

2. Fascism and Capitalism

—by Marceau Pivert

THE AMAZING POWER of the Nazi war machine has led certain writers to ask whether it is not the fact that Germany has gone beyond the stage of capitalism that makes it so much stronger than the 'democracies.' This is, specifically, the theory developed by Dwight Macdonald in the May-June, 1941, number of *PARTISAN REVIEW*. In the following notes, I should like to consider whether fascism (like Stalinism) is today a *post-capitalist* system of 'bureaucratic collectivism.'

The most striking feature of early capitalism, of course, is competition. Competition within the ruling class, between groups of salaried employees, and between the owners and the non-owners. A mighty industrial development accompanies this 'free competition.' A creative frenzy seems to seize on the entire globe. The workers are stripped of their old traditions and guild safeguards and flung into the battle. (It was the French Revolution which suppressed the privileges of the guilds by the Le Chatelier laws.) The captains of industry set out to discover new countries, dig canals, build railroads, breed one machine out of another, excavate continents. Competition is the supreme law, the quest for profit the sole motive force. All this means simply that the strongest, the best equipped and armed *are free*—to exploit 'inferior races' and penniless workers. From the purely moral and philosophic standpoint, *fascism clearly has not gone beyond this system*. It has simply carried it to a remarkable pitch of perfection.

But this early phase of anarchic development speedily creates new economic ties between competitors. The great banking and industrial powers ally themselves into antagonistic groups, first within the framework of the nation, then of the empire, and finally their empires range themselves for the fight to divide the world by force of arms. *It could not be otherwise under capitalism: certain nations must preserve and if possible extend their sources of raw materials, their markets, their fields for investment; the others must try to conquer these, under pain of economic strangulation*. The 1914-1918 war was fought to settle, provisionally, this conflict. Just as that war did not cause the collapse of capitalism, so the present war may be expected to have the same kind of consequences, aggravated by the prodigious increase in the forces of production.

But the force of capitalist expansion is not only 'extensive,' it is also 'intensive.' The ruling classes not only prepare to fight for markets, but *at the same time* they must *organize* mutually in order to produce more profitably and efficiently. In certain circumstances, they realize it is much

better to come to an understanding than to fight. Inside the national boundaries, this means concentration of capital and monopolization. And beyond the frontiers, the great trusts sketch out the first bold strokes of the world economy of tomorrow. But at the same time, imperialist competition being sharper than ever, the web spun by international capitalism is constantly being torn by the struggle for a new division of the world.

To the concentration of capital the workers replied by organizing trade unions, mutual aid societies, cooperatives for the collective defense of their class interests. Just as the division of surplus value is settled by the relative strength of various capitalist groups, so the burden of the labor that produces surplus value is distributed according to the strength of the various workingclass organizations. Wage increases won by the better organized workers are shifted onto the backs of weaker sections of the workingclass. Thus if the high union rates of the printing craft makes it expensive to print the firm's catalog, the management can simply cut the wages of the unorganized office workers. Under capitalism, bosses and workers alike try to 'get out from under' by shifting the burden to their class brothers. Camouflaged in one place, capitalist competition reappears in another.

The general tendency to organization, which might have led to a revolutionary change if it had followed class lines on an international scale, has led to fascism because basic class interests have been concealed by secondary interests. We have seen miners—or rather their leaders—supporting the maneuvers of Mr. De Wendel to get permission to continue to export Briey iron ore to Nazi Germany. Or the miners of the Pas-de-Calais joining with the coal barons to raise tariffs at the expense of the consumer. Fascist propaganda has cleverly exploited these apparent identities of interest between worker and boss. Fascism's great aim has been realized: the ruling class has tamed the opposition of its own workingclass, the better to conduct its imperialist struggle.

The chief economic feature of fascism is that the fascists have applied to labor power the same methods of monopoly control and rationalized exploitation as are applied by capitalist trusts to raw materials, markets and credits. The new regime has become proprietor of a mighty force: the labor power of the workers, organized into a gigantic 'trust' of arms, of brains, of skills of all kinds, none of which from now on will remain unemployed. It is true that the organization of labor power, as of the capitalist trusts, can achieve great efficiency. Many examples can be cited: guilds, cooperatives, municipal enterprises. But it is wrong to assume that these advantages enable the collective unit in question to cut itself off from the rest of the world. It continues to be subject to the laws of capitalism. The history of the sad failures of cooperative banks in France and Belgium shows that world capitalism imposes its laws on these fragile organisms of limited 'collectivism.'

It is precisely this historic necessity that imposes itself on fascism. Granted that it has, in its integral organization, gone far beyond the

bounds of anarchic private economy. Every one must submit to the general plan. True. But true also in England, and soon in America as well. The question is: *who directs the economy, and for what end?* A bureaucratic caste bound to the dominant portion of the capitalist class directs the German economy *towards imperialist war*. Since 1935, under the direction of General Thomas, all production, all capital accumulation, all distribution is regulated by the requirements of imperialist war. Competition, suppressed within, appears more ravenous than ever on the field of foreign policy. Hitler lays down the law to the German capitalists and to those of the occupied nations, but the capitalist regime which surrounds him, which impregnates him, which still survives him, in its turn dictates to him its unalterable orders. Monopoly of banks, of production, of brain and brawn—what is it all used for? For destruction, for the aggravation of the deepest kind of antagonisms. It is no more possible for him to suppress capitalism than it is to escape from competition to the death with other imperialist powers. Competition is everywhere.

It exists also between the German workers and those of other lands. It is, in fact, on an enormously magnified scale, the problem of the organized printers and the unorganized office workers. The workers of Germany selfishly wish to live at the expense of Polish, Czech, French workers. Part of the British workingclass lived quite well off the exploitation of hundreds of millions of colonial slaves. But what is the upshot of this forgetfulness not of a *sentiment* of solidarity but of a *mechanism* of compensation? The continuation of war between the workers, since they have adopted as their own the sordid interests of their masters. But everything will be paid for in the end! Because they have forgotten the basic community of their interests, the workers see themselves condemned either to rule by force or to be exploited like the so-called 'inferior' races. Fascism has obviously carried the system to a monstrously refined extreme. But it has not yet escaped from the phenomenon of compensation, which loads onto the backs of the weaker the weight of the advantages temporarily obtained by the stronger. The 'weaker' are today one hundred million anti-Nazi Europeans. The problem is not solved. The field of competition has simply been shifted. There is no 'New Order,' merely a stage of superbarbarism in the old order. This conclusion imposes itself all the more imperiously because the hour of a worldwide economic order has struck.

Fascism is not a post-capitalist regime. It is a form of capitalist degeneration. If one deduced from an analysis of a workers' cooperative or a trade union or a municipal enterprise that such organisms had 'gone beyond capitalism,' because one does not find in their internal economy any free market, any competition or sale of labor power—then one would be making the same mistake as to isolate, for analysis, fascist economy from world economy. Today it is world economy which dominates. Even in wartime, through the medium of international trusts, it continues to rule.

One huge area is claimed to have escaped from the world market: Soviet Russia. Has Stalin built a socialist society? or even a 'post-capi-

talist'? This is another question, but to it I would also say, No. Stalinist degeneration is a product of that persistence of a capitalist milieu which imposes its own laws. 1941: 24% increase in military expenditures. Those are not consumers' goods! Add police expenses and you have 37% of the Soviet budget absorbed by this kind of expenses. Is not the mark of capitalist economy, completely oriented towards war, everywhere evident?

So too on an even greater scale with fascism. Its perspective is the maintainance of an unheard-of social tension, the defense of its conquests against the slaves who will revolt. And the limitless conquest of new territory. It cannot stop, for the limits of its self-sufficient economic unit are those of the globe. Raw materials are rather capriciously distributed. There is thirty times as much oil in America as in the countries controlled by the Axis. But Germany has coal and iron? What about tungsten, nickel, vanadium, molybdenum, without which the specialized steels of modern industry cannot be made? The very idea of the domination of the world by an alleged 'superior race' is a product of capitalist civilization, and is the supreme proof that Hitler has not escaped from this system, and cannot escape.

The concept of a world economy run by brutal masters ruling over millions of slaves not only clashes with the deepest human instinct for liberty as well as for security. But these economic tendencies also lay the groundwork for a world-wide socialist economy, the only possible solution to the envenomed antagonisms of our time. Free competition yields to monopoly, the free labor market to the collective exploitation of labor power by the fascist bureaucracy. The whole strength of fascism lies in its monopoly of labor power. It is just this monopoly control that the workingclass must shatter, if it is to free itself and to pursue its own ends. Then, and only then, will capitalism be left behind!

(Translated and edited by Dwight Macdonald)

3. Add: "End of German Capitalism"

—by Dwight Macdonald

Author's Note: Below is printed what was to have been the concluding section of my article in the May-June issue, "The End of German Capitalism." Lack of space has forced its postponement until now. It stands as originally set up in type last spring.

In the above article I was concerned with demonstrating that German fascism is an economic phenomenon of a radically different order from anything that can be termed, either economically or historically, 'capitalism.' Of necessity, this has caused me to overstress—considering my own views—both its 'revolutionary'