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## Trade Deals and the Quest for Global Dominance

### The Slavery Economy

by ROB URIE

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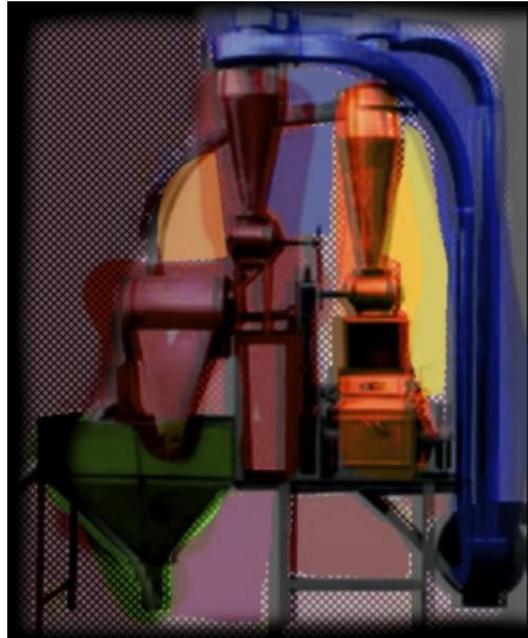
#### The Setup

“In the factory books, you see lots of turnover. But slaves couldn’t quit. While factories were worrying about filling positions and just keeping things going, plantation owners were focused on optimization. They could reallocate labor as they saw fit. I found real quantitative analysis in their records. They were literally looking at humans as capital.”

— Caitlin Rosenthal, Harvard Business Review

As this is being written U.S. President Barack Obama is pushing the House of Representatives to give him ‘fast-track’ authority for his trade agreement, the TPP (Trans-Pacific Partnership), granting him the authority to cede political control to global capital at will. As has now been well commented on, the agreement isn’t about trade per se, but is a template for the consolidation of corporate power within an international framework. The current push for explicit ‘political’ control is only an anomaly to the historically illiterate— the growth of Western capitalism has come through use of state power in the service of predominant economic interests. Hopes that the

defeat of ‘fast-track’ will represent a strategic victory against global capital have several centuries of history to overcome.



*A machine that turns the toil of one group into the possession of another is invented. Presciently, the source of the labor and toil to be converted; be it through slavery, imperialism, armed robbery or capitalism, is irrelevant. Nature, as expressed through the ‘will’ of the machine, is served by the conversion. Or at least that is the explanation provided by those whose pockets its product ends up in. Original image source: flourmillmachines.com.*

Given record corporate profits relative to U.S. economic production, the question of why granting corporations more control over the lives of hundreds of millions of people is a good idea is worth asking? The occasional frame of the American ‘political’ leadership provides context. Mr. Obama argues that ‘if we don’t write the rules, the Chinese will,’ a telling conflation of geopolitics and economics. Through the ISDS (Investor State Dispute Settlement) mechanism multinational corporations will ‘write the rules.’ And ISDS-like mechanisms of past trade deals assure that this will continue regardless of pending outcomes. The geopolitical frame is true by degree— U.S. based multinational corporations will represent their own interests through state power just as they always have.

From the ‘inside’ the political challenge of the last half century has been in explaining Western economic policies as a series of unfortunate, but nevertheless necessary, accidents. NAFTA (North American Free Trade Agreement) may not have turned out exactly as planned, but that is water over the dam. Bank deregulation may not have turned out exactly as planned, but that is water over the dam. The bailouts of Wall Street, including major European banks, may not have turned out exactly as planned, but that is water over the dam. The war for oil in Iraq may not have turned out exactly as planned, but... . Left unsaid is that politically connected plutocrats have benefitted from each and every one of these policies while the toiling classes have seen their lots diminished. As with exit polling results, a persistent bias is evidence that the fix is in.



*In the spirit of current 'intelligent' technology, this early Italian device combines the functionality of an automobile with that of an 'intelligent' telephone. Users start the motor and ride the device to the location of the person with whom they wish to have a conversation, and then they have a conversation. Western telecommunication companies developed the innovation that places them as intermediaries in this process for a few hundred dollars a month in charges and fees. Original image source: boredpanda.com.*

### **Slavery Goes to College**

Western economists' explanation of profits as the measure of economic 'efficiency,' the clever combination of labor, production methods and machinery in economic production, faces the moral and conceptual conundrum that slavery was more profitable than 'free' economic production when the two were openly comparable in the pre-Civil War U.S. More than one-half of the richest one-percent in the colonial U.S. were Southern slave owners and merchants who profited from trade in goods produced by slaves. In the present the 'scientific' business practices of Human Resource departments and corporate managers were taken directly from slave 'management' (HBR link above, h/t to Lambert Strether). Following the war the reparations due freed slaves, or even the forty acres and a mule that would have made them economically independent, were replaced by the promise of 'free' wage labor.

Control of the institutional context that governed 'free' labor led to the rapid reconstruction (irony intended) of the conditions of slavery through de facto criminalization of 'blackness.' The law, the judiciary, policing and the penal system were used to reconstitute the economic extraction of slavery through convict leasing and like programs. In capitalist economics stolen / expropriated labor diminishes 'free' labor by 'signaling' that capital should flow to low / no wage production (e.g. outsourcing). The 'political' question regarding past trade agreements like NAFTA (North American Free Trade Agreement) is why monopoly power for the rich and

socially connected (doctors, tech, pharma) was protected while the poor and middle classes were thrown into international competition? In the liberal frame the difference is inexplicable while in economic history it ties to four centuries of specific intent.



*This 'devil' is in fact an eighteenth century machine that when motivated (cranked) makes the devil move. As metaphor, there is more than a touch of animism at work—the machine is a devil and the devil is a machine. As deeper metaphor, the devil is of 'our' own making. Collectively suicidal 'trade' agreements add prescience to the metaphor. Original image source: neatorama.com.*

The ready contention that slavery occurred in the past while modern business practices occur now, historical 'progress,' begs the question of why practices applied to slave 'management' would still have bearing on contemporary labor management? What is it that unites 'free' and slave labor in business practice? The view of slaves as human 'capital' (opening quote), as labor that is interchangeable with machines depending on their relative costs, is part of the basic economics taught at MIT and Princeton. The question of the ownership of capital has no bearing on the neo-classical production function, on determination of the (theoretically) most profitable mix of labor and machines used to produce things. However, the price of labor does figure into the calculation making the use of low / no wage labor the 'rational' choice.

One of the distributional aspects of the slavery economy, which is most likely obvious to readers who aren't economists, is that 'a society,' in this case the Southern U.S., can be rich with the overwhelming preponderance of 'its' citizens living in destitution as chattel. The same can be said of the Ancien Regime in France and Russia under the Tsars. By the metrics of Western economists slavery was very successful— productivity was higher than 'free' factory production and rising and the slave economy supported the larger economy by producing goods for trade and the accumulation of capital. By the standards of capitalist economics, if slavery hadn't been one of the cruelest, most murderous and morally bankrupt institutions in human history, it would

have been great. And lest this result be applied only to pre-revolutionary despots, liberal economists are busy proving that high ‘inequality’ isn’t a hindrance to economic growth. The question of ‘growth for whom’ never enters consideration?

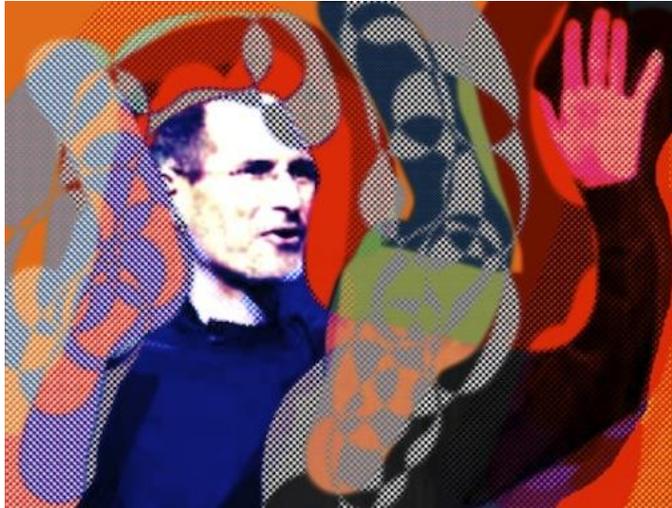


*The economic ‘efficiency’ of slavery very much depends on who is doing the calculation. It most certainly wasn’t efficient for the over twelve million kidnapped Africans, many who died of disease, malnutrition and mistreatment on their journey to America, and their descendants who were made slaves. The very idea of economic efficiency as applied to slavery should provide indication that there is a fundamental flaw with the concept. ‘Efficiency’ came through the control that slavery provided over the captive work force—it is a metric of social power. Original image sources: [faculty.polytechnic.org](http://faculty.polytechnic.org), [beginningandend.com](http://beginningandend.com), [rachaelmurrin.blogspot.com](http://rachaelmurrin.blogspot.com).*

### **Steve Jobs Waves Goodbye to His Money**

This is necessarily speculative, but from the mainstream perspective any effort to link slavery to modern capitalist practice and trade deals like the TPP lacks basis in ‘serious’ analysis. Granted is that it is impossible to convey the horror and diminished lives that resulted from slavery. Otherwise, the cover that difference provides difference diminishes neither intentions nor historical continuities—the conditions for those working for U.S. based multi-national corporations in Haiti, El Salvador, Vietnam, China or in U.S. prisons isn’t chattel slavery, but they tie to it through both the scientific methods of industrial organization that are employed and the ‘negative’ freedom to choose employment due to the residuals of colonial history.

“A foreman immediately roused 8,000 workers inside the company’s dormitories, according to the executive. Each employee was given a biscuit and a cup of tea, guided to a workstation and within half an hour started a 12-hour shift fitting glass screens into beveled frames. .... “The speed and flexibility is breathtaking,” the executive said. “There’s no American plant that can match that.”” Apple Computer Executive on Chinese Working Conditions



*The late Steve Jobs waves goodbye to his money as his final act of living. Mr. Jobs embodied the ethos of an age, one expressed through power as unhindered greed. The pseudo-hipster positioning of Mr. Jobs and 'his' products ties to the capitalist propaganda of Edward Bernays' who made lung cancer hip for some seven generations of Western women now. Likely irony will find the youth who still view Mr. Jobs as an icon on the receiving end of his version of 'free-trade' economics in the decades to come. Original image source: [blog.timesunion.com](http://blog.timesunion.com).*

The Western executives who marvel at the long lines of applicants outside of U.S. contracted manufacturing facilities in China would presumably have been likewise awed by the sudden availability of 'free' wage labor following the end of slavery in the U.S. The late Steve Jobs of Apple Computer embodied the ethos of the current age when he 'privatized' government funded research while shipping its production to former European colonies where labor is plentiful, cheap and pliable. Mr. Jobs didn't create the technology that he popularized, nor did he manufacture it. What he did was use state resources— technology developed in government sponsored labs and the legal and military institutions needed to assure repatriation of 'profits,' to pose as a capitalist.

The iconography that lauds self-serving sociopaths like Mr. Jobs is wedded to ideology that bears almost no relation to its facts. Theorists can debate the particulars of the scientific business management practices of slavers as they relate to modern business management, but what becomes apparent is that they didn't exist in opposition to slavery. In related fashion, following the Second World War significant numbers of Nazi scientists, formerly committed Nazis who were also scientists, were brought to the U.S. to impart their scientific expertise to the military-corporate technocracy. This isn't to call anyone a Nazi. It is to grant, for the moment, that science is precisely what notable scientists claim it is, a method, not an ideology. That it is a method to make slavers and Nazis more 'efficient' slavers and Nazis may seem a cheap shot, but that was the goal as per the actual practitioners.

The comeback that 'we' must compete against political and economic opposition using all of the tools available to 'us' brings 'us' back to the TPP. As of the moment of this writing the certainty surrounding passage of 'fast-track' authority is waning. What has been unleashed by the push to pass the TPP is impetus toward completion of the capitalist / corporate coup begun in the 1970s.

ISDS-like mechanisms exist from past trade agreements and are already being used. Growing catastrophes for global labor and the environment will be at best incrementally inconvenienced by a political setback for 'fast-track.' And while ending 'fast-track' is a possibly necessary diversion, the capitalist coup and its institutional facts will remain the problem. The next President from either political Party will push the same high-capitalist program and the most likely lesson learned from a defeat of 'fast-track' will be to better hide the grab for increased corporate power, not to reverse it.

**In Memory: Ornette Coleman 1930 – 2015**



*Ornette Coleman, one of the greatest artists of the twentieth century. Readers can find a reasonable representation of Ornette's discography online. He was also a painter, a philosopher and a truly beautiful human being. Original image source: [barryrafael.wordpress.com](http://barryrafael.wordpress.com)*