

Introduction

This study investigates the process of capitalist class formation in the North Atlantic area in the period between the launch of Woodrow Wilson's 'Crusade for Democracy' in 1917 and the world economic crisis of 1974-75. The crisis, from which capitalism so far has found no way out, and which in the absence of a clear revolutionary dynamic has only raised the level of violence in the international system to a point where the threat of nuclear annihilation seems all too real, terminated an era of American hegemony and Atlantic integration. In this era, the specific form and content of the internationalization of capital allowed the bourgeoisie in the North Atlantic area to regroup and develop a series of *comprehensive concepts of control* by which it could reinforce its hegemonial position both nationally and, in the confrontation with extra-Atlantic challenges, internationally. From either perspective, the dominant feature of the era of Atlantic integration was the supranational framework in which bourgeois class rule was organized and legitimized: Atlantic, European, or various combinations of the two.

Class formation in the North Atlantic area, understood as a continuous process of redefining the coordinates of bourgeois rule in response and anticipation to the dynamic of the internationalization of capital, passed through several stages, reaching well back into the nineteenth century. Beginning with the post-Civil War American railway boom, an Atlantic circuit of money capital developed, the epicentre of which at the time of World War One shifted from London to New York. Interrupted and partially disorganized in the 1930s and 1940s, when national productive capital reasserted its pre-eminence at the expense of internationally circulating capital, the Atlantic circuit was restructured after the war in the context of the *Pax Americana*. As international finance capital, in which the circuits of money capital and productive capital were tendentially integrated at the Atlantic level, the spread of American multinational firms and banks opened a third, synthetic stage of the internationalization of capital.

In each stage, specific trans-Atlantic configurations of interests crystallized, which were acted upon by a segment of the ruling class formulating its concept of control in terms of the requirements of the capital fraction specifically engaged in the internationalization process. Thus, the *liberal-internationalist* bourgeoisie associated with the development of an Atlantic circuit of money capital at the turn of the century developed its specifically Atlantic cohesion around a concept of control reflecting the vantage-point of the money capitalist. On the other hand, the bourgeoisie protecting industry in a national (or, at most, regional) context in the interwar years carved out sphere-of-interest arrangements with its trans-Atlantic counterparts primarily from a productive-capital standpoint. At the outset of the actual era of Atlantic integration - coincident with Lend-Lease and Roosevelt's Atlantic Charter - this fraction of the bourgeoisie, which I term the *state-monopoly tendency*, was counter-posed in most West European nations to the liberal-internationalist fraction as contending poles of bourgeois hegemony.

The synthetic ruling-class class strategy which transcended and subsumed this antinomy was *corporate liberalism*. Shaped in the specific conditions of the New Deal, it became the hegemonial ideological expression of the US-led internationalization of

finance capital in the Atlantic area. As a heuristic concept, 'corporate liberalism' was widely used by American New Left historians in the 1960s to characterize the dominant ideology both in the narrow sense of the structural bias towards corporate power, and, in the broader sense, of the co-prosperity alliance between big business and organized labour in the modern practice of American 'liberalism'. In the present study, the term more particularly denotes the synthesis between the original laissez-faire liberalism of the liberal-internationalist fraction (the definition of liberalism still current in Europe) and the state intervention elicited by the requirements of large-scale industry and organized labour, which in the period between the wars accompanied various forms of class conciliation generally referred to as corporatism. (The reader, should therefore, be forewarned that 'liberalism' is *not* used in the common North American sense as the opposite of conservative!)

The American bourgeoisie during the New Deal, and its subsequent Atlantic extrapolation through several US politico-economic offensives, was able to develop corporate liberalism into the guiding concept for shaping a specifically Atlantic cohesion of class relations. The class fraction leading the way in this process could draw on two major experiments in American social and political history which had hitherto remained disparate, although they had been recognized separately for their potential contribution to meet the challenge of socialism. The first of these was Fordism, a productivist class compromise based on the synchronization of relative surplus-value extraction with the expansion of effective demand, especially for consumer durables. Fordism, with its implications for the macro-economic determination of wage levels and the standardization and regimentation of working-class life, was resorted to by the Roosevelt forces when deflation, carried over from the Hoover administration and dictated by the orthodox money-capital concept, threatened to jeopardize the very structure of capitalist society in the United States.

The second heritage which the New Deal eventually mobilized was the democratic universalism pioneered by Woodrow Wilson. Wilson's universalism, which presumed an integration of domestic and foreign policy, had been shaped even more directly in response to the challenge of socialism. The Crusade for Democracy, by which Wilson led the United States into World War One at the side of the Allies, was meant to outflank the Bolshevik Revolution by co-opting those demands that could be digested by the capitalist system, such as national self-determination, and by aiming to moderate rather than suppress socialism. At the same time, the American intervention was intended to shore up the regimes of bourgeois Europe in which American bankers had invested a large part of the savings entrusted to them by the propertied classes of their country.

When in the context of World War Two, a comparable conjuncture again presented itself to the American ruling class, the Roosevelt forces seized the opportunity to reorient the New Deal from its national-corporatist format to a more liberal-internationalist strategy of expansion, in which domestic working-class demands could be in part evaded, in part compromised, while American economic power was brought to bear on both the British Empire and the Soviet Union in order to force them into compliance with US preferences for an open world.

The Lend-Lease policy, then, inaugurated an era in which the two elements in combination - the generalization of Fordism and an offensive diplomacy of Wilsonian

inspiration - materialized as a process of class formation on the North Atlantic level, guided by successive formulations of Atlantic unity. Through recurrent offensives of the United States, and concomitant accelerations of the internationalization of finance capital, a restructuration of Atlantic class relations was brought about which ultimately eliminated the lag hitherto separating the pattern of capital accumulation and internationalization in Europe from that of the United States.

In the era of Atlantic integration, three offensives of this type were launched: the Roosevelt offensive, in FDR's third term; the Marshall offensive, coincidental with the initial four years of the Marshall Plan; and the Kennedy offensive spanning the first half of the 1960s. As far as the global structure of imperialism was concerned, the offensives (alternating with periods of relative American defensiveness in international affairs) represented concerted efforts of the United States to break into the colonial empires or peripheral domains of the European powers while keeping the Soviet Union at bay. Atlantic unity, the American nuclear posture, and its militancy in the underdeveloped periphery itself, were all aimed to prevent socialist forces from interfering with the delicate process of transition from colonialism to neo-colonialism, and more particularly, to prevent the linkage of Soviet power and local insurgency. Paradoxically, Atlantic integration therefore represented a process of redistribution of spheres-of-influence at the expense of Western Europe, facilitated by American control of the international monetary system and its virtual monopoly, on the capitalist side, of the means of nuclear destruction.

In this process of confrontation and redistribution, Atlantic unity was cemented by the support the American offensives could draw upon in Western Europe. As indicated above, the traditional trans-Atlantic ties of capital were augmented after 1917 by the attraction of European social democracy towards a Wilsonian universalism which seemed to crystallize Kautsky's projections of a peaceful, ultimate stage of capitalist development.

Along these two principal vectors - European liberalism and reformist socialism - the process of the transformation of Western European class relations into a corporate-liberal mould was accelerated in the periods of an offensive US foreign policy. However in the intermediate periods associated with Republican presidencies, the corporate-liberal synthesis, deprived of a dynamic American stimulus, tended to disintegrate back into the polarized ideologies of laissez-faire liberalism and state monopolism. Until the ultimate crisis of Atlantic integration in the 1970s, this alternation of offensive and defensive moments in the coherence of the corporate-liberal unification of capitalist class interests testified to the existence of an 'over-determining' Atlantic constraint, related in the last instance to the balance of power within the American ruling class itself as well as to the share of productive capital in the overall profit-distribution process.

From this perspective, the history of Atlanticism, as both ideology and an actual process of class formation, must be related to the three successive strategies of Atlantic unity which corresponded to the different offensive periods of American capitalism. The first was Roosevelt's concept of *Atlantic Universalism*, which derived its specific Atlantic dimension from the European focus of World War Two and the key position of the British Empire in the world America wanted to expand into. The second version of Atlantic unity was the *Atlantic Union* idea which surfaced at the time

of the Marshall Plan and combined a status-quo approach to control of the periphery with a high-pitched Cold War unity against the Soviet Union. The third Atlanticist strategy was the *Atlantic Partnership* scheme promulgated by President Kennedy in an attempt to restore unity of purpose to an Atlantic world in which the establishment of a restrictive EEC demonstrated the degree to which Western European capital had emancipated itself from American tutelage and was intent on carving out a sphere-of-interest of its own.

Liberalization and state intervention, the two pillars of corporate liberalism, developed hand-in-hand in the period of Atlantic integration, their relative emphasis deriving from the stubbornness of either the original liberalism (as manifested, for instance, in the pre-Suez political economy of Britain) or of state monopolism (as in the case of Gaullism). The American offensives were instrumental in setting free the forces for this transformation, and in activating the fractions of the bourgeoisie involved in its evolution. The short-term cyclical developments, notably in the profit-distribution process, which will allow US to explain the modalities of actual class formation and politics in the central period under review, however, should not obscure the fact that as a whole, the era of Atlantic integration was characterized by a (Fordist) class compromise between capital and labour on the basis of a 'Keynesian' subordination of petty money interests to overall levels of productive investment, and a profit-distribution structure skewed towards productive capital. The New Deal in this respect, too, marked the beginning of an era and set the standard for Europe.

In the course of the 1960s accumulation conditions in the Atlantic area were more or less equalized, blocking the trans-Atlantic escape routes for American productive capital by eliminating the gap between US and European production conditions. As part of the same development, the profit share of bank capital climbed drastically in all countries involved, and rentier incomes revived as well. By the time Richard Nixon cut the dollar from gold in August, 1971 and thus set free an exponential growth of the mass of international liquidity, banks in practically all countries in the area had already been liberated from the Keynesian shackles imposed on them in the 1930s, or were soon to do so. The unimpeded international circulation of capital which had been the aim of the architects of Atlantic integration was finally realized - at the price of the system itself. Thrown into the rapidly widening channels of international credit, the mass of savings centralized by Atlantic bank capital served to facilitate the transfer of key segments of the productive apparatus of the North Atlantic heartland to new zones of implantation in the periphery.

This wave of internationalization, which widened the scope of the present crisis, also destroyed the very structure of Atlantic integration. By breaking the territorial coincidence of mass production and mass consumption, it undermined the capital-labour compromise and the complementarity of circulation relations; by allowing untrammelled competition in the search for new outlets for capital, and in the mobilization of peripheral elites, it destroyed the fundamental unity of purpose which had hitherto constituted the cornerstone of the hegemonial strategy of the Atlantic bourgeoisie.