the Prison Notebooks , ( SPN ) , 466.*

Any comprehensive analysis of the present stage of Capitalism must, at minimum, address these interrelated issues and questions. At the very least, any thorough investigator must recognize that Neo-liberalism has not leaped, sui generis, on to the World political-economic platform: it may be the most advanced form Capitalism but Neo-liberal Globalization is also Capitalism disrobed. Aggressive, arrogant and naked, in its present corporate manifestation, it projects its full military-economic power while revealing the history of its most dangerous tendencies. In its most mature form at its highest stage of power , sophistication , technical development and global reach , present day Capital reveals the history of all its development , the refinement of its operational methods , its tactics and strategies of conquest , its deep political roots, its systemic strengths and weaknesses which can no longer be hidden from the analyst's view. Through precise examination, thoughtful analysis, it yields to us the course of its own mutation and provides a guide to interventions that will draw out the most fruitful tendencies leading toward a program of alternative social economic development. Studied accurately in the present, the tendencies of capitalist's mode of production become the living laboratory of practice for change. It is in the actual political, economic conditions of real, existing Capitalism today that we can best study its current practices as a basis for planning change. In this fundamental sense the term "There is no alternative" (TINA) is most accurate because there is no alternative reference to our analysis of Capital; there is no other route toward the construction of equitable social and economic alternatives except through the conditions presented by the real, existing Corporate-Capitalism. Multinational and Transnational Corporate-Capital is the given terrain on which any genuine possibility of social change must be constructed. If we deny this fundamental reality we cut our selves off from any effective social opening to create our future options.

Capitalism is rapidly changing. While its fundamental mode and relations of production are irreducible, the elite corporate mangers are attempting to escape the given natural and market conditions of production by extending control through the internal, corporate methods of economic planning, wealth concentration and political pressure. In the process of creating an administratively and politically controlled capitalism the corporate elite, the ruling organic intellectuals of capitalism, are in the process of breaching both the theoretical and operational framework of historic Capital and giving rise to a new form of a Corporate, administered economy that carries profound implications for the character of the State.

*Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past.*

*Karl Marx, The 18 th Brumaire of Louis Bonaparte, p. 15.*

**Not even the mighty capitalists can make their history as they choose!**

A comprehensive analysis of the material effects of Capitalist Globalization should include an investigation into the broader ramifications of the current economic policy and practices that may go beyond the conscious planning of many capitalists. The systemic imperatives of capital accumulation call forth political tendencies that exceed conventional notions of politics and economics. Neoliberal

economic planners focusing their primary efforts on maximizing returns on investments give little attention to the social consequences of their decisions: their concern is with preserving the social-economic relations of economic and political power. While they ignore the social costs of their political-economic planning, they view the social issues as incidental obstructions to the larger goal of preserving the system. Increasingly focused on the systemic need for constant economic growth, they endeavor to subordinate all other social needs and political principles to their central objective of the accumulation of profit. Whether they may appear to be innovative or they mechanically repeat past practices, the Neocons or NeoKeynesians craft the required blend of political and economic manipulations necessary to sustain the Capitalist methods of exploitation to achieve their objectives.

Neocons are not conservators: they are radical ideologues who claim to adhere to Classical Capitalist theory but, recognizing its limitations, seek to escape them through political means. While publicly promoting conventional notions of Classical Theory, they subvert theory through practice to persevere privileges of power. Therefore, we must ask what vital elements of theory they claim to preserve which in practice signal rudiments of dramatic economic change that will carry a far reaching political impact.

I will argue that while publicly embracing the tenets of classical theory, the Neoliberals' macro-economic policies and corporate micro-economic practices are both directed toward overriding the confining rigors of market mechanisms which they proclaim to defend and protect. The Neoliberal project has already revealed the contradictions between Classical Theory and present practices which give priority to preserving the political process of accumulating wealth and the necessary political power to protect it.

In order to fully grasp the significance of the political-economic mutations forming the present historical moment, we must also examine the current political interventions in relations to the expanding objectives of National and Transnational Capital. Above all, we should ask if the effects of global, Neoliberal planning will be confined to the economic sphere or can we expect that the corporate drive toward controlling economies under private ownership may, in addition, alter long-term cultural and political relations. In other words, will the corporate institutional necessity to control the economic environment, change the very nature of Capital and Capital's relation to its National State?

While mainstream economists may argue that the political and economic spheres of life are separate and should be independently studied, critical analysts cannot allow themselves the comfort of such distracting illusions. At the present stage of Corporate-Capitalist influence, in all branches of government, the orthodox assumption of the theoretical separation of the economy from politics is shattered in the swirl of the rapidly revolving door between corporate and public offices. The deepening corporate influence in government, cultivated throughout the Twentieth Century, is a hallmark of Capital's present relation with the State. Today the intimate relation between corporate and governmental leaders, who are often interchangeable, is a key element in any analysis of the changing relationship between Corporate-Capitalism and the forming Corporate-State. Logically, we should ask whether the systemic requirements of globally integrating Capitalist economies have resulted in political relations that are profoundly altering the fundamental nature of Capitalism and simultaneously the nature of Corporate-Capitalism's relationship to the State.

Capitalism today is not exactly what it was in the Nineteen Century, yet today as then it operates within a framework of irreducible systemic requirements, which can be analyzed and interpreted in its own terms. All trained social and economic analysts have some capacity to project trends within the normal operation of Capitalism but few anticipate its dramatic adjustments, fewer the formations of crises and too many abandon critical thinking to the notion that there is no alternative to the existing relationships of production. We must open our inquiry on to the full range of possibilities for radical change that Capital is capable of developing.

We are living through another dramatic period of sweeping politically motivated modifications geminating within Capitalism that may cause a serious break with its own past. Powerful capitalist themselves have been showing distinct signs of deep frustration with the confining mechanisms of Capitalist market relations and in their effort to preserve the systemic process of wealth accumulation , they may be pushing through the limitations of market operations and, in their long-term effort to establish politically determined economic controls, may be superseding the market limitations and forcing an irreconcilable historic change in the process of acquiring and exploiting the means of production.

*It is the problem of the relations between the structure and the superstructure which must be accurately posed and resolved if the forces which are active in the history of a particular period are to be correctly analyzed and the relation between them determined.... From the reflection on these two principles, one can move on to develop a whole series of further principles of historical methodology.*

*Antonio Gramsci , SPN .pp.175-177*

### **The Capitalist Struggle to Control their Beast**

The entire history of Capitalist competition is marked by the consistent effort by capitalist to reduce, eliminate or control the uncertainties of market-mediated competition to ensure stability through predictability. The long wave of mergers, which are again accelerating the concentration of Capital in fewer hands, is perhaps the principle means of establishing non-market controls over economic variables. Corporate concentrations of wealth have eliminated lower level and horizontal threats from competitors while simultaneously pushing the competitive threat to higher, potentially more volatile levels. At each stage of Capitalist concentration of businesses, important social organizational practices were refined and political lessons learned. Through trial and error and the foresight of some, it became increasingly evident to corporate planners that each stage of economic concentration required additional predictability of material acquisition and sales. Each higher stage of corporate mergers required greater control over the vagaries of markets. Political-economic decisions made to smooth out irregularities through expanded controls gave rise to increasing needs for supplementary controls over all the operations of production and distribution. Higher levels of investment and the growing scale of production and service operations necessitate uninterrupted production inputs and predictable sales. Over the Post World War Two years, as corporations had consistently won political approval for production controls and support for marketing incentives based on arguments for improving the smooth operation of Capitalism by removing various social, natural and political impediments in order to reduce the disturbing influence of competitive markets, the nature of capitalism has been changing. The internally administered economy of contemporary corporate production is complimented by the politically regulated market for all the factors of production: capital, labor and natural resources.

Since its origins, the entire history of the Capitalism has been repeatedly marked by the persistent drive by actual operating capitalists to overrule or eliminate the confining framework of competitive markets. In each successive historical stage of the expanding national and international crises of capitalism, politically approved, public administrative methods have also been employed to create regulatory processes to save Capital from its tendency to destroy itself. From the Brenton Wood Agreements to the formation of the World Trade Organization, we find capitalists calling on government to protect the private accumulation of profit through legislation which then complements the internal administrative practices of corporate organization and methods. In the name of improving on the nature of Capitalism,

the Capitalist elite call on governments to insure corporate control of Capital. With each new phase of governmental regulation that insures the continuing accumulation of profit by Capitalists, the nature of the Capitalist system is changed. At each expanded stage of administrative regulation of markets the fabled benefits of competition are elevated to new heights of popular myth while internal administrators of corporate command systems attempt to reproduce corporate methods of control over the market.

Having learned the benefits of coordinated governmental / corporate planning during the Second World War and through long Cold War period, the two parties of Capital in the USA have competed to fashion the most favorable political conditions to shape and control the Capitalist process of accumulation and concentration. Neither party challenges the Capitalist system but both parties seek to manage the continuing process of Capitalist expansion which is essential to their institutional lives and the continuing life of this particular economic mode of production. In this sense the ruling, Corporate-Capitalist elite can think of no alternative: for them it is TINA or Socialism. For the ruled it is Barbarism or some alternative.

### **Two Political Parties One Common Goal**

After Capturing State levers of administrative power each party of Capital in the USA attempts to preserve the private accumulation process in one of two interrelated ways: basically Republicans vest public trust and power in the private corporate elite to manage the capitalist process of wealth accumulation and concentration, while the Democrats tend toward a publicly regulated, administration of private capital accumulation. Both have an increasing tendency to give corporate managers public seats of power to manage the system consistent with their corporate constituencies' views of the most effect approach to continuing private accumulation of profit through continuous world-wide expansion. After wading through all the lofty pronouncements of why the United Corporate-States of America are setting off deadly fire works all over their endless areas of "National interests", we come down to the core motivation of the need for National Capital to expand in order to accumulate increasing levels revenue so it will not die of its insatiable hunger for profit.

In each phase of corporate growth and the expansion of the Capitalist system as a whole, competition at higher corporate levels, across geographic regions enlarges the need for internal and external administrative controls. The internal corporate and the external, governmental controllers attempt, with varying degrees of friction, to maximize the national and international conditions for steady general growth and minimize the most destructive conditions of competition. The accumulated knowledge and practices of internal corporate regulation of production and distribution has been complemented overtime by more integrated corporate governmental coordination and cooperation.

Mutually supportive, private / public, macro-economic, coordination to achieve national goals may be best illustrated by the intimate relations between the military planners and their corporate military suppliers. The operational relationship between the command process of military planning, preparations and procurement and the corporate command production process come together in the "Military Industrial Complex" of mutual need and economic functional complementarities that go beyond simple fulfillment of equipment orders. The style of corporate operations finds its organizational counterpart in the military command system. Through their operational activities they identify the corresponding similarities in their organizational structures that become reciprocally informative in a broad practical process which is linked economically and gradually becomes expressed culturally. The hierarchical structure of military command is replicated in the corporate command structure and, through regular operational contact; one informs the other in a regular cross-institutional educational process. Today as corporate power is projected across international boundaries by

transnational and multinational corporate commanders their expanding interests are protected through close coordination with The National, military command structure throughout the geographic field of destruction. The similarity of style, mutually supporting symbiosis of purpose and economic need, integrate the two related spheres economically, politically and culturally.

### **Do Economic Policies and Practices affect culture? Can we also project those effects? Can we change them?**

Many probing analysts on the critical left and among the seriously skeptical mainstream writers have been looking for what is new in Capital's most recent mutations. While I do not argue against their search for the new, I encourage us to look at the historical patterns of well-established capitalist counter cyclical practices, for patterns of change in order to draw the lines of continuity that past practices (errors too) now bring into play. In order to arrive at a crucial point of understanding the mature economic-cultural symbiosis of the amalgamation of Corporate-Capital and the military, we need to reexamine Capital's recent transitions historically and ask ourselves which earlier strategies of Capital's adjustments are being retooled to meet the challenges and consequences of the latest wave of over-production and the falling rate of profit that sway the economic bias toward the Military and Corporate political – economic fusion.

While the Neo-liberals are currently locked into refining their type of Neo-classical monetarist strategies for counter cyclical economic stimulus, they are also Neo-Keynesian, deficit-demand strategist at their core. As they feverishly promote the myths and slogans of the self-regulating mechanisms of an unfettered market to maintain the public illusions of classic, competitive Capitalism, they meticulously attempt to extend administrative controls into every sphere of public, private economic and social life. We may be suffering the latest institutional tweaks of the Capitalist system but it is the Capitalist mode of production in its most advanced form that affects our lives and to which we need apply our analytical tools.

In its present corporate form, Capital needs and demands governmental support to control the economic and social conditions of Capitalist production because it cannot tolerate unpredictable intrusions of disruptive variables. While the long, enduring myths of the free market and consumer sovereignty are elevated to a level of economic-religious beliefs for public consumption, the actual administrators of Corporate-Capital seek maximum control of their political and economic environment.

It is at times of economic crisis that they pull more furiously at the tenuously connected levers of macro-economic control that they appear most helpless. Steeped in their own classical notions, believing in their own myths, they become dangerous. As the most important macro-economic controls fail to yield anticipated results in time of crises, they too lose faith in the presumed impartial meditations of the invisible, god-like-redeeming, hand in the market and reach for political levers of institutional controls over the monster they create but cannot completely regulate.

In the historic case of the Great Depression of the 1930's we should recall the failure of classical economists to control the economic slide which gave rise to the broad acceptance of Keynesian demand-stimulation model of direct, state intervention. While we may label the economic recovery model implemented in the USA, Social Keynesianism, state intervention in 1920's Italy and shortly after in Nazi Germany presaged the present course of economic stimulation and stabilization in the USA known today as Military Keynesianism. Most economists agree that military spending pulled the economy out of the Great Depression and, since that time, domestic arms production, expanding international arms deployment, sales and use have buoyed the US American economy through every post World War Two economic crisis. Capitalists learned this lesson well.

It would be short sighted of any serious political-economic analyst, especially the most progressively

minded, to limit his or her analysis to the economic consequences of the increasing USAmerican macro-economic dependence on military production as merely an economic variable that needs correction. Such a limited interpretation of the economic importance of military spending would lead to badly needed reforms but leave aside the important analysis of the cultural consequences of these intimately interdependent, institutional relations. While we may see minor reductions in the USAmerican military budget, the reductions will be very insignificant and worse leave in tact the Corporate-Military nexus. The stability and expansion of the USA's National economy has become dependent on Military production.

When President Eisenhower linked the deepening military-economic connection to the civilian industrial sector, in his well known comments on the Military-Industrial Complex, few grasped its long-range, social significance. Put in national, economic structural terms, a cycle of social / economic reliance has formed a political-economic dependency which now is integrally systemic and linked to the continuing process of Capital accumulation and its protection. The National and international social implications of the Militarization of the USAmerican economy are becoming increasingly clear but we need to fully evaluate the broader political-cultural relationship of the forming military-corporate-state in order to project its full consequences.

At the close of the Second World War the USA stood at the peak of its National economic power and international prestige which it almost immediately used to launch the next phase of its National plan for political economic expansion under the various slogans of containing Communism. Then like today, flush with exuberance of having defeated major enemies, the ruling elites turned against former allies to create new pretexts for war of economic expansion. The formula has not changed as new threats are invented to ignite domestic fears that prepare public acceptance of another escalation of military-corporate expansion put forward in the name of National Interests as a cover for Corporate-Capitalist aggression.

The Prominent Liberal, State Department planner George Kennan presented the Post War USAmerican National objectives very plainly in the Policy Planning Study 23 of 1948:

We (The USA) have about 50% of the world's wealth but only 6.3% of its population....Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain the position of disparity.... To do so our attention will have to be concentrated everywhere on our immediate national objectives....We should cease to talk about vague and ...unreal objectives such as human rights, the raising of living standards and democratization.

### **Corporate-Capitalism needs War: We need peace to survive!**

More than a half century after these policies were formulated the full weight of their meaning is now becoming clear to more ordinary working people. In order for the USAmerican Capitalist economy to continue appropriating fifty percent of the World's resources for the general maintenance of social peace inside the Fortress State of the One Remaining Super Power, it has to continue developing and deploying the most advanced arsenal of the instruments of domestic and international intimidation. The ebb and flow of capitalist corporate production from the end Second World War to the present endless war for USAmerican domination of world-wide oil reserves not only summarizes the intimate relation of National Corporate-Capitalism with the State-military power, it is the résumé of two interrelated extremely destructive tendencies of the military-corporate nexus mediated through the Capitalist relations of production.

The present stage of Capitalist international aggression requires increasing Military expenditures to sustain its growth which then will consume increasing portions of capital's surplus. Domestic,

including nationally headquartered, transnational capital evidently requires the force of military coercion to protect its financial invasions abroad. The increasing portion of total GDP has the Military consuming its productive capital foundation in a form of industrial cannibalism. In effect the Military economy is consuming the domestic economy. Clearly the Neoliberals hope to escape this internecine dilemma by developing and projecting a military might sufficient to acquire and secure uninterrupted access to the world's resources and then, after taking what may be needed to secure its national dominance, rationing the remaining portion to their dependent client-states.

This is clearly not a "Free Market" "operation. In order for the military-state to grow the corporate state must grow faster. However, under the current circumstances of the emergence of other industrial economies in Asia and potentially throughout Latin America, separations from and challenges to USAmerican economic hegemony can be anticipated to increase. The economic re-stabilization of Russia, the powerful emergence of Chinese Capitalism and the rapid industrialization of India, will tend to close economic options for USAmerican Capitalist expansion. In this post Soviet period we will see National Capitalists challenging the expansion of other National Capitalist States.

Following on the Neocon military failure to dominate Middle East Oil producing regions and the yet-to-be-calculated consequences of increasing regional resentment, we can expect a future realignment of relations that will reduce USAmerican corporate access to the Earth's natural resource reserves. Thus we can expect an increase in the military cost just to maintain the status quo. In the present conjuncture formed by delicate and growing imbalances in the USAmerican domestic economy, the increasing financial and military expense of securing resources, and growing obstacles in the international economic sphere, one can notice many political economic options closing. Even the option for expanded military operations may be proscribed under the rising patterns of international political and economic resistance.

The Neocons', Neo-liberal financial strategies for international corporate expansion with military support are also limiting the range for future National economic growth and the necessary international expansion which sustains it. As the military economy consumes greater proportions of the domestic economy and creates increasing international animosity toward predatory Corporate-Capitalism, we can expect that other Capitalist countries will compete more vigorously in many areas of USA domination. An outstanding example of the emerging Intra-capitalist rivalry directly in the Americas, is China's expanding search for raw materials and product markets in Latin America. While many and varied challenges may come from other Capitalist Countries, the recent reassertion of political-economic independence of some South American Nations such as Venezuela and Bolivia may also have the potential for further limiting the investment options of USAmerican Capital.

By sustaining an aggressive debt-driven, economic-military expansion through the post World-War-Two Years, combined with domestic deindustrialization and USAmerican international expansion, the Neoliberals have seriously reduced the range of corporate and military options in the World. The major military initiatives of the present administration have more completely revealed the main points of weakness in the Military-Corporate strategies that are further limiting the range of financial options.

The USA has been seriously wounded. Short of a total regional War, the Military-Keynesian strategies are showing sever strains in three interrelated National spheres of life: reduced domestic social services, rising inflationary pressures and the broadening popular rejection of the Neo-con's War-Economy. The related political-economic strategy of consumer-debt expansion as method of sustaining the domestic economy combined with an import policy of low cost goods and low cost migrant labor supported by a soft or weak dollar policy and rising national public debt is now forming a synergy of negative interactions which may not be easily controlled in an political atmosphere of spreading popular discontent..

## **The Weight of Debt**

As with any national, debt-dominated, fiscal policy, repayment is predicated on the assumption of paying the current debt with cheaper or devalued currency in the future, which is inherently inflationary policy. Up until the debt explosion of the past thirty years and the de-industrialization of the US American economy, the combined effect of relatively high interest rates, the continued general acceptance of the US American Dollar, (usad), as the currency of international trade, the world-wide military presence and reach of US American military forces were sufficient to sustain the relatively fluid equilibrium based upon the general acceptance of US American leadership. The lingering Post World War Two, international consensus on various notions of mutual interest in an economic/cultural way of life combined to sustain confidence or wishful thinking in the stability of the usad as a reliable measure of international exchange and store of relatively stable monetary value.

At the very moment that the USA-Capital investment opportunities are more constrained, its financial flexibility may be limited by three simultaneously converging problems rising out of the, Neo-liberal monetary strategy to stimulate the domestic economy and provide liquidity for increased foreign investments : the increased difficulty of expanding public or private debt, a potentially explosive inflation , and the inability of the USA Central Banks to prevent the growing international rejection of the usad.

## **The Crisis Forms**

The convergence of three additional, interrelated political-economic trends is now undermining international confidence in the US American domestic economy and its international economic presence. These three interrelated tendencies can be summarized under the failing National monetarist and fiscal stimulus policy of Military-Keynesianism which are increasingly aggravated by the long-term downward shift of the tax burden and the consequent upward shift of income and wealth distribution. The spreading negative effects of the entwined monetary problems are now being supercharged by the aggressive expansion of debt and financial speculation all of which now appear to be unsustainable.

Every interrelated phase of the Military-Corporate expansion program appears to be reaching extreme limits at about the same time. The huge international float of usad's cannot be redeemed, the cost of war is draining the domestic economy; consumers are finding it increasingly difficult to sustain their debt supported lifestyles and as the equity value of homes decline consumer spending will drop further. Additional counter-cyclical, military spending is further constrained by rising popular resistance to the US American War in the Middle East and the massive accumulated war debt. Although governmental social expenditures as portion of the National budget have already been reduced to a post New Deal low, the huge national debt cannot be expanded sufficiently to stimulate the domestic economy, and following on the de-industrialization and the forming depression in housing market, few economic stimulus options remain.

## **Beyond Monetary Management**

Here, it is important to note, with emphasis, that the Governors of the Federal Reserve Bank, (The Fed) or the Central Bank of the USA, steeped in monetary theory and fastened with a huge domestic and international debt management problem, are now to trying to manage the impending financial chaos with the only lever of economic adjustment left to them, the interest rate. If they raise the short term interest rates too high in an effort to control the gathering forces of inflation, they will plunge the housing market into a depression that will bring the rest of the economy into the vortex. If they lower

interest rates they will accelerate the flight from the usad which is already rapidly advancing and thus cause the value of the usad to plunge further. Clearly, USAmerican Military – Keynesianism is entering a dangerously volatile period of economic stagnation and increasing social resistance but the monetarists seem helpless to change course. At minimum “Stagflation” is again a real threat.

The Neo-Liberal Corporate – Capitalist gamble is reaching its limits. The Military-Corporate domestic stimulus policy based upon unrestrained, international Military-corporate economic expansion is coming up against the limits of its short sighted adventurism which is merging into a domestic and international political - economic fiasco of major proportions. With classic fiscal and monetary remedial tactics tightly constrained at the moment that the military options are closing, domestic Corporate-Capital and its transnational satellites seem to have few options beyond retrenchment and reorganization.

Seriously constrained if not crippled by their political leaders' ineptitude, we can anticipate that the ruling elite will go into a new period of consolidation and re-evaluation. The National Capitalist, ruling elite from the social liberals to the internationally oriented corporate leadership , unilateralists and multilateralists ,will assess their options to resume international investment and military expansion. Both parties of National Capital seem to have reached a consensus on international economic domination. While the domestic and international strategies will be further refined, we can expect that their push toward economic domination of product, labor and resource markets will continue: Capital cannot deny itself constant growth. Expansion is absolutely essential for Capitalism to continue. USAmerican National Capital and its transnational extensions have evidently reached a critical structural, fiscal and monetary impasse. It must grow or become something other than a Capitalist system of its present national and international economic dimensions.

Without the capacity to expand the National economy through either the Military or Social Keynesian fiscal mechanisms or through the conventional monetary methods, the present level of military or corporate production cannot be sustained. If USAmerican Capitalism has entered the no-growth stage, as increasingly indicated by precipitous declines in key economic sectors such as the housing market broadening into the financial markets, the need to produce the means of destruction will again be its only viable path through the confines of the stagnant state. Furthermore, if the USA can no longer serve as the world's consumer of last resort or as the world's secure investment depository of last resort, the present stage Casino Capitalism, the intensified financialization of international corporate speculation will also contract and funds available for continued expansion of the consumer or the military economy will disappear. Today as on the eve of the Great Depression the financial bubble is deflating. The illusion of unlimited debt created expansion may be reaching its current limits. Simultaneously, in very close succession, every form of debt leveraged speculation is under increase threat of contraction: hedge funds, the mortgage market, the corporate leveraged buy-outs and the international debt all weigh heavily on a shrinking base of national productivity. The debt financing of Military-corporate expansion is threatening the collapse of Casino Capitalism or the hyper-financialized economy.

We are approaching a historic turning point in the management of Capital that may be equal to the dramatic political economic readjustments following the Great Depression. While the long Neoliberal regression into pre-depression fantasy Capitalism may be failing, there is no guarantee that the pathway through the economic debris will be a revival of Social Keynesianism.

What should be very clear is that the cultural life cycle of nostalgic notions of the competitive market mediation of all market exchange relations is ending under the corporate imperative for maximum administrated control. If the USAmerican economy enters, a new period of severe economic contraction, as many economic indicators show, and the Neoliberals again reach out for the political levers of administrative controls to stimulate the economy through military spending, their actions may lead to the dissolution of Capitalism itself. Without a broad popular political reawakening, the near-term

domestic battle most likely will be confined to squabbling between the Corporate Capitalists who will either offer a limited but improved domestic social program and those who will attempt to control social unrest with all the instruments of police state repression. At this point we can rule out any return to the mythical yester-year of competitive capitalism. The goal of both parties of Capital is to preserve a directed system of exploitation.

Since the nascent form of small business competition had been broken in the vice-grip of corporate takeovers, mergers and buy-outs, the corporations have been developing their own authoritarian, internal command systems that cannot tolerate any form of domestic or international competition which is why Capital has developed new demands for regulated international expansion under the leadership of the Supra-national administrative institutions such as the World Trade Organization. Through the last thirty years of the aggressive promotion of brutalizing Neoliberal economic restructuring policies, the corporate form of the capitalist mode of production has come to dominate almost every major phase of social and economic life. As corporate capitalists strive to create or refine intercontinental, institutional structures for administering its world-wide operations, they have confirmed to the world that “free enterprise” of competitive market capitalism is an old image, fading rapidly from view. International corporate-capitalism has superseded its earlier idealized, competitive form and present conditions will not allow a return.

### **The formation of Totalitarian Corporate-Capital**

At the present stage of Capital’s most pervasive penetration of world markets one of the major and perhaps most politically influential consequences of expanding military-economic domination by transnational capital, has been to bring every phase of social and economic life into the international capitalist markets: to commodify objects and ideas and put a price tag on them all. The present Corporate Capitalist drive is to make private all that happens to remain social, to occupy every public space and every environmental niche by gaining the legal right to own them all by purchasing them at the lowest possible price. Certainly the thrust of WTO rules on privatizing the biosphere is the clearest indicator that relatively new Administrative-Capitalist rule-making norms are intended to mediate all social relations through corporate, managed markets. Under the vaunted, self-serving claim that private business practices are more efficient than socially-regulated, publicly-controlled, economic activities, the capitalist corporate program based on private patent rights on the entire biosphere, natural resources and products of human production, combining in its greatest assault on human sensibilities, summarizes the Corporate need for all-encompassing controls in all human and environmental spheres. Perhaps the most extreme example in our time was Bechtel's control of the Bolivian water supply and the private patent rights sought to control seeds of all life. We should anticipate that the reform of Capitalism will not be on the corporate agenda. People every where will have to struggle to take back political power because corporate capital will not voluntarily give back the political and economic power it has gained. Under the conditions of the forming crisis, Corporate-Capital will try to extend its trajectory of consolidation and control.

As Corporate-Capital extends its political influence into the legislative, executive, judicial spheres of government and mobilizes the material forces of state economic and military power to sustain itself, we must position our analysis of these rapidly advancing social / political tendencies in the context of the corporate need to control material forces of production as a totalizing culture. Within the given social relations of Capitalist production as they try to control production and distribution in order evade its self-destructive systemic tendencies through administrative means; Corporate Capital will pass into the familiar zone of Fascism.

## **The Nation-State, the Corporate-Capitalist-State and Beyond**

In the present militarized, political-economic milieu, we can observe the apparent outlines of profound Corporate-Capitalist influences in domestic and international policies and practices that reveal an extension of authoritarian modes of operations in many public spheres of life. The official demand of secrecy is an attempt to shield the forming Corporate-State from public view and criticism. In present period of declining US American power and influence in the world, we are gradually learning of the accumulating evidence of political corruption that is rapidly developing behind the administrations claim of “executive privilege” and the need for confidentiality. Questionable elections results, widespread official dishonesty, manipulation of the information to promote negate science and promote unending war, high levels official lying, economic mismanagement, indifference to widespread suffering, invasion of personal privacy, patent disregard for domestic and international law, all wrapped in the administrations claims for secrecy necessary to provide for National Security are a small sampling of official grab for unprecedented levels of power that fully reflect the corporate notions of “management’s prerogatives” now assumed by government. Taken together they all point clearly to official the disregard for historically developed legal standards, social practices and sensibilities but more dangerously the represent the blunt use of power to achieve the controls necessary to impose an authoritarian corporate regimen on the entire society. In the context of the Rightwing efforts to proclaim the all powerful “Unitary Presidency” or an “Imperial Presidency”, we are compelled to ask what is the nature and character of the forming state.

Turning our attention to the “National Security and Homeland Presidential Directive (NSPD-51 & HSPD-20) signed by President George W. Bush on May 9th 2007, we learn from the report in the Chattanooga that upon declaring “catastrophic emergency”...“the President can declare to the office of the presidency power usually assumed by dictators to direct any and all government and business activities until the emergency is declared over”. The implications of consolidating all the powers of government in the executive are frighteningly clear: a US American Dictatorship aimed at centrally managing and coordinating all levels of state, local and national governmental activities. This Presidential directive promulgated at a moment of rising political criticism, declining public-approval ratings and accumulating economic problems, closely follow on the January Report of the United Kingdom’s projection of world wide social, political and economic tendencies over the coming thirty years.

In the June 2007 issue of *Monthly Review*, the editors presented a summary of the January 2007 report of the Development, Concepts and Doctrine Center of the UK Ministry of Defense, titled “Global Strategic Trends, 2007-2036”. Highlighting the environmental and economic, structural weaknesses of Global Capitalism and its possible consequences such as a return to “great power rivalry”, stagnation of the US American economy, “the continuing decline in of U.S. hegemony”, a possible “financial meltdown” and “a return to unilateralism by a major (unspecified) state”, it turns its attention to the probability of wide spread domestic and international “social insurgencies” of the “middle class proletariat”. At the end of their “Notes” the Monthly Review editors write that “Ultimately there is only one enemy according to the UK Ministry of Defense: the mass of the population both at home and abroad.

The editor’s concise summary of the report is followed by three related articles written by the internationally respected analysts: William K. Tabb, Noam Chomsky and James M. Cypher. The titles of their articles alone and taken as a unit: “Wage Stagnation and the U.S. Working Class” by Tabb, “Imminent Crises” by Chomsky and “From Military Keynesianism to Global-Neoliberal Militarism” by Cypher, address the major elements of the forming social economic conjuncture. Broadly Chomsky makes the important point that the United States of America has been and continues to practice economic protectionism behind a veil of “free trade” slogans; Cypher stresses that real objective of

the neoconservative foreign intervention policies is the "...interest-based use of force characteristic of capitalism : to access , to control resources , to dominate markets, and to ensure stability of relationships that facilitate the functioning of the U.S. economy .", while Tabb rounds out the big picture by observing that "Imperialism is the other side of an economy that is not producing adequate civilian jobs ...". Emphasizing the Capitalist's growing need for control at every level of the domestic and international economy all three analysts broadly concur with Chomsky's view, to quote Chomsky again "...the common enemy of democracy and development is neoliberalism.

The data, ideas and arguments of these three perceptive analysts' of the present conjuncture and its long forming history, point clearly to the formation of an authoritarian state or a coalition of leading authoritarian states. I propose to attempt a preliminary synthesis of their analyses and interpretations for critical review.

Reflecting fully on the implications of the arguments presented in the articles of each author cited in this essay, I take my point of departure from James Petras' suggestion that a new variation of Mercantilism may be in formation. Petras makes a significant contribution to the discussion through his interpretation of both structural mutations and the contingencies of the present political – conjuncture. In my opinion the studies of these critical thinkers all point to the formation of an authoritarian, Corporate-State as the organizational base for a continuing drive toward National Imperialist world domination. Where Richard Vogel called on all of us to recognize, in his article on the controlled movement and allocation of Mexican workers , "Transient Servitude" in Monthly Review of January 2007, that this may be the "...battle of our lives" , I intend to take up his cry, position it in the context of the existing authoritarian, corporate-military nexus and the dominant political Neoliberal tendencies toward Capitalist privatization and argue further that, if the current trend of the USA's military reinforced, economic-domination is not checked we will see the solid formation of Fascism in the USA with horrific consequences for the victims all over the world.

In the present political – economic atmosphere of rapidly declining government credibility, increasing economic hardships, rising popular discontent with the accumulating social and economic costs of Neo-liberal military adventurism, the threat of dictatorial political control should not be discounted.

Writing for Common Dreams on July 22, 2007 , Heather Wokush , in her article "Under the Radar: Ten Warning Signs for Today": reports that , "On July 17 the White House quietly announced an Executive Order entitled " ["Blocking Property of Certain Persons Who Threaten Stabilization Efforts in Iraq."](#) Among other developments, it gives Bush the power to "block" the property of people in the US found to "pose a significant risk of committing" an act of violence which might undermine "political reform in Iraq."

Evidently the present administration fears the rising tide of popular protests against many of the accumulating problems associated with its economic mismanagement, political corruption and military aggression.

From the extremes of out right invasions to the formation of the privatized domestic prison-state and a growing army for hire, all the salient features are becoming visible. Think of the almost inconceivable challenge of two related ideas: neo-mercantilism leading to Neo-Fascism: some will be curiously skeptical but we can predict that the majority of casual readers and many US American Citizens and residents will be completely dismissive. Recall clearly however, in 1935 Sinclair Lewis wrote the words "It Can't Happen Here". His fictional account of US American Fascism resonates more plainly with compelling urgency in our thoughts today. In that same period General Smeddly Buttler testified on an attempted fascist coup. Soon after in 1944, Henry Wallace, Vice President of the USA, writing at the request of the New York Times presented the early outlines of Fascism in the USA. Approximately forty years later in 1980's Bertram Gross explained how far advanced the fascist economic program had developed by the time of the Reagan Administration.

## **Bi-partisan Consensus on Corporate-State-Capitalism? No “It Can’t Happen Here”!**

Certainly one may note the outlines of a form Fascism in the United States of America but as Bertram Gross argued in 1980 in his book “Friendly Fascism” and Tom Hartmann underscores in his more recent article posted on the Common Dreams web site August 2006, in “Reclaiming The Issues: Islamic or Republican Fascism?”, the most salient features of Italian and German (Nazi) fascism may not be recognizable. Fascism in the USA, is not marching in wearing a Brown Shirt under a Swastika, it is taking its form from deep-rooted, corporate-economic tendencies and developing out of the logical operational extensions of its own internal imperatives for production controls sustained through many layers of conformity to well established corporate principles. As Giovanni Gentile, Mussolini’s Minister of Public Education and self-described philosopher of Fascism, wrote, “Fascism should more appropriately be called corporatism because it is a merger of state and corporate power. “

Since its earliest days Capital continuously pursued organizational and methodological strategies to achieve the required levels of control, based on conformity of all types: conformity of production standards based on interchangeable parts, interchangeable people, conformity of worker discipline and practices to the rationalization of closely integrated production and distribution systems, linked regionally, nationally and now internationally based upon a segmented policy of pitiless exploitation. The Capitalist production methods require increasing levels of control, to achieve predictability that are planned to insure the maximum rate of profitable return on any investment. The central imperative of profit maximization throughout Capital’s history engendered a tendency toward the increasing control of economic inputs. Any potential disturbances to the unrestricted flow the basic factors of production: Capital, Labor and resources or disturbances in the markets where these production factors are bought and sold, have been seen as a constant potential threat to the uninterrupted acquisition of material and labor necessary for predictable of production schedules and product distribution. Public regulations of the market mechanisms are proclaimed to be intrusions on corporate power and prerogatives to administer its own economic environment. The manifold corporate complaints against government intrusion into the private sphere of corporate business practices are presented as unwarranted, unnecessary and unnatural interventions into the purported self-regulating mechanisms of the Capitalist system, until of course, the moment of the periodically self-induced systemic break downs.

While the myths of the Golden Age of “Free Market Capitalism” are continuously repeated for public consumption, the indisputable reality is found in the accelerated integration and concentration of Capitalist power in the corporate form. Since the end of World War Two, the tightening concentrations of corporate combination nationally and internationally required meticulously coordinated production and marketing net works bringing together dependable flows of the production information and materials arriving and departing internationally linked offices and factories in many distant locations. Planning centers were increasingly linked to production sites then connected to far flung assembly plants which form tightly integrated production and distribution net works that require continuously controlled movement at every point along the expanding production distribution web.

The benefits of the closely coordinated war production were not forgotten by the capitalist who increasingly occupied key logistical administrative positions in government and corporate planning offices. The simple logic of planned and coordinated corporate production processes synchronize comfortably with the traditional, hierarchical, military-echelons of command structure. When President Eisenhower spoke of his apprehension of the formation of the Military-Industrial Complex, he may not have fully appreciated the deeper and broader implications of the bonding of the culture of military command and its Civilian Corporate Command counterpart. Neither the Corporate control of production nor the conduct of military command admits democratic processes. Both demand obedience by subordinates to the direction of authority. Both the military and corporate bosses require that all

assigned personnel strictly follow received orders. The similarities of the regimented processes of multinational production and conduct of international warfare form a symbiosis of needs, styles and myths that have been shaping an intimately Militarized-Capitalist cultural nexus.

### **The Bonding Process**

Across the long, modern imperialist history of Capitalist economic domination and its ever present need for military reinforcement, practical operational activities and production requirements engendered increasing degrees of mutual cooperation and dependency among the commanders of Capital and Military Commanders. Repeatedly conditioned through every moment of corporate growth and its supporting military campaigns, in each phase of capitalist industrial expansion through the Nineteenth and Twentieth Century, we observe the closer integration of corporate and military activities reaching periodic peaks in inter-imperialist rivalry usually culminating in wars too numerous to mention. The linking of war making capacity to capitalist production techniques appeared to rise to a new height of intimacy among all the World War Two Combatants. While corporations learned the importance of planning, they also learned that to plan reliably they needed predictable flows of the factors of production which could be facilitated and protected by the military.

Following the Second World War the macro-economic benefits of planned war-production were quickly generalized and became integral stabilizing elements of national economic planning. The National Military and their subservient military clients became the most dependable purchasers of industrial products. The developing relations between corporate planning , military procurement, and international corporate expansion, linked to domestic economic stability, became abundantly clear. Each time consumer spending lagged; the military would find a need for new trucks, planes, guns and other supplies. In each successive economic recession since the end of World War Two, new enemies were discovered or invented at home and abroad and industrial production of Military equipment was increased. The conjured fear-factor of enemies lurking everywhere has been sufficient to mobilize public funds for private Capitalist gain. The Demand for the instruments of war since 1945 seemed to be insatiable and the growing material symbiosis breed an operational bond giving rise to cultural norms that develop into popularized myths.

The myth of corporate efficiency, under its civilian corporate command process synchronized well with corresponding myths of the effectiveness of military command. Until recently corporate on-time delivery matched the propaganda of “surgical-bombing-strikes”. Although occasionally contracted by the untimely revelations of equipment failures , the myths gained currency as the world’s most powerful military is supplied by the world’s largest corporate complex. Corporate organization mimics the command structure of military culture. The fabled military might as the overriding mediator of political conflict combines with and supports predatory transnational corporate might of launching overpowering capital invasions. As Smedley Butler said, he was nothing but a gangster for Capitalism. Thus the Capitalists’ military arm became the enforcer of corporate economic aggression. At each escalating level of macro-economic instability during each post World War Two economic contraction in the USA, military procurement in preparation for war was increased. Joseph Schumpeter’s notion of “creative destruction” was given an explicit context which is no where more graphically demonstrated than in the Corporate scramble for war contracts preferentially granted to privileged USAmerican Capitalist in Iraq to day.

Today, Transnational Capital’s need for closely coordinated military protection to enforce its demands for unrestricted investment is not only forming intimate material relations but it is fostering a mutually supportive authoritarian cultural standard of command based upon force or the threat of force. As the repressive apparatus of the police-state expands to control domestic interference in the conduct of corporate business, internationally the national military forces are deployed to secure and control the regions of strategically important natural resources, and distribution channels for labor, resources,

material products, and capitalist financial operations. As people nationally and internationally resist intrusion of foreign Capital in its various forms, military force is more readily applied to a greater or lesser degree. The extensive USAmerican overt military operations and covert destabilizing campaigns in or near economically important locations have resulted in a nearly global USAmerican military presence that takes on a character of world-wide domination. Globalizing Capital requires a globalized repression racket. The forming conditions of international global domination by the World's most powerful military state begs the question of what type of National – Imperialist-state is in formation.

In his tight well-argued article, James Petras clearly sets out the projected neocon strategy for USAmerican empire building over the coming decade and beyond. Extending Harry Magdoff's arguments, well established in his "Imperialism without Colonies", as forcefully argued by John Bellamy Foster in "Naked Imperialism", Petras reinforces two major points made by both Maddoff and Foster that the aggressive attempt to shift wealth and income from the poor and the middle income population of the USA over the last three decades was intended to provide the financial liquidity necessary for more aggressive Direct Foreign Investment under the rules of regional trade agreements such as NAFTA /CAFTA. While clearly identifying the neo-cons' strategies for reducing domestic incomes of the vast majority and increasing the costs of domestic social programs including attempts to privatize Social Security as ways of mobilizing financial liquidity and concentrating it in the hands of the already super rich, Petras adds a logical extension to Magdoff's argument by introducing the idea of neo-mercantilism as policy objective of USAmerican designers of intercontinental if not planetary domination. In light of the recent discussion for a USAmerican led "North American Union" and its supporting "Security and Prosperity Partnership", the suggestion of a reversion to an updated form of neo-mercantilism is completely in line with the present thrust toward a more closely integrated, corporate control of the economies on the North American Continent thus taking NAFTA and CAFTA one step further.

As critical analysts we should not be too quick to dismiss the possibility of a reversion to earlier imperialist strategies and keep an eye out for its leading indicators. Although one might argue that Monopoly capital, in its latest hyper-financialized form, has long ago superseded its earlier mercantile practices of merchant capitalism, Corporate-Capitalism retains the functional vestiges of its early stages in new, more sophisticated organizational methods, instruments and practices. Present technology allows for the development and deployment of more innovative investment instruments, while at the same time the corporate planning requires the closer rationalization of production and distribution system. As we have painfully learned from historical experience the crises of Capitalism do not lead in a straight line in any direction. We should be alert to the potential for regression in a mutated form. The increasing corporate tendency toward tightening managed-control of inputs and the clear trend toward regional economic domination supported by a globally positioned military has all the indicators of State, corporate control and military managed procurement. .

The imperatives of giant multinational and transnational capital have three irreducible and unavoidable conditions of production and distribution, the regular procurement of factors of production: Land, Labor and Capital plus Capital's urgent, persistent need to control them in the unrelenting pursuit of increasing profits. Translated into the specific concrete terms of markets for labor and material resources, Capital in any form at any size must constantly strive to gain and, to the best of its ability, control the production inputs, their marketing outlets and all the lines of communications that connect them. Today as both the scale and international character of corporate production increases, the flow of inputs must be regularized. Internationally syndicated finance capital is the facilitator of the international coordination of Corporate Capital's production and distribution net works and both require protection.

Under the objective terms of increasing international economic competition forcing the long decline of US economic domination world-wide production which has fallen from the post WWII high of about 60% to a current low of about 23%, it is not surprising that we are witnessing the increasing use of military force as an instrument of US American Capital's economic penetration in resource rich regions and near the migrant labor supply zones. Presently in our period of predatory-finance capital there appears to have formed a symbiosis of needs between the militarization of the domestic economy and the internationalized aspirations of investing institutions that mobilize funds for expanding Direct Foreign Investment by National and Transnational Corporate-Capital.

The intermediate term effects of predatory investing abroad, backed-up by ever present threat of punitive military actions has until recently combined to stimulate the US domestic economy in at least three important ways: it has supplemented domestic consumption through military spending, further concentrates the accumulation of wealth and mobilizes the reflux of US dollars through fear-factor.

Military aggression abroad, the contraction of the domestic economy resulting in rising rates of poverty will also require increasing social repression at home. The consequences of planned reduction of domestic social spending have been anticipated by increasing the means and methods of coercion and control of the domestic population. We may continue to view these transfers and expenditures as a more aggressive form of Military Keynesianism applied domestically. Having abandoned the policy of "Guns and Butter" of the Vietnam War period, the only policy instrument remaining as lower level social rewards and incomes are reduced is the use of various methods of distraction and increasing coercion.

At the very moment that the ruling class needs a broad-based public consent for its long term imperialist project, rising social and economic insecurities are engendering countervailing social fears that are eroding public support for Wars for Corporate expansion. The deepening domestic and international economic stagnation resulting in rapidly declining home sales and prices, shrinking and disappearing pensions, increasing health care costs accompanied by reduced services, are combining to increase insecurity at home that further erodes the base for consensual support for continuing Imperialist adventures.

It is becoming increasingly apparent to more people throughout the USA that the social needs of the National population are being abandoned. The cumulative effects of privatization in general, long term attacks on organized labor, reduced spending for the health, education and general welfare of the domestic population resulting in the massive transfer of wealth from the middle to the top income brackets through tax reductions for the super rich has the effect of transferring the national wealth from those most in need to those who need no more. The use of the wealth and income transferred from the low income strata now standing at 80 percent of the Working Families of the USA to the upper 1, that is one percent, of the richest families, as reported by Jack Rasmus in his article published in Z Magazine, February 2007, has the effect of placing the direct cost of Imperialist adventures on those who will be forced to fight and pay in blood and taxes for the future wars of conquest that will repress them too.

While the current rate of wealth and income transfers from the lower 80 percent of the US American Working families to the richest one percent may be reaching its political limits a change in the national political balance of power between the two wings of US American Capitalist -Imperialism will mark nothing more than a change of style and intensity but not the goal of planetary domination. Petras is probably correct to project that fiscal and monetary adjustments will have the effect of ameliorating the most extreme domestic social / economic problems but we should recognize that the range of economic flexibility is narrow and narrowing. Massive public and private debt has foreclosed many Social Keynesian options.

In the context of intensifying economic challenges to US American domination of world resources,

markets, and the evident limitation of its awesome military power, we should give careful consideration to Petra's view that a new form of mercantilism could emerge and that form can be consistent with Magdoff-Foster's view of an "Imperialism without Colonies", but with many military bases.

While we have not yet arrived at the historically conditioned stage of another great grab for colonies similar to the international competition that occurred in the second half of the Nineteenth Century, we are certainly observing the redevelopment of economic "spheres of influence" through the rules of the WTO and the practices of the IMF and World Bank. The combined effect of economic and financial dependence reinforced by the strategic positioning of US Military forces encouraging and enforcing bilateral treaties may obviate the need for direct, costly colonial domination but should inter-imperialist rivalry increase through an extended period of economic contraction, direct challenges for colonies may retrace our recent history.

In the intervening period as many national, corporate-capitalists jockey for advantageous positions, individually and at times cooperatively, we can anticipate that the maneuvering will bring National Corporate interests into conflict and, depending on the perceived levels of relative power, tendencies toward cooperation or conflict will turn on the political perceptions conditioned by the objective relations of internal and external strength. One crucial element of projecting international power will be a Country's ability to buy domestic peace and popular passivity.

The moment is rife with contradiction yet in the present political economic context of domestic and international economic stagnation, we should note that unless the Democratic controlled Congress turns to a social spending plan, the method of absorbing and mobilizing economic surplus most likely will be through a more aggressive Military-Keynesian spending including the militarization out space exploration as an attempt to support Direct Foreign Investment through long-distance and close-in methods of intimidation and direct coercion.

To continue paying for domestic social peace the US American Corporate Capital will have to reduce military expenditures in order to modestly expand social spending as one method of supporting continuing Corporate – Military led global economic expansion.

At the present stage of international crisis of Capital, the ongoing need to seek investment out lets requires increasing military presences to secure raw materials, markets for products and the control of labor flow. In the current phase of long-term, system-wide economic stagnation, Capital is again attempting to resolve the surplus absorption problem through military expenditures supporting Foreign Direct Investment. The funds needed for the further expansion of these interrelated adventures can now only be mobilized from three major sources: domestic and international borrowing which seems to have surpassed the saturation point, continuing wealth and income transfers through tax policies while maintaining social services and wages at the present levels. Domestically each of these strategies is facing increasing popular resistance.

Since the US has become one of the "have-not" resource countries, its capitalists recognize that to sustain high tech industrial and military production they must continue to secure necessary resources from outside its borders. With the limits of empire building increasingly proscribed by growing popular domestic rejection and intensifying international competition for natural resources and investment outlets, the path of attempted economic domination through aggressive Military Keynesian strategies may seem, despite the risks, increasingly attractive to the Corporate-political Ruling elite.

Here lies the dilemma: without international economic expansion, domestic economic contraction will lead to widening expressions of social discontent and perhaps "social insurgency". A scaled down

Neoliberal Corporate-Military program of international economic expansion will also require , under present conditions , restricting domestic, social spending and perhaps reinstating the military conscription. While a political overture to the formation of a “North American Union “ formed by an economic union of Canada , The United State of Mexico and the United States of America may be the intermediate, continentally focused diversion of US-Corporate –America’s larger imperialist ambitions it will only postpone its more ambitious global ambitions. Currently the USA has gained almost unrestricted access to North American resources and labor supplies, a move to political union, while facing fierce popular resistance in all three countries will not resolve the domestic problems but simply spread them out over a wide geographical area: expansion of continental-wide debt, increasing unemployment and spreading social insurgency across a broader field of economic exploitation. A plan for A North American Union is an administrative continental plan for Corporate-Capitals’ administered and controlled industrial production. Within its military-corporate command structure it will strive continue the private appropriation of public spaces, resources and labor power under its authoritarian command structure. The internal corporate command culture of Capitalist operations will be diffused through its social relations of production as the cultural norms of a regimented industrial community. The totalizing cultural influence of the USAmerican Corporate-Capital will tend toward a top-down administrated community of controlled and dependent working families in the US and throughout the Americas unless true popular resistance soon develops and that will form the social insurgency anticipated by the US Ministry of Defense document of quoted above.

The Neo-mercantilist tenor of the current trade agreements is already very clear. The objective USAmerican Capitalist goal of sustaining the “...the position of disparity ...” argued by George Keenan in 1948, is more difficult more yet more necessary for sustaining the USAmerican Imperialist project than it has been since the end of the Cold War. While it is highly unlikely that the United States of America can expand its present rate of consuming the world’s resources, it realistic to assume that the current rate of national consumption can be expanded with out increasing coercion . Therefore, a less aggressive move toward a political-economic integration of the three NAFTA countries may constitute the reality of a Neo-mercantilist plan that will form the stepping stone for future USAmerican Imperialist expansion. While not providing sufficient resources for the continued expansion of domestic consumption, if accompanied by a National program of worker control through a two-tiered status, migrant worker program, the labor conditions to engineer a deflationary cycle could serve a powerful transitional economic force to coerce the reduction of wages throughout New Mercantile Zone.

USAmerican Corporate-Capitalism under the current strains of the military costs of empire show a tendency toward the development of a type of industrial feudalism, supported by mercantilist trade practices and industrial servitude. As the dominant regional economic-military power , the USAmerican State is presently attempting to secure the hemispheric control of labor supplies , resources and markets through regional trade agreements that are designed to allocate and distribute , workers and resources to meet the production requirements of corporate capitalist on the North American continent by administering the movement of labor and resource through US controlled transportation corridors as argued by Richard Vogel in his revealing articles “The NAFTA Corridors” and its companion piece “Transient Servitude” Restrictive guest worker programs planned to supply workers with limited rights to regional production zones will create a controlled labor force dependent on the Corporations which will result in a form of industrial servitude , divide nationally based labor forces and drive wages lower. Unchecked the corporate domination, regulation and enforcement of the political and economic conditions of employment will form the specific conditions of Industrial feudalism. A concomitant redeployment of enhanced public and increasingly privatized police and military monitoring of regional, cross-border labor flows will escalate the formation of police-state controls.

The tendencies of this political-cultural economic process is already very clear: the political administrative control over market operations complement the internal corporate command process which reflects the military command structure and operations that binds them in mutual support of the accumulation and control of profit.

The corporate, Colossus of the North seems to be entering a critical political-economic impasse which may be characterized as the formation of a crisis of historic proportions shaped by the cumulative effects of years of political miscalculation, fiscal and monetary manipulation, resulting in severely restricted international monetary and military options, increasingly complicated by a political crisis of credibility which is made more volatile by the domestic opposition's inability to move decisively. These conditions, now aggravated by the political brinksmanship of the present US American Administration are thus helping to shape the political-economic directions that will go beyond Capital and beyond democracy.

As the political-economic crisis intensifies the institutionalized authoritarian corporate tendency to administratively control economic variables will gather a greater momentum to toward the formation of a Feudal type industrialism of a corporate-administered, militarized-command economy!

## **WHOSE GLOBLIZATION WILL IT BE?**

*The first element (of politics) is that there really do exist rulers and ruled, leaders and lead... (We must ask) is it (our) intention that there should always be rulers and ruled...?*

*Antoino Gramscs, (SPN). p.144.*

At this historic conjuncture we, all the other ordinary people of the world, have a growing space to form a political opening in which to develop social and economic alternatives. The concentrating crisis of Capitalism, especially the intensifying US American Corporate-Capitalist crisis, presents us with a historical occasion to quickly accomplish two related tasks: make an accurate analysis of the present conjuncture on which to formulate and coordinate alternative strategies. We have entered a propitious period in which we have the opportunity and obligation to carefully examine and critically evaluate the unfolding trends of Twenty First century Capitalism as it suffers the internal contradictions of its own endemic limitations. Those restrictions again present the world's people with potentially very grave dangers but also a vast opportunity for change. If we, the little people -"the ruled", do not occupy the political space, it will be filled by forces over which we have no control.

While Capital will be forced to retrace the history of its past practices which may include the Fascist option, those of us who can envision social-economic alternatives, face an open field of varied possibilities. We are not bound by our past but can inform our future actions based upon our own multifaceted Working-Class History. This contrasting reality is the most dangerous threat to the continuation of Capitalism. Now as in 1917, 1948 and 1959, following the great social revolutionary experiments, Capitalist every where fear and prepare for the future threats that will restrict their continuing access to cheap labor, natural resources and expanding sale zones. As they celebrated the end of the "communist" threats to Capitalist hegemony, they, especially the corporations of the Capitalist Colossus of the USA, took careful note of the many other points of potential resistance to its military/economic aggression. Facing new external real, cultivated and concocted "enemies", they may begin to attack each other in the "War of All against All", all capitalist against each other.

On one side the Capitalist are constantly under threat by other Capitalists but Capitalists tend to

manage their differences, within their system through administered forms of cooperation, to avoid totally savaging each other. As the Washington Consensus is eroded and USAmerican hegemony is reduced, new dangers form on the horizon. Short of a massively destructive general war among the Capitalist competitors, we should focus our study of the most likely adjustment that will be made within the framework of real, existing Corporate-Capitalism.

In our analysis we need not assume that we are examining a completely new formation. The Capitalist mode of production has reached a very mature state of highly sophisticated operational innovations but they are not new. Although we are at a more mature and, pervasive stage of technological innovation and global reach, Capitalism itself is not necessarily stronger. In fact it appears to be much weaker. Certainly USAmerican Capital is not relatively stronger today than it was at the end of World War Two. Like the Wizard of OZ it stands far smaller behind a fearsome but enfeebled image of force. Corporate Capital can no longer create; it has entered the precarious stage out of which it can only grow by destroying: Yes, destroying people and their environment.

At this stage Capital approaches the horns of its internal nemesis, the stagnant state: no growth, then contraction. In the stagnant state prior to severe economic contraction, capitalist and we, ordinary people, fully understand the current meaning of Joseph Schumpeter's comments on "creative destruction". Ranging in practice from wars that destroy material in order to replace it to "built-in obsolescence", Capital creates problems just to make money correcting them. An arch example is it legally produces tobacco and other cancer causing products for profit and then seeks additional profit studying the causes of cancer to make more profit from pharmaceutical sales and medical procedures to cure the growing cancer. Capital too may have reached the cancerous stage of its own destruction but we can be sure there remains plenty of destructive potential in the beast.

There maybe three broad National policy options appearing on the political-economic horizon: a domestic social- economic stimulus program reminiscent of the New Deal; a reinforced , coercive push for National conformism to support an accelerated military drive to control the Middle East Oil reserves and finally a type of modified social spending program that may calm fears of economic depression at home ,while continuing a more callously reworked international plan toward reestablishing the credibility of USAmerican world hegemony.

The relations of both internal and external political/economic forces will influence the direction of political tendencies. If the USAmerican domestic population remains passive, an opening on to an alternative political terrain favorable to social and economic justice on a national scale is not a possibility. A return to as scaled down Social Keynesianism or Welfare-State Capitalism as a Left-lead National program is not likely unless the Unions aggressively organize in their work places and in the neighborhoods where their members live. Failing these opportunities, two dangerous options remain: A more assertive Democratic Party, lead congressional effort gains sufficient Republican support for a return to a balanced Corporate-Capitalist approach to "Guns and Butter" program which calms domestic fears while it gains time to make the necessary modifications to Military expenditures to support a modified replay of the "Good Neighbor Policy" on a global scale. The Iron fist will be returned to the Velvet glove and The USA returns to a slower Imperialist expansion.

The Ruling Class' bi-party consensus on world-wide, if not inter-planetary, domination should be clear: the specific strategy and tactics of their bi-partisan approach raise the remaining questions but we can also project the differences, the trajectory of possible out-comes and potential points of intervention. We can anticipate that the international and domestic political-economic crisis will broaden and deepen and with it increasing popular unrest perhaps leading to, using the terms of the UK Ministry of Defense, "social insurgencies" of the "middle class proletariat". While the issues directly related to the War in Iraq and the expanding war throughout the Middle East and its immediate consequences are of paramount concern in many voters' minds, the broader ramifications and longer term consequences

may not be as evident as their most salient manifestations.

Today the Ruling Elites' flexibility in developing any of the conventional economic stimulus options will be much more difficult than in the 1930's. The economy is operating at a much higher employment and plant utilization rate, National public and private debt rate is much higher, the domestic savings rate is negligible, and social expectations are different and even unrealistic. With the level of political organization among working families at its post World War Two low point, the Rulers may see the production of fear and the increase use of force as a reasonable option to control the domestic population but ultimately it will be consent not coercion that will underwrite Imperialist expansion.

Whatever the out-come of the debate between the two major US American Parties of Corporate-Capitalism on the maintenance and expansion of economic domination, we "the ruled" can be sure that sustaining such an ambitious National-Imperialist project will require the power of the State to mobilize the economic resources and physical strength of the ordinary working families to fight the wars for military-corporate world-wide domination.

*It is the problem of relations between structure and superstructure which must be accurately posed and resolved if the forces which are active in the history of a particular period are to be correctly analyzed and the relation between them determined. Two principles must orient the discussion: 1) that no society sets itself tasks for whose accomplishments the necessary and sufficient conditions do not either already exist or are not at least beginning to emerge and develop; 2) that no society breaks down and can be replaced until it has first developed all the forms of life which are implicit in its internal relations:"*

Antonio Gramsci , SPN , 177.

**No matter how accurate our analysis and interpretation of the historical process may be, it is merely the starting point of injecting the vitality of human agency in to the political scene.**

**Arturo Yarish, 02 August 2007**