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THE TEA-PARTY IN MACROSOCIOLOGICAL PERSPECTIVE

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Resumo: O Tea Party é um movimento conservador social orientado para a redução de impostos e o encolhimento do governo. Foi extraordinariamente influente na definição das políticas do Partido Republicano nos Estados Unidos - e, por extensão, moldando tanto a política do governo federal e dos estados norte-americanos, onde os republicanos têm uma quota significativa de escritórios estaduais. Foi responsável pela ausência relativa de um estímulo fiscal nos Estados Unidos, para a redução das despesas com cuidados de saúde, educação básica e do ensino superior, e para o encolhimento significativo do Estado social americana.
Palavras-chave: Tea Party, Conservadores, Estados Unidos.

Abstract: The United States Tea Party is a conservative social movement oriented towards the reduction of taxes and the shrinking of government. It has been extraordinarily influential in shaping the policies of the Republican Party in the United States – and by extension, shaping both the policy of the federal government and of those American states where the Republicans have any significant share of state offices. It has been responsible for the relative absence of a fiscal stimulus in the United States, for reductions in expenditure on health care, basic education and higher education, and for the significant shrinkage of the American welfare state.
Keywords: Tea Party, Conservatives, United States.

Skocpol and Williamson (2012) correctly argue that the Tea Party Movement consists of FOUR separate components – each of which has its own separate causal dynamics. The dramatic impact of the Tea Party has occurred in part because all four

phenomena are occurring at once – with each aspect affecting the effectiveness of the other. These include

a) A large popular social movement of anti-tax conservatives – generally white middle aged and elderly members of the petty bourgeoisie.

b) The rise of new anti-tax agitation by extremely wealthy conservative patrons who bank-roll both the popular movement and Republican electoral campaigns. The best known of these are the Koch brothers – a very politically engaged set of oil executives.

c) The rise of new Republican party umbrella organizations designed to steer the actions of the social movements and of funders towards supporting pre-existing Republican party policy initiatives (such as privatizing Social Security.)

d) New conservative media organizations such as Fox News who have a symbiotic relationship with the Tea Party – both in terms of increasing their viewership and ratings – and in pursuing the political conservative goals of the owners of these organizations. For Brazilian readers, it is normal to expect that media outlets would act to further the political advantage and world view of their conservative owners. In the United States, this is a fairly recent phenomenon- although one that has provided the Tea Party with a great deal of favorable coverage and support.

This article will comment only briefly on the causes and consequences of the new attempts by plutocrats to buy Republican electoral victories, the rise of the new organizational proxies for the Republican party itself, and the rise of the new conservative media. None of these social formations would have had the tremendous impact they have had without the spontaneous rise of the Tea Party as a social movement. This phenomenon is new, it has parallels in many advanced capitalist nations and it represents a fundamental reconfiguration of class conflict both in the United States and worldwide. The macrosociological causes for the rise of petty bourgeois anti-tax revolt in late capitalism are poorly understood by the media and by

some academic observers – although there does exist a neo-Marxist literature that explains this phenomenon very convincingly.

Marxist explanations of real historical events face a legitimate theoretical challenge – one however that is possible to solve. Because Marxist explanations are grounded in the deep structure of the fundamentals of capitalism – they involve exposition of enduring ongoing permanent social formations. However, historians study discrete events that occur in particular temporal conjunctures. The obvious intellectual question emerges – if "worker revolution" or "democracy" or "the presence of a welfare state" is based on a permanent, unchanging feature of late capitalism – why does it occur in Nation X and at a particular historical moment Y? One needs to supplement the deep structural analysis of mature capitalism with a more finely grained consideration of individual events that occur at particular moments. Thus if late capitalism has a tendency to produce petty bourgeois tax revolts – why in the US in the 2000s and why not say in Canada in 1960?

I will ask historians reading this article to be patient with me for the first half of this article, while I intentionally engage in an ahistorical macrosociological account of the structural properties of mature capitalism. I do this because it provides the most compelling explanation of Tea Partyism currently available in the literature. I will then historicize the argument by including the effects of discrete events, actors and conjunctures in the latter half of the analysis.

The macrosociological argument comes from the work of James O'Connor – the most important and neglected author of the revival of neo-Marxist theory in the 1970's. A contemporary of Habermas – he too shared the general belief that the ability of mature capitalism to reproduce itself would be limited – and that this would lead to a crisis in legitimation. However, unlike Habermas (1975), he viewed government spending and taxation as being both the cause of the rising de-legitimation of the state – and the very cause of the long term stagnation of capitalism.

James O'Connor argued that the petit bourgeoisie and not the working class were the authentically revolutionary class in capitalism. The case for skepticism about the revolutionary potential of the working class in advanced capitalism is now accepted by Marxists and non-Marxists alike. Unions and labor parties are too likely to be co-

opted into moderate positions by generous wage contracts or by the presence of welfare state benefits (Lenin 1961, Korpi 1978) The working class is often weakened by internal divisions based on ethnicity, nationality or occupation. (Reich 1981, Dunlop 1958) More so, international capital has gotten skilled at disciplining militant labor forces by globalizing moving production to the semi-periphery or periphery where the surplus army of labor and state repression can guarantee the reproduction of low-wage despotic labor regimes, while lowering labor radicalism in the core with the threat of disinvestment and deindustrialization. (Berberoglu 2002) As a result, there are no advanced capitalist nations that have moved to a post-capitalist social formation on the basis of a worker class revolt against the extraction of surplus value.

The relevance of petit bourgeois revolt for understanding the Tea Party becomes clear when one considers the empirical evidence that exists on Tea Party membership. The overwhelming majority of Tea Party activists and sympathizers are either small businessmen or middle class individuals. Skocpol and Williamson (2012) review the statistical literature on the composition of Tea party activists. Most have higher incomes than do the average American, but are not excessively wealthy. Most are college educated and own their own homes. The plurality are small business owners in such sectors as construction or home repair. Medicine, engineering, insurance and real estate are well represented. Few are in academia and few are in the public sector. Note that this is a distinct contrast with other conservative social formations, such as anti-immigrant movements or right to life movements which have a significantly larger working class component. The Tea Party is a movement of the mobilized middle class and it is this aspect of its composition that needs to be explained.

O'Connor argued that capitalism did not necessarily have to fall because of a violent revolutionary uprising – and that the working class was not necessarily the agent of conflict between the means and relations of production. He argued that the literature that problematizes the question of the reproduction of capitalism (Offe 1984, David Harvey 1984) essentially implies that capitalism can fail to reproduce itself – and that the result of such failure is economic senescence and weak accumulation rather than a dramatic political transformation. A good analogy can be made to the fall of Rome – where the structural weaknesses of the Roman economy doomed the imperial mode of

production –long before the barbarians actually formally eliminated the Western Empire. (Mann 1986)

There has been an explosion of literature on the role of the state in reproducing capitalism since the fall of the Berlin Wall, the end of traditional Soviet-style command economy development models, the collapse of the import substitution model in Latin America, and the spectacular success of the state-market fusion managed capitalisms of East Asia. (Alec Nove 1983, Dani Rodrik 1987, Stiglitz 2006) O'Connor wrote nearly at least a decade if not longer before any of these developments occurred. His emphasis is less on Furtado-an negotiation between the state and foreign capital – and even less on the state facilitating investment in the face of capital market failure - the traditional pre-occupation of writers in the post-soviet period. His focus is on the routine ordinary provision of public goods and infrastructure that characterizes the state development policies of North America and Western Europe.

O'Connor argues that capital accumulation is dependent on a number of public goods that capitalist private firms can not and will not provide for themselves – even in the face of robust and functional capital markets. These consist of

1) Physical infrastructure

2) Human Capital

3) Scientific Research

4) Strategic Defense of International Geopolitical Economic Assets

5) Military Keynesianism as a Device for Maintaining Demand

Claims 2) through 5) are not especially controversial. Most development economists argue for the key role of education and human capital in producing economic growth. The effects of education are not strong enough to produce growth in the absence of other factors of production; modern Africa has seen few development benefits from their substantial investment in primary and higher education. However, in

economies with robust financial institutions and relative physical security, the effects of education are powerful. (Szirmai 2006, Mitch 2010)

The importance of science for insuring technological dominance is well known. The role of imperialism in insuring national economic advantage is also well known. Imperialist advantages cannot be maintained without a commitment of military force to the defense of geopolitical assets. And the role of military spending in supporting the capitalist economy is a staple of leftist arguments from Trotsky to Harvey to Hooks.

The infrastructure argument will be more unfamiliar to historical readers – but is even more important than the other four. There is now a very sizable body of evidence that physical infrastructure has dramatic effects in producing economic growth. Airports are particularly powerful engines of growth, as Kasarda and Irwin (1991) has shown for the United States, the Marxist geographer Doreen Massey (1974) has shown for Britain and as Cohn (2012) has shown for Brazil. Most of the reviews involve a wider range of infrastructure types. Fedderke, Perkins and Luiz (2006) do a long time series analysis of economic growth in South Africa to show the independent positive effects on GDP of railway lines, volume of rolling stock, telephone lines, paved roads, electricity provision and air passenger volume. Pereira (2000) linked private sector productivity, to aggregate public investment, energy and transportation systems sewage and water supply systems. Aschauer (1999) in a cross national sample of less developed nations found that private investment, secondary school enrolment and public investment had virtually identical positive effects on growth. Esfahani and Ramirez (2003) found large GDP effects for increases in telephone availability and power generating capacity in a cross national sample. Mitra et. al (2002) found that roads, electricity, railroads, postal services, education and health, and banking correlated with growth in Indian states. Fernald (1999) documents that the building of the U.S. Interstate Highway system brought dramatic increases in productivity, although after the completion of the highway system produced substantially smaller increases. [Brazilian readers should note the high relevance of this literature for assessing the effectiveness of the economic development plans of the Lula administration].

A key feature of infrastructure, education, science, defense and military Keynesianism – is that such goods are not provided effectively by private capital. As such, they can ONLY be provided by the state. When the state does not provide these

services – the reproduction of capitalism is severely threatened. Why does the free market fail to provide these public goods?

> 1) The scale of these projects is enormous – being beyond the capacity of any one firm – even a Fortune 500 firm – to provide. No monopoly capitalist could provide an Interstate Highway system or could pay for the invasion of Kuwait.
>
> 2) These projects do not provide profits in the short term. Some endeavors such as basic science could be profitable in the long term. However the time needed to allow these projects to come to fruition is far longer than Wall Street, bond markets or stock markets will tolerate.

So despite the rhetoric of the Tea Party in being pro-capitalist – an implementation of a major reduction in the public goods provided by the state would undercut the very foundations of the institutions the Tea Party claims to espouse.

O'Connor then made a further argument that is in complete condordance with Tea Party thinking. Governments are losing their financial capacity to provide public goods due to the presence of public debt that is rapidly spiraling out of control. His analysis of the cause of persistent government indebtedness is different from that of Tea Party Ideologues. The Tea Party argument is that government deficits are the product of lavish social expenditures on the un-deserving. Welfare expenses, expenditures on mass transportation and the arts, and notably any kind of health or educational expense on illegal immigrants are viewed as having produced more expenditure than the government can responsibly finance. The small percentage that these line items represent of total federal expenditure is of course well known to students of public finance. (Illegal immigrants in fact represent a source of financial surplus for the federal government, since they have taxes withheld from their pay, and pay sales taxes on their consumption, and yet make almost no claims on public services.)

O'Connor argues that the persistent fiscal imbalance that characterizes capitalist societies comes from the ability of monopoly capital to pay a smaller percentage of taxes than is represented by their share in the overall economy. The tax code in most nations generally favors monopoly capital, although the advantages that large companies experience are lower in the stronger social democracies. In the United States, the nominal corporate tax rate on the Fortune 500 is high. However, there are enough

loopholes and exemptions written into the code that many of these companies have an effective tax liability of zero. General Electric is known for its aggressive tax accounting that has generally allowed it to avoid paying any significant revenue to the federal government. Amazon has long had most of its revenues held as tax exempt because they came from internet rather than physical services. Both the automobile companies in Detroit and the financial services companies of Wall Street have long been able to avoid paying any substantial proportion of their revenue to the federal government. Since state taxes are generally based on federal taxable income, this provides effection protection to these companies at both the state and local level. (Generally, state tax codes are more favorable to large corporations due to the selective incentives that have been provided to encourage location in the state as part of the Guerra Fiscal).

This means that the tax burden of the federal government is essentially carried in its entirely by small firms and by individuals. The Occupy Wall Street Movement that has made public demands over the taxation of rich incomes misses the legitimate counterargument, that wealthy individuals generally pay a significant proportion of their income in taxes. (Even if Mitt Romney paid only 15% of his income in taxes, 15% of a lot is a lot. This is in contrast to Fortune 500 corporations many of whom have an efective tax rate of zero.) The vulnerability of small businessmen and individual wealthy individuals to having to pay the bills for the entire United States Government is a critical feature of what is motivating the Tea Party.

O'Connor argued that what would be particularly galling about these arrangements, was that the benefits of government spending go primarily to monopoly capital, rather than to competitive capital or to individuals. Military spending goes to large defense contractors. Imperial adventures to protect America's access to petroleum and mineral resources essentially protect the investment of large multinational oil companies and mining companies. Infrastructure subsidies to construct highways or to improve the internet go to megacontractors or to telecommunications giants. State and Commerce Department Initiatives to open up foreign countries to American trade tend to favor multinational giants capable of rapid globalization.

The asymmetry and unfairness of the preferential position of monopoly capital becomes particularly salient on the issues of bailouts. Small businessmen and

individuals are essentially left to suffer the harsh disciplines of a Schumpeterian free market. Small firms have some access to bankruptcy protection – but this generally entails a liquidation of the business and its assets. Individuals have few protections from the rigors of recessions. There is no protective labor laws or limits on layoffs or severance that protect American workers or managers from arbitrary dismissal. Even in the face of a written contract, most employment in the United States is "at will", a doctrine that gives American companies complete flexibility to reduce manpower for any reason. The American government also provides no safety net against people losing their homes from inability to pay their mortgages. The recent meltdown of the American real estate market has led to the widespread proletarianization of a substantial percentage of the U.S. middle class – who had all of their net wealth tied up in homes that they lost.

In contrast, monopoly capital has received extensive subsidies from the federal government to protect them from the adverse effects of the market. The auto companies received a deeply unpopular bailout that kept all three of the American auto companies from going bankrupt. More unpopular still, the TARP program bailed out the primary Wall Street banks and stock brokerages that were primarily responsible for the national financial crisis that led to the collapse of the housing market and the dramatic increase in layoffs and unemployment. The American population has experienced the full economic damage of the Wall Street meltdown in terms of the losses of their jobs, the reductions of their salaries, the vaporization of their home equity, and the loss of their residence. At the same time, the very monopoly capital financial giants who were responsible for the economic disaster received lavish government bailouts to the tune of billions and billions of dollars, while receiving almost no punishment for nearly destroying the American economy through state subsidized speculation.

The Tea Partiers are painfully aware that they have paid for the financial rescue of Wall Street and the Auto Companies while having received almost no personal protection for any of the risks they face as employees, small business owners or home owners. This has led to a profound de-legitimation of the federal government.

According to O'Connor, what happens when the petit bourgeoisie wake up to the fact that they are being financially exploited to pay for special privileges for monopoly capital? O'Connor argues that the taxpayers will rise up and simply refuse to pay taxes.

This does not necessarily imply widespread acts of civil disobedience. The petit bourgeoisie can simply organize to elect officials who will reduce global levels of taxation. This way small businessmen and the middle class do not pay the government very much – and the petit bourgeoisie is not "ripped off" by giant corporations and banks.

The problem however, is that depriving the state of revenues deprives the state of its capacity to reproduce capitalism. The state is responsible for building airports, highways, ports and bridges. The state is responsible for maintaining water and sewerage systems. The state is responsible for protecting against crime. The state is responsible for schools and education. The state is responsible for hospitals and public health measures. The state is responsible for scientific research. The state is responsible for the military defense of the geopolitical core against challenges from semi-peripheral and peripheral nations.

Without investment in airports, highways, ports, bridges, water, sewerage, police forces, schools, hospitals, public health, scientific research and defense, the economy loses the public goods that were essential for its reproduction and survival. The consequences of the cutoff of tax revenues is that "things simply stop working". Traffic and transportation become unmanageable and subject to "apagões". Public health and sanitation deteriorate. Crime rapidly becomes out of control and with the explosion of crime comes the related pathology of the corruption of public officials, and the rise of narcocracy. Educational standards deteriorate and with it, the labor force declines in quality. Scientific research withers away and the nation loses its engineering advantages to other nations – becoming a payer rather a receiver of technologically based monopoly rents. The armed forces become incapable of sustaining the nation's geopolitical presence, and it suffers defeat after defeat in anti-imperial wars, and ever-declining influence in the arena of international diplomacy. The arrangements of the world are altered to benefit other nations, and the former economic advantages of the core collapse.

So capitalism falls not from any catastrophic violent overthrow but from a simple increase in non-functionality in all aspects of economic, political and social life. Poverty becomes widespread; crime becomes rampant; institutions become ineffective; nothing seems to work. The decline becomes impossible to repair after the educational

and scientific systems degenerate to the point where old technical knowledge is no longer adequately transferred between generations and the scientific skills of an earlier time become lost. Just as the Middle Ages could not replicate Roman road building or Roman aqueducts, future generations may not be able to replicate modern pharmacology, computer design or even basic civil engineering. This is a fall of capitalism consistent with T.S. Eliot's line from *The Hollow Men*:

This is the way the world ends

Not with a bang but a whimper.

Historians will rightly note that O'Connor's general argument only shows that there is an implicit conflict of interest between the petit bourgeoisie and monopoly capital. It does not say anything about when real worldly constellations of opposition and resistance will occur. The argument has many similarities to the formal argument that capitalism will fall when the working class becomes aware of exploitative nature of the extraction of surplus capital. Once the fundamental nature of the conflict of interest is revealed, the working class (in Marx) or the petit bourgeoisie (in O'Connor) transform from being a class in itself to being a class for itself and revolutionary mobilization can begin. However, specifying the exact moment for predicting "when the exploitative nature of capitalism would be revealed" was an intractable problem for first generation Marxism. It was a comparable problem for O'Connor in the 1970's and 1980's as well when the fundamental structural conflict between petty capital and monopoly capital existed – but no explicit social movement of the middle class to reduce taxation existed. Such a movement exists now not only in the United States but throughout Europe and in the advanced Pacific capitalist nations. The rest of this essay goes beyond the structuralist arguments of O'Connor to answer the conjuncturalist question of why did this movement crystalize in the first decade of the twenty first century?

I have already alluded to the first component of the historical argument. The bailout first of the Wall Street banks and then of the auto companies was a profoundly radicalizing experience for many Tea Party activists. This is especially the case because as I previously argued, this occurred against a backdrop of increased economic insecurity for the middle class including increased layoffs, low rates of economic

growth, increased loss of the value of savings and high rates of foreclosures on private homes. All of this made transparent the obvious inequity between large corporations, whom big government was coddling and regular people who were being left to the rigors of the market. The Tea Partiers have made no secret of their antipathy for bailouts of any description.

Of course, such experience might have in principle generated a leftist rather than a conservative response. Why wasn't there a large social movement attacking Wall Street, financial speculators and big banks? Here the class composition matters. One of Skocpol and Williamson's main points is that Tea Party members are property owners. Their wealth is represented by their equity in their homes. They pay taxes. Many are employers. As such, their self-conscious and real class identification is with the bourgeoisie. They are fierce defenders of the rights of property. They are fierce opponents of *eminent domain*, the ability of the state to seize private property for public purposes such as the building of a highway. Many own vacation properties and summer homes. They are passionate opponents of limits on property owners' rights to develop their property. Thus limits on the ability to construct buildings or add improvements, and limits on the ability to extract ground water for drinking. This puts them in direct opposition with the green left. They see social liberals as wanting to redistribute income and wealth from them to the lower classes and they see ecologists as seeking to prevent them from using their private property. Some as religious and see organized feminism as interfering with their right to practice their religion with their traditional family values. All of these militate for reacting to monopoly-capital/state transfers as opposition to the state rather than opposition to monopoly capital, and making their alliances with the right and not with the left.

There are further conjunctural considerations that led to the Tea Party rising in the first decade of the twenty first century. One of these was the election of Barack Obama and the growing electoral weakness of a Republican party coalition based on defending the privileges of whites and Anglos over Blacks and Latinos. One of the slow but persistent trends in American political sociology is the steady increase in Hispanic immigration in the United States – leading to an electorate that is increasingly "minority" rather than "majority". Recently the American population is very near the tipping point from being more than 50% white anglo to being more than 50% non-white

or non-Anglo. (Shrestha and Heisler 2011) Since both blacks and Hispanics (with the exception of Cubans), tend to be liberal on social issues, the Democratic party has been counting on demographic transition to empower a Democratic lock on the electoral positions of the government.

The election of Barack Obama, the first African-American president, gave the first early signs that the great electoral swing to the Democratic party was coming. This is a spectacle that terrifies conservative white Anglo voters. Short term responses have involved get-out-the-vote campaigns among conservative white southern churches, and disenfranchisement laws such as voter ID laws that require voters to show a picture ID before voting. (Because white anglos are more likely to have such identification than are latinos, this has the effect of helping to preserve white superiority at the polls.)

The victory of Barack Obama however, convinced many Republican operatives that explicit policies of Hispanic bashing could represent the long term death of the GOP, if this rising bloc determined to throw all of its weight behind Democrats. So a mobilizing principle had to be found to win national elections that was not "explicitly" about excluding Spanish speaking voters.

There were parallel developments with social conservatism and the defense of such right wing cultural values as opposition to abortion and gay marriage. While views about abortion are crystallized and unchanging, public opinion polls show steadily increasing tolerance for both homosexuality and gay marriage. Republican political strategists were concerned that excessive packaging of the GOP brand in terms of a small number of flash point conservative moral issues would undercut the long term mass electoral appeal of the party.

This is what led to the formation of Republican pseudo-Tea-Party "PACs". These are political action groups supporting the Republican party but legally independent of it – that are concerned with raising money and using it to support conservative political candidates. These range from Freedom Works (whose chairman is Dick Armey, a former Republican House majority leader), to Our Country Deserves Better to the Tea Party Express. These organizations support and sometimes fund popularly organized Tea Party initiatives, but are not grassroots organizations, are deeply integrated with Republican party leadership, and are more concerned with

pushing the general Republican party platform than the narrow single issue of tax reduction.

These organizations have embraced the grassroots Tea Party organizations, and the larger call for lower taxes and less government, as a strategy for mobilizing the Republican electorate WITHOUT invoking the divider issues of Hispanic-bashing and opposition to gay marriage. Such organizations provide a way to electrify the petty bourgeois base without alienating either Hispanic-American small businessmen (a potential swing group that could side with Tea Partiers) or independent/conservative engineers or professionals who would side with the Republican party on every issue EXCEPT gay marriage and pro-family concerns. The presence of pseudo-Tea Party organizations allows for the active mobilization of these branches of the new Republican coalition while still allowing religious activists and outright all-Anglo anti-immigrant groups to continue to mobilize the die hard social conservatives and ethnic exclusionists.

The pseudo-Tea party organizations often adopt Republican platform planks that have little relationship to grassroots Tea Party popular concerns . The most obvious of these is the privatization of Social Security. Most Tea Partiers are elderly and fiercely defend Social Security at the same time that they attack government programs that benefit people other than themselves. (Skocpol and Williamson (2002) explain this in terms of distinctions made between “deserving” and “undeserving” recipients of government aid. Elderly Tea Party members themselves are always “deserving”.) However, privatization of social security would provide gigantic windfall benefits to the Wall Street financial services sectors as they would obtain massive fees for administering pension funds that had been previously handled at low cost by the federal government. The pseudo-organizations do their best to promote such issues with bona fide Tea Party activists – with varying degrees of success.

That said, the presence of impending demographic threat from the rising percentage of Latino and non-white voters and the growing disillusion with the 1980’s style Reagan era linkage of Republican activism with the Christian right has given more saliency to grassroots Tea Party concerns. This is particularly the case when popular Tea Party organizations can advocate, as they sometimes do, anti-immigration or anti-abortion measures as “cost-cutting” devices, while disavowing (often disingenuously)

the racist or pro-fundamentalist basis for such policies. The rise of the popular Tea Party mobilization was in part an attempt to be able to hide increasingly unpopular racialist and anti-feminist positions in a neutral "fiscal conservatism" logic.

The other conjunctural consideration that has to be raised is the rise of independent billionaire right wing entrepreneurs who have attempted to buy Republican electoral victories by bankrolling every conservative and anti-tax organization they can find. The most well known examples of this new breed of entrepreneurial Republican tycoon conservative funding sources are the Koch Brothers, a set of independent oil and gas entrepreneurs who have poured millions of dollars into Tea Party and Republican electoral organization – and Sheldon Adelson, owner of several large casinos in Las Vegas and Macau.

The ability of these Republican super-donors to in essence, buy elections by pouring massive funding into Republican PACs that purchase ad time in political campaigns, and to buy public support by bankrolling popular Tea Party organizations, was facilitated by an important conjunctural consideration, the Supreme Court Decision in 2010 on *Citizens United vs Federal Election Commission*. This decision removed any TSE style limit on private parties being able to buy as much electoral propaganda as they like without any legal limit on proportionality or any legal requirement that the source of the funding of this propaganda be identified. This opened the door to anyone with money, particularly conservative upper class interests, to buy as much media time as they like for partisan political broadcasts while allowing themselves to mask the propaganda as coming from a neutral source with no overriding economic self interest. This has allowed an unprecedented amount of right wing money to be put into political campaigns, most of which supports Tea Party goals of less taxation and a smaller role for government. The effect of *Citizens United vs Federal Election Commission* has been to create an enduring alliance between petty bourgeois activists and some members of the economic elite.

I say "some" members of the economic elite, because the new right wing Republican electoral tycoons do NOT, repeat do NOT, represent American monopoly capital. While Wall Street and other Fortune 500 firms may benefit from the conservative Tea Party mobilizations that are being funded by the Koch Brothers, Adelson and the like, they in fact defend their interests in Washington in other ways.

Most Brazilians would be very familiar with Cardoso's arguments about "rings of influence." Wall Street, and monopoly capital essentially use rings of influence to shape public policy to their preference. Monopoly capital has access to the best Washington lobbying firms; they already have extensive records of strategic political donation. They furthermore have strong social and personal ties to the Washington elite. A significant difference between how monopoly capital does its business in Washington and how the new tycoons do their business is the fact that monopoly capital is generally bipartisan. Wall Street generously supports both Democrats and Republicans – both nationally and within their strategic home base of New York State. It is no accident that Hillary Clinton is a Democratic Senator from New York State and a long standing friend of Wall Street. It is no accident that Robert Rubin of Goldman Sachs was the Treasury Secretary under Bill Clinton, and it was a Democratic Administration (Clinton's) that first created financial deregulation.

While Wall Street is not displeased to see a popular movement favoring less taxation and less regulation, they do not need the Tea Party mobilization to get what they need from Washington. The significance of the new tycoons, is that *these are wealthy individuals who have been largely marginalized from the cooperative relationships between monopoly capital and the state*. The Koch brothers are wealthier than most individual Americans. However, they are minor figures in the global petroleum world when compared with Exxon/Mobil, Royal Dutch Shell or British Petroleum. Casino gambling, while being a lucrative industry, does not have the same clout in Washington that would pertain to such strategic industries as international finance, automobiles, computer software or telecommunications. The new tycoons are "João Ninguem" trying to buy a place at the table held by the real money in American society by conspicuously spending to buy dedicated Republican support. The use of conspicuous consumption and publicity to build status is more typical of the insecure desperation of "novo ricos" trying to enter established society than they are of mature and capable economic insiders.

However, their strategy may easily work. The Tea Party phenomenon is rapidly turning into an unbeatable electoral and economic juggernaut that will profoundly alter the landscape of American and global capitalism. The Tea Party and the Petit Bourgeois revolt has the same historical inevitability as did the working class socialist initiatives of

Europe in the nineteenth century. The structural forces of capitalism are giving more and more impetus to the middle class becoming disaffected with the capitalist state. As the middle class withdraws its support for taxation, this will lead to less taxation, which will lead to less government functionality, which will lead to lower economic growth, which will lead to lower middle class legitimation of the government, which will lead to less willingness to pay taxes, etc. etc. etc. etc. This is an enduring negative feedback cycle that will simply keep getting worse and worse. We have seen parallel developments with the rise of anti-government anti-taxation parties in Great Britain, Canada and New Zealand … and parallel skepticism about the use of government funds to promote growth in Germany, Scandinavia and even in Japan. The disaffection of the petit bourgeois throughout capitalism becomes greater every year. The international reduction of government expenditures and revenues will contribute to a global economic shutdown. All of this leads to popular skepticism concerning the ability of big government to solve economic problems which will lead to more disinvestment, more skepticism and more stagnation.

It does not matter if Romney or Obama win in 2012. It does not matter if Tea Party candidates win in this election in Nevada or that election in Massachusetts. The nineteenth century socialists both won and lost many elections. However, they had historical inevitability and by the mid-twentieth century, they became the dominant economic/political formation in advanced capitalism, and the social democratic welfare state was the rule rather than the exception. Now the petty bourgeois has historical inevitability, and the dominant formation will be the flaccid incapable minimalist state. Whether or not capitalism can recover from a world wide regime of ineffective governments incapable of providing the public goods necessary for the reproduction of the economy is a terrifying question – a terrifying question whose answer we will learn all too quickly.

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