

## MICHAEL PARENTI

### Real History, Part Three: The Functions of Fascism

Michael Parenti is one of this country's most distinguished political scientists. His articles regularly appear in major newspapers and journals. He is the author of *Democracy for the Few*, *Power and the Powerless*, *Inventing Reality*, *The Sword and the Dollar* and the forthcoming *Make Believe Media: The Politics of Entertainment*. He is currently at work on a book about the Spanish-American War.

“Real History” is a series of presentations on important and controversial topics, many of which have been shrouded in myth. Most people are never exposed to real history. In school we usually don't even read history. We read history textbooks, mostly ones that avoid the underlying realities and propagate all sorts of myths that serve the powers that be and are harmful to those who might want to believe in truth and democracy. Those who dominate our vision of the past exercise a preeminent control over how we see the present and the future.

Fascism is a name that was given to the political movement that arose in Italy under the leadership of Benito Mussolini, who ruled that country from 1922-1943. Nazism was a similar movement led by Adolf Hitler, who was Germany's dictator from 1933-1945. It is considered by most observers to be a variant of fascism, as is to a lesser degree the militaristic government that controlled Japan from 1940-1945 and the Falangist movement led by Francisco Franco in Spain, when the fascists there, with the military aid of the Italian and Nazi fascists, took over after a protracted civil war. There are similar fascist or self-avowed fascist movements; less successful movements arose in Eastern Europe, Great Britain, the United States, France and other Western industrial nations. Some of them also came to power. We might recall today, when the press is full of news about how Bulgaria or Romania or Hungary or Lithuania or Poland are returning to their democratic roots by overthrowing communism, they weren't democratic before communism came in. They were fascist. In fact, several of those countries, with the exception of Poland, were open allies of the Nazis. They were Nazi fascist allies.

As with a lot of terms—liberalism, democracy, socialism, communism—no single definition of fascism may be able to satisfy everyone. In fascism there's a special problem because it's a beguiling mix of revolutionary sounding mass appeals and reactionary class politics. The reactionary class politics are the part of fascism that our establishment historians almost never talk about. Hitler's party, for instance, was called the National Socialist German Workers Party (NSDAP) or Nazis. It's a very left sounding name, designed to win broad support among working people even while the Nazis were destroying working class organizations. The original Italian-German variation of fascism was a political phenomenon that made a revolutionary appeal without making a revolution. It promised to solve the ills of the many while in fact protecting the special interests of the few with violence and terror. It propagated a new political consciousness, a new order, a new nation to serve the same old capitalist system.

Let me run down a few of the major characteristics of the fascist ideology. First there is a glorification of the leadership cult, the commitment to an absolutist and supreme leader, all-knowing and all-guiding, the leader principle. Second, there is glorification of the nation-state as an entity unto itself, an absolute component to which the individual is subsumed. Everything in the state, everything for the state, nothing outside of the state. That was Mussolini's and Hitler's dictum. Rudolf Hess once said Adolf Hitler is Germany, Germany is Adolf Hitler, therefore combining both the leadership cult and the state

cult in one. Third, there is glorification of military conquest and jingoism, the glory that the state is vitalized by subduing, conquering, taking other people, enslaving them to increase your own power and glory. Fourth, there is the propagation of a folk mysticism, a xenophobia and racism. The Nazi slogan was, *Ein Volk, ein Reich, ein Führer*: one people, one state, one leader. The other side of the folk mysticism in this blood cult of the special legacy, the atavistic wonders of our particular people is xenophobia, a hatred of other peoples and nationalities. For the Nazis and most other Eastern European fascists it was anti-Semitism. The Jew was seen as the perpetrator of all that was ill in society. The trade unionists, the communists and so on were Jews. Behind them stood this wicked alien blooded creature who would undermine our state. Fifth, there was an opposition, both in Italian fascism and in German Nazism, to socialism, communism, anarchism and to all left egalitarian class movements and doctrines along with opposition to trade unions, labor parties, other working class political organizations. Of these various characteristics of Nazism, one, two, three and four are often talked about by established and mainstream historians. That last one, though, opposition to labor unions, working class parties, socialism is never talked about by Western writers, especially American writers. The historians and political scientists and journalists who treat the subject of fascism usually write from the centrist ideological perspective, from the political center of the spectrum, which means they usually ignore the link between fascism and capitalism, just as they tend to ignore the entire subject of capitalism itself when there's something unfavorable to say about it. Instead, they dwell on the more fantastic components of fascist ideology: the nihilist revolt against Western nationalism and individuality, the irrational appeals to mass submission to a leader. Fascism was those things, but along with its irrational appeals it had rational functions. It was a rational instrument for class domination and for the preservation of the existing capitalist system.

After World War One Italy had a parliamentary government that seemed incapable of solving the country's economic crises. Profits were declining, banks were failing, unemployment was rising. To ensure profits, the big industrial giants and the big landowners would have to slash wages and raise prices. The state, in turn, would have to provide the big owners with tariff protections, along with massive subsidies and tax exemptions. To finance this, the population would have to be taxed more heavily, their wages rolled back and social welfare expenditures drastically cut. It sounds like Reaganism? Well, it is, even more extremely so. But the government wasn't totally free to apply these harsh measures. First of all, Italian workers and peasants

had their own unions. They had political organizations, cooperatives, their own publications, and through the use of demonstrations and strikes, boycotts, factory takeovers, forcible occupation of farmlands they often won some real concessions in wages and conditions, unemployment benefits, and they won the right to organize. Even in the face of this worsening economic crisis they were able to mount a troublesome defense of their standard of living, troublesome for those who owned the land, the labor, the capital, the money in the banks, the farms and the factories. The only solution was to smash the worker and peasant organizations, in effect destroying all political and civil liberties, including the right to organize, agitate and propagandize. The state would have to be more authoritarian and more firmly subservient to the interests of capital. Mussolini and his blackshirts were around right after World War One and for about three or four years the big industrialists and landowners used their fascist goon squads, gave them money and arms, and used them as strikebreakers, anti-labor militias. They saw themselves as a united front against bolshevism. In 1922, the big capital interests in Italy decided to go for the whole thing. Representatives of the Federation of Industry and the Federation of Agriculture, which was an agribusiness firm, and representatives of the National Banking Association all met together and met with Mussolini and planned the fascist march on Rome. Mussolini sat there and planned that with the leading capitalists of Italy. This is almost never mentioned in the accounts about the march on Rome. These big capitalists contributed 20 million lira toward that undertaking. In the words of Senator Ettore Conti, himself a very loyal representative of the monied interests, "Mussolini was the candidate of the plutocracy [that is, of the wealthy] and the business associations." This pattern of coordination and compliance existed in Germany also less than a decade later. German workers and farm laborers in the period following World War One, under the Weimar Republic, won some important economic concessions: an eight-hour day, unemployment insurance, they were able to elect shop committees, and they won the right to unionize. Again, during the 1920s, these paramilitary right wing gangs, most notably Hitler's brownshirts, Storm Troopers, were subsidized by business in a limited way and kept as a kind of reserve army, what Goering called the "bodyguard of capitalism." Their job was to strikebreak, to harass organized workers and to beat up socialists and communists.

The nearly total collapse of the German economy in 1929-30 presented the owning class with a momentous crisis. They had very big capital investments, and these left them with very high fixed costs that had to be met even as their plants lay idle. Only massive state aid could revive their profits. Wages and social welfare, human service expenditures had to be cut. Union contracts had to be abrogated. Business would need new subsidies and tax exemptions. The crisis in agriculture was equally severe, and the large land proprietors, the Junker class, demanded even higher subsidies, heavier duties on foreign agriculture imports, and an end to farm unions. These unions were holding wages up, and when wages were being sustained, it cut into profits.

So by 1930 most of the influential landowners and big industrialists and bankers, especially the industrialists in steel, coal and mining, had concluded that the Weimar Republic no longer served their interests and no longer could protect their

class. It was too accommodating to the working class and to certain sectors of light industry. So they greatly increased their subsidies to Hitler and propelled the Nazi party onto the national stage. By 1930 most of the great industrialists and bankers were underwriting the Nazi party. What happened in 1930 with this injection of hundreds of millions of marks is that Hitler was able to catapult his party onto the national scene. It went from a cult of brownshirt thugs to a national party mobilized in the election of 1930. The Nazi party gained 107 seats in the Reichstag. Hitler, later on, evoking the memory of what he called "that astonishing campaign," told his listeners to think of "what it means when a thousand speakers each has a car at his disposal and can hold in a year a hundred thousand meetings." In 1931-32 the subsidies from the big industrialists continued to come in ever more abundantly. So the Nazis were projected onto the national stage and gained an ever larger presence in the Reichstag. Neither in Italy nor in Germany was revolution something that was in the offing. It wasn't a real threat. The left was never strong enough to take state power in either of those countries. So the threat wasn't really from the left. The bourgeoisie resorted to fascism less out of a response to the disturbances in the street and more as a response to the disturbances in their own economic system. The threat wasn't from the left, but from their own economic system and its contradictions. The fact that democratic forces had developed enough democratic strength to resist the austerity and the rollback that the capitalists tried to impose to maintain their levels of profit.

The sickness that these capitalists tried to banish was from within, not from without. The Italian and German monopolists, the big cartels, also had a direct interest in an expansionist military regime. They wanted a big rebuilding of the military, one that would first of all, compensate for the decline in investment opportunities with huge armament contracts and related public works. In other words, this industrial and financial class wanted a large defense budget, as we would call it, because it was a source of capital investment and enormous capital profits. Does that sound familiar? Two, they wanted to embark on an aggressive foreign policy to open new markets for export and investment, thereby gaining a more equal footing with French and English competitors.

So the fascists became a very valuable ally against the capitalists' two worst enemies: the workers in their own country, and the capitalists in foreign countries. The genuineness of fascism's hatred of workers and foreigners was never open to doubt, so they fit in quite snugly. I don't mean to say that all the big industrialists and financiers supported fascism with equal fervor. Some, like Thyssen, were early and enthusiastic backers of Hitler. The aged Emil Kurdoff thanked God that he lived long enough to see the Führer emerge as the savior of Germany. Others contributed money to the Nazis but also to other antisocialist parties on the right. They backed Hitler only when he promised to be the best hope for their interests. Many of them still remained privately critical of the more extreme expressions of Nazi propaganda and were a little uneasy about the anti-bourgeois rhetoric sometimes by some of the fascist plebeian elements.

Some elements in business were not that hot for fascism. Light industry, which had lower fixed costs and more stable profits than heavy industry that was dependent on consumer buying power, light industrialists were not that keen about a

more aggressive foreign policy, about subsidies to heavy industry, but when push came to shove, they may not have been close to the fascists, but they weren't about to ally themselves with the proletariat against the business classes, of which they were a part. They sided with the dominant elements or kept their mouths shut.

There was another element in these two societies that not only tolerated the rise of fascism but supported it. I'm talking about the parliamentary capitalist state itself. Not the government or the parliament as such, but the instruments of the state, the instruments that have the legal monopoly on force and violence, the police, the army, the courts, the secret intelligence agencies, etc. In both Italy and Germany, years before Mussolini and Hitler emerged victorious, these elements showed a real leniency and open collaboration with fascism while harshly repressing the left. Mussolini and Hitler could not have come to power without the help of the state machinery, which was never really against them. In Italy the police collaborated with the fascists in attacking labor and peasant organizations. They recruited criminals for the fascist action squads, they promised them immunity from prosecution for past crimes. When applications for gun permits were regularly denied to workers and peasants, police guns and cars were made available to Mussolini's goons. In Germany the same kind of thing went on.

Immediately after World War I, the military police and the judiciary sided with the rightists to suppress the left, a pattern of collaboration that continued to the day that Hitler took power. In other words, these supposed democracies, which were equally opposed to totalitarianism of the left and the right, were not equally opposed. They were opposed to the left and very close and comfy with the right, because the right, while it was out to destroy that democracy, was protecting the interests of property and the existing class structure. That's the difference between the left and the right, and that's why a capitalist state tends to treat the right so much more leniently and the left so much more harshly.

Let's look at what happened with the police and the courts under the Weimar Republic. These are the figures. Left wing groups were charged with twenty two murders. Thirty eight people on the left were found guilty for those twenty two murders. They averaged fifteen years in prison. Ten of those thirty eight were executed. Among right wing groups, 354 murders, about sixty times more. Of these 354 murders, 326 were not even prosecuted. Twenty three of the right wing groups were discharged despite entering guilty pleas. Twenty four were found guilty in part. Their average term in prison: four months. The number of them executed for the murders: none. So that's the way the state operated. Almost all the literature on fascism and Nazism concentrates on who supported Hitler, who supported Mussolini, who was behind him, was it this group or that group? Oh, there were a couple of millionaires who didn't like them. Oh, there were some workers who did vote for them. So you can't really say it's one class or another. I think you can pretty well say which class gave them the money, the visibility, the organization and the numbers to some degree.

But there's something else. Besides talking about who supported fascism, one thing these historians and political scientists never talk about is, who did fascism support when fascism came into power? In Italy and Germany, they began implementing the stern measures that were needed to rescue the capitalist economy. Labor unions were dissolved. Strikes were

outlawed. Union contracts were nullified. Prominent union leaders and other labor activists were imprisoned or murdered. Union property was confiscated. Worker publications were banned. Opposition political parties were outlawed, their leaders jailed. Civil liberties were suspended. Fascist sponsored "unions" were set up. Their function was to speed up production and prevent wildcat strikes and apply punitive regulations, including fines, dismissals and imprisonments against workers who agitated or complained of shop conditions. Even a Nazi labor front newspaper had to admit, "Some shop regulations are reminiscent of penal codes." Workers no longer had the right to change jobs. They could be shifted from one employment to another regardless of their wishes. They could be conscripted for any work assumed useful for the nation's economy, with no guarantee of wages equal to previous earnings. In both Italy and Germany the government exercised compulsory arbitration in regulation of work and wages. Any worker who contested that would be contesting the laws of the state and declared an enemy of the state, not just in conflict with management. In effect, what you got was a perfect wedding of the interests of the state and the interests of the capitalist class in this particular capitalist state.

These measures had their effect. According to figures supplied by the Italian press itself, the already meager wages, not all that good to begin with, for Italian workers in 1927 were cut in half by 1932. By 1939 the cost of living had risen 30%. This constituted an additional decrease in real wages. Taxes on wages were introduced. Regulations were instated against minimum wages. There was no more increased pay for overtime. In some regions, sanitary and safety regulations were dropped. Occupational safety regulations were eliminated in factories. In many areas child labor was reintroduced. In other words, all the old abuses and old evils that the Italians thought were dead, that belonged to a generation ago, had returned under fascism.

In Germany, the same story. Between 1933 and 1935 wages were lowered anywhere from 25% to 40%. That's a tremendous cut if you're an ordinary worker just trying to make ends meet. Wage taxes were instituted. Municipal poll taxes were doubled. Payroll deductions helped finance the Nazi-controlled Labor Front. The Nazi Labor Front controlled the party organizations and the health and unemployment insurances, all of which lowered wages another 20-30%, that is, things that were taken out of your pay for that. The non-profit mutual assistance and insurance associations that had existed before the Nazis came to power and the free labor unions were abolished. Their funds were taken over by private insurance companies, that charged more while paying out smaller benefits. In Germany, just like in Italy, inflation substantially added to the German workers' hardships.

There's something else both of these fascist leaders did. In both Italy and Germany, the process of privatization—does that sound familiar? Ronald Reagan's dream. State owned enterprises, such as power plants, steel mills, banks, railways, insurance firms, steamship companies, and shipyards, were handed over to private ownership for a song, like gifts. Corporate taxes were reduced by half in both Italy and Germany. Does *that* sound familiar? Another Reagan achievement. Taxes on luxury items for the rich were cut. Inheritance taxes were either drastically lowered or abolished, like they have been in the last ten years in America. In Germany

between 1934 and 1940 the average net income of corporate businessmen rose by 46%. Enterprises that were floundering were refloated with state bonds, recapitalized out of the state treasury. They were returned to private control when solvent. These are people who say, socialism doesn't work. But when capitalist businesses start to fail, they go socialist. They take the money out of the public treasury and refloat these businesses. Does that sound familiar to you people who are worrying about the S&L bailout?

With numerous enterprises, the state guaranteed a return on the capital invested and assumed all the risks of investment losses. The rich investor didn't have to worry about any losses, and if his business didn't do well, he'd get the money from the state treasury anyway. This is why the capitalists liked fascism. This, however, did not bring a final solution, and what the fascist state does is to attempt a final solution to the problem of class conflict. It obliterates the demands of the working class and the democratic forms that allow workers some room for an organized defense of their interests. But this final solution proved very far from final. In fascist Italy and Germany, industrial sabotage and sporadic wildcat strikes continued, inflation increased, whole sectors of the economy remained stagnant. There was widespread corruption, mismanagement, underemployment, vital social services deteriorated—but profits climbed. The gestures made on behalf of the needy were pitiful. What the Nazis did was to go around in working class areas and collect alms, they taxed the poor to give money to the poorer, as Franz Schurman once said.

The Italian economy remained in a troubled, stagnant condition right up to the Second World War. In Germany, thanks to the booming armaments industry, the standard of living, at least most notably the unemployment problem had been so bad, improved a little bit, but it never even reached what it was in 1933 under the Weimar Republic, and it never reached 1928 levels. So even under the Weimar Republic, for all its troubles, the levels of food, textiles, and other areas of consumption and production were much better than ever achieved under Nazi Germany.

Anyone interested in reading more about fascism I would direct to a very fine book by Daniel Guerin, *Fascism and Big Business*. The writings of Franz Neuman are also worth looking at. On a couple of occasions I've made reference to Reagan and Reaganism. I didn't mean to imply that Reagan was a fascist. In fact, quite the opposite. I meant to point out that in the American context Reaganism met a similar crisis, accomplished the same things, within the existing framework, the political framework of the existing system. He broke unions but didn't use death squads or terror squads. He broke them using consultation with advisor corporations and spending hundreds of thousands of dollars showing companies how to break unions. They broke unions by instituting one of the most restrictive, prohibitive and difficult laws, the Taft-Hartley Law, that one goes back to the 1940s, which makes union organizing in American so very difficult. They've tried a number of times to limit our constitutional rights, the right of free speech, of government accountability, they've cut inheritance taxes, the capital gains taxes, corporate taxes, abolished the progressive income tax—these are the accomplishments of the Ronald Reagan Administration. While everyone talked about what a nitwit and dingbat and a fool he was, Ronald Reagan did some very successful and brilliant things for his class. He rolled back

the social democracy that had been developing in the late 1960s and early 1970s. He cut back and undermined human services. He staffed agencies and courts with people in government who do not believe in government and do not even carry out the programs that Congress voted in. So within the American context he's done quite a few things short of, of course, what Hitler and Mussolini did as a final solution. Today I would also point out that in capitalist democracies in Western Europe and the United States the security forces have that same double standard that we discovered in Italy and the Weimar Republic in Germany, namely, they look the other way toward violence from the right or seem to do very little or seem so seldom able to capture the perpetrators, unless the perpetrators are so crazy as to attack and kill police themselves. Then they'll go after them. But on the left there's a constant surveillance, harassment and in fact sometimes even outright murder. One can think of the systematic murder of the Black Panther party, something like thirty of them killed in coordinated police attacks in cities throughout America. One can think of what's going on in Germany, Italy, Belgium, Portugal today where people on the left are being thrown in jail for astronomical sentences while terrorists on the right seem to get by and get away with murder. This is what we have to look at and understand that fascism is not just another “-ism” out there. It's not just an aberration. It has a very rational side to it. It's a rational, functional form. It can take diluted forms. Its propensities, its proclivities can exist even in the democratic state. Within that state, those police and state powers can manifest some of the very same symptoms and all the worst attributes that you might find in a Nazi Germany or fascist Italy.

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David Barsamian  
Alternative Radio  
P.O. Box 551  
Boulder, CO 80306  
(800) 444-1977  
info@alternativeradio.org  
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