

Daniel Guérin

Fascism and Big Business

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Transcribed & marked up by [Einde O' Callaghan](#) for the **Encyclopaedia of Trotskyism On-Line (ETOL)**.

The following article is an excerpt from Daniel Guerin's book on Fascism, the English translation of which is soon to be released by Pioneer Publishers. It is a study of the roots and destiny of Fascism, at once so factual and so thoroughly Marxist in its approach, that no apology for giving it the widest possible publicity is necessary. – EDITORS.

A PARTICULARLY DANGEROUS ILLUSION consists in regarding fascism, despite the horror it inspires, as a *progressive* political phenomenon – as a *passing* and even *necessary*, though painful, stage. Rash prophets have announced ten times, a hundred times, the imminent and inevitable crumbling of the fascist dictatorship in Italy or Germany under the blows of the victorious revolution. They have asserted that fascism, by driving class antagonisms to their highest degree of tension, is hastening the hour of the proletarian revolution, even going so far as to contend that the proletariat could conquer power only by passing through the hell of the fascist dictatorship. Today it is no longer possible to keep up such illusions. Events have demonstrated with tragic clearness that the moment the working class allows the fascist wave to sweep over it, a long period of slavery and impotence begins – a long period during which socialist, even democratic, ideas are not merely erased from the pediments of public monuments and libraries but, what is much more serious, are *rooted out of human minds*. Events have proved that fascism physically destroys everything opposing its dictatorship, no matter how mildly, and that it creates a vacuum around itself and leaves a vacuum behind it.

This extraordinary *power to survive* by annihilating everything except itself, to hold out against everything and everybody, to hold out for years in spite of internal contradictions and in spite of the misery and discontent of the masses – what is behind it?

Excessive Centralization

The strength of the dictatorship rests first of all in its excessive centralization. Such a regime cannot “by its very nature endure the slightest trace of federalism or autonomy. Like the Convention, like Napoleon, it must seek complete centralism, the logical consequence of its system and the necessary means to insure its permanence.” Mussolini and Hitler strengthen to the utmost the authority of the central government and suppress even the faintest trace of individualism. In Italy the powers of the provincial governors have been considerably increased.

“It must be clear,” a communication from the Duce informs them, “that authority cannot be divided ... Authority is single and unified. If it were not, we should fall back into a disorganized state.”

In Germany the seventeen “states”, whose rights to their own governments and parliaments were preserved by the Weimar Constitution, have been gradually suppressed and transformed into mere provinces of the Reich, directly administered by representatives of the central government, the *Statthalter*. Extolling his centralizing work, Hitler boasts of having “given the people the Constitution that will make them strong”.

Marx in his time was able to rejoice because the executive power, while becoming ever more concentrated, simultaneously concentrated against itself all the forces of destruction. And certain of our contemporaries, with a somewhat too simple conception of the dialectic, imagine that by centralizing to the utmost, fascism is working automatically for the Revolution. They would be correct if fascism did not, at the same time as it centralizes, *destroy in the most radical fashion the “forces of destruction” themselves*.

Fascism, in fact, has brought to the highest degree of perfection the methods of police repression used in modern states. It has made the political police a truly scientific organization. The Italian *Ovra*, the German *Gestapo* – real “states within the state”, with ramifications in all classes of society and even in every dwelling house, with enormous financial and material resources, and with limitless powers – are in a position literally to annihilate at birth every attempt at opposition wherever it appears. They can arrest at any time, “put away” on a remote island or in a concentration camp, even execute without a semblance of a trial, anyone they wish. Consequently it is possible to say that such a regime is *a smooth block of granite where no hand can find a hold*. Gentizon is not far from the truth, unfortunately, when he says of Italy:

“Opposition has completely disappeared ... With the system of the totalitarian state, no hostile propaganda is possible.”

And Goebbels too when he asserts:

“The enemies of the regime are completely put down; there is no longer in the whole country any opposition worthy of the name.”

Dispersal of the Working Class

Added to these methods of police repression is the state of “forced disunity, dispersion

and helplessness” in which fascism keeps the working class. Certainly in neither Italy nor Germany can the regime boast of having all the proletariat with it; quite the contrary. Mussolini himself is forced to confess:

“I cannot say that I have [with me] all the workers ... They are perpetual malcontents.”

In Germany, the elections to the factory “confidential councils” have twice (April, 1934, and April, 1935) constituted a stinging defeat for the regime. According to the later admission of Dr. Ley himself, scarcely 40 per cent of the electors voted in 1934. In 1935 at least 30 per cent of the electors abstained or voted against. In 1936, 1937, and 1938 the elections were “postponed” as a precautionary measure, and in June, 1938, it was decided that the “confidential men” would no longer be “elected” but appointed by the head of the company.

This latent discontent, however, finds it almost impossible to express itself or to organize. The working class is atomized and disintegrated. It is true that protest movements have appeared here and there, but they are stifled immediately. They are restricted to isolated plants and known to few workers outside the plants where they occur; in each factory the workers believe they are alone in their resistance. Not only are the ties broken between the workers in different factories, but even inside large enterprises contacts no longer exist between the employees of the various departments, and it is very difficult to re-establish them. Even when the embryos of illegal unions are formed, with heroic efforts, they are almost always crushed in the egg.

No doubt there are militant socialists and communists who distribute illegal leaflets at the peril of their lives, but they are only an heroic and constantly decimated phalanx. The workers lose their passivity only when an event *abroad* reveals to them that they are not alone, that beyond the frontiers other workers are struggling. Thus the great strikes of June, 1936, in France, in spite of the care of the fascist press to minimize their importance, had a profound echo among the workers of Italy and Germany. [\[1\]](#)

Fascist Education

And while fascism puts its adult opponents in a position where they can do no harm, it imposes its imprint on the young and shapes them in its own mold. “The generation of the irre-concilables will be eliminated by natural laws,” Mussolini exults. “Soon the younger generation will come!” Volpe speaks lustingly of this “virgin material which has not yet been touched by the old ideologies.”

“Our future is represented by the German youth,” Hitler declares. “We will raise it in our own spirit. If the older generation cannot become accustomed to it, we will take their children from them. ...”

“We want to inculcate our principles in the children from their most tender years.”

And Goebbels asserts that as long as the youth are behind Hitler, *the regime will be indestructible*. At the age of four in Germany and at six in Italy, the child is taken from his

family, enrolled in the militarized formations of fascism, and subjected to an intensive stuffing with propaganda. The dictatorial state puts in his hands a single newspaper, a single textbook, and educates him in an incredible atmosphere of exaltation and fanaticism.

This training accomplishes its aim. Although the regime in Germany has not been in power long enough to enable us to formulate valid conclusions, in Italy the results are tangible: “The youth can no longer even conceive of socialist or communist ideas,” Gentizon writes. A militant worker, Feroci, confirms this:

“A youth that has never read a labor paper, never attended a labor meeting, and knows nothing of socialism and communism ... that is ... what makes for the real strength of Mussolini’s regime.”

Doubtless there is something fascist education cannot stifle, and which does not need to be taught – the class instinct. No amount of propaganda will ever prevent the young worker from feeling he is exploited. Pietro Nenni, while far from claiming that the Black Shirt youth has already succeeded in freeing itself from the fascist grip, states that in Italy “many young people are socialists without knowing it and without wanting to be.” **Il Maglio**, the weekly paper of the fascist unionists of Turin, complains that among the youth there is a certain lack of understanding of fascist “unionism”:

“It is natural that there should be a few young people who, while recognizing that the abolition of all forms of class struggle is an absolute necessity ... still believe that labor’s material interests can be better assured by strikes and the methods of struggle used up to yesterday in labor conflicts ...”

In Germany as well, countless young people who believed literally that the Third Reich would be *their state*, and whom the Third Reich has condemned to forced labor, are bitterly disappointed. But it is extremely difficult for the youth in either country, in view of the mental training they are given, to get rid of the false ideas with which they are indoctrinated, to clarify their revolt, and without guidance do for themselves the work of a century of socialist action and thought. The confused awakening of their class consciousness leads some of them to the “left wing” of fascism or National Socialism; it does not make them into militant revolutionists.

2.

Another illusion about the duration of fascism must be dispelled. Certain people try to deduce from the economic and political contradictions which have developed in the fascist regime that the days of the dictatorship are numbered. These contradictions do exist, and we have analyzed them. They are important enough possibly to bring about profound changes in the structure of the regime. But such changes can occur *without the dictatorship itself collapsing*.

Dissatisfaction of Big Business

A few supplementary explanations are necessary here. The fact is undeniable that the industrialists who subsidized and put fascism in power are not entirely satisfied with their own creation. In the first place the regime is terribly expensive. The maintenance of the excessive bureaucracy of the state, the party and the numerous semi-governmental bodies costs unheard-of sums and adds to the financial difficulties of the government. In their memorandum of June, 1937, to Hitler, the industrialists wrote:

“It used to be estimated that there was one functionary for every twelve persons in productive occupations. Today, if the official party organizations and the semi-official and corporative services with their functionaries and employes are included, *it is estimated that there is one person on the state payroll for every eight persons in productive occupations.*”

Abandoning any attempt to “estimate the amount of personal and material expenses required by the administrative machine,” the authors of the memorandum complained of the “incalculable losses arising from a lack of contact between the old and the new authorities, and the overlapping of functions between the old and new state services and the party.” [2] They wished the day would come when “in accordance with a definite principle, *a final organization of the internal political apparatus of the state will be possible ...*”

While the state must carry huge incidental expenses, the big capitalists themselves have to stand a certain number: “voluntary contributions” extorted by the party and its “welfare” undertakings; various subscriptions; “graft” and seats on the boards of directors of big companies for the “upper crust” of the fascist leaders, etc. But these incidental expenses, the importance of which must not be exaggerated, are less annoying to big business than the demagogic agitation indulged in by the fascist plebeians – agitation which, despite purges and repressions, periodically reappears, though within constantly narrower limits.

Again, while big business approves of an aggressive policy that brings it new armament orders, it is afraid lest the fascist leaders, in seeking a diversion from the wretchedness of the people, provoke a premature war which will result in the isolation of the country and its defeat. It is especially significant that in the autumn of 1935 it was the fascist leaders, Farinacci, Rossoni, and others, who urged Mussolini into conflict with England, while the big bourgeoisie, the General Staff, and the Crown, on the other hand, advised moderation and caution. Likewise in Germany, when Hitler decided in March, 1936, to remilitarize the Rhineland, it was the Nazi top bureaucracy – Goering, Goebbels, and others – who urged him on to the adventure, while the big capitalists and their representative, Dr. Schacht, as well as the Reichswehr Generals, were wary, not as to the act itself but as to the rash form it took. At the end of December of the same year, General von Fritsch pointed out that neither the Reich nor the German army could undertake any action that might lead to war in a short time, and he went so far as to threaten to resign his command if his expert advice was disregarded.

The Cult of the Leader

Neither does big business look without a certain amount of anxiety on the symptoms of

“delusions of grandeur” displayed ever more obviously by the dictator. This development is really inevitable, for in proportion as the plebeians are eliminated and the party relegated to a secondary position, it is necessary to inflate the “Man of Destiny” all the more in order to conceal behind his person the real nature of the fascist state: a military and police dictatorship in the service of big business. It is necessary to follow Spengler’s advice:

“Nothing has meaning any more but the purely personal power exercised by the Caesar [in whom] the omnipotence of money disappears.”

Thus in Italy, the dictatorship of the fascist party has gradually given place to the personal dictatorship of the *Duce*. In Germany, during the last electoral campaign, “there [was] very little question of National Socialism and much – to the exclusion of almost everything else – of Herr Hitler.” But the dictator himself is taken in by this “booby-trap”. The same mishap befalls him as befell Louis Bonaparte:

“Only ... when he himself now takes his imperial role seriously ... does he become the victim of his own conception of the world, the serious buffoon, who no longer takes world history for a comedy but his comedy for world history.”

Mussolini and Hitler end by literally becoming egomaniacs. And the big capitalists must increasingly reckon with the boundless pride, the changing humor and whims, of the *Duce* or the *Führer*. This means a loss of time and has certain drawbacks.

And finally, the economic policy of fascism, however favorable to themselves it may be, is not entirely satisfactory to the big capitalists. Although they eagerly pocket the fabulous profits from armament orders, they are terrified at the possible consequences of this policy. They are haunted by the thought of a financial catastrophe. They likewise complain, as we have seen, that the “war economy” regime is constantly imposing on them more burdensome state regulations, that it is forever eating away at sacrosanct “private initiative”.

Therefore the industrialists are not wholly content, and in the minds of some of them the idea begins to germinate of throwing overboard once and for all the fascist plebeians and *their leader himself*, and of completing the already far-advanced transformation of the fascist totalitarian regime into a purely military dictatorship.

But they hesitate. They dare not deprive themselves entirely of the incomparable and irreplaceable means of penetrating into all cells of society which they have in the fascist mass organizations. Above all, they hesitate to deprive themselves of the services of the “Man of Destiny”, for the mystic faith in the *Duce* or the *Führer*, though declining, is not yet extinct.

“The present order in Germany,” the **Temps** states, “exists and continues only thanks to the popularity of the Chancellor and the faith of the German masses in Herr Hitler’s actions ...”

“The *Führer* is unquestionably more popular than the regime.”

The “Man of Destiny”, however much a nuisance he may be, is still necessary. Even his madness is useful; he alone can still perform the psychological miracle of turning the discontent and wretchedness of large strata of the people into enthusiasm and faith.

But most of all, the industrialists are apprehensive lest a radical change in the regime, such as they desire, should cost much bloodshed. They dread a civil war, even a short one, in which “national” forces would oppose one another; they fear nothing so much as what in Germany is called, in anticipation, a “new June 30”. Hence they hesitate.

The hypothesis is not absolutely excluded that some day they will come to feel that the advantages of a purely military dictatorship outweigh its shortcomings. But a change of this nature would not necessarily open up the way to a revolution. It is true that for the middle classes, suddenly deprived of their daily mythology, the awakening would be a cruel one, and that it would be harder, with only the aid of a military and police apparatus, to keep the proletariat enslaved. Yet the authoritarian state, strongly supported by bayonets, might still endure for a time in this new form; it might find new “mysticisms” (the nationalist mysticism, the dynastic mysticism, etc.) to keep large strata of the population under the spell; in a word, even without Mussolini or Hitler, the “strong state” might survive.

3.

If fascism is not progressive *politically*, it is no more so *economically* – notwithstanding what certain people think. Stripped of all appearances, all the contradictions which dim its real face, all the secondary aspects which hide from so many its essential character, and all the circumstances peculiar to any one country, fascism is reduced to this: a strong state intended to prolong artificially an economic system based on profit and the private ownership of the means of production. To use the picturesque figure of Radek, fascist dictatorship is *the iron hoop with which the bourgeoisie tries to patch up the broken barrel of capitalism*. Here some clarification, however, is necessary: the “barrel”, contrary to what many believe, was not broken by the revolutionary action of the working class; fascism is not the “bourgeoisie’s answer to an attack by the proletariat” but rather “an expression of the decay of capitalist economy”. The barrel fell apart of its own accord.

Fascism is, to be sure, a defensive reaction of the bourgeoisie, but a defense against the disintegration of its own system far more than against any proletarian offensive – alas, non-existent. The crisis of the capitalist system itself is what shook capitalism to its foundations by drying up the sources of profit. The working class, on the other hand, paralyzed by its organizations and its leaders in the hour of the decay of capitalist economy, did not know how to take power and replace dying capitalism with socialism.

Capitalism in Decay

As to the nature of this crisis, fascism itself has no illusions.

“The crisis,” Mussolini admits, “has penetrated the system so deeply that it has become a systemic crisis. It is no longer a wound, but a chronic disease ...”

In spite of the fact that fascism demagogically promises the reabsorption of unemployment and the resumption of business, it knows perfectly well that it will not set

the economic machine going again. It does not seek seriously either to bring back to life the vanished consumer, or to stimulate the long interrupted investment of private savings in production. Others are free to cherish Utopias if they wish, but fascism knows what it wants and what it can do. It merely tries to check, through artificial means, the fall in the profits of a private capitalism which has become parasitic. In spite of its verbose demagogy, it has no great designs; it lives from week to week; it aspires to nothing more than to keep alive – through wage cuts, state orders and subsidies, seizure of small savings, and autarchy – a handful of monopolists and big landowners. And in order to prolong the latter's reign (though limiting their liberty and without insuring them their pre-depression income), it has no hesitation in hastening the ruin of all other layers of the population – wage earners, consumers, savers, working farmers, artisans, and even industrialists manufacturing consumers' goods.

Those naïve people who, outside Italy and Germany, fall into the trap of fascist demagogic lies and go around saying that fascism is a “revolution,” and that fascism has “gone beyond” capitalism, are advised to study the following letter from a worker published by the Nazi daily, the **Völkische Beobachter** (June 7, 1936):

“Nobody concerned with economic questions will believe the capitalist system has disappeared. Although it is true that methods of public financing have assumed a different character – a character of coercion – capital, or at least what is generally understood by this word, has never been so powerful and privileged as at the present time ... The Economy accumulates enormous profits and reserves; the workers are invited to wait, and to console themselves while waiting by undergoing a whole series of preliminary conditions. The big ones make profits, and the little one receive drafts on the future. If that isn't capitalism in the specific sense of the word, I would like to know what capitalism means ... One group is making formidable profits at the expense of the rest of the population. That is what used to be called capitalist exploitation . . .”

“This isn't National Socialism; this is simply capitalism,” another correspondent wrote to the **Völkische Beobachter** on June 13. And the official organ of the Nazi party cynically replied that if the government had wanted to divide among the workers the two billions or so of big business's increased profit, it would have placed itself *“in flagrant opposition to the Economy, and its energy would have been entirely paralyzed in a struggle to maintain its position.”*

4.

Moreover, on the international plane, fascism merely aggravates the tendency of the whole capitalist system to national isolation and autarchy. By detaching the Economy from the international division of labor, by adapting the “productive forces to the Procrustean bed of the national state,” fascism brings “chaos into world relations”. For the future work of socialist planning, it creates “colossal additional difficulties”.

At the same time fascism aggravates and brings to their highest degree of tension the contradictions resulting from the uneven development of the capitalist system, and thus hastens the hour of a new division of the world by force of arms – the hour of that “relapse into barbarism” which Rosa Luxemburg foresaw in case the proletariat should be

slow to fulfill its class duty and achieve socialism.

Nevertheless, it is not correct to say that *fascism means war*. Bela Kun not long ago attacked this self-interested lie:

“The slogan that fascism, which is *one* of the political forms of bourgeois rule ... means war, is designed ... only to free again and always from all responsibility one of the groups of imperialist powers that mask their war preparations under democratic forms and pacifist phrases ... The old slogan of Marxist anti-militarism – that of the revolutionary struggle against imperialist war – was differently expressed: *capitalism means war*.”

War is the product of the capitalist system as a whole. Tomorrow’s war will not find the *democracies* opposing the *dictatorships*. Behind ideological pretexts, imperialist realities are concealed. Tomorrow’s war will find the *satisfied* nations, who long ago got their “places in the sun” and divided the planet among themselves through blood and iron, opposing the “*proletarian*” nations – the late-comers who also demand their share in the feast, if need be through blood and iron. One group is ready to make war to force a new division of the world; the other is ready to make war to prevent this division. This is an elementary truth that can never be repeated too often in these troubled times when, for many people, anti-fascism has become synonymous with *chauvinism*. Fascism must be fought not from the outside by imperialist war but from within by proletarian class struggle. There is only one way to put an end to Mussolini and Hitler: that is to help the Italian and German workers to fight at home. And how can they be helped? By example! By fighting in our own countries!

Footnotes

1. On April 18, 1937. Rudolf Hess made a violent anti-communist speech at Karlsruhe, which the Berlin correspondent of **Information** commented on as follows:

“Inside Germany this speech tends to put a stop to the discussions which have arisen among the popular masses of the Reich, despite the censorship, as a result of the promulgation of the forty-hour law and new social laws by the Blum cabinet.”

2. “All the chief administrative bodies of the state,” the Berlin correspondent of the **Temps** hat observed, “are duplicated, so to speak, by the organs of the National Socialist Party ... The party penetrates into the Ministries, but it also preserves, on the fringes of the traditional administrative bodies, its own organs ...”

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It was the fusion of big business with politics, the war on democracy by a public relations industry in the service of capital, the myth-making and "business evangelism" that is so integral to the propaganda industries of monopoly capitalism (and so reminiscent of the myth-making central to Fascism and Nazism). Well, according to the leaders of business and politics "more fascism. Many of them pined for a Mussolini, and even liberal newspapers like the New York Times advocated "some sort of Council of State" that could rule by decree. In the end, the oligopolists only partially got their way, with the establishment of Roosevelt's National Recovery Administration in 1933.

This item: Fascism and Big Business by Daniel Guerin Paperback \$20.00. Only 12 left in stock (more on the way). Ships from and sold by Amazon.com. When big business runs out of other options, it uses the fascist mobs against the working class. But once in power, those mobs are disbanded. Today fascism is mostly used as an epithet, or in conjunction with talking about the death of 6 million Jews (a few also know that a half million Rom [Gypsies] were also killed, roughly proportionate to the 6 million Jews). But anti-Semitism was not even part of the ideology of fascism in Italy. The rounding up of Italian Jews only took place after German troops came in to fortify Mussolini's weak position, and Hitler forced the issue.