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Uneven Development and the History of U.S. Capitalism

During the Civil War and Reconstruction, industrialists and the federal state had organized themselves around intersecting goals to integrate a capitalist economy across a reconstituted national territory. Assuming a distinctly regional character, large-scale resource extraction was an important part of this political-economic program. It was not only the location of certain resources that made extractive operations take on this regional character; it was also a reflection of how capitalism had developed across space before the Civil War and how it was structured thereafter. Having centered New York banks in the new national banking system and encouraged private, high-interest loans to revive a war-torn, post-emancipation, and agricultural economy, the federal government had done little to tackle new inequities or older developmental unevenness between the regions.[1] Therefore, as northern capital began to find outlets in undeveloped resources during the late 1860s and 1870s, it contributed to new forms of regionalism. It contributed not only because this long-distance investment produced hierarchy and inequality across space but also because it provoked political conflicts that were articulated in spatial, or scalar, terms. These conflicts focused on problems of scale, jurisdiction, and communities of interest in order to contest the unsettled relationships between space, class, and state. The production of southern regionalism was, in this sense, a result not only of anti-Reconstruction white supremacist politics but also of capital's mobility and reactions to it.

Federalism, in this context, provided southern states some political tools to navigate an economic system in which capital was concentrated not only socially but also spatially. This took

[1] Bray Hammond, *Sovereignty and an Empty Purse: Banks and Politics in the Civil War* (Princeton UP, 1970), 150-163; Nicolas Barreyre, *Gold and Freedom: The Political Economy of Reconstruction* (UVA Press, 2015); David M. Gische, "The New York City Banks and the Development of the National Banking System 1860- 1870," *The American Journal of Legal History* Vol. 23, No. 1 (Jan., 1979): 21-67.

multiple forms. In their efforts to challenge dispossession and development, smallholding farmers and their town allies identified the federal courts as a political target. Through the enactment of "foreign corporation" legislation they struggled in vain to force northern developers into more friendly legal forums. A different struggle identified northern-financed railroads—central infrastructures of the changing economy—as objects of contestation. This produced new regulatory institutions—Railroad Commissions—to extend ambitious, potent, but ultimately narrow sub-national power over the organization of the economy. These struggles revealed a variety of political antagonisms: between state versus federal institutions; "domestic" versus "foreign" capitalists; smallholding producers versus large-scale developers; financial versus industrial capital. Yet they also shared key questions in common: in their efforts to extend (or obstruct) sub-national authority over interstate investment, they asked which players, institutions, and communities of interest would get a say, or have the final say, in how economic life was organized.

As northern capital flowed into regional railroads, mines, and timber lands, it shifted the political ground and provoked opposition. This opposition took many forms, but very often identified capitalists' "outsider" status as illegitimate and raised questions about which institutions—state or federal—should govern them. In this sense, the movement of capital from one place to another—so central to continual accumulation—generated conflicts over, and thus contributed to the production of, political scales. The United States had always governed itself using scalar principles: federalism was a way of institutionalizing different scales of political activity, distributing powers between them, and defining these capacities in terms of what was "inside" and "outside" the states' purview. But there was another, intersecting "scalar order," which capitalism, guided especially by the federal government, produced in this period.[2] Federal policy organized capital in such a way that conflicts over investment, development, and underdevelopment were articulated through conflicts over jurisdiction and the appropriate scales of political activity. Therefore, to borrow from the geographer Neil Smith, "the demarcation of scale should be seen as absolutely central to the processes and politics of uneven geographical development."[3] The "demarcation of scale" would indeed become central to southern and western politics alike in the 1870s, as the changing economic geography tested the relationship between national and sub-national institutions.

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[2] These phrases come from Bob Jessop, "Avoiding Traps, Rescaling States, Governing Europe," *in Leviathan Undone? Towards a Political Economy of Scale*, eds Roger Keil and Rianne Mahon (UBC Press, 2009), 87-104.

[3] Neil Smith, "Remaking Scale: Competition and Cooperation in Prenational and Postnational Europe," 61-2. Ulrich Brand, Christoph Görg, Markus Wissen, "Second-Order Condensations of Societal Power Relations: Environmental Politics and the Internationalization of the State from a Neo-Poulantzian Perspective," 154-156., 62.