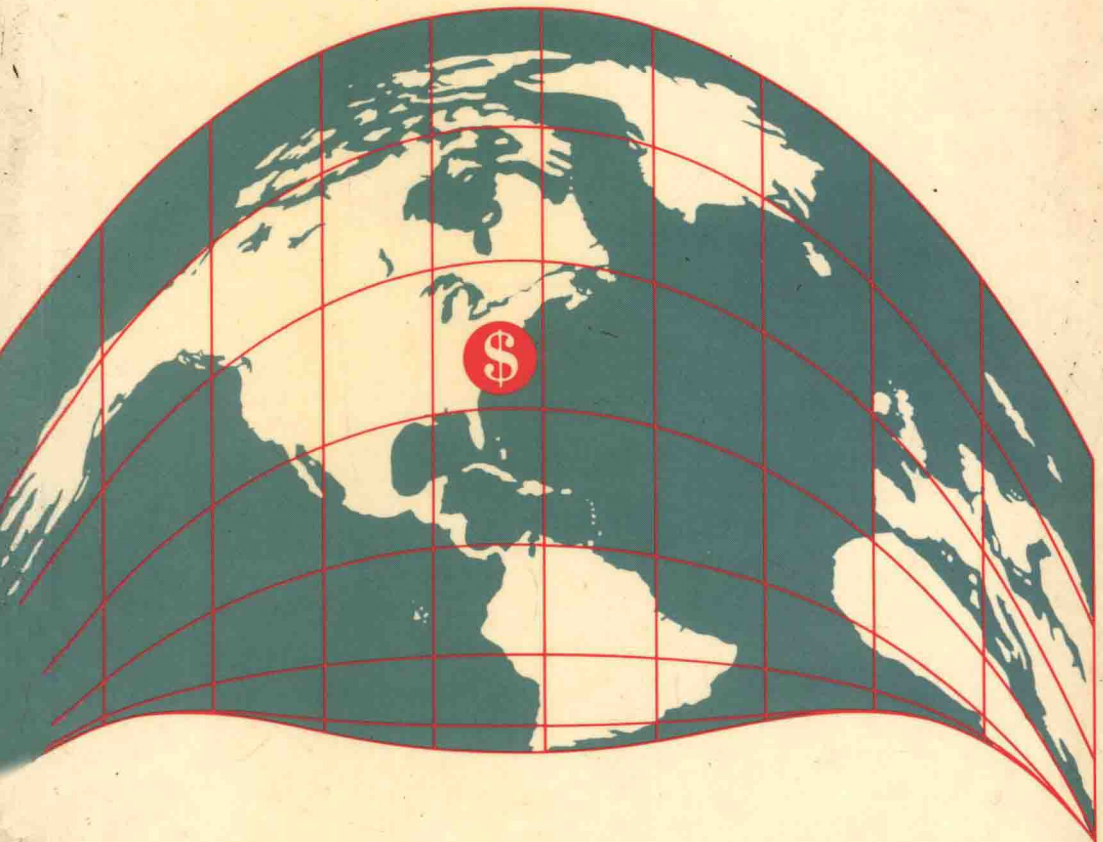


GEOGRAPHY OF THE WORLD-ECONOMY

The United States in the World-Economy

A REGIONAL GEOGRAPHY



John Agnew

The United States in the World-Economy A Regional Geography

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Geography of the World-Economy

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A geography without knowledge of place is hardly a geography at all. And yet traditional regional geography, underpinned by discredited theories of environmental determinism, is in decline. This new series *Geography of the World Economy* will reintegrate regional geography with modern theory and practice – by treating regions as dynamic components of an unfolding world-economy.

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The United States in the World-Economy

The United States in the World-Economy is a major new textbook survey of the rise of the United States within the world-economy, and the causes of its relative decline. With the USA being the dominant state in the contemporary world-economy, it is vital to understand how it got where it is today, and how it is responding to the current global economic crisis. Professor Agnew emphasizes the divergent experiences of different regions within the USA, and in so doing provides a significant 'new' regional geography, tracing the historical evolution of the USA within the world-economy, and assessing the contemporary impact of the world-economy upon and within it. No existing treatment covers the subject with equivalent breadth and theoretical acuity, and the guiding politico-economic framework provides a coherent radical perspective within which the author undertakes specific regional and historical analysis. *The United States in the World-Economy* will prove required reading for numerous courses in regional geography, area studies and the geography of the United States.

JOHN AGNEW is Associate Professor of Geography and Director of the Social Science Program at the Maxwell Graduate School, Syracuse University, New York. His previous publications include (as co-author) *Order and Skepticism* (1981) and *The City in Cultural Context* (1984).

To Susan, Katie and Christine

Preface

The *New York Times* (August 27, 1985) says that 'Shoes are a "sunset" industry for advanced economies.' Similar comments have been made in the past few years about steel, cars and a variety of other major manufactured goods. This argument, to my knowledge, has never been applied to American agriculture. But the implication is that a law of economics indicates that all shoes worn by Americans should be made elsewhere, presumably in 'less-advanced economies.' 'High-tech' and service jobs are presumably the wave of the future in the United States.

Behind the prognoses of the experts, however, lies the pain of real people experiencing a major 'transition' as the United States shifts out of the comfortable era of growth and prosperity of the 1950s and 1960s. Many commentators believe that the country has entered into a period of decline. Its hegemony or dominance within the world is increasingly called into question. Some see this as a result of social rigidities and an overdemanding labor force draining the country's power and wealth (e.g. Olson 1982). Others are more inclined to search for the causes of relative decline in the context of America's changing relationship to the rest of the world. This is very much the position adopted in this book. America's present problems are viewed as the outcome of a process of *historical* involvement between the United States and an evolving world-economy (*économie-monde*) or global division of labor.

The history of modern social science is often seen as a struggle between 'universalizers' – those who presume that there exist universal laws applicable to all humans everywhere – and 'particularizers' – those who argue that no generalizations at all are feasible since everything is unique. This was very much to the forefront of arguments

amongst geographers in the 1960s. The first group were self-defined 'scientific' geographers, who believed that the geographer's task is to discover the laws of spatial behavior. In practice this meant introducing space or distance as a variable into models borrowed from economics and psychology, the premier 'law-seeking' social sciences. The second group were self-defined 'idiographic' geographers, whose primary activity was mapping and otherwise describing places (countries, regions) in great detail.

What both schools missed was the possibility of a *via media*, a recognition that a significant level of abstraction is essential in explaining places, but that places can be different and distinctive. In a letter written in 1877 Marx captured the essential point (cited in Carr 1961: 82):

Events strikingly similar but occurring in a different historical milieu lead to completely different results . . . By studying each of these evolutions separately and then comparing them, it is easier to find the key to the understanding of this phenomenon; but it is never possible to arrive at this understanding by using the *pas-se-partout* of some universal historical-philosophical theory whose great virtue is to stand above history.

This is a powerful argument for a reinvigorated regional geography. Rather than generalizing from universal propositions about social process to a universal social form or social response, regional geography can provide a frame of reference for examining the relationship between causes and outcomes without the presumption of universality in outcomes.

One intellectual feature many universalizers and particularizers share is their acceptance of the boundaries between states as defining the fundamental unit of social science: the national 'society.' But, as Wallerstein (1984: 28) notes, 'this lumping together presumes what is to be demonstrated – that the political dimension is the one that unifies and delineates social action.' Rather, 'States are . . . created institutions' produced by and operating within a modern world-economy. This world-economy has, since coming into existence in the sixteenth century, acquired boundaries far larger than those of any single political unit. Within these limits, states and their capitalist producers compete economically and politically. The geographical localization of productive activities results from this.

The task of this book is to bring together the epistemological *via media* of regional geography with the historiographical challenge of a world-economy perspective through an examination of the involvement of the United States in the world-economy since its initial settle-

ment by Europeans. It is an attempt both to define a 'new' regional geography and to develop a world-economy perspective sensitive to what Marx called 'historical milieu' or what geographers call place (Evans 1979; Smith, C.A. 1984).

The book is largely a synthesis of work done by others. A number of authors should be identified explicitly as major influences upon the perspective and argument: Immanuel Wallerstein, Alan Wolfe, William Appleman Williams, David Calleo, Richard Franklin Bense, Nigel Harris, Peter Taylor, Wassily Leontief, Barry Bluestone, Bennett Harrison, Lynn E. Browne and Ricardo Parboni. Specific citations reveal specific influences. No one influence is predominant.

A number of people have been helpful in various ways in making this book possible. Peter Taylor initiated and encouraged the entire enterprise. Fred Shelley and Clark Archer provided useful critical comments and suggestions. D. Michael Kirchoff and Marcia Harrington drew the maps and diagrams. My colleague John Rees provided a number of useful references. Harriet Hanlon translated my handwritten draft into excellent typed copy. Finally, my wife Susan and daughters Katie and Christine tolerated my long hours working on the manuscript during the summer of 1985. A dedication of this work to them is a small reward for their persistent good humor and the relief they share with me that the book is finally finished.

John Agnew
Syracuse, New York

Contents

<i>List of figures</i>	<i>page</i>	ix
<i>List of tables</i>		xi
<i>Preface</i>		xv
1 The United States in the world-economy		1
The world-economy		2
We are the world? The problem of national exceptionalism		8
The American impasse		15
This book		20
2 The historical evolution of the United States in the world-economy: from incorporation to globalization		21
Incorporation and national development		22
Globalization		55
Conclusion		86
3 The world-economy and America's regions: from competition to dominance to volatility		89
The significance of America's regions		90
Regional competition		95
Regional dominance		110
Regional volatility		118
Conclusion		128

4	The American impasse and America's regions	130
	The American standard of living	131
	Elements of the American impasse	133
	Regional impacts	161
	Five vignettes	189
	Conclusion	202
5	From challenge to responses: the United States versus the world-economy	203
	Into post-industrial society?	205
	From impasse to political choice?	210
	What might happen otherwise?	215
	Conclusion	217
6	Conclusion	219
	From colony to hegemony	219
	Learning to live with the world?	223
	<i>Further reading</i>	225
	<i>Bibliography</i>	228
	<i>Index</i>	246

Figures

2.1:	The relationship of Kondratieff's four cycles to American experience	22
2.2:	Population growth of the American colonies	29
2.3:	Foreign-born blacks as a percentage of the black population of the colonies and the United States	29
2.4a:	The continental expansion of the United States: how the United States was settled	38
2.4b:	The continental expansion of the United States: territorial growth	38
2.5:	Immigration to the United States, 1800–60	44
2.6:	Railroads and land grants, 1870	50
2.7:	The agricultural regions of the United States as they emerged in the 1880s	54
2.8:	US territorial interventions and annexations after the Spanish–American War	60
2.9:	American industrial production, 1920–45	67
2.10:	Corporation income tax as a percentage of IRS tax collections, 1944–79	73
2.11:	Kinds of debt in the United States, 1920–70	79
2.12:	Investment versus military spending, selected nations, 1960–80	83
3.1:	Per capita personal income by state and region, 1980	93
3.2:	Seaboard settlement in the colonial period	97
3.3:	The spread of cotton growing, 1812–60	102
3.4:	The moving American frontier, 1800–60	104
3.5:	Trading links of the 'old' West (Northwest)	109
3.6:	Urbanization in the United States, 1910	113

3.7:	The major specialized economic territories of the United States, 1925	116
3.8:	The geographic center of US population, 1790–1980	120
3.9:	The distribution of 'regional' political cultures within the states	127
3.10:	State scores on a composite indicator of social well-being	128
4.1:	Annual growth in real gross national product per employed person	131
4.2a:	Average unemployment rates for selected countries	134
4.2b:	Beneficiaries of unemployment insurance in selected countries	134
4.2c:	Unemployment insurance benefits in selected countries	135
4.3:	Public collectivized expenditure on social welfare as percentage of GNP for selected countries, 1977	135
4.4:	The distribution of after-tax income shares, 1975	136
4.5:	Elements of the American impasse in the world-economy	137
4.6:	Comparative productivity improvements for 11 industrial countries, 1960–73 and 1973–9	139
4.7:	Estimated hourly compensation for production workers in manufacturing (includes benefits), 1960–79	140
4.8:	Means of financing US direct foreign investment, 1966–76	147
4.9:	International and domestic earnings of eight large American banks, 1972 and 1976	149
4.10:	Value-added in manufacturing by state, 1977	163
4.11:	Employment related to manufacturing exports as a percentage of total civilian employment by state, 1976	165
4.12:	The geographical shift in manufacturing employment, 1955–80	165
4.13:	Growth in capital stock for total manufacturing, by state, 1960–76	171
4.14:	Union shop status/energy advantage and percentage change in annual national growth in population, 1946–82	175
4.15:	Average union membership 1970–8: the proportion of employees in non-agricultural establishments who are union members, by state	188
4.16:	Unemployment rates in the Lowell area and in the United States, 1958–83	195

Tables

1.1:	A model of dominance and inter-state rivalry	6
2.1a:	The value of each region's export trade with each overseas area as a percentage of that region's total exports	26
2.1b:	The value of each region's import trade with each overseas area as a percentage of that region's total imports	27
2.2:	Index of per capita tax burdens in 1765	32
2.3:	Average annual real exports to overseas areas: the thirteen colonies, 1768–72, and the United States, 1790–2	36
2.4:	Manufacturing, by sections of the United States, Census of 1860	42
2.5:	US manufactures, 1860	43
2.6:	American immigration, 1860–1920	51
2.7:	Estimated unemployment, 1929–43	65
2.8:	Major inventions, discoveries and innovations by country, 1750–1950	70
2.9:	Estimated stock of accumulated foreign direct investment by recipient country or area, 1914–78	74
2.10:	Estimated stock of accumulated foreign direct investment by country of origin, 1914–78	75
2.11:	Percentage of national personal income, before taxes, received by each income-tenth, 1910–59	77
2.12:	Distribution of wealth by category, 1962	77
2.13:	Public income and expenditure in the United States and Western Europe	81

2.14:	US basic balance of payments and net military transactions compared, 1960–70	85
3.1:	Personal per capita income in each region as a percentage of the US average, 1840–1980	92
3.2:	Proportions of the total labor force employed in manufacturing, by region, 1870–1910	111
3.3:	Yearly percentage of population growth by region, 1941–80	119
3.4:	Comparison of industrial production before World War II with war-time facilities' expansion	120
3.5:	Percentage of sales accounted for by the four largest producers in selected manufacturing industries, 1947–72	121
3.6a:	Distribution of black population in the United States by region, 1960–80	125
3.6b:	Estimated net black intercensal migration by region, 1871–1980	125
4.1:	Gross domestic product per capita as a percentage of US GDP per capita, 1960–79	132
4.2:	The US patent balance, 1966–75	141
4.3:	Research and development as a percentage of GNP for selected countries, 1962–78	141
4.4:	The direction of trade for the United States for selected world regions and countries, 1970–8	144
4.5:	Outward direct investment flows for 13 OECD countries, 1961–78	146
4.6:	Distribution of the world's 50 largest corporations by year and headquarter country, 1956–80	150
4.7:	Inward direct investment flows for 13 OECD countries, 1961–78	151
4.8:	Industries most affected in the domestic market by foreign penetration, 1960–79	162
4.9:	Industries most affected in the export market by foreign penetration, 1962–79	163
4.10:	Manufacturing jobs in the manufacturing belt, 1967–80	164
4.11:	Jobs created and lost through openings, closings, relocations, expansions and contractions of private business establishments in the United States, 1969–76	166
4.12:	Closings in a sample of manufacturing plants with more than 100 employees that were open on December 31, 1969 but closed by December 31, 1976	168

4.13: Growth in regional stocks of manufacturing capital 1960–76	169
4.14: Regional migration patterns, 1970–4 and 1975–9	170
4.15: Average prices of residential energy sources delivered to users, nationwide and by region, April 1978 to March 1979	173
4.16: Average energy prices by region, 1970 and 1980	174
4.17: State and local effective tax rates by state, 1975	177
4.18: Per capita federal spending by program for states, 1975	179
4.19: Winners and losers in the flow of federal dollars, 1975	180
4.20: Average hourly earnings of manufacturing production workers in selected states relative to US average, 1973–82	182
4.21: High-technology employment growth shares by region, 1976–80	183
4.22: Changes in high-technology employment for selected states, 1975–9	183
4.23: Regional distribution of the headquarters of the 500 largest industrial corporations in the United States, 1959 and 1980	184
4.24: Numbers and net changes in the number of US Representatives by region, 1910–80	187
4.25: Sources of components for Ford's 'world car': the European Escort	192
4.26: Employment in motor vehicle production: United States, Michigan and Detroit metropolitan area, 1949–82	194
5.1: The myth of high-tech jobs	209

1

The United States in the world-economy

America has discovered the rest of the world. Over the past twenty years many Americans have become aware for the first time that the United States is not a world unto itself, economically self-sufficient and politically self-determining. To varying degrees they have discovered that their country is part of a world-economy, that their everyday lives are now vitally affected by the decisions and behavior of people elsewhere. Some have also developed a clear sense that the world-economy was largely dominated from 1945 until recently by Americans and the American economy. To them the discovery of the world thus reflects the reality of a threatened dominance. Americans can no longer take their insulation *or* their superiority for granted.

Between 1967 and 1973 two trends became clear. One was that the pattern of rapid US economic growth as it had been experienced since World War II had come to an end. Second, it became obvious that vaguely 'international' events, for example the military failure in Vietnam, rapid increases in the prices of basic raw materials (especially oil), military spending to counter the politico-military 'threat' from the Soviet Union, and the rise of foreign competition to American manufacturers (especially from Japan) within the domestic United States economy, could be implicated in the end of the golden age. Yet, by and large, acknowledgment of global interdependence has been limited by the persistence of modes of thinking that see international 'events' as separable and isolated from the workings of the national economy. They are 'shocks' rather than the product of routine interactions. Thus we have the Vietnam 'experience,' the 1974 oil price 'shock,' the Soviet 'threat' and the Japanese 'invasion.' Moreover, each remains the province of a different group of experts and commentators. In the tradition of the Indian fable of the blind men