

Portrait of American Fascism

Lawrence Dennis

Copyright, ©, 1935. *The American Mercury*

This text has entered the Public Domain in the United States.

Portrait of American Fascism

Fascism is a term and a concept which now must be recognized as having assumed an important place in the American vocabulary of 1935. It naturally has a wide and accurate use in the designation of the regimes under which most of the inhabitants of Europe are living, regimes whose dynamic developments are daily on the front page. There is no point in quibbling over what is the correct definition of the term: it will settle no arguments to turn to the official exponents of a dozen different fascist governments now in power or to any of the numerous tracts which have been written for and against the idea. But it may well be asked whether the use of the term fascism in connection with present or future developments in the United States is logical and fitting. I think it is.

If we wait for an authoritative definition of American fascism, we may suddenly get the real article thrust upon us, called by another name, and never procure the definition except by way of an official statement which may not truthfully describe the new and triumphant governmental system. In this connection it is well to recall that, as Dr. Arthur Rosenberg points out in his admirable *History of Bolshevism*, the motto of the Bolshevist Revolution was not “The Dictatorship of the Proletariat. Down with Democracy”, but its exact opposite: “Long Live Democracy. Down with Dictatorship”. When a veritable army of influential leaders of opinion, on the extreme right and the extreme left, are constantly using a term to characterize what they see to be the implications of present trends and the menace of the hour, it is time to seek a meaning for the new term and a content for the new concept. It is most important, if we are to have fascism, under whatever the official name may be, to have had calm thinking about the subject by the least embittered leaders of thought and action.

For the present purpose, then, let us define fascism as a revolutionary formula for the frustrated elite in an extended crisis of the prevailing social system of liberal capitalism. If fascism comes, it will be, first, the product of prolonged conditions of a thoroughly objective character, conditions which liberal leadership will have failed to improve; and, second, the product of the subjective reactions to these conditions by those of the

menaced and injured members of the elite who have a will to power and a will, through the capture and use of power, to change conditions they find intolerable. Such elements of the frustrated and economically vanquished members of the elite, or say the upper third of the total population, will be captured by a leader who will exploit the weaknesses and opportunities for action presented by the situation. If he is successful, the leader will be able to impose his own ideals and values on his followers, except insofar as a well-clarified body of theories and principles, already held by a substantial number of the less embittered elite, can be imposed on him.

If and when American fascism appears to be at hand, it will be up to the in-elite to recognize first what it is and that it is imminent, and, second, to share as widely as possible in the leadership of the movement. To whatever extent the less frustrated members of the elite fail to share in this leadership, the movement will fail to express some of our best values, and instead will manifest the extremes of discontent, fear, and hate animating the most dynamic elements. Let there be no uncertainty as to hatred and fear finding expression, and thereby supplying most of the dynamic force behind the initiation of any important new social movement. No revolution, not even the American Revolution, essentially expressive of the self-interest of the colonial trading classes, was ever fought and won without the driving urge of popular dissatisfaction. Yet, as the American and several of the fascist revolutions demonstrate, it is possible to combine with the leadership of the frustrated the leadership of those still living comfortably in the house of have. These latter join forces with the out-elite because they lack confidence in a favorable outcome of a fight to the finish between the ins and the outs, though they themselves may still be in, and also, often, because for humane as well as selfish reasons they do not desire to wage such an extreme class war.

It will, of course, be said by many that fascism in the United States is unthinkable because the people will never permit the scrapping of the Constitution, the federal system of forty-nine separate sovereignties (one federal and forty-eight state governments), the functional and regional separation of powers in government, the judicial review and veto of laws, and the present scheme of liberties bulwarked by the American system. "The American people are conservative and traditional." Yet what of our record for innovation, acts of violence, and political fluidity? "We are attached to the Supreme Court and the Constitution." But so were the Russian peasants attached to the Czar, and the German Ph.D.'s, to their Kaiser. "We are exceptional individualists." One cannot travel a hundred miles in Italy or Germany without being struck by vital regional differences: in the United States one can progress from coast to coast without observing any important contrasts except in climate, scenery, natural resources, and economic

levels. "Americans will never submit to a strong executive." No country in the world has a larger army of little Napoleons of business and lesser yes-men than the United States. Big business has been making fascism inevitable; it has been efficiently preparing the people with suitable behavior patterns and developing appropriate mechanisms of centralized national control to hand over to a triumphant fascism. We have perfected techniques in propaganda and press and radio control which should make the United States the easiest country in the world to indoctrinate with any set of ideas, and to control for any physically possible ends. "We are too large for a highly centralized administration." But we are not as large in territory or population as Soviet Russia; nor do we have the extreme differences of race and language encountered by the Soviet rulers. And, as already indicated, we possess efficient agencies of centralized control, except in political government; in fact, the trend of over a century towards more centralization was never as strong as at present. Thus we have on every hand the makings of an American fascism both in potential causes and in operating social mechanisms.

II

When and how might this fascization of America come about? Well, ironically enough, it might occur naturally and imperceptibly, if our British friends get us into another war to save civilization from the fascist devil of Italy, just as they duped us into a war eighteen years ago to save civilization from the Hohenzollern devil of Germany. In the event of another crusade for international justice, the sanctity of contracts, and other synonyms for what the British need in the defense of their empire, the President would be allowed by the courts, Congress, and public opinion to exercise virtually unlimited powers within the Constitution. A war economic planning board, or really an economic dictatorship, would be set up at Washington. A propaganda agency would assume cultural dictation. The fascist views as to the instrumental and relative character of truth and justice would be practiced if not preached. Conditioning the people to believe in the war aims, always an extremely easy matter for any government using modern technique, would prepare them for fascism and improve the means for mass control. Putting several million men in uniform would furnish the legions and the temper. In short, a totalitarian state under a highly-centralized government at Washington would be an imperative of public safety. This wartime fascization would come the more easily for not being imposed by a revolutionary political party after a discussion of issues, just as the concentration of economic power and control through the corporate device has come so easily during the past forty years because they have never been understood except by the financial leaders and their technicians who were bringing these changes about. In war,

the fascization of America would be effected by the General Staff in secret conferences at Washington, just as the fascization of business through the large trust and combine has been already effected in closed conferences in the lower canyons of Manhattan.

There are many reasons why our participation in the next war will not be as brief or simple as our last, and why a subsequent return to constitutionalism will not be swift or even probable. For one thing, in 1914, we had a federal debt of around a billion dollars, and a total public debt of under six billions, while we now have a federal debt of over thirty billions and a total public debt of over fifty. It should be evident to any student of postwar history that a government which cannot count on being able to finance war largely with public credit, including payment of an indemnity if it is the loser, without subsequent extreme currency devaluation, is doomed to fascism as a sequel to the war. This is true because inability to finance war mainly on sound credit enforces the necessity of a totalitarian state and an economic dictatorship to secure adequate production. The only formulas for such a dictatorship must follow fascist lines.

Improbable as it now seems in view of the success which the British are having with American public opinion, it is still possible that we may keep out of another war for several years and that we may get a kind of fascism in peacetime. How? Well, we should certainly not get it as a result of a committee of millionaires deciding to have fascism, and hiring, financing, and directing a fascist leader of their choosing. The leader, after he became a serious factor, might well secure financial aid and effective co-operation from men of economic power: but he could not be a fascist leader unless he gave an authentic, dynamic, and dramatic personal expression to the feelings of a large and influential number of frustrated and angry people. He could not be the hired robot of any clique of manipulators, good or bad.

The late Senator Huey Long furnishes the best example of our nearest approach to a national fascist leader. What would ultimately have made him a fascist, had he lived and continued his political successes, would have been the fact that he was interested more in power than protest. He not only understood the familiar methods of political combat, but he grasped a truism which few present-day students of social revolution or aspirants to political control seem to understand, namely, that the road to national control is through acquiring the control of state governments, one by one. People who speculate about social revolution in the United States are apt to think in terms of a *coup d'état*, appropriate to a European country in which seizure of the capital city is an obvious, and, in times of acute crisis, a relatively easy step to complete national control. Why they should fail to see the strategic importance of the state governments in this country is difficult to understand, since we have had the illuminating precedent of our Civil War. I

daresay it is because good Americans have been conditioned by the cult of the Constitution to exclude from their minds any notion inconsistent with the false idea that that document has brought us through a hundred and fifty years without disorder.

The reasons why control of state governments is the obvious path to political power in this country are: First, they can be won and controlled, state by state. Second, in the struggle for power, control of a state government at once gives command of public funds, the taxing power to get more, an armed militia and a judiciary, whereas procuring a few seats in legislative assemblies, as the European Socialists have contented themselves with doing, provides the party and its leaders with nothing more than a platform for voicing protests and supplicating reforms. Third, through control of state governments in this country, the full force of powerful regional and sectional feelings can be exploited in the struggle for power, although as soon as a movement sought national control, it would have to repudiate regionalism in the interests of the inevitable nationalism, without which no modern government, even that of Russia, can successfully operate.

It may be remarked, in passing, that certain zealous young reformers who would build a political movement around economic class groups with a view to capturing national rule, are naïve and unrealistic. The complete control of one state government is easier to obtain, and it is worth more than control of the American Federation of Labor and two or three farm associations put together, so far as a realistic struggle for power is concerned. This is true because domination of an undisciplined association of men who have little money or economic power, and who cannot be relied on even to vote a straight ticket, is largely nominal. Direction of a state government or even a big city government, however, is not nominal so far as the sinews of war are concerned. The Republicans are beginning to appreciate the value of control of state and local governments in a national campaign, factors which, of course, the old Republican leaders always understood.

An American fascist party, in its struggle for power, will doubtless quickly come to operate as a national organization. And it will have to carry on organizational activities in fields where it will have no chance of early success. But it will be conducted for the capture and exercise of political power and not merely to lead a few zealots ever so often to some wailing place like Union Square to stage a demonstration. To this end it will quickly develop a militarized type of organization which can be used in innumerable ways. Mention of the military at once suggests all sorts of violent and abusive action; but the party can also be used for purposes of order and constructive achievement. The logic of a militarized organization is mainly twofold: associations of people who have not much money are potent social forces chiefly to the extent that they are subject to a

hierarchical command and group discipline; and no organization can act with responsibility to the entire community unless it can control its members. Where important economic interests and a small number of parties are involved, purely economic pressures and balances of power, given clear leadership, can enforce orderly conduct. But where large numbers of parties to the association and small individual economic forces are at stake, only aggressive discipline can enable the organization to manage its members. In this connection it is to be remarked that all our fraternal groups have some martial order, otherwise they could not stage public parades at their national meetings. No country boasts more militarized organizations, which wear distinctive uniforms and have discipline, than the United States. Our labor unions have been ineffective mainly to the extent that they have lacked control over their members. And one of the chief reasons why the communists have so little chance throughout Europe and the United States is that they have insulted the soldiers from whom they could have learned so much and whom they need so much in order to win. Communism in Russia triumphed chiefly because Lenin captured the loyalty of the troops and had the assistance of an able minister of war, Leon Trotsky. Organization has its imperatives for orderly performance, and no political party which aims to change fundamental conditions by a seizure of power can fail to meet these.

The Ku Klux Klan, which was revived after the World War and flourished for some five years, numbering at one time at least four million insignia-buying members, showed the possibilities of vigilante groups in this country. But this organization, which was promoted and steered by masters in the art, had no leaders with vision or a social program. Obviously, four million men would not forever get dressed up in nightshirts if, politically speaking, they had no place to go and nothing to do. Making faces at Catholics, Jews, and Negroes cannot long seem virile, or even amusing.

But the fact that the Klan, being hardly more than the racket of skilled organizers, petered out and that Senator Long met the fate of three American Presidents, must not be construed as proof that no fascist organization is likely in this country. The requisite reactions of a frustrated and angry elite, and the industrial crisis are persisting factors. The dynamic leader and the dramatic moment for his appearance are the two elements which have not yet combined with the objective conditions and reactions. But neither Napoleon nor Lenin would have been selected for their historic roles by an informed observer six months before their emergence from obscurity.

III

The objective conditions which may constitute a part of the causation of an American fascism (in all probability called by another name), may be conveniently grouped under

three heads: First, the dynamic conflicts of interest; second, the relative breakdown of the political and economic mechanisms which comprise the liberal capitalist system; and third, the logic of sociological rationalization, indicating different social institutions as better means to generally desired ends.

The clash of group interests furnishes a new factor for serious consideration in American life. The Marxists did not discover or invent this factor; it has always been operative in every nation, but the success of capitalism in expansion has both required and assured such a degree of abundance of economic opportunities for all, that collisions of group interests have never proved dangerous to the system. If liberal constitutional government, however, fails to provide a satisfactory formula for the representation of all legitimate interests, and for the harmonious adjustment of their conflicts, that fact alone invalidates the present system, and no appeal to reason or authority can diminish the force of this truth. The question, of course, is whether this is a fact at the present time. Events will have to furnish the conclusive answer.

Today the clash of factions in America is not being reflected in a pitched battle between the attacking proletarian workers and the defending owners and managers, as the communist analysis would have it. No, the strife is being waged by the minority forces—by the lobbyists and raiders of the public treasury. The liberal constitutional system favors the disorderly play of these groups. They can be more inimical to public order than a fight to the finish between capital and labor, for, presumably, the latter would soon have to end either in a compromise, as has occurred in the past, or in the triumphant emergence of a workers' dictatorship, as happened in Russia, or in a completely successful subjugation of the workers by the victorious owners and managers, as may be said to have occurred in ancient Egypt. If any one of these three conditions comes to pass, an orderly and workable formula is likely to eventuate—whether you like it or not. But in the conflicts of minority groups acting under the prevailing degree of national or social discipline, kept at a minimum by our constitutional and juridical system, there is likely to result eventually an intolerable degree of chaos, from which a formula like fascism may seem to offer the only remedy. The relevancy of fascism to such a clash would consist chiefly in its bid to make explicit and effective a unique concept of national interest and, of course, to provide the necessary personnel and machinery for realization. It is conceivable that many of our conservatives who are now worried over the dangers of losing liberty under a possible fascism, might some day welcome a fascist dictator and a disciplined political party to curb the abuses of constitutional liberties and legal powers now commonly committed by irresponsible minorities. Nor is it unthinkable that many recent Wall Street and Park

Avenue converts to state's rights, if given a stiff dose of economic sabotage and anti-nationalism by some plausible demagogue under the label of state's rights, might make a hasty return to their first love—a strong central government.

The breakdown of the social mechanics of liberal capitalism is too obvious a reason for the triumph of fascism to need much explanation. In this connection it must be remembered that those who have been driven by defeat and frustration to challenge the present system and to follow a leader offering a substitute, are not likely to assist in improving a system which they now are attacking.

It cannot be said at present that normal capitalistic recovery will not take place in the United States. There are many who contend that it is now under way in spite of government intervention in business. There is no space here to thrash out this question exhaustively, and there would be little point in attempting to do so. Future events alone can furnish a satisfactory answer. But it would seem that any true recovery will be marked by increased financing of new private enterprise and by an expansion of bank loans to business. Although security prices have risen during the past two years, new financing during the first eight months of 1935 has been almost entirely refunding. Whereas an average of four billion dollars of new money was put into new private corporate capital in each of the first six months of 1928, 1929, and 1930, only ninety-nine million went into such investment in the first half of 1934, and one hundred million during the same period of 1935. Bank loans are one-half of the 1929 or 1930 totals, and they have declined since 1934. At the time this article is written, surplus cash reserves of the member banks of the Federal Reserve System have reached a new high of 2900 million, or enough to support the creation of twenty-nine billion dollars' of new bank loans. The lack of new investment and credit expansion for private initiative—government credit expansion, of course, goes merrily on—plus the following four facts, seem to invalidate any diagnosis of present trends as recovery: one, no decrease in unemployment; two, the necessity of continued government deficits for relief; three, permanent restriction of foreign trade and investment by reason of increasingly closed economies and defaults on war debts and privately-made foreign loans; four, the imminence of war growing out of one, two, and three.

A third order of conditions which may facilitate the emergence of an American fascism and determine substantially its character may be associated with the idea of instrumental fitness. Every schoolboy knows that the United States has long led the world in technological rationalization, or in scrapping the obsolete and adopting the newest machine or process. When we begin the same sort of rationalization in government and in economic relationships, a social revolution of first magnitude will be under way. Our

Constitution and system of government as well as our law of property correspond to eighteenth-century needs, circumstances, and theories. Our federal system with its separation of authority between three branches of government and the delegation of powers to forty-nine separate sovereignties, corresponds to the requirements of a compromise among thirteen British colonies which wanted more *laissez faire* than George the Third had sense enough to grant them, but which wanted neither to be separate nations nor welded into one America. Since then, we have had again and again to choose between falling prey to European colonization and exploitation, or becoming a nation. The Civil War, which the Constitution and the Supreme Court precipitated rather than averted, settled the issue of our becoming a nation or becoming Balkanized. The work of political rationalization may be said to have been begun by John Marshall and carried on by Abraham Lincoln. Now it awaits final completion by another American Revolution. A fascist upheaval in this country would probably be, among other things, a program of drastic sociological rationalization.

On the purely economic side, the best exposition of the logic of an American fascism has been stated by Berle and Means in their book, *The Modern Corporation and Private Property*. Forty-nine per cent of all corporate wealth was controlled by two hundred corporations in 1929; by the beginning of 1932, the concentration had increased to fifty-five per cent. The significant fact brought out by Messrs. Berle and Means is that under these modern American corporate set-ups, management and ownership are divorced; thus ownership is left without control or effective representation of its interests, and management is given control without practical responsibility either to owners or to the state. These great organizations have all the weaknesses of a state bureaucracy and none of the merits of private capitalism or owner-management. Prices are formed, important decisions are made, economic empires are ruled, not by the play of a free market or in response to freely-registered movements of supply and demand, but by administrative decisions of dominant bankers and executives of a few hundred large corporations or trusts.

We are not likely to embrace Justice Brandeis' philosophy about the "curse of bigness" for we are too fond of good automobiles at \$600 and innumerable other goods and services which only large-scale industry can furnish. As it is, the Supreme Court will not authorize government to control business; the monopolies will not allow supply and demand to control prices, production, and competition; and the whole set-up will not permit the owner of corporate property to safeguard his interests, the consumer to protect himself in the market, labor to guard itself against lockouts, unemployment, and unfair bargaining acts of capital, or management to shelter itself against blackmailing

tactics of certain labor organizations. The fascist logic of this situation is a corporate state with a set of mechanisms of group representation and control. Under these, ownership, management, and labor would represent their interests and exercise their powers subject to effective governmental supervision, thus realizing some scheme of national interest.

At present, liberal critics are constantly exposing the improper acts of big business management and of minority group pressures in coercing political agencies, and in exercising economic powers of government. But well-substantiated as such criticisms usually are, they prove futile. Big business units are inevitable if we are to enjoy cheap automobiles, as well as other important commodities and services. If there is big business, it must exercise governmental functions. And no one can be expected to exercise these powers for private gain under our constitutional and judicial system without committing grave social abuses. As for minority group pressures, they represent real communities of interest and useful administrative organizations, such as our state subdivisions cannot represent. What possible community of interest is shared by an up-state New York farmer, a Wall Street broker, a Park Avenue bondholder, or an East Side factory worker—except that each has to meet certain obligations to an artificial political subdivision which does not even correspond to the requirements of efficient political and police administration? Minority groups, especially those of economic management, correspond to real needs and exercise real power: if they are not enabled by an appropriate scheme of political and economic organization to represent their interests legally and exercise their powers beneficially, they will do so illegally and anti-socially. In short, we have a real government by invisible, improper, irresponsible, and often illegal group pressures, and a visible, proper, legal, and supposedly responsible government which cannot govern but can only allow itself to be manipulated.

IV

Enough, then, about the objective conditions which might furnish some of the causes of an American fascism. Let us now consider the reasons why the indications of self-interest of the frustrated elite are most likely to supply the directives for any social revolution and so make it fascist in character. They are: one, the elite are more sensitive to grievances than the masses; two, the elite are more likely to sense and understand the indications of self-interest than the masses; and, three, the elite have more will to act and more means of action than the rest of the community. This is true even of those who have been economically ruined. They are more revolutionary in temper than the unemployed proletarian, and more skilled in the techniques of effective group action. For our purposes, the elite may be considered to mean that one-fourth to one-third of the

population which, for whatever reasons, is actually or potentially more powerful and influential than the balance of the population. This would include all the professional classes, all businessmen, all farmers, all persons having incomes well above the average, and all who by reason of personal qualities or advantages of any sort have considerably more to say about the running of things than the average man.

The communists expect that the elite will be declassed in mass by a prolonged capitalist decline and that, in their adversity, they will go over to the proletarian revolution. But things are not likely to happen that way. People don't ordinarily prove turncoats in a class war, certainly not the elite. They have a class consciousness, pride, and solidarity which the proletarians lack. In a drawn battle between ownership and labor, which is not likely to progress very far in this country, any large number of the upper class who have become reduced in material circumstances are almost certain to take over, more or less automatically, the defense of property and the interests of ownership and management. They would capture the citadel of an imperiled capitalism from the inside as an army of volunteer defenders, and would thus reinstate themselves as an army of bureaucrats. The elite may be expected to change the game when too many of them begin to lose at it. The Park Avenue and Wall Street crusaders for liberty and the present system should remember that the upper classes are more interested in the pay-off than the masses. They may be expected to profess loyalty to traditional values and to observe it when not inconsistent with present self-interest. They will uphold private property rights, subject to the degree and kinds of regulation which their other objectives may require. They will stand with ownership and management, oppose communism, and be intensely patriotic and nationalistic.

The self-interest of this class as individuals will dictate many conflicting demands, but, finally, the imperatives of order and survival will impose certain basic objectives, such as the following: One, the elimination of unemployment by adequate government expenditure on social welfare, and investment in public works and non-reproductive capital goods. (The frustrated elite include far more jobless college graduates, white-collar workers, and ruined small businessmen than bondholders interested in a balanced budget or taxpayers worried over surtax rates on high incomes, facts which many conservative crusaders of 1935 seem unable to grasp.) Two, any changes necessary to achieve number one—these would probably include (a) the nationalization of all banks so as to give government unlimited financial resources, and (b) some redistribution of wealth and income through progressive taxation to finance essential outlays for re-employment. Three, the nationalization of all important monopolies and public regulation of private small-scale enterprise, such as only a fascist revolution and a

corporate state could effectuate. Four, special favor for the small businessman and farmer, combined with new jobs for the out-elite in government work and nationalized monopolies.

The foregoing points are not intended as a probable program, but merely as suggestions of some likely objectives of any successful revolution. The revolt, of course, would have many more important objectives. It might embody some of the most advanced and desirable social measures now under consideration everywhere, and it might also be tainted with some of the unfortunate race and religious prejudices now cherished by large numbers of our people. It is easier to predict the choice of means than the choice of ends, for means are largely indicated by predictable necessities of public order. The triumphant leaders will come to power mainly because they will have recognized and undertaken to meet the new imperatives of order and efficiency in a changed world. But the choice of values and ends leaves room for almost anything, and gives ground for serious apprehensions