

Class Composition and U.S. Direct Investments Abroad*

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To the memory of Stephen Hymer

I. Introduction on Proletarian Initiative and Capitalist Initiative in the Mobility of Capital.

The study of United States capitalist initiative abroad and its capacity for putting a growing share of labor-power at the world level to work has been increasingly extended and deepened over recent years after a long period of neglect.¹ Less attention has been paid to the other side of the coin – the series of effects that working class movements have had, and continue to have on the international mobility of capital, and United States capital in particular. This essay is intended to provide some stimulus for meditation, not so much on United States capitalist initiative abroad and its capacity for moving a growing share of labor-power at the world level, as on the working class's capacity for developing its political strength by conditioning capitalist penetration, accelerating, slowing, diverting and interrupting it.

The analysis cannot stop at an examination of labor-power *in so far as it is moved* by United States capital at home and abroad. The cases of a working class whose political strength, has reached such a level that it manages to move and impose itself on capital have been noted only rarely and sporadically. The aim here is not to complain of the absence of Friday's story to set against the saga of Robinson Crusoe; but practice and theory require an understanding of mass movements at the international level, require understanding *proletarian initiative*, not just capitalist initiative. This perspective is in opposition to the victimist viewpoint that sees imperialism as generically “the bad guy” and the only active subject in the field – while the proletariat is seen as starting out a loser, either because pushed to the sidelines or because a simple appendage of capital.

After the Second World War, direct investment abroad was confirmed as the dominant trend with respect to the other two fundamental forms of imperialist penetration: trade without investment and the combination of trade and investment abroad.²

Here, these three forms will not be considered as stages of development, but as the manifestations of a process whose focus is the relationship between working class and capital, both in the metropolis and in the colonies. Once capital had asserted its tendency to step beyond the nation-state in the search of labor-power to put to work, the passage from one form of imperialist penetration to another is not a tyrannical monologue of capital, but a relationship between two antagonistic classes. In effect, in order to explain the timing and methods with which capitalist expansion moves from trade without investment through the combination of trade and investment to direct investment, a law for the development of such a phantom monologue would still have to be found. From labor-power's viewpoint, this passage appears as a twofold *transition from one mode of production to another, but always within the capitalist system*³: from pre-capitalist modes of production under the command of merchant capital through mining and the post-slavery plantation (both entrenched at the capitalist level of Marxian manufacture and still partly under the command of merchant capital) to large-scale industry under the direct command of metropolitan capital. But the rates and modes of these passages are only the visible part of the iceberg; the political movements of the working class have remained under water.⁴

¹ See, in particular, Robert Cherry, *Class Struggle and the Nature of the Working Class*, URPE Papers, Ann Arbor, Michigan, 1973 and Martin Glaberman, *Imperialism and the Metropolitan Working Class*, Paper for the Society for the Study of Social Problems, New York, August 1973.

² I owe this distinction between the phases of imperialism to Geoffrey Kay, *op. cit.*, Chaps. V and VI, pp. 96-156.

³ The distinction is to be found in Ernesto Laclau, “Feudalism and Capitalism in Latin America”, *New Left Review*, 67, May-June 1971, pp. 19-38; in particular, p. 33: “An economic system can include, as constitutive elements, different modes of production – provided always that we define it as a whole, that is, by proceeding from the element or law of motion that establishes the unity of its different manifestations”.

⁴ As Giacomo Luciani notes in his “Introduzione” to the collection of essays by Stephen Hymer in *Le imprese multinazionali*, Turin: Einaudi, 1974, p. XVI: “In Hymer's analysis, the biggest shortcoming, which is common, to tell the truth, to most theories of economic imperialism, is the absence of a class analysis: that is, what is the class structure in both the developed and the underdeveloped countries and, above all, what changes do the arrival and intervention of the multinational enterprises cause in this structure? And the fundamental question which remains unanswered is: What effects do the multinational enterprises have on the working class, both in the country of origin and in the other countries?”

II. The Contours of United States Capital's Offensive after World War II.

Static description of the sectorial composition of United States labor-power and its variations over the last thirty years is of no help in understanding the dynamic of its changes. In the period under examination, class antagonism openly involved increasingly broad strata of labor-power. From the working class side of the picture, its essential manifestation is mass-power in the struggle against *speed-up* in the processes of production, circulation and the reproduction of labor-power, against the *intensification of work* and the *heightened tension of labor-power*. The cycle of working class struggles in the years 1932-1937 had shown the whole capitalist world that the working class in the United States was the Cape of Storms or the 'general rule' of the working class autonomy that had driven a wedge between the "great democracies" and the Nazi regime, preventing any possibility of inter-capitalist reconciliation in the West. But this cycle of struggles had also shown that, with *that* class composition and *that* level of organization, the pace of work could not be imposed unilaterally, but had to be submitted to collective bargaining together with the wage-packet. With rearmament, the leaders of the CIO resigned themselves to the policy of war and rearmament, committing themselves first to imposing wartime discipline in the factory on their unionized members and, subsequently, to the no-strike pledge and the Little Steel Formula of 1942 by which for the duration of the war wage increases were to be maintained within the levels of the most backward sectors of the steel industry. But it was precisely during the war period that working class autonomy managed to resist the imposition of more speed-up, to break the no-strike pledge, to extend unionization to sectors left out during the cycle of struggles in the 30's⁵, and to sow the seeds for the working class's political anticipation of capital as regards the wage packet, thus launching the longest period of inflation in the history of capitalism. But the ambiguities were not lacking. In wartime production, resistance to faster paces of work was tolerated by industrial capital because it could pass the costs on to the state, which, in its turn, had no difficulty in paying. In the extension of unionization, the leaders of the CIO found a new instrument of power and, generally speaking, managed to obtain the state's approval in sectors linked to war production by giving a commitment that they would contain the wage-thrust of the new union members.

The general trial of strength in 1946, the year with the highest volume of strikes in United States history, sealed a cycle of struggles and made the resultant conquests irreversible. These were the conquests of a labor-power that was exceptionally homogenous by comparison with that put to work by the capital of the European colonial empires. Up until that time, the foreign interests of the United States were more modest than those of the British Empire, then the major colonial power. United States merchant capital was certainly not important, nor was its mining and plantation capital, the classical form for the transition from merchant to industrial capital in the underdeveloped countries. Yankeeedom was no longer, as Benjamin Franklin had written, just a republic of tool-making animals, but also, and above all, a country of assemblers of interchangeable parts working under the "American system of manufactures", with its higher pace-of-work than the European, and primarily British, non-standardized form of manufacture.⁶ With this superiority in the command over living labor, and with the continual appropriation of new policies for the *condensation of labor*, United States capital was already determining the trend for the high points of capitalist accumulation in Europe between the late 1800s and the start of the Second World War.⁷ Even in the Progressive Era, the hegemony of United States interests abroad was firmly in the hands of large-scale industry in its incipient stage of the mass-production of the internal-combustion engine and the electrical engine in all their articulations.⁸ At the end of the Second World War, the working class commanded by United States capital found its mass-power in the assembly-line workers. Still a minority and on the defensive when the First World War ended, later forged in the

To these points must be added a further question: What effects does the working class have on the multinational enterprises, the hegemonizing state, and the other states?

⁵ The aircraft sector was not trade unionized in 1938, the year of rearmament and economic revival, but trade unionization was complete in 1945. The shipbuilding and petroleum-refining industries, which were only half trade unionized in 1938, were respectively totally and largely unionized in 1945. The unionization of the workers in the meat and sugar industries, which was modest in 1938, was almost complete in 1945. The unions also made substantial progress among workers employed in industries dealing with the derivatives of coal, tobacco and wool.

⁶ See Nathan Rosenberg (ed.), *The American System of Manufacture*, Edinburgh: University of Edinburgh Press, 1969, and by the same author *Technology and American Economic Growth*, New York: Harper & Row, 1972, especially pp. 59-110 for a penetrating and historically documented analysis of this point.

⁷ See, in particular, Mira Wilkins, *The Emergence of Multinational Enterprise: American Business Abroad from the Colonial Era to 1914*, Cambridge: Harvard University Press, 1970, pp. 199-217.

⁸ Mira Wilkins, *op. cit.*, p. 214: "In summary, it is significant that leading corporations in key industries in the United States were by 1914 involved in some kind of foreign business. For the United States, which was still rich in raw materials, the most remarkable phenomenon was not the search for supplies, but rather the dispersal through investment of American technology abroad".

crucible of the struggles during the 30s, they imposed a definitive shift in the relationship between capital and labor-power: collective bargaining and unionization became the "general rule" effective in all the countries of the West.

At the end of the war, unionized workers in the United States totaled 35 percent of the workforce: more than 14 million out of 40 million, excluding agriculture, and representing the most substantial working class force in the whole of the West. In percentage terms, this figure remained the ceiling for unionization in the history of the United States.⁹ In the process of capital's circulation, the so-called white collar workers, starting from those in the communications sector, showed a growing interest in unionization. In 1944, for the first time in the history of capitalism, the average wage packet of the blue-collar workers was higher than that of their white collared counterparts and years would be needed before the relationship was reversed. Strong resistance was also appearing against the tacit ban on unionization in the cycle of labor-power's direct reproduction. This trend was evident among hospital workers, teachers, male ex-workers expelled from their jobs by postwar reconversion and forced into skidding and downward social mobility, female ex-workers dispatched back to the kitchen¹⁰, all the Marxian "feeders" in their new guise¹¹ and also including the two sectors most conspicuously excluded from unionization: the chemical and the agricultural workers. The labor-power put to work directly by United States capital abroad was also entrenched in more advanced positions in terms of collective bargaining. This position was the case in the British and, later, the West German auto sectors, just as it was in the Latin American food and mining industries. But the driving force for this *international communication and amalgamation of the struggles* was provided by the *factory workers* in the United States, and more particularly by those producing transportation equipment.

The mass-power of the working class in its bargaining over necessary labor emerged weakened from postwar reconversion. Total wage disbursement fell, thus undermining the credibility of the CIO with the non-unionized workers with or without jobs. At the same time, the labor federations were more directly involved in the management and control of labor-power in the factories; this new relationship was codified in the Taft-Hartley law. If the manufacturing's total wage disbursement in constant dollars is put at 100 for 1957-1959, it rises from 79.1 in 1942 to 103.7 in 1944, falling to 86.5 in 1945 and to 72.2 in 1949. Only the Korean War managed to bring it back to 100.2 in 1953.¹² All the measures aimed at increasing the necessary labor of the employed workers in the postwar period were pushed through by means of this reduction.

The institutional forces – from government to the industrialists and the unions – put their money on reconversion as the big chance to replace the labor-power in the factories and, therefore, for the creation of a rank-and-file renewed, in part, by the influx of war veterans and, in part, by the expulsion of women, blacks, older workers, and teenagers from the sectors that were to suffer the most drastic restructuring. By promoting the insertion or reinsertion of young veterans and the expulsion or deskilling of labor-power discriminated in terms of the physical characteristics of sex and color, the unions were merely accepting the capitalist trend: everyone should be put in his/her place, thus eliminating the working class family's second or third wage, which had been the source for the capacity for self-finance demonstrated during the long strikes of 1945-46.

The war-time simplification of work methods and the adaptation of the machine to the worker, which gave labor-power having little or no "experience" of industrial work access to the factory, devalued the labor-power of the adult worker reinserted into the postwar factory and made him continuously interchangeable with each of the social figures that had replaced him during the war.

In this way, equilibrium was reestablished between the *higher level of accumulation and the relative overpopulation within the United States*. It was reestablished, not in the abstract, but *against* the working class of the wartime period in order to stimulate the employed *worker's productivity*.

⁹ U.S. Department of Labor, Bureau of Labor Statistics, *Directory of National and International Labor Unions in the United States*, Washington, D.C.: United States Government Printing Office, 1965.

¹⁰ On the relationship between housework and factory work among the women of the United States in the postwar period, see Selma James, "A Woman's Place", in Mariarosa Dalla Costa and Selma James, *The Power of Women and the Subversion of the Community*, Bristol: The Falling Wall Press, 1972, pp. 53-77.

¹¹ According to Marx's definition of the "feeders" of the 19th century, they "simply supply the machines with the material to be worked", in Karl Marx, *Capital*, Volume 1, New York: International Publishers, 1967, p. 420.

¹² Data from US Department of Labor, Bureau of Labor Statistics, *Employment and Earnings: United States 1909-72*, Bulletin 1312-9, Washington, D.C.: United States Government Printing Office, 1973, p. 15, and Congress of the United States, Joint Economic Committee, *Productivity, Prices and Incomes*, Washington D.C.: United States Government Printing Office, 1967, Table III. 21.

Despite the heightening of wage differentials and, in more general terms, the enlargement of the fractures internal to the working class along lines of caste and class, working class autonomy in the United States maintained its capacity to struggle against that division of labor which was imposed by heightening the class significance of differences in sex, race, and age group. It proved impossible to structure the social pyramid according to the canons of social geometry. The disquiet of the early 50s concealed behind the apparent withdrawal from the streets to the homes has already been noted.¹³ There were phenomena connected specifically with the factory. The 1949 strike of the largest factory of them all – Ford Rouge in Detroit – represented the watershed between working class interest and trade union interest. In the strike, there was only one demand: the end of speed-up. This indicated the most preoccupying crack in the edifice of Keynesian political economy to date. The unions were unable to adopt the demand as their own. For its part, Ford management had already started cutting back the plant and transferring part of the operations to less cohesive working class areas.

The intensification of the work rate and the rationalization of the flow of materials in the factory was accompanied by a strong workshifting – the crucial legacy of the war and reconversion – and, in general, by a strong turnover of labor-power for the given plant. If this was the highroad in the political stabilization of the first years after the war, the other road was a *further increase in the relative overpopulation abroad* through the appropriation and annexation of new spaces of penetration in the wake of the weakening of European and Japanese capital and the collapse of the colonial empires.

For the first time during any five years in the history of the United States, the period 1945-50 showed a lower level of direct investments in the industrialized countries than in the so-called underdeveloped countries. Oil took the lion's share and, in the 50s, continued to dominate the field of United States direct investments. It was only towards the end of the 50s that investments in the manufacturing sector once more took the lead. The possibility of imposing the United States policy of "the open door" either by joint or by solely United States investments in the traditional areas of penetration controlled by British capital first, and French and Dutch capital afterwards, was mediated by oil. It was essentially on the basis of the appropriation and accumulation achieved with oil that United States capital tended to introduce its control where the old colonial regimes had left space for an open struggle between colonizers and colonized.

Up until the unification of the AFL and the CIO in 1955 and the wave of wildcat strikes in 1953 and 1955, it seemed that United States industry and the United States government were trusting in the severe reconversion following the Korean War in order to control labor-power at home. But, in the meantime, the crisis of Europe's role in the world had reached the climax indicated by the Suez War. The United States was ready to take over the few tasks of world command still left to the old colonialists.

III. The increase in the mass of labor-power and relative overpopulation dependent on United States direct investment abroad.

Around the mid-thirties, the political development of the proletariat in the colonial territories tended to combine with the political movement of the metropolitan working class, which was characterized by a greater resistance to selling itself as a labor-power, by struggles for unionization, and by its capacity to force the U.S. state to accept the New Deal and the new Rooseveltian contract. As a result, the leading function of United States capitalism found itself with an enormously enlarged space for maneuver in direct investment abroad. This trend was clear in the first years of the postwar period, and above all from the Korean War on, but it was already implicit in the shift imposed on the relationship between working class and capital by the cycle of struggles during the decade 1932-41. United States business historians try to date the penetration of United States capital abroad back to the 1800s¹⁴, while the present-day economists study the current trends in the expansion of the multinationals.¹⁵ But these approaches cast a shadow

¹³ Ely Chinoy, *Automobile Workers and the American Dream*, New York: Random House, 1955, and Alvin W. Gouldner *Wildcat Strike*, Kent: Kent State University Press, 1954 give a clear picture of this aspect of the 50s.

¹⁴ See Mira Wilkins, *op. cit.*, and the ample bibliography quoted there, pp. 221-52.

¹⁵ For the current debate, and particularly the positions of Raymond Vernon and Stephen Hymer, the two major theorists of the problem of the multinational enterprises in the light of experiences since World War II, see Giacomo Luciani, "Introduzione", *op. cit.*, pp. VII-XVI. By Raymond Vernon, see, in particular, "International Investment and International Trade in the Product Life Cycle" in *Quarterly Journal of Economics*, VIII, 2, May 1966, pp. 190-207, and also *Sovereignty at Bay: The Multinational Spread of U.S. Enterprises*, London: Longman, 1971. By Stephen Hymer, *op. cit.*, particularly pp. 1-92.

over the twenty years stretching from the sit-ins at General Motors and the working class victory in early 1937 to the final confirmation of the crisis of 'trade and flag' colonialism with the irreversible Anglo-French defeat at Suez. And an equally impenetrable shadow is laid over the function of the U.S. state which, in the twenty years in question, was laying the foundations for the extension and deepening of U.S. penetration abroad. It was no longer enough to shift factories from "hot" areas, notably in the Northeast, to non-unionized areas within the country, notably in the South and the West.¹⁶ On the strength of the victories of 1934-37, the challenge of the nascent CIO promised union organization even before the factories arrived.

In the history of the United States working class one may perhaps be able to indicate a threshold beyond which the intimidation of unemployment following a struggle no longer played a decisive role in the development of the strike. The experience of the unemployed in the 30s and the certainty of the social wealth that the united proletariat could re-appropriate, the sense of the power of labor's productive forces that the working class confronted daily, and the certainty that the unemployed worker survives on the basis of a collective organizational effort rather than a laborious individual abstinence, are all factors already present in the struggles, both inside and outside the factory.

When the problem was to decide what form the struggle should take against General Motors at Flint in late 1936, and the union organizations were recalling the reprisals, dismissals and reconversion of plants that could follow, the workers came out for the toughest form of struggle: the sit-in.¹⁷ Working class initiative placed the New Deal back under discussion, relaunched the struggle in the more isolated sectors, and reminded U.S. capital that its reference point for overcoming the impasse must have two aspects: on the one hand, internal repression – and the massacre of the Chicago steel workers came two months after the workers' victory over General Motors; on the other, the revival of production after the recession in late 1937, that came with the project for strengthening the defense of United States interests abroad and, consequently, with rearmament.¹⁸

Moving through the map of its interests, the United States ensured itself world hegemony. But these motivating interests could certainly not just be situated outside the United States. The objective thrust of U.S. capital after the struggles of the 30s was once more towards expansion, and it was essentially a thrust emerging from within the country.

The War was the great chance to overcome the boundaries of a regional policy of domination over the two Americas. Certainly, the lines of intervention followed by the state and business were not convergent; and the gap widened when, at the end of the War, the geopolitical boundaries of direct penetration were defined, a process in which United States influence lost some of its traditional zones, to the chagrin of the so-called China Lobby. But war production was an effective instrument for mediation between the state and business, capable of recomposing their differences and indicating new openings. In this process, the U.S. state-machine had the function of leadership and the armed forces formed its cutting edge. If old-style colonialism contemplated the joint movement of trade and the flag, in this case the flag managed to precede the more wide-scale resumption of direct investment.

Not that the country's industrial policy was blind to the new opportunities that were about to open up abroad. Rather, the general view was favorable to an intensification of direct investments at the expense of portfolio investments. A memorandum from the National Association of Manufacturers in September 1944 clearly reflects

¹⁶ On the problem of the geographical distribution of factories in the United States, see Victor Fuchs, *Changes in the Location of Manufacturing in the United States Since 1929*, New Haven: Yale University Press, London 1962.

¹⁷ On the occupation of the General Motors Fisher Body, at Flint, see Irving Bernstein, *Turbulent Years: 1933:1941*, Boston: Houghton Mifflin, 1971, pp. 519-51 and, in particular, pp. 525-6.

¹⁸ Economics found it difficult to keep up with the real processes. See, for example, the desperate forecasts of Alvin M. Hansen, the dean of U.S. Keynesians, in his December 1937 speech to the American Economic Association at the end of the tensest five-year period of working class struggles in the history of the United States: Alvin M. Hansen, "Economic Progress and Declining Population Growth" in American Economic Association, *Readings in Business Cycle Theory*, Philadelphia: Blakiston, 1944, pp. 366-384. Hansen forecast stagnation because, in his view, the three fundamental factors of U.S. economic growth were lacking: the rate of population growth, the opening of successive continental frontiers and the exploitation of the natural resources of the West; also finally, the expansion of technological research and its application. After forecasting a slower growth rate for population and for technological innovation, pioneering outlets toward new investments were also seen as "rapidly being closed" because a whole array of "institutional developments" – and first of all "the growing power of trade unions and trade associations" – restricted initiative. Moreover "no one is likely to challenge the statement that foreign investment will in the next fifty years play an incomparably smaller role than was the case in the nineteenth century". The position of Hansen and the other U.S. Keynesians reflected the general pessimism of the late 30s when the stagnation of trade and international investments was one of the most striking features. Hansen was far from foreseeing the *elan* with which U.S. capital was to try to free itself of a large proportion of *precisely that working class* which had repeatedly paralyzed profit-making between 1934 and 1937.

the trend towards greater *United States* control over capital sent abroad in order to reduce the danger of confiscations and defaults: [American capitals sent abroad should be] "accompanied by American technicians"; they [should not be] "detached from the 'know how' and should be in the form of direct investment to prevent defaults".¹⁹

At the same time, the postwar offensive against the working class was beginning. According to the National Association of Manufacturers, it was necessary to eliminate "the special privileges" given to labor:

" . . . in recent years we have given special privileges to labor to offset the earlier privileges granted to business. . . . This policy will not work . . . NAM's complete program recommends therefore . . . legislation to correct existing labor laws to provide specific responsibilities and obligations for labor as well as management; to protect individuals in their right to work; to regulate union practices which restrict efficiency and maximum production or limit job opportunities; to permit management the same free choice in selecting its representatives (foremen and higher level of management) as is accorded labor; to require that labor unions, as well as management, abide by their collective bargaining contracts".²⁰

And, as the President of the National Association of Manufacturers recalled, "today's issue is a struggle between organized labor on the one hand and the public interest on the other".²¹

So, in the medium term, the tendency to strike at the working class within the United States was combined with the new openings which were created abroad with the end of the Second World War as capital tried to emancipate itself from the power of an organized working class. The state prepared the ground both at home and abroad by organizing measures of economic and extra-economic coercion, by distributing its armed forces, not only according to estimates of the external enemy's military potential, but also according to calculations of the equilibrium within the territories under its influence,

From this viewpoint, the most conspicuous bottleneck in the immediate postwar period was the difficulty in recruiting for the United States armed forces. The servicemen's demonstrations in Asia and Europe for repatriation and demobilization at the end of the War were characteristic of a generation that had lived through strikes, the factory sit-ins and collective bargaining from a position of strength. And these young workers returned to the factories and offices after expressing their rejection of the role of soldier in the most varied kinds of struggle.²²

As in the British experience, strikes by drafted service men put an end to any project of continental-scale war for the re-conquest of lost positions.²³ The Pentagon's first reaction was to introduce the voluntary army in 1947. After 17 months of frustration, the Pentagon was forced back to the compulsory drafts hoping that unemployment in the ghettos would do the rest. Perhaps the difficulties involved in mobilizing a social consensus, even more than the consent of potential recruits²⁴ should be seen as one of the major reasons for the massive development, not so much of the nuclear umbrella, as of the operational methods of the U.S. war-machine, which has been generally one step ahead with respect to industry. One of the legacies of the War was the army training in cooperation and abstract command which touched three and a half million

¹⁹ National Association of Manufacturers, *Principles Governing Foreign Investments* (duplicated), 19 September 1944 in James B. Carey, *Collection*, Box 27, Archives of Labor History and Urban Affairs, Wayne State University, Detroit, Michigan.

²⁰ National Association of Manufacturers, "Walter D. Fuller for the National Association of Manufacturers at the National Postwar Conference, Nov 1-2, 1945" (mimeographed), p. 5 in James B. Carey, *Collection*, Box 27, *op. cit.*

²¹ National Association of Manufacturers, "President's Report of June 25, 1946" (mimeographed), p. 2 in James B. Carey, *Collection*, Box 27, *op. cit.*

²² Art Preis, *Labor's Giant Step: Twenty Years of the CIO*, New York: Pioneer Publishers, 1964, pp. 272-8-423, notes the relationship between struggle in the factory and struggle in the army during the 1945-47 cycle of strikes.

²³ Joyce and Gabriel Kolko, *The Limits of Power: The World and United States Foreign Policy 1945-1954*, New York: Harper & Row, New York 1972, p. 93, observe that, according to the State Department, the soldiers' struggles were "an embarrassment to the conduct of foreign relations".

²⁴ Gore Vidal, "West Point and the Third Loyalty", in *The New York Review of Books*, XX, 16, October 18, 1973, pp. 21-8, recalls the endemic rejection of the War by the "West Point officer class". Around the crisis of the infantry in the Korean War, which was noted by General Ridgeway, there developed the new theories of "limited war" and "flexible response" – future methods of the professional counterinsurgency army, all positions which presuppose the impossibility of winning social consent for war operations.

young people²⁵ representing fresh labor-power for industry immediately after the War. Added to them as potential labor-power for the war-machine was a mass of experts who had also passed through cooperation in war production, as well as highly skilled researchers drained from all the Western countries – Germany, in particular – and organized around single projects with rigidly planned deadlines and tasks.

Abroad, it was the working class on the offensive in the countries under Allied occupation that *moved* U.S. capital, whose efforts were directed at the resumption of an orderly management of labor-power. In this connection, one should note the development of labor's productive forces in the United States as a result of the War, in contrast to the mutilation of the productive apparatus in all the major industrial countries, with the partial exception of Great Britain. But one should also note the general political availability for work that the destruction caused by war had created, an availability that the military apparatus of the United States found politically difficult to direct towards the economic restoration of the old powers, now ready for renewal thanks to the combination of the wartime capitalist accumulation and United States aid. It was the general availability for work of a modern labor-power that the experience of factory and war had irreversibly marked with adaptation to abstract work. With respect to this labor-power the U.S. state set itself up as labor's reorganizer.²⁶ Perhaps the fears of those in charge of United States foreign policy about excess unemployment in the occupied countries and the urgency of eliminating it derived from their memories of the working class struggles in the U.S. during the 30s. These had been winning struggles thanks to the unity between employed and unemployed, a unity which had taken the state apparatus and the world of industry by surprise.²⁷ Objectively, the crucial U.S. aid to Europe and Japan made the U.S. a state into the real *general employer* in these countries during the first post-war phase.

Early in 1944, the Division of International Labor, Social and Health Affairs was set up in the Office of Economic Affairs at the Labor Department. Quietly the state bureaucracy's constant collection and diffusion of information on labor-power abroad strengthened the tendency of large-scale U.S. capital to escape the limitations laid down by working class organization in the factories and learn the habit of looking outside the country. Once the areas of influence had been defined, the U.S. state managed to make the reasons for excluding the old industrial power-elite from governing coincide with scarcity, if not hunger, and the reasons for compromise between the old and the new elites with the reasons of growth. The measuring-stick for judging these elites was whether they showed proven capacity for promoting labor-power's general availability for work in rigid respect for the areas of influence. When this respect was not guaranteed, as in the case of the French Communist Party, the Italian Communist Party and the leftwing labor federations in France and Italy, the commitment of these forces to promoting a resumption of work was not enough to keep them embedded in state power.²⁸

The relationship between the U.S. trade unions and the revival of the working class movement in the occupied countries was established on the basis of a collective bargaining that was to privilege those sectors of the working

²⁵ Benjamin W. Corrado, "Military Training Techniques Suggest New Ideas for Industry", in *American Machinist* LXXXIX, 3, February 1, 1945, pp. 89-91.

²⁶ The general work on the methods and pace of U.S. penetration in the first decade after the war is Joyce and Gabriel Kolko, *op. cit.*

²⁷ See, for example, Roy W. Howard's report to the White House ("Howard to Howe", July, 3, 1934, Roosevelt Papers), quoted by Irving Bernstein, *op. cit.*, p. 221 on the unity between employed and unemployed during the strike in Toledo, Ohio, the first of the great strikes of the New Deal.

²⁸ On the relationship between working class struggles and U.S. intervention and containment, see, for Germany, France and Italy, particularly Joyce and Gabriel Kolko, *op. cit.*, pp. 125 et seq., 360 et seq., 435 et seq. On anti-working class repression in Germany, Karl Heinz Roth, *Die "andere" Arbeiterbewegung*, Munich: Trikont Verlag, 1973, pp. 175-94. On Italy, Vittorio Foa, "La ricostruzione capitalistica in Italia e la politica delle sinistre", in Guido Quazza (ed), *Le origini della Repubblica in Italia: 1945-1948*, Turin: Giappichelli Editore, 1974, pp. 99-135. On the restoration in Japan, besides Joyce and Gabriel Kolko, *op. cit.*, see also Howard B. Schonberger, "Zaibatsu Dissolution and the American Restoration of Japan", in *Bulletin of Concerned Asian Scholars*, V, 2, September 1973, pp. 16-31, and, on the relationship between working class struggles and the unions, David Baker, "The Trade Union Movement in Japan", in *International Socialism*, 23, Winter 1965-66, pp. 19-26. On the decisive importance of U.S. interventions in recreating the hegemony of Japanese capital in Southeast Asia, see John Halliday and Gavan McCormack, *Japanese Imperialism Today: "Co-prosperity in Greater East Asia"*, Harmondsworth (Middlesex): Penguin Books, 1973, in particular pp. 1-134. For South Korea, J. Scher, "U.S. Policy in Korea 1945-1948: A Neo-Colonial Model Takes Shape", in *Bulletin of Concerned Asian Scholars*, V, December 4, 1973, pp. 17-27, and Herbert P. Bix, "Regional Integration: Japan and South Korea in America's Asian Policy", in *Bulletin of Concerned Asian Scholars*, V, 3 November 1973, pp. 14-33. Bix notes the development of the various forms of extra-economic coercion which turned the South Korean working class into cheap labor-power, costing, on average, a sixth of Japanese labor-power in 1970. On U.S. interests in an area fatal for U.S. expansion in the 60s, see Henri Lanoue, "L'emprise économique des Etats Unis sur l'Indochine avant 1950", in Jean Chesneaux, Georges Boudarel and Daniel Héméry (eds), *Tradition et Révolution au Vietnam*, Paris: Editions Anthropos, 1972, pp. 192-328. The Cold-War- inspired map of the "ferment" in the plantations and medium and small holdings Southeast Asia in the 40s and 50s is to be found in Erich H. Jacoby, *Agrarian Unrest in Southeast Asia*, London: Asia Publishing House, 1961, especially on Indonesia, pp. 52-81, on the Malaysian Federation, pp. 109-47, and on the Philippines, pp. 191-233.

class emerging from reconversion with least strength. Radical historians have laid great stress on the ferociousness of the splits in trade union unity in Europe, Latin America, and Japan.²⁹ Certainly, in the rising pressures brought to bear on the working class movements that wanted to keep their distance from the two U.S. labor federations, every form of coercion can be found: from corruption or small-time physical elimination to the organization of blacklegs, the repression of strikes, and military intervention.³⁰ Within industrialized countries, attacks were concentrated on the most advanced points of the working class, and it was on the assumption of their defeat that the sale of labor-power was negotiated at the various national levels. Collective bargaining was to be carried out on a sector-wide basis, or – where possible – even on a company-wide basis, with notable wage differences according to an evaluation of skills that was sometimes borrowed from collective bargaining in the United States, and sometimes imposed together with United States technology itself. The crucial leap taken by U.S. industry with the extended mechanization of materials handling within the metal-working factories and automatic control in the chemical factories during the decade following the strikes and sit-ins of the 30s was now exported, thus resulting in the dilution and flattening of skills.³¹

In the countries where repression against the advanced points of the working class movement was harshest, the introduction of new machinery incorporating a higher level of mechanization tended to throw old and new strata of the working class into crisis, meeting with a notable, but generally isolated resistance. In countries like Great Britain where there was a wide gap between the technological level of the leading firms, which were often American, and that of the local ones, the turnover of labor-power was higher in the former, while, in the latter, the labor relationship, which was still prevalently based on old forms of piece-work, was more stable.³² In general, through the rearmament connected with the Korean War, U.S. capital attacked the politically more coherent working class nuclei both at home and abroad.³³

At the start of the '50s, the reserve of labor-power available to U.S. capital seemed to be greatly in excess of investment possibilities. But, while the initiative was seemingly in the hands of a U.S. capital capable of putting to work increasingly ample sectors of labor-power in the United States, Europe, Latin America, and Japan, this capital was committed to a struggle over the *conditions for entry* into the factory for the labor-power that, in those years, was delivering decisive blows against the old colonial empires. Of the two processes, the first was the driving force pulling the second, behind it. The interest in preventing the armed entry of an anticolonial proletariat into mass

²⁹ The most comprehensive treatment is Ronald Radosh, *American Labor and United States Foreign Policy*, New York: Random House, 1969. See also Henry V. Berger, *Union Diplomacy: American Labor's Foreign Policy in Latin America, 1932-1955*, Unpublished Doctoral Dissertation, Madison: University of Wisconsin, 1966.

³⁰ The two great arenas for these operations were Germany-France-Italy-Greece-Turkey and Malaysia-Japan-Korea-Philippines with different combination of persuasion and violence. The most extensive reconstruction is that of Joyce and Gabriel Kolko, *op. cit.*. See also Ronald Radosh, *op. cit.*

There is no general history of the forces originating from the Third International in South-East Asia in the years after the Second World War and, in particular, in the period from the demobilization of the partisan formations after the defeat of the Japanese and the return of the Allies up until the resumption of guerilla warfare, this time against the "great democracies". While, in Malaysia, British colonialism tried to coopt the Malaysian Communist Party into the management of Pax Britannica until 1948, in the Philippines the much stronger American armed forces turned down the Philippines Communist Party's offers of an alliance, as Jonathan Fast documents in "Imperialism and Bourgeois Dictatorship in the Philippines", *New Left Review*, 78, March-April 1973, pp. 69-96 and, in particular, pp. 80-86. See also, the critical observations of William J. Pomeroy, "On the Philippine Huk Struggle", in *New Left Review*, 81, September-October 1973, pp. 93-100, and the reply of Jonathan Fast, "Reply to William Pomeroy" in the same issue of the review, pp. 101-8. The article of John Halliday, "What Happened in Korea, Rethinking Korean History 1945-1953", *Bulletin of Concerned Asian Scholars*, V, November 3, 1973, pp.36-44, shows that the North Korean military intervention at the end of June 1950 was not merely a just and justified territorial defense against an attack from South Korea, but a late and losing gesture of support for mass insubordination against the South Korean regime. On the unique exception of Vietnam and the way in which the Vietnamese movement managed to maintain its unity beyond the divisions perpetrated by colonialism, see Jean Chesneaux, "Les Fondements Historiques du Communisme Vietnamien", in Jean Chesneaux, George Boudarel and Daniel Héméry (eds), *op. cit.*, pp. 215-37.

³¹ See James R. Bright, *Automation and Management*, Cambridge: Harvard University Press, 1958 and "New Potential of Materials Handling," in *Harvard Business Review*, XXXII, 4, July-August 1954, pp. 79-91.

³² On the condition of the working class at British Ford, the largest U.S. enterprise in Britain, and its work rates, which are similar to those of the other U.S. auto corporations in England – Vauxhall (General Motors) and Rootes (Chrysler) – but rather more intense than those owned by British capital, see Ferruccio Gambino, "Ford Britannica: la formazione di una classe operaia", in Sergio Bologna, George Rawick, Mauro Gobbini, Antonio Negri, Luciano Ferrari Bravo, Ferruccio Gambino, *Operai e stato: lotte operaie e riforme dello stato capitalistico tra rivoluzione d'ottobre e New Deal*, Feltrinelli, Milano, 1972, pp. 147-90.

³³ The epicentre was the auto sector. It was around the Korean War that the decentralization of production at Detroit began. But see also, for example; Herbert P. Bix, *Regional Integration*, *op. cit.*, p. 21 on the repressive measures adopted by the Allies in Japan on the eve of the Korean War when "more than 12,000 union workers and government officials were fired from their jobs for political reasons" and all public demonstrations were temporarily banned. Also, Gian Giancomo Migone, "Stati Uniti, Fiat e repressione antioperaia negli anni cinquanta", in *Rivista di Storia Contemporanea*, 2, April 1974, pp. 232-57, and the reports from Fiat and the U.S. embassy in Rome reprinted there, pp. 258-81.

industrial production essentially derived from the objective movement of capitalist expansion, radiating from its vital, metropolitan nerve centers.

The crisis of colonialism as a particular stage of imperialism, as a conjunction of trade and the flag, reached a breaking-point when the colonized proletarians started to behave politically as if they were proletarians in large-scale industry – in the presence, *and also in the absence* of local large-scale industry. It was then that the proletariat's nationalism began to be differentiated from that of the nascent local bourgeoisies and the conflict between colonized and colonizers turned into an armed struggle.

The process of decolonization after the Second War required armed struggle in those situations where three essential factors were combined: the prevalence of private metropolitan interests over those of the colonial bureaucracy, the imperialist state's capacity for organizing a certain consensus for overseas wars and the mobilization of the necessary mass of soldiers, and an autonomous class of white settlers with interests and an ideology that were sufficiently developed to continuously stimulate a metropolitan reaction to the threat of an anticolonial struggle, yet still sufficiently linked to the metropolis to consider it as the supreme depository of its own interests. The more these factors were developed, the more one could find some corresponding characteristics of the colonized and metropolitan society: the prevalence – in terms of accumulation – of wage-labor over pre-capitalistic modes of production, the political development of the metropolitan working class to the point that the recruitment and dispatch of soldiers to combat zones became increasingly difficult (and even semi-clandestine), and the maintenance of the local bourgeoisie in sectors marginal with respect to the general level of accumulation, in such conditions of weakness that it was unable to control the local proletariat. The two major French colonies, Vietnam and Algeria, answered these characteristics and formed the two most violent cases of war in the twenty years after World War II. When the conflict risked becoming a civil war in the metropolis, the reconversion of the private sector and second thoughts in the army got the upper hand over the arguments offered by the settlers to support their case.

The cases offered by the British Empire are partially different from the French model, but confirm the general pattern. Immediately after the war, the withdrawal from the Indian subcontinent was the combined result of the Indian bourgeoisie's progressive affirmation as the sole guarantee of control over the proletariat, the hegemony of the state bureaucracy over private British interests, and the state's inability to draft the British working class for war operations on a sub-continental scale. The British army was to fight other colonial wars in the 50s and '60s, but on a limited scale, within the dimensions of small professional armies and essentially in an attempt at both freeing the national bourgeoisies from the limits laid down by the proletariat during the expulsion of the colonial apparatus and at weakening them through intestine rivalries. Formal independence in Africa started with the British withdrawal from Ghana, and not by chance. More clearly than in any other colonial territory, Ghana's conditions differed from those ruling in Algeria under French domination. The predominant mode of production was a proto-capitalistic one of goods linked to Britain's large-scale chemical and food industries. Production was in the hands of an emerging African bourgeoisie and the colonial apparatus was small, though it dominated the few British mineral interests. Finally, Dien Bien Phu and Suez had induced even French large-scale capital, not to mention its British counterpart, to adopt the line of least resistance to the anticolonial forces on the institutional level. The peaceful passage of power modeled on the Ghanaian case was then to be reproduced in some other British African colonies and in the British West Indies. In fact, where the settlers were a substantial minority, the African proletarians' guerilla warfare speeded up the deadlines for formal independence, although at the cost of atrocities and concentration camps for African fighters and civilians, most cruelly in Kenya. Where settlers' interests and ideology no longer had anything to do with "back home" and were ossified into caste regimes as in South Africa and Rhodesia, the alliance with British and United States industrial interests was tightened and strengthened on the basis of the settlers' state power and their capacity for extra-economic coercion with respect to the Africans.³⁴

³⁴ On Ghana, see the fundamental book of Geoffrey B. Kay, *The Political Economy of Colonialism in Ghana*, London: Cambridge University Press, 1972. On Vietnam, Jean Chesneaux, Georges Boudarel and Daniel Héméry (eds), *op. cit.* On Algeria, Franca Cipriani, "Proletariato del Maghreb e capitale europeo" in Alessandro Serafini (ed), *L'operaio multinazionale in Europa*, Milano: Feltrinelli, 1974, pp. 77-107.

On South Africa, Harold Wolfe, "The Theory of Internal Colonialism: The South African Case", in *Bulletin of the Conference of Socialist Economists*, 9, Autumn 1974, pp. 29-41, and Michael Williams, "An Analysis of South African Capitalism – Neo-Ricardianism or Marxism?", *Bulletin of the Conference of Socialist Economists*, IV, 1, February 1975, p. 1-38. The links between South African capital on the one hand, and British and U.S. capital on the other, have been dealt with in numerous studies of uneven quality. The most up-to-date is Ruth First, Jonathan Steele and Christabel Gurney, *The South African Connection: Western Investment in Apartheid*, London: Temple Smith, 1972. For Rhodesia, perhaps more than for South Africa, there is the distinction between the old white settlers prepared to make a last-ditch stand and the new arrivals after the Second World War, who would be inclined to return to Europe once the clash becomes acute.

It was precisely in the countries where the local bourgeoisies were less developed and where veins had already been slashed open that the United States was called in. Vietnam represented the extreme case – i.e., where a mass Communist proletarian force blocked the process of accumulation and where the U.S. replied with the maximum of violence. In general, when penetrating the former colonies, the United States paid particular attention to the economic weakness of the local bourgeoisie, not as an apparatus of state control, but as an autonomous agent of accumulation.³⁵

In effect, United States initiative with its direct investments abroad was inserted into a situation of weak national bourgeoisies with a reduced capacity for control over the proletariat. What were the relevant phases after the Second World War? And what modification were the result?

After the Bretton Woods agreements, U.S. investments allowed the major United States oil companies, together with British Petroleum and Shell to rip off notable amounts of the wage in the West. The acceleration of the flow of United States direct investments can be dated from the years following the Anglo-French defeat at Suez. Its aim was to take control over a large mass of labor power already trained by decades of industrial discipline in Europe, Latin America and Southeast Asia.

United States initiative drove a wedge between, on the one hand, the crisis of the war-weakened European bourgeoisies and working class insubordination around the end of the war and, on the other, Europe's colonial defeats and the separation between the interests of the local bourgeoisie and proletariat during the anticolonial struggle. The army, far from following sheep-like in the wake of industry's decisions, merely accepting the task of providing the necessary protection, anticipated the moves and paved the way for them, thus forming a guard-level trying to resist all possible tensions on the international level.

In this transformation, the old prewar elites managing U.S. industrial interests abroad were renewed, placed under closer control by the industrial and financial leadership and opened to closer communication between each other. But, at the same time, this renewal also involved the state level. In the *division of control*, the national bourgeoisie was allotted the bureaucratic-administrative tasks; it still did not have the privilege of extracting social surplus value and was given tasks of coercion on behalf of metropolitan capital, as had already been made necessary by the progressive crisis of colonial rule. The division of labor promoted by direct investment merely deepened this split. The expansion of the leading sectors of the "national" economy was separated from social control. While the first task was taken up by metropolitan capital, the national bourgeoisie was handed the *Intermundia* of the backward productive sectors and the corresponding circulation of capital – but, above all, of the apparatus of internal control directed against its own proletariat.

This was not an ossified situation, however. It is precisely through the tasks of social control that part of the national bourgeoisie can be filtered and introduced into the forms of surplus-value extraction proper to direct investment. This selection is only apparently a slow training-process. In reality, in the national bourgeoisies where the osmosis of bureaucratic-administrative and military tasks of control is traditionally strong, the interaction between United States and local managerial elites has been notable.

Within this framework, the metropolitan personnel which direct investment requires to perform the tasks of social regulation, has the function of providing economic and military planning, technical consultancy and the training of labor-power, and moral support for the process of penetration. In part, this personnel is trained on the spot through immediate experiences of control in the place of production and then transferred to social control; in part, it is trained in other situations, and then transferred. The capacity for adaptation and flexibility in the tasks of command

³⁵ It is sometimes the companies with a longer history of exploitation in the colonies that are expelled or put in a minority in the new states, while the new arrivals adopt a role as the promoters of "renewal". This is the case, for example, of Jamaica and Guyana where the U.S. companies "landed on" the bauxite deposit shortly before independence, which they then supported in their own way. In other cases, for example Zambia, control of the old Anglo-American joint ventures in copper effectively succeeded in taking over management of the mines, without this leading to any substantial reduction in the differences between African and European wages and salaries, even when paid for the same skills. The United States' uncertainties immediately after the war as to the most convenient forms of government in Latin America were dissipated by the mid-50s. Joyce and Gabriel Kolko, *op. cit.*, p. 629, rightly indicate the coup d'état in Guatemala (1954) as the turning-point in U.S. policy. On the crisis of U.S. interests in Central America after the agricultural workers' strikes and revolts against United Fruit in Honduras, a crisis that led Washington to second thoughts about Guatemala, see Marcel Niedergang, *The Twenty Latin Americas*, I, Hardmondsworth (Middlesex): Penguin, 1971, pp. 325-8.

have been ambitions felt rather strongly by U.S. capital abroad. On the one hand, U.S. capital tries to appropriate and annex those traits of the individual and collective worker which are specific to ethnicity, together with the characteristics of the individual and collective capitalist which Anglosaxon-style command has so far not managed to assimilate. On the other hand, greater efforts are made to adapt the various industrial operations to the peculiarities of the various ethnic groups and their pre-capitalist legacy, so as to transform their mode of association into special modes of existence of capital.

IV. Productive Diversification: Breakdown and Recomposition of Labor-power.

What is the relationship of the working class struggle's initiative to the revolutionizing of the productive forces and the modification of the proportion between necessary labor and surplus value? And, more modestly, what is the class conflict's relationship to the product's life-cycle, that life-cycle for which the answer produced by economics in the 60s seemed unsatisfactory even to the economists themselves.³⁶

As a hypothesis, one might perhaps say that the increase in the working class's political strength around the period of the product's "exponential expansion" regularly decrees the latter's decline. But, here, our theme is more modest. The problem is to study two cases of productive diversification characteristic of the passage from the U.S. state's geopolitical commitment to the U.S. multinationals' direct investment abroad, and to examine their most neglected aspect as cases of contraposition between labor-power producing "raw materials" and labor-power producing "artificial materials". Here, they will be considered as *specific modes for the decomposition of labor-power* put into effect by industrial capital and by merchant capital. Such decomposition has been necessary to remove the old colonial coalitions. In this sense, United States capital, the inheritor of German capital's attempt to achieve independence from colonial sources of supply, has gone beyond the mere appropriation and annexation of alternative processes of production. It also plays off the "natural product" against the "artificial" one, and vice-versa. The objective result is essentially the decomposition of both the mass-power of the working class in the United States and the old power-balances in the colonies.

When the four United States corporations grouped in Aramco started extraction operations in Saudi Arabia on the eve of World War II, the focus of United States' oil operations shifted from Central America to the Middle East. United States interests and European interests accelerated the formation of an oil proletariat revolving around U.S. hegemony. Zionist capital in Palestine catalyzed the process, subsequently followed by the other regimes in the Middle East. In particular, on the Arabian peninsula, together with the North American and European technicians and executives, there was an influx of Palestinian refugees and, in general, a large number of those uprooted from the land in neighboring countries to the oil wells and urban centers. The apparent result was a mosaic of ethnic groups but, in fact, there emerged a social pyramid of notable proportions based on caste and class. In Saudi Arabia, for example, the non-Arabs (Ethiopians, Iranians, Pakistani, Indians) remained at the bottom of the pyramid, followed by the Arabs, particularly those from Yemen and Oman, with less training for industrial work. After them came the inhabitants of the oil-rich countries' urban areas together with the immigrants, mostly Palestinians, having a higher education and a longer training for industrial labor, in particular from South Yemen. Finally, there was the "superior" labor-power from the West and the local managerial executives, all of them under the hood of the relations tying the local power-elite to the U.S. state and the decision centers of the energy multinationals.³⁷

Employment in the oil sector dropped progressively during the 60s and early 70s because of technological innovations in the process of extraction. Those working directly in the oil fields have remained a crucial

³⁶ Raymond Vernon, *Sovereignty at Bay*, *op. cit.*, p. 108, sums up the terms of the debate as follows: "By 1970, the product cycle model was beginning in some respects to be inadequate as a way of looking at the U.S.-controlled multinational enterprise. The assumption of the product cycle model – that innovations were generally transmitted from the U.S. market through production and marketing in overseas areas – was beginning to be challenged by illustrations that did not fit the pattern. The new pattern that these illustrations suggested was one in which stimulation to the system could come from the exposure of any element in the system to its local environment, and response could come from any part of the system that was appropriate for the purpose". There is no need to add that the dysfunctions of the old model had something to do with a Vietnamese "periphery" which was handing out a few lessons to the "center".

³⁷ On the uprooting of the peasant population in Palestine, see Helen Lowe, "The Middle East Crisis", in *Race Today*, VI, February 2, 1974, pp. 51-4. Social stratification in the Arabian peninsula is dealt with by Fred Halliday, *Arabia without Sultans*, Harmondsworth (Middlesex): Penguin Books, 1974, pp. 418-23. Immigration is a characteristic of most of the oil-producing states in the area. In Kuwait, as compared with 346,000 largely unproductive citizens, there are 387,000 immigrants. In Dubai, the immigrants represent 75 percent of the population and, in Bahrain, 20 percent.

minority in the industry as their productivity has been on the rise, while a growing proletariat in the oil-rich countries has not only handled the distribution of oil downstream but sustained life, reproducing labor power throughout the region. Productive expansion and the extension of industrial discipline and technical instruction among local labor-power and immigrant labor-power from the neighboring countries have led to that labor-power's insertion into the skilled jobs from which it had been generally excluded in the 40s and 50s. The restriction of the range of jobs carried out by Westerners should not hide two important and parallel phenomena. The first is the reduction of the *Aramco psychology* – i.e. the prospect of getting rich quick and subsequently returning to the West and the second, the growing conflict between the local power-elite and multinational capital, on the one hand, and the proletariat of the oil fields and induced activities, on the other. After the mass dismissal of the Europeans striking against Aramco in 1946 and the combination of repression and concessions in the strikes of the 50s³⁸, the major class-pole in the area, Aden, managed to impose its own rate of emancipation from indirect British rule, which also acted militarily on behalf of the other Western powers. But the opening of new spaces to U.S. oil initiative made it possible to influence the wage in the countries of Western Europe, which were dependent on Middle Eastern oil supplies, and to harvest the anti-working class fruits of energy diversification in the United States itself.

The extraction of crude in the United States had suffered a first setback in 1948 because of the influx of an imposing mass of oil from the Middle East and the Caribbean. In 1953, in order to revitalize the United States' domestic oil operations, the Oil Import Mandatory Program limited imports to 12.2 percent of consumption in the area to the East of the Rocky Mountains. By separating the cost of domestic crude, which was more expensive to extract, from that of crude extracted abroad, the U.S. oil corporations were given a subsidy worth billions of dollars through a triangular system of support: the exploitation of labor-power in the producer countries and the countries making machinery for the extraction of oil, the heavy impact of oil on the real wage in Europe, and the lesser, but still notable impact, which was not without relationship to the average international cost of extraction, on the working class real wage in the United States. The diversification of energy represented by the new influx of Middle Eastern oil into Europe and, still more, the United States, imposed political stagnation on the coal-miners, who had been the driving force behind the breaking of the social peace during the Second World War.

Twenty years of rank and file struggles were needed to bring the demands of the United Mine Workers (UMW) union back to the national level after the energy diversification of the 50s and 60s and the resulting political ossification of the union, which was corrupt in its leadership, capable only of administrating itself badly, and long incapable of even setting up the most elementary platform of demands, even in connection with the industry's health hazards.

This was the first test of what would have happened with the continual switching between the production of "raw materials" and the production of "artificial materials" in the years of colonialism's agony. But it was a decisive test because the U.S. state entrusted, and increasingly entrusts, the energy multinationals' accumulation with the role historically played by traditional finance capital in its tasks of mediating long-period investment internationally. With a power of accumulation unprecedented in the history of capitalism, and freed of a day-to-day relationship with large masses of labor-power, the energy multinationals exact growing shares of the wage on behalf of social capital. They have developed a control which is indifferent to the traditional mediations of industry, the coal sector included. More than in the exploitation of labor-power, which it must also plan for the long period through the direction of investments, and more than in the consensus of industrial capital, which it must still seek out, this control seems to continually find its supreme legitimation in the military force of the United States.

In the process of diversification, the case of rubber is more than an example.³⁹ It introduces the theme of the frontiers of the power of U.S. imperialist penetration, of the limitations on the growth of its relative overpopulation abroad.

³⁸ On these movements, see once more Fred Halliday, *op. cit.*, pp. 418-23, U.S. Department of Labor, Bureau of Labor Statistics, *Labor Law and Practice in the Kingdom of Saudi Arabia*, Washington, D.C.: United States Government Printing Office, 1972.

³⁹ On the first synthetic rubber production in Germany and the United States, J. Josef Lador-Lederer, *Capitalismo mondiale e cartelli tedeschi tra le due guerre*, Turin: Einaudi, 1959, pp. 313-6, Guenther Reimann, *Patents for Hitler*, London: Gollancz, 1945, and F.A. Howard, *Buna Rubber: The Birth of an Industry*, New York: Van Nostrand, 1947.

Here, as in the oil or natural fibers sectors, the U.S. state tried to dictate the *terms for entry into the contemporary multinational factory of the proletariat* that had been subject to merchant capital up until the Second World War. It tried to introduce this proletariat partially into the new operations of international business and partially into those populations *United States business was able to annex overseas*. But it also tried to shut off a form of bargaining that the labor-power in the factories was carrying on from positions of strength. With productive diversification, the traditional circuits, the mutually necessary relations between colony and metropolis were undermined and Large masses of proletarians were "freed" from colonialist labor, in part to be channeled selectively towards new sectors and, in part, to be pushed into unemployment. The U.S. state superintended this shift and accelerated it from the heights of the multinational accumulation that had been built up through internal expansion after the struggles of the 30s, with the war, and through penetration into Europe and the Middle East. From the viewpoint of value-making rubber formed the center of gravity for Southeast Asia, an area which was the heart of intra-imperial rivalry in the Eastern hemisphere during World War II.

The Anglo-French-Dutch natural rubber cartel had adopted increasingly restrictive practices in Southeast Asia. In opposition to the cartel, the industrial production of synthetic rubber had emerged from an understanding between Standard Oil of New Jersey, Dupont, and I-G Farben in the late 30s. In 1945, the United States had a capacity for the production of synthetic rubber superior to its national needs and was therefore in a position to reject the natural rubber supplied by the Anglo-French-Dutch cartel, after being excluded by the Japanese navy during the war. Indeed, the decentralization of the factories for the production of synthetic rubber, all of them owned by the state but managed privately by the giant rubber corporations, had been pushed ahead to such an extent during the Second World War that national needs could be completely satisfied from non-unionized factories outside the area of Akron, Ohio. While Akron produced 52.9 percent of United States rubber in 1935, by the time unionization was complete with the victory of the United Rubber Workers (URW) in 1937, it produced only 35.2 percent.⁴⁰ At the end of the war, the synthetic rubber plants were largely underutilized, but they could be brought back into production at any moment. With a single blow, United States capital was thus in a position to play its cards on two tables at once: on the one hand, with the workers at Akron and, on the other, with the relations of production in the natural rubber sector of Southeast Asia. These relations were dominated by the industrial capital of the European metropolitan centers and managed, in part, by that capital as regards the large-scale plantations and, in part, by the compradora bourgeoisie of Chinese origin as regards small and medium properties. According to one United States expert, assuming the prewar trend at the British Empire's rubber exports to the United States, since the postwar level of exports might have been greater than about one third of the annual installments to be paid on Britain's war debt to Washington "the loss of her [Britain's] most potent source of dollar exchange [natural rubber] at such a moment would vastly augment her difficulties."⁴¹ British, French and Dutch difficulties continued to increase right up until the boom connected with the Korean War. Noting that the assimilation of the rubber-growing smallholders into Malaysian colonial society was much greater than that of the wage-workers on the plantations, the British colonial bureaucracy continued to support small and medium property and to enlarge the traditional colonial divisions between the Malaysian population and the immigrants of Chinese origin, who were prevalently and more directly linked to merchant capital. British colonialism's deepening of caste divisions was facilitated by the decision of the Malaysian Communist Party, which consisted primarily of cadres of Chinese origin, to resume guerilla warfare against the British colonialists in 1948, three years after having completely dismantled the organization set up to fight the Japanese. Leaning heavily on the ethnic conflict between Malaysians and Chinese, British colonialism organized its "orderly withdrawal" with an anti-guerilla operation that was to last thirteen years, utilizing up to 350,000 local and Commonwealth troops, transferring 740,000 villagers to guarded camps and in Singapore, carrying out the first experiments in the techniques of repression against urban guerilla warfare that were to become current practice in Northern Ireland in the early '70s.⁴² Guarded camps also became the template for the so-called strategic hamlets created by the U.S. military in South Vietnam.

In general, after the Vietminh's defeat of the French the ties that linked the wage-workers to the plantations, the small and medium proprietors to merchant capital and all of these to the colonial bureaucracy within the

⁴⁰ *Business Week*, February 24, 1945, pp. 19-21.

⁴¹ Klaus E. Knorr, "World Rubber Problems", in *Harvard Business Review*, XXIV, 3, Summer, 1946, pp. 396-7.

⁴² This policy was clearly expressed by Peter T. Bauer, *Report on a Visit to the Rubber Growing Smallholdings of Malaya, July-September 1946*, Colonial Research Publications, 1, Colonial Office, London 1948, p. 38, quoted in George Lee, "Commodity Production and Reproduction amongst the Malayan Peasantry", in *Journal of Contemporary Asia*, III, 4, 1953, p. 172.

Southeast Asian cycle of rubber production were corroded, if not compromised. Only the use of extra-economic coercion had any chance of re-imposing them.

The uneven trend of demand for rubber also created a crisis for the trade union strength of the Akron workers dating back to 1937. In the immediate postwar period, the Akron rubber workers, together with those of U.S. Rubber in Detroit and Firestone in Los Angeles managed to defend the biggest sectorial conquest so far achieved on the terrain of the length of the working-week, the 36-hour week. But this conquest was to last only a few more years. The 50,000 workers in Akron could no longer impose their timetable as a general rule on 200,000 rubber workers with a 40-hour week.

Preoccupations with political stability in Indonesia and Vietnam induced Washington to come to an agreement with the Anglo-French-Dutch interests for an increase in the price of natural rubber, just when French defeat seemed inevitable.⁴³ And British industry, whose interests in the same areas were under equally heavy pressure appropriately discovered the advantages of synthetic rubber without nourishing any further illusions about the exportation of natural rubber as a prop for the sterling area. In 1954, Washington auctioned off the 26 synthetic rubber factories owned by the Federal government and, in the meantime, discovered that the synthetic rubber of the prewar period did not provide natural rubber's guarantees of quality.⁴⁴ In 1956, the rubber giants counterattacked on the terrain of the length of the working-week and the union gave in, bringing back the 40-hour week in all factories, including those in the Akron area. This move killed two birds with one stone in that it also ended the agitation for the 36-hour week in the auto industry, which the opposition to Walter Reuther's union policies was carrying ahead in Detroit.

Was it a defeat? An analysis of the *real working day* of the Akron rubber workers explains why they found the prolongation of the working-week in some sense acceptable.⁴⁵ With the 36-hour week, taking a second job was an extended practice among the rubber workers, and the workers over 40 years in age tended to take on jobs working from their own homes. But the younger workers with a smaller wage packet could not survive on their 36-hour regular job alone. At the same time, it was more difficult for them to enter into self-employment because they lacked their older colleagues' closer and more stable social relations. Thus, with an average of 31 hours a week in a second job – mostly as bricklayers, janitors and drivers – the core of young workers with a greater need for a second wage found it only logical to extend their regular job to a 40 hour week, cutting back the time spent on the second job. And although they formed not more than 15 percent of all rubber workers, they also exemplified a situation in which general industriousness was continually relaunched through decentralization, "excess productive capacity" in the United States, and the alternative of natural rubber in Southeast Asia. The condition of the working class in Akron worsened during the 50s and 60s with the loss of about one thousand jobs a year in the rubber sector.⁴⁶

It seems that the U.S. state gave no weight to the crisis of the natural rubber cycle between the end of World War II and the Korean War. In 1947, Washington's emissary in Saigon believed that the "sabotage of the plantations has no importance because synthetic rubber is much less expensive (than the natural product)".⁴⁷ It was enough to hold down the Anglo-French-Dutch cartel's world production of natural rubber and defend United States production of synthetic rubber for the real "speed contest", as Dean Acheson said, would take place, not between natural and synthetic rubber, but "between coal and anarchy", and in Europe to boot. Until the conclusion of the Korean War, Washington considered the French war against the Vietminh as simply an auxiliary operation with respect to its military commitment in the Korean Peninsula. With a land owning and land management structure that was more differentiated and more stratified than in the North because of the stronger impact of colonialism, the crisis of South Vietnam's rubber plantations and the attempt to uproot the poorer peasants through the rice famine after Dien Bien Phu failed to cause a Rostowian take-off. The so-called "coolies" which French colonialism had brought into the plantations forcibly during the 20s and 30s provided a fundamental component of the guerilla forces that rose up against French colonialism in the 40s and rose up again against United States imperialism at the end of the 50s.

⁴³ *Business Week*, May 23, 1953, p. 28 and November 14, 1953.

⁴⁴ *Business Week*, November 21, 1955, p. 188.

⁴⁵ *Business Week*, December 5, 1964, p. 68.

⁴⁶ *Guardian* (New York), XXIV 25 (March 22, 1972).

⁴⁷ According to a dispatch from French High Commissioner Emile Bollaert of October 2, 1947, quoted in Henry Lanoue, "L'emprise économique des Etats Unis sur l'Indochine avant 1950" in Jean Chesneaux, Georges Boudarel and Daniel Héméry (eds.), *op. cit.*, p. 304. On Washington's plans, *U.S. and World Report*, January 28, 1949.

Stagnation also created problems of political stabilization in the former Dutch empire. In Indonesia, far more than Vietnam, land squatting immediately after the war created gaps of labor-power in the plantations. The twenty years between the return of the Dutch colonialists and the bloodbath against the Communists in 1965 saw a political instability without precedent in the country, an instability due essentially to the flight from the plantations, *from the plantation wage*. Up until the boom of the Korean War, this flight could be confused with a problem of overpopulation in Java, but, during the boom squatting by former wage-workers increased rapidly and the stagnation after 1953 dissuaded the squatters from returning to plantation wages. In the Eastern part of Sumatra, 300,000 acres of land belonging to the rubber and tobacco plantations were occupied in early 1957. Neither the old colonialism nor the young republic could prevent squatting on private or public lands by proletarians who had decided not to sell themselves for plantation wages.⁴⁸ Since the squatters' organizations "are leading the fight against the foreign plantation owners and all indications seem to prove that the Indonesian-owned plantations are not within the margin of safety"⁴⁹, the foundations of a reactionary coalition of internal and external interests were already laid at the end of the 50's. It was enough that the Indonesian proletarians had raised their sights by occupying factories as well, and foreign factories in particular, to unleash the most murderous anti-Communist machine ever set up since the Nazis' massacre of the German communists.

In South Vietnam, during those same years, the proletariat managed to detach its own political development as a class from capitalist development, amalgamating the trade union coalitions originating from the Third International into a general front of anti-imperialist interests against the United States attempt to hitch the fate of Southeast Asian labor-power to the cycles of products over which the United States held control.

What was at stake was the United States' capacity for further increasing the size of the population that could be put to work. After annexing the labor-power of South Korea, Formosa, and Thailand in a partnership that gave it a large majority share over Japan, and after reasserting its dominion over the Philippines, it was to be the turn of South Vietnam, Laos and Cambodia. The resumption of guerilla warfare in Vietnam in the early 60s laid down the definitive frontiers of U.S. capitalist initiative in Asia. U.S. imperialism could no longer dictate the terms of the proletariat's entry into the modern factory; neither the prospects of development nor an army of half-a-million men were enough. Never before had a "native" proletariat managed to move so much capital instead of being moved by it, to cause so many internal splits – starting with the army – or to create a political situation so favorable to the resumption of mass struggles within the metropolis itself. U.S. capital had to invent itself a new bourgeoisie for the countries of Southeast Asia – no longer a *compradora* bourgeoisie, but a military one *tout_court*, with enormous costs which would then have repercussions on the United States' internal equilibria.⁵⁰ During this process, it was a stratum of the militarized bourgeoisie in the United States that came to resemble its own creation, copying its creature's methods and perfecting and spreading them in anti-guerilla operations. However if U.S. capital had to invent itself a bourgeoisie, it certainly had no need to invent itself an enemy in the Vietnamese proletariat. In the initial phases of the guerilla war against Diem, the Vietcong's instructions already left no doubt as to how the power of the proletariat should be constructed:

“Show them how hard they are forced to work, from three o'clock in the morning until four o'clock in the afternoon, and for low wages . . . In rubber plantations point out the great burden of the workers in tapping up to 500 trees from early morning to noon and then having to carry ten kilos of latex for five to seven kilometres (3-4 miles), having to negotiate slippery slopes in the rain, and for which they are paid only 44 piastres (50 cents) a day”.⁵¹

V. Speed-up and fragmentation of labor-power

When the tension of labor-power increases, when in a given labor-time labor is intensified or condensed through the command of labor incorporated in the machinery, *then not only does the quantity of necessary labor extracted from*

⁴⁸ On Indonesia, see Erich H. Jacoby, *op. cit.*, pp. 52-81.

⁴⁹ *Ibid.*, p. 70.

⁵⁰ See, in particular, Peter Dale Scott, "Opium and Empire: McCoy on Heroin in Southeast Asia", in *Bulletin of Concerned Asian Scholars*, V, 2, September 1973, pp. 49-56.

⁵¹ In Douglas Pike, Viet Cong: *The Organization and Techniques of the National Liberation Front of South Vietnam*, Cambridge: The Massachusetts Institute of Technology Press, 1966, p. 192, footnote.

a working class of given numerical consistency grow⁵² but also the turnover of the working class population in a given interval of time. The trend towards the rotation of the entire working class population across a given stock of machinery thus becomes a tendency which blunts the objective separation between active working class and reserve army, both in the process of production and in the processes of circulation and reproduction of labor-power at the social level. It may take various forms: an increase in absenteeism, quits and availability for part-time work or, looked at from the opposite viewpoint, sackings, and also the mobility of capital with its investments at home and abroad. From the viewpoint of the rotation of the working class population, at a given level of technology, the result is always the rotation of a growing number of workers in the process of capital's value-making at the social level, a more divisive fragmentation of labor among the members of the working class population in a given time, and a greater alternation between labor and non-labor in the worker's working-life.

The mobility of labor-power and the mobility of capital are complementary aspects of the fractionation of labor associated with the continual revolutionizing of the international division of labor. At U.S. capital's level of development after the Second World War, the mobility of labor-power cannot be seen as counterposed to the mobility of capital, to direct investment abroad. Both are nothing but two aspects of the same antagonism. On the one hand, there is the attempt of the proletariat uprooted from the countryside to reach the wage-levels of the large working class concentrations. On the other, there is the capitalist attempt to free itself of the politically more cohesive nuclei of the working class, both in the metropolis and the former colonies, and to annex a cheaper labor-power often subject to extra-economic coercion and regimes which domesticate or prohibit any form of collective bargaining. As far as capital is concerned, the mobility of capital has shown itself, historically speaking, to be more profitable than the mobility of labor. But the latter has not been abandoned, even if it is increasingly used as an emergency measure to satisfy a short-term appetite for labor-power.

In the early 60s, when U.S. direct investments in the manufacturing sector once more exceeded those in the petroleum sector, U.S. capital directly put to work about 3 million persons abroad, of which 1,700,000 were in manufacturing. The largest block consisted of the more than 750,000 employees in Europe's manufacturing sector. It is less easy to calculate how much and what form of labor-power was directly commanded by U.S. capital abroad at the start of the 70s. But a prudent estimate gives a total of more than 5 million employed, of which 3.5 million were in the manufacturing sector.⁵³

Only with the polemic against the exportation of jobs articulated by the U.S. unions in the last few years have some of the terms of the internal effects on the composition of labor-power been clarified. The most alert economists have replaced the unions' question: "Don't investments by U.S. companies abroad deprive the country of jobs?" with another question: "Don't investments by U.S. companies abroad increase those companies' capacity for accumulation with the not negligible effect of a general retraining of labor-power in the United States?"⁵⁴

To answer these questions, or even to reformulate them, it is probably necessary to refer to a series of data which are often forgotten. The statistical evidence up to the early 70s shows that the growth rate of U.S. firms operating abroad is generally greater than that of firms operating at home and, even if the proportion of production abroad was low with respect to domestic production, the difference in growth rate could not fail to have substantial effects on the structure of U.S. capital.⁵⁵

⁵² On the acceleration of capital turnover, the intensification of labor and the relationship between increase in productivity and increase in the pace of work, see Geoffrey Kay, *Development and Underdevelopment*, op. cit., pp. 158-171.

⁵³ U.S. Department of Commerce, Office of Business Administration, *U.S. Business Investments in Foreign Countries: A Supplement to the Survey of Current Business*, Washington D.C.: United States Government Printing Office, 1960, pp. 44-5.

⁵⁴ On quits, which often may indicate a tendency to retraining, John E. Early and Paul A. Armknecht, *The Manufacturing Quit Rate: Trend Cycles and Interindustry Variations* (Bureau of Labor Statistics Staff Papers, 7), Washington, D.C.: United States Government Printing Office, 1973, p. 27: "But apparently, even in a very loose labor market, a greater propensity of the production worker to quit has remained, which indicates the presence of a change in the underlying economic structure". See also, William F. Barnes and Ethel B. Jones, "Manufacturing Quit Rates Revisited: A Cyclical View of Women's Quits", *Monthly Labor Review*, IVC, 12, December 1973, pp. 53-56, and the reply by Paul A. Armknecht and John F. Early, "Manufacturing Quit Rates Revisited: Secular Changes and Women's Quits", *Monthly Labor Review*, *Ibid.*, pp. 56-58. On moonlighting in the 1960s, United States Department of Labor, *Special Labor Force Report* Nos. 9 (1960), 18 (1961), 29 (1963), 51 (1965), 63 (1966), 129 (1970), 139 (1971), Washington D.C.: United States Government Printing Office.

⁵⁵ See, in particular, Robert Rowthorn, in collaboration with Stephen Hymer, *International Big Business 1957-67: A Study of Comparative Growth*, London: Cambridge University Press, 1971, and Robert B. Leftwich, "U.S. Multinational Companies: Profitability, Financial Leverage, and Effective Income Taxes", in *Survey of Current Business*, LIV, pt.1, May 1974, pp. 27-36.

It is more difficult to estimate the induced effects of U.S. expansion abroad on class composition within the United States, where the multinationals hold “roughly . . . only half of total manufacturing employment that should be attributed to foreign direct investors. In the aggregate, the MNCs (multinational corporations) provided an estimated 70 percent or so (12-13 million) of all the jobs in manufacturing in 1970 (18 million)”. As for the loss of jobs, between 1966 and 1970, “. . . in most U.S. industries, the MNCs took a rising share of rising employment over the period; in a few, the MNCs increased their share of falling total employment, thus tending to offset increasing unemployment generated among non-MNC employers; and in no case did the MNCs lead in a situation of declining total employment”.⁵⁶ According to Robert B. Stobaugh, “. . . a number of studies, including one recently completed under my direction, have concluded that expansion of production facilities abroad has a positive effect on U.S. employment. We estimate that some 600,000 jobs in the United States are directly dependent on U.S. foreign direct investment in manufacturing”.⁵⁷

There still remains the question: *which* jobs are “exported” by the multinationals, what modifications do they undergo in the process, and above all what modifications in class composition have been determined by the expansion of U.S. investment abroad since the manufacturing sector resumed the leadership in investments abroad?

We have seen how, in the decade following the cycle of struggles in the 30s, advanced mechanization was based on the rationalization of transport within the factory and that this technological leap involved an intensification of the pace of work, a higher tension of labor-power in a given labor-time. Advanced mechanization was thus a capitalist counterattack on the front of the *labor necessary to the reproduction of labor power*, a counterattack against those tractive forces of the working class which had developed to the point of demanding power in the factories during the 30s. The labor necessary to the reproduction of the working class had to diminish. The highroad to this goal was the acceleration of production times. It was difficult for capital to mount an attack based on the intensification of the pace of work against the rank-and-file organization created in the factories during the 30s, but advanced mechanization and world hegemony opened a new path for capitalist exploitation. This path involved the *separation of qualitatively differentiated and quantitatively subdivided shares of necessary labor* in three continents. The insistence on the absolute and relative fall in trade union membership in the United States since the Korean War has become a common place. But this fall says nothing about the fact that the diminution or growth of the working class's mass-power should be measured on the effective level of the multinational organization of the working class put to work directly or indirectly by U.S. capital – just as, to take the most striking case, the growing unionization in the United Kingdom during the 60s does not indicate the lack of union initiative towards a capital which has been placing increasing stakes on expansion abroad.

In one sense, the jobs exported from the United States were those where the mass-power of the working class remained threatening, even after the advanced mechanization of the 40s. After the war, this was a trend that could no longer find satisfaction in the South and West of the United States, so the lost jobs were above all those of the assemblers; in other words the labor-power most subject to the advanced mechanization of exploitation, yet still capable of resisting and counterattacking, starting with the wild-cat strikes of 1953 and 1955. In another sense, *the centralization of command over production times* in the United States, the backbone of United States hegemony, made it easy to pursue a more rational exploitation of foreign labor power *in all its divisions in terms of space and skill*. Advanced mechanization could not stop at the process of production. Proportionality between productive power in the process of production, on the one hand, and productive power in the processes of circulation and the reproduction of labor power at the social level, on the other, required a technological leap in the latter as well.

In the process of production, the 19th century acceleration of the vectors of the transportation system through the railway was perfected with the introduction of the internal combustion engine as a means of transport. With the

⁵⁶ U.S. Senate Committee on Finance, *Implications of Multinational Firms for World Trade and Investment and for U.S. Trade and Labor*, Washington D.C.: United States Government Printing Office, 1973, pp. 612-4.

⁵⁷ Robert B. Stobaugh, “The Hidden Plusses of Multinationals”, *The Wall Street Journal*, June 6, 1973, p. 20. The study carried out under the direction of this author had not been published at the time of writing. Against the populist polemic of the U.S. unions, according to which the foreign investments of the U.S. multinationals exports jobs from “the country”, Stobaugh claims that “U.S. foreign policy is nearing a fork in the road. The wrong road to follow is the kind of proposal being made in Congress that would tend to isolate us economically from the rest of the world. The right road is a movement to facilitate the growth of U.S. multinational enterprises, combined with a program to aid in moving U.S. workers out of mature industries that are not competitive internationally into the newer high-technology industries, generating larger exports of goods and services.”

Second World War, operational research allowed the British and U.S. armed forces to reorganize transport flows according to the methods of maximization that would subsequently be spread and perfected in industry. The reorganization was not so much a question of roads and connected infrastructures, but rather loading and unloading operations where containerization and palletization caused an extensive crisis in the trade union organizations, the Mafia's hierarchy in the U.S. ports being one among the causes of the crisis. In the field of sea transport, during the 20s and 30s U.S. capital in the merchant navy had already tried the path of evading fiscal obligations. But, after the organization of the National Maritime Union (NMU) in 1936-37, an attempt was made to reduce the contractual power of the union by adopting flags of convenience – first using the Panamanian flag and, subsequently, a range of other countries, in particular Liberia, Greece, Britain, Italy, Cyprus and Hong Kong. In 1960, about 80 percent of all ships flying a flag of convenience were U.S. ships with crews that increasingly tended to be of other nationalities. The resulting stratification along ethnic lines, the so-called "melting-pot of nationalities", was in effect an updated version of the Fordian policy of increasing ethnic tensions by recruiting crews of non-unionized nationalities and, sometimes, nationalities that were not even legally unionizable.⁵⁸ The shortening of loading and unloading times, the rationalization of port transportation systems, and the mechanization of navigation operations drastically reduced the size of crews by reducing manpower, both on board and in ports of call.

In the circulation sector, as regards the banking and insurance operations involved in the realization of industrial capital and its capacity for command, after solving the problem of the non-mechanical transfer of information through telephony and the television circuit, the capacity of labor-power to articulate itself through these means grew. The problem of transmitting articulated messages in real time had already been solved in the early 30s. From this stage, capitalist research then posed the question of the linguistic re-elaboration of information so as to overcome the inadequacies of natural language and absorb *universal labor*, the labor accumulated historically in order to condense communication. But the research also raised the problem of mechanizing the flows of capital's circulation and of planning the elaboration of data within the overall aim of planning capitalist command. Speeding up the computer's production times answered the need for diminishing the operators' periods of non-labor. From the ambivalent viewpoint of *savings in social labor* and *control* the implications of these transformations were important, above all, for the state machine and also for local power-structures, starting with the schools and hospitals. They were also important at the factory level, where the limit had certainly not been reached with the mechanical transfer of command: hence the *acceleration of reaction times* through the circuits of internal communication, both nationally and internationally. Like the U.S. state, to the extent that they tend to *centralize command*, the multinationals equally tend to *decentralize execution*, to distribute it more or less uniformly at the intercontinental level, essentially on the basis of labor-power's availability for work. In the process of circulation, by making various forms of concession over wage and working-conditions, the U.S. enterprises have tried to contain the organization which has spread via the unions or other autonomous paths during the last thirty years. In the United States, the emergence of militancy within trade union organizations during the 50s and 60s in the process of circulation – for example the postal and telephone sectors – and the reproduction of labor-power – for example, hospitals and education – also explains why the multinationals operating abroad were prepared to accept the advancement of certain layers of labor-power in the process of circulation. The international distribution of execution does not just involve labor-power in the factory, but also the labor-power employed in financial mediation, distribution or the training of other labor-power to be amalgamated under U.S. command.

The extension of cooperation within the labor-power moved by U.S. multinational capital is mediated by the influx and discharge of U.S. and foreign labor-power in and out of the meshes of United States industry. Although the relevant statistics are not broken down to any great extent, there seems to be no risk in estimating that the flux of "non-immigrant" foreign temporary labor-power into the United States is seven times greater than the number of permanent immigrants – in other words, about 3 million persons a year.⁵⁹ This inflow means an increase in the adaptability of the labor-power commanded by U.S. capital in all the countries to which it returns after the experience of work or training in the United States; and, in its turn, U.S. command is made more sensitive to the peculiarities of the socio-economic situations abroad. This US-trained mass is added to the rest of the labor-power

⁵⁸ B. A. Boczek, *Flying Flags of Convenience*, London: Cambridge University Press, 1962.

⁵⁹ U.S. Department of Labor, *Immigrants and the American Labor Market* (Manpower Research Monograph 31), Washington D.C.: United States Government Printing Office, 1973, p. 11 notes that in 1972, the Immigration and Naturalization Service registered 5,100,000 non-immigrants and 385,000 immigrants as arriving in the United States. Subtracting a couple of million of "pure tourists" from the first figure, there remain about three million persons of which, as the monograph says, "some work legally, many cannot work legally (but work anyway). In 1972, there were about 150,000 foreign students who worked legally during the summer in the United States.

put to work by capital in various countries at all levels of the hierarchy of social production. Often, it is subsequently revalued in a process contrary to the devaluation it suffered when thrown into the so-called labor market in the United States. It finds its level partially alongside and partially below U.S. labor-power and managers stationed abroad, but generally above the local labor-power with an equivalent level of training at home.

It is difficult to make a reading of the circuits communicating the struggles, demands and organization of which multinational mobility is partially the sign and partially the catalyst. The circuits communicating the struggles have remained open to and from the contiguous countries, Canada and Mexico, but also to and from the countries of the Caribbean and Latin America, and coordination is now finding a first embryonic response at the individual firm, without passing through the leadership of the trade unions. Generally speaking, in the United States, class links at the international level have been and continue to be *strengthened* by ethnic links. In recent years, for example, working class hostility to the racist bloc dominating Southern Africa has started to become effective. The debate which has developed on the question of U.S. participation in the exploitation of the South African proletariat, and the boycott on Rhodesian and South African goods in the East Coast ports, has high-lighted the differences between those who support the development of capital and, subordinately, the development of the working class, and those who are already operating the political development of that class which denies itself as a dependent function of capital.⁶⁰

Emigration from the United States has two aspects. In one sense, it is merely a dependent function of U.S. command abroad. In another sense, it is an attempt to escape the most advanced aspects of capitalism, particularly the draft for the wars in Southeast Asia.

U.S. capital's command abroad passes through the mediation of military and civil service staff abroad, whose number has been increasing since the early 50s. At the level of the firm, U.S. managers have been concentrated in the major enclaves of U.S. expansion. In effect, of the 57,000 managers and technicians abroad, 6.4 percent are in West Germany and 5.3 percent in Japan. These are followed by Great Britain (4.8 percent), Vietnam (3.6 percent), Canada (3.5 percent) and Brazil (3.4 percent). Switzerland, Mexico, Australia, the Philippines and the other countries of Southeast Asia each have between 2 and 2.9 percent, while the percentages for France, South Africa, Belgium, India, Venezuela, Peru and Italy lie between 1.5 and 1.9 percent. Taken together, the 18 countries account for 51 percent of the U.S. managerial staff employed abroad in non-federal posts.⁶¹ Employed under the managers, who make up 75 percent of the U.S. citizens employed abroad, there are small numbers of white collar and unskilled blue collar workers.⁶² It would seem to be an upside-down social pyramid, the prefiguration of the utopia that would like to make U.S. citizenship coincide with a sort of super-skilling, if it were not for the very large number of unemployed forming an ample reserve of labor-power generically qualified for temporary labor both in the armed forces and the multinationals.⁶³ With the changing climate towards U.S. capitalist initiative, the motivation for young managers to go abroad has also diminished.⁶⁴ But, as commentators are beginning to note with growing preoccupation, the lower level of motivation is also connected with problems intrinsic to the structure of command within the United States. The crisis has already had, and will more extensively have, repercussions on the managerial structure of the firm within the United States, above all in the assimilation of styles of command less

⁶⁰ A synthesis and the political significance of the debate in Ken Jordan, "Trade Unionism & Revolution in South Africa", in *Race Today*, VI, March 1974, pp. 76-80.

⁶¹ The data comes from U.S. Bureau of the Census, *Census of Population-1970: Americans Living Abroad*, Washington, D.C., United States Government Printing Office, 1973, Tables 15, 19, 25. For Vietnam, the relatively high percentage seems to reflect, not so much a trend, as the politico-military situation of the year (1970) when the census was carried out. As for Brazil, it seems to be one of the few countries where local firms tend to employ a certain number of U.S. directors (see in this connection, *The Wall Street Journal*, January 21, 1974, p. 6). The data of the 1970 census do not specify the nationality of the employer of the managers and other employees, but there seems to be little doubt that the overwhelming majority of them are employed by U.S. firms.

⁶² *Ibid.*, Tables 15, 19, 25: the white collar number 5,300 (7.4 percent of those employed abroad), the skilled blue collar workers 4,600 (6.5 percent), and the unskilled blue collar workers 5,600 (7.6 percent).

⁶³ *Ibid.*, Table 21: In the work force the dependents of private citizens living abroad number 133,000 of which 52.7 percent are unemployed. Among the 110,000 dependents of Federal (Armed Forces and civilian) employees unemployment is 90 percent.

⁶⁴ See the article by Alfred L. Malabre Jr., "Firms Cut Pay Extras of Overseas Managers, Use More Foreigners", in *The Wall Street Journal*, January 8, 1973, p. 1. However, according to a survey taken by the Conference Board and quoted in *The Wall Street Journal* (Jan. 13, 1975, p. 6), of 100 U.S. corporations with foreign operations, the use of foreign service pay incentives has actually spread slightly since 1972, when a similar Conference Board poll was taken. The pay extras have been widely attacked on the grounds that foreign duty is not really "all that bad". The corporations intend to reduce pay extras in the future. They have more difficulties in recruiting than in the past. They try to give less consideration to traditional factors, such as climate, in determining the size of premiums, and more consideration to "other factors such as the psychological impact of cultural shock" in order to create motivation for managers to go abroad.

linked to the traditions of the East Coast establishment.⁶⁵ Outside the United States, the progressive annexation of local managers to directive tasks tends to reduce the number of United States executives seconded to industrial, financial and commercial operations abroad. But the local managers generally pass through United States training.⁶⁶ On the other hand, there is also an increase in the number of foreign, and not exclusively European, managers on the boards of the U.S. multinationals.⁶⁷ These operations are still not an index of a policy of complete amalgamation between national industrial managerial layers, but they can certainly no longer be confused with metropolitan merchant capital's attempt to coopt the social hierarchies of the colonized peoples through indirect rule.

The influx of permanent immigrants into the United States since the Second World War was a specific aspect of the fractionation of labor and the present international division of labor. On the one hand, it paves the way for the export of capital and, on the other, it is one of that export's consequences. The immigration of simple labor-power or labor-power employed in simple functions occurs in that phase of the firm when the objective is the accumulation needed for the export of capital, while the immigration of labor-power adapted to complex situations is found when the firm and social capital have already made the leap towards the diffusion of industrial operations abroad. But the permanent immigration after the Second World War is also an important aspect of the multinational character of the working class in the United States. On the one hand, it was due to the growing and irreversible occupational and geographical mobility of the black proletarians – farm laborers, sharecroppers, and tenant-farmers – who were leaving behind them a past of semi-peonage in the countryside of the South or in the case of the miners of subordination to mining corporations in the company towns. On the other hand, there was the centripetal force of United States growth which, in its turn, forced the two foci of its imperialist ellipse – the Federal German Republic and Japan – to rediscover their capacity for accumulation and, subordinately, for the attraction of labor after their military defeat.⁶⁸

The privilege of pursuing direct investment abroad as the dominant trend is the preserve of U.S. capitalism, just as it was for British capitalism in the past. The subordinate nature of West German and Japanese capitalism is shown among other things, by the limited space so far granted them for direct investment abroad. This, in its turn, forces them to concentrate their production at home at the cost of making themselves vulnerable through an excessive dependence on exports and the aggregation of foreign labor-power to a degree that is preoccupying for internal social equilibria.

In reality capital is now faced by a more restricted range of options when choosing between adding immigrants to a metropolitan working class or making direct investments which put to work labor-power within states where the working class is a minority. Even though socially isolated and discriminated against, the immigrants have shown they are capable of breaking down the social hierarchy within which capital has located them, in increasingly short periods of time. With direct investment where the working class is in a minority, U.S. capital has had to encourage, or increasingly harshly impose, anti-proletarian regimes in order to defeat an insurgency in the factory and society

⁶⁵ The article by Fernando Bartolome, "Executives as Human Beings", in *Harvard Business Review*, L, 6, November-December 1972, pp. 62-9, presents some of the central behavioral problems of industrial managers in a cultural environment that rejects rigid separations between the private and public spheres. Bartolome also examines the crisis of the old motivations. According to an investigation by Standard & Poor, out of 53,000 U.S. industrial managers examined, almost one in 10 came from Harvard or Yale. Of the major colleges that produced them, a full eight were located on the East Coast.

⁶⁶ According to a study by Sherwood C. Frey, quoted in *The Wall Street Journal*, April 23, 1973, p. 6, out of 780 students graduating from Harvard Business School in 1973, 15 percent came from 55 countries, excluding North America, while two years before the total was 9 percent. The trend to osmosis between U.S. and foreign managers can only continue. Frey's study shows that 27 percent of recent graduates from the Harvard Business School are still working in the United States. United States firms working outside the United States tend to employ a growing number of local executives, preferably trained in the United States, both to save the burden of transferring U.S. executives and because it is easier for the local manager to fit into the power structure of the country involved.

⁶⁷ A study by the Conference Board of New York in 1973 found that, out of 855 U.S. firms examined, 12 percent had at least one board-member who was not American (*The Wall Street Journal*, April 30, 1973, p. 6).

⁶⁸ Bruno Groppo, "Sviluppo economico e ciclo dell'emigrazione", in Alessandro Serafini (ed), *op. cit.*, pp.149-180, and Karl Heinz Roth, *op. cit.*, pp. 175-234. On the Nazi precedents for the importation of labor-power, Elisabeth Behrens, "Arbeiterkampf und Kapitalistischer Gegenangriff unter dem Nazionalsozialismus", in Karl Heinz Roth, *op. cit.*, pp. 131-174. On Japan, Koji Taira, *Economic Development and the Labor Market in Japan*, New York: Columbia University Press, 1970 and Richard H. Mitchell, *The Korean Minority in Japan*, Berkeley: University of California Press, 1967. On the importation of labor-power from Korea during the 1937-1945 war, see John Halliday and Gavan McCormack, *op. cit.*, pp. 147-8. Herbert P. Bix, *Regional Integration*, *op. cit.*, p. 19, observes that, in the three months following Japan's surrender, of the 2.4 million Koreans in Japan, of which a million were forced immigrants, a part managed to return home without restrictions. In November 1945, the Allies ordered that repatriation should be subject to the abandonment of all personal goods apart from one thousand yen - the equivalent of 20 packets of cigarettes and personal effects. At the end of December 1946, all repatriations were blocked. From 600,000-700,000 Koreans remained in Japan under conditions of heavy discrimination.

that was laying demands for state power. Here, the *sine qua non* for the commitment of the United States and the other Western countries to economic growth was the elimination of proletarian political power. And, here, the two Leninist parallels – the development of capital and the development of the political power of the working class open into a scissors, at least in the medium period. Above all, the whole range of problems facing the imposition of U.S. capital's control abroad primarily in various forms and with various levels of development, loom, within the United States itself. For it is there that working class and capital have confronted each other in an age old struggle for the recomposition or division of labor-power along caste and class lines.

Intercontinental immigration into the United States was closed down subsequent to the Soviet Revolution of 1917, and still more strictly after the insurgency of the European and Mexican workers of the Industrial Workers of the World (IWW) around the First World War. The ten million immigrants for which the IWW was a reference-point, if not an instrument of struggle, in the years around the First World War were to serve, in the view of U.S. capital, as "the river of human flesh which separated, and had to keep separated, the Southern blacks from the Northern factories".⁶⁹

After the war, international mobility was blocked: better to draw the blacks from the Deep South, following Henry Ford's example, than undergo the mass initiative of those who had direct experience of revolution in Europe and could arrive in the United States during a period of recession. Between 1922 and 1924, half a million blacks emigrated to the North. But, when the urbanized blacks also found an autonomous political expression with the Garvey movement, the gates of immigration were once more placed ajar. Under the laws approved in the 20s (Johnson Act, 1921; Johnson-Reed Bill, 1924; Permanent Quota Law, 1929), maximum quotas by nationality, which were both discriminatory and modest, were set.⁷⁰ In the meantime, clandestine immigration, above all from Mexico, was combined with the immigration which the Federal Government had agreed to with the agricultural enterprises of the Southwest because they were short of labor. It was an immigration that had very little to do with the free mobility of broad strata of proletarians in the New World during the nineteenth century. On the one hand, these immigrants came from selected strata of labor-power in restricted areas with a heavy pre-capitalistic conditioning. On the other, their jobs were *pigeonholed and defined* at the moment of legal or illegal entry into the United States, so as to hinder upward mobility for some years and keep the immigrants under the constant threat of repatriation. This is the case of the Mexicans, the Puerto Ricans, and the West Indians from the British colonies. But this case was not much different from the mobility of the South, which the blacks won back for themselves with the economic revival based on rearmament and the war, during 1938-44. The crisis of the old plantation system with its ties of a semi-colonial type made for the agricultural proletariat's prompt abandonment of the countryside after the general freeze on mobility from the countryside to the cities during the Great Depression. The process should not be seen as the simple expulsion of hands – the "victims" of agribusiness.

While, up until the early 20s, labor-power's mobility was prevalently intercontinental, with the economic revival due to rearmament the immigration flows came prevalently from the south of the Rio Grande, and no longer from Europe. At the same time, the intercontinental mobility of capital was increasing. In other words, the circuits of labor-power's mobility were being restricted. A more precise planning of the relationship between shorter and more compressed or intense tasks and a hierarchization based on the ethnic group was the origin of the turning-point in U.S. immigration policy.

With the approach of the Second World War, immigration became polarized. One pole was primarily represented by technicians, managers, skilled workers and intellectuals, generally fleeing from Nazism. At the other pole, there was the start to massive immigration of the Puerto Ricans, most of them proletarians who were then pinned down in the worst jobs, in the ghettos, and in the higher percentage-brackets of unemployment in the Northeast. With most

⁶⁹ Sergio Bologna, "Composizione di classe e teoria del partito alle origini del movimento consiliare", in Sergio Bologna, George Rawick, Mauro Gobbini, Antonio Negri, Luciano Ferrari Bravo, Ferruccio Gambino, *op. cit.*, p. 42. [This essay is also available in English as: Sergio Bologna, "Class Composition and the Theory of the Party at the Origin of the Workers' Council Movement," *Telos*, #13, Fall 1972, pp. 4-27, translated by Bruno Ramirez.]

⁷⁰ According to Robert H. Amundson, *Immigration: U.S. Policies vs. U.S. Ideals*, (reprint from *Social Order*, October 1959, for The American Committee on Italian Migration, New York, undated), it is estimated that, in 1923-24 alone, 700,000 Mexicans entered the United States illegally. This was a non-unionized availability to work which was to have a short life, since the Mexican agricultural workers had already started forming union associations at the end of the 20s though vigilante squads and the Great Depression subsequently extinguished the capacity for autonomous organization. The attempts at unionization in the 40s gave modest results. On the situation of the Mexican-Americans after the War, see Leo Grebler, Joan W. Moore, Ralph Guzman, *The Mexican-American People: The Nation's Largest Minority*, New York: The Free Press, 1970.

of the refugees from Stalinism were forcibly sent back to Eastern Europe⁷¹, just under 400,000 Europeans were allowed to filter through in the five-year period, 1948-52.

Upon the approval of the McCarran-Walter Act in 1952, the legislation of the 20s was dusted off again. After the door to West Indian immigration⁷² — excluding a very restricted number of seasonal workers in the farms of Florida — had been closed and an inferior treatment for Asian immigrants had been laid down, more than two and a half million persons entered the country between 1945 and 1959. The meshes of immigration control were widened further with the Vietnam War boom and entries reached 400,000 in 1973. In total, more than seven and a half million immigrants entered the United States legally between 1945 and 1973.⁷³

To this number must be added the Puerto Rican immigrants. With about 400,000 of them resident in 1940, slightly more than a million emigrated to the area of the three Middle Atlantic states New York, New Jersey, and Pennsylvania after the war.⁷⁴ Seventy percent of the Puerto Rican immigrants into the United States between 1950 and 1960 were aged between 15 and 39. The younger labor-power was absorbed by the metropolis.⁷⁵ While the proletarians were dispatched to the sweatshops, the most backward factories in the New York area, Puerto Rico received a few large petrochemical and chemical investments. They have imposed their political hegemony on the U.S. light industry already installed there in the midst of a sea of Puerto Rican unemployment.⁷⁶

To the seven and a half million legal immigrants and the million immigrants from the "Commonwealth of Puerto Rico", one must add a mass of Canadian and Mexican frontier-commuters. The total is difficult to estimate, but it is certainly of the order of hundreds of thousands of proletarians. For U.S. capital, however the absorption of labor from foreign frontier-zones is generally a temporary solution. Once the necessary level of accumulation has been ensured, the firm itself crosses the frontier, above all the Texan one.⁷⁷

As compared with prewar immigration, the employment structure of the immigrants over the last thirty years had tended to polarize to the extremes of complex labor and simple labor. This is not so much because of the over-skilled or under-skilled nature of the immigrant labor-power, but rather because of the centrifugal force which the hierarchization of labor in the United States exercises on the whirlpool of immigrant labor-power with a more or less high level of skills and polyvalence.

The displacement angle between the skills achieved at home and those actually recognized at the work-place in the United States may be more or less wide, but it is never non-existent, if not in the case of highly skilled researchers.

⁷¹ Their story, in so far as it can be documented today, has been written by Julius Epstein, *Operation Keelhaul: The Story of Forced Repatriation*, New York: Devin-Aldair, 1974.

⁷² The effects of this closure for the opening of West Indian emigration into the United Kingdom has been studied by Giuseppe Pacella, *L'immigrazione intercontinentale nel Regno Unito*, Degree Thesis, Istituto di Scienze Politiche e Sociali, Università di Padova, 1974.

⁷³ Department of Justice, Immigration and Naturalization Service, *Annual Report 1973*, Washington D.C.: United States Government Printing Office, 1974, Table 1, p. 5.

⁷⁴ According to José Vazquez Calzada, "Le emigración puertorriqueña: solución o problema?" in *Revista de Ciencias Sociales de la Universidad de Puerto Rico*, VII, 4, December 1963, quoted in Manuel Maldonado-Denis, *Puerto Rico: A Socio-Historic Interpretation*, New York: Vintage Books, 1972, pp. 315-6: "If we add to the total number of migrants the number of children that they would have given birth to if they stayed on the island, we reach the conclusion that between 1940 and 1960 the island lost nearly one million people as a result of this mass migration".

⁷⁵ Even if, at the time of writing, the special report of the 1970 population census on the Puerto Ricans in the United States, was not available, data for the Northeast suggests that the number of Puerto Rican immigrants who entered the United States after 1946 was well over a million.

⁷⁶ Emigration towards the United States is only one side of the coin. The other is the growing U.S. control over the working class population in Puerto Rico itself. The forms of control focus on the birth-rate, but they also stretch to union organization. According to the Committee for Puerto Rican Decolonization, *Profile of the Puerto Rican Worker*, New York 1974, about a third of the Puerto Rican women of child-bearing age on the island have been sterilized. In the last 15 years, the number of U.S. trade unions present in Puerto Rico has increased by 58 percent, while the number of Puerto Rican unions has dropped by 33 percent. The U.S. labor federations control 45 percent of the unionized workers in Puerto Rico.

⁷⁷ With the start of the Second World War, massive immigration from Mexico resumed, though it was more stratified socially and more wide-spread territorially than in the 20s. On the one hand, there was a relatively modest number of permanent immigrants headed for the great urban centers and, on the other, a wide-spread temporary agricultural immigration involving hundreds of thousands of *braceros* in the Southwest and the West under a program agreed by the two Federal Governments (Bracero Program). Illegal immigration of *braceros*, which was fully acceptable to the local authorities, was greater than temporary legal immigration. It was the reaction of agribusiness to the organizational ferments among the agricultural workers of the Southwest and the West. Only with the start of the mass struggles of the agricultural workers of Mexican origin in California during the early 60s was the Bracero Program reduced. In the meantime, agribusiness had managed to mechanize the critical operations of intensive agriculture. On the permanent and temporary mobility of the Mexican-Americans in the United States, see Leo Grebler, *op.cit.*, pp. 295-347. [The Spanish term *braceros* parallels the English term "hands"; in both cases the words designate those body parts employers consider themselves to be hiring.]

What counts is the speed at which one adapts one's natural and acquired powers on American soil, starting with the language. In a series of interviews carried out by the Manpower Administration in 1973, it was noted, in connection with the immigrant's social position, that "more common was the high-low-medium pattern; the arriving immigrant^s who had professional skills in homeland, would not find work in his profession. Hence he accepted low-skilled job and then started working up the ladder".⁷⁸

In both the generation of immigrants before 1945 and the generation between 1945 and 1970, the two dominant groups in the employed population were the unskilled blue-collar workers (respectively 38.9 and 43.2 percent) and the managers and members of the professions (respectively 24.1 and 23.6 percent). Between the two periods, there was a decline, even if a small one, in the percentage of skilled workers (respectively 14.6 and 13.7 percent) and white-collar workers (respectively 22.2 and 19.3 percent).⁷⁹

In terms of political availability for work, despite the permanence of divisions by ethnic group, the immigrants of the postwar period have amalgamated with the rest of labor-power more quickly than in the past. And, where they have formed a homogeneous front – as in Californian agriculture – they have been the cutting-edge for year-long struggles to free themselves from the heavy terms of entry with which U.S. capital accepted them. At the so-called professional level of immigrant labor-power, whether it is aggregated to the factory as "superior labor-power", or employed in the process of circulation, or else annexed to the reproduction of labor-power in the hospitals, schools or homes, its condition as proletariat is demonstrated by the devaluation it undergoes during the very first years of immigration and by its ambivalence towards the myth of upward social mobility which is used for the conquest of a decent average wage, but a decent average wage now seen as part of a collective proletarian future.

VI. Capitalist Necessity and Working Class Necessity.

In the process of production, just as in the processes of circulation and reproduction of labor-power at the social level, the labor necessary for the daily reproduction of labor-power rises up in revolt against the condensation to which it is subjected. Just as the workers tend to avoid and resist speed-up in the factory, so they also try to prolong the effectiveness of the necessary labor they supply by introducing intervals of time between one period of wage-labor and another, either within their working day (part-time working), or within their working year (weeks or months of semi-paid unemployment), or within their working life (the demand for a pension after twenty years of work).⁸⁰ But the effectiveness of necessary labor in resisting the daily rhythm of exploitation is increased by the conscious reduction of fertility and the birthrate and the tendency to concentrate growing shares of necessary labor on education, which according to traditional but now outdated rules, should rescue the younger generation from the *speed-up in the factory*.

After the Second World War, it seemed that capital and labor-power in the United States, each of them pursuing its own interests, could reach agreement on the basis of this trend. On the one hand, capital favored the turnover of labor-power, thus achieving its aim of redistributing tensions, conflicts, and even the pathology of abstract labor over an extremely broad mass of workers at the same time realizing a democracy of exploitation in its own image.

⁷⁸ U.S. Department of Labor, *Immigrants and the American Labor Market*, *op. cit.*, p. 39.

⁷⁹ U.S. Bureau of the Census, *Census of Population: 1970, Subject Reports, Final Report PC (2) – IA: National Origin and Language*, *op. cit.*, Table 18.

⁸⁰ The increase of those employed part-time between 1963 and 1973 is one of the more important aspects of the changes in U.S. employment structure – in so far as the phenomenon is observable, because 1963 was the first year when comparable statistics were kept. In the decade under consideration, part-time rose from 7.8 million to 12.6 million, equivalent to 14.4 percent of the working population and representing one third of the total increase in the country's work force. See in this connection, Roger Ricklefs, "Employees, Employers Both Discover the Joys of Part-Time Positions" in *The Wall Street Journal*, March 7, 1973, p. 1. On the precedents of temporary office work in the United States, Mack A. Moore "The Role of Temporary Help Services in the Clerical Labor Market", University of Wisconsin, 1963, and by the same author, "The Temporary Help Service Industry: Historical Development, Operation, and Scope", *Industrial and Labor Relations Review*, XVIII, 4, July 1965, pp. 554-569; "King of the Overloads", *Coronet*, May 1949; "Renting Workers to Industry", *Fortune*, September 1960; "Temporary Hiring Climbs up the Ladder", *Business Week*, July 15, 1961; "People for Rent: More Companies Use Temporary Office Help Provided by Agencies", *Wall Street Journal*, December 12, 1963. On recent developments, Martin J. Cannon, and Uri Brainin, "Employee Tenure in the Temporary Help Industry", *Industrial Relations*, X, 2 (May 1971), p. 168-175; Martin J. Cannon, "A profile of the Temporary Help Industry and its Workers", *Monthly Labor Review*, III C, 5, May 1964, pp. 44-49; Nadine Brozan, "Part-time Weekers – Making Inroads into a Full-Time World", *New York Times*, October 16, 1973, p. 38. Jobs carried out at home are also on the increase, though the available figures are only approximate estimates. In his article, Ricklefs quotes an estimate of 3 million persons. The independent truck drivers' strike in the United States in the winter of 1973-74 indicates a militant proletarianization of this category which represents an important aspect of the diffusion and fractionation of work.

On the other hand, the proletariat extended its capacity for resistance to continual exploitation, both through the use of part of the wage, which was relatively higher than in other countries, during periods without a wage, and through unemployment compensation or welfare checks, which constituted the true defense barrier built up by the working class through its struggles during the years of the Great Depression.

But already at the end of the 50s, the ambivalence of this joint interest had reached a crisis point. U.S. capital had enlarged the working class mass at its disposal by imposing an omnipresent political hegemony at the international level and by starting a process of foreign investment more extended than any made by any previous industrial capital. At the same time, it tried to maintain internal equilibria against the resumption of insubordination in U.S. society, particularly the insubordination of Blacks against caste-and-class divisions – an insubordination which was the precursor of the struggles in the 60s against divisions along the lines of race, sex and generation. The attempt at internal pacification found its most mature formulation in J.F.K.'s economic policy formulated with the Vietnam War boom. This boom prepared about 7 million new jobs, which were to stabilize the uncertain confrontation between the state and the ghettos. But the policy entered into crisis partly because it failed to stabilize the work force at the given level of speed-up and class conflict, partly because it did not attract the hard-core unemployed into the whirlpool of U.S. employment, and partly because the Blacks of the ghettos demanded a wage linked to employment, while the anti-war movement was attacking the boom's cornerstone: war production and the compulsory draft.⁸¹ The use of unemployment to intimidate both employed and unemployed labor-power was diminishing. The alternation between employment and unemployment was no longer a drama for the majority of young people born during the postwar baby boom. Thus, mobile labor-power seeks a job so as to reject it, take it back, and reject it again – but always from a position of strength, *seizing the time in the first person*. As a reaction capital attempts to impose a general industriousness – through cuts in anti-poverty funds, the aggravation of unemployment and, more generally, a more extended turnover of a growing number of workers with a given stock of machines both inside and outside: the U.S.A.

The largest mass of U.S. manufacturing investments has been going to Europe, but U.S. capital has shown a growing interest for the countries of Pax Americana, where the extra-economic coercion to which labor-power has been submitted has been heavier. However "consensus" was lacking here too. The mass of unemployed has increased rather than diminished, and that has been due to the development of labor's productive forces and the increase in population, a problem which began to have an incidence on political stability – once nationalist rhetoric no longer had a hold on the young both in the U.S. and abroad.

The mobility of U.S. capital has been limited by insurgency against U.S. command. In this sense, the struggles in the United States during the 50s and 60s and the Vietnamese proletariat's armed resistance to being sucked into the mass of labor-power available to U.S. capital have forced, and will force the latter to stiffen its command over labor-power which, subject to a greater or smaller degree of extra-economic and economic coercion at home and abroad, shows some form of political availability to exploitation at the given level of capitalist initiative.

The working class's unequal political development, its unequal level of political power may, however, permit the imposition or re-imposition, of dictatorial regimes and extra-economic coercions in some countries rather than others. But, as long as some areas assure the U.S. multinationals higher rates of profit than others, and above all as long as the aggregate of foreign investments ensures higher rates of profit than domestic investments, U.S. capital is excluded from choosing the path of withdrawal and political restructuring at home. The capitalist trend cannot be anything but the decomposition of those sectorial and national components of the working class against which capital is not able to hold an open confrontation. It cannot be anything but the aggravation of economic and extra-economic coercion against those sectorial and national components of the working class still susceptible to command. This trend, which is also accepted – with resignation or accommodation by the power elites in those countries where the anticolonial struggle has been strong, is not a choice; rather it, is a capitalist necessity. It is nothing but the response to the working class' growing political power, its maturity and the certainty that, when faced by this trend, it cannot escape into the utopian impossibility of balanced national development. What counts is what is necessary: the construction of a multinational cohesion of the working class by all means necessary, starting from the forces already in the field.

⁸¹ On these topics, see Paolo Carpinano, "U.S. Class Composition in the '60s, *Zerowork*, #1, December 1975.

NOTES

*In writing this essay, some passages of Geoffrey Kay's important book, *Development and Under-development: A Marxist Analysis*, MacMillan, London 1975 were indispensable, as were my discussions with Sergio Bologna and Stephen Hymer. I spare the reader imagining who is responsible for any errors.

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