I. Social Construction of American Capitalism

A. Myth

1. model system

2. model for world

3. infinite possibilities

4. “rugged individualism”

B. Reality

1. state subsidized monopoly capitalism

a. concentration of ownership

b. shared monopolies

c. shared ownership

d. interlocking boards of directors

e. subsidies

i. direct

ii. indirect

iii. bailouts

2. not infinite

a. inequality in wealth and income

b. vital needs

c. upward mobility

d. American Dream

II. Four Phases in Construction of American “Capitalism”

1. Primitive Accumulation to Civil War

1. Primitive Accumulation

2. Dispossess indigenous peoples of their land

a. justification

b. legitimation

i. terra nullius

ii. private property

c. land grants that created landed aristocracy

d. Bacon’s Rebellion vs Virginia aristocracy

2. The “Other” and Removal

a. Andrew Jackson, Indian Removal as War

b. Removal of the Cherokee

i. 1834 An Act to Regulate Trade and Intercourse with Indian Tribes and to Preserve Peace on the Frontiers

ii. Treaty of Enchota$9 million for land but

iii. Five Army regiments and 4000 militia

iv. 1838 Trail of Tears: 1200 miles 5000 died

3. Exploit resources cultivated by indigenous

a. animals

b. forests

c. land

d. minerals

4. create labor force: forced and slave

a. indentured servants

i. industrialization in England

ii. Acts of Enclosure

iii. Poor Laws

b. slave labor

i. Columbus

ii. system

iii. justification and legitimation

B. Post-civil War to Depression: Industrialization

1. Second Dispossession: small farmers and also native Americans again

a. small farmers debt and foreclosure

b. native Americans: Dawes Act

c. “freed” slaves

i. share croppers

ii. prison labor

d. consequences

i. workforce for newly emerging industrial economy

ii. native Americans to poorer and poorer reserves

iii. free prison labor

2. Railroads (Manifest Destiny as technology)

a. driving force in industrialization

i. system for transportation of resources and commodities for national and international markets

ii. other industries: mining, iron, timber

b. government subsidized

i. land grants and loans from government

ii. military and Second Indian Wars

iii. relaxed immigration policies: immigrant labor force

3. Industrialization

a. corporations

b. urbanization

c. national markets

d. wage labor

4. Oops!

a. Great Depression

b. WWII

C. Post WWII to 1970s: “Great Prosperity”

1. The world after WWII

2. The US after WWII

3. State subsidized capitalism

a. direct transfer of manufacturing infrastructure

b. subsidize modern industry

i. computer

ii. electronics

iii. aerospace

iv. communications

v. automobile/trucks/airlines

vi. nuclear: Atoms for Peace

vii. weapons

c. cold war arms race

i. permanent war economy

ii. military industrial complex

c. subsidizing the American Dream “Suburbia”

i. FHA and VA home loans

ii. infrastructure: highways

iii. schools

iv. middle class jobs

d. Suburbia and the “Other”

i. redlining

ii. segregation

iii. construction the urban ghetto

4. Capital’s Strategy: Welfare Capitalism

5. Prosperity and the Natural World

D. Late 1970s to Present: State Subsidized Monopoly Capitalism

1. Concentration of ownership: large multi-national corporations

2. Shared monopolies dominate every sector of the economy

3. Power elite

a. military-industrial-surveillance complex

b. financial complex

c. hi-tec

d. corporate media

4. Political system, judicial/legal system, and the regulatory system are subordinate to corporate power

5. Social Construction of Corporatism

a. eternal war: cold war to global war on terror

arms race: permanent war economy

surveillance/intelligence complex

military-industrial intelligence complex

b. globalization

i. competition

ii. free trade agreements

iii. offshoring (government subsidized costs)

c. global economic crisis

i. oil embargo

ii. stagflation

d. consequences

i. competition from Europe and Japan

i. deindustrialization of the economy

ii. loss of middle class jobs

iii. stagnant and declining wages for middle class and working class especially unskilled or semiskilled blue collar jobs

iv. longer hours, debt, home loans, women in the workforce

v. Shock

e. economic elite develop strategies in reaction to 60s, threat of the people

i. Lewis Powell: ‘Attack on the Free Enterprise System”

a. threat from many places: religion, colleges, media, arts and sciences and politicians

b. but biggest threat is . . .

c. business needs to “organize, engage in long range planning, and coordinated action”

d. Business Roundtable, think tanks, foundations, advocacy organizations, ALEC.

e. legislation, public relations, front groups, astroturf, lawsuits, control ideological institutions, PACs

ii. Samuel Huntington: “Crisis of Democracy in Americna

a. crisis: too much democracy, too much popular participation

b. threat to elite

c. reestablish power: “passify” the population

d. main group: students

e. ix. transform education: marginalize the humanities, marginalize professor who teach critical thinking, underfund education, redefine “knowledge, education, learning” as instruments to success in capitalist economy, adopt business model

iii. control media: eliminate Fairness Doctrine, FCC and public interest and vacate regulation of monopolistic practices, Telecommunications Act of 1996

iii. right wing populist movement: segment of population hurt most economic problem

create scapegoats: poor, women, students, people of color

War on Drugs

x. consumerism

xi. use economic shock and 911 to impose shock therapy

deregulation

privatization

cutback in social services