

# The Long Con

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- *The Age of Acquiescence: The Life and Death of American Resistance to Organised Wealth and Power* by [Steve Fraser](#)  
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‘Why is there no socialism in the United States?’ the German sociologist Werner Sombart asked himself in 1906 – it was also the title of his most famous book. The question was misconceived. During the several decades before the Bolshevik Revolution, socialism was as American as apple pie. In the presidential election of 1912, nearly a million Americans – 6 per cent of the electorate – cast ballots for the Socialist Party candidate, Eugene Debs. There were two Socialist members of Congress, dozens of Socialist state legislators, and more than a hundred Socialist mayors. The leading Socialist newspaper, the *Appeal to Reason*, had more than 500,000 subscribers. And this was only a portion of a much broader swathe of the electorate who considered themselves Progressives or Populists rather than Socialists, but were just as committed to challenging concentrated corporate power in the name of a ‘co-operative commonwealth’.

These people did not fit Sombart’s implicitly Marxist model of opposition to capitalism. They were farmers and artisans and small businessmen as well as industrial workers. Many were small-town or rural folk from the Midwest or the South. (Debs was from Terre Haute, Indiana and the *Appeal to Reason* was published in Girard, Kansas.) They rarely resorted to the axioms of ‘scientific socialism’; instead they deployed an idiom derived from republican tradition and charged with Christian morality. For many, the co-operative commonwealth was indistinguishable from the Kingdom of God on earth; religion was not an opiate but an elixir. Resistance to capitalism, it appeared, could look back as well as forwards; it was rooted not only in utopian visions of the future but also in concrete experience of the present and past, in older ways of being in the world, depending on family, craft, community, faith – all of which were threatened with dissolution (as Marx and Engels said) in ‘the icy waters of egotistical calculation’. Radical critiques of capitalism might well arise from conservative commitment to pre-capitalist ways of life, or memories of that life. This wasn’t only an American pattern. E.P. Thompson, in *The Making of the English Working Class* (1963), rescued the Luddites and other artisans from ‘the enormous condescension of posterity’ by showing that their apparently reactionary attachments to custom and tradition created the leading edge of working-class consciousness. Soon American historians were making similar discoveries.

The Thompsonian history of the working class revealed a common pattern on both sides of the Atlantic: as workers became less grounded in traditional ways, their critique of capitalism tended to soften. In the United States, the assimilation of labour to capital became apparent after the grand bargain of 1950, when unions in the steel and car industries traded their control over shop-floor rules in return for security and steady wages. No one can deny the democratisation of affluence that flowed from the ‘Treaty of Detroit’, as Steve Fraser calls it in *The Age of Acquiescence*. But the hidden cost of the agreement was the erosion of any notion that organised labour could foster an ethos of solidarity – an alternative to the dominant culture of individual accumulation.

Fraser traces the path from this loss of a larger vision to the contemporary neoliberal consensus. He poses the question many people have asked privately in recent years: where is the outrage? Why have the vast majority of Americans uttered scarcely a murmur against the long con of neoliberalism, now underway for four decades? Apart from the brief flurry of the Occupy movement, few Americans have questioned the regime of marketisation, privatisation and techno-austerity; on the contrary, most have assumed its inevitability and more than a few have imagined themselves to be its potential beneficiaries. The notion that we are living in a second Gilded Age has become a commonplace, but few historians have tried to explain the gap between resistance to organised capital in the first Gilded Age – the age of Edith Wharton and J.P. Morgan – and acceptance of it in the second.

Fraser provides a powerful historical explanation for the waning of American dissent. He discusses the mid-century incorporation of the labour movement but also dissects more recent cultural strategies that have legitimated neoliberalism, redefining job insecurity as free agency and billionaires as regular guys. These rhetorical shell games have enveloped the long con in a libertarian-populist haze. Fraser’s book clears the air. But it also leaves you wondering: now what?

In Fraser's account, Americans acquiesce in plutocratic rule because they can no longer imagine alternatives to it. In the first Gilded Age, the impact of capitalism was new and strange. Its strangeness made it easier to resist. Attachments to fellow workers and ways of working, memories of an older notion of the public good: they all undergirded popular protest against the capitalist transformation of everyday life. Now the attachments have attenuated, the memories have faded and capitalism has come to seem part of the natural order of things. This growing sense of inevitability has promoted a shift towards what Fraser calls 'a sensibility of irony and even cynical disengagement rather than a morally charged universe of utopian yearnings and dystopian forebodings'. Now the forebodings persist but (apart from the vague menace of 'climate change') they tend to be focused on personal catastrophe: job loss, ruinous illness, economic freefall – all spectres that reinforce compliance with the capitalist order of things. Except on the pseudo-libertarian right, ideological fervour has gone out of fashion.

This cultural change has been accompanied by another great shift: from industrial to finance capitalism. In the first Gilded Age, profitability depended on cannibalising pre-industrial economies and societies, as 'factory-made goods ... drove under peasants, husbandmen and handicraftsmen, detaching men and women from traditional occupations' and turning them into 'proletarians of factory and field'. These developments were driven not by market exchange per se, which had existed for centuries alongside subsistence economies, but by the rise of systematic capital accumulation through industrial production, which depended on the disaccumulation of household and craft production.

During the second Gilded Age, by contrast, profitability has depended on 'cannibalising the industrial edifice erected during the first, and on exporting the results of that capital liquidation to the four corners of the earth ... where deep reservoirs of untapped labour, like newly discovered oil reserves, gave industrial capital accumulation a fresh start'. The dialectic of accumulation and disaccumulation has gone global. In the US, a 'political economy of auto-cannibalism' has emerged, hollowing out cities and ravaging lives. The ascendancy of high finance has been premised on gutting the industrial heartland, while mass layoffs have become a key to enhancing shareholder value – the sine qua non of success in the neoliberal economy. 'What was getting bought, stripped and closed up' during the late 20th century, Fraser says, 'was the flesh and bone of a century and a half of American manufacturing.' By the 1990s, for the first time in more than a century, life expectancy among the less educated was in decline, and the escalator of upward mobility had shifted into reverse. 'It's called the American dream,' the comedian George Carlin noted, 'because you have to be asleep to believe it.' Still every election campaign continues to generate the same tributes to hard work and steady ascent. Small wonder that most of the electorate hasn't bothered to vote in years.

The political atmosphere of the late 19th and early 20th centuries was invigorating by comparison. Economic and moral questions were joined at the hip; no one spoke the sanitised language of risk assessment and probability analysis. Everything was charged with high stakes, etched in sharp contrasts – most notably between haves and have-nots. By the 1890s, Fraser says, 'the richest 1 per cent owned 51 per cent of all real and personal property, while the bottom 44 per cent came away with 1.1 per cent.' Glittering industrial fortunes accumulated while armies of jobless men roamed the countryside in search of work. Employers' drive to maximise profits amid the lurches of the business cycle led periodically to wage cuts and mass layoffs. Beginning with the strike wave of 1877, which swept from Baltimore to St Louis in three days, capital and labour clashed regularly and violently for decades.

The farmer played an ambiguous role in this class war. In a sense he was 'the looniest speculator' of all, as Fraser puts it. He had to borrow heavily from predatory lenders who bundled subprime loans into mortgage-backed securities (a brisk market for these existed as early as the 1870s); buy equipment at prices inflated by protective tariffs; then try to pay off his debts by selling his crops under uncertain weather and market conditions, with price fluctuations fuelled by the new game of commodities trading. Finally, he had to hope, in Fraser's words, to 'come out with enough extra to play another round'. The dream of independent proprietorship, hemmed in on every side, drew strength from republican visions of a virtuous yeomanry. By the 1890s, desperate farmers embraced the Populist Party, which focused their rage on corrupt plutocrats whose tight-money policies, populists said, blighted virtuous womanhood, ravaged innocent childhood and debased republican manhood – while the plutocrats themselves wallowed in libidinous excess. The rhetorical forces of primitive Christianity confronted the demonic powers of Wall Street. In this rhetoric there was 'a certain gravitas, an undercurrent of apocalyptic finality ... foreign to our sense of things today'. Religious language raised the stakes in the struggle against concentrated capital.

This was true for industrial workers as well. By the 1880s, the 'soulless corporation' had become a target of the Knights of Labor, a fraternal organisation open to all workers. Though they were not a union and did not bargain collectively, the Knights pioneered the mass strike as a mode of resistance in America. The mass strike was open-ended and ecumenical; it spun off such tactics of large-scale mobilisation as the boycott and the sympathy strike; and it included many trades and levels of skill. Like the Populists, the Knights arrayed 'producers', who created wealth through their own labour, against 'parasites', who merely manipulated money to make more money. Many were

inspired by longings for lost spiritual harmony, which they believed could be satisfied by recovering Jesus's message in the gospel of Social Christianity. Given this charged atmosphere, it is no surprise that rallies for Debs often resembled evangelical revivals more than conclaves of scientific socialists. Despite the influx of secular anarchists and European socialists, American anti-capitalism preserved its vernacular blend of republican virtue and Christian morality through to the First World War.

It was the coming of the war that signalled the beginning of the movement from anti-capitalism to acquiescence. The defenders of capital had by now perfected the strategy they had been practising for years, and were using state power, including heavily armed police and the National Guard, to crush labour disturbances. Their efforts derived legitimacy from the Bolshevik Revolution, which was used to taint American socialism with foreign and atheistic associations. Bolshevism, like race, could be used to divide the working class, as in the steel strike of 1919. The strike's failure ended a half-century of workers' revolt. Yet a decade later, the same religion of solidarity that in the 1880s had inspired the Knights of Labor mobilised the Congress of Industrial Organisations. The CIO represented the industrial workers who had been neglected by the American Federation of Labor, which was geared towards skilled tradesmen. (The two organisations merged in 1955, becoming a broad coalition that resembled the British Trades Union Congress.) The CIO created the mass labour unions of the 1930s, which underwrote demands for shop-floor democracy, redistribution of wealth, public ownership of utilities, economic planning and public investment. This was 'the last moment in the country's history', Fraser writes, when 'alternatives to the prevailing order made their presence felt in public life' – alternatives that Roosevelt's New Deal only gestured at realising.

Yet within the labour movement, something had changed. The emphasis had shifted, during the 1920s and 1930s, from militancy to security. The Treaty of Detroit equated the pursuit of happiness with private consumption. The Second World War and the Cold War completed the assimilation of unions by creating an atmosphere of permanent emergency that normalised conformity and cleansed public language of any words that exuded even a faint aroma of Marxism – 'class struggle', 'exploitation', 'plutocracy', 'ruling class' and the like. None of this troubled the union bosses who came to power in the 1950s and 1960s, and who created the (sometimes accurate) public image of unions as corrupt, self-serving bureaucracies.

During the early 1970s, as competition from reconstructed postwar economies brought a decline in the corporate rate of profit, American capital began its migration from industry to finance. Sacking workers became the surest way to inflate stock prices. The results soon became apparent: the emergence of a permanent underclass, the return of sweatshops and the rise of contingent labour – the latter-day version of Marx's 'reserve army of the unemployed'. As austerity became the cure for the novel disease of stagflation, weaker unions became the prescription for greater competitiveness. For decades, American companies have disaggregated production, moved jobs offshore and turned employees into independent contractors. Labour unions, discredited by their shortsighted leadership and outflanked by management at every turn, have become withered spectres of their former selves. Manual work has 'dropped beneath the horizon of our common consciousness', Fraser writes, losing the 'cultural gravitas' it possessed in the 19th and early 20th centuries. The sense of mutuality that fostered 'the epistemology of revolutionary change' has disappeared too, as the few remaining unions have become magnets for resentment, protectors of privileges no longer available to the rest of the population. The ruling class, meanwhile, has redefined itself as 'the successful' – a meritocracy that deserves to lead. The widespread acceptance of that notion can be traced, Fraser believes, to the marketing success of three 'fables of freedom': emancipation through consumption, freedom through the 'free agency of work' and freedom through the heroism of entrepreneurial risk. Together they constitute a collective fantasy that allows many Americans to perceive dispossession as liberation, even as they remain haunted by fears of future insecurity.

Fraser's cultural critique is refreshingly unfashionable. For decades, American historians have emphasised the agency of consumers, their alleged ability to transform consumption into an autonomous, maybe even resistant gesture. Fraser refuses to play this game. He recognises the hollowness of self-expression when it's a commodity on the mass market. And he documents the destructive impact of consumer culture when the meltdown of the industrial base began to undermine its economic foundation: a well-paid working class. Mass consumption, if it was to continue, had to be financed by credit card indebtedness, and as Fraser says, to live 'on a credit card is to exist in the perpetual present', to abandon 'the future orientation embedded in the political movements of yesteryear'. It is hard to imagine an alternative future (or any future) when you are struggling to meet minimum repayments at predatory interest rates.

Yet anxious consumers could also imagine themselves as independent producers, reassured by 'the fable of the free agent' that redefines perpetual insecurity as freedom. Aspiring free agents shared with their bosses the illusion that 'the means of production could be somehow downloaded from complex organisations to anyone owning a computer', that technology was dissolving the old material forms of class oppression. In fact Americans were

working 350 hours a year more than Europeans; 'self-activators' became self-exploiters in the 24/7 work world of the precariat. Meanwhile, the fable of 'the businessman as populist hero' celebrated junk bond conmen as champions of the ordinary investor and high-tech entrepreneurs as dishevelled geeks with Promethean powers for good.

In neoliberal rhetoric, obeisance to market forces conceals a vast structure of government-business collaboration. The whippets of Wall Street whined for (and received) bailouts when their buccaneering schemes collapsed; the wizards of Silicon Valley overlook their debt to decades of government research and funding. Neoliberal strategies of global capital, far from rejecting the state, are dependent on a network of property laws, trade treaties and quasi-government institutions (the IMF, the World Bank). In America, the neoliberal state sustains a climate of permanent emergency by pursuing endless war against an invisible enemy; few strategies could more effectively distract citizens from challenging class rule. And indeed public debate has come to seem passé, as the steady hum of techno-determinism reminds us that policies once thought to be debatable are now simply 'the way things are'. We have come a long way from the mass strikes of the 1890s.

Still, Fraser tries to end on an upbeat note, suggesting that uprisings among workers at Walmart and other low-wage retailers may 'break through the ossified remains of the old trade-union apparatus and seed the growth of wholly new organisations of the invisibles'. People are still inspired not only by material wants but also by 'ineffable yearnings to redefine what it means to be human together'. Whether that desire for solidarity can give birth to effective political alternatives remains to be seen.

Despite low-wage workers' admirable efforts to organise, there is no common culture of resistance to concentrated wealth in America. It disappeared three-quarters of a century ago. It had flowed from pre-capitalist traditions – republican, populist and Christian – that combined to promote a sense of commonweal, of public good which transcended private gain. Now that sense is nearly gone from political life.

As Wendy Brown has argued in *Undoing the Demos*, neoliberalism has brought about a 'stealth revolution', overthrowing and hollowing out classical notions of politics.<sup>[\*]</sup> In neoliberal public life, debate about common values and purposes is reduced to problem-solving and team-building; human selves are reduced to human capital. As Brown observes, 'when everything is capital, labour disappears as a category, as does its collective form, class, taking with it the analytic basis for alienation, exploitation and association.' The disappearance of exploitation as a category of analysis accounts for the anodyne references to an abstract 'inequality' in contemporary discourse. After 600-plus pages documenting the maldistribution of wealth in *Capital in the 21st Century*, Thomas Piketty still couldn't bring himself to mention labour organising as an antidote. Anything rather than confront power relations directly.

A focus on exploitation confronts power relations by returning us to the workplace, where so much inequality is still generated and where challenges to neoliberalism can occur at the retail level. Take the food service industry. On the Upper East Side of Manhattan, for example, a handful of employees at the Hot & Crusty delicatessen (mostly undocumented immigrants) recently formed a small union to challenge their employer's exploitative practices, including wage theft and dangerous equipment in need of repair. Against the odds, they succeeded. As in the Thompsonian narrative, resistance to a vast system of injustice begins at the local level.

The question is how to spread the struggle beyond the local, when the big picture induces confusion and despair. Neoliberalism is everywhere and nowhere; its custodians are largely invisible. Fraser challenges the discourse of inevitability by reminding us that things were different once, and might be again. The first step towards politics is the realisation that alternatives to 'the way things are' exist, though they may require collaborating with new institutions, as the Hot & Crusty employees did when they turned to the Laundry Workers Center rather than an established union for advice and support. Political imagination requires some grounding in history and memory. Workers who are trying to create 'new organisations of the invisibles' depend on tactics and labour laws dating back to the New Deal era as well as on a solidarity ethos articulated by the Knights of Labor (not to mention the Luddites). Contemporary European protests against austerity hark back even further by breathing new life into republican traditions – the nation as *res publica*, the people as a political body. Allegedly outmoded ideas can preserve a critical edge in a world where mantras of progress claim to make politics obsolete. The conservative roots of radicalism have never been more apparent, or more in need of nurturing.

[\*] MIT, 296 pp., £20.95, March, 978 1 935408 53 6.