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Scott Nearing

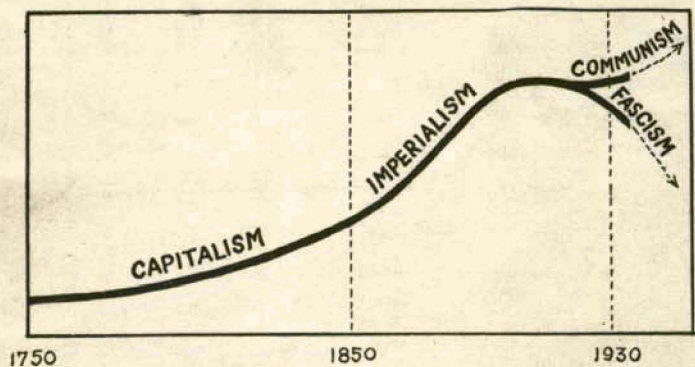
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FASCISM



by **SCOTT NEARING**

TO THE READER

Words like "capitalism," "imperialism," "fascism," and "communism" are spoken and printed thousands of times every day. Each of these words covers a big field. Shelves full of books have been written about them. At the same time each can be explained simply and clearly in a short, readable pamphlet. Such short and simple historic studies should be published in newspapers and magazines. They should be sold in pamphlet form on the news stands. They should be on the required reading lists of high school and college students. By every available means of publicity such studies should be brought to the attention of the oncoming generation until men and women understand the historic trends and realize what steps are necessary to ward off threatening social disaster and build a form of society that will progressively enlarge the life-opportunity of the human race.

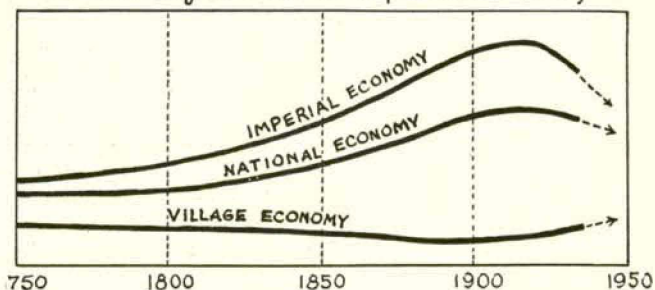
This pamphlet deals with fascism.

Every one knows that the fascists are playing an important role in world affairs, but how many understand just what that role is? News stories of the Black Shirts in Italy or the Brown Shirts in Germany and pen pictures of their leaders in action describe fascism, but serious minded readers of the daily press look in vain for any real explanation of the social forces behind the movement.

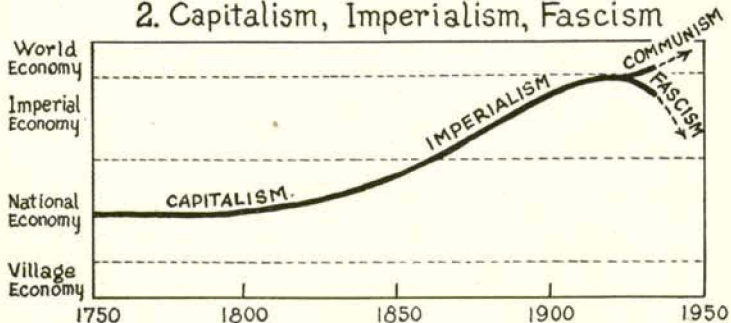
This pamphlet is written to explain how and why fascism arose; the methods which it used to gain and to hold power; the economic and social theories advocated by its spokesmen, and the part that the fascist movement is playing in the making of world history. It points out the relation between the productive forces and the institutions of fascist society and shows the setting of these relations in the general economic trend. The pamphlet is of necessity brief and general. Those readers who wish to enlarge their knowledge of the subject will find on pages 59 and 60 a list of some of the more important books dealing with fascism.

The Historic Role of Fascism

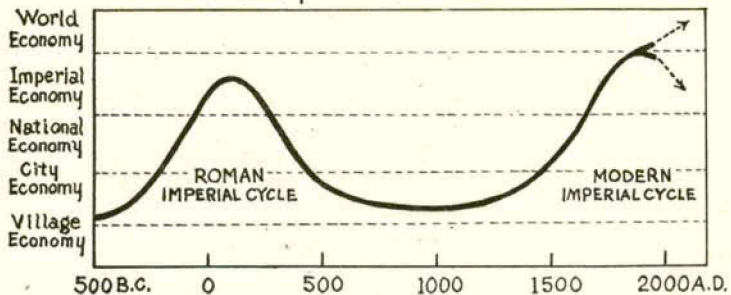
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FASCISM

The Fascist Era

Capitalist society has been going fascist for a decade. With the suppression of the soviet governments in Hungary and Bavaria; with the inauguration of the white terror in Finland, Poland and Spain, and with the triumphal March on Rome, fascism began a general offensive that has been extended to all parts of the world. Beyond the boundaries of the Soviet Union, the fascists have won most of the class conflicts that took place between 1918 and 1933.

Fascist forces are active in Asia, the Americas and Europe. They help to shape the policies of Australia, of South Africa, of the Irish Free State, and of the Indian National Congress. General unrest and a widespread feeling of uncertainty have prepared millions of North Americans to follow a fascist lead. United States bankers and business men openly advocate a strong government on the Italian model. Fascist elements have been prominent in the recent Latin American wars and revolutions; they have directed the official government of China since 1927, and they help to determine Japanese policy. Fascist forces are increasingly active in French politics, and the National Government in Great Britain has many of the characteristics of a fascist regime.

The most spectacular fascist gains have been made in Central Europe. A dozen years ago the movement was practically unknown. Today, Finland, Poland, Hungary, Austria, Czechoslovakia, Jugoslavia and Roumania are under the control of governments which are dominated by the same class elements that support fascism. The Nationalists and National Socialists in Germany have the backing of two-fifths of the voters. The Italian Fascists, after a decade of dictatorial control, boast that their regime will last a hundred years. Through the Baltic and Balkan states, across Ger-

many and Austria, and to the tip of the Italian peninsula, stretches a broad belt of territory in which fascism is the dominant social force.

What is this fascist movement? Whence did it come? Why has it spread so rapidly? Where is it leading? The propertied and the privileged are asking these questions hopefully, because they see in fascism a possible way of escape from the uncertainties and dangers of world chaos. Members of the working class ask fearfully because they feel that fascism will only multiply their difficulties and add to the certainty of war and starvation.

Like all important social movements, fascism represents particular class interests. Since in its early stages it draws its support largely from the middle class, a study of fascism may well begin with an examination of the position occupied by that class in the years immediately preceding the fascist era.

I. THE MIDDLE CLASS DILEMMA

Through more than a century the middle class had been following a road laid out and built by manufacturers, bankers and politicians. At every turning there were sign-boards which read: This Way to Peace, Progress and Prosperity. The members of the middle class had such confidence in their business and professional leaders that they asked no questions and followed the signs.

The paved highway, travelled so comfortably during the Victorian Age, became a dirt road. The road became a narrow path. The sign posts disappeared. Instead of reaching the promised paradise, the harried travellers found themselves in a wilderness, winding along the face of a rugged mountain chain. From above they were threatened by loose boulders, slides and avalanches: the trust movement, imperialist war, colonial revolt, rising taxes and multiplying debts. Below them yawned the precipice of proletarian revolution.

1. The Rise of the Middle Class

Trade revolutionized the class structure of agricultural society. Trading cities filled up with small shop-keepers, manufacturers, money lenders, jobbers, contractors, priests and scholars. It was in these centres of business economy that the middle class first organized itself effectively and

threw down the gage of battle to the landed interests.

The growth of trade, the use of power machinery, the lending and borrowing of money, the development of science and the rise of educational institutions still further increased the membership of the middle class and added greatly to its income. In 1750, nine-tenths of the population of western Europe were still working the land. A century and a half of capitalist development has so transformed western European economy that in present-day Great Britain less than 8 out of each 100 are engaged in farming, forestry and fishing. Today there are two Europes: one is agricultural; the other is trading-manufacturing-banking.

Countries like Poland and Bulgaria are typical of agricultural Europe. In Poland, of the 13,475,000 persons gainfully employed, 762 in each 1000 are engaged in agriculture; 95 in industry and mining; 59 in trade and commerce; and 25 are in public service and the professions. The situation is much the same in Bulgaria where in a gainfully occupied population of 3,049,000, 808 in each 1000 are in agriculture; 91 are in industry and mining; 41 are in trade and commerce; and 30 are in public and professional service. In such countries agriculture dominates, with three-quarters or four-fifths of the population working the land.

Great Britain and Holland are typical of trading-manufacturing-banking Europe. Among the 19,357,000 gainfully occupied Britons, 78 in each 1000 are engaged in agriculture; 443 are engaged in industry and mining; 272 are engaged in trade and commerce; and 62 are engaged in public and professional service. The proportions for Holland are: 236 per 1000 in agriculture; 376 in industry and mining; 214 in trade and commerce; and 76 in public and professional service.

All of those engaged in industry, trade, and commerce are of course not middle class, since the figures include the wage-working masses. But among the men and women listed under these occupations, there are great numbers who, in income, social position, and in outlook, rank as middle class. The magnitude of this class in a modern industrialized country is shown by the United States Census of Occupations.

According to the Census of 1930, the 48,828,000 gainfully occupied persons in the United States were divided as follows: 214 per 1000 in agriculture; 309 in industry and mining; 204 in transport and trade, and 85 in public and professional

service. Four-fifths of United States economy is therefore non-agricultural.

The role of middle class elements in this non-agricultural United States economy bulks large. At the time of the 1930 Census there were 6,081,000 engaged in trade, including 2,069,000 salesmen, 1,703,000 retail dealers, 526,000 insurance and real estate agents, 223,000 commercial travellers, and 221,000 bankers. There were 3,253,000 professional people, including 1,062,000 teachers, 226,000 technical engineers, 148,000 clergymen, 160,000 lawyers, and 153,000 doctors. There were 4,025,324 engaged in clerical occupations. In manufacturing industries alone there were 312,756 managers and officials and 338,504 foremen and overseers. There were 65,162 operators, managers, officials and foremen in mining; and 343,385 owners, operators, officials, managers and foremen engaged in transportation. Among those listed in domestic and personal service, there were 374,290 barbers and hairdressers; 144,371 boarding-house keepers; 56,848 hotel keepers and managers; 157,009 midwives and non-trained nurses; 165,406 restaurant and lunch-room keepers, beside officials and managers of laundries, cleaning and dyeing establishments and other like enterprises.

These are some of the most obvious of the occupational bases for the middle class. The 3.5 million owning farmers; the 5.0 million white-collar workers in trade; the 3.2 million professionals; and the 4.0 million persons in clerical occupations, make a total of 15.7 million. To this number must be added the managers and officials in manufacturing, transport and mining, together with a considerable number of those engaged in domestic and personal service. The total of middle class elements thus rises to at least 18 million, or nearly two-fifths of the 48.8 million who are gainfully employed.

It is of course true that many of the owning farmers are poor; that white-collar workers are frequently paid less than manual laborers, and that numbers of shop-keepers and professionals barely make a living. On the other side of the account, however, must be listed the very large number among the better paid wage-earners who own their homes, have paid-up insurance policies and money in the bank. It seems fair to conclude that at least a third of the gainfully occupied persons in the United States can be catalogued as

middle class. They have preferred occupations; their standard of living includes the comforts and some of the luxuries; they own substantial amounts of property. Any serious change in the social order would therefore endanger the position which they occupy in capitalist society.

2. Imperialism Decimates the Middle Class

The competitive economy of capitalism in its early stages was a happy hunting ground for the small business man. But capitalist economy did not stay competitive. Instead, it passed quickly into the monopoly era.

Cut-throat competition might be the life of trade, but it was the death of profits. Keen business men soon realized that they could keep a surer grip on their affairs and make a larger volume of profit if they consolidated the many small competing enterprises into a few big combines or trusts. Accumulating surpluses drove business-for-profit to establish larger and larger productive units. Technical advances provided the machinery with which these results could be achieved. Then, too, in the course of the competitive struggle, the victors gobbled up the vanquished and fattened on their markets. So the trusts advanced at the expense of the small manufacturers, merchants and bankers.

The trust movement, however, encountered serious obstacles. The specialization of mass production compelled business men to fight harder and harder for the available home market. As the volume of their profits grew, the masters of big business looked farther and farther afield for new and paying investments. Since most of the capitalist countries, such as Great Britain, France and Japan, were very limited in size, business men there led by the bankers were soon driven to seek a large share of their profit in the foreign field. Thus capitalism passed from the monopoly stage to the imperialist stage which began in earnest after 1870.

Business-for-profit, from its earliest stages, was racked and torn by economic crises, by trade wars, by colonial revolts, and by the struggle of the wage workers for better working and living conditions. During the imperialist stage, these disruptive forces reached gigantic proportions in the disastrous business crises of 1893, 1907, 1911; in the series of wars after 1898, that culminated in the War of 1914; in

world wide colonial revolts, and in the working-class revolutions between 1916 and 1923.

The War of 1914 left a trail of debts, reparations, and other overhead costs that led to a great increase in taxes. These heaped-up tax burdens bore with particular severity on the farmers, householders and other small property owners.

The attempts between 1922 and 1929 to rationalize and stabilize capitalist economy were followed by the catastrophic recession of 1929-32. The position of the farmer was worsened by falling prices; thousands of small business men went bankrupt; bank failures, defaults, and the deflation of stock and land values wiped out savings; salaries were cut; technicians remained workless for years; professionals lost their clientele.

The system of profit economy, which, during its period of expansion, had played so important a role in broadening and enriching the middle class, now in its period of decline, heaped loss, uncertainty and actual want upon its middle class supporters. The business-for-profit goddess of plenty had become a devouring, mechanical, bureaucratic monster.

3. The Threat of Middle Class Annihilation

The policies followed by trust magnates and investment bankers drove the middle class into an era of war, rationalization and devastating economic crises where it was mercilessly plundered and decimated. The proletarian revolution went a step farther, by wiping out its basic means of livelihood and destroying its most cherished institutions.

The proletarian revolutionary movement was fundamentally and fatally antagonistic to the middle class. It proposed to socialize land and other agencies of production and thus to destroy those forms of private property upon which a large part of the middle class depended for its income. It proposed to honor labor and to outlaw those very forms of economic parasitism which provided the "competence" for which all middle class society so ardently strove. It proposed to abandon "individualism" in economics and to substitute a central economic plan. It proposed to collectivize agriculture. Once this program was put into effect, that portion of the middle class which depended for its existence upon property and privilege would be destroyed.

Where the proletarian revolution made its greatest gains,

in the Soviet Union, those middle class elements that had depended upon private profit for their livelihood were faced with the slogan; work or starve. There were temporary concessions under the New Economic Policy of 1921, and for a time it looked as though middle class elements might still survive in considerable numbers under a proletarian dictatorship. But with the inauguration of the Five Year Plan in 1928, and of the campaign for the rapid collectivization of agriculture in 1929, these hopes went a-glimmering. The triumph of the proletarian revolution spelled the annihilation of middle class economy.

Thus the middle class was brought face to face with an ugly dilemma in the decade that followed the War of 1914. On one side were the insistent demands of the ruling class for rationalization and the further concentration of wealth and of economic control in the hands of a profiteering few, with the inevitable accompaniment of deepening economic crises, war, colonial revolt and growing chaos. On the other side rose the mass clamor for socialization and a working class dictatorship in a he-that-will-not-work-neither-shall-he eat society. If the middle class followed the program of the imperialists it was doomed to insecurity, war-destruction and devastation, diminishing profits, bankruptcy and servitude. If it accepted a working-class dictatorship, its property and its privileges would alike be lost.

II. THE FASCIST PROGRAM

The harrassed middle class elements in one country after another have adopted programs of action directed in part against the more aggressive phases of trust economy, imperialism and rationalization, but especially against the forces of the proletarian revolution. They were also driven to seek allies, first among the members of the ruling class, and later among the working masses. The fascist movement was organized, financed and supported as the instrument for executing this program.

The major task of those who drew up the fascist program was to find a middle ground between trustification, imperial expansion and rationalization on the right, and a working class revolution on the left. The program may be summed up in four sentences: Unite the propertied and privileged.

Smash the proletarian revolution. Organize self-sufficient nations. Establish a strong state.

1. Unite the propertied and privileged

Competing conflicting groups among the propertied and privileged were prepared to make concessions in the interest of a united front. War, economic crises and proletarian revolution had driven them to a realization of the need of some form of united action.

Conflicts remained of course. The landed interests demanded a tariff on farm products. Industrialists, eager to reduce costs, were urging cheaper food as a basis for further wage cuts. Exploiters and financiers still advocated colonial expansion as a means of continued mass production. The small business elements sought to escape the devastations of rationalization. Professionals, in a period of revolution and dictatorship, insisted upon the maintenance of free speech and press and other institutions of liberalism. But among these diverse elements, fascist leadership was able to organize an effective united front.

2. Smash the proletarian revolution

Once a united front of the propertied and privileged had been organized, the immediate task was the liquidation of the proletarian movement, including revolutionary political parties; the trade unions; the cooperatives; the working-class newspapers; the defense organizations; the semi-military units. The method of liquidation was a secondary consideration. The need for smashing these organizations was conceded by all of the propertied elements.

3. Organize self-sufficient nations

The middle class elements who were the chief backers of fascism proposed to preserve their property and their privileges by establishing self-sufficient economic systems within the boundary lines of each nation state. The success of a policy of economic self-sufficiency was taken for granted by the fascists, who believed that given land, resources, tools and labor, there was nothing to prevent a closely knit, well-governed state from charting its own course and leading a life quite independent of the world outside. To be sure, such a state would have to be prepared to fight for its right to self-determination and self-sufficiency.

The program for national self-sufficiency includes subsidies

for peasant proprietors; the encouragement of working handcraftsmen, and protection for small tradesmen. It also calls for the nationalization of power, railroads, telephones and other public utilities which are essential to state administration and national defense. Finally in developing its economic program, the self-sufficient nation is compelled to control foreign trade. By decreasing specialized production of commodities; by encouraging local and largely self-sufficient economic activities; by nationalizing the key industries and by controlling foreign trade, the self-sufficient nation will restrict economic activity largely within its own borders.

4. Establish a strong state

The democratic state, governed by political parties representing the landed interests and the business classes, with new-hatched labor parties putting in a word here and there, could not hold the reins of power. In France, Italy, Germany and other countries, ministries followed one another in and out of office in an endless and futile procession. They temporized. They compromised. And despite their promises they did not act. For this vacillation and uncertainty, the middle class saw only one remedy,—a government competent to issue mandates and to enforce them.

A program of economic self-sufficiency was meaningless unless it could be enforced. The menace of working-class revolution and the uncertainty and chaos of the post-war world were further arguments in favor of a state strong enough to maintain law and order.

III. FASCISM IN ACTION

The fascist program offered the propertied and privileged a way of escape from threatening disaster. During the past decade the advocates of this program have organized their followers, seized power and have established units of fascist society.

1. The Beginnings of Fascism

Fascism had its beginnings long before the War of 1914. Theorists trace its origins in the writings of Saint Simon, of List, of Sorel and of the syndicalists whose ideas gained such widespread support in Italy, Spain and Latin America. Syndicalism is a theoretical near-neighbor to fascism, involving a form of society akin to the corporative state of the Italian Fascists.

Fascists, p. 14). Membership in the Italian Fascist Party in November 1921 was distributed as follows:

Business men	9 per cent
Industrialists	3 " "
Professional men	7 " "
Public employees	5 " "
Private office workers	10 " "
Teachers	1 " "
Students	13 " "
Industrial workers	16 " "
Agricultural workers	24 " "
Landowners and tenant farmers	12 " "

(Schneider and Clough, **Making Fascists**, p. 3). The Italian movement "took the form of an 'independent' organization of the middle classes with a radical, typical bourgeois programme, capable of satisfying the mobilized youth and the broad masses of the middle classes by its simultaneous proclamation of a struggle both against capitalism and against the proletariat." (Grieco, **Communist International**, Dec. 15, 1928, pp. 42-43).

As the fascists moved toward power, their attacks on the big capitalists grew less severe. Their chief agencies of struggle were "patriotic militant organisations which terrorized first the agricultural workers in the countryside and then the revolutionary proletariat in the towns." (Martinov, **Communist International**, vol. vii, no. 2-3, p. 72).

The fascist seizure of power was greatly facilitated by the fact that, with minor exceptions, such as Soviet Bavaria and Bolshevik Hungary, much of the economic and political machinery was already in the hands of fascist supporters, who owned property, held important jobs, dominated and in many respects controlled the technical and professional fields. If, as is almost always the case, these key positions include important posts in the army and navy, the war and naval ministries, the post, telegraph and other agencies which are likely to be determining factors in a revolutionary situation, the fascists merely proclaim the possession of that which they already occupy.

Fascism aims to perpetuate such basic institutions as private property; individual enterprise; small scale farming and trading; the church; and the political state. Since most

property and privilege are based on one or more of these institutions, the fascists in bidding for power, can promise security to the well-to-do and also to those workers who hold a position above the level of bare subsistence.

Such a situation eases the struggle for power. The fascist movement, through its control of so many strategic positions, expropriates fewer individuals and makes fewer enemies than would the proletarian movement under similar circumstances. Even where it employs direct action, fascism respects and defends most of the existing institutions.

a. The fascist organization

Since the fascists propose to seize power, they begin by organizing a fighting force. "The original and predominating organizational form of fascism is the militarist league . . . In Germany, as in Italy, the militarist-fascist organisations were formed expressly for the struggle to crush the revolutionary movement of the working class." (Alfred, **Communist International**, May 1, 1931, p. 247). Politics with the Italian Fascists was a secondary activity. Two years elapsed before they made even a pretense of contesting elections. Local fascist groups terrorized the leaders of the labor movement; attacked trade union houses; smashed labor presses and thus, in individual local combats, cleared the ground of their immediate enemies. The battle at the polls came later—after this preliminary work of destroying revolutionary organizations had been well advanced.

The fascist movement did not begin among the masses, or even among the rank and file of the middle class. Rather it has had its origin in the conspiratorial activities of a few adventurers and soldiers of fortune.

Fascists scoff at the voice-of-the-people slogans of the democrats. They see the masses as potential followers to be won over and led by the "elite,"—in other words, by the fascists. Democracy they describe as a "rotting corpse" or a "decaying carcass" to be replaced at the earliest opportunity by the more vital institutions of fascism.

Fascists have built a state within the state. In the name of patriotic necessity they have established their own rules; maintained their own discipline; crushed their enemies with armed force, and have won power by the use of guns. To achieve such results, the fascist organized a mobile force of

Pre-war fascist tendencies were not confined to the theoretical field. In many directions they took concrete social form. During the closing years of the nineteenth century, when the trust movement was making such rapid gains and when imperialism was sweeping across the world, opposition from several different quarters followed the general fascist line. First there were the nationalist movements in the Balkans, in the Near East, in Latin America, in Ireland, in India, and in China, which sought liberation from imperial control. Within each of the imperial countries the small tradesmen and professionals organized their "liberal" or middle class parties to fight the growing menace of big business. Closely associated with this movement of the city middle class elements against the big business policy of trustification and imperial expansion, was the movement of the small farmers to preserve agriculture against high taxes, high freight rates, and ruinously low prices of agricultural products. These movements were sporadic and local until the magnitude of the danger forced the propertied and privileged into a working alliance.

2. The Fascist Road to Power

The white heat of war and revolution fused the divergent middle class elements and the more aggressive elements of the ruling class into a propertied-privileged united front which carried the banner of fascism to victory. The main body of fascist support has been drawn in every instance from middle class elements. The leadership has been divided between the middle class and the ruling class.

In Italy, writes Bernhard (*Der Staatsgedanke des Faschismus*, p. 12), "The confederates with whom Mussolini seized power, were, in the main, sons of the lower middle class," specifically craftsmen, small tradesmen and minor government officials. Schneider and Clough write in the same connection: "When Fascism first appeared on the scene the lower middle classes were the most active and patriotic supporters of the cause. The unexpected violence of the labor crisis of 1919-20 so frightened shopkeepers, small factory-owners, and business men whose financial position was none too secure that they joined the movement in haste and contributed liberally, even frantically, to the fasci." (*Making*

men who did not hesitate to kill when killing was necessary. Organizationally, therefore, fascism was built around an army rather than a political party. The fascists began their campaign not by an oratorical appeal to the masses, but by burning the meeting places, wrecking printing presses and shooting the leaders of their only real opponent—the working-class revolutionary movement.

Since the fascists centered their attention on combat, their organizations took on a military character. They built their general staffs largely of men who had directed the battles of the War of 1914, and exalted their leaders to positions of personal dictatorship typical of most military organizations.

Fascist propaganda is nationalistic and loyalistic. Fascists do not rely upon argument. Instead they make direct emotional appeals for the support of God and Country. No real effort has been made by the fascists to establish an international organization. Indeed, fascism is avowedly opposed to internationalism. It builds with the nation as the supreme unit.

b. The fascists and the ruling class

The fascist attacks upon the revolutionary movement lined up fascism and big business on the same side of the class-war fence. Business interests have helped to finance the fascist movement, and many of the sons and grandsons of big business men together with the younger generation of the large landowners joined the Black Shirts in Italy and the Brown Shirts in Germany. The fascist organization offered a fighting arm to a bankrupt and harrassed capitalism, none too sure in many cases of the police and armed forces. Consequently, the business interests provided the fascist movement with funds and assisted it to attack working class organizations.

Fascist leaders often denounced the conduct of particular administrative officials and particular ruling class institutions, and in the early stages of the movement challenged ruling class power. Goebbels, leader of the Hitler forces in Berlin, used this strong language in **The Nazi-Sozi**: "When we have the masses—what then? We shall grit our teeth and prepare; we shall march against this government. . . . From revolution in words we will go to revolution in deeds. We shall make a revolution, chase Parliament to hell and found

the State on the might of German fists and German heads." Mussolini, in a declaration of November 17, 1922, warned Italian big business that it must end abuses.

With the seizure of power however, comes a profound change in the fascist attitude. The demagogic appeal to the masses ends. Bankers and profiteers entered the Mussolini cabinet. In the spring of 1925, when his Minister of Finances, De Stefani, imposed restrictions on currency speculation, Mussolini went to the rescue of the bankers and brokers and rescinded the restrictions. Big business is safer in Italy under fascism than it was before the March on Rome.

A corresponding change takes place in the structure of the Fascist organization. Secondino Tranquilli traces this change in careful detail in the **Kommunistische Internationale** for April 18, 1928. The middle class elements become less important. The Fascist government frankly champions the cause of big business.

The Fascist movements of Germany and Italy have secured important contributions from big business interests. From August 1920 when his paper, the **Popolo d'Italia**, waged its war against bolshevism, Mussolini was in close touch with the Italian General Confederation of Industry, the principal organization of Italian big business. The big industrialists were slow to welcome fascism, but they "were its mainstay (financially) during the critical years of 1921 to 1924." (Schneider and Clough, **Making Fascists**, p. 14).

Reupke in his **Wirtschaftssystem des Faschismus** (p. 39) points out that while between big business and fascism there were many inner contradictions, nevertheless, business accepted fascism as its only effective means of crushing the proletarian revolution and disciplining labor. Clara Zetkin stated the case forcefully in the **Labour Monthly** for August, 1923.

Italian Fascism has made another important bid for big business support. Mussolini offers to the Italian employers "something possessed by no system of private industry anywhere in the world: absolute security against strikes and against the sabotage which at earlier times has been so widespread in Italy. Today private employers in Italy can pile up costly machinery, lay in stocks of valuable materials; no one will damage them, no one will endanger their usefulness by class struggle, no one will attack the security of private

property. The industrialists today can count surely in their calculations upon freedom from strikes. Mussolini puts his whole power behind this fact. In hindering strikes he sees the real test of the true possibilities of fascism." (Bernhard, *Der Staatsgedanke des Faschismus*, p. 36).

The contrast between the attitude of fascists and of bolsheviks toward capitalism is thus stated by Pennachio in *The Corporative State* (pp. 16-17). "Fascism accepts the reality of the social division of men into classes and wishes only to change their organization and to modify and clarify their rights and their duties to the nation. Bolshevism wishes to destroy the social classes solely for the purpose of imposing the dictatorship of a single class, the proletariat. All this goes to show the chasm that separates the two revolutions and illustrates the broad basis on which the Fascist regime has been built."

c. The fascists and the state

The fascists seek to organize a national state strong enough to stand above all individuals, and above all class and sectional interests. This sovereign state would determine its foreign policy solely with a view to the advancement of its own interests.

Fascism roundly denounces bourgeois democracy. It denies the capacity of the masses to decide critical political issues and proposes the organization of a strong state, led by the elite. Mussolini wrote on this point: "Fascism denies that numbers, from the mere fact of being numbers, can play the role of leaders of human communities. Fascism denies that numbers can govern, through a system of periodical consultation of the electorate." (*N. Y. Times*, Sept. 18, 1932).

The fascist state is described by Mussolini in the same article as "something absolute, before which individuals and groups are something relative. Individuals and groups are conceivable only inasmuch as they exist within the state." Rocco carries this idea to its logical conclusion: "For fascism, society is the end and the individual the means."

Prof. Gentile, one of the leading fascist theoreticians, states the fascist position on the State in these words: "Both Fascism and Nationalism regard the State as the foundation of all rights and the source of all values in the individuals com-

posing it. For the one as for the other, the state is not a consequence—it is a principle. . . . In the case of Fascism, State and individual are one and the same things, or rather, they are inseparable terms of a necessary synthesis." (*The Philosophic Basis of Fascism, in Foreign Affairs*, vol. 6, pp. 301-2). Hence Mussolini's fiat: "Beyond (outside of) the State—nothing!"

The fascist state is not merely supreme. It is the highest form of social organization. Gentile describes the fascist state as "a wholly spiritual creation." An Irish enthusiast conceives of the state as "a physical body prepared for the incarnation of the soul of a race." The race fulfils its historic mission through the instrumentality of this state.

A German student of fascist theory sums up the matter thus: "A state must be produced which considers the individual cells as elements of the state and which guarantees the functioning of this unitary state." (Bernhard, *Der Staatsgedanke des Faschismus*, p. 11).

Where fascism has had its largest opportunity,—in Italy,—it has practically wiped out parliamentary democracy. The Italian Parliament is shorn of its powers. In its place is the General Council of the Fascist Party, which is the real legislative and executive organ.

Under the Electoral Law of 1928, each of the thirteen national confederations sends in its allotted quota of the 800 names that are submitted to the Grand Council of the Fascist Party. Four hundred of these 800 names, selected by the Grand Council in consultation with the Ministry of Corporations, constitute the "official list" of candidates to be voted on by the members of all syndicates. The four hundred names must be approved as a unit. If they are approved they constitute the new Parliament. If they are rejected, a new list of candidates must be compiled. The Fascist Party, composed theoretically of the elite of Italy, is thus the real governing body of the nation. And since membership in the Party is rigidly restricted, the great mass of the Italian people are subject to a political regime in whose conduct they have no direct voice.

d. The fascists and the peasantry

Peasant labor and village handcrafts are encouraged by fascist leadership as the soundest nucleus for a self-suffi-

cient economy. These elements are an important factor in the present-day life of Central Europe. They can therefore be readily utilized as a mass basis of fascist support.

Italian Fascism has insisted upon a peasant foundation for its economy. When the Italian Fascists seized power, Italy was importing 2.7 million tons of grain per year. Against this grain-import drain Mussolini directed "the battle of wheat", granting subsidies and loans, and encouraging a program of land reclamation to provide the necessary additions to wheat acreage. Bonomi points out that "it is above all in the small rural property owner and in the artisans of the towns" that fascism will find its strongest support. "There remain to this day the people of the old Italian communes; there the tradition of a local and popular regime is strong; there the love of individual property actively opposes capitalistic centralization." (*Du Socialisme au Fascisme*, pp. 75-76).

The National Socialist movement in Germany advocates the same policy. Hitler insists that "the coming government (of the National Socialists) will have its strongest foundation in the German peasants." (*Der Angriff*, July 4, 1932).

Fascist strategists thus propose to fuse the interests of the middle class and of the peasantry under the guidance and control of the fascist state. The village is to remain backward, ignorant and superstitious. The city is to continue to feed on the proceeds of village exploitation.

e. The fascists and the wage-workers

Fascism distinguishes sharply between the wage-worker and the class-conscious movement of the proletariat. It aims to conciliate the wage-worker and to draw him into the Fascist movement. It aims to destroy root and branch the wage-workers' class-conscious revolutionary organizations.

The official attitude of the Italian Fascists toward labor is described in a Labor Charter drawn up by Mussolini and his confreres, and promulgated April 21, 1927. The central theme of this Labor Charter is stated in Articles 1 and 2:

"Article 1.—The Italian nation is an organism possessing a purpose, a life, and instruments of action superior to those possessed by the individuals or groups of individuals who compose it. The nation is a moral, political, and economic unity integrally embodied in the Fascist State.

"Article 2.—Labor in all its manifestations, whether mental,

technical, or manual, is a social duty. It is by virtue of this fact, and by virtue of this fact alone, that labor falls within the purview of the State. When considered from a national point of view, production in its manifold forms constitutes a unity, its many objectives coinciding and being generally definable as the well being of those who produce, and the development of national power."

The Labor Charter advances four propositions: (1) that the state is superior to the individual; (2) that labor is a social duty; (3) that it is better to preserve individual initiative under a system of private property than it is to establish socialism; and (4) that economic life must be planned and controlled through corporations which constitute a branch of the state machinery. The Charter was an after-thought, drawn up rather hastily to meet the storm of proletarian opposition that threatened the Italian Fascist Regime during 1925 and 1926. It outlines the policy of concessions to workers so long as they accept the fascist dictatorship.

f. The fascists and the proletarian revolution

Fascism became a political factor in central and western Europe during the years when the wave of proletarian revolution was sweeping through Russia, Germany, Austria-Hungary, and Italy. It grew most rapidly in precisely those countries where the proletarian revolution showed the greatest vigor. There were two reasons for this: first the menace of revolution drove the propertied and privileged into a united front; and second, the sharper the revolutionary situation, the greater was the need for fascism to take form organizationally and to take action politically.

Perhaps it is not possible to say as the workers organized and reached for power, the propertied and privileged united and struck back at the workers with the handiest weapon at their disposal—the fascist movement, but there is much truth in this statement. At any rate it is certain that the first big task of fascism, after it established an organization, was to smash the apparatus of the proletarian revolution.

Certain spokesmen for the Second International have jumped from this generalization to the conclusion that fascism is the reaction to communism; that if there were no communist movement there would be no fascist movement.

Hence, the formula so often stated by those who follow this line of thought: to prevent fascism, suppress communism. Such argument ignores the forces lying behind both communism and fascism.

Fascism is the reaction of the propertied and privileged to the general crisis in capitalist imperialism. War, economic collapse, colonial revolt and the proletarian revolution are all aspects of the general crisis, and in that sense only they are all responsible for fascism. Even were there no working class movement, the propertied and privileged would be compelled to retreat to fascism as the superstructure of capitalist imperialism comes tumbling down about their ears. The suppression of the communist movement does not prevent the rise of fascism. It merely destroys the militant and aggressive leadership of the proletarian revolution.

An interpretation of the relation between fascism and the working class movement was given by D. Manuilsky at the 11th Plenum of the Communist International: "Capital has become not stronger but weaker," he argued. "Fascism reflects the dialectical contradictions of social development. In it are contained both elements—both the attack of the ruling classes and their disintegration. In other words, the Fascist development can lead both to the victory of the proletariat and its defeat. . . .

"If the working class conducts an active struggle against Fascism, then the more rapidly will the elements of decay develop in the latter. If the proletariat retreats without struggle, as, for example, in Italy in 1920, the more strongly will stand out the features in Fascism of attack on the working class. The first path leads to victory over Fascist dictatorship, the second to the defeat of the proletariat."

Fascism and the proletarian revolutionary movement are strongly antagonistic. Fascism builds on private property and profit economy. The proletarian class-conscious wage-workers aim to replace both institutions, by a socialized use economy. The success of one of these movements involves the destruction of the other. The fascist road to power lies through the consolidation of the middle class; cooperation between the unified middle class and the ruling class; the winning over of vacillating working-class elements, and a united attack against the organizations of the proletarian revolution.

3. The Organization of Fascist Society

Fascist society is built upon profit economy. It contains an owning class and a working class. It accepts exploitation. Despite revolutionary promises, fascist society does not differ essentially from any other phase of profit economy.

a. Private property and profit

Private property, in its more familiar aspects, dominates the economic life of every nation that has moved along the path toward fascism. Italy, having gone farthest in the organization of a fascist society provides the best illustration of the relation between fascism and private property.

Not only private property, but small-scale land-holding and profit-making enterprises have been particularly encouraged by fascist statesmen, who regard "private initiative in the field of production as the most useful and efficient instrument for furthering the interests of the Nation." (Charter of Labor, Article 7). Fascism has drawn its chief support from middle class elements that almost without exception own land, houses, productive tools or other private property forms that represent exploitive power. Since the fascist leaders desire to broaden the social basis for their movement, they have aimed at increasing the number of small property holders and of small business men.

Fascist policy thus seeks to return to the stage of small-scale, competitive, private economy that preceded the trust movement. Such an economy increases the number of property owners and thus provides a constituency that will fight for the perpetuation of private property forms. Furthermore, small-scale farming, manufacturing and trade are more nearly self-sustaining than are large scale business activities, and they involve a smaller proportion of wage-workers. Hence they fit more satisfactorily into the picture of a self-sufficient economy.

Fascism preserves private property and profit economy, but it has introduced two variants into the property code of nineteenth century capitalism. The first of these variants is the nationalization of railroads, power plants and other public utilities necessary to national existence. This principle of nationalization has not been fully carried out even in Italy. On the other hand, the trend toward state capitalism is general in western Europe. Governments are acquir-

ing or investing heavily in private enterprises and providing subsidies for shaky industries and insolvent banking institutions. This tendency is reviewed in detail by Emil Lengyel in the *Annalist* for November 4, 1932.

The second variant in the private property principle is the duty owed by property owners to the nation. Under this variant, if a farm or mine or factory is unused or misused, the state may interfere and punish the property owner for his failure to make the best possible use of the property and thus to fulfil the social obligation he owes the nation.

With these minor variants, fascism retains the more important forms of private property that have characterized every exploiting, class-divided society. Individual profit remains under fascism as the chief incentive to economic activity. Fascist society is therefore a profit-motivated, acquisitive society in the same sense that Great Britain or the United States is acquisitive and profit-driven.

b. Peasant proprietorship

A necessary phase of the policy of encouraging private property and profit economy in a self-sufficient nation is the increase in peasant proprietorship. Such a policy also offers an outlet for the unemployed, harrassed, rebellious city workers, whose only avenue of effective protest—their revolutionary organizations—has been destroyed by the fascists as they advanced to seize power.

Something has already been said on this point in the section dealing with the attitude of the fascists toward the peasantry. Here it is sufficient to add that in Italy, and in the central European countries where fascism has made headway, the number of small land holdings has noticeably increased. Land reform in Hungary doubled the number of small property holders. (Landauer and Honegger, *International Faschismus*, pp. 66-67). There were 2,575,925 German farms of less than 2 hectares (5 acres) in 1907. In 1925 the number had risen to 3,027,431. (*Stat. Jahrbuch* 1931, pp. 50-51). Mussolini is encouraging the small farmer. Reclaimed land is being subdivided. Idle land is being broken up. Farmers, using hand tools, cattle, donkeys and horses, are being urged to cultivate sufficient land for the support of a family.

Schneider calls attention to an important shift in Italian

Fascist plans for peasant proprietorship. "At first fascist tactics were to increase small holdings. Big estates were divided and sold on easy terms to peasants. But it was soon discovered that these peasants were so thrifty in their effort to pay for their farms, that they threw many farm laborers out of work. Consequently the outright selling of land was abandoned in favor of 'colonial' share-holding tenant contracts. Another reason given in favor of the tenant plan is that by keeping ownership concentrated, agricultural savings and capital could be controlled more easily and made more mobile. This is one of the prime efforts of fascism to encourage agricultural savings and to reinvest these in agricultural improvements. It is in this way that the government hopes gradually to pay for its huge investments in agricultural developments." (Schneider, *Making the Fascist State*, p. 211).

In Germany, where the number of farms under five acres exceeds 3 millions, the same policy is being carried out. Unemployment and starvation in the industrial centres are driving the workers back to the land, where they buy or rent plots sufficient for family self-support and large enough to provide a tiny surplus that is bartered or offered for sale in the public markets.

All through Central Europe millions of peasants work the land, sow, cultivate and harvest by hand. This is of course true in the narrow valleys and on the hillsides of Austria, Germany and northern Italy. It is equally true on the broad plains of Lombardy and of Hungary. Small-scale peasant agriculture, accompanied as it is in almost all cases by the division of the land into tiny plots and strips, involves hand labor, and lowers the level of productivity to the point where the combined efforts of a family will yield only a bare subsistence.

Hand in hand with the return to self-sufficient peasant economy comes the revival of village industry,—the shoemaker, the smith, the wheel-wright, the tailor. In the middle ages each European village raised its own food and had its own quota of artisans. Four centuries ago virtually the whole of western Europe was made up of self-sufficient villages, with market towns here and there, and a few trading cities on rivers and sea coasts. Such a condition now prevails in portions of Greece, Bulgaria, Jugoslavia and other

central European countries where modern industry has never gained a foothold. Fascist policy is pushing western Europe back to this same level by 'balkanizing' its entire economy.

c. Class collaboration

Fascist statesmen desire to bridge the gulf between exploiters and workers, while retaining the institutions of private property and profit. This they hope to do through a system of laws that aim to make exploiter and worker organic and subordinate parts of the nation-state.

Long before 1919, this movement toward capital-labor cooperation was begun in the collective bargaining between employer associations and trade unions. It was continued in post-war Germany under a system of legalized factory councils and labor arbiters with theoretical jurisdiction over all labor disputes. It appeared in Great Britain as "Mondism"—developed through joint committees of the employers associations and the Trade Union Congress. It reached its highest stage in Italy in the system of class-unity organs that comprise the corporative state.

The Italian Labor Code and the Law of Corporations declare the nation to be above all classes. The state aims, not to represent a class, but to unify the population and thus to eliminate class conflict. To this end, bosses and workers are legally forbidden to engage in any class war. Strikes and lock-outs are alike outlawed, and elaborate machinery is established for the arbitration of labor disputes.

The law of April 3, 1926, provides in Article 18 that: "Employers who close their factories, enterprises, and offices without justifiable reasons and for the sole object of compelling their employees to modify existing labor contracts, are punishable by a fine of from ten thousand to one hundred thousand lire.

"Employees and laborers who, in groups of three or more, cease work by agreement, or who work in such a manner as to disturb its continuity or regularity, in order to compel the employers to change the existing contracts, are punishable, by a fine of from one hundred to a thousand lire."

The same law contains a chapter headed **The Labor Court**. "All controversies concerning collective labor relations" are declared to fall "within the jurisdiction of the courts of appeal, functioning as labor courts." Under this law, neither

trade union nor employers associations can take the law into their own hands. Each issue, as it arises, must be settled by arbitration. If that fails, the controversy goes to the appointed court.

One enthusiastic convert to fascism, the former guildsman Odon Por, hails this achievement of fascism as epoch making. "Capital and labor will lose their class character," he writes in the **Year Book of the International Centre of Fascist Studies**. "From the corporation will emerge not the capitalist and the proletarian, but the manager and employee of production. The class struggle has ceased and has been replaced by the State verdict." (**A Survey of Fascism**, p. 157).

Italian fascism outlaws strikes and lock-outs, but legalizes the private ownership of capital and the accumulation of profit by the capitalist. Strikes and lock-outs are merely two aspects of a conflict which is rooted in the system of private property in production goods and private profit from the exploitation of workers. Thus the causes of class struggle remain in Italy, although some of the superficial aspects are forbidden.

Strikes of serious proportions occurred in Italy during 1923, 1924, and 1925, before the machinery of the corporative state was in working order. Since that time, wages have been reduced, the hours of work have been extended, unemployment has increased, and standard of living of the wage-working masses has been lowered, and yet major labor disturbances have been rare occurrences. Official sources give the number of strikes as 238 for 1924 and 211 for 1925. The militancy displayed by the Italian workers during 1924 and 1925 led to vigorous government intervention. The results of this intervention appear in the Agreement of Vidoni Palace (October 2, 1925) under which the Italian bosses officially recognized the Union of Fascist Syndicates as the representative of the workers; the workers officially recognized the General Confederation of Industry as the representative of the bosses; both agreed to submit disputes to a joint board, and factory committees were dissolved. By this agreement the fascist trade unions, which represented less than 20 per cent of the workers, gained official recognition as the sole spokesmen for the wage-working masses.

How were such results achieved? Through a policy which unified the middle classes, strengthened the owning peasant-

try, and isolated the wage-working masses. During the revolutionary period from 1919 to 1921, many of the peasants stood with the workers for the overthrow of capitalism. Today these peasant elements seem to have made common cause with the propertied and privileged. Italian fascism has consolidated sufficient support behind its program of class collaboration under a unitary state to isolate the class conscious workers and compel them for the time being to accept its verdicts. The institution through which such results have been achieved is the legalized syndicate, functioning through the Ministry of Corporations.

d. Syndicates and corporations

A fascist corporation is an organization of syndicates. Syndicates are legally recognized and chartered associations of employers, of workers, and of intellectuals. Thus the corporation, functioning under the Ministry of Corporations, is part of the essential machinery of the fascist state. The Charter of Labor describes the function of syndicates and corporations in Article 6: "The trade associations (syndicates) legally recognized guarantee equality before the law to employers and employees alike. They maintain discipline in labor and production and promote measures of efficiency in both. The Corporations constitute the unifying organization of the elements of production (capital and labor) and represent the common interests of them all. By virtue of this joint representation, and since the interests of production are interests of the Nation, the Corporations are recognized by law as organs of the State."

Schneider, in his comprehensive study **Making the Fascist State**, (pp. 149-150) credits Alfredo Rocco with the revival of the term "corporation" and with stripping revolutionary implications away from syndicalism. Rocco suggested the possibility of a national syndicalism as early as 1908. In 1914 he wrote of the possibility of national syndicalism through mixed syndicates. This idea, Rocco held, "is nothing but our ancient corporationism." He added: "The Corporations, which were overthrown by the individualism of the natural rights philosophy and by the equalitarianism of the French Revolution, may well live again in the social ideas of Italian nationalism . . . In the Corporations, we have not an absurd equality, but discipline and differences. In the corporations

all participate in production, being associated in a genuine and fruitful fraternity of classes."

The Italian Labor Charter (Article 3) provides that "Organization whether by trades or by syndicates is unrestricted, but only the syndicate legally recognized by the State and subject to the State control is empowered:

"To legally represent the particular division of employers or employees for which it has been formed;

"To protect the interests of these as against the State or as against other trade organizations;

"To negotiate collective labor contracts binding upon all those engaged in the branch in question;

"To levy assessments and to exercise, in connection with the branch, specified functions of public import."

Ten per cent of the employers or workers in any field may organize a syndicate, secure legal recognition and speak and bargain in the name of the entire group. This last provision has made it possible for a small minority of fascist workers to organize, secure official recognition and bargain in the name of the entire body of workers.

The system established in 1926 provided for thirteen syndicates. These included a syndicate of employers and one of employees in industry, in agriculture, in merchandizing, in maritime and air transport, in land transport and inland navigation and in banking. The thirteenth syndicate was that for intellectuals. By 1929, 3,798,000 employers, 8,048,000 employees and 143,000 intellectuals had enrolled.

The law of Corporations (Article 42) provides for uniting "the national syndical organizations of the various factors of production, employers, intellectuals and manual workers in a definite branch of production, or in one or more definite categories of enterprises. The organizations thus joined constitute a corporation." Each corporation is established by a decree of the Ministry of Corporations.

Beside the Ministry of Corporations, created in 1923, there is a National Council of Corporations, created in 1926 and greatly strengthened by the law of March 20, 1930. The National Council consists of about 100 members, representing the thirteen national syndicates, and certain government departments. The National Council is subdivided into sections: one for industry, one for agriculture, one for merchandizing, one for marine and air transport, one for land transport and

inland navigation, one for banking, and one for the professions. As the powers of the Council of Corporations are extended, it takes on more and more of the character of a national planning council, with certain authority to control, veto and initiate economic policy.

Syndicalists have long urged that community life should be organized in economic rather than in geographic units. The National Council of Corporations therefore gives the Italian government a definitely syndicalist slant. The same form of organization is continued through the entire corporative state of the Italian Fascists.

e. The corporative state

The capitalist state was designed, theoretically, to represent the "community." Practically, it was an agency of the ruling class. Liberalism tried to make the class state a mediator between the partisans in the class war. The fascist program called for a state strong enough and universal enough to stand above every separate interest of the community, to be an end in itself and therefore to outlaw the class war and adjudicate the issues to which the class war gave rise. The Bologna Syndicalist Congress on January 24, 1922, expressed the ideal thus: "The nation, taken as the highest synthesis of all the material and spiritual values of the race, is above individuals, occupations and classes. Individuals, occupations and classes are the instruments which the nation employs to reach its greatest glory. The interests of individuals, of professions and of classes acquire the stamp of legitimacy when they come to be embodied in the plan of the higher national interests."

The corporative state of the Italian Fascists thus assumes a position high above the state of western liberalism. "For liberalism (as for democracy and socialism)" said Rocco in 1925, "human society is the sum of its living individuals; for fascism society is the accumulated unity of an indefinite series of generations."

Such grandiose ideas were held by the poet and mediaevalist d'Annunzio when he seized Fiume for Italy and wrote the charter for his miniature corporative state. There were to be ten corporations: (1) for laborers, artisans and small farmers; (2) for technicians and administrators; (3) for merchants; (4) for industrial and agricultural employers;

(5) for public employers; (6) for intellectuals; (7) for professional persons; (8) for cooperatives; (9) for mariners, and (10) for "the mystic servants of the civic sanctuary." These corporations were to be a revival of the corporations that had ruled the mediaeval Italian trading cities, and were to be the governing force in the corporative state.

Prof. Gentile explains that the syndicates and corporations were needed to impose state discipline and to enable the fascists to discover the individual, "who exists as a specialized productive force, and who, by the fact of his specialization, is brought to unite with other individuals of his same category and comes to belong with them to the one great economic unit which is none other than the nation." (*Foreign Affairs*, vol. 6, p. 303).

This corporative state, which is built around organized productive groups and which focusses them in its Ministry of Corporations, is prepared to fulfil the functions described in Article 9 of the Labor Charter: "The State intervenes in economic production, only in cases where private initiative is lacking or insufficient or where political interests of the State are involved. Such intervention may take the form of supervision, of promotion, or of direct management." Syndicate, corporation and corporative state are thus the institutions of an organized profit economy within the boundaries of a single nation.

The corporative state in Italy is becoming "a single, national, centralized workshop," Schneider writes. (*Making the Fascist State*, p. 212). "The political and the economic orders are being fused into the corporate state and government is frankly becoming political economy."

This idea of the corporative state as an avenue of escape from the chaos prevailing in western society is not confined to Italy. The strong state has numerous and powerful advocates in many western countries. C. E. M. Joad, writing of the attitude of British Fascists (*Political Quarterly*, vol. 2, p. 93) gives their program for the remodeling of Parliament. "The model I have frequently heard suggested for the House of Commons is that of a meeting of the shareholders of a company, and the relation of members of Parliament to the Government that of shareholders to directors, with the qualification that the shareholders might meet not once but, say, half-a-dozen times a year to receive and com-

ment upon the directors' reports. If the shareholders are sufficiently dissatisfied they pass a vote of censure, the directors resign and there is an election."

The National Government organized in Great Britain in the summer of 1931 included conservative, liberal and labor leaders. They laid aside their differences and united to meet a national emergency by national action. From 1914 to 1919 a similar political truce was observed in most of the warring countries. Recently there has been much talk by responsible American politicians and business men of the need for a strong United States government. It has remained for Italian Fascists to realize their ideal by establishing the corporative state.

f. Fascism and the church

Among the institutions of capitalist imperialism which fascism has adopted, the church occupies a prominent place. Many of the Italian Fascists, including Mussolini, were free-thinkers earlier in their careers. The struggle to gain and to hold power has led them to lean upon the church for moral and social support. Fascism is extremely authoritarian. The Roman Catholic Church as the chief exponent of authoritarianism in religion therefore commended itself particularly to the fascists.

On April 3, 1931, Mussolini said: "Fascism is the strongest of all heresies that strike at the doors of the churches. . . . Away with these temples that are doomed to destruction; for our triumphant heresy is destined to illuminate all brains and hearts." On June 27, 1922, however, he followed Gentile's declaration that "an irreligious State is not a State at all" by writing in *Popolo d'Italia*: "It is not the intention of Fascism to drive God from heaven and sweep religion from the face of the earth." (Prezzolini, *Fascism*, p. 131). And now Italian Fascism has moved officially toward the Roman Church. A signed article by Mussolini in the *New York Times* for September 18, 1932, contained these sentences: "In the Fascist State religion is considered to be one of the deepest spiritual manifestations. Religion is, therefore, not only respected but defended and protected."

The pro-Catholic position officially adopted by Italian Fascism, led naturally to three important lines of actions: (1) the teaching of the Catholic religion was introduced into

the Italian schools; (2) no Mason was permitted to wear the badge of a Fascist; (3) after lengthy negotiations a treaty was signed with the Pope in February, 1929, creating the Vatican State. Roman Catholicism thus became once more the official religion of Italy, and church and state were again united.

The Nationalist movement in Ireland is following strikingly similar lines. William Rust sums up the Fannia Fail election program of 1932 in these words: "De Valera aspires to a mystic medieval paradise, a happy self-sufficient Ireland based on private ownership and inspired by the Catholic religion." (*Labour Monthly*, Aug. 1932, p. 493).

g. Discipline under fascism

Fascism imposes a stern discipline on its followers. This discipline is, in the first instance, military. Behind the discipline of physical drill, however, there is a more potent discipline, which involves the unquestioning acceptance of authority. This mental regimentation has characterized the Roman Church for centuries. It throttled science and philosophy through the Dark Ages when it dominated western European life and thought. In Mexico and Spain it fastened the chains of ignorance and superstition on the masses and held them there until they were thrown off by revolution. Today, in western Europe, fascism and Roman Catholicism are striving to reestablish this reign of authority which was broken with such difficulty during the centuries of the Renaissance and the Reformation.

Fascist discipline begins early. The Italian schools are not only used for religious instruction, but they are devoted to an elaborate system of intensive nationalist propaganda.

In addition to the schools there are fascist organizations for university students; for adolescent boys; for adolescent girls; for young boys, and for young girls. In these organizations the young people are provided with uniforms, drilled and prepared for citizenship.

A similar control is exercised over the publication of newspapers, magazines and books; over the radio; over the movies, and every other form of public expression. The Italian people are being taught to feel and to think fascist. Ideologically as well as socially and economically, fascism is pressing the masses back toward an unquestioning accept-

ance of a god-ordained social system in which each human being must be content to fill the place to which he has been called by an all-seeing providence speaking through the masters of church and state.

Fascist organization is definitely mediaeval in character. It is founded upon a principle of local economic self-sufficiency which expresses itself primarily in small scale industries of pre-industrial Europe. Its economic state institutions,—the syndicate and the corporation,—are modelled upon similar institutions that flourished in Italy during the middle ages. The linking of church and state point back to a period before the Reformation. The institutional expressions of fascism are those of a self-sufficient, pre-machine-age, agrarian economy. Fascist spokesmen describe this development as "the rise of fascist culture."

4. The Achievements of Fascism

Economic statistics show that during its fascist decade Italy has passed through three well defined periods. The first extended from the fascist seizure of power in 1922 to the consolidation of power and the stabilization of the lira in 1926-27. The second period, a brief and much lauded era of buoyant prosperity for the Italian business class, ended in 1929-30. The next three years saw Italy, like the remainder of the capitalist world, slipping rapidly back to a lower economic level.

The League of Nations publishes figures covering Italian steel production, freight traffic, new capital issues and foreign trade. Average monthly steel production was reported as 102,000 tons in 1923 and 142,000 tons in 1927. For the next three years steel production averaged 175,000, 188,000 and 148,000 tons per month. In 1931 steel production dropped to 121,000 tons. For the first seven months of 1932 it averaged 110,000. It was back to the levels of 1923. The figures of freight movement, in millions of kilometre-tons, tell the same story. The average monthly tonnage for 1924 was 872. For 1928 it was 976. The tonnage for 1930 was 1,024; for 1931, 893; and for the first two months of 1932, 721. New capital issues increased rapidly from a monthly average of 332 million lira in 1923 to 746 million lira in 1925. Then there was a drop to 264 million in 1927, followed by 450 million in 1928, 607 million in 1929, 514 million in 1930, and 360

million in 1931. Foreign trade figures, both in value and in tonnage, followed the same general trend. They reached high points in 1925 and 1929, and in 1932 fell away to approximately their 1923 level. In the first seven months of 1932 the average export deficit per month was about 190 million lira.

A significant commentary on the Italian economic trend is provided in the report of commercial failures. The average per month was 481 in 1923. From that point the number has increased steadily year after year. In 1929 it stood at 1,010. For 1931 it was 1,483. During the first seven months of 1932 it was 1,736 or almost four times the monthly average for 1923.

Fascist economy has not been able to escape the general business paralysis that descended upon the capitalist world after 1929. In terms of production, of trade, of finance, and of commercial failures, the decade of fascism leaves Italy at approximately the same economic level that it occupied in 1923. Since 1929 the direction of its economic curve has been steadily downward.

There is no way to describe accurately the effect of Fascist policy upon the economic life of the Italian masses. Italian farmers are suffering like farmers everywhere from the abnormally low prices of agricultural products. The wages of Italian farm laborers are reported in the **International Labour Review** (March 1932) as 12.88 lire per working day in 1923; 14.24 in 1926 (the high point); 12.94 in 1929 and 10.49 lire in 1931. Real wages for agricultural workers are given in the same study as 107 in 1923; 89 in 1926; 97 in 1929 and 87 in 1931.

An unemployed army has appeared among Italian wage-workers. The League of Nations reports Italian unemployment as 122,000 in 1925; 414,000 in 1927; 406,000 in 1929; 642,000 in 1930; and 982,000 in 1931. For the first six months of 1932 unemployment averaged over a million. These are official figures covering registered unemployed. The actual number of unemployed of course is considerably higher.

Hourly and weekly "average nominal wage rates" published in the **International Labour Review** show the high point for industrial wages in 1925 and 1926. "Average nominal hourly earnings" for the Italian cotton industry are given as 1.74 lire in May 1925 and 1.61 lire in May 1929; for

iron and steel, 3.25 lire and 3.06 lire respectively; for the paper industry, 1.99 and 1.92 lire. Since 1929 they have fallen considerably.

The **World Economic Survey** of 1931-32 published by the League of Nations, in August 1932, gives the hourly earnings in the principal Italian industries at 100 for 1929; 100 for June 1930; 93 for December 1930; 90 for June 1931, and 86 for December 1931. The actual amount paid out in wages and salaries has decreased much faster than this owing to the rapid increase in the volume of unemployment, which increased by 150 per cent between 1929 and the end of 1931. The reduction in actual earnings (hourly earnings, modified by unemployment) is considerably greater than the decrease in the cost of living. On their face these returns show a considerable worsening in the economic position of the Italian wage worker.

Fascism has provided a rallying point for the middle class. It has drawn important ruling class forces into a united front of the propertied and privileged. In the period of catastrophic capitalist decline it has furnished a militant weapon which might be used against the forces of the proletarian revolution. It has restored the strong autocratic state and linked it once more with an authoritarian church. In its economic ventures fascism has been less successful. Fascist Italy, like all of the other capitalist countries, has fallen a victim to the world economic depression, and while its taxes mount its adverse trade balance remains. The ruling and middle classes of Italy may have advanced their interests through their support of fascism. Unquestionably the position of the working masses has been worsened under the fascist regime.

IV. THE FUTURE OF FASCISM

Fascism does not depend on one man or one small group of men. It is not confined to one or two particular countries. It is a movement of great historic significance that, unless all signs fail, will play an important role in western Europe, and perhaps elsewhere, in the days that lie immediately ahead.

The time has passed when fascism can be dismissed as an "episode," an "interlude," "a temporary aberration, a symptom of the economic stress of the post-war reconstruction period." Fascism is a permanent feature of contemporary

social life, and while it is impossible to predict the exact course of the fascist movement, it is important to form some judgment regarding the general role which fascism will play in the present historic epoch.

1. Fascism and Autarchy

Any attempt to estimate the role of fascism in the present historical situation must be based on a correct evaluation of the economic and political implications of the movement. In its earlier stages fascist economics was confused. Before 1925 Mussolini boasted that the Italian Fascists had no economic program. Even the German National Socialists with 13 million voters had no economic program worthy the name when they entered the crucial election campaigns of 1932. Where fascism has gained power, however, as in Italy, its economic policies have become clearer.

a. The nature of fascism

The word "fascism" has been employed to describe the policies of Mussolini in Italy, of Horthy in Hungary, of Rivera in Spain, of Pilsudsky in Poland, and of Hitler in Germany. In its more generalized form the word has been used to designate a movement that is sweeping over central and western Europe and over certain non-European countries.

Under Part II, "The Fascist Program," and Part III, "Fascism in Action," a description has been given of certain aspects of the fascist movement. It is now necessary to summarize these descriptions into five terse generalizations concerning the nature of fascism:

1. Fascism is a movement of the propertied and privileged, who are seeking a way of escape from the destruction that threatens them during the general crisis of capitalism.
2. The movement begins in the middle class, gains allies in the ruling class and working class, and as it grows in power becomes the chief weapon of the propertied and privileged in their survival struggle.
3. Fascism flourishes best in regions where the breakdown of capitalist imperialism is most complete and where property and privilege must fight a life and death battle with the proletarian revolution.
4. The root principle of fascism is local or regional eco-

conomic self-sufficiency, in a private profit economy. Its chief institutional weapon is a unitary, authoritarian state backed by an equally authoritarian church.

5. Fascism in action rejects the principles of democracy, emphasises the role of social inequality, relies for its efficacy on the autocratic rule of the elite, and establishes institutions and practices that differ fundamentally from those of capitalist imperialism.

A. The Fascist field of operations

Rationalization, war, colonial revolt, proletarian revolution and economic collapse have prepared the way for fascist advance. Where these forces have been most sharply felt, as for example, in middle Europe, the fascist movement has developed most rapidly.

Certain modifications of this statement should be noted:

In countries like Hungary, Roumania and Poland, with relatively small middle classes, relatively powerful semi-feudal landed aristocracies, and negligible wage-working masses, the landed interests have been strong enough to divert the fascist movement into a dictatorship of big land owners, supported by business men and bankers.

In countries like Germany where big business is highly developed, with a corresponding development of the wage-working masses, the struggle for power leads to a three-fold division of social forces; big business, supported by the landlords; the middle class; and the proletariat. This three-fold division results in a temporary dead-lock, since no one of the three is strong enough to take power.

Italy, a country lying, in its social composition, midway between the two extremes represented by Hungary and Germany, is the ideal field for fascism. Big business and big landowners neutralize each other. The middle class is relatively large and well organized. The working class lacks a sense of solidarity and is poorly led. The peasants are easily won to the side of property and privilege.

This statement must not be interpreted to mean, however, that fascism is a movement peculiar to Italy. Bonomi, who holds this view, writes: "Fascism . . . appears as a temporary phenomenon, arising from causes peculiar to Italian politics. It is a product of the weakness of the Italian nation." (*Du Socialisme au Fascisme*, p. 164). Bonomi wrote these sen-

tences in 1924. Subsequent developments in and out of Italy have showed that fascism arises, not from the weakness of the Italian nation, but from the progressive weakening of declining capitalism.

B. The revolutionary role of fascism

At the centre of the fascist movement is the middle class, seeking to save itself from decimation or annihilation by seizing power and establishing its own political and social institutions. It therefore has the essential characteristics of a social revolutionary movement, since its success means a shift of the centre of power from one social class to another. Van Leisen holds that "Since its foundation fascism has always declared itself to be a revolutionary party, that is to say a party which advocates a profound transformation of the constitution and a new organization of national life." (*Explication du Fascisme*, p. 37).

Fascism arises out of the revolt of the middle class against the intolerable burdens of capitalist imperialism, just as communism arises out of a revolt of the working masses against the same intolerable burdens. Both fascism and communism were energized and speeded up by the overwhelming losses that accompanied imperial economy. Both are efforts of social classes to find a way out of the growing chaos of a disintegrating social order.

Some writers, like Gorgolini in his book *Le Fascisme*, hold that the fascist movement represents not revolution but reaction. Berry describes the movement as "the new organization of counter-revolutionary defense. It is the weapon of the bourgeoisie from the days when the state breaks down and fails to function." (*Le Fascisme en France*, p. 6). Van Leisen adds: "If, in speaking of fascism, one wishes to use the term reactionary it is necessary to specify that it is a violent protest against all of the ideas and the governmental systems born of the French Revolution and of English liberalism." (*Explication du Fascisme*, p. 37).

The issue hinges on a definition. If a social revolution is the seizure of power by a social class, then fascism must be described as a revolutionary movement, even though it retains many of the institutions of capitalism and even though its aims be opposed to those of the working class revolution. The test must come in evaluating the means of production

employed and the institutions developed. If fascism employs essentially different means of production, and organizes essentially different institutions from those upon which the present ruling class relies, then it qualifies as a social revolutionary movement.

Van Leisen insists that fascism is a revolution. "The struggle against Bolshevism has been only one of the various manifestations of its activity. Its principal aim has been to conquer the State in order to install a new and national regime. Communists, populists, democrats, all who have tried, whether to defend the pre-existing State or to conquer it for some other object, have been its enemies. It assumed power by a revolutionary gesture: the march on Rome. By another act of the same character it began its governmental activity: constitutional reform." (*Explication du Fascisme*, pp. 58-9).

Fascism must be regarded as a revolutionary movement. The class composition of its adherents, the character of the struggle it has waged, and the policies of the victorious Italian Fascists indicate that the triumph of fascism involves a basic change in the means of production; a new grouping of class forces, of institutional relationships and of ideas.

C. The philosophy of fascism

Fascism gropes, planlessly. It was not until five years after the seizure of power that the Italian Fascists formulated their Charter of Labor and their Law of Corporations. In the interval, they had organized a nation-wide movement and had consolidated the state power. The present-day fascist movements of Germany and other countries are almost equally without philosophy or definite plans. The propertied and privileged, using the fascist movement to escape from decimation or annihilation, have no clear understanding of the path they should follow. They are merely determined at all hazards and by every necessary means to retain control of their property and privileges.

The necessity for preserving an established institution such as private property, makes the Fascist movement essentially opportunistic. It can have no great ideal. Its driving force is the desire to keep. It is necessarily a narrow, restrictive movement. O. M. Brown writes: "Fascist principles, like the science of grammar, may be said to have been evolved

from practice. . . . Its theories of government and social justice grew out of experience. It is purely empirical. Its philosophy is pragmatism; its sole guiding principle is that working principles are to be discovered in actual practice." (*Current History*, May 1931, p. 161). Reupke in his *Wirtschaftssystem des Faschismus*, (p. 53) holds that Italian Fascism is religious and dogmatic, aiming at "the supremacy of the state over economy," and using "only one method: empiricism and eclecticism or, as it describes itself: intuitive relativity." Perhaps it is true, as one student asserts, that fascism is a combination of catholicism, nationalism and syndicalism based on the teachings of St. Thomas Aquinas, Nietzsche, William James, and Sorel; but it seems more accurate to state that fascism grows out of the pressing necessity of saving the property and privileges of a large class in capitalist society that is suffering fearful losses as the result of the disintegration of capitalist imperialism.

D. A working definition of fascism

Whatever differences may arise over the philosophy of fascism, there can be little question regarding its medium of action. Fascism is working through the self-sufficient corporative state, using national boundary lines as the bulwarks of its power and the limitations on its field of activity. The directors of fascist policy are the elite, who discipline the masses in the interests of the nation.

A general definition of fascism is given by Barnes (*Universal Aspects of Fascism*, p. 35): "A political and social movement having as its object the re-establishment of a political and social order, based upon the main current of traditions that have formed our European civilization, traditions created by Rome, first by the Empire and subsequently by the Catholic Church. Conversely, Fascism may be described as the repudiation of that individualist mentality that found expression first in the Pagan Renaissance, then in the Reformation and later in the French Revolution, not to speak of the Industrial Revolution, which issued in 'Capitalism', itself the product of the Reformation."

Such a definition suffers from three serious defects. (1) It makes fascism merely reactionary or atavistic. (2) It takes no account of the class character of the movement. (3) It does not place fascism in its modern historic setting.

A more adequate definition would run something like this:

1. Fascism is a movement of the propertied and privileged, initiated by the middle class, and led first by members of the middle class and later by members of the ruling class,
2. who are retreating from the system of capitalist imperialism, rendered untenable by war, economic crisis and colonial revolt,
3. and who at the same time are defending themselves from the threat of proletarian revolution.
4. These elements are trying to barricade themselves behind strong national boundary lines; to exterminate the working-class revolutionary movement, and to provide themselves with the means of existence through a system of self-sufficient economy.

This definition may not be all-inclusive, but it carries a sense of the dynamic character of fascism. Furthermore, it makes the fate of the fascist movement turn on the question of the workability of a self-sufficient national economy.

b. Economic self-sufficiency

The autarchic idea is very old. Through the centuries, many city states and nation states have tried to feed themselves and to provide the necessary raw materials upon which their existence depended. Various means were employed in the course of these efforts to reach the autarchic goal; plundering expeditions to meet annual deficits; the extension of frontiers by conquest; the partial or general monopoly of trade; the control of the precious metals. Yet, under the system of profit economy which has dominated the world through so many centuries, economic self-sufficiency and stability have never been attained. The social structure based upon trade economy is in a state of chronic disequilibrium. Periods of aggressive trade expansion are followed by epochs of disastrous contraction, while both are punctuated by ever-recurring wars and revolutions.

The doctrine of autarchy has had many eminent supporters during modern times. The mercantilist school of economy was, in essence, an autarchic school, since each nation was to keep exports below imports in order to add to its supply of precious metals through its favorable balance of trade.

Colbert, the great French economist and statesman, formulated his policies in terms of French national self-sufficiency. The German List, in his **National System of Political Economy** advanced similar views. A modern follower of List, the Irish leader De Valera, demands "a reasonable self-sufficiency." His ideal for Ireland is "village industries in which every individual may receive a portion of the national well-being. Our power resources are sufficient to provide energy for domestic, industrial and agricultural uses in our towns and villages and on our farms. With this, we hope to develop a balanced agricultural and industrial economy which will enable us to keep our people on the land. This is our goal." (**New York Times**, Sept. 25, 1932).

"Keeping our people on the land" is the goal of agricultural economy. In eighteenth century western Europe and nineteenth century central Europe, this goal was constantly before statesmen who were striving toward economic self-sufficiency.

For such doctrines the world of expanding capitalism had no place. In the up-rush of profit economy that accompanied and followed the industrial revolution of the eighteenth century, mercantilism was thrust aside; Colbert's ideal for a self-sufficient France was forgotten; List's **National System** gathered dust on library shelves, and the whole pressure of economic forces was exerted outward: toward markets, colonies, raw materials, trade routes. The nineteenth century bulged with the expansive pressure of capitalist imperialism.

The tide turned early in the present century. Glutted markets; accumulated surpluses; falling profits; growing colonial resistance; imperial war and finally revolution brought the forces of expansion to a standstill. Autarchic ideas revived. The old books were re-read. All over the world leaders of fascist movements promised their followers that behind the national boundary lines they would establish and maintain a system of self-sufficient economy under which private property and class privileges could be defended and perpetuated.

Has the time arrived for the testing of these ideas? Is autarchy workable in 1933? Can fascism succeed where its predecessors have failed? Can it preserve private property and privilege, and, in a machine era, establish stable, self-sufficient nations?

Theoretically the answer must be in the negative. The

forces which made self-sufficient national economy unstable in the past are present in modern economic life. Profit, heaped up in the hands of the ruling class, still seeks investment. Traders go abroad in search of new markets. The demand for food and raw materials still compels every capitalist nation to carry on business activities with the outside world, and since the battleship follows trade, colonial revolt will undermine profit economy in the future as it has undermined it in the past.

The forces making for the economic inter-dependence of nations are not only present today as they have been present in the past; they are intensified by mass machine-production and mass exploitation, which have increased the volume of surplus and speeded the drive for markets and for supplies of essential raw materials. They are intensified by the network of steam, electric and motor transport that have brought even more remote portions of the earth into such intimate contact with world affairs.

Theory denies the possibility of economically self-sufficient twentieth century nations. But fascists are not concerned with theory. They act. Theory or no theory, they propose to make autarchy work. What results will follow from such a policy?

2. The implications of autarchy

Wish, will, and human activity do not prevent economic laws from operating. Men may obstruct or divert. They cannot do away with the flow of economic forces any more than engineers can do away with the Mississippi.

Fascists propose to establish self-sufficient nations. Such attempts are subject to limitations similar to those which affect the proposal to free the Mississippi Valley from floods. Can flood-control be made effective? Can the fascists attain their goal? And if they can attain it, what price must they pay for their success?

The attempt to establish self-sufficient nations will be accompanied and followed by consequences of far-reaching importance to life and well-being. These consequences may, for convenience, be classed under two main heads: economic and political. They are, of course, interdependent.

a. The economic implications of autarchy

Any attempt to establish self-sufficient national economy in the fourth decade of the twentieth century raises a number of important questions which may be briefly and concretely stated in the form of a series of propositions:

- I. Fascism must discover an area in which economic self-sufficiency is workable. Modern large-scale profit economy knows no such area. Unitary nations like Sweden; federal systems like the United States of America; aggregations like the British Empire, are all compelled to look to the outside world for markets, for food, for raw materials, and for investment opportunities. From the smallest to the largest: from the simplest to the most complex; profit-economy states are inter-dependent, and not self-sufficient.
- II. The search for a self-sufficient economic unit will lead the fascists, as it led those of their predecessors who helped to liquidate the Roman Empire, to a splitting up of economy units until they reach the village; the manor; and the local market town. Village economy is almost self-sufficient. A complex of a score of agricultural villages and one handcraft-trading village relying chiefly upon barter, can continue practically independent of the outside world. Short of this level, however, there is no unit which can pretend to economic self-sufficiency. The search for an area in which economic self-sufficiency is workable leads straight back to such forms of village economy as can be found today in portions of Central Europe, India and China.
- III. Autarchy implies the abandonment of national specialization in production. No longer will Britain produce cotton goods; Germany, chemicals; and the United States, typewriters and tractors for the world market. There will be no world market. Each self-sufficient economic area will make up its own textiles, use chemicals sparingly and learn to do without typewriters and tractors. Mass production will therefore be drastically restricted; unit production costs will rise; the variety of products available to the consumer will cor-

respondingly decline. This decline will be progressive and will be linked with a progressive decrease in the standard of living.

- IV. The abandonment of national specialization will go hand in hand with the decline of international trade. In proportion as each community becomes self-sufficient, it will cease trade with its neighbors. Nation will cease to trade with nation; district with district; village with village, until a stage is reached like that of the Middle Ages, at which the trade of the world can be carried on the backs of camels, pack horses and human beings, or in a few small merchant vessels. Brigands will infest the hills and pirates will scour the seas. Each village, manor, market town, trader and merchant will be compelled to provide for his own self-defense and protect his own property. Localism and individualism will have once again replaced the efforts at social co-ordination.
- V. The precious metals and other easily transportable forms of property will be universally hoarded; money will disappear. Each household will be in the main self-sufficient and its few outside needs can be met by giving goods in exchange for goods. Money economy will once more give place to barter economy.
- VI. Automatic machinery will be abandoned with the abandonment of mass production. The village will rely on hand-agriculture and hand-crafts. Railroads will disappear. Roads will be tracks through the mud. Automobiles will vanish. Bridges will be destroyed in the course of the constantly recurring wars and military expeditions and forays. Pack animals defended by private guards will ford the streams and make their way, single file, over narrow winding tracks. If this picture seems fantastic to a modern American or European, let him compare Roman imperial economy in 50 A.D. with the economy of the same territory in 650 A.D. Rostovtzev tells the story with a wealth of detail in his **Social and Economic History of the Roman Empire**, tracing with particular care the decay of agriculture; the rise in taxes; the cessation of production; the abandonment of trade; the crumbling of

imperial economy and the return to local economy. Those facts are today unquestioned, but how fantastic they would have appeared to an educated citizen of Augustan Rome.

VII. Mass wage-labor will disappear with the disappearance of specialized mass production. Production, other than that of the household, will be carried on by a few handcraft workers. The modern proletariat will be eliminated by war, disease, famine and the flight back to the land, quite as effectively as the proletariat, and the slave masses of Imperial Rome were eliminated by the same means. When the process is completed, there will be no proletariat. Pittsburgh, Detroit, Manchester, Birmingham, Essen and Turin will be sparsely settled communities with small handcraft industries producing chiefly for a local market.

VIII. More than nine-tenths of the people in such a society will make their living directly from the land. (In parts of present-day India the proportion is as high as 98 per cent). The trading class will be small. Most trade will be carried on directly at the village market or at the country fairs. The banker will be a local money lender. The engineer will be a carpenter and bricklayer. The doctor will be a barber-druggist. The priest will be school-teacher. The middle class will make up less than three percent of the population. In the great centres of modern specialized industry, population will be cut down by two-thirds, three-quarters, or even nine-tenths.

IX. The standard of living will be reduced to that of the villagers in present-day Mexico, China, Austria or Roumania, except that the villagers will no longer be able to secure the many trinkets, tools and utensils that now come to them from the centres of specialized industrial production. Each year they will sow their crops; will wait for the rain; and when the rain fails them, they will die like flies of the resultant famine. Each year they will reap their harvests; hide them away from roaming bands of brigands and unemployed soldiers; huddle about their meagre fires and use their

spare time in making and repairing household tools and utensils.

Such developments cannot be completed in one generation, and probably not in one century. But however slowly, they follow logically and inexorably from the pursuit of a policy of economic self-sufficiency. The middle class will have won its point. Big business will be no more. The proletarian revolution will have been wiped out with the elimination of the mass wage-working population. As for the middle class—it will have practically disappeared with the return to village economy.

b. The political implications of autarchy

The economic changes that are implied in a policy of self-sufficiency will, of course, have their consequences in the political organization of fascist society. The most important of these consequences will be the rise of political separatism and localism.

Fascist spokesmen talk proudly today about "Italy" and "Germany" as though there were some magic in these geographic areas. As a matter of fact, the Italy and Germany of today are only about half a century old. And even during that brief period, their boundary lines have been extensively altered.

Modern Italy and Germany were hammered together during the era when big business was expanding triumphantly and profitably. Now that the decline of capitalist imperialism has set in, there are signs of political disintegration in practically every European nation. The nation-state of today is not a workable self-sufficient area. The adoption of the principles of self-sufficiency will lead each local economic area to set up its own local political organization.

Examine a map of Italy or of Germany in 1100 A.D. Both were split into hundreds of local political systems corresponding more or less with local economic activities. Indeed, each village unit; each landlord; each trading centre had something approaching its own independent administration.

During the centuries of its greatness, there were walls about the Roman Empire,—walls defended by the legions in a thousand remote outposts. Economic life was unified. Roads ran everywhere. The seas were covered with ships.

Trade flourished. People travelled. Brigandage and piracy were practically eliminated. The Roman world was an economic and political unit.

As the Roman Empire broke up, the walls crumbled, the bridges were destroyed; the roads were neglected; brigands and pirates throve; trade languished. The walls about the empire crumbled, and the stones were used to wall the cities. With the disappearance of a centralized administration and a unified defense force, each locality administered and defended itself.

Present day Europe is filled with reversions to separatism and localism. National boundary lines multiply. Tariff walls rise. Arbitrary restrictions hamper trade and prevent migration. Each of the petty states created by the Peace Treaty of 1919 is building its own political and military machine. Another general war, with its consequent disintegration, will push the process still further. Empires and nations will be dismembered, as was Austria in 1919. Local populations,—in Catalonia, Bavaria, and the Italian Tyrol, will declare their independence of Madrid, Berlin and Rome. Geographic subdivision will continue as each economic group seeks to preserve and defend its own local interests against taxation, exploitation, and seizure.

The process is not confined to Europe. China is splitting up. Regional wars and revolutions are a day-to-day occurrence in Latin America. The exploited colonies are striving hard to break the bonds that tie them to the tribute-collecting empires. The doctrines of self-sufficiency and local autonomy are not academic issues. They are already being put into practice over great sections of the world.

c. How far can autarchy go?

The movement toward local economic self-sufficiency and political independence which is sweeping western Europe, Asia and the Americas is subject to certain important limitations inherent in the present historical situation:

- I. The difficulty of confining a machine economy, with its accompanying facilities for quick transport and communications, within small geographic areas.
- II. Working class and middle class opposition to the lower standards of living that are inevitable under a self-sufficient local economy.

- III. The leadership furnished by the proletarian revolutionary movement in each capitalist country to the discontented middle class and the rebellious working masses.
- IV. The superior strategic position which Soviet Eurasia will occupy if it retains and expands modern science and technique at the same time that Fascist Europe abandons them.
- V. The inevitable diffusion of culture from the higher soviet culture level to the lower fascist culture level.

Such social forces are a brake on autarchy that will operate with increasing intensity as the fascist world moves farther and farther below the levels of expanding communism.

3. The historic role of fascism

The part which individuals or social groups play in the historic process is not necessarily self-selected. Frequently it is quite unconscious. It therefore is not important, from the historic standpoint, to know what the fascists think they are doing, or where their followers believe they are going. The vital question concerns the historic role which fascism is actually playing. Hitler may be right when he asserts that he is founding a new social order in Central Europe. Mussolini may be a true prophet when he declares that Italian Fascism will last for a hundred years. For the German and Italian masses, however, the real question is not whether fascism is a new and enduring social order, but what kind of a world it will produce.

Will the wage-workers find employment and decent living conditions under fascism? Will they be able to live at all? What will happen to the general standard of living? Can fascism promise a better life to more people than capitalist imperialism provided? Where is fascism leading the European masses—not to-morrow, or next week, but through decades, generations and centuries?

If the analysis presented in this study is at all correct, the historic role of fascism is unmistakable. The fascists are leading Europe back to village economy,—back to the dark ages.

a. The era of fascism

The recent history of Western European society may be simplified and summarized in this form:

- 1750-1870—The expansive energies of capitalism were directed toward the destruction of feudalism and the building of a profitable form of national economy. Britain led this movement, and supplemented a profitable national economy by a profitable world empire.
- 1870-1910—Other capitalist nations, following the lead of Great Britain, attempted to build a profitable imperial economy through a competitive struggle for world markets, resources and investment opportunities.
- 1910-1920—The structure of imperial economy and of international economy was torn to pieces by the colonial revolt, imperial war, economic crises and proletarian revolutions that accompanied the imperial struggle for world supremacy.
- 1920-1933—The propertied and privileged elements in western European society attempted to establish or to strengthen national frontiers and to build behind them self-sufficient units of profit economy capable of surviving the collapse of capitalist imperialism.

The era of fascism (1920-date) viewed in this perspective, is an era of rear-guard actions. The most advanced form of profit economy—capitalist imperialism—has met its Waterloo; has crumpled up under the growing strain of surplus capital, under the impact of the War of 1914, under the pressure of colonial revolt and proletarian revolution. The propertied and privileged in every capitalist state, realizing that the field of capitalist imperialism is no longer tenable, are making frantic efforts to draw off their forces; to stave off world revolution; to move back, in orderly fashion, to a new line of defense: the self-sufficient nation.

b. Back to the dark ages

Once this retreat is well under way however it will not stop with national economy. That position is even less tenable than the imperial one. Its possibilities were exhausted in the middle of the nineteenth century. The modern means of machine production outgrew the national economic area before 1870.

The retreat of the propertied and the privileged will therefore continue beyond national economy to a third position: economic localism. Italy, Spain, Germany, France and Great Britain will prove too large. Self-sufficiency can be established far more successfully in smaller areas. Sicily, Lombardy, Catalonia, the Rhineland, Normandy, Provence, Ireland, Wales and Scotland will break away from the present nation states.

But even in these areas, self-sufficiency is impossible. Hence profit economy will be forced back to a fourth position: to the agricultural village, with its hand labor in the fields and its hand-crafts in the shops, with its narrow outlook, its rudimentary household organization and its precarious standard of living.

The fascists did not begin the retreat from capitalist imperialism, nor are they responsible for its direction. The retreat is a major historic movement following the exhaustion of the possibilities contained in the highest form of profit economy.

The fascists were thrown to the surface of this movement. During the retreat of the imperialists, theirs were the forces that offered the most ample protection to property and privilege in the innumerable rear-guard actions. This fact explains why the leading fascists are so often don-quixotic adventurers like d'Annunzio and so frequently soldiers of fortune like Hitler, Pilsudsky and Mussolini.

The fascists did not begin the retreat of profit economy. They did not determine its direction, nor can they check it at will. The movement back will continue until its flank is turned by the working masses and a general advance is begun toward a higher social order. Otherwise, profit economy must once more disintegrate to the stability, security and static life of a society built upon village economy. If unchecked, the retreat must continue to this point because between the unstable forms of capitalist imperialism and the rudimentary, stable forms of village economy, profit economy has never found a stopping place.

c. An historic perspective

This fascist role of leadership back toward village economy, localism and the dark ages appears much more clearly in the longer perspective. It is evident that imperial economy is

being abandoned in the retreat toward the self-sufficient nation. When the nation can no longer shelter the retreating forces of profit economy, they must seek a new line of defense at a still lower economic level.

The problem of the general line of profit economy retreat raises the question of the major economic trend. Like the cycle of business prosperity, recession, depression and revival, and the cycle of national birth, growth, maturity, decay and death, the imperial cycle passes through a rhythm whose high points and low points are separated by centuries. The first two diagrams printed on page 4 show the structure and movement of modern profit economy. The third is an attempt to portray certain aspects of that imperial cycle as it has appeared in western Europe during the past twenty-five centuries.

Two thousand years ago Europe passed through the Roman imperial cycle. Like the modern world, the Roman world was begun at the level of village economy. It passed through long periods of city and of national economy and through a brief era of imperial economy. Then the reverse process set in, and the Roman empire retreated from imperial economy, through the nation and the city back to village economy and the localism of the Dark Ages. In Roman times it was the "barbarians" who led or forced the backward movements. Today the leadership is in the hands of the fascists. However "civilized" the Blackshirts may appear in comparison to the barbaric hordes, history will credit them with being the grave-diggers of capitalist-imperialism.

By opposing big business and by smashing the proletarian revolution, the fascists qualify as wreckers. By leading western Europe back toward village economy and localism, they qualify as the grave-diggers and pall-bearers of western culture.

Fascist leaders may not be conscious of the role that they are playing. Neither were the barbarians conscious of their historic function as the house-wreckers of the Roman world. But consciously or unconsciously, in their efforts to save the remnants of profit economy, fascists are following a path which has only one possible outlet,—village economy, localism, and the annihilation of modern science and technique.

4. Fascism or communism

The fascists are following lines of economic and social policy that will result in the abandonment of automatic machinery and machine technique; that will wipe out specialized production; that will restore the hand economy of the village; that will raze the industrial and trading cities and decimate the population of the western world. Linked with every reactionary element in present day society—the landed interests, peasant proprietorship, the small tradesmen, craft industry, the church,—fascism directs the retreat of profit economy.

The fascists cannot employ modern technique. They do not propose to do so. Instead they advocate and practice a return to hand agriculture, village industry and a self-sufficient economy. With the abandonment of technique, experimental science based so largely upon the demand for technique, will shrivel up. Its decay will be hastened by its long-time enemy,—the sworn foe of experimentation and inquiry,—the authoritarian Roman Catholic Church.

The fascists are leading the western world back from those unworkable forms of imperialism and internationalism which were built beyond the boundary lines of individual states, while wealth and ruling class authority remained centered within national boundaries. The fascists are pursuing this policy as the spokesmen for propertied, privileged elements that cannot make use of the advances scored by modern science, and that are willing to wreck the entire social structure rather than surrender their out-worn system of profit economy.

Fascism to the masses means a continued life under a decaying social order, with the insecurity that accompanies chronic unemployment; with wages cut so low that living standards fall below the level of physical starvation; with war; with the growing corruption of a putrescent social organism. For the masses, especially the proletarian masses, fascism is the way of death.

The masses have only one way out of the world crisis,—the way of the proletarian revolution. If they organize; if they unite; if they take over economic and political power, they will be able to utilize science and technique in the work of socialist construction. They will be able to build a communist society on the basis of a socialized, planned world

economy. Thus and thus only can they hope to escape the annihilation to which the fascists are leading them. Thus and thus only can they fulfill their historic mission,—to enlarge the life opportunities of the human race.

The choice is clear: Fascism or Communism; Rome or Moscow.

The middle classes and many members of the ruling class are choosing Rome as the likeliest means of preserving their property and privileges. They are following the lead of Rome because Rome promises the security, discipline and authority without which their property and privilege must speedily be lost.

The working masses, with equal determination, are turning toward Moscow. They see in the proletarian revolution their only means of escape from poverty and exploitation. They see in socialist construction the only answer to social decay and mass starvation.

Socialization spells an end to private property in capital goods. Collectivization in agriculture draws the curtain on the system of peasant proprietorship. Unit economic planning eliminates the small tradesman and manufacturer. The dictatorship of the proletariat marks the end of bourgeois institutions and bourgeois society. Only communism grasps the newest technical achievements, socializes, plans, and through its appeal to the proletarian masses, strives to establish a world economy based on guaranteed livelihood and the socialization of leisure and opportunity.

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