

# Fascism and the New Deal

BY ROGER SHAW

*The New Deal uses the mechanics of Italian Fascism to combat the spirit of Fascism in American business*

“**W**HAT America needs is a Mussolini!” many an American business man has declared with fervor. Yet in the next breath he will bitterly attack the NRA, most of which was adapted from Fascist Italy, while he assails the President of the United States as a tyrannical dictator, and speaks out in stout defense of his constitutional liberties. All this sounds inconsistent, but Fascism in America is inconsistent to a marked degree. The New Dealers, strangely enough, have been employing Fascist means to gain liberal ends; while their Old Guard opponents are strongly in favor of liberal and constitutional means to gain Fascist ends. Those who bitterly accuse Donald Richberg or Miss Frances Perkins of Fascist tendencies are often, in reality, themselves Fascist-minded. This, I think, helps to explain the confusion of the average anti-Roosevelt American who admires Mussolini, and sometimes even Hitler or the late Dollfuss.

The *Red Network*, that all-embracing who's who of American “radicalism,” is a little volume of extraordinary interest to students of hysteria. It is violently anti-liberal, and takes a Fascist tone regarding pacifism, birth control,

social welfare and movements for colonial independence. Yet, despite its admiration for Mussolini Fascism, it heartily condemns the NRA, the advisers of the President and those putting actual Fascist measures into effect at Washington. Mrs. Roosevelt, Mayor La Guardia, Mahatma Gandhi, Edouard Herriot, Jane Addams, Glenn Frank, Margaret Sanger and the Fodicks are names taken at random from this book's long listing of the damned. Here is another contradictory case of Fascists of the spirit attacking Fascists of the flesh—patriotic societies versus the New Dealers and all their works. . . .

Fascism is, in many respects, the most significant political and social development of the entire post-War period. Marxism in its various forms has existed since the hectic days of the *Communist Manifesto* in 1848; but the Italian Black Shirt movement, which evolved into the march on Rome of 1922, was a brand-new phenomenon and one which was at first but hazily understood. Fascism, in the beginning, was simply interpreted as a militant anti-Communism intended to combat the Marxist heresies of the Russian revolution; just as the Jesuits of Loyola

had fought the Protestant reformation four centuries earlier by counter-revolutionary means. Fascism defeated Marxism in Italy decisively, as the Jesuits had once broken Protestantism in Poland and Bohemia.

Mussolini announced that his political brain-child was not intended for export or migration, and the fun began. But the black shirts of Italy turned into the brown shirts of Germany, silver shirts of America, blue shirts of Ireland, green shirts of Austria, red shirts of India, and various other rainbow shades and hues. Old Garibaldi, whose free-companions had originated the colored-shirt fad, would have rubbed his eyes in Nineteenth Century astonishment. Giuseppe the Great was a Left-wing radical whose sympathies would have been strongly with Matteotti and against Mussolini; and yet his shirt-patent was being infringed upon by Right-wing reactionaries of the most bellicose type in almost every country in the world. (Black Shirt accord with the Vatican in 1929 must have made the anti-clerical Freemason turn in his grave as the Papacy was restored to its temporal power.)

Napoleon Bonaparte was unquestionably the first of modern pseudo-Fascists, followed later by his nephew, Louis Napoleon, second Bonaparte dictator. Just as modern Fascism seeks to terminate the class-struggle as devised by Marx, so the first Bonaparte's task was to combat the class-struggle directed by Robespierre and his fellow terrorists of 1793-4. It is true that the class-struggle, as waged by Robespierre, cost less than 20,000 lives, and that the "glorious" national wars of the Corsican dictator brought death to millions. But a policy of aggressive nationalism is the

planned Fascist policy for combating home dissension, Bonaparte and Mussolini being in agreement that proletarians should oppose foreigners rather than employers. Mussolini uses France and Jugoslavia, and now the other Fascist state of Germany, as scapegoats for popular wrath; just as Bonaparte was using Austria and England a little over a century before.

A thoughtful French pacifist has commented on Fascist foreign policy in the following words: "Democracy has come to the fore, and now in order to maintain the spirit of class distinctions and keep every one in his place, the interested classes have felt that they can do no better than to stimulate nationalism, which in turn fosters a permanent military spirit in a people, makes it more inclined to recognize the advantages of taking orders from above, the legitimacy of superiorities and inferiorities—which, in a word, puts it in the frame of mind that best suits those who are interested in having it as their servant." *Voilà!*

But the true Fascist state must have a Fascist economic system to match, as rainbow shirts spread from land to land, and from continent to continent. Since the chief purpose of Fascism is to end the Marxist controversy between capital and labor by the substitution of a united front, an economic mechanism is vitally necessary. It is so necessary that it has been carefully devised, and is now functioning with greater or less efficiency in Italy, Austria, Germany and a number of lesser countries in Europe and South America. Fascist economic organization has been called the "corporative state," and under it strikes and lockouts are generally forbidden, with compulsory arbitration as the state-directed alterna-

tive. Capital and labor are represented by occupational guilds or confederations.

In theory, capital and labor are hitched side by side to the Fascist chariot of state, while the dictator lashes both beasts impartially in his rôle of national charioteer. The private employer is retained, but he is stringently regulated by the state—to such a degree, indeed, that capitalistic *laissez-faire* of the old, familiar type practically disappears under state-planning. Big business and modern monopoly capitalism, reinforced by sympathetic state subsidies, appear to be best adapted to economic Fascism in practice. Communism eliminates the private employer and profit-maker, but Fascism, at least in economic theory, retains him as a slave of the state. When faced with so cruel an alternative, most business men would naturally be inclined to favor Fascism, which is a compromise, a mid-step, or perhaps a half-way station between the opposing poles of individualism and collectivism as practised in Holland and in Russia. In the Third Reich, for example, workmen dare not strike, for this would be contrary to the best interests of the Hitler state; but a hard-shelled employer who refused to grant his men a two-weeks' vacation was sent to a government concentration camp for disciplinary purposes.

There are, of course, several phases to Fascism as a way of national life. These would include: one-party dictatorship under a "great man," a corporative economic system as described above, a "tough" foreign policy, a philosophical traditionalism and a glorification of force, not as a means, but as an end in itself. These various phases of Fascism may be subdivided roughly into the *spirit of Fascism* and the *mechanics of*

*Fascism*. Both spirit and mechanics are present in Italy, where traditional nationalism and ultra-patriotism go hand in hand with the practical workings of the occupational Council of Corporations, which contains the representatives of capital and labor in thirteen industrial categories. Furthermore, the spirit of Fascism in Italy (as in the Fascist Third Reich) is distinctly on the side of vested interests and industrial property, evidenced by the names of the financial backers of the march on Rome and of the Hitler movement in its later stages. To the Agnellis and Thyssens, Fascism was a safe shield against the reds, and the corporative state held out a nominal sop to the suppressed Marxists whose trade-unions had been suppressed. Fascism, by most of the political-economists of Europe, was considered a veiled "rich man's tool."

## II

This brings us to the American scene, with its New Deal and National Industrial Recovery Act. Since the depression, which was begun with the stock market crash in the fall of 1929, dissatisfaction with *laissez-faire* capitalism had grown by leaps and bounds in the United States. With close to twelve million unemployed, with business failures, hard times and in some districts virtual starvation, the result was the Roosevelt landslide of 1932. This has been generally interpreted as a striking victory over "rugged American individualism" of the sort that had prevailed in America since the Civil War, and especially during the Harding and Coolidge "prosperity eras" coming after the international crusade against Germany and the "Huns." Wholesale bank failures greeted the new Roosevelt Administra-

tion, with its popular and labor-minded policies of the much advertised New Deal. There resulted, among other crisis measures, the National Industrial Recovery Act of the year 1933.

The NRA, with its code system, its regulatory economic clauses and some of its features of social amelioration, was plainly an American adaptation of the Italian corporative state in its mechanics. It was recognized as such by both Mussolini and Hitler, and certain frank Washingtonians admitted that its seeming similarity to Italian economic workings was more than an accident. Occupational coöperation by industries, under government supervision or, if need be, dictation, was certainly Fascist; and as in Italy, the capitalistic framework and the profit-motive were retained. The working mechanics of economic Fascism were present in the NRA, but the economic application of the NRA was contrary to the spirit of Fascism. American Fascist elements, many of them unwittingly Fascist in their ideology, were paradoxically opposed to the corporative state as applied to the United States. Therein lies the American contradiction, and it is a strange one.

The conservative spirit of Fascism is in instinctive sympathy with vested interests, and the American New Deal has very definite ties with the masses. It has been using Fascist apparatus to combat those very interests which in Europe uphold Fascism. The corporative state, in Europe the shield of big business, has in America become a sword of Damocles which dangles in horrific style above the skyscrapers of Wall Street and the mills of Pittsburg. The Roosevelt Administration has shown itself out of sympathy with the spirit of Fascism in other liberal ways: repeal of Prohibition, recog-

nition of Russia, anti-imperialist policy in Latin America and the Philippines, sympathetic attitude toward labor and the utilization of women in public positions. The New Deal philosophy resembles closely that of the British Labor Party, while its mechanism is borrowed from the B.L.P.'s Italian antithesis.

American opposition to the New Deal centres, naturally, among New York bankers and Pennsylvania industrialists, with support from a majority of employers and business men the country over. Sectional lines in America have for once broken down in favor of class lines, although there is no systematic class hatred in the vicious Marxian sense. The only parallel in American history is, perhaps, the controversy between Federalist "gentry" and "plain" Jeffersonians in the first decades of our Republic.

In the United States there are a number of self-conscious Fascist movements, wearing colored shirts and giving Fascist salutes in the best European style. The American Realists, the Blackburn Grayshirts, the Silver Shirts and the indigenous Ku Klux Klan might be included among such militant groups of self-styled patriots and saviours. They hold meetings, march, belabor Russia and Marx, and have a fraternal good time generally. They are often anti-semitic, and frequently roar out their belief in Nordic supremacy. But these professional Fascists are not the true American Fascists—the *real* Fascists whom liberals view with alarm. Die-hard big business—the conservative bankers, and industrialists, and mine-owners—with its constitutional slogans and its financial power which could be used to raise and equip private armies if the need should arise: this is the spirit of Fas-

cism in America. These "Fascists" do not think of themselves as such, for Fascism is foreign and fantastic, and these hard-headed executives are eminently practical men. In fact, they would consider the self-styled Fascists of Smith or Blackburn almost as pestiferous as the equally fantastic American Marxists.

The power of American big business to hire private armies—Pinkerton detectives, factory police, vigilantes, battling strike-breakers, etc.—has been shown through the whole course of our industrial history. And it was with private "black" and "brown" armies, financed by big business, that Mussolini and Hitler and their industrial sponsors came into supreme power. In both Italy and Germany the suppression of strikes and trade-unions swiftly followed. Monopoly big business, with all of its faults and many of its unquestionable virtues, was in the saddle. The German and Italian Roosevelts, Tugwells, Perkinses and Wallaces scuttled for safety as liberalism came to a sorry end. Militant counter-revolution had checked liberal evolution.

In America, die-hard votes are exceeded by "mass" votes for the New Deal. "Greatest good for the greatest number" has been accurately recorded by the pacific ballot box. But if voting should sound an economic death-knell for certain conservative interests, what is the die-hard alternative? The spirit of Fascism, perhaps, for Fascism is the work of a militant minority possessed of determination and machine-guns, and directed by men behind the scenes. A few die-hard bullets can defeat any number of "mass" ballots, and history records very few cases of a pacific surrender of economic privileges by the possessing order of society.

The New Deal is surfeited with grave difficulties. There have been graft, "politics," lavish borrowing, a superabundance of needless strikes, an ill-advised agrarian policy. These are the premiums that any people pays for liberal and humanitarian experimentation along progressive lines; the premium paid out for insurance against the die-hard spirit of Fascism. But these administrative bunnings also supply potential Fascists with ammunition for their broadsides. Mussolini used "strikes" as an excuse, and it served his purpose exceedingly well. Hitler used "graft" and "politics" as his apologia, and his stand won him ample popular support despite his economic and philosophical aims. The potential power of American Fascism, as wielded by certain Old Guardsmen of both political parties, is very great; and its waters run very deep. The New Deal had best look to its laurels, seek the maximum of efficiency, and keep its powder dry.

There is, of course, an alternative to militant direct-action by the spirit of Fascism in its assault upon the New Deal. The alternative is ordinary political procedure through the commonplace medium of voting urns and ballot boxes. But the only conceivable legal way in which the "outs" can oust the "ins" is by bigger and better New-Dealing; that is, by a platform which offers at least comparable gains to the common man who has come to look for governmental interference in his behalf.

Once a new departure has been taken, it is exceedingly hard to turn back. When the Bourbons regained their throne in 1814, they retained most of the more radical reforms of the French Revolution; and Tsar Cyril, exiled pretender to the Russian sceptre, has de-

clared that if he is reinstated in Muscovy he will retain the Soviet system, and that only the Communists themselves must go. Hence, if the American "outs" regain power, as they may in a perfectly legitimate manner, the New Dealers will have to go—but the New Deal, under one name or another, will remain in its more salient reformatory features. The Bourbons could not bring back feudalism on their return; and the "outs" have come to realize, at least to some degree, that a return to pre-depression *laissez-faire* is equally out of

the question if the free choice of the majority of American voters is permitted.

Will the spirit of Fascism, intolerant of the New Deal and all its works, permit the orderly triumph of a competing liberal programme, similar in general outline to the policies of Roosevelt? Will the spirit of Fascism support a Republican Regeneration, built out of liberal ideas, as against the Democratic New Deal? It is possible, and let us hope that it is probable. But the spirit of Fascism dies hard. Time will tell, and 1936 is not far off.

