

**SOCIALIST LABOR PARTY**

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**Fascism  
is STILL a  
Menace!**

**ERIC  
HASS**

# FASCISM IS STILL A MENACE

By **ERIC HASS**

Foreword by **Arnold Petersen**

The military defeat of the Nazi Axis and the deaths of Hitler and Mussolini didn't end fascism.

Fascism "is not the reflex of wicked, brutal and power-drunk individuals." It "is the reflex of a dying social system"—of capitalism.

This documented pamphlet traces the capitalist causes that result in fascism. It shows that the familiar Nazi-Fascist trimmings are incidental to the **industrial-feudal** content, and that American capitalism is already on the path taken by German and Italian capitalism.

This investigation into industrial feudalism necessarily includes examinations of the capitalist State and of capitalist "unionism." It closes with an exposition of the Socialist alternative to fascism.

Illustrated

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FASCISM IS STILL

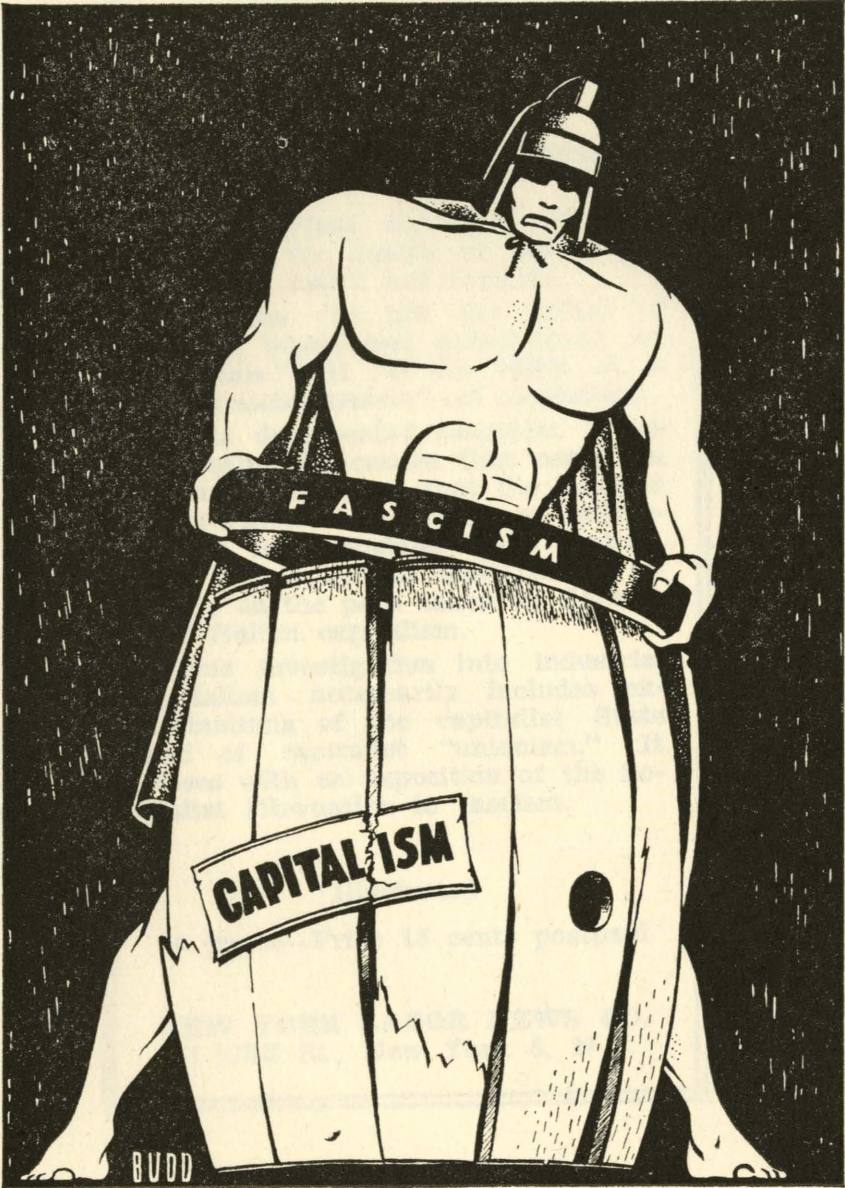


Illustration by Budd

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By  
**ERIC HASS**

1948

NEW YORK LABOR NEWS COMPANY

61 Cliff Street, New York 8, N.Y.



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## FOREWORD

The title of this pamphlet, "Fascism Is Still a Menace," may be somewhat confusing to the superficial reader to whom fascism merely means the brutal dictatorships of which Hitler and Mussolini were the outstanding symbols. The popular conception of fascism is that it is a creation of evil, power-drunk men, and that it can be done away with by destroying the evil men. Hitler and Mussolini are destroyed—the particular despotisms symbolized by them are crushed, gone, as if they had never been. Yet, fascism is rampant in the modern world.

Fascism, Nazism, call it what you will, is not the reflex of wicked, brutal and power-drunk individuals. Rather, it is the reflex of a dying social system, a system of society that can no longer operate under the old laws and rules normal to its existence. Fascism, in its recent and current manifestation, represents the almost instinctive effort of a society in a state of social dissolution to ward off social anarchy and complete social disintegration.

Capitalism has long since reached the end of its normal development. Technologically it prepared society for the classless, stateless Socialist society of production for use. It has pointed the way to the transition from rotten-ripe, chaotic capitalism to the sane new order of Socialism; it organized the workers into industrial battalions, trained and drilled them for the exercise of industrial self-government, and laid the foundation and supplied the framework of the Socialist Industrial Republic. But it did not actually organize, *could not* in the nature of things have organized, the workers themselves into the industrial unions that must

constitute the industrial administration, the governmental machinery of the new society aborning. That task is reserved for the workers themselves, who, conscious of their class status in capitalist society, and conscious of their historic mission and social destiny, must themselves band together to effect their emancipation, and, by so doing, effect the liberation of all mankind from bondage, and clear the way for the further evolution of society toward those loftier goals impossible of achievement under class-ruled societies.

Thus, technologically, society is ready for Socialism, but the working class is not. And it will not be ready until it does organize, in class- and goal-conscious endeavor, into Socialist Industrial Unions, prepared to take over the administration of society, operating it for the common good. Meanwhile, the decomposition of capitalism proceeds apace—there is no stopping that—and social anarchy, of which international wars are but the most spectacular manifestations, is increasing correspondingly. Class interests—ruling class interests—serve to render the transition period even more painful and violent, even though at particular points they may serve as brakes on the tendency to plunge society into the wildest social anarchy. We are witnessing the spectacle of a dying social order that, though dying, is yet not allowed to die a natural death—of a doomed ruling class that refuses to abdicate, that will not surrender, because the new class charged with social responsibility, the working class, does not as yet demand—and could not, if it wished, as yet enforce—ruling class surrender.

It is in such a situation that the absolutist tendencies in society come to the fore, and it is in the light of such a situation that the statement quoted by the au-

thor of this pamphlet, "Fascism is the iron hoop around the collapsing barrel of capitalism," acquires its proper meaning. For a society in the dynamic stage must either go directly "over the top" into the new higher stage, or swiftly sink back into stark reaction. Daniel De Leon, with the profound understanding of the supreme social scientist, has brilliantly posed the problem:

"In the state of social statics," said De Leon, "however bitter the outbursts of feuds among the ruling sections of a commonweal [should read ruling class society], the menace of social dissolution is absent. It is otherwise at the transition stage of dynamics. At that stage the menace of the dissolution of the social bonds leaps up hideously—and, then, roughhewn though class tactics may be, that menace shapes ruling class strategy. . . . In sight of the dread apparition [of social anarchy], society, instinctively alarmed for its safety, ever flies to the other extreme—absolutism. *The move ever proceeds from the ruling class.*"

De Leon's penetrating observation throws the floodlight of science on the world-shaking events of the past ten years particularly, and on the otherwise confusing events of the present.

The author of this well-documented pamphlet has rendered an important service in analyzing the current social forces at work, and in highlighting the personalities who have lent, and are lending, themselves as instruments of the forces that are tending to drive society back into a new medieval mold, into a *backward* static stage, the stage that Marxists call industrial feudalism, of which fascism is the initial stage. It is a pamphlet to be studied and pondered by all serious-thinking workers who realize that the modern world is at the crossroads, but who yet do not realize the full import

of the forces at work and the tendencies at play, but who nevertheless sense that something must be done if our entire civilization is to be saved from a catastrophe.

This pamphlet not only warns against the evil of fascism, of nascent industrial feudalism, but also clearly and forcefully projects the alternative to it and to social anarchy and complete social disintegration, namely, Socialism, or the Socialist Industrial Union society; it not only points to the goal, but shows also the path that leads to the goal. This goal must be recognized and accepted by all who cherish hopes for the continued progress and welfare of humanity, and the path indicated must be followed at the peril of defeat to all true lovers of working class freedom and happiness—at the peril of disaster to all that we sum up in the word “civilization.”

The atomic age, now upon us, has left us no alternatives, no smug, leisurely selection of “choices.” The stern warnings of the atomic bomb should sober the most fatuous dreamers who yearn for “the good old days” (which never were really “good”) and silence the most vociferous shouters for a reconstitution of “free enterprise” (which never was “free,” and which has ceased altogether to be any kind of enterprise), barring, perhaps, only those so smitten with class-blindness that they cannot perceive the social abyss of cataclysmic disaster yawning before them. May this pamphlet aid the workers in realizing, ere it be too late, that Socialism, and Socialism alone, is and remains the last great hope on earth, the hope of humanity, the promise and its fulfillment.

ARNOLD PETERSEN

February 1, 1948.

## 1. WHAT FASCISM IS

The assumption that Hitler's defeat would end the fascist menace is no longer as popular as it was in the early days of World War II. Misgivings began to assail those who believed this even before the war ended, when the grossly cynical deals were made with the Vichyite, Admiral Darlan, at the time of the African landings, and with the conqueror of the Ethiopians, Marshal Badoglio, when Italy was invaded. Subsequent events strengthened the misgivings — Churchill's "kindly words about Spain," for example, and his bland observation that the war had become "less ideological." And when these were followed by strenuous efforts to impose fascist monarchs on Italy and Greece—efforts which involved the use of such weapons as hunger and dive bombers—it became abundantly clear to all but the blindest that fascism could be included among the survivors of the war.

### **ILLUSORY CONCEPT OF FASCISM**

True, the back of German and Italian fascism has been broken. Hitler and Mussolini and most of their lieutenants are dead, some by their own hand, others by the hand of the executioner. If the popular thesis concerning the nature of fascism were correct, the decisive military defeat of the Nazi-Fascist armies would, simultaneously, have destroyed the fascist menace. For that thesis is based on the assumption that fascism is the result of certain weaknesses in the national character of the peoples who accepted the fascist yoke. In accordance with this as-

sumption, fascism is regarded as a sort of "mass lunacy" to which "sane" nations are immune. The leaders of fascism are described as mad—mad in a clinical sense—and their followers, if not as lunatics, at least as weak-minded automatons without the moral strength to resist the will of their "paranoiac" leader.

This assumption was comforting. For one thing, it seemed to justify the awful tragedy of global war even to some of those who grasped that the war was fought, not to destroy an ideology, but to insure to the victors economic supremacy. For another, it simplified the problem of fascism. If fascism is merely "mass lunacy," then the solution might be difficult and costly and tragic, but it is certainly not complicated. If this premise is accepted, the solution is, quite obviously, for the "sane" nations to restrain the "madmen" by force, destroy them, or otherwise render them harmless.

But the "mass lunacy" thesis, alas, fails signally to explain many sinister developments in countries reputedly "sane." It fails, for example, to explain the reason for fascism in nations accepted as Anglo-American allies, such as Brazil, whose institutions are known to be fascist despite the cynical efforts of our statesmen to present them as democratic specimens. Then one can hardly overlook the evidence of incipient fascism in the democratic capitalist States themselves, the adoption by these States of such salient features of fascism as labor controls and labor conscription, for example, and the technique of imposing laws by "Executive Order," "Order in Council," etc.

Moreover, the ease with which agents of reactionary corporations have obtained strategic posts in government, the spread of virulent racism to non-Axis countries, the increased emphasis on the citizen's "duty"

*to the State*, and the bold proposals for peacetime youth labor camps and compulsory military training—all these have served to weaken the faith of those who wishfully looked to the war to purge the world of the totalitarian menace.

### **BEHIND FASCISM'S OUTER FACADE**

The disillusionment is salutary. The attention of the popular mind has been focused by countless motion pictures, radio dramas, press stories and official propaganda, on the outer facade of European fascism. Concentration camps, anti-Jewish bestialities, book-burning, robotlike ritualistic demonstrations, "anti-capitalist" demagoguery, and the activities generally of the ranting megalomaniacs and slummists who constitute the front men of fascism have been spotlighted, accentuating the darkness that shrouds the principal actors of this stark and morbid tragedy. We have been encouraged to stare with fascinated horror at the spectacle of whole nations reduced through bodily torture and systematic intellectual stultification to the abjuration of moral conscience and to the worship of force. These distractions have served to conceal the inner essence of fascism, which, as we shall show, is really nothing more nor less than an attempt to prolong and strengthen the rule of the predominant capitalist element through the medium of an all-powerful State. Its aim is, on the one hand, to arrest the contradictions which threaten to undermine capitalism, and, on the other, to break the back of working class resistance. Fascism, as the Russian anti-Stalinist publicist Karl Radek put it, *is the iron hoop around the collapsing barrel of capitalism.*

It is noteworthy that the ruling plutocracy of the democratic capitalist countries have never permitted

themselves to be distracted by the political pathology of fascist dictatorship. On the contrary, they have looked "behind the haze of irrelevant Nazi ideology and authoritarian bureaucracy" and they have seen there what one American economist describes admiringly as "a group of men of unquestioned genius. . . . at work on the problems that have beset capitalism during the past quarter-century."<sup>1</sup> Never perturbed by "anti-capitalist" demagogy, they watched with ill-concealed envy while Nazi capitalist Germany seemingly pulled herself up by her bootstraps, achieved "full employment," and restored production and profits to high levels. They could agree that "to do these things she [Nazi Germany] is changing capitalism but she is not destroying it."<sup>2</sup>

Fascism is not "mass lunacy," however it may appear to be that to normal and decent people. Nor is it the petty capitalists "run amok." Fascism is, rather, a product of capitalist decadence. It arises in response to the needs of big business at a certain stage in the decline of capitalist society. It is a *tactical method* which the capitalist class adopts at this, its decadent, stage just as in its infancy it was revolutionary, and fought for and defended "liberalism," "human rights" and bourgeois republican institutions.

#### **A DEGENERATE FORM OF CAPITALISM**

There are two corollaries here of paramount importance. The first is that fascism is *not a new system*; it is rather a decadent form of the old. It does not, as capitalism did with feudalism, replace one ruling class by another, or abolish the fundamental laws of the old

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<sup>1</sup>For all footnotes, see Appendix under separate chapter headings.



system's existence. The same ruling class rules—minus the petty capitalist element whose ruin it hastens. Wealth continues to take the form of “an immense accumulation of commodities.” As Marx observed concerning an earlier dictatorship, “Instead of society itself having conquered a new point, only the State appears to have returned to its oldest form, to the brazen rule of the sword and the cowl.”<sup>3</sup>

The second corollary is that fascism is a hydra-headed monster, native to the whole capitalist world. It is a consequence of the concentration of industry and ownership, and of other laws and contradictions inherent in the capitalist system. Wherever capitalism exists, therefore, fascism is a menace, and can only be finally destroyed when capitalism is destroyed.

#### **VARIED FORMS OF FASCISM**

But fascism does not take the same form in all countries. It does not impose a standardized, ready-made set of principles. On the contrary, it dresses in the ideological costume which its sponsors believe to be most attractive for a given set of circumstances. Thus, in one country it may take a “corporative” form, while in another it is clerical, and in another military dictatorship. But in all fascist regimes there are these common denominators: The State, historically the executive committee of the ruling class, assumes absolutist powers, intervening in every aspect of the nation's social, cultural and economic life. “Whatever the political expression of modern Stateism,” said the president of the National Industrial Conference Board, Dr. Virgil Jordan, “its essence is economic. It consists in the control of effective ownership of the productive resources and capacities of the community by the group

of public officials and their dependents and supporters who constitute the State, for the primary purpose of maintaining the supreme power of the State over the community.”<sup>4</sup>

Dr. Jordan forgot to add that behind the public officials stood the group of large capitalists, and that it is, ultimately, for their benefit that the absolutist State maintains its supreme power over society.

### **“WE’LL CALL IT ANTI-FASCISM”**

In Europe, Asia and Latin America, as we have pointed out, fascism adapts itself to the conditions at hand, exploiting the traditions and complex interplay of economic class interests of each given country. Similarly, American fascism, if not averted by the class-conscious and revolutionary action of the workers, will adapt itself to American conditions, and exploit and pervert American traditions and folklore. We will have fascism in America, the would-be fuehrer, Huey P. Long, once remarked, but “when we get it we won’t call it fascism—we’ll call it anti-fascism.”

Finally, since fascism does not alter property relationships, but seeks merely to enhance and preserve the power and privileges of the plutocratic element, its advent need not, necessarily, be violent. It may employ a technique of stealth, and masquerade as a “people’s movement” and the enemy of plutocracy. Indeed, this *was* the technique of the Nazis while, simultaneously, they exploited and fomented racial and national tensions. Because they promised to bridle the excesses of capital and bring relief and jobs to the toilers, the rise to power of the Nazis seemed to deluded workers more benign than dangerous. Indeed, many workers were no doubt fooled by the word “Socialism” in the Nazi



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party designation, "Nazi" being a contraction of the words "National Socialist."

### **CAPITALISM'S DECAY ACCELERATED**

The second World War, which was never "ideological," and which grew out of the purely economic and commercial rivalry of the capitalist powers, did not destroy the fascist menace. On the contrary, it accelerated the social decay of capitalism and aggravated its contradictions. It also brought nearer the crucial crisis when society, and, specifically, the American workers, must choose between a degenerate form of capitalist rule and a Socialist society of peace, freedom and abundance.

And make no mistake about it. If the mass of workers is as yet unaware of the revolutionary character of this crisis, the plutocracy is not. Keenly alive to their class interests, the top capitalists are ruthless, crafty and, above all, desperate. They have understood the real meaning of the growth of bureaucratic State power, and, while pretending to despise bureaucracy, they have sent their own trusted agents to infiltrate strategic bureaucratic posts. "If there is to be some kind of dictatorship, I'd rather be the dictator myself.' It is acting on that principle," Joachim Stresemann told a group of American businessmen, "that business will watch closely the growth of new tendencies which are beginning to make themselves felt even this very moment."<sup>5</sup>

### **"RIGHT WING" REACTION THREATENS**

Indeed, the boldness with which the plutocracy is now preparing to establish its untrammelled rule caused a foremost capitalist spokesman, Charles E. Wilson,

executive head of General Electric and former executive vice president of the War Production Board, to exclaim before the N.A.M. Congress in 1943: "I tell you frankly that I am deeply alarmed today over the possibility that a right wing reaction may draw some sections of capital so far away from our traditions as to imperil the entire structure of American life as we know it."

Against this "right wing reaction" the workers must mobilize all their political and economic power. They must utilize their power, not to strengthen the bureaucratic power of the State—for that power would ultimately be used to crush them—but to abolish the State, along with the capitalist system for which the State functions as an agency of class coercion. They should realize that the concentration of industry into massive machines will either result in the workers' total degradation or their total emancipation from every form of thralldom. But if the new and gigantic instruments of wealth-production are to be transformed into the means for human liberation, they must become the collective property of all the people. It is to take the industries away from those who now plot to plunge society into an era of imperialistic barbarism, therefore, that the workers must organize. It is to prepare the organs for democratic management and control that they must build the Socialist Industrial Union. It is to insure the triumph of social and human progress that they must resolutely sever their moorings with the war- and poverty-breeding capitalist system and devote themselves, collectively and individually, to the task of building their own society, Socialism.

## 2. THE GROWTH OF STATE POWER

The destruction of freedom will come to America from within our borders, not from overseas.... The trouble with this world is far deeper than Hitler. He is only the symbol of these evil ideas which threaten civilization.—Herbert Hoover.

The trend to State "regulation" of certain aspects of the capitalist nation's economic life (called State "guidance" or State "direction" by the Nazis) appears to many to be in the interests of the non-owning masses and the petty capitalists. The illusion is all the more deceptive because the State does, in many cases, curb the "excesses" of individual capitalists. Should the capitalists whose "excesses" are curbed be of the Sewell L. Avery type—"unreconstructed businessmen," as they are called in some quarters—the intervention of the State is given exaggerated publicity which, in effect, beclouds the fact that the vast majority of corporations not only accept, but acclaim, "regulation" by the State.

Another aspect of the illusory nature of State interference is fostered by the fantastic reports concerning the role of the State in the German capitalist economy, reports which made it appear that businessmen had been reduced to mere administrators for the Nazis. Actually, as Otto Nathan points out in his excellent study of "The Nazi Economic System," although the individual entrepreneur was subject to a degree of government control, he "operated within a wide area of discretion." Moreover, the machinery for regulating industry was "not an entirely new creation fashioned at a single stroke in accordance with some prearranged Nazi plan. It was constructed gradually, over a period

of years. *It had for its foundation the highly developed industrial organization which was in existence when the Nazis came to power.*"<sup>1</sup> (Italics ours.)

### **NAZI EXPONENTS OF "FREE ENTERPRISE"**

What really happened was that capitalist trade groups and associations, which had formerly operated *outside* the State, became, under the Nazis, institutions *of* the State. State "direction" and "guidance" consisted in practice, therefore, of "direction" and "guidance" of the various industries *by the most powerful capitalists within those industries*—in much the same way, we may add, as the War Production Board and other regulatory wartime agencies in America were run by dollar-a-year executives of the big corporations of this country.

There was nothing "socialist" about this. "It was a totalitarian system of government control *within the framework of private property and private profit. It maintained private enterprise and provided profit incentives as spurs to management.*"<sup>2</sup>

Because of the tremendous amount of pap which has been fed to American workers concerning the Nazi system (which the propagandists of American capitalism have sought to identify with Socialism), it may surprise the reader to learn that, as in America, the "free enterprise" slogan was widely used by the Nazis to inveigle support from the German people, particularly from petty capitalist elements who feared monopoly. "The literature of the Nazis and their official statements abound with paeans of praise for free enterprise," Otto Nathan writes.<sup>3</sup> Hitler, himself, acclaimed "free enterprise." "We shall protect free enterprise

as the most expedient or rather the sole possible economic order," he said in 1926.

### **HOW MONOPOLISTS USED THE STATE**

In the economic sphere, the aim of State "regulation" was manifold. According to Nazi ideology, it was to eliminate the anarchy of capitalism while preserving the "good" in "free enterprise." In practice, however, State power was used by the dominant capitalist groups to promote monopolistic interests. The virtual conversion of trust and cartel associations into State institutions enabled these groups to enforce price policies which brought speedy ruin to tens of thousands of struggling small and middle capitalists, and which, together with other policies, practically eliminated the "independent" artisan.

Under the Nazis, German corporations used the State to bail them out of bankruptcy—much as the Reconstruction Finance Corporation did for American corporations following the 1929 crash; to finance their expansion under such liberal amortization terms that many of the new plants were practically gifts—just as many of the war-built plants in America were practical gifts to Big Business—; to represent the group interests of German corporations in foreign trading; and to arrest as much as possible the contradictions growing out of capitalist competition by reducing the area of competition.

### **"EXPORT—OR DIE"**

As is well known, Nazi State control did not eliminate the problems besetting capitalism. It merely brought them to a head. It gathered all the poisons scattered through the body of German capitalism into



one throbbing, pus-filled sore—the need for greater exports. And this need—a need that elicited from Hitler the cry, “The German nation must live. That means export or die!”—was the primary factor behind German capitalism’s rearmament and military aggressions. It was an overpowering need of fascism, not because it was a more efficient instrument of production, *but because it was a more efficient system for exploiting the working class.*

This will suffice to reveal, generally, the role of the State in the economic sphere in Nazi Germany. Volumes, of course, could be added, but the main points are noted here. And, of these, by far the most significant is the fact that the capitalist industrial organization (trusts, cartels, monopolies, etc.) supplied the foundation for the totalitarian economic edifice.

A similar economic foundation for the bureaucratic fascist State exists in the United States. Here, too, we have highly organized trade and manufacturing groups dominated by finance capital. Here, too, the trusts and cartels have sought to arrest the contradictions besetting capitalism. They have succeeded only in accelerating the concentration of ownership and control, speeding the ruin of small business, and accentuating the pauperization of the mass. Under the impulse of populist political forces an attempt was made to break up the economic colossuses with anti-trust laws. All the world knows that they failed ignominiously. What all the world does *not* know, however, is the reason for their failure. The task was given to Marxism to reveal the economic law<sup>4</sup> which, under capitalism, makes concentration of ownership inevitable. And by “inevitable” we mean that no amount of reform can stem the concentration of economic power under capitalism.

## ROOSEVELT POLICY OF STATE REGULATION

The trend toward greater State regulation of this nation's economic life was apparent immediately after the crash of 1929. It was accelerated tremendously when Franklin D. Roosevelt assumed office in 1933. Outwardly, as in Germany, State regulation appeared to be for the benefit of the non-owning masses—as many of the genuinely idealistic New Dealers intended it to be. Actually, although it served to bridle individual capitalists, *it did so in the interests of the total capitalist, i.e., the dominant, plutocratic element of the capitalist class.*

Do you doubt this? Then look to the fine thick layer of fat American Big Business wears today—after sixteen years of being “regulated” by the New Deal State! Examine, if you will, the size and power of Big Business in relation to small business. Compare this relative size and power with that which prevailed prior to 1933.<sup>5</sup> Is it not true that today Big Business controls more of the nation's productive and natural resources than ever before?

Through the Reconstruction Finance Corporation, set up by the Administration of Herbert Hoover, the New Deal refinanced scores of big corporations that were still groggy from the debacle of 1929. After rescuing American capitalism from the worst banking crisis in history, it financed huge public works undertakings from which Big Business recouped most of its losses of the 1929-1934 period. Like the Nazi State, it spared private industry the risk of investing new capital and left it, as the Nazi organ of heavy industry, *Bergwerkszeitung*, put it ironically, “the responsibility of sharing voluntarily in the execution of great projects.”

As in Nazi Germany, also, the Roosevelt Administration made Big Business virtually a gift of billions of dollars' worth of new plant through generous amortization agreements and tax-deduction laws. While pledging to the nation that there would be "no new crop of war millionaires," it adopted revenue policies which insured Big Business the greatest profits in history.

### **BIG BUSINESS IN THE STATE**

Who, in the face of this record, would claim that Big Business has been injured by New Deal "regulation"? Huge State bureaucracies have been created to exercise this administrative "control." But who holds the strategic posts in these bureaucracies? The W. Averell Harrimans! The James Forrestals! The Will Claytons! And who are the Harrimans, Forrestals and Claytons? They are the agents of Big Business! As in Germany, State "regulation" of Big Business is, in practice, State "regulation" *by* Big Business.

"One is surprised," the late William Allen White wrote in his *Emporia Gazette*, "to find men representing great commodity trusts or agreements or syndicates planted in the various boards. It is silly to say New Dealers run this show. It's run largely by absentee owners of amalgamated industrial wealth, men who either directly or through their employers control small minority blocks, closely organized, that manipulate the physical plants of these trusts.

"...If you touch them in nine relations out of ten, they are kindly, courteous, Christian gentlemen. But in the tenth relation, where it touches their own organization, they are stark mad, ruthless, unchecked by God or man, paranoiacs, in fact, as evil in their design as Hitler."<sup>6</sup>

The system of close collaboration between Big Business and the State, which grew up during the war, did not terminate with the end of the war. In 1944, in the *Army Ordnance Journal*, Charles E. Wilson, president of General Electric, called for a "continuing program" which would be "the responsibility of the federal government." "Industry," he said, "must not be hampered by political witch-hunting or thrown to the fanatical isolationist fringe tagged with the 'Merchant of Death' label. Let us make this three-way partnership (industry, government, army) permanent and workable and not just an arrangement of momentary convenience."

And the "three-way partnership" was prolonged. As top-ranking corporation officials withdrew from government posts, the Brass and Braid moved into executive jobs of industry. State monopoly of atomic development was accepted by "free enterprise" without a murmur. Indeed, the same pattern that developed in Nazi Germany and which resulted in a "three-way partnership" between the State, the militarists and the industrialists (such as I.G. Farben), is forming in the United States. Moreover, declamations on "free enterprise" to the contrary notwithstanding, Big Business recognizes the "partnership" as one in accord with plutocratic interests.

### **STATEISM OR SOCIALISM**

There is no escape for American capitalism from the intervention of the State. For American capitalism, like world capitalism, has now reached a state of permanent crisis, unrelieved except in war. It needs the State to "regulate" its affairs, to prevent disastrous deflation, to regiment the workers, to supply it with ar-

tificial markets when markets are wanting abroad, to conduct its trade with other State monopolies, and to perform such other functions as are necessary to protect the dominant capitalist element and promote its interests. As Federal Judge John J. Parker, of North Carolina, put it in an address in Minneapolis, May, 1941:

*“Regulation of economic life by the State is a permanent fact in the United States. The fight is not between laissez faire and government regulation; it is between government regulation and some form of collectivism or communism.”*

And so it is! By whatever name you call it, whether “administrative democracy,” as New Dealer Dr. Albin Hansen suggests, or “democratic totalitarianism,” or “statocracy,” as Dr. Virgil Jordan designates Stateism, the system of State regulation represents the antithesis of Socialism. At first blush it may appear an exaggeration to call such Stateism fascistic, for, in itself, it lacks the shocking brutalitarian features of its European prototype. But the potentialities for brutality are there, as we shall demonstrate in another chapter. And we deceive ourselves if we believe the American plutocracy less capable than its European class partners of invoking the most ferocious violence to preserve its class privileges.

Regulation of the capitalists' collective affairs by the State is an evolutionary outgrowth of the capitalist social system. The concentration of the productive forces, resulting from the operation of the law of value, has made this mandatory in the interests of the capitalists themselves.<sup>8</sup> The alternative to the feudo-capitalism that is emerging is the taking over of the giant instruments of production, already operated socially from

top to bottom by the workers, and the conversion of the industries into the collective property of all the people. Thus only can the despotism of the super-State be averted. For Socialism abolishes the State along with the system of class rule, and creates in its place the democratic organs of social administration.

### 3. PORTENTS OF INDUSTRIAL SERFDOM

Before 1939 a veritable stream of American bankers and industrialists returned from jaunts to Rome and Berlin with Nazi medals and autographed photos of Mussolini in their valises, and the comforting counsel of Hermann Goering in their minds. They believed they had found what Winston Churchill described in 1927 as the "necessary antidote" to Socialism.<sup>1</sup> Fascism would come into existence in the United States, William Randolph Hearst averred, "only when such a movement becomes really necessary for the prevention of communism."

But fascism was to accomplish more than the destruction of revolutionary movements among the workers. It was also to break their resistance to intensified exploitation. One of the primary objects of the Nazis, as Otto Nathan points out, was "to change the distribution of the national income in the direction of a smaller share for the workers."<sup>2</sup> The larger share, of course, was to go to "the entrepreneurial and capital-owning class of the population, which had supported the Nazi bid for power with the understanding that the back of the labor movement was to be broken."<sup>3</sup>

Among other things, intensified exploitation required that the worker be deprived of his rights as a "free" wage worker, that the "free" labor market be destroyed, in short, that the status of the worker be reduced to that of an industrial serf. To accomplish this, the State "froze" the workers to their jobs and acted as bailiff in capturing and punishing those who

sought to escape. No employer could hire, and no worker could seek employment, except through the employment office which thus set up a veritable labor monopoly.

### **DE LEON FORESAW "PLUTOCRATIC FEUDALISM"**

Daniel De Leon, the foremost American Socialist, foresaw the capitalist trend to labor regimentation more than forty years ago. It was, he pointed out, a by-product of concentration of industry and ownership. Just as the great corporations, through monopolistic agreements, sought to prevent wide price fluctuations and otherwise to minimize the disastrous consequences of anarchic competition, so they would also attempt, by regimenting labor, to control wages.

In a passage which gives impressive proof of his exceptional grasp of social forces, De Leon wrote:

"... The country is now moving into a social system to which the name 'Capitalism,' in its proper sense, is applying less and less. A monopoly period is now surging upward to which the designation 'Plutocratic Feudalism' is the fitter term." ("As to Politics," 1907.)

Just because the workers are in the majority, De Leon continued, it does not mean that they will necessarily win their emancipation. "They will do so only when they shall have understood their own revolutionary mission, and organized accordingly." Contrariwise, should the workers continue to be befuddled by the labor fakers, confused by the reformers, and misled by demagogues, or should they persist in the "apathetic course of philosophically standing by and looking on," they "*will sink to the depths of serfs, actual serfs of a plutocratic feudal glebe.*"

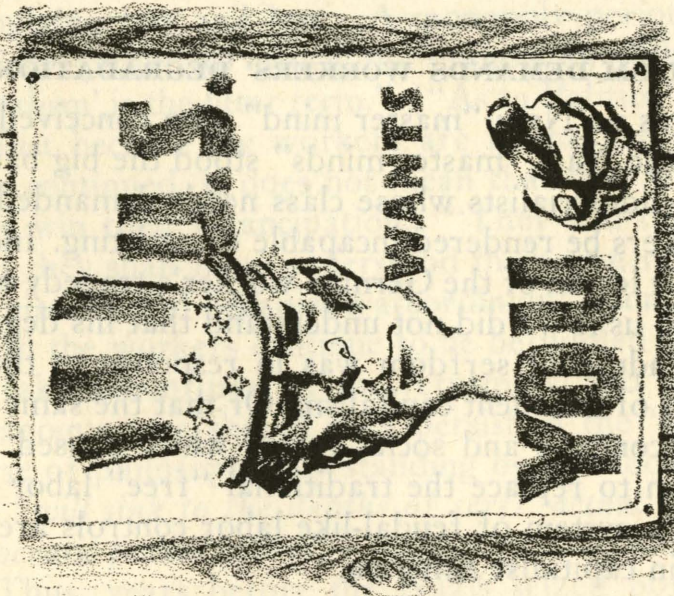
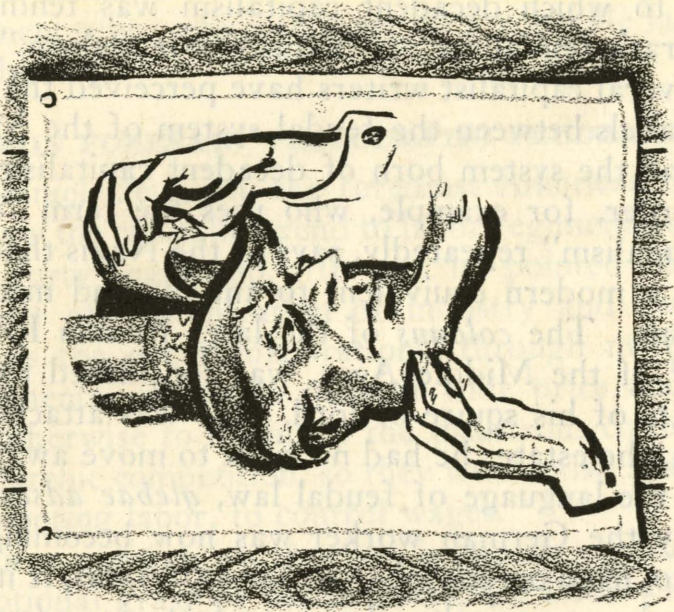
Thus, years before the Nazis seized power, yes,

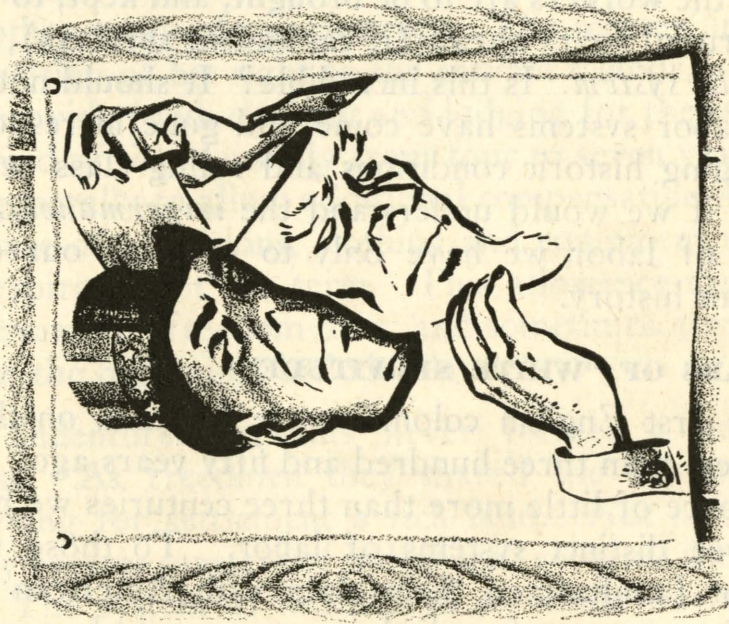


years before Mussolini staged the March on Rome, De Leon and the Socialist Labor Party described the system to which decadent capitalism was tending as "plutocratic feudalism" or "industrial feudalism." Later several capitalist writers have perceived the striking parallels between the feudal system of the Middle Ages and the system born of decadent capitalism. L. Hamburger, for example, who uses the term "industrial feudalism" repeatedly, says of the Nazis that they "set up a modern equivalent to antique and medieval feudalism. The *colonus* of the later Roman Empire, the *serf* of the Middle Ages, was considered part of the estate of his squire or lord. He was attached to, fixed on, the estate; he had no right to move away. He was, in the language of feudal law, *glebae adscriptus*. Similarly the German worker was now becoming attached to, fixed on, his job—*glebae adscriptus*, if it happened to be an agricultural one, or *factoriae adscriptus* (if one may say so) if it happened to be an industrial one."<sup>4</sup>

#### **CAPITALISM DEMANDS WORKERS' DEGRADATION**

It was no Nazi "master mind" who conceived this. Behind the Nazi "master minds" stood the big bankers and big industrialists whose class needs demanded that the workers be rendered incapable of resisting. Indeed, the whole lesson of the German worker's tragedy would be lost to us if we did not understand that his degradation to industrial serfdom was in response to the imperatives of decadent capitalism. Or that the same compelling economic and social forces which caused Nazi capitalism to replace the traditional "free" labor market with a system of feudal-like labor controls are also present in capitalist America.





The Nazi capitalist system was frankly designed to operate in war and peace. The attempt has been made, with partial success, of imposing a similar system on the American workers ostensibly for war only. Actually, however, in its demand for involuntary servitude, pressed insistently during the war, though disguised as "national service," the American plutocracy sought to establish a precedent for forced or compulsory labor for use in peacetime. As one of its spokesmen bluntly put it: "...because of the great uncertainties of the future, even after the successful conclusion of the present war, we need to frame the National War Service bill on broader principles of rights and duties.... *It is a matter of the future, and not just a question of winning this war in less time and at less cost....*"<sup>5</sup>

What the American capitalist advocates of labor conscription really envisioned, and what they still require if the workers are to be brought, and kept, to heel in the crucial years ahead (if capitalism survives), *is a new labor system*. Is this incredible? It should not be. Other labor systems have come and gone in response to changing historic conditions and ruling class needs. Indeed, if we would understand the *impermanence* of systems of labor we have only to examine our own American history.

## 200 YEARS OF "WHITE SERVITUDE"

The first English colonies were founded on these shores less than three hundred and fifty years ago. Yet in the space of little more than three centuries we have had three distinct systems of labor. To those who have not familiarized themselves with American history, it is a source of no little amazement to learn that

white indentured servitude was *the prevailing system* in most of the colonies for two hundred years, i.e., from the time of their founding until, and even after, they had become states. Once referred to as "white servitude," the indenture system grew out of a demand for land and laborers in the colonies and the human congestion and extreme poverty of Europe. A Department of Labor brochure<sup>6</sup> describes the system in these words:

"An indentured servant was one who came to the New World under a contract either with a planter who imported him into the colony or with the ship owner or merchant who transported him for the purpose of disposing of his services upon arrival. British law required that all British subjects emigrating as servants should, before sailing, execute indentures stipulating the number of years of service entered into, and whether the labor to be performed was a definite trade or any kind of work required by the other party of the contract. The master, in consideration of his right to the servant's labor, agreed to provide food, clothing and lodging for the stated period of time [usually from four to seven years], and generally to allow additional compensation in the nature of provisions, clothing and equipment upon the expiration of the term. This allowance came to be known as 'freedom dues' and sometimes, particularly in the beginning, included land."

Indentured servants never formed a permanent class. As freedmen they shared the advantages of opening for settlement a rich land. Not infrequently they became masters of indentured servants themselves.

The system of indentured servitude was suited to the times and no other system could have supplied the

colonies (especially the Middle and New England colonies) with adequate labor. In his study on "White Servitude in Maryland," Eugene Irving McCormac wrote:

"No system of free labor could have been maintained in the colonies until a comparatively late date. In the first place, the poor of Europe would have been unable to come to America had they been obliged to pay for their passage in advance. On the other hand, the planters could not afford to pay the wages of free laborers. Even with the large supply of servants and convicts,<sup>7</sup> free labor was high and unprofitable. Laborers would not hire, except for very high wages, when they could easily obtain new lands and become planters themselves."

Indentured servitude was never legally abolished. It died gradually as the economic conditions which produced it changed. It lingered longest in Pennsylvania where the last officially recorded registry of a redemptioner is dated December 1, 1831.

### **SLAVERY AND WAGE SLAVERY**

The second system of labor in America was Negro slavery. The Negro slave replaced the white indentured servant on Southern plantations more than a century before wage labor became the prevailing system in the North. The reasons are not difficult to trace. One was that the Negro possessed superior endurance for field labor. Another, and more important reason, was that the Negro could not escape from his servitude, which, "far from being limited to a few years of his own life, outlived him and descended to his children."<sup>8</sup> Even so, it appeared, about the time of the Revolution,

that slavery was doomed. It had become increasingly expensive under conditions where agriculture was necessarily diversified. With the invention of the cotton gin, and the enthronement of King Cotton, however, Southern plantation owners who had toyed with plans for freeing their slaves abandoned them, and the system became entrenched once again, to be uprooted violently some sixty years later in civil war.

### **"FREE LABOR" CHEAPEST**

With the increase in population in the New England and Middle states in the early part of the last century, the supply of "free" wage workers increased—and wages fell. As a consequence, wage labor became the cheaper system. It was cheaper for more reasons than one. Even the master of indentured servants was compelled to feed and clothe them in times of economic distress, but the employer of wage labor had only to close down his shop or factory, and turn his "free" wage workers adrift. When prosperity returned, he could always draw from the stream of European immigrants which constantly replenished the labor market.

Capitalist apologists have long boasted that their system has made the worker master of his own labor and, therefore, free. The wage worker is "free," that is, he is "free" in the sense that he can quit one master whenever he likes. But, if he does, he must set out immediately to find another. As a class, the wage workers, being propertiless, are anything but free. The individual worker may have some measure of choice, but the workers *as a class* have no alternative to selling themselves to the capitalists except starvation. The very existence and functioning of capitalism is condi-

tioned on the presence of a permanent class of wage slaves. Just as an individual Negro slave might escape from chattel slavery without in the least affecting the *fact* of slavery, so an individual worker may "escape" out of wage slavery without in the least affecting the *fact* of a permanent system of wage slavery—permanent, that is, while capitalism endures. Such individual "freedom" is, of course, based on mass serfdom.

This system, which vouchsafes the worker a "living wage" in good times—and lets him starve in bad ones—suited the needs of American capitalism during the competitive period, or before the industrial leviathan became the economic and social power of the land. As ownership and control of the instruments of production concentrated into fewer and fewer hands, and with the arrival of huge economic empires, certain shortcomings in the wage labor system became apparent. Like small and medium industry, the great monopolistic corporations also encountered periods of depression and industrial stagnation. At such times they dumped great numbers of workers on the mercy of charity. This created a social problem, for immense numbers of unemployed constituted a direct threat to the capitalist system. Haphazard "made work," public works, unemployment insurance, etc., could, of course, lessen the danger considerably, but they could not entirely eliminate mass unrest—they constituted a safety valve, as the shrewd "savior" of capitalism, Franklin D. Roosevelt, was keen enough to perceive. This is only one shortcoming of the wage labor system in an age of industrial colossuses. Others were somewhat obscured during the years of industrial depression and made themselves felt only after war had given capitalism the necessary stimulus to full employment.



## WAR AND THE LABOR CRISIS

American capitalism discovered the need for a new system of labor, principally because of the excessive demand for labor created by the war. Where a worker is "free" to sell his labor (his labor power, not his product) on the open market, he sells it to the highest bidder. This may seem to work well when the supply of labor greatly exceeds the demand. At such times wages tend to remain low. But labor, as Abraham Lincoln aptly put it, "is like any other commodity in the market. Increase the demand for it and you increase the price of it." When, because of the demand for labor created by war, employers began to bid against each other, to "hoard" skilled workers, and send their agents about to "pirate" workers from rival exploiters, the price of labor power naturally rose.

As a consequence of this and corollary "evils," employers demanded measures that, in effect, would have suspended or ended the "free" labor system. Using war exigencies and the alleged dangers of "inflation" as pretexts, they had in mind also a labor system that would create for them in peacetime an enormous, but passive, reservoir of labor (occupied on public works, etc.) from which they could draw whenever the occasion demanded, or into which they could deposit those disemployed by new machines or periodic depressions. They yearn for a setup in which the State assumes complete control of the workers, a setup in which the worker will be denied the right to go from job to job at will, in which the ages and skills and vocational records of every worker in the land are neatly catalogued and indexed, in which there is always an adequate supply of workers from which industry can draw, and in which the "free" market for labor gives way to naked

compulsion. In short, they yearn for a system which reduces the wage worker to the industrial equivalent of the medieval serf.

### **SERFDOM DISGUISED AS "PROGRESSIVISM"**

If capitalism remains as the ruling principle of society, industrial serfdom will inevitably be the prevailing system of the future. This is not to say that each and every worker will, at one time, "feel" his or her status changed. On the contrary, the new system will overlap the old, just as white servitude, chattel slavery and wage labor overlapped each other. The change will be felt gradually and many of the steps thereto may even seem "progressive." For nascent industrial feudalism does not proclaim its intention to degrade the workers. It wishes to *improve* the condition of the workers, to abolish unemployment, to give the workers "security." And it *does* give them "security," as witness the Nazi system of unemployment benefits, sickness and accident insurance, maternity care and old age pensions—*far in advance even of the highly touted Beveridge plan or the Wagner-Murray-Dingell bill for expanding "social security"!* (Similar "security" obtains in Stalinist Russia.) It regiments the workers, but it also "regiments" the employers, albeit in the employers' behalf and in the interest of "the total national capital." In short, this industrial feudal order, which has all the evil potentialities of European fascism, wears a mask of benignity. There is, as one capitalist spokesman expressed it, an anesthetic aspect to the reaction which is now proceeding that makes it seem like a sort of twilight sleep and in which an era of "Statocracy" is being born almost without struggle,

“and even with the unconscious aid of those whom it is destined to submerge or destroy. . . .”<sup>9</sup>

*The American workers can avert this calamity!* In America we possess two things that were notably absent in Italy and Germany. The first is a practical, easily understood program whereby the workers may take and hold all power and put an end to class rule for all time. The second is a hard-hitting, resolute, disciplined organization of militant Socialists. Finally, the workers of this country have the opportunity to learn from the experience of the European workers. Nazi-Fascist capitalism holds up the mirror to our own capitalism.

#### 4. PRO-CAPITALIST UNIONISM— HANDMAID TO REACTION

When the American Caesar shall take full shape in our country, his success or his failure will depend upon the organized progress that Socialism will have made upon the economic field.—De Leon.

The American workers are not organized to resist fascist usurpation.

This is a sobering and tragic fact. Such unions as do exist are the incarnation of disunity. In the name of the "holy, sacred and inviolable" contract they compel their members to scab on one another. Their jurisdictional squabbles reflect in caricature the rat-pit character of capitalism generally. They are, as De Leon once aptly described them, "five sore fingers on a hand" fit only "to shoo flies" from the face of capitalism.

Officially the C.I.O., A. F. of L., Railroad Brotherhoods and kindred independent unions accept capitalism as a going concern and pledge themselves to its perpetuation. Far from uniting the workers to wrest freedom from the dominion of capital, they "organize" the workers for continued subservience. They are job trusts. They hold the bulk of their members, not by principle, but by economic coercion. It is doubtful if one duespayer in five belongs to the faker-led unions for any other reason than because he has to to keep his job, or because the union gives him seniority privileges over other workers, or, perhaps, because "I wouldn't like to lose my sick and death benefits."

## "SHINING EXAMPLES" OF BUSINESS UNIONISM

Would anyone argue that such unions offer a serious obstacle to fascist reaction? If so, let the experience of the German workers disabuse him.

Three years before Adolf Hitler's rise to power (in 1930), the German unions had 7,700,000 members, a figure which represented a decline from the World War peak of ten million. "The German trade unions," the Social Democrat, Albert Grzesinski, writes in his book, "Inside Germany," "had long been shining examples to labor throughout the world." They had collective bargaining years before the Wagner Act granted the same dubious privilege to American unions. They owned a bank with deposits of \$80,000,000. It did an annual business exceeding \$1,000,000,000. Fifty of the leading trade union journals boasted a combined circulation of 6,500,000. Like the C.I.O. and A. F. of L., the German unions were "business unions."

These "powerful" unions, these "shining examples" of labor organization, were not so much as a matchstick in Hitler's path to power. According to the popular fiction, they were destroyed by the Nazis. Actually they were *taken over by the Nazis and converted into the Labor Front!* And, to add ignominy to ignominy they were taken over without a struggle. Here, briefly, is the shameful story:

The Nazis needed the workers' support, or at least their passive submission. One of the schemes they hit upon to "win" the workers over was to usurp the international Socialist holiday, May Day, a day German workers traditionally celebrated en masse. If they could prevail on the workers to celebrate *under the auspices of the new regime*, the battle would be half won. But this would require the cooperation of the

German Federation of Labor, and particularly of its two presidents, Theodor Leipart and Peter Grassmann, and their lieutenants. The Nazis themselves had attempted to organize a union (N.S.B.O.) but the mass of workers had remained aloof. Their strategy, therefore, was to invite the hope among trade union leaders that if they, the leaders, would play ball with the Nazis, the Nazis would play ball with them. The strategy worked! Albert Grzesinski, an ingenuous apologist for the betrayal of Social Democracy, relates the capitulation of the trade union leaders unblushingly:

“Unbelievable as it is, the leaders of the German trade unions hoped that their organizations could continue to function in the Third Reich. Their childlike faith proved unfounded. It may be said, in their behalf, that they were prompted by a deep sense of responsibility toward the membership [!] and by a desire to save whatever could be saved [!!]. It was with these thoughts in mind that they decided to cooperate with the new regime and participate in the Nazi May Day celebration.”<sup>1</sup>

The leaders’ “sense of responsibility toward the membership”—if it existed at all—was akin to that of a shepherd toward his flock. But we can understand their desire to “save whatever could be saved.” Especially did they desire to save their sinecures—even though this meant delivering the German workers into the hands of stark reaction.

#### **NAZIS BANK ON TRADE UNION IMPOTENCE**

Accordingly the “national holiday” was kept. The workers marched. Hitler told them of the “honor” and “dignity” of labor. Except for a few vague promises he did not even give them the satisfaction of hear-

ing a concrete program for economic reconstruction. But, once the celebration was over, the labor leaders' work was done. Their downfall had already been ordained. As early as April 17 Goebbels had received the directive. "We shall mold May First into a grandiose demonstration of the German popular will," it said. "On May 2, the trade union headquarters will be occupied. Coordination also in this field. There may be a fuss for a few days, but then they will belong to us. . . . Once the trade unions are in our hands, the other parties and organizations will be unable to survive. . . ."2

Nearly eight million "organized" workers! A veritable army—and the crafty Nazis, knowing the unions' impotence, looked for nothing more in the way of resistance than a "fuss." Their contempt was boundless—and *it was deserved!*

As scheduled, on May 2, between ten and eleven in the morning vanloads of Nazi Brownshirts and Storm Troopers pulled up before every trade union building in the Reich, occupied the offices and arrested the leaders. Dr. Robert Ley published a manifesto in which he said:

"Worker! Your institutions are sacred and inviolable to us National Socialists. . . . I swear to you that we shall not only keep intact everything that already exists, but we shall also extend still farther the protection and rights of the worker. . . ."3

"The Trades Unions had been regarded as inviolable by every previous Government, and now National Socialism took them over without the slightest difficulty."4 A few days later trade union members were informed that they had been enrolled in the German Labor Front, an organization attached to the Nazi

party. The sick and death benefits, and other lures of "business unionism," which the German workers had been taught by Social Democracy to cherish, were not taken from them by the Nazis. Dr. Ley also kept his promise to "extend still farther the protection and rights of the worker" by giving him vacation junkets under Labor Front auspices and "strength through joy."

### **THE "SECRET" OF GERMAN TRADE UNION WEAKNESS**

To paraphrase Marx, it is not enough to say, as the apologists for the German trade unions do, that they were taken by surprise. A workers' organization, no more than a woman, is excused for the unguarded hour when the first adventurer who comes along can do violence to her. The riddle is not solved by such shifts, it is only formulated in other words. There remains to be explained how a nation of workers can be surprised by a gang of swindlers, and taken to prison without resistance.

The answer lies in the non-working class nature of the German workers' political and economic organizations. Politically they had been corralled by two rival reformist parties which had unscrupulously used "socialism" and "communism" as lures. Their unions faithfully reflected political reformism. Inculcating the membership with the hope that their condition could be improved within capitalism, they were not organized to fight, to wrest control for themselves; they were organized to "do business" with employers, to bargain collectively, to avoid unpleasant industrial conflicts by submitting to arbitration. Such unions could not act resolutely, and in behalf of the workers, even



if their members wanted to—and substantial numbers of the German workers *did* want to act in those fateful days when Hitler rose to power. But the unions provided them neither with a program of action, nor a goal. Like their American and British prototypes, the German unions aspired to nothing higher than “a fair day’s wage for a fair day’s work.”

### **WHY FASCISM KEEPS THE WORKERS “ORGANIZED”**

The German workers themselves were deceived by the apparent strength of their organizations—“shining examples to labor throughout the world.” The Nazis were not. But here another question arises. Why did not the Nazis smash the unions and let it go at that? Why did they keep the workers “organized” in the Labor Front?

One answer is that they needed a “workers’ ” organization in order to stuff the workers with party propaganda. But the primary reason lies in the need to police the workers. Dictatorships of the past have maintained themselves by censoring the press, curbing free speech and banning public assemblages. But capitalist production is impossible unless the workers *assemble* in the factories. “The advance of industry, whose involuntary promoter is the bourgeoisie,” wrote Marx and Engels, “replaces the isolation of the laborers, due to competition, by their revolutionary combination due to association.” The factory, therefore, becomes the potential center of revolutionary activity. Modern dictators, unable to prevent assemblages within the factory, must find means of controlling them.

These means are ready made. They exist in the reformist and pro-capitalist trade unions. And if, per-

chance, as in Italy, it is not feasible to convert these into fascist tools, they are most easily destroyed and replaced by fairly authentic fascist imitations. The point is that the fascists are aware of the need to "organize" the workers. "How can working class resistance be paralyzed without unionization?" asked the French fascist, Kerillis.<sup>5</sup> As Dr. Ley explained: "Nothing is more dangerous to a State than uprooted men deprived of their defense organizations. . . . Such men undoubtedly become victims of unscrupulous agitators and a constant source of disturbance. . . . The Labor Front was created to isolate these unscrupulous agitators."<sup>6</sup>

Workers everywhere should profit from the tragic experience of the German workers. They should appraise their organizations, not on the basis of narrow, private seniority or job interests, but, rather, on the basis of their *class* needs. Could the American unions, as presently constituted, set the whole working class in motion? Do they teach the workers the real nature of their foe? Have they a program of action? Have they a goal, a goal beyond that of keeping the workers' noses to the capitalist grindstone? In a crisis, would their leaders, their fat and complacent William Greens, their crafty but timorous Philip Murrays, their ambitious and unscrupulous John L. Lewises—would these leaders be any less anxious to "save whatever could be saved" than the Leiparts and Grassmanns?

The answer to each of these questions is a resounding "No!" The American workers have a latent power that is invincible. But that power, before it can be employed, either to thwart reaction or win through to emancipation, must be consolidated in a Socialist Industrial Union, an—

“...economic organization of the working class that denies that labor and the capitalist class are brothers; that recognizes the irrepressible nature of the conflict between the two; that perceives that that struggle will not, because it cannot, end until the capitalist class is thrown off labor’s back; that recognizes that an injury to one workingman is an injury to all; and that, consequently, and with this end in view, organizes the **WHOLE WORKING CLASS** into **ONE UNION**, the same subdivided only into such bodies as their respective craft tools demand, in order to wrestle as **ONE BODY** for the immediate amelioration of its membership, and for their eventual emancipation by the total overthrow of the capitalist class, its economic and political rule.” (De Léon)

Socialist Industrial Unionism prepares the workers, intellectually and organizationally, to act on a moment’s notice, and to act audaciously and resolutely in their class interests. It is more than an insurmountable obstacle to reaction. It is a mighty and indestructible engine of human emancipation. It is the workers’ power!

## 5. SOCIALISM—THE ALTERNATIVE

Capitalism is not to be saved. If Socialism does not triumph now, then Imperialism will seize upon our society and establish a sort of feudo-capitalism that will set back the wheels of Progress and force Freedom to start all over again along some fresh path.—De Leon.

“Our society stands where the road forks. The signs are plainly marked.

“One points to a continuation of capitalism. It leads to a postwar world of chronic economic crisis, of idle factories and idle men, of spreading anti-Semitism and racism, of fascist controls and Stateism, and of perpetual struggle and war.

“The other points to Socialism—a world of social ownership, democratic management of the industries, jobs and plenty for all, human brotherhood, and enduring peace.”

Thus the 1944 National Platform of the Socialist Labor Party of America pointed up the crucial issue of our age. “Either society moves onward and upward to peace and plenty via collective ownership of the industries, or it continues under the economic despotism of private property to a new dark age. There is no middle way.”

### **RULERS VEILED AUTOCRATS AT BEST**

The alternatives are not posed by the Socialist Labor Party; they are posed by history. In the critical years ahead, the cleft between the rulers and the ruled will grow wider and deeper, causing ferment among the latter and aggravating fear among the former. It

may be accepted as a law of class rule that wherever, in the course of social evolution, class antagonisms sharpen, the need is felt among the ruling class for ever more drastic measures to keep down the ruled. As De Leon expressed it:

“Ruling classes are at best veiled autocrats. So long as the corresponding ruled class does not yet feel its historic mission to overthrow the ruling class throb in its veins, the veil of democracy is kept unlifted from the face of the rulers. In the measure that the ruled class does begin to feel its historic mission throbbing in its breast, the veil begins to be lifted. The nearer to a crisis, the stronger is the need felt by the rulers for autocratic measures.”

Fascism—nascent industrial feudalism—is the penultimate of autocratic measures; it is the final step toward the ultimate political form of class rule.

That the American plutocracy will ultimately invoke, or attempt to invoke, the industrial feudal weapon may be accepted as a dead certainty. That the American workers will resist, or attempt to resist, is equally certain. The issue is one of life or actual death for the plutocracy, while for the workers it is one of life and freedom or a living death—an era of unknown duration and measureless degradation. The question is: Will the American workers be prepared to thwart reaction in the only way reaction can be successfully thwarted, i.e., not in a negative struggle against the effects of the old society, but in a positive struggle for working class and human emancipation?

### **FASCISM'S HUMAN INGREDIENTS**

The danger confronting the American workers cannot be exaggerated. True, there is not yet a formal fas-

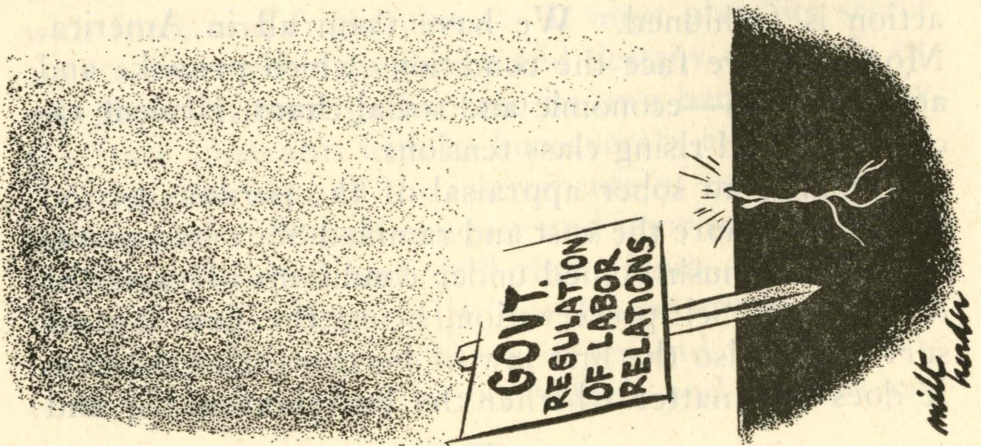
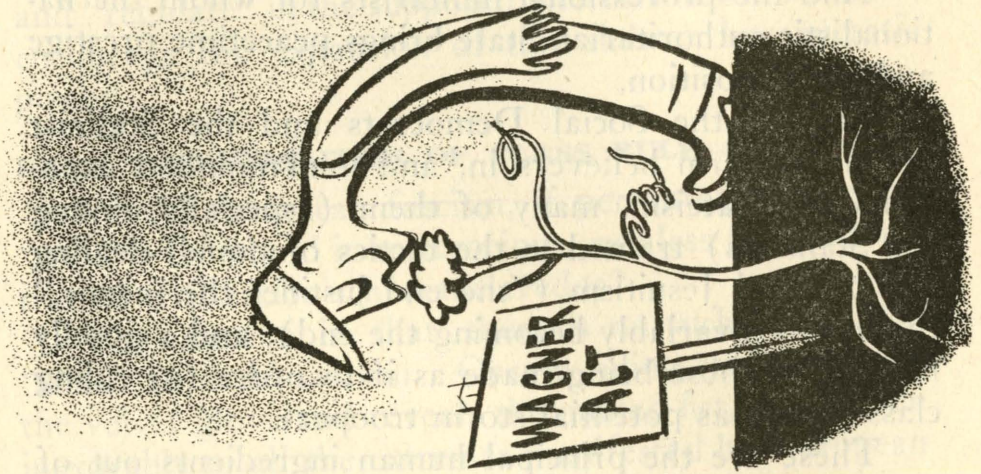
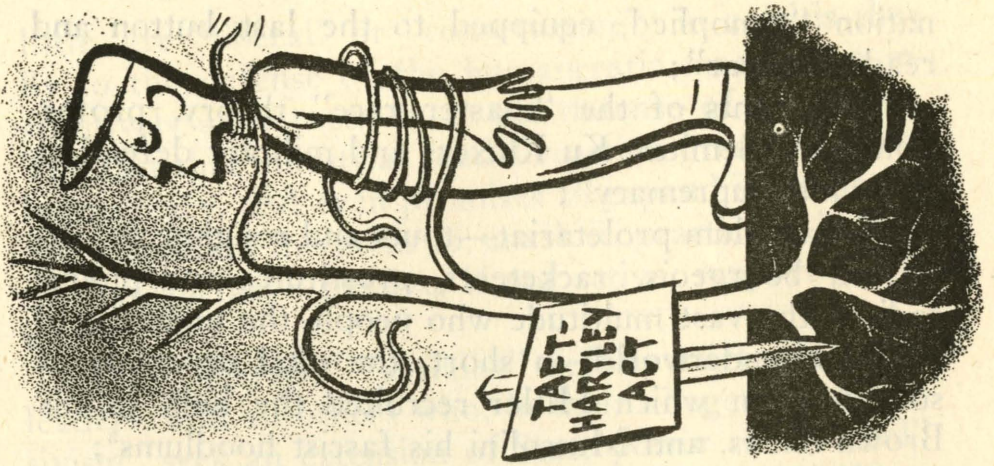
cist party in America. While of would-be fuehrers there is no dearth, none has yet succeeded in recruiting more than a handful of followers. But if this nation has no organized party openly proclaiming industrial feudal aims, it does have the human ingredients for such a party. For example, it has:

A highly classconscious plutocracy that fears democracy, that longs to deprive the workers of all democratic political weapons and organization, and that may be depended upon liberally to finance reaction;

A powerful Roman Catholic political (Ultramontane) machine which operates behind the facade of religion, invokes the catch-phrases of democracy, denounces the masses,<sup>1</sup> insidiously praises as a model the "sane corporative system" of Portugal's Salazar (while brazenly denying its clerical fascist character<sup>2</sup>), and utilizes its potent influence to condition the workers to authoritarian Stateism;

A cabal of reactionary "thinkers" and "philosophers": the Will Durants who teach that democracy "is not the natural form of government of mankind," and that "the natural inclination for the average human being is to follow and obey"; the Peter Druckers for whom the masses of mankind "can only be organized by force, in slavery and in negation"; and the William C. Bullitts who rationalize usurpation on the ground that world problems are beyond the understanding of "the average citizen";

A band of ferocious nationalists, like the late General George C. Patton who declared that "it is our destiny to rule the world," and the reactionary "popular" novelist, Clarence Budington Kelland, who demands a "five ocean navy," bases throughout the world, and a



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hester*

nation "panoplied, equipped to the last button and ready for war";

Exponents of the "master race" theory, professional anti-Semites, Ku Kluxers and militant defenders of "white supremacy";

A vast slum proletariat—touts and roughnecks, declassed bourgeois, racketeers, prostitutes and pimps, sadists, the vast multitude who people the underworld and near-underworld, in short, the offal of capitalist society from which Hitler recruited the bulk of his Brown Shirts, and Mussolini his fascist hoodlums<sup>3</sup>;

And the professional militarists for whom the nationalistic authoritarian State brings peacetime prestige and social position.

Finally, the Social Democrats and the Stalinist hoodlums, firm believers in, and loud-mouthed exponents of, Stateism, many of them (especially among the Stalinists) trained in the tactics of double-dealing and political Jesuitism ("the end justifies the means," the means invariably becoming the end), and a goodly number of these being made as if to order for ruling class service as potential storm troopers.

These are the principal human ingredients out of which the political instrument of industrial feudal reaction is fashioned. We have them all in America. Moreover, we face the conditions which provoke and activate them—economic and social chaos, virulent racial strife and rising class tensions.

Finally, no sober appraisal of the perilous period ahead can ignore the vast and ramified State bureaucracy that has mushroomed under conditions of capitalist decadence. Self-preservation, being the first law of survival, is also the first law of bureaucratic existence. It does not matter whether the bureaucrats, big and



little, are "liberal" or "conservative": in a crisis they fly to the defense of the bureaucratic machine as instinctively as hornets fly to the defense of their hive. The fact that industrial feudal reaction preserves State bureaucracy, and even promises to expand it, while social revolution threatens to smash it, practically insures the bureaucracy's passive, if not active, support of reaction.

The "liberals," "socialist" reformers, trade union leaders, and all others who, in their alleged "progressivism" seek an extension of State power to "control" and "regulate" in the supposed interests of the workers, encourage the expansion of this sinister bureaucratic power.

#### **DARK POTENTIALITIES OF CLASS RULE**

Would American fascism, if permitted to rise, be "mild"? Or would it be ferocious, ruthless and destructive of civilization's humane credos?

The answer is that there is no such thing as a "mild" form of fascism. Once a ruling class strips off the velvet glove and reveals the mailed fist, it is driven inexorably to all the extremes manifested by European fascism. It must overwhelm the slightest opposition with force and frightfulness. It must plant its secret agents everywhere to detect and destroy the seeds of rebellion. It must gather into its own hands, not only the State apparatus with its bureaucracy and organs of coercion, but also all the instruments of education and information. It must conquer and imprison the minds of the subjugated and drill them from childhood in what Thomas Mann calls "the blasphemous delusion of racial superiority, in the primacy and right of violence." It must brutify the "elite" and actually en-

courage "misdeeds of morbid lust." It must invoke depravity as a political weapon.

The dark potentialities are here. "Civilized" America is no more immune to them than was "cultured" Germany. They are the potentialities, not of a people or a race, but of a decadent, degenerate *system of class rule*.

The alternative to an era of stark reaction is Socialism—a classless society reared on the sound foundation of collective ownership by all the people of all the land and instruments of wealth-production. Socialism destroys the State—historically an organ of class coercion—along with its bureaucracy, army, police, class-biased courts, corrupt executives, and senile parliaments. And it destroys also the outmoded constituencies of class-ruled society. As De Leon put it in his epochal address on "The Burning Question of Trades Unionism":

"Civilized society will know no such ridiculous thing as geographic constituencies. It will only know industrial constituencies. The parliament of civilization in America will consist, not of Congressmen from geographic districts, but of representatives of trades throughout the land, and their legislative work will not be the complicated one which a society of conflicting interests, such as capitalism, requires but the easy one which can be summed up in the statistics of the wealth needed, the wealth producible, and the work required—and that any average set of workingmen's representatives are fully able to ascertain, infinitely better than our modern rhetoricians in Congress."

#### **SOCIALISM—HAVEN OF FREEDOM**

To perpetuate itself, class rule would degrade the

worker to serfdom, violently destroy his aspirations for freedom and transform him into a grotesque automaton, a goose-stepping clod. In contrast, Socialism would free his faculties and impart to him the sense of being a participant in a great and good collective effort in which the goal is peace, plenty under democratic freedom, and universal human happiness. For democracy under Socialism is not limited to voting. It confers responsibility on the worker. In his shop council he will participate directly and personally in his government, and he will delegate to specially selected fellow workers and to higher councils only those tasks which are beyond his particular experience and local capacity to handle. Under this collectivism, this Socialist and democratic collectivism, the worker will be a free man in every sense of the word, and he will live in a free world.

To win through to this infinitely better world, and to avert the calamitous alternative of imperialistic barbarism, the American working class must abandon the struggle to reform outmoded and worn-out capitalism; they must concentrate all their energy to prepare for the revolutionary act of expropriating the expropriators—that is to say, of recapturing the collective wealth, and the already collectivized means of wealth-production which they, and they alone, produced. They must give up the narrow aims of conservative unionism which can only betray them to their oppressors and build the mighty and invincible Socialist Industrial Union.

The fight against fascism is the fight against class rule. At the same time it is the fight *for* Socialism and working class freedom. The destruction of class rule will destroy the fascist menace. The next higher stage

of mankind's social existence—Socialism—places human freedom beyond the reach of usurpation. It places all power where it is safe for power to be—in the collective hands of all the people. Then, and not until then, will the blessed sun of freedom shine upon a world wherein universal peace and human brotherhood shall forever endure.

*The End.*

# APPENDIX

## 1. What Fascism Is

<sup>1</sup> "The German Financial Revolution," by Dal Hitchcock, "Harpers Magazine," February, 1941.

<sup>2</sup> Ibid.

<sup>3</sup> "The Eighteenth Brumaire of Louis Bonaparte," by Karl Marx.

<sup>4</sup> Speech by Dr. Jordan before the Mortgage Bankers Association in New York, October 3, 1941.

<sup>5</sup> Joachim Stresemann, son of Gustav Stresemann, Minister of Foreign Affairs under the Weimar Republic. "International Conciliation," No. 365, December, 1940.

## 2. The Growth of State Power

<sup>1</sup> "The Nazi Economic System," by Otto Nathan, p. 13.

<sup>2</sup> Ibid., p. 5.

<sup>3</sup> Ibid., p. 6.

<sup>4</sup> The "law of value." Defined briefly, it means this: Commodities are useful things produced for exchange and, to that end, brought to the world's market. The exchange is carried on obedient to that which all commodities have in common—the quality of being depositories of socially necessary labor power. The quantity of socially necessary labor power embodied in commodities determines their value. In exchange it is value that is given for value. The complicated exchange mechanism of capitalist production conceals the fact. So many are the perturbing streams in the market that exchange rarely is value for value. The ravages of competition, the supply-disturbing anarchistic policies of production now send prices above, now depress prices below, the standard of value. Despite the seeming chaos, there is order. The law of value, acting like a centrifugal force in nature, counteracts, if it does not at long intervals cure, the centripetal forces in the capitalist market. One of the important corollaries of the law of value is this: It compels the competing capitalists constantly to apply new productive techniques and introduce new machinery, thus lowering the value of the product. The net result is, on the one hand, the elimination of the weaker competitor, and, on the other, the congestion of wealth and ownership in fewer hands.

<sup>5</sup> "Government statistics show that at the beginning of the

war program there were about 175,000 firms in the United States employing millions of people, who, between them, produced about 70 per cent of the nation's manufacturing. The remaining 30 per cent was produced by 100 or more major corporations....In two short years the peacetime-production balance of America has been put in reverse. Today 100 corporations enjoy 70 per cent of the war and essential civilian contracts, while the 175,000 smaller companies have been reduced from their former 70 per cent position to a mere 30 per cent."—President (then Senator) Truman, "Congressional Record," February 11, 1943.

<sup>6</sup> Quoted by Senator Arthur Capper in the "Congressional Record," Appendix, May 14, 1943.

<sup>7</sup> Quoted by Henry Wallace in the "New Republic," January 26, 1948.

<sup>8</sup> "The modern State....is only the organization the bourgeois [capitalist] society takes on in order to support the external conditions of the capitalist mode of production against the encroachments as well of the workers as of individual capitalists. The modern State, no matter what its form, is essentially a capitalist machine, the State of the capitalists, the ideal personification of the total national capital."—Frederick Engels.

### 3. Portents of Industrial Serfdom

<sup>1</sup> Mr. Churchill's tribute to fascism was made January, 1927, after a visit to Italy. "If I had been an Italian," he said, "I am sure that I would have been wholeheartedly with you [fascists] from start to finish in your triumphant struggle against the bestial appetites and passions of Leninism....Externally your movement has rendered a service to the whole world. She [Italy] has provided the necessary antidote to the Russian poison. Hereafter, no great nation will be unprovided with an ultimate means of protection against cancerous growths."

<sup>2</sup> "The Nazi Economic System," p. 175.

<sup>3</sup> Ibid.

<sup>4</sup> "How Nazi Germany Has Mobilized and Controlled Labor," by L. Hamburger, The Brookings Institution, Washington, D.C.

<sup>5</sup> Eugene M. Kayden, in the New York "Times," September 13, 1943.

<sup>6</sup> "History of Wages in the United States from Colonial Times to 1928," United States Department of Labor, Bureau of Labor Statistics.

<sup>7</sup> Many thousand convicts, called "King's passengers," were shipped to the colonies. Some had been convicted of serious

crimes but the majority were guilty of offenses which are not even regarded as misdemeanors today, and many were political prisoners. In addition to convicts, thousands of persons were kidnaped from England's seacoast cities by ship owners and captains who grew rich on the lucrative traffic.

<sup>8</sup> "History of Wages in the United States, etc."

<sup>9</sup> Dr. Virgil Jordan, president of the National Industrial Conference Board, in a speech before the Mortgage Bankers Association in New York, October 3, 1941.

#### 4. Pro-Capitalist Unionism—Handmaid to Reaction

<sup>1</sup> "Inside Germany," by Albert C. Grzesinski, p. 184.

<sup>2</sup> "Der Fuehrer," by Konrad Heiden, p. 594.

<sup>3</sup> "A History of National Socialism," by Konrad Heiden, p. 302.

<sup>4</sup> Ibid.

<sup>5</sup> "An Inquiry into Italian Fascism," by Kerillis, "Echo de Paris," October 6-16, 1933.

<sup>6</sup> Dr. Ley, article of November 15, 1933, printed in "Durchbruch der sozialen Ehre," 1935.

#### 5. Socialism—The Alternative

<sup>1</sup> "...the masses are inert of themselves and can only be moved from outside....The masses....[are] an easy plaything in the hands of anyone who exploits their instincts and impressions; ready to follow, in turn, today this flag, tomorrow another."—Christmas Message of Pope Pius XII, December 24, 1944.

<sup>2</sup> "The Portugal of Salazar," by Michael Derrick.

<sup>3</sup> "The 'dangerous class,' the social scum, that passively rotting class thrown off by the lowest layers of old society, may, here and there, be swept into the movement by a proletarian revolution; its conditions of life, however, prepare it far more for the part of a bribed tool of reactionary intrigue."—"Communist Manifesto," by Karl Marx and Frederick Engels.

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