

Stephen Squibb

This Machine Builds Fascists: Nationalism as Mode of Distribution

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e-flux journal #78 — december 2016 Stephen Squibb
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The reappearance of fascism on the world scene requires a retheorization of nationalism. If the purpose of theory is that it allows us to see something safely, as Andrea Wilson Nightingale has argued – accompanying and guarding us like an old army general whose view of combat from distant elevated ground reveals patterns no fighting soldier could see – then the return of the past century’s most dangerous phenomenon indicates a theoretical failure at the heart of our strategic planning. Our inherited concept of nationalism has made navigating the lifeworld much more dangerous and difficult than it needs to be. It is either unfinished or poorly made.

We don’t know how to feel about the nation, despite much writing on the topic. Attempts to unravel “the question of the nation” without specifying the materiality that organizes it are futile exercises – as futile as attempts to unravel “the question of the factory” without recognizing production as a material problem in need of perpetual renegotiation.¹ It was the actions of the nineteenth-century workers’ movement within and against the factory-institution that recorded the concept of production as a larger, transhistorical theater of class struggle. From signifying the fabrication of goods, production became a principle of explanation, a way of describing the social-historical world without recourse to ideas of “God,” or “Nature.” Similarly, the nation-state operates within the wider theater of distribution, in which class struggle divides the social surplus into the prices of land, labor, and money. Recognizing contemporary movements within and against the nation therefore requires according this concept of distribution the same weight previously given to production. Like production, distribution is a distinct theater of class struggle, rather than a preamble or a gloss for another more fundamental conflict. In order to understand our current crisis, we need to acknowledge that the class struggle within the theater of distribution is as persistent and as material as it is elsewhere.

What is Distribution?

Distribution refers to the distribution of the social surplus.² To prevent distribution from becoming another night in which all cows are black, it is important to emphasize what distribution is not. In the same way that red is not blue but both red and blue are colors, distribution’s peers clarify what it is. To borrow and refurbish some categories from orthodox political economy, distribution exists alongside production, reproduction, and representation. As a concept defined in relation to other concepts, distribution is what is not-production, not-reproduction, and not-representation.³ That is: if



A detail of a vitrine announces merchandise in the Trump Tower. Photo: Kaye Cain-Nielsen

we consider the sum total of social-historical processes and subtract everything better described by production, reproduction, or representation, what remains is distribution. All four can be understood as theaters, fixed by the class struggle, and charged with staging the differences between the material and the immaterial, the visible and the invisible, politics and economics. In the same way that transhistorical genres appear in different modes at different times (performance exists always but not always *proscenium* performance and so *proscenium* is the mode, while performance is generic), we receive the four theaters of class struggle as always already fixed into this or that contingent mode. Class struggle is what reveals this contingency and records the difference between theaters and modes. If we can say that Taylorism is a mode of production, it is only because we have recognized production as a transhistorical theater of class struggle that has *resulted* in Taylorism at whatever specific place and time. Insisting on this distinction prevents us from naturalizing such results, even as we argue over how best to characterize whatever mode. Is the shift in the mode of representation best characterized as moving from analog to digital or from paper to pixel? Is patriarchy a

mode of reproduction, representation, distribution, or a combination of all three? In each case, what matters is the difference between *modes* that come and go – patriarchy, Taylorism, the spectacle – and the theaters of their appearance – reproduction, representation, distribution, and production – which, once the class struggle has constituted them conceptually, do not.

Contradiction and Overdetermination

For Benedict Anderson, nationalism is a mode of representation: “the nation” refers to the imagined community made possible by the forces of representation unleashed by the technology of the printing press. For Sylvia Walby, nationalism is the public, segregationist subgenre of the patriarchal mode of reproduction wherein women’s exploitation is based on the employer and the state rather than the family (as it was with the private, exclusionary kind). Nationalism is a mode of reproduction in a different sense for Ernest Gellner, who argues that it is necessary for industrial production.⁴ Few writers have argued that nationalism is *itself* a mode of production, but many, like Gellner, have seen it as in some sense derivative, parasitical, or otherwise determined by it.



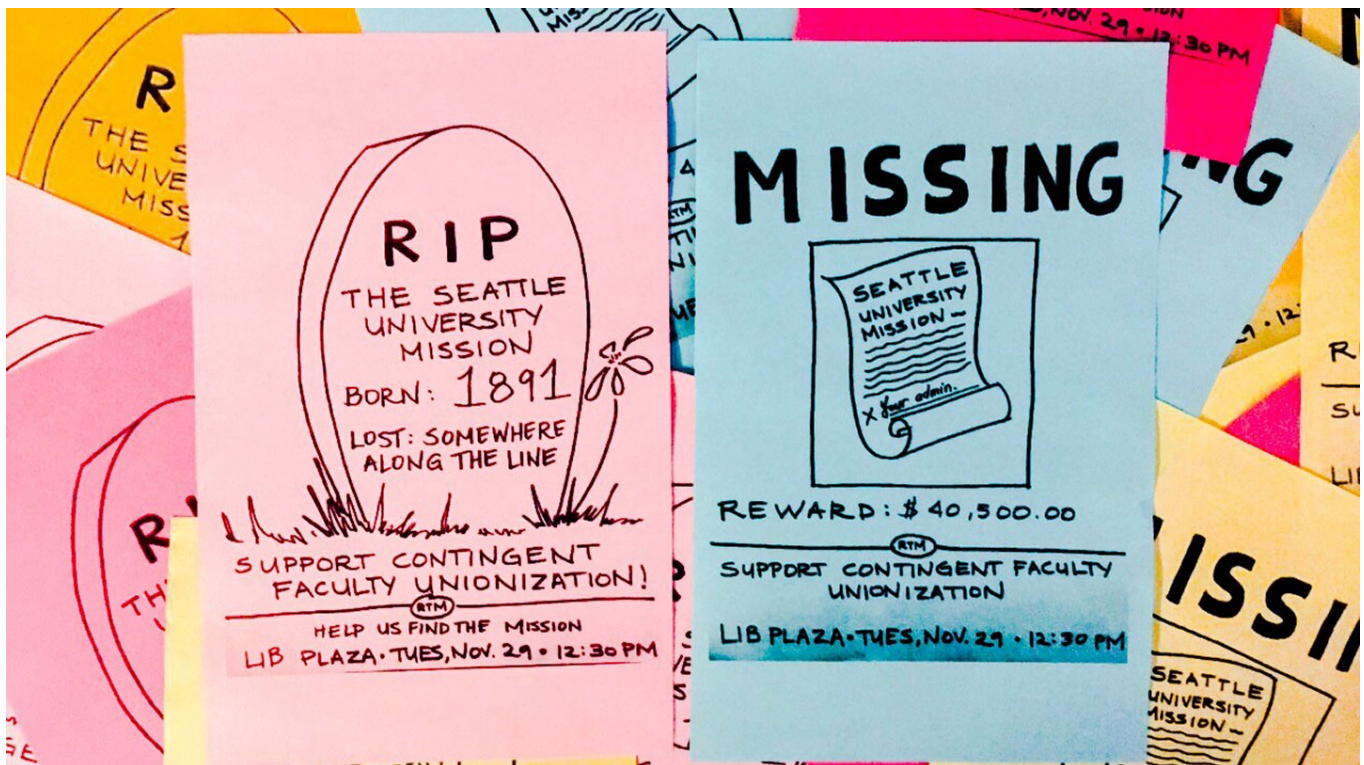
This billboard was installed in 1989 by real estate developer Seymour Durst, who paid \$100,000 for its construction. The clock displays, both, the U.S. gross national debt, as well as each family's share of it.

I think nationalism is better understood as a mode of distribution. Distribution is responsible for the existence of prices for land, labor, and money.⁵ These are brokered by market-staging institutions such as central banks, institutions for arbitrating labor disputes, and court systems – para-market formations both indigenous and exogenous to markets themselves. Land, labor, and money are not commodities like any others, as any reference to supply and demand is particularly inadequate in accounting for their prices. Unlike the exchange of other goods, the exchange of land, labor, and money requires more in the way of social validation from supplementary institutions in order to maintain itself as a market. For this reason, some have called land, labor, and money “peculiar” commodities, because their patterns of exchange are exceptional. Some don’t think they should be referred to as commodities at all, owing to this same institutional excessiveness. In this and much else, I will follow Suzanne de Brunhoff and refer to them as “non-commodities,” to signify the fact that the commodity character of their exchange is a contested outcome of class struggle.⁶

Class struggle is the reason the exchange of non-commodities tends to generate brokering institutions. When a central bank adjusts interest rates, it is adjusting the price of money,

and shifting the distribution of the social surplus between profit and interest. When the US National Labor Relations Board hears a case, it is adjusting the price of labor-power and shifting the distribution of the social surplus between workers and owners. Something similar happens when an institution like Fannie Mae or Freddie Mac in the US guarantees a mortgage and adjusts the price of land.⁷ Social surplus is allocated by way of such adjustments, and the character of their staging corresponds to a given mode of distribution. When these market-staging or brokering institutions are predominantly national institutions, nationalism describes the mode of distribution.

Certainly describing nationalism as mode of distribution opposes the efforts of previous thinkers on this subject. However, my aim is not simply to insert the concept of distribution into the place held by reproduction, representation, or production in these earlier, pathbreaking conceptions of nationalism. Rather, the goal is to replace a monocameral model of social-historical explanation – in which it is understood that one or another of these theaters always predominates – with a quadracameral one. This model understands any predominance of one theater over the others to be the result of class struggle, rather than a metaphysical inevitability. It is class struggle which determines, in any



After Seattle University announced its refusal to bargain with the adjunct and contingent faculty union, despite its status being certified by the National Labor Relations Board, the union began a campaign calling out the Seattle University Administration by filing a “missing [social justice] values report.”

given social-historical moment, which class identity is constituted in which position by reference to which combination of elements.⁸ It is because of the workers' movement that we have the concept of production; it is because of the women's movement that we have the concept of reproduction. Theory follows practice, and so the class struggle records itself in genres of concrete materiality. Instead of the politics or economics of reproduction being reduced to the politics or economics of production – or vice versa – both production and reproduction (and representation and distribution) are always already *politically economic*.

It is truly the case, as has been said, that recorded history is the history of class struggles. But it is not true that there are two, or only two, primary classes. This binary is an error in the record, and an effort to *limit class struggle in advance*.⁹ In point of historical fact, it is up to the class struggle how many class relationships persist throughout the political economy, which is never less than the sum of the four theaters. Such relationships form not only along the line dividing politics from economics *in production*, but also along comparable lines in representation, reproduction, and distribution. The record of class struggle insists on these divisions, and history will not sit for a simpler portrait.

The aim of reading nationalism as a mode of distribution is thus not to claim that it has priority over the other modes, or that it determines them, but only that it *can* do so, at certain times and under certain conditions. The largest obstacle inherited by revolutionary theory from the past century is the neuroses that insists on one or the other element of political economy being always already generic or universal enough to dominate or determine the other three. We have been perpetually told that the important thing is *really* writing, or the materiality of the value-form (mode of representation); or *really* computers or immaterial labor-power (mode of production); or *really* plasticity and ontogenesis (mode of reproduction), and so on. This is the analytical equivalent of saying that what *really* matters in an electrical circuit is the load, rather than the power source, the connectors, or the switch, when it is the presence of all four kinds of thing that makes it what it is. In the same way that an electrical circuit can stop functioning due to problems within one or more of its elements, so too do crises in the political economy often begin with one or another of its elements before spreading to the others. This predominance is contingent rather than axiomatic.

All modes have both a diachronic and synchronic existence. When considering the social history of any given theater, it is important

to examine both the coexistence of multiple modes within a single time frame, and also the shift, from time frame to time frame, of which mode predominates within a given theater. Diachronically, we might say that by the twentieth century, Taylorism had replaced the cottage industry as the predominant mode of production. Synchronically, we nevertheless note that many contemporary industries maintain cottage modes of production. This is why, in *The Development of Capitalism in Russia*, Lenin could identify no less than five modes of production existing side by side at the end of the nineteenth century, even as he recognized the shifting hierarchy among them. Similarly, to say that nationalism is the predominant mode of distribution today is not to say that it is the only one. A corresponding work of twenty-first century revolutionary theory would be *The Development of Nationalism on Gaia*, which would similarly identify the persistence of other distributive modes, even as it recognized the global ascent of nationalism and its attendant crises, of which fascism is certainly the most famous.

What Does the National Mode Replace?

If nationalism is the predominant mode of distribution today, what mode came before it? Some argue that such a question is nonsensical, because there is no such thing as a mode of distribution, only mechanisms of *redistribution*, which should be abolished as quickly as possible. What I am referring to as distribution would then be split into a natural or divine outcome, on the one hand, and a contingent element of the political economy, called “redistribution,” on the other (mere “periodic interventions” into an otherwise self-regulating machine). In this scheme, distribution as a social historical reality is replaced by a combination of myth and morality. To desire a return to the gold standard, the abolition of the minimum wage, or a lifeworld populated only by associated producers is to desire economics without politics, or politics without economics. Unfortunately for our conservative comrades – and there are more of these than will recognize themselves as such – the dream of a distribution-free world, understood as the free and happy functioning of land, labor, and money markets independent of distributing institutions, cannot survive even the shallowest acquaintance with history. It is utopian in the strict sense of describing a place that has not been found to exist.

A reactionary position, as opposed to the conservative one, is more consistent with historical reality. The reactionary wants to restore absolute monarchy, which does in fact

describe accurately the mode of distribution displaced by the nation. Like feudalism before it and nationalism today, absolutism refers to a set of institutions engaged in staging markets for land, labor, and money. The feudal bond priced land in terms of military labor, requiring landowners to furnish the king with a fully equipped knight for forty days a year – a price regime that dissolved when the money market allowed monarchs to raise military funds independently of the distribution of land.¹⁰ Under absolutism, instead of depending on the nobles for knights, a monarch became a military capitalist, raising money on the strength of future expectations as an entrepreneur would. When these bills came due, the monarchs either paid in loot or levied taxes, which led more or less directly (if not at all quickly) to consolidating the lords' alliance with the expanding professional class and eventually to the replacement of the absolutist mode of distribution with the national one.

Here we see why it is important to distinguish between the four theaters as places where multiple and overlapping conflicts between forces and relations take place: because it is often the forces of one that upset the relations of the other. The rise of print, to

return to Benedict Anderson's thesis, was a force of representation that helped undo the feudal relations of distribution. The rise of radio was a force that consolidated national relations of a similar kind. Many national institutions are the products of class compromises intended to stabilize exactly these kinds of interactions. At the end of a long and costly sequence of strikes and lockouts, a national institution is formed for arbitrating labor disputes. After numerous and costly credit crises, a central bank emerges for arbitrating the cost of money. The nation is what replaces the king as the repository of local responsibility for non-commodity management. And in the same way that the "good king" was one who successfully exported violence abroad, so too does the nation seek to exile class conflict to the borders of its territory.¹¹ It is in response to the need for institutionalized mechanisms of non-commodity management that the nation arises to disaggregate labor-power into a kind sold by a class of citizens at one price and a kind sold by a class of non-citizens at another. These must either seek national permission to exchange their labor-power, or work illegally.¹²

Such efforts at managing the price of labor-power often coincide with efforts to manage the price of money, which is likewise reinstituted as



A man holds up a tea kettle during an Atlanta Tea Party tax protest in April 2009. Photo: John Bazemore/AP

a national concern in the form of central banks. In national distribution, the class struggle between owners and workers, on the one hand, and creditors and borrowers, on the other, is partially mitigated by the creation of a class struggle between citizens and foreigners.¹³ But none of these class divisions are any more fundamental than any of the others, or have more metaphysical weight. Class struggle predominates over everything, including the question of which class division becomes an active antagonism in which conjuncture.

Fascism, historical and otherwise, follows from a crisis in the national mode of distribution. It arises when the contradictions inherent in that mode become exacerbated – in particular when the nation-state loses the ability to socially pre-validate its non-commodities, and thus no longer functions to bridge the gap between social recognition and material realization, imperiling accumulation. Fascism is reactionary because it aims to restore the political economic significance of an enfeebled mode – in this case, the nation – by supplementing it with violence. Racism is the ideological expression, post facto, of violence performed in the nation's name. All nationalisms are potential fascisms to the extent that they are relied on to stabilize non-commodities for exchange. In order to see why this is so, it is necessary to briefly examine the relationship between the non-commodities and capital.

The Non-Commodities and Capital

Often, when we set out to analyze capital, we end up only speaking about power and commodities.¹⁴ Many an ultraleftist has inflated these concepts into a new metaphysics. Intending to communicate the severity of our collective situation, some comrades frequently end by obliterating the concept of capital itself, and thus denying the overwhelming reality they had set out to demonstrate. Said simply: if everything consisted in some combination of commodities and power, there would be no capital, whose conceptual existence rests on the difference between commodities and non-commodities as objects of exchange.

A capital is a circuit of accumulation. It is traditionally notated in its simple form as $M - C - M'$, that is, money (M) transformed into commodities (C) transformed into more money (M'). Here we can already see that our capacity to perceive this transformation, and thus, our capacity to conceptualize capital itself, rests on defining money as a non-commodity. Otherwise our circuit would become a tautology, indistinguishable from a series of barter exchanges, reading $C - C - C$.

The same is true for labor-power, another non-commodity managed by the mode of distribution. The traditional notation of industrial capital is $M - (C + L) - C - M'$, that is, money (M) is transformed into commodities and labor-power (C + L), which are combined to produce new commodities, which are then transformed back into more money (M'). If, as in the previous example, labor-power and money are not understood as non-commodities, we are once again back in the tautological night where all cows are black: $C - (C + C) - C - C$. If there is no exchange of non-commodities, there is no transformation, no accumulation, and no capital. It is only the persistence of the distinction between non-commodities like money and labor-power, on the one hand, and standard commodities for production and consumption, on the other, that makes capital *capital*.

What is important for our analysis of distribution broadly – and for nationalism and the resurgence of fascism in particular – is only to note that capital is not capable of providing M or L. It can combine these to accumulate more of M – that is what makes it capital – but it must encounter these non-commodities ready-to-hand, so to speak, if any accumulating transformation is to take place.¹⁵ However, it would be a mistake to then conclude that because capital cannot provide money and labor-power, the nation immediately can. If distribution names the sum total of processes implicated in staging these non-commodity markets, this does not mean that any particular mode of distribution has a primordial monopoly on doing so.¹⁶ In fact, it is the *difficulty* of maintaining these non-commodities as objects of exchange that accounts for the antagonism at work in any given mode of distribution, national or otherwise.

In other words, the fascist effort to *revalorize* the nation is an effort to reestablish the role of the nation in facilitating the exchange of non-commodities. For example, tightening the border, “protecting” jobs, and deporting “illegals” all seek to increase national influence over the price of labor-power. Race is the mythological residue of this national distributive mechanism. Here it helps to remember Robert Paxton's insight that the Ku Klux Klan is the first fascist formation, a paramilitary nationalism organized to drive down the rising cost of labor-power after emancipation (and whose tragic success was famously celebrated by D. W. Griffith as the *Birth of a Nation*).

Likewise, the first Italian *squadristi* were organized by landowners in the countryside in response to professional efforts to raise the price of labor-power sold by those working the land. Once in power, fascism further depresses

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A man confronts a Ku Klux Klan rally in Columbia, South Carolina on July 18, 2015.

the price of labor-power by outlawing strikes and birth control and placing a renewed emphasis on national potency. Potency – the capacity to reproduce – refers both to the ability to issue money and the ability to issue people, and the nation compensates for its decreasing ability to manipulate the one by more and more aggressively manipulating the other. By forcing the identities of “woman” and “foreigner” into increased circulation and reinstituting to a greater or lesser degree the slavery – in the sense of the un- or undercompensated exchange of labor-power – of those so labeled, fascism promises to extend the privilege of collecting hereditary rent outwards from aristocrats with the appropriate bloodlines to the mass of male citizens possessing the appropriate racial purity. Included in the bargain is the partilineal anxiety about losing one’s inheritance either to an illegitimate heir born of an adulterous wife or to interest payments owed to a professional moneylender living in the city. And so the anti-Semitism and misogyny proper to a previous era’s ruling class returns in today’s alt-right/neo-Nazi memeology of “cucks” and “globalists.” Racist patriarchy is the toxic fumes emitted by a nation desperate to recover its distributive significance by exacerbating the contradictory conditions of its own possibility. Instead of recognizing how territorial borders work to cheapen labor-power worldwide, fascism rebuilds the violence of the border within the territory itself. Racism is simply the common name for this reappearance of border-class struggle within an already instituted distributive unit.

The United States provides a recent concrete example of such a distributive crisis. Beginning in 2008, a decades-long policy of nationally pre-validating the price of land led to a lending crisis.¹⁷ Due to the exceptional position of the US dollar as both a national and an international currency, this threatened the global price of money. It was only the extraordinary efforts by the American institutions in charge of the price of money and the price of land – most notably the Federal Reserve and the Treasury via Fannie and Freddie – to re-validate both non-commodities by buying mortgages and debt that kept these markets from collapsing entirely. However, the decades-long destruction of American labor unions by representatives of the former slave states meant that the price of American labor-power enjoyed no corresponding beneficence. It did not return to its precrisis levels, but continued to exchange at a depressed rate. In sum: following the crisis the Federal Reserve played its role as lender of last resort, stabilizing the non-commodity money and reestablishing its exchange.¹⁸ The Treasury

followed suit, buying enough mortgages via Fannie and Freddie to stabilize the price of land and reestablish *its* exchange.¹⁹ In the matter of the non-commodity labor-power, however, the response was opposite. Not only did the US nation fail to play its role as “labor union of last resort,” but captured state and federal governments actually shed more than half a million jobs following the crisis.²⁰ This is the equivalent of Treasury trying to stem the housing crisis by selling more mortgages, or the Fed responding to the lending crisis by increasing rates.²¹

With the national mode of distribution comes ways of ameliorating these crises by means of national institutions, but without a guarantee that these will be deployed.²² The nation becomes the territory responsible for absorbing the crisis material of this or that political-economic cycle, but whether it succeeds or fails in doing so depends on other factors. The material trauma of unemployment and the material trauma of bankruptcy are both resolved, to a greater or lesser degree, into the material trauma of the national territory. What the mode of distribution determines first of all is the characteristic distribution of *political economic fallout*. Like the kingdom before it, *the nation is what suffers*.

If the functional purpose of the mode of distribution is to effect the class compromises necessary to limit the danger to accumulation posed by the strange capacity of non-commodities to refuse exchange, this function has recently been undermined by the explicit unbundling of fiscal and monetary policy, whose putative combination was the instrumental condition of possibility for the late nation-state’s responsibility. We have seen how this has happened in postcrisis America, which acted decisively to restore the global monetary system but not its citizens’ standard of living. This splitting is also written into the treaties governing the European Union, which mandate the control of inflation but not the control of unemployment, stripping their member states of monetary control without making a comparable adjustment in fiscal policy, which in theory remains with the member states. What both the American and European cases indicate is that the contemporary mode of global distribution is putatively split between a national mode of fiscal policy and a regional mode of monetary policy. The myriad European crises since the global financial crisis of 2008 indicate that the distance between these two kinds of policy inhibits the existence of either, as Greece and other states have learned. Meanwhile, the Union itself is in serious danger of learning the opposite lesson: a regional currency cannot persist without some

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allowance for regional fiscal policy.²³

The resurgent right-wing regimes openly menacing global peace do so in the name of permanently collapsing this distance between sovereignties in favor of the nation – an impossible, utopian task. Faced with the destitution of their kingdoms, absolute monarchs launched pogroms to recover the hoards accumulated by the same class who they depended on, in better times, to raise them money and keep their rivals poor. Fascism is just the national-popular application of this same logic. It is the attempt by the nation to reconquer money by murdering its decadent, cosmopolitan agents, and to shrink the stock of labor-power by re-enslaving women and foreigners. Like workers and professionals, these can be immiserated or destroyed. The restless instability of the non-commodities cannot. These will remain, constitutively, in need of distribution.

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1

Karen Barad's definition of materiality, in *Meeting the Universe Halfway*, is useful here: "In an agential realist account, matter does not refer to a fixed substance; rather, matter is a substance of intra-active becoming – not a thing, but a doing, a congealing of agency. Matter is a stabilizing and destabilizing process of iterative interactivity." K. Barad, *Meeting the Universe Halfway* (Durham: Duke University Press, 2007), 151.

2

Strictly speaking, social surplus is only that which is distributed, represented, reproduced, and produced. The surplus is never not all of these.

3

Readers familiar with the tradition will notice that I have substituted "representation" for circulation and "reproduction" for consumption. This is a substantive realignment, as aspects of what was circulation now belong to production and representation, and elements of consumption are similarly reassigned. This allows for more accurate and specific descriptions of the political economy, in the sense that, for example, when writers have criticized "consumer society" they have frequently done so in terms not of *consumption* per se, but actually in terms of representation (often advertising) or of reproduction (around issues of health and safety). Likewise, circulation in the sense of exchange is so fundamental that it can't really be productively isolated, while circulation in the sense of fixed capital investment is really a form of production.

4

S. Walby, "Woman and Nation," *International Journal of Comparative Sociology*, vol. 33, no. 1–2 (1992). E. Gellner, *Nations and Nationalism* (Ithaca, NY: Cornell University Press, 2009): "To understand the role played by (nationalism as a system of) education, we must, to borrow a phrase from Marx, consider not merely the mode of production of modern society, but above all its mode of reproduction" (29). This is because "the monopoly of legitimate education is now more important than the monopoly of legitimate violence" (34). However, production still predominates: "These conditions do not define the human situation as such, but merely its industrial variant" (55).

5

Typically I refer to the non-commodity stock exchanged by workers as "labor-power." If I neglect to do so in the early going, it is because, strictly speaking, money perhaps ought to be predicated in a similar way. Whether this would be best done in terms of "value-power,"

"presence-power," or, after André Orléan, "debt-power" or "credit-power," however, is beyond the current text to determine.

6

De Brunhoff shifts between the terms "non-commodity" in *Marx on Money*, trans. Maurice J. Goldbloom (London: Verso, 1973), 71, and "peculiar" or "particular" commodity in *State, Capital and Economic Policy* (London: Pluto Press, 1978), 4. Both are crucial works that make possible much of what follows. Karl Polyani, in *The Great Transformation*, uses the term "fictitious commodity." For the role of class struggle in determining the degree to which labor power is commodified, see Harry Cleaver, *Reading Capital Politically* (Austin: University of Texas Press, 1979).

7

This price of land becomes particularly important when it is recruited to offset decreases in consumption resulting from stagnant wages, further disaggregating labor into those who own and those who rent, a strategy pursued in Britain and the US especially. See Christian Marazzi, *The Violence of Financial Capitalism*, trans. Kristina Lebedeva (Los Angeles: Semiotext(e), 2011).

8

A concrete example: the invention of birth control created the conditions of possibility for the predominance of the mode of reproduction over the mode of production. Thus the dominant class identity shifted, in certain contexts, from being constituted by reference to the relations of production to being constituted by references to the relations of reproduction. Shulamith Firestone was one of the first to think reproduction along these lines. Also Engels, whose passage to this effect in *The Origins of the Private Property and the State* Judith Butler identifies as a socialist-feminist favorite. See J. Butler, "Merely Cultural?" in *Adding Insult to Injury: Nancy Fraser Addresses her Critics* (London: Verso, 2008). As Barad readily asserts, few have done more than Butler to develop the concept of materiality.

9

If all hitherto recorded history *really is* the history of class struggles, then these struggles must precede and occasion any division of the classes into whatever number. The privilege that would grant the twoness of the class struggle in advance, so to speak, is archaic and unfounded. The greatest critic of this error is Étienne Balibar, particularly in his essays on the mode of production, from *Reading Capital* (London: Verso, 2012); "On the Vacillation of Ideology..." in *Masses, Classes, and Ideas* (London: Routledge, 1994); and on nationalism and racism, in *Race, Nation, Class*

(London: Verso, 1991), where he describes the effect of this productivist metaphysics: "It can be said in the strong sense of the word there is in *Capital* not two, three, or four classes, but *only one*, the proletarian working class, whose existence is at one and the same time the condition of the valorization of capital, the result of its accumulation, and the obstacle which the automatic nature of its movement constantly encounters" (160)

10

See, for example, Chester Dunning and Norman S. Smith, "Moving Beyond Absolutism: Was Early Modern Russia a 'Fiscal-Military' State?" *Russian History*, vol. 33, no. 1 (2006); and Jan Glete, *War and the State in Early Modern Europe: Spain, the Dutch Republic and Sweden as Fiscal-Military States* (London: Routledge, 2001). Perry Anderson's *Lineages of the Absolute State* (London: Verso, 1974) remains one of the best historical treatments of this or any other topic, albeit one still committed to ultimately explaining absolutism and feudalism in terms of production. In the interests of brevity I have left off specifying what sort of technology, in particular, makes distribution as generic as production was for writers like Anderson. In short, it is military technology. The concrete stakes of my intervention here are, ultimately, to make technologies like the machine gun, the atom bomb, the long bow, and (in another theater) birth control as significant, for historical materialism, as the technologies of the cotton gin, the robot, or (in another theater) double-entry bookkeeping.

11

It's important to remember, with respect to labor-power, that the growth of trade unions was as frequently organized by employers or the state for the purposes of labor discipline. De Brunhoff, *The State, Capital and Economic Policy*, Chapter 2. Also Jonas Pontusson and Peter Swenson, "Labor Markets, Production Strategies and Wage Bargaining Institutions: The Swedish Employer Offensive in Comparative Perspective," *Comparative Political Studies*, vol. 29, no. 2, (1996): 223–50. Correspondingly, it is also important to remember that it was not the regime of Ronald Reagan that brought down the USSR, but the struggle for independent unions originating in Poland.

12

"In the United States, after the defeat of militant trade unionism during the 1920s, and after the massive unemployment of the 1930s, the government favored the growth of the trade unions (in the face of violent opposition from a section of the employers), because trade unions were entrusted with a

new role: that of managing workers' demands, notably by negotiating wage contracts with employers representatives. The disaggregation of the working class (into the unionized and the non-unionized, into white and black workers, etc.), the regulation of the right to strike, the witch hunt of communists and progressive liberals ... all made it possible to make inflation acceptable." De Brunhoff, *The State, Capital and Economic Policy*, 132.

13

This is the political economic reality beneath Carl Schmitt's perception that the content of the concept of the political is the friend/enemy distinction. Certainly it is, but this distinction rests on an economy of labor-power, which, in times of crisis, manifests a friend/enemy distinction. Fascism is the extreme form of this manifestation. We see here how the understanding of production as a theater of class struggle accounts for the division between a politics (a friend/enemy distinction) and an economics (the relative commodification of labor-power).

14

Echoing Poulantzas's critique of Foucault, de Brunhoff makes the essential point: "The Italian *operaismo* (class autonomy) current has defined the fundamental antagonism of the present epoch as that between socialized labor and the state as collective capitalist ... Its weakness, in my opinion, is its subjectivist view of class, implying that society functions in terms of relations of power which are not embodied in given objective social relationships. Consequently the Italian critique 'from the left' has a tendency to mirror the economism it seeks to overthrow ... By bringing together politics and economics a suffocating general rationality ensues, which leaves no place for the history of struggle. The result has been a displacement of the problem from capital to commodity and from capital to power ... economism is more frequently to be found nowadays in the way in which analyses of different social practices have become contaminated by references to economic norms. The 'political economy' of signs, of the body, the family, the state; the primordial importance attached to the logic of equivalence and the category of exchange, together with the notion of micro-economic techniques of power – all these theoretical developments pay homage, in one way or another, to the economic theory of the commodity, if not the rules of optimum management. The social devices which produce knowledge – or signs or traces – are seen in a uniform, and hence comparable way, in terms of their common and presupposed capacity for probabilistic calculation ... The commodity

form and the mechanisms of power hold the center of the stage, while capital is left in the wings ... labor-power and money as particular types of commodities seem to me to constitute a rational point of departure for an analysis of the relationship between state and capital over a long period." De Brunhoff, *The State, Capital and Economic Policy*, 3. My own effort is simply to describe this relationship as a primary example of the social-historical materiality of distribution.

15

Or at least not the kinds of capital we have considered so far. It will be the argument in a future piece that military and police capitals accumulate precisely by providing these non-commodities.

16

The use of the term "market" in this analysis is a bit confusing, insofar as it refers to the conditions of possibility for a given form of exchange rather than a specific location or theological deus-ex-machina of the "invisible hand/spontaneous order" variety, which have always just described the view of non-commodities from the perspective of capital. So for example, the payment of rent in kind by serfs under feudalism represents an exchange of labor-power, and thus a "market" even though this often happened without there being a separate "theater of commerce" in the sense we usually mean by "labor market."

17

Reactionaries often tell the truth about one small part of the political economy and then lie about or ignore the rest: they are not wrong, in this respect, to argue that the crisis began with Fannie Mae and Freddie Mac, the two American public-private hybrids responsible for guaranteeing mortgages. They just fail to see these institutions themselves as part of a larger bargain underpinning American empire. Cheap mortgages are what the American taxpayer gets in exchange for funding American military capitals, which guarantee the status of the American dollar as the reserve currency, allowing the federal government to borrow at world-historically low rates. Fannie and Freddie just extend a small part of this privilege to the rank and file of American citizens. Hence the reactionaries are careful not to blame Freddie and Fannie *themselves*, but only the laws which prohibit them from discriminating against borrowers on the basis of race. If the racist reality of the nation were simply allowed to assert itself, the reactionaries suggest, then all would be well. They are right about the first part – the core structures of the nation certainly excrete racism – but wrong about the second, because no effort to purge illegitimate nationals has ever

succeeded in stabilizing the exchange of non-commodities.

18

Legibility concerns have delayed me from discussing the functions of the non-commodity money in sufficient detail here. It is important to say, in the interim, that it is *only* the strange position of the US dollar as the international reserve currency that allowed the Fed to do what it did. Typically, liquidity, as the social institution of the materiality of value, prevents any one institution from behaving in this way, as the constitution of liquidity at the moment of hoarding is constitutively international and diffuse. For the articulation of a similar position, see André Orléan, *The Empire of Value*, trans. M. B. DeBevoise (Cambridge: MA: MIT Press, 2014).

19

The fact that America was able to avoid austerity on these two fronts is owing in part, in must be said, to the partially private character of its distributive institutions in charge of land and money. Half the governing board of the Fed is appointed by private banks and half by elected presidents. Likewise, Fannie and Freddie are public-private hybrids; they have shareholders, but these are not so strong as to keep the Treasury from evaporating the nearly three hundred billion in profits returned on the mortgages bought at the height of the crisis.

20

Broken by corporate-backed gerrymandering, the US House of Representatives even went so far as to threaten the position of the dollar as the reserve currency by refusing to raise the debt ceiling unless more government workers were fired. This effort by the American ruling class to instrumentalize its control over the international currency to enrich themselves at the expense of their citizens already contained Trump's campaign in embryo: insofar as it, too, sought to sharpen the contradictions inherent in America's position as a national territory charged with managing international money.

21

Nor was this absurdity lost on the leaders of the institutions, who repeatedly pled that they had done all they could with the levels of monetary policy and that it was necessary for Congress to turn to fiscal solutions.

22

Inflation is the signal example, which makes a national currency the gauze absorbing the political economic wound.

23

Hence the need for an emergency "fiscal compact" rammed through by Merkel in

11/12

e-flux journal #78 — december 2016 Stephen Squibb
This Machine Builds Fascists: Nationalism as Mode of Distribution

