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BOLSHEVISM, FASCISM AND THE LIBERAL-DEMOCRATIC STATE

BY

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PREFACE

Many books have been written on bolshevism, a considerable number on fascism, and the liberal-democratic state has been depicted in numerous treatises on government. No author has described and appraised these three forms of the state in comparison with each other. Such a comparison is of the deepest interest because it deals with the most important movements of the day. It is of the utmost practical significance because the rivalry and conflict between them will result in a new form. The experiments of bolshevism, fascism and its German variant, national socialism, are having extensive repercussions upon liberal democracy. The peoples of Western Europe and of America should observe these experiments with the closest attention, especially those in Soviet Russia because they are the most far-reaching and the most profound. Many of the problems of the bolshevists will soon be imminent in the West. The methods used and the solutions attained as to the production and distribution of wealth and the organization of the state are highly instructive. To a less degree the same is true of the experience of the Italian fascists and of the German national socialists.

This book has been written in Europe and America in a time of uncertainty and unrest. The liberal-democratic state and the capitalistic system are being shaken to their foundations. Any day a war may commence, a revolution may take place, or a government may be overthrown. The struggle will

be protracted for decades if not for generations. It behooves us to study and weigh the claims and pretensions of the rival systems with the utmost care, because the fate of civilization and of mankind is at stake.

New York
October, 1934

MAURICE PARMELEE

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INTRODUCTORY

BOLSHEVISM, FASCISM AND THE LIBERAL-DEMOCRATIC STATE

Chapter I

THE ATTACK UPON DEMOCRACY AND PARLIAMENTARISM

Scarcely two decades have elapsed since the commencement of the European War, falsely called the "World War," which was expected to bring perpetual peace. And yet in 1934 there is much more apprehension of war than there was during the first half of 1914. Warfare, worldwide in extent and destructive of civilization, is feared.

During the past century has taken place an unprecedented technological advance which has increased economic productivity many times. Mankind has scarcely tripled since 1800. And yet economic distress is worldwide. With the exception of Soviet Russia, every country is suffering from a severe crisis and depression.

The fear of imminent war and the economic misery are mingled with a dread of far-reaching political and economic changes the nature and effects of which are little understood. In each of several countries a single political party dominates the situation. This is a new event in history the consequences of which cannot yet be fully gauged. In some of these countries it has resulted in giving to the capitalist class a monopolistic control which has deprived the workers of their political and economic power.

On the other hand, for the first time in history the proletarian class is in control in one country. Russia, having abandoned political democracy temporarily and abolished capitalism entirely, has already reached the stage of state socialism and is well on its way to communism. This means a broadening of the scope and an accentuation of the intensity of the class struggle which will decide the fate of capitalism. A few historical facts will render more comprehensible the setting of the world drama.

Modern democracy is a product of the French Revolution of the eighteenth century and of the industrial revolution of the eighteenth and nineteenth centuries. Parliamentarism was introduced in England in the seventeenth century. The emphasis placed by the French Revolution upon liberty and equality led to the widespread acceptance of these two democratic principles. The industrial revolution and the rise of capitalism at first required political democracy in order to give ample scope to private business enterprize unfettered by feudal lords or absolute monarchs. The democratic revolution freed the middle or bourgeois class and made it dominant in the Occident.

The liberal-democratic state, in its economic aspect, is based upon the private ownership of the means of production and free private business enterprize. In its economic organization it is a form of capitalism. In its political aspect it is based upon the party system and parliamentarism. These involve the popular election of representatives and the control of the executive by the legislative and judiciary branches of the government. It is opposed to feudalism, absolutism, and clericalism. As contrasted with the feudalistic, monarchistic, and theocratic types of the state, it is the secular or lay state and also the civil state based in theory if not in practice upon the will of the people.

Liberal democracy postulates, in theory at least, the equality

of all citizens before the law. Certain civil liberties are recognized and to some extent safeguarded. Among them are freedom of speech, of publication, and of assembly. The police powers and economic functions of the state are limited, while the rights of the individual are expanded. There is a tendency towards a *laissez-faire* policy both in political and in economic affairs.

The liberal-democratic state has modified the status of war and of peace. A secular state is not interested in carrying on religious wars. Monarchism, wherever it still persists, is too weak to instigate dynastic wars. On the one hand, the orderly development of capitalism and its international and world-wide ramifications demand peace and have given rise to a pacifist movement. On the other hand, capitalistic interests in different countries are often opposed to each other. Certain groups of capitalists in all countries, the armament manufacturers in particular, wish to incite wars or at least military preparedness which instigates war. The liberal-democratic states have had many wars which have been almost entirely economic in their origin. They have maintained large standing armies and have fostered a militarism which is nationalistic in sentiment. Their wars have been fought not by mercenaries and only in part by conscripted soldiers, but to a considerable extent by citizen volunteers who have represented the highly exacerbated national sentiments of their peoples.

The European War of 1914 to 1918 habituated many peoples to violence and emergency dictatorships. It overthrew several monarchies and discredited political democracy and parliamentarism in a measure for their inefficiency in wartime. In many other ways it weakened the cult of liberty. At the same time it increased greatly the spirit of nationalism. This is not necessarily incompatible with the liberal-democratic state. But an intense nationalism tends to place the interests of the nation and of the state above those of the individual. Thus it violates

some of the principles of democracy. On the other hand, the European War stimulated an opposing current of internationalism which also menaces the liberal-democratic state.

After the European War came a period of prosperity more or less favorable to liberal democracy. The intense and prolonged economic depression which followed has still further discredited political democracy and parliamentarism. The liberal-democratic state is unable to cope effectively with the industrial and commercial stagnation and the widespread unemployment which have ensued. This weakness has rendered it still more vulnerable to attack on the part of its opponents. A glance at the political map of the world shows how far this attack has been successful.

Russia, the largest country not only of Europe but also of the world, has, since the Bolshevist Revolution of 1917, passed entirely from an undeveloped capitalistic stage to state socialism. Hence it has not become a liberal-democratic state as was intended by some of the anti-tsarist revolutionary groups.

Since 1922 Italy has been under the domination of the fascists. Fascism has brought capitalism to its monopolistic stage and has abolished the party system, parliamentarism in effect if not in form, democratic control over the executive, and most of the civil liberties. As its leader, Mussolini, has forcibly though crudely expressed it: "We have buried the putrid corpse of liberty."

In 1933 Germany followed the example of Italy under the misleading name of national socialism. The national socialists have added nationalistic and racial doctrines so extreme in their nature that national socialism is even more incompatible with liberalism than is fascism.

With three of the leading European countries hostile to political democracy the cause of liberal democracy is greatly weakened. The reaction against this form of the state is much more widespread. Since 1923 Turkey has been nominally a

republic but actually under the dictatorship of Ghazi Mustafa Kemal Pasha. Yugoslavia and Albania are under the dictatorships of their respective monarchs. Since 1926 there has been a dictatorship in Portugal. In 1933 a new constitution was promulgated which makes of Portugal a "unitary and corporative republic" somewhat after the Italian model but with certain democratic features. As the dictator remains in power for two years after the commencement of the new constitutional government, it remains to be seen what will happen to democracy in Portugal. Prior to the overthrow of the monarchy in Spain in 1931 there was a military dictatorship under General Primo de Rivera. While a republican form of government and a liberal constitution have been adopted, political conditions in the Iberian Peninsula are still very unsettled.

Virtual dictatorships exist in several European countries, such as those of Marshal Pilsudski in Poland, of the regent, Admiral Horthy, in Hungary, and similar conditions in Rumania, Bulgaria, Latvia, and Lithuania. In March, 1934, the Polish constitution was amended so as to give the president semi-dictatorial powers. On April 30, 1934, the Austrian parliament adopted a new constitution which made Austria a "Christian German Federal State on a corporative basis," similar to the Italian fascist state.

In several countries, such as Czechoslovakia, Holland, Belgium, and Switzerland, is manifested a tendency to delegate to the executive branch financial and other powers usually exercized by the legislative branch of the government. In most of the other European countries are parties with fascist tendencies and a press of their own.

Parliamentary government has not attained a stable footing in most of the Latin-American countries. Military and civil dictatorships have been common, but usually with no political theories or programs back of them. Brazil has recently adopted a new constitution which displays tendencies towards

the "integral state." This bears some likeness to the "unitary and totalitarian" state of fascism and national socialism. Mexico has a constitution with an extensive social content and a great deal of social legislation. The sources of this legislation are socialistic rather than fascist in their nature.

The profound economic depression in the United States resulted in the spring of 1933 in the giving by Congress of exceptional temporary powers to President Franklin D. Roosevelt. Whether or not this marks the first step in a permanent tendency away from a liberal-democratic form of government remains to be seen. To say the least, a more socialized form of government may result from the present situation.

In Asia liberal democracy has not taken firm root. While Japan has imitated European parliamentary forms, the Japanese government is mainly a militaristic and imperialistic oligarchy. China, with the exception of Soviet China, is ruled in part by military war-lords and partly by the Kuomingtang. The latter is a nationalistic party with divergent tendencies within itself. The left wing is somewhat socialistic and the right wing rather conservative.

The extensive changes taking place require a radical revision not only of political but also of economic theories. These changes have been too much ignored both in practice and in theory. Post-war conditions have favored the establishment of fascist dictatorships in several countries of which Italian fascism is the prototype and model. Bolshevism has attained control only in Russia. But communistic ideas are spreading among the proletarian workers and intellectual radicals of most countries. Bolshevism cannot claim a monopoly of international communism, nor can fascism of the nationalistic state. But these somewhat extreme international and nationalistic movements are having much influence at present.

These two political and economic systems challenge political democracy and representative government. Bolshevism, some-

times called Leninism, is a form of Marxism which advocates an extensive use of violence in order to hasten the revolutionary processes, but proposes to return to political democracy eventually. Fascism harks back to the traditions of ancient Rome and of the medieval city state in Italy, and borrows from papist hierarchical and modern nationalistic institutions. In the form of German national socialism, it reverts to the traditions of the ancient Teutons. It is the supreme expression of chauvinistic nationalism. While extraordinarily similar in many of their methods, bolshevism and fascism differ fundamentally in their ultimate aims and philosophies.

As methods, bolshevism and fascism utilize force to an almost unlimited degree. Through control of the press, theater, schools, etc., they carry on an intensive propaganda. They organize the young from the earliest age and attempt to control the leisure time of the workers, thus reducing considerably the field for spontaneous social activity. Reacting against the inefficiency of parliamentarism, they have restricted political democracy, reduced representative government, and established oligarchical dictatorships which approach despotic rule.

In each case this situation has been attained through a party organization which forbids other parties. This monopolistic party contains a small minority of the population, maintains a rigid discipline over its membership, and is directed by a hierarchical oligarchy. It controls its respective government completely. Its program is not only political, but includes economic reorganization and many cultural ends.

With regard to ultimate purposes, bolshevism socializes the means of production, organizes state production and distribution, abolishes nationalism, and attempts to incite a world revolution. Its philosophy is materialistic and its logic dialectic. It combats religion and glorifies science which it often uses for its own ends. It implies fundamental changes in ethical ideals

and cultural standards, and has already considerably modified the ideology of the Russian people.

Fascism maintains private ownership of the means of production, and attempts to regulate economic life through guilds of employers and of workers. It is intensely capitalistic as well as nationalistic. It has no characteristic philosophy, apart from a faint tinge of pragmatism. Hence it is very opportunistic, and often makes sudden and sometimes startling changes of policy. It has only slightly modified the ideology of the Italian people, and its ultimate significance for the transformation of culture is far more limited than that of bolshevism.

The struggle between bolshevism, fascism, and the liberal-democratic state, which is the political organization of capitalism in Western Europe and America, raises many interesting and important questions. Among them are those of personal freedom, the relation of the individual to the mass, the relation of youth to adulthood, the relations of the sexes to each other, the solution of the conflict of the classes, personal and party dictatorships, leadership and the succession of authority, the degree and manner of using force, national and international organization, voluntary and compulsory social organization, the means of social control, the conflict between science and religion, the future of the state, and many other controversial problems of the day. Most important of all at present is the fundamental problem of economic organization.

Part I

BOLSHEVISM

SOVIET RUSSIA

Chapter II

THE PEOPLE IN ARMS

As my train crossed the Russian frontier from Finland I saw several bayonets silhouetted against the sky back of the flat landscape. Several months later as I rode into the port of Batum, thousands of kilometers away at the other extremity of Russia, I saw a line of bayonets silhouetted against the Black Sea. At almost every turn in town and city and very often in the villages and country one encounters a sentry with bayonet protruding above his shoulder. This is the only country where soldiers habitually carry their rifles with the bayonets fixed.

One of the most familiar sounds in Russia is the "tramp, tramp" of the heavy boots of the soldier. In squads of a dozen or more, to and fro from sentry duty, to and from their barracks, usually with their bayonetted rifles over their shoulders, sometimes singing their rather doleful songs, the soldier is the ever-present feature of the Russian scene. In Moscow and elsewhere one often encounters long lines of cavalry and of artillery and its equipment, as well as of infantry filing through the streets. Why is Soviet Russia a land bristling with bayonets?

In the autumn when the crops have been harvested the youthful conscripts are called to the colors. Much of their drilling is in streets and other public places. In Baku I sat on the edge of the sidewalk in an open square and watched several squads at work. Some of the young soldiers were vigorously stabbing with their bayonets at stuffed images of human beings. Others were sighting and manipulating machine guns. In

numerous towns and cities I witnessed similar scenes. As there is plenty of space for parade grounds, the only possible reason for drilling in crowded centers such as the Square of the Revolution and the Red Square in Moscow is to impress the populace with the armed might of the bolshevists.

In many of the clubs and red corners which I visited, as well as in offices, factories, etc., the parts of a rifle are displayed on a wall and other means of military instruction furnished for the women as well as the men. In many of the schools military instruction forms a part of the obligatory curriculum for both sexes. In a "rabfak" or workers' school the principal showed me with pride the military classroom where there was elaborate equipment for studying war tactics and strategy. He stated that this equipment was provided by a private society engaged in raising funds for this purpose.

A large part of the population is organized on a military basis. Office employees have target practice, study military tactics, and the like. Sport and physical culture are to a large extent directed towards military ends. In an article in one of the leading weeklies concerning the Komsomols or Young Communist League are described the military activities which are often associated with their sports. It reproduces photographs of maidens as well as of youths drilling with guns, of a military campaign of the young workers, etc.

Early in the morning of the seventh of November I walked into the Red Square and took my place in the tribune beside Lenin's tomb. From eighty-thirty until ten o'clock under the somber autumn sky troops were marching in until the center of the square was a solid mass of infantry. At the back stood long lines of cavalry. In front were gathered all of the regimental bands. Before the Lenin monument stood the foreign military attachés.

At ten o'clock cannon were fired twenty-one times in the Kremlin behind us. The pigeons, alarmed by the unaccustomed

sound, flew up in flocks from the wall. A heavy pall of smoke drifted slowly over the square. The bands played the "Red International" while the crowd removed their hats.

From the entrance to the Kremlin emerged the elderly peasant Michael Kalinin, the chairman of the presidium of the Central Executive Committee of the Soviet Union, and therefore the chief of state so far as Soviet Russia has such a chief. He was clad in a dark-colored European business suit and overcoat and a black soft felt hat. The crowd in the tribune cheered mildly as he walked past. With Voroshiloff, the commissar of the army and navy, and Budyenny, the inspector-general of cavalry, he entered an automobile and inspected the troops. As he passed each regiment he held his hand at salute and the soldiers saluted and cheered. Then he returned to the Lenin monument and made a short speech through the radio which was less warlike towards other countries than in former years.

Regiment after regiment of infantry marched past, spick and span in new uniforms. Then came men not in uniform but carrying guns. These were veterans, reserves and recruits. A small naval detachment followed. Then came nurses in white head-dresses. A small group of women carrying light-weight rifles and officered by men marched by. Then came field artillery of many kinds, drawn by horses and on trucks. Armored cars, searchlights on trucks and various forms of field equipment followed. Then the cavalry dashed past, each battalion vying with the others in speed and daring. One cavalryman fell off his horse and was carried off the field. Cossacks performed feats of horsemanship.

While all of this military display was going on, four or five dogs nonchalantly played a game of tag with each other under the feet of the infantry and the hoofs of the cavalry, unconcerned with the human follies being perpetrated around them.

It was the most elaborate martial demonstration I have wit-

nessed since the European War. The grand parade of the Entente Allies on the fourteenth of July, 1919, in Paris, which I watched from the Hotel de Crillon in the Place de la Concorde, fell far short of it. Indeed, I doubt if I have seen any military review anywhere in which so many soldiers took part. And yet the thousands of spectators were rather apathetic. Occasionally they clapped a little, as when an unusually spirited cavalry contingent dashed by. Horses are sometimes more interesting than human beings.

About noon the martial portion of the demonstration terminated. The foreign military attachés hastened to their embassies and legations to send dispatches to their respective capitals reporting that the Red Army is in the best of condition. The chiefs of staff in these capitals sat up straighter in their bureaucratic armchairs and began to plan for larger armies and better equipment. Thus does the militarism of one country aggravate the militarism of all other countries.

Now commenced the civilian portion of the demonstration. Huge masses of workers' organizations poured into the square carrying banners, floats, cartoons, and other pictorial devices. Some of these were caricatures of European statesmen, though there were fewer of them than in the past. Others were terrorist scenes purporting to depict the "White" terror. The "Red" terror was ignored. There were several floats of MOPR, the International Class War Prisoners' Association.

After a time I left the square and went to the foot of the Tverskaya. As far as I could look up this long street, it was filled with workers' organizations. Men and women, boys and girls, they were moving slowly or standing while awaiting their turn to enter the square. They looked weary and there was no sign of gaiety. Had they come voluntarily or owing to social pressure? This is a question which often arises in Soviet Russia.

The city was somewhat decorated with red banners and

bunting. The Dom Soyuzov or headquarters of the Moscow labor unions, which was formerly the club of the nobility and is a very beautiful building, displayed the most elaborate decorations. On the wall of the Kremlin were the dates 1917, the year of the Revolution, and the current year in large red letters with an enormous red flag between. Behind the tribunes were a huge sickle and hammer, the emblem of the Soviet Union.

Throughout the celebration of the principal Soviet holiday there was no gaiety and few outward signs of enthusiasm. The people in the parade and on the streets looked rather solemn, almost depressed. It bore not the slightest resemblance to Quatorze Juillet, when large crowds dance in the streets of Paris, Sylvester Abend in Berlin where the new year is greeted uproariously, Fourth of July in the United States with its picnics, sports, and fireworks, Mardi Gras with its carnivals in Latin countries, election night with its high spirits in New York City, and many other national holidays which I have witnessed. There was no sign of rejoicing, no bacchanalian spirit, and almost no appearance of a carnival. A few persons have averred to me that the Russians were never gay. Is this the reason, or are they engrossed with the grave tasks of the Bolshevist Revolution?

I have not given this brief description of scenes witnessed in the Soviet Union with the intention of criticizing bolshevism. My purpose is to illustrate in graphic fashion the fact that the Soviet state is for the present based upon force and violence. The justification alleged by the bolshevists is that "the Revolution is not finished, and foreign intervention is imminent." This justification will be elaborated in greater detail below.

In modern times every country professes to arm itself only for defense. In some countries a national fear psychology is highly developed which aids militarism. This is true of Germany at present. It has not been true of Russia in the past. The Russian people has felt itself comparatively safe from

foreign invasion in its vast territory, and with justification because invading armies have usually lost themselves in the immensity of this land with its rigorous and somber winter. The bolshevists have instigated and stimulated such a psychology. War rumors and scares appear often in the Russian newspapers. At one time and another it is Poland, or Japan, or England, or France, or Germany, which is the immediate danger. At all times, Russia, as the only proletarian country in the world, is represented as facing its numerous foes alone. The messianic mission of freeing the working class of the world takes the place of imperialism, "the white man's burden," democratic and republican ideologies, racial theories, and the other rationalizations by which war has been justified by the militarists in other countries.

As the bolshevists are aware of the opprobrium under which the term "militarism" has fallen, they allege that this is not militarism but "vo-ee-nee-zatz-ye," derived from the word for war, which may be literally translated as "warism" or "war-ination." This is a difference in sound without any difference in meaning.

The evidences of militarism are widespread. It permeates the work and the play of the people, and manifests itself in factories, offices, and schools. It embraces not only the men but the women and children as well. There is universal conscription for men, with various exceptions as in other countries. There is no conscription of women in time of peace, but they receive military training at their places of work. Certain military careers are open to women. Through the schools and youth organizations the young of both sexes are militarized to a certain extent. There is a private society (*Aviakhim*) to raise funds for military aviation and chemical warfare. Military demonstrations take place on national holidays. There is a standing army of over half a million with an enormous reserve.

In time of war both sexes may be conscripted for military service.

When Lenin was in power a law was enacted which exempted religious conscientious objectors. In 1924 this law was changed so that only a few sects which were exempted under tsarism are now exempted. Other objectors are sent to prison for from one to five years and in time of war may be executed. In a Moscow court I attended the trial of a twenty-year-old boy who alleged that he belonged to an Evangelical sect which forbids military service, and asked for exemption. A representative of the Red Army appeared against him. The court questioned him as to why he had left the Orthodox church to join the Evangelical sect. Most of these applications are rejected. Then the delinquents are tried and sentenced to prison. After one or two such sentences they are usually freed in time of peace.

This brief description gives some indication of the extensive preparations made by the bolshevists against the external menace of foreign invasion. The effect of Russian militarism upon other governments and general staffs is the same as militarism everywhere. Whenever a nation increases its armaments, it is an incitement to all other nations to do the same, because no nation thinks that it can afford to remain weak in an armed world.

There is, however, another side to the picture. Russian militarism differs in certain important respects from militarism in every other country. The Red Army carries on extensive educational and cultural activities for its soldiers. It is worthy of note that the former head of these activities, Bubnov, is now the commissar of education of the Russian Federation. Every illiterate conscript must learn to read and write if possible during the first thirty days of service. The education of every soldier is supplemented according to need. There is a good deal of political instruction with a strong propagandist tend-

ency, so that the Red Army is a school of politics as well as of war.

Some of the cultural activities can be graphically indicated by describing the club of the Red Army in Moscow. It is a palatial and luxuriously furnished building, formerly a school for the daughters of the nobles. It contains a museum of the history of the army during the period of the revolution, counter-revolution, intervention, and civil war, namely, from 1917 to 1922. The Red Army originated as a red guard among the workers of Petrograd in 1917. At first it was voluntary and then became compulsory. In 1920 it attained the enormous size of 4,500,000 soldiers, but dropped to 1,300,000 in 1921. During this period the invasions under Kolchak, Denikin, Yudenich, and Wrangel were stopped and the foreign troops driven out, and Poland was defeated. The soldiers were then put into the work of reconstruction. There is also a museum of the Paris Commune in the club of the Red Army. In the auditorium which seats one thousand an orchestra was practising at the time of my visit. There are recreation rooms for chess and other indoor games and a library. Exhibits concerning sanitation, current political events, military and naval affairs, and aviation supplement the educational work. Everything in the building is spotlessly clean and in order. There are numerous "no smoking" signs. On the whole, it is rather oppressively grand and not conducive to relaxation. Propaganda and edification are somewhat too prominently to the fore as is usually the case in Russia. Very characteristically a rifle range is the only form of sport. There are many other army clubs in Russia, though usually not on so grand a scale.

When a soldier returns to his village or town he is expected to serve as an agent of education and of culture, to take part in the campaign against illiteracy, and to disseminate communistic ideas. While in military service soldiers are often sent home during the harvest season to help reap the crops. At

other times they are set to work upon public undertakings of one sort or another. These facts indicate that whereas the Red Army exists primarily for military purposes, it also performs extensive educational and social functions.

In the relations between officers and men the Red Army is more democratic than any other army. When off duty the soldiers are not compelled to salute their officers. The officers themselves when off duty often remove the insignia of their rank from their uniforms. All officers above the rank of major are known as "commandants." Although the military is much in evidence in Russia, I have never seen it manifest a tendency to swagger, to browbeat and to assume an attitude of superiority towards the civilian population. It asserts authority only when on duty and on specific orders. This is as true of the officers as of the men.

In recent years the Soviet government has displayed a great readiness to sign peace pacts and to follow an irenic policy in its foreign relations. This is due in part to the desire of the bolshevists to build up their system at home before undertaking any adventures abroad. It is also due to the fact that they do not regard war as beneficial and as an end in itself. In Soviet Russia there is no exaltation of war as a noble and meritorious activity. This often happens at present in Italy and Germany. In 1932 Mussolini extolled the virtues of war as follows: "Fascism does not believe in the possibility nor in the utility of perpetual peace. . . . War alone carries to the maximum of tension all human energies and puts the seal of nobility upon the peoples which have the virtue to confront it." [1] Edmondo Rossoni, honorary minister of state and secretary of the Italian cabinet of ministers, repeatedly declared in a conversation with me that "War and revolution are the two great stimuli of human progress."

[1] Translated from the article on "Fascism" in the fourteenth volume of the *Enciclopedia Italiana*. This article purports to be the most fundamental statement of the political and social doctrines of fascism as set forth by its leader.

The bolshevists exalt peace and not war as the ideal state of society partly from a humanitarian point of view and partly because they do not believe in a future life in which suffering and death in war will be rewarded, but mainly because they are communists and therefore internationalists. They will not hesitate to use war as a means to their own ends if and when they think that they can advance the world revolution by so doing. In a later chapter will be expounded their theory of the world revolution. It may be pointed out here that this theory leads to a universal international state which would automatically eliminate war, as opposed to the intensely nationalistic theories of fascism and of national socialism, and the nationalistic and imperialistic tendencies of capitalism in general.

There are also utilized various measures which are auxiliary factors to the military methods which have been described. Among them are the censorship of the press, books, public assemblies, mails, theater, art, etc.; the extensive propaganda which colors Russian life; the surveillance over foreigners traveling and residing in the Soviet Union; the restrictions upon the emigration of its citizens; and the attitude of the Soviet government towards the increase of population. This attitude is dictated in part by the desire to augment the "Kanonen-Futter" or number of men available for the army and for war. The *Bolshevist Encyclopedia* states that the passport system was one of the most odious features of the tsarist régime, and that the abolition of this system was one of the most meritorious acts of the Revolution. In spite of this statement the Soviet government has recently introduced the passport system for the temporary regimentation of its citizens.

The principal auxiliary of the military forces is the state police system which is partially secret in its organization, personnel, and activities. In order to understand this system fully it is necessary to survey certain historical facts. The first Tartar

invasion in the thirteenth century and three centuries of Mongolian domination introduced autocratic rule into Russia. The Opritchina was the secret police system of the earlier tsars such as Ivan the Terrible. In 1882 was established the Okhrana, a similar secret police system, to combat revolutionary activities. With the success of the Revolution in 1917 it disappeared. But its traditions and methods persisted and influenced the corresponding bolshevist organizations which succeeded it. On December 20, 1917, was founded the Tcheka as an extraordinary commission to combat counter-revolution, speculation, and sabotage. It was inspired by a mixture of Asiatic Tartar spirit and of Marxian theory. Its functions and activities increased rapidly and included among other things the supervision of railways and the collection of taxes. Its methods were to a large extent secret and included mass executions, the taking of hostages, the use of agent-provocateurs and spies, the exiling of its victims to Siberia, etc. In February, 1922, the name of the Tcheka was changed to OGPU, which is an abbreviation for "Unified State Political Administration." This change was probably made because the Tcheka had acquired an odious reputation and the bolshevists wanted to curry favor with foreign nations. It has been estimated that from 1918 to 1924 at least 50,000 of its victims were executed by the Tcheka.[1] For the two months October and November, 1929, the Soviet press itself reported 246 executions of which 147 were koolaks or so-called rich peasants, 39 enemies of the Soviet government, 32 for religious activity, 25 specialists and saboteurs, and 3 contrabandists and spies. It is impossible to state the total number since 1917.

The Tcheka-OGPU has played a more prominent rôle than the Spanish Inquisition, the Comité du Salut Public after the French Revolution, and the Okhrana. The OGPU, or GPU as it is usually called, is the executive arm of the Soviet govern-

[1] See George Popoff, *The Tcheka, The Red Inquisition*, London, 1925.

ment and carries out its decrees. It works under the auspices of the Council of People's Commissars, and its president sits on the Council with an advisory vote. It is much more extensive in its size, functions, and power than the tsarist secret police. Some of these functions are ordinary administrative activities without any political significance and usually carried on without secrecy.

Several of the victims of the GPU have described to me their experiences. Usually its agents arrive in the middle of the night and ransack the belongings of their victim. Then he is taken to their prison and held incommunicado. He has no right of counsel or of summoning witnesses in his own defense. He is questioned by the collegium of the division of the GPU concerned with his case and required to sign a protocol which purports to set forth what he has said. The judgment is rendered and executed in secret.

Unlimited power without legal and judicial checks is always dangerous and certain to lead to abuses and injustices. There have doubtless been numerous Sacco-Vanzetti cases in Soviet Russia. They cannot be investigated and made known because all the facts are suppressed. Such a situation opens the way to terrorism. Many bolshevists have admitted that the Red Terror exists in Russia.

Lenin defined dictatorship as follows: "Dictatorship is a system supporting itself directly upon force, uncircumscribed by any law and subject to no regulations." Dictatorship so defined is coterminous with terrorism. Bukharin, one of the leading theoreticians of bolshevism, in his *A B C of Communism* asserted that "all Soviet authority is transferred from the top to the lowest rung of the administrative ladder." Bieloborodoff, who was an assistant of the late Djershinsky, the first chief of the Tcheka, characterized the Red Terror as follows: "Terror is the basis of the Soviet power." Latzis, another leader of the

Tcheka-GPU, stated its object: "We are destroying the bourgeoisie as a class. Do not ask the defendant what he did—ask him what class he belongs to, and this question shall decide his fate. In this is the significance and the substance of terror." Steinberg, a former Soviet commissar of justice, now in exile, characterized the Red Terror in the following words: "Terror is not an incidental act, nor an accidental expression of governmental displeasure, however frequently repeated. Terror is a system of violence, ever ready to punish from above. It is a system of instilling fear, of compulsion, of mass destruction, elevated to the status of law." [1]

The most detailed description and defense of the Red Terror has been furnished by Krylenko who began his career as an ensign in the tsarist navy, became the first chief of the Red Army, then public prosecutor of the GPU in Moscow, and is now Soviet commissar of justice. In a pamphlet on the Red and the White Terror published by the communist party of Great Britain, he characterized the GPU as "the organ for ensuring the safety of the Workers' and Peasants' Soviet State from its class enemies." He justified the Red Terror in the following words: "We admit the fact of 'terror.' We recognize that in the period of the dictatorship of the proletariat the working class building up communist society finds it necessary and expedient to deal harshly and ruthlessly with all who endeavor to break down and destroy that communist structure."[2] Krylenko alleged that the menshevists and social revolutionaries are still working against bolshevism and that many of them are in prison in Russia and Siberia.

The foregoing quotations prove conclusively that the bolshevists consider terrorism as necessary in order to attain the end of the class struggle, namely, the destruction of the bour-

[1] The preceding quotations are taken from a speech by Professor Paul Milyoukoff in the French chamber of deputies on January 29, 1930.

[2] N. Krylenko, *Red and White Terror,* London, 1928, pp. 1 and 7.

geois class.[1] It is essential to have this in mind before going on with a consideration of the bolshevist dictatorship or so-called dictatorship of the proletariat.

[1] It has been rumored that the GPU will be abolished soon, and that most of its authority will be transferred to the courts. A letter to me from the Soviet embassy in Washington, dated June 8, 1934, does not confirm this rumor. But it is certain that the GPU and terrorism will disappear when the last vestiges of capitalism have been destroyed. The party congress in Moscow in January, 1934, discussed this subject. (The *Nation*, New York, June 13, 1934, p. 668.)

Chapter III

BOLSHEVIST PARTY DICTATORSHIP AND THE SOVIET GOVERNMENT

In most countries the state is, in theory at least, the supreme power and the government its organized manifestation. In point of fact, the state, which in modern times is supposed to represent the entire population, has in many places at one time or another been controlled by a comparatively small group. This group may be ethnic, namely, one race dominating other races. It may be a priesthood controlling a theocratic state. It may be a hereditary dynasty or nobility. It may be one or more of the castes of a caste system. Very often it has been an economic group such as slave-owners, feudal landlords, or capitalists owning and controlling the means of production.

Lenin defined the state as follows: "The state is the instrument of the suppression of one class by another." This is in accordance with the communistic theory that the state is the organ of exploitation by a ruling class. Hence the communists conclude that with the disappearance of classes the state itself will disappear. We shall discuss the ultimate fate of the state in a later chapter. The communistic theory of the state lends justification to the dictatorship of the proletariat. In any case, the dictatorship by a party is historically congruous with the domination by various groups mentioned above. The outstanding difference is that the bolshevist party proposes eventually to include the whole population whereas the above-mentioned groups can by their very nature never include more than a small proportion of the population.

Before discussing the bolshevist party dictatorship it may

be well to describe briefly the organization of the Soviet government. The Soviet Union is composed of federated states somewhat like the United States. It was formed in 1922 of the Russian, Ukrainian, White-Russian, and Transcaucasian socialist federated soviet republics. Later were added three Central Asiatic socialist soviet republics, namely, Uzbekistan and Turkmenistan in 1925 and Tadjikistan in 1929, thus making seven republics in all.

The chief organ of the Soviet government is the Congress of the Soviets in which are vested the supreme legislative, administrative, and judicial powers. It even has the power to change the Constitution of the Soviet Union. Its members are elected by the county (*krai*) and provincial (*oblast*) congresses of soviets and by the congresses of the autonomous republics and autonomous regions. The members of these regional congresses are chosen by the district congresses whose members are in turn elected by the local soviets which constitute the primary and basic elements of the governmental system. These local soviets are elected by the workers, peasants, and soldiers from their places of employment, namely, from the factories, mines, farms, trade unions, army, etc. Every soviet of each grade has its *presidium* or executive committee which conducts its affairs when the soviet is not in session.

This system resembles in outward appearance the legislative system of the United States and of many other countries where the parliamentary system prevails. Certain differences should be noted. The representation is more occupational than it is territorial. With the exception of the local soviets the legislators are not elected directly by the people. There is not the division of powers which obtains in most countries, since not only legislative but also administrative and judicial powers are concentrated in the legislative bodies. The executive committees can exercize a good deal of legislative power during the intervals between the sessions of their respective legislatures.

The Central Executive Committee of the Soviet government is composed of the Council of the Union and the Council of Nationalities. The first includes representatives from all the federated republics in proportion to their population. The second includes five delegates from each of the united and autonomous republics and one from each of the autonomous regions. This insures a representation of every nationality, however small. Subject to the All-Union Congress, the Central Executive Committee has extensive legislative powers.

The Presidium of the Central Executive Committee is composed of nine members from the Council of the Union, nine from the Council of Nationalities, and nine elected by the two councils jointly, or twenty-seven members in all. It is in session almost all the time and supervises the activities of the governmental departments. It also has certain powers to legislate and to draft legislation.

The Council of People's Commissars is the administrative organ of the government. Its functions resemble those of the state departments and ministries in other countries. It also has a certain amount of power to promulgate laws and decrees. In addition to its chairman and vice-chairman it includes the commissars of foreign affairs, military and naval affairs, rail transport, water transport, post and telegraph, foreign trade, heavy industry, and the lumber industry. These commissariats are for the Union as a whole. It also includes the commissars of the joint people's commissariats of finance, workers' and peasants' inspectorate, light industry, agriculture, and supply. These commissariats are not only for the Union as a whole but also supervise the corresponding commissariats of the various republics. In addition each republic has certain commissariats which the Union does not have, namely, justice, education, health, and social welfare.

Each of the federated republics has its own constitution and governmental bodies patterned after those of the Union,

namely, congress of soviets, central executive committee and its presidium, and council of people's commissars. The right of suffrage is universal for all citizens eighteen years of age and over engaged in socially useful labor.

The Supreme Court of the Soviet Union supervises the supreme courts of the republics. It has to submit its findings as to the constitutionality of court decisions to the Central Executive Committee which is in turn subject to the Congress of the Soviets. This illustrates how the All-Union Congress is the supreme judicial as well as legislative and executive authority. The courts, public prosecutors, legal defense organs, etc., in each republic are under the supervision of the people's commissariat of justice of that republic.

This summary description indicates that most of the drafting of legislation is performed by the executive organs of the legislative bodies, and that these executive organs themselves have certain powers of legislation. This tends to centralize authority more than in many other types of government. This centralization is not in individuals but in legislative and executive bodies. There are no offices similar to those of the American presidency and the prime ministership of many European countries. This is in accordance with bolshevist and communistic theory, which emphasizes the social whole but not the individual unit.

This centralization of power tends to increase the stability and the continuity of policy of the Soviet government. The soviets of all the different grades, local, district, regional, of the republics, and of the Union, meet usually only at certain times and for limited periods. During the intervals their executive organs are at work not only administering the laws but also drafting new legislation and even enacting certain kinds of laws.

Soviet stability and continuity of policy are greatly reinforced by the fact that there is only one party. Even if there were

more than one party, it is not likely that the government would change so suddenly and so often as happens in certain countries where parliamentary government prevails. For example, the French chamber of deputies is composed of 612 members divided up into eighteen party groups ranging in size from 162 to 5 members.[1] No party alone can maintain a government. Only by forming a *bloc* containing a majority can a prime minister and his cabinet remain in power. If defeated on any measure of importance, they must resign. It often happens that there are several ministries in one year in France.

In the Soviet system the soviets are elected for definite periods of time. They meet to consider the legislation drafted for them by their executive organs, to approve or disapprove the acts of these organs, to initiate whatever new legislation they see fit, and to discuss general lines of policy. Their executive organs do not stand or fall according to the decisions of the soviets as to single measures.

It is not so easy to describe the organization and sources of power of the bolshevist party. In many governments the power is not concentrated or distributed in practice as is indicated by the constitution and organization of the state. There may be a "kitchen" or "backstairs" cabinet exercizing an overwhelming influence. This hidden power usually represents a special group of interests. The press often represents a special group and exercizes much influence. Soviet Russia is not alone in possessing an extra-constitutional power more powerful than the government itself. But this power is not hidden and denied but open and frankly avowed. The source of this power is to be found in part in the history of the bolshevist party.

The Russian social-democratic labor party was formed in 1898. At its second congress in 1903 a split took place between

[1] These figures are taken from *Le Temps*, Paris, November 5, 1933. From the foundation of the Third Republic in 1871 up to the end of 1933 there were 94 ministries, or an average of one and a half a year.

the bolshevists under Lenin's leadership and the menshevists. The bolshevists favored greater use of violence, a rigid discipline within the party, and encouraging the proletariat to participate as much as possible. The menshevists advocated less rigid conditions of membership, and wanted to give the intellectual leaders more influence. After the Revolution of March, 1917, which overthrew the tsarist government, the exiled bolshevist and menshevist leaders returned. For several months a political struggle for the ascendancy took place between the social-revolutionary and the constitutional-democratic parties which were in power and the bolshevists and menshevists. On October 23, 1917, the central committee of the bolshevist party decided upon a revolution against the provisional government of Milyoukoff and Kerensky. The Bolshevist Revolution took place in Petrograd on November 7, 1917. It was rendered possible by the defection of many of the soldiers in the vicinity of Petrograd who were dissatisfied with the provisional government because it had not terminated the war with Germany. The bolshevists promised the soldiers to end the war and to establish a workers' government. The peasants gave little support to the bolshevists and were mainly under the influence of the social revolutionaries. The railway union was also against the bolshevists. For several days the Revolution hung on a thread. Several compromises had to be made with the social revolutionaries and the menshevists.[1]

These facts indicate that the Revolution was not made by the people and that the masses were not revolutionary. Lenin himself was under no illusions on this score. Several months earlier, at the Petrograd conference of the bolshevist party, on May 10, 1917, he had spoken as follows: "It is absurd to consider that we are 'leaning' on the revolutionary masses, etc.,

[1] A graphic account of the November Revolution is given by an American newspaper correspondent who was on the scene. See John Reed, *Ten Days that Shook the World,* New York, 1919. See also Arthur Rosenberg, *A History of Bolshevism,* New York, 1934, translated from the German. A history from Marx to Stalin.

etc.; it is useless as long as we have not explained to the soldiers or to the unenlightened masses the significance of the slogan: 'Down with the war.' . . . The next step is the dictatorship of the proletariat; but the proletariat is not yet sufficiently organized and enlightened; it has still to be instructed."

This attitude, expressed by Lenin, characterized the future policy of the party as subsequent events indicated. The freedom of the press was at once suppressed in the face of severe criticisms not only from the social revolutionaries and menshevists but also from some of the leading bolshevists themselves. Several members of the central committee of the party resigned and were denounced as traitors by Lenin. In a speech to the Petrograd Soviet on November 17, 1917, Lenin justified censorship as follows: "We bolshevists have always said that when we reached a position of power we would close the bourgeois press. To tolerate the bourgeois newspapers would mean to cease being a socialist. When one makes a revolution, one cannot mark time; one always must go forward—or go back. He who now talks about the 'freedom of the press' goes backward, and halts our headlong course towards socialism."

The other parties demanded a coalition government and were supported by some of the members of the bolshevist central committee, among them being Kamenev, Zinoviev, and Rykoff who resigned from the committee. A constituent assembly had already been called before the Revolution. It was convened on January 17, 1918. The majority of its members were social revolutionaries and menshevists. They demanded that the supreme authority be transferred from the Central Executive Committee of the Soviet government to the assembly. On January 18, 1918, the Committee dispersed the assembly with the aid of the soldiers under its command, and it never met again.

In February, 1918, the bolshevists redeemed their promise to the soldiers by negotiating the Treaty of Brest-Litovsk which

terminated the war with Germany. This treaty was ratified by the seventh congress of the bolshevist party which met in March, 1918. At this congress the name was changed to the Russian communist party. I shall, however, ordinarily use the term bolshevist as designating the Russian type of communism.

One of the earliest acts of the bolshevists after coming into power was to abolish the private ownership of land. For the peasants this meant freeing them from their obligations to their former landlords and giving them the free use of the land. This act strengthened greatly the position of the bolshevists with the peasants. As we shall see, the greatest difficulty with the peasants came later when the land was taken away from them as individuals, but not as a group, in order to collectivize agriculture.

During the period 1918-21 took place civil war, foreign intervention by French, English, American, Japanese, and Czechoslovakian armies, and the war with Poland. It was also the period of military or war communism when Soviet Russia reached its lowest ebb economically as well as in almost every other way. There was a good deal of factionalism within the party. At the tenth congress in March, 1921, Lenin proposed a resolution which was adopted forbidding under pain of expulsion the formation of any factions, this rule to apply even to members of the central committee. By this means the party discipline was considerably strengthened.

Military communism, though perhaps inevitable during wartime, interfered with a gradual transition to a communism upon a broad and stable economic basis. At the 1921 congress was adopted the New Economic Policy or NEP, which was a temporary step backward to a certain measure of private capitalistic enterprize. The requisitions upon the peasants, which had caused much trouble, were changed to taxes in kind.

In 1922 Lenin was incapacitated by illness and died in January, 1924. This gave rise to a bitter struggle for the party

leadership between Trotzky and Stalin and to a good deal of factionalism. For a time the party discipline was seriously menaced. Zinoviev and Kamenev contended that a permanent revolution in Russia was impossible without a world revolution. They joined with Trotzky in advocating a more vigorous policy of collectivizing agriculture. But Stalin who had been elected general secretary of the central committee in 1922 succeeded in gaining the ascendancy. Zinoviev and Kamenev were exiled temporarily, but later readmitted to the party when they recanted their heresies. Trotzky was expelled to Central Asiatic Russia in 1928 and banished from the Union in 1929.

In spite of these internal dissensions the bolshevists have maintained their power. At the time of the Revolution in November, 1917, the party numbered between 60,000 and 70,000 members. In 1930 it numbered 1,674,910. It has since risen to more than two and a half million members. In 1930 the membership included 65.3 per cent industrial workers, 20.2 per cent peasants, 13.4 per cent brain workers including office employees, and 1.1 per cent unclassified. About 200,000 or fourteen per cent were women. There were 250,000 under twenty-three years of age who were still members of the Young Communist League.

Inasmuch as the party contains only two or three per cent of the population, it is an interesting and important question as to how it has been able to maintain its power. In the first place, this population was made up largely, and still is to a considerable extent, of ignorant and illiterate persons with few if any political ideas. Almost any party could with force of arms maintain its domination provided it did not encounter a stronger rival. In the second place, the ideas of the bolshevists appeal much more strongly to the industrial workers and peasants than those of the other pre-Revolutionary parties. As no strong bourgeois class had grown up in tsarist Russia, the

parties with bourgeois leanings could not gain so much support in the long run as the bolshevist party. In the third place, the organization, discipline, and methods of the party adapt it for attaining the ascendancy in such a country as Russia whereas it might not be so successful in other countries.

The bolshevist party is highly organized from the unitary cell or nucleus (*yacheika*) up to the central committee. In any factory or office three or more party members may form a nucleus. There are 50,000 of these nuclei which are united in larger regional organizations up to the All-Union organization. An All-Union congress is held at least once in two years and decides upon all fundamental matters of policy. During the intervals the party is controlled by the central committee whose decisions are final. This committee usually meets every six months. It chooses a political bureau to direct political activities, and an organization bureau for organizational work.

A rigid discipline is maintained within the party. No one is admitted to membership until after he or she has been carefully examined as to the candidate's understanding of the principles of the party and utility for the party. Each nucleus holds a periodical "cleansing" (*chistka*) to examine the records of its members and to determine whether or not any of them should be expelled from membership. This examination includes not only the party activities of the member but also his life in general to determine whether or not he is setting a good example as a worker to the community. Hence the party is characterized by difficult conditions of admission, heavy duties, and frequent scrutiny. There are, however, great compensating advantages to the member because the party constitutes the recognized élite of the land.

In soviet elections throughout the Union there is only one ticket. Instructions are sent out from the central committee of the party and the lower committees ranging down to the smallest nuclei as to who are to be nominated. The bolshevists

are usually able to persuade the voters in the factories and elsewhere to nominate candidates who are communists or who are acceptable to the party. Consequently, the soviets are made up in large part of communists.[1] All important governmental positions are held by party members. All laws which are enacted must be approved beforehand by the party leaders. Thus the Soviet government is directed and controlled entirely by the bolshevist party which constitutes an *imperium in imperio.*

In addition to these reasons for the power of the bolshevists, and in large part owing to these reasons, they dominate the armed forces of Russia, namely, the Red Army and the GPU, and impose a rigid censorship. The political education of the Red Army is intended to give to it a communistic ideology which will render it loyal to the bolshevists. The censorship is the negative aspect of the mechanism by which it is intended to give a communistic ideology to the whole population. The positive aspect of this mechanism consists of propaganda and education which will be described later.

The censorship of publications is exercized by the department of literature and publication (*Glavlit*) of the commissariat of education (*Narkompross*). It censors everything which is not directly controlled by the party or the government. Most of the newspapers are controlled by the party and are not censored, but copies must be sent to the censorship after publication. All other publications are censored in advance of publication. The law prohibits agitation against the power of the soviets, articles about military secrets, false rumors, nationalistic and religious fanaticism, and pornography which includes extreme bitterness against opponents, obscenity, and unwise treatment of sex questions.

[1] Chamberlin says that about thirty per cent of the members of the soviets are not communists in order to maintain connection with the masses. (W. H. Chamberlin, *Soviet Russia,* Boston, 1930.)

The rights of association and of assembly are strictly limited. All associations other than party and government organizations must secure permission to exist. Only party, trade union, and government meetings can be held without permission. For all other meetings permits must be secured beforehand from the police. The leader of the Tolstoyans told me that in commemoration of Tolstoy's centenary in 1928 his organization held a public meeting attended by so many that the largest hall in Moscow could not accommodate them. When application was made for a permit to hold a second meeting it was refused. The reason given was that one of the speakers at the first meeting had made an objectionable statement.

The preceding description indicates in a measure how the bolshevist party maintains its dictatorship. Is this dictatorship actually exercized by the party as a whole or by a small group of leaders? In any organization of considerable size it is impossible for the membership to decide every question which concerns it directly. Democracy in the most elementary sense of the word is to a considerable extent impossible, and many questions have to be decided by representatives.

General questions of principle and of policy are discussed a good deal in the meetings of the nuclei and regional groups of the party, and by trade unions and factory groups many of whose members do not belong to the party. The views expressed and decisions made by these local groups influence greatly the representatives who go to the national congresses. Hence these congresses reflect in large measure the wishes and views of the membership and of the workers in general. Between the biennial congresses the central committee of the party has far-reaching powers, and its decisions are binding. Furthermore, the local secretaries and other party officials form a mechanism which aids greatly in centralizing power. It was by building and utilizing this mechanism that Stalin

as secretary of the party gained the leadership after Lenin's death.

The situation in the bolshevist party is, therefore, similar to that of many organizations elsewhere. There is a good deal of democracy, but it is limited by a certain amount of oligarchical and personal control. The discussions and decisions of the national congresses influence the leaders considerably. But they are able to impress their views on the party delegates and to exercize a more or less free hand between the congresses. To what extent the dictatorship of the party is oligarchical and personal and to what extent democratic it is impossible to measure accurately. It is highly probable that its political bureau, which is composed of nine of the principal leaders, exercizes a predominant influence upon the policy of the Soviet government. The existing situation in Russia may perhaps be characterized as a temporary oligarchy mitigated by a certain amount of democracy.

The factor of personal dictatorship is still more difficult to appraise. Lenin was leader of the party for nearly fifteen years before the Revolution. The prestige thus acquired combined with his great abilities as a leader and statesman and his insight into communistic theory and comprehension of revolutionary technique gave him a preeminent position. Stalin gained the leadership by manipulating the party machinery which he as general secretary controlled through the power of appointing its officials. He is an avowed Leninist and has followed Lenin's principles more or less faithfully. Although his prestige has increased, it can never equal that of Lenin. The subject of leadership in general will be discussed later in connection with the fascist and nazi theory of personal dictatorship.

In 1927 when speaking to an American delegation of workers Stalin explained the power of the party by saying that "the reason that it can so guide the government is that the party

has the confidence of the great majority of the laboring masses and is entitled to direct the government in the name of this majority. . . . In the first place, the party endeavors to have its best and most active fighters who are genuinely devoted to the workers' cause and will serve it honestly and faithfully, placed in all the responsible posts in the government. . . . Secondly, the party constantly checks the work of the administration, and of the various officials, and corrects mistakes and remedies defects. . . . Thirdly, in determining the plans and policies of any of the departments of government, whether in the field of industry or in agriculture, trade or cultural advance, the party lays down the general line and formulates instructions regarding the character and direction of the work." In similar fashion the party controls the trade unions and other non-party organizations. "The party cannot give the trade unions direct instructions, but the party instructs the communists who are members of the unions. . . . It is their duty, by persuasion and argument, to convince the unions, soviets, cooperatives, etc., that they should adopt decisions in harmony with the general policy and instructions of the party. In most cases they are successful because of the enormous influence of the party among the masses, and because it has their full trust and confidence."

The confidence displayed by Stalin and other leaders that the party represents wholly and accurately the conscious wishes of the proletariat may be somewhat exaggerated. Its avowed intention is to do everything for the workers and eventually to give them all the power. As indicated in the above quotation from Lenin, the leaders consider the workers as being in need of instruction and guidance and not yet ready to exercize their power to the full. The dictatorship of the proletariat is, therefore, at present potential and only in part actual. It will be temporary because in the classless society which the communists believe is coming there will be no occasion or possi-

bility for a dictatorship by any one class. Karl Marx stated the temporary character of this dictatorship in the following words: "Between capitalist and communist society there lies a period of revolutionary transformation from the former to the latter. A stage of political transition corresponds to this period, and the state during this period can be no other than the revolutionary dictatorship of the proletariat."[1]

[1] Quoted by N. Lenin, *The State and Revolution, Marxist Teaching on the State and the Task of the Proletariat in the Revolution,* Chicago, 1924, p. 61.

As a follower of Marx and Lenin, Stalin expresses the same idea in the following words: "The dictatorship of the proletariat is not an end in itself. It is only a means, the road which leads to socialism. But what is socialism? It is a stage between the régime of the dictatorship of the proletariat and the society without a state." (J. Stalin, *Les questions du Leninisme,* Paris, 1926, p. 263.)

Chapter IV

THE IDEOLOGY OF THE DIALECTIC

The German metaphysician and theologian, G. W. F. Hegel (1770-1831), expounded and applied the law of the dialectic, the theory of which was in large part devized by him. The Hegelian dialectic formulates the struggle between two contraries and contradictories which constitute partial aspects of truth. The conflict between these opposites, the thesis and the antithesis, results in a new entity or unity which is the synthesis.[1]

According to Hegel, the most universal example of his dialectic is in the opposition between being and non-being, the synthesis of which is becoming. In mathematics are plus and minus and differential and integral; in mechanics, action and reaction; in physics, positive and negative electricity; and in chemistry, association and dissociation of the atom. The synthesis which results from the opposition between any pair may become the thesis or the antithesis of a new pair. Development arises out of the struggle of opposites which is the Hegelian counterpart of evolution.

[1] William Wallace (1844-97), a Scottish philosopher who expounded and criticized Hegelianism, in his article on Hegel in the *Encyclopædia Britannica*, stated the dialectic law as follows:

"Every truth, every reality, has three aspects or stages; it is the unification of two contradictory elements, of two partial aspects of truth which are not merely contrary, like black and white, but contradictory like same and different. The first step is a preliminary affirmation and unification, the second a negation and differentiation, the third a final synthesis. . . . Thesis, antithesis and synthesis, a Fichtean formula, is generalized by Hegel into a perpetual law of thought."

The Hegelian dialectic is itself contradictory and illogical in asserting that contradictories can be unified. Something new may arise, not through unification, which is logically inconceivable, but through a rearrangement of the features and factors of a given situation caused by the conflict.

The implication of the Hegelian theory seems to be an ever-changing universe with no permanent state of rest. This apparently was not pleasing to Hegel's temperament. Like all theologians and metaphysicians he was in search of an absolute which is immutable. Consequently, he developed his theory to the effect that this dialectical process is evolving the Great Idea, which is in turn God, which is in turn the Hegelian Absolute. What this Great Idea—God—Absolute actually is in its ultimate nature is lost in impenetrable obscurity.

A critique or appraisal of the Hegelian theory is outside of the scope of the present work. This theory is animistic and anthropomorphic because it reduces the universe to mental or spiritual terms. So far as we know, mental processes are characteristic only of human and certain other animate beings. It is teleological because it postulates an ultimate goal. It is theological and religious because the Absolute which is its goal is conceived of as a deity. The dialectic law is not a law of thought like the inductive and deductive laws of science. It is an ideological concept imposed upon the universe. As it is not based solely upon an objective observation of phenomena, it is to a large extent subjective. As it terminates in an immutable absolute, it is anti-evolutionary. Evolution is a process of change which, so far as we can discern, is never-ending.

Even scientists and philosophers well acquainted with science have fallen victims to ideological concepts. The sociologist G. Tarde, having observed that imitation is a widespread social phenomenon, generalized it and tried to impose it upon all the phenomena of the universe. The philosopher H. Bergson, having studied biology, embraced the fallacies of vitalism and intuitionalism and used them as a basis for a universal doctrine of creative evolution. The biologist C. Lloyd Morgan and the philosopher S. Alexander have passed through a similar process in arriving at their universal doctrine of emergent evolution.

The mathematician A. N. Whitehead, and the physicists and astronomers A. E. Eddington and J. Jeans, have arrived at more or less theistic concepts.

Karl Marx (1818-83) and Friedrich Engels (1820-95) early in life fell under the spell of the Hegelian theory which was very influential at that time in Germany. They had reached a materialistic philosophy through the study of philosophy, law, and history. Marx changed Hegel's terminology from mind (spiritual) to matter (materialistic), thus turning the Hegelian theory upside down or "right side up," as he expressed it, and he was not concerned with the Hegelian Absolute. But the dialectic law remained the same in its Marxian version. It was useful to Marx and Engels because it seemed to explain the class struggle as the universal criterion of mental and social phenomena. In 1883 Engels said, in a pamphlet concerning the Communist Manifesto issued by them in 1847, "all past history, with the exception of its primitive stages, was the history of class struggles."[1] They had arrived at the theory of the class struggle through historical study and formulated it in the Manifesto. This struggle is, according to Marx, Engels, and their followers, the conflict of opposites in the realm of social phenomena.

Bukharin, the bolshevist theoretician, has contended that the dialectic method has furnished a dynamic point of view. "Hegel observed this characteristic of motion and expressed it in the following manner: he called the original condition of equilibrium the *thesis*, the disturbance of equilibrium the *antithesis*, the reestablishment of equilibrium on a new basis the *synthesis* (the unifying proposition reconciling the contradictions). The characteristic of motion present in all things, expressing itself in this tripartite formula (or triad), he called

[1] They expressed this idea in a more extreme form in the Communist Manifesto when they said that "the history of all existing society is the history of class struggles."

dialectic."[1] He goes on to state the Marxian conception of the dialectic as follows: "For Marx, dialectics means evolution by means of contradictions, particularly a law of 'being,' a law of the movement of matter, a law of motion in nature and society. It finds its expression in the process of thought. It is necessary to use the dialectic method, the dialectic mode of thought, because the dialectics of nature may thus be grasped."

It is often true in physical, mental, and social phenomena that a conflict of forces takes place during a period of transition from one equilibrium to a new one. To this extent the dialectic law may have some truth and value. But the process of thesis, antithesis, and synthesis is not necessarily universal. The Hegelian theory itself denies its universality by postulating an absolute back of the dialectic process. Herein lies a fundamental contradiction and inconsistency in this theory. The solution of these problems rests upon questions which, so far as we can discern, can never be answered. Among them are the questions as to whether the universe is infinite or limited, static or unstable, mutable or immutable. So far as our human faculties enable us to observe, the process of change is unlimited. But the Einsteinian conception of the universe suggests a cyclic return of events in space and time which would in itself constitute a kind of immutability.

Marx apparently thought that by turning the Hegelian theory upside down he had strengthened the case for materialism and determinism. These have been proved as satisfactorily by other thinkers without the aid of the dialectic, so that materialism and determinism are not necessarily associated with it. Furthermore, Marx and his disciples have contended that communism is a necessary consequence of materialism and determinism when the latter are applied to social development. There is no justification for making

[1] N. Bukharin, *Historical Materialism, A System of Sociology,* New York, 1925, translated from the third Russian edition, pp. 74-5.

communism a necessary concomitant of materialism and determinism.

The law of evolution is a genuine description of observable phenomena without any unproven metaphysical hypotheses attached to it. The bolshevists do not deny the law of evolution. But they make communism the inevitable end of evolution. Although an evolutionary point of view may be indispensable for communism, the law of evolution can stand without communism.

Both of these examples of a *non sequitur* in bolshevist thinking indicate a teleological and anthropomorphic tendency. This has given rise to propagandism even in scientific and philosophical thinking and writing. It has hampered original scientific and philosophical thought among the bolshevists. In the Communist Academy, the Marx-Engels Institute, and the Lenin Institute in Moscow some of their scholars are doing little more than mouth over the works of Marx, Engels, and Lenin, the communist Trinity. In this regard they resemble the Chinese Literati annotating the Classics in order to promote ancestor worship, the Hindoo pundits reciting the Vedas, the Hebrew Talmudists poring over the Torah, and the Christian theologians writing long-winded commentaries on the Holy Scriptures.

The worst result from this attitude of mind is the notion that there are two systems or kinds of science, namely, communistic or proletarian science, and capitalistic or bourgeois science. Some of them are also disposed to deny the existence of pure science, or at least to subordinate it to applied science.

This point of view is reflected in a volume entitled *Science at the Cross Roads* which contains the papers presented at the International Congress of the History of Science and Technology in London, June 29 to July 3, 1931, by the delegates of the U.S.S.R. (Kniga, London, 1931). Bukharin, the leading exponent of the Marxian dialectic, in a paper entitled "Theory

and Practice from the Standpoint of Dialectical Materialism," contends that theory and science have arisen out of practice. "It is not only a new economic system which has been born. A new culture has been born. A new science has been born. A new style of life has been born." In a paper entitled "Physics and Technology," Joffé says: "All means leading to a higher culture, to better technique, to new knowledge, will be used in order to create a life free from all the burdens of sadness and injustice, borne today by the majority of mankind. Science could have no nobler task than that of cooperation in this work." Even mathematics changes its character under communism. In a paper entitled "The Present Crisis in the Mathematical Sciences and General Outline for their Reconstruction," Colman says: "For mathematics there is only one way out: conscious, planned reconstruction of mathematics on the basis of materialist dialectics. . . . Proceeding from the Leninist theory of the unity of theory and practice, we in the Soviet Union shall reconstruct the mathematical sciences."

It is true that a good deal of science has arisen out of the pragmatic impulse, and that it has eventually been applied. But between the initial impulse and the ultimate application there needs to be a period of unbiased, objective study and research during which what may be termed pure science should prevail. Otherwise the end sought may influence the conclusions reached, which will in turn vitiate their application. Under any social system the elements will combine in the same manner, the stars will not deviate from their courses, nor will the relations between numbers vary. The notion that a new and different science will be developed under communism is a strange vagary which is as anthropocentric as any other pseudo-scientific points of view. Scientists should always guard themselves against being influenced unduly by whatever social system they happen to live and work under.

Science is the same everywhere and for all human beings in

so far as it is genuine, namely, an accurate description of observable phenomena. The ideology of individual scientists varies according to their inherent traits and social environment. These factors may enhance or diminish the value of their scientific work, as the case may be. This influence of the ideology of the individual scholar or group of scholars is recognized by some of the bolshevists, but in a one-sided fashion because they do not admit that a communistic environment may sometimes have a baneful effect upon their work.[1]

One indication that the bolshevists think that all knowledge requires a new statement and interpretation in terms of the dialectic law and communistic doctrine is the fact that their scholars are preparing a communistic encyclopedia. This undertaking will doubtless be valuable in so far as it brings out aspects of certain subjects which have been ignored by the bourgeois scholars. It will be valueless and detrimental in so far as they attempt to force other subjects into the preconceived mold of their own peculiar doctrines. The following question may be suggested to them as worthy of discussion. When the class struggle terminates in a classless, stateless society, what form will the eternal conflict of opposites postulated by the dialectic law take in the realm of social phenomena? Will the culminating communistic society be the Marxian equivalent of the Hegelian Absolute?

The most important lesson which certain bolshevist scholars have to learn is the necessity of distinguishing between what is universal and eternal and what is mundane, terrestrial, social, and transient. When attempting to interpret the latter in terms of the former, they have often committed the same

[1] "The denial of the contradictory character of evolution by bourgeois scholars is based on their fear of the class struggle and on their concealment of social contradictions. Their fear of sudden changes is based on their fear of revolution; all their wisdom is contained in the following reasoning: there are no violent changes in nature, there cannot be any such violent changes anywhere; therefore, you proletarians, do not dare to make a revolution." (N. Bukharin, *op. cit.*, p. 82.)

error as many of the bourgeois scholars whom they contemn. The question may be raised as to whether a revolutionary period is usually fertile in new ideas, or is rather a time for putting into effect ideas which germinate during peaceful periods between revolutions.

Marx and Engels themselves and the two greatest bolshevists, Lenin and Trotzky, have made comparatively little use of the Hegelian-Marxian dialectic in their analysis and interpretation of historical and social phenomena. They applied the "law of contradictions" whenever it seemed appropriate, but otherwise have used other methods of analysis. Some of their disciples, however, have utilized the dialectic law to convince people that communism is inevitable. In this regard they are like the protagonists of other political creeds who endeavor to prove that whatever they advocate is inevitable. This makes a strong appeal because if an event is certain to come, it is wise to prepare one's self for it beforehand as far as possible so as to be ready when it occurs.

The term "dialectic" has often been used by Marxists, and also by some non-Marxists, as applied to the whole system of Marxian thought. This meaning has little utility because it is so broad and general that it becomes too vague to mean anything definite. It is much preferable to use the term "philosophy" or "ideology," provided nothing invidious is implied by the latter term. In similar fashion the term "dialectic" materialism, which is often used by the Marxists, has little meaning. As I have already pointed out, the case for materialism and determinism can stand or fall independently of the Hegelian-Marxian dialectic, and there is no peculiarly Marxian materialism or determinism. The terms "historical" materialism and economic determinism have much more meaning because they indicate that a materialistic and deterministic philosophy is being applied to historical phenomena.

Lenin wrote a lengthy book attacking idealism, "fideism"

(faith in the place of knowledge), and "Machism." The latter was a tendency apparently displayed by Ernst Mach and certain other physicists to discard the concept of causation in physics without repudiating materialism. Lenin declared that "idealism is merely a cunning and refined form of fideism," and that "the objective, class rôle of empirio-criticism (Machism) can be wholly reduced to its servility to the fideists in their struggle against materialism in general and against historical materialism in particular."[1]

And yet Marx and Lenin themselves at times seemed to regard practice as not only the confirmation of knowledge but also as an organic part of the process of knowing. This opens the door to subjectivism which may in turn lead to idealism. In this regard they approached the position of the American pragmatists who have alleged that the pragmatic test is the final criterion of truth. This is patently false because it would sweep away most of our science based upon observation, as, for example, astronomy in which field no pragmatic test can be applied. It would destroy the possibility of scientific description of phenomena outside of the infinitesimally minute portion of the universe in which human movement and activity take place. Nevertheless Lenin claimed in the above-mentioned book to have distinguished "dialectical" materialism from the errors of pragmatism, and asserted that materialism furnishes a philosophy which renders the bases of belief more objective than pragmatism.

Some writers, both communist and non-communist, have displayed a tendency to read too much into Marxist philosophy.[2] Marx himself was trying to escape from metaphysics.

[1] N. Lenin, *Materialism and Empirio-Criticism,* New York, 1927, p. 311.

[2] A recent book by a non-communist philosopher makes such an attempt in a literary style and with a terminology so obscure that it is difficult of comprehension. "The peculiarity of Communism as compared with most philosophies, however, is that it stresses the acquiescent and active with what seems almost an exactly equal weight." (T. B. H. Brameld, *A Philosophic Approach to Communism,* Chicago, 1933, p. 211.)

The principal and peculiar merit of Marx and his ablest disciples is that they have eliminated not only supernaturalism but also "chance" and "accident" as causes of historical events and of social phenomena more completely than any other school of thinkers. This is strikingly manifested in connection with the so-called "superior" race, the "great" man, and the "accidental" concatenation of events, each of which has often been used as the suppositious cause or explanation of a set of circumstances or train of events. These mystifying and obscurantist explanations are not characteristic of Marxist writings.[1] On the contrary, the Marxists usually endeavor to dig down to the roots of the economic processes which are the principal if not the sole causal factors in history and social evolution.[2]

[1] Marx did, however, seem to fall into this error at times: "Nature, moreover, would be very mystical if 'accidents' played no rôle. These accidents fall quite naturally into the general course of the development, and are compensated for by other accidents." (Letter from Marx to Kugelmann, April 17, 1871.) It was, to say the least, misleading to use the term "accident."

[2] A British writer has characterized the application of the Marxian dialectic to history as follows: "An undeniable ebb and flow; complex forms of reciprocating movement, in which a whole epoch is succeeded not by another epoch which produces the former's tendencies to their conclusion in infinity, but which starts a movement in the opposite direction; within these main epochs innumerable minor movements, backwards and forwards; the subject; the negation of the subject; and then the negation of the negation of the subject—these are the undeniable characteristics of the human past." (John Strachey, *The Coming Struggle for Power*, New York, 1933, p. 224.)

One of the severest critics of Marxism has fully recognized this great contribution. "He [Marx] put in the place of moralistic and religious and poetic and patriotic eloquences, a matter-of-fact principle of explanation, which has become the dominating one for all freely inquiring minds, and he established—or at least first adequately emphasized—the fact that there has been an evolution, not only in the political forms of society, but in its economic structure." (Max Eastman, *Marx and Lenin*, New York, 1927, p. 67.)

Chapter V

THE DEATH KNELL OF RELIGION AND THE NEW ETHICS

In spite of its dialectic heritage from the semi-theological Hegelian metaphysics, the Marxian theory is thoroughly materialistic. The bolshevists have practical reasons, in addition to their philosophical outlook, for their hostility to religion. According to Marxian theory, religion has almost invariably been used by the dominant classes to exploit the lower classes. Wherever religion has been organized in the form of a church, this organization has usually been closely allied with the ruling class. In theocracies the priests themselves have been rulers with the king as chief priest and sometimes regarded as a semi-divine being. By teaching an ethics of subservience to the ruling class and by promising a reward in a hypothetical after-life, religion and the church have been useful tools in the hands of the rulers to reconcile their victims to their hard fate. As Marx expressed it: "Religion is the opium of the people."

All the bolshevist leaders have expressed themselves in similar fashion. Lenin said that "to him who works and is poor all his life religion teaches passivity and patience in earthly life, consoling him with the hope of a heavenly reward." Stalin has denounced the priesthood as follows: "The party cannot be neutral towards the bearers of religious prejudices, towards the reactionary clergy who poison the minds of the toiling masses." Bukharin characterizes theism in the following words: "Belief in God is the belief in slavery, which people are made to believe exists not only on the earth but in the

whole universe." Thus religion diverts the attention of the masses from the class struggle, and the bolshevists have ample grounds for wishing to extirpate religion as rapidly as possible.

The Russian Orthodox church received 50,000,000 roubles annually from the tsarist government. In 1905 the church owned 2,600,000 desyatinas or about 7,450,000 acres of land. In addition to its many tens of thousands of churches and its numerous monasteries, it possessed a great wealth in precious metals and jewels. As the state church it was very powerful, and was one of the principal bulwarks of the tsarist régime. Its policy was characterized by the famous dictum of Count Uvarov: "Orthodoxy, Autocracy, and Nationalism." The ritual of the Russian church made a strong appeal to the emotions. But its services contained very little ethical teaching. Its priesthood and monks were very ignorant and bigoted.

In addition to the Orthodox church, Islam, Buddhism, and Judaism had their adherents in Russia. A good deal of primitive religion survived in the more isolated and remoter regions. Superstitious beliefs and practices were widespread. This was the religious situation which the bolshevists had to face.

On January 23, 1918, the Soviet government issued a decree which separated the church from the state, guaranteed freedom for religious and irreligious beliefs and propaganda, banished religion from public institutions and religious instruction from schools, and nationalized all church properties. On June 13, 1921, it was decreed that no persons under eighteen years of age could be taught religion.

These and other measures against the church and religion gave rise to much opposition on the part of the clergy and to many tsarist plots and conspiracies. At the congress of the Communist International in 1928 it was decided to strengthen the fight against religion. On April 8, 1929, was issued a lengthy decree which regulates in full the status of religion in Russia. This decree provides that a group of not less than twenty per-

sons of at least eighteen years of age of the same religion may form a religious society which may procure from the local government a house of worship and objects specially designed for religious purposes. Such a society is not a juridical body. It is forbidden to carry on any economic or charitable activities, even under the guise of a cooperative society. It cannot hold special meetings for children, youths, and women, or carry on any activities for the young. It may receive permission to construct a new house of worship, but only its own members can contribute and only for religious purposes.

These facts indicate that the rights of religious belief and worship are safeguarded in Soviet Russia. But the practice of religion may lead to disadvantages and disabilities. The law classifies priests and monks as non-productive, and deprives them of the right to vote and to become members of cooperative societies. No person known to be religious can become a member of the communist party and receive the benefits derived therefrom. Every religious believer is likely to be looked upon with suspicion because not in harmony with the dominant system, just as an atheist may suffer in a religious community.

The bolshevist campaign against religion is not only negative in its character. In the schools the children are taught a good deal of science, including the theory of evolution. This instruction is directed towards proving the falsity of religion. There are many anti-religious museums which have exhibits demonstrating the evolution of man and cultural evolution. Descriptive material is presented as to the different forms of exploitation, such as slavery, feudalism, capitalism, tsarism, and imperialistic wars. Evidence is furnished of oppression by the different religions and deceptions practised by them. Throughout it is shown how organized religion cooperates with the exploiters in subjecting the masses. Many anti-religious lectures are given in workers' clubs and elsewhere. The Kom-

somols or Young Communists are active in this anti-religious movement. The Bezbozhnik[1] Society is an atheist organization founded in 1925 which carries on an active propaganda against religion. In 1931 it was said to have a membership of 3,000,000. It publishes three journals, distributes much literature for children and adults, and arranges many lectures. In December, 1928, was founded the first Bezbozhnik University in Moscow.

The effects of these negative and positive measures against religion are obvious on every hand. The golden dome of the Orthodox church is one of the most familiar features of the Russian scene. The vast majority are now closed, destroyed, or used for other purposes as schools, museums, workers' clubs, nurseries, theaters, etc. Only at rare intervals even in the villages can one find a church edifice which is still functioning as a place of religious worship.

In Moscow I attended a church service not far from the Red Square where only about a dozen persons were receiving the ministrations of the priest. In many other cities I witnessed religious services which were as sparsely attended. In front of a Moscow church still in operation I watched the passersby for some time. Only about two per cent crossed themselves whereas under tsarism the vast majority would have done so. In the Moscow Circus I saw a clown cross himself with burlesque gestures as he stumbled over an obstacle and the huge audience roared with delight. In Baku on a Christmas day, the most sacred Christian festival, I saw the bishop officiating in the Orthodox cathedral with about one hundred present. That evening I attended an anti-Christmas lecture and theatrical performance in the largest workers' club. In the same city on a Friday, the Moslem holy day, I found a small mosque fairly well filled during the hour of prayer and of exhortation by the mullah. In Tiflis in the cathedral of the Georgian church

[1] The word *bezbozhnik* is derived from the Russian words *bez* meaning without and *bogh* meaning God.

I saw the bishop ministering to less than fifty worshipers. In Odessa on a Saturday I witnessed a Jewish service in a synagogue fairly well filled with worshipers. In Kiev in the Roman Catholic cathedral I attended a marriage ceremony, now very rare in Russia. In Batum I saw an open coffin containing a corpse in a church, an old custom which has almost disappeared. In the streets occasionally one sees a "red" or communist funeral with the coffin draped in red. Even these are decreasing because the bolshevists advocate cremation of the dead. There are also red "baptisms" and red "weddings."

The church is almost dead in Russia, and in all probability religious beliefs are not widespread. The most significant fact is that the younger generation is growing up with no religious and with much anti-religious instruction. The prospect is that the population of the largest country in the world will soon be entirely irreligious in its outlook upon the universe. Whether or not a new religion will arise under bolshevism remains to be seen. Under such a régime it will be difficult to organize religion in the form of a church. Shortly after the Revolution an attempt was made to reform the Orthodox church under the name of the "Living Church."[1] This attempt failed, and there has been no subsequent effort along the same line. If religion revives in Russia, it will probably be in the form of private individual beliefs which will differ greatly from the doctrines of the organized religions of today.

Religious believers usually think that irreligion is incompatible with morality. This depends upon what is meant by morality. It is characteristic of every organized religion that it embodies in its teachings some of the current moral ideas of its period and locality, especially the more antiquated of

[1] Trotzky has commented on this attempt as follows: "The reformation of the church began almost four years after the proletarian upheaval. If the 'Living Church' sanctions a social revolution, it is only because it seeks a protective coloring. A proletarian church is impossible." (L. Trotzky, *Literature and Revolution*, New York, 1925, p. 38.)

these moral ideas. This is inevitable because every religion must claim a high degree of authority for its doctrines as constituting eternal verities. It must, therefore, incorporate within itself the well-established rules of conduct of the day. Only a new, heretical religion can adopt heterodox ethical ideas. Moral standards are established in the long run by the economic, social, and political organization which prevails at a given time and place. Religion follows rather than leads and endeavors to give a supernatural sanction to the conventional ethical ideas.

If morality is social restraint upon the individual, every society has its morality because no society can survive if its members act at all times as they please regardless of the interests of their group. In this sense Soviet Russia has its morality as much as any country. Indeed, in some respects its moral code is more rigid and more oppressive upon the individual than that of most other countries. This is partly due to the temporarily authoritarian character of the governmental régime. It is also due in part to the messianic aspiration which at present characterizes the bolshevists.

The Revolution is for the bolshevists much the same psychologically as the Resurrection is for the Christians. Soviet Russia is the messiah among the nations which is to bring the world to communism, which they consider the final verity for mankind. The bolshevist party and the Communist International are the agents and organs of this mission. This spirit gives rise to a fanatic zeal which is prepared to sacrifice the present generation for the sake of future generations. It has caused an exaltation of work which was expressed recently by Stalin when he characterized work "as a thing of honor, of glory, aye, of stonewall fortitude and heroism." At the congress of the party in 1930 he said: "The Leninist Young Communist League and the working youth whom it leads are today successfully leading the movement for socialist emula-

tion and high-pressure work at the bench." This resembles the slave morality imposed upon the working class by the capitalists. It is satirized in the song of the American syndicalist labor union, the Industrial Workers of the World, whose refrain runs as follows: "I shall have my pie, in the sky, when I die." The bolshevists have no reward in a future life to offer to their workers. Their exaltation of work is even less logical than that of the capitalists.

This messianic zeal is partly responsible for the somberness and lack of gaiety now characteristic of Russian life. It is said that Russian life was always rather somber. If this is true, the bolshevists have done little or nothing to relieve it of this somberness. The prevailing atmosphere of propaganda and edification becomes very oppressive. There is little relaxation in the daily life to relieve this pressure. Life has become largely a means and not an end in itself. There are indications that the bolshevists themselves are beginning to discern this absence of relaxation and its detrimental effects upon the health and morale of the people. In the theater, which has become almost exclusively a means of propaganda and of hortatory edification, they are trying to introduce more of the elements of comedy and of gaiety.

This situation has given rise to a certain amount of puritanism in Soviet Russia. By puritanism I mean the tendency to interfere with the private conduct of others where the public welfare is not menaced by this conduct. Every society confronts the difficult problem of deciding what is invasive as distinguished from non-invasive conduct.[1] Each society must regard as invasive any conduct which menaces its own form of organization. If this organization is authoritarian and if the

[1] Maurice Parmelee, *Personality and Conduct,* New York, 1918, Chapter II, entitled "Invasive and Non-Invasive Conduct." "By invasive conduct I means acts which are obviously and unmistakably harmful to others. By non-invasive conduct I mean acts which do not injure others, or, to say the least, which are not unquestionably harmful to others." (Pp. 8-9.)

society possessing it is inspired by a messianic zeal, the tendency is to include a large amount of conduct under the stigma of being invasive. This restricts the rights and liberty of the individual and sacrifices him to the interests or alleged interests of the group.

The bolshevists are free from certain forms of puritanism which characterize capitalistic societies. In Soviet Russia no individual rights and liberties are sacrificed in the interests of religion and of the church. Many forms of puritanism with respect to sex have disappeared because of the transformation of marriage and of the family which will be described in the next chapter.

On the other hand, the bolshevists have not hesitated to sacrifice the present generation of Russians in considerable part in order to attain their messianic ideal which is presumably in the interest of future generations. Unless the present generation is to be rewarded for this sacrifice in a future life, its right to life and happiness has been grossly violated. A dangerous precedent is set. If it is justifiable to sacrifice the present generation, then it may be justifiable to continue to sacrifice future generations.

This is the ancient error of failing to see the trees on account of the forest. It is committed by social groups much more often than the contrasted error of not seeing the forest on account of the trees. The latter error is often committed by individuals, whenever the individual sees only himself and is willing to sacrifice everyone else in his own interest.

Every form of social organization tends to become a sort of fetish to which must be subordinated the interests of the individual members of the society. Thus a state or nation becomes a Moloch to which must be sacrificed the happiness and often the lives of its members, in spite of the fact that it has no existence apart from these members and its interests consist solely of the sum total of their interests. The bolshevists allege

that the sacrifice of the present generation is necessary in order to establish the new social system, and that this new system will furnish a much higher degree of freedom and happiness to mankind. We shall have occasion to comment on this justification for many of their measures several times in the course of the following chapters.

That bolshevism is developing a new technique of conduct to replace the bourgeois ethics is the view expressed by Bukharin. "'Ethics' will ultimately, in the case of the proletariat, be transformed into simple and easily understood technical rules of conduct, such as are required for communism, and thus it will really cease to be ethics at all. For the essence of ethics is in the fact that it involves norms enveloped in a fetishistic raiment. . . . The proletariat needs rules of conduct, and it needs to have them very clear, but it has no need of 'ethics,' *i.e.,* a fetishistic sauce to flavor the meal."[1] Bukharin comments upon the communistic attitude towards one form of crime, namely, thievery, as follows: "Communists condemn stealing for the reason that individual thefts by each worker from the capitalists, for his own advantage, would not result in a common struggle, but would make the worker a petty bourgeois."[2]

As the communistic society becomes more and more firmly established, it will relax its authoritarianism. This is to a certain extent normal for every authoritarian state. Communism is not authoritarian but is democratic and libertarian in theory. Whether or not there will then be a revival of religion, it is impossible to foresee with certainty. If so, it will not be so crudely anthropomorphic in its character as the prevailing religions of today. It may be based upon a belief in an ultimate indeterminism in physical phenomena such as has been suggested by some of the physicists. This may seem to negate

[1] N. Bukharin, *Historical Materialism, A System of Sociology,* New York, 1925, translated from the third Russian edition, p. 239.

[2] *Op. cit.,* p. 158.

determinism in social phenomena as well. But these indeterminate hypotheses have always been temporary and have had a very slight influence upon science. The onward march of science has ever been towards a more deterministic point of view based upon a greater knowledge of the forces at work in natural phenomena. Animistic beliefs are not likely to find a firm and long-continued basis in indeterministic hypotheses.

All the cultures of the past have found their ideological bases in religion, theology, and metaphysics. For the first time in the history of mankind a culture is based upon science. This is one of the most momentous events in human annals and will undoubtedly have many far-reaching consequences, most of which we cannot now foresee. It has already had some effect upon the ideology of the Russian people. For the first time social pressure to be religious has been removed and a favorable atmosphere created for irreligion. Atheism has its first great opportunity to express itself. The rationalistic and materialistic implications of science can at last be fully developed and applied.

The Revolution swept away a great deal of rubbish in the way of traditions and social survivals. Patriotism and chauvinism in their older nationalistic form have disappeared almost entirely. In the Russian mind national differences have become merged in the much broader international economic unity. The Russian now thinks not in terms of an exclusive and more or less self-contained national entity, but of an eventual world-wide social system. His outlook includes a consideration of the Orient as well, whereas the Occident has so far ignored the Orient almost entirely. The only limitation upon the Russian outlook in economic and political matters is the proletarian class point of view which biases it to a certain extent. But this is temporary. There is a changed perspective rendering some things less and other things more important.

One of the most important results from this situation is the awakened self-consciousness of the Russian people which was

little conscious of itself under tsarism. Now it conceives of itself as the bearer of a new social system which is to dominate the world. This idea and other big ideas derived from science have penetrated the minds of the common people as nowhere else. The only limitation upon the scientific attitude is, as I have already indicated, that the bolshevists are prone to think that there are two kinds of science, namely, bourgeois and proletarian. To that extent their point of view is not objective. This also is temporary. They are entirely free from animistic limitations upon a scientific point of view.

It has been suggested by some writers that the exaltation of their great leaders, in particular Lenin and Marx, by the bolshevists resembles psychologically a new religion. A communistic trinity consisting, let us say, of Lenin, Marx, and Engels, might arise to take the place of the Christian Trinity. The exaltation of great men may take the place psychologically of certain aspects of religion by furnishing an emotional outlet for feelings hitherto satisfied in part by the worship of personified deities and deified personalities. But this communistic correlate of religion is entirely purged of supernatural elements. The communistic theory of leadership is held in check by its conception of the make-up and function of the social mass. As we shall see later, the communistic conception of leadership is never likely to attain the exaggerations of the fascist doctrine of the "duce" or of the national socialist mystical dogma of the "Fuehrer."

In Russia I have been told that boys do not regard swearing upon word of honor as binding, but an oath in the name of Lenin is sacred. Thus has Lenin's name acquired a magical potency. His tomb in the Red Square in Moscow is now the most sacred shrine in the land of the soviets. Several times I have joined the long line of hundreds and thousands of workers and peasants which gathers every day, and have passed down into the tomb where a vast throng gazes reverently upon the remains of their great leader.

Chapter VI

THE TRANSFORMATION OF MARRIAGE AND OF THE FAMILY

Oriental social organization is based in large part upon the family. The state and the individual are relatively of less importance. In this regard the Orient is closer to primitive conditions than the Occident. In primitive society the clan based on blood relationship is the most important social unit. In China the family is usually the greater-family or clan. According to Confucian doctrine a newly married pair is not a distinct and independent entity. Usually it becomes a part of the husband's household under the paternal rule. The life of the clan centers around its temple where ancestor worship takes place.

In India the caste based upon the tradition of blood kinship is the dominant social unit. Within the barriers of caste the family is of the utmost importance. Households often contain several related families and generations. The joint-family system is widespread which assumes responsibility for the welfare of each of its members. In Japan and in all other Oriental countries the family as an institution has been and is powerful.

The power of the ascendants over their descendants is greatly emphasized wherever the clan or family system prevails, especially if accompanied by ancestor worship. The patriarchal authority tends to increase the power of the males over the females. Marriage is enjoined upon every one as a duty in order to perpetuate and aggrandize the family. The women are devoted especially to breeding and are largely cut off from the broader social life. They are often more or less completely

secluded in the home. Woman is not regarded as the companion of man but as the mother of his children and his housekeeper.

In primitive society women played an important part in developing agriculture and certain of the early industries. Some of the latter have remained as household industries in the Orient and even in certain regions of the Occident. The industrial revolution of the past century or two has furnished women with many opportunities for work outside of the home. Consequently, the seclusion of women is rapidly breaking down even in the Orient.

In the Occident the state has developed further and the rights and freedom of the individual are more fully recognized than in the Orient. The family as an economic and social unit has already diminished considerably in importance. But the inheritance of property is an essential feature of capitalism, so that under any capitalistic régime the family as an economic unit must in some measure be perpetuated.

The gradual break-up of the home and disintegration of the family in the Occident is rapidly attaining its consummation in Russia. There the private ownership of the means of production and of most forms of property has been abolished, so that the family need no longer be perpetuated in order to render feasible the inheritance of property. Communism requires that each individual shall be economically independent, that is to say, not dependent for his living upon another individual. All are, however, dependent upon the state, the collective commonwealth, or whatever it may be called. In accordance with this principle the economic dependence of women upon their men disappears, and the economic support of the children is transferred from their parents to the state.

The preceding brief survey indicates that nearly every stage in the development from what may be called familism to what

may be called statism is now represented in the world.[1] The bolshevists are not yet in a position to apply fully the principle of statism to the family and to marriage.

Prior to the Revolution, marriage in Russia was a religious ceremony, in most cases performed by the Orthodox church. In December, 1917, the Soviet government issued a decree that marriages were to be registered by the civil authorities. In January, 1918, was issued the decree which separated the state and church. In 1918 was promulgated a code of family rights, marriage, and guardianship of children. This code provided that equality of rights exist between men and women, that change of residence by one of the spouses creates no obligation for the other to follow, that both spouses have freedom of choice of occupation or profession so far as their marital union is concerned, that the establishment of a common household or enterprize of any sort is to be determined by mutual agreement of the spouses, that each spouse has freedom of choice of name, and that there is no distinction between registered and unregistered marital unions. With regard to children, the code abolished the pre-existing distinction between legitimate and illegitimate birth and guaranteed to all children the same rights and status, and it provided for the protection and maintenance of children. Under the tsarist régime a bastard could secure paternal support only if its father recognized it, and could not inherit property if its mother was not married by a religious ceremony.

On January 1, 1927, the All-Russian Central Executive Committee of the Soviets put into force a new code which states that marriage is "a union entered upon and dissolved at will in which the only concern of the state is to ensure proper care and support of the children." In the case of a registered union,

[1] See my *Oriental and Occidental Culture*, New York, 1928, especially Chapter VI on "Oriental Familism and Occidental Individualism," and Chapter VIII on "The Seclusion of Women in the Orient."

the registration is adequate proof of marriage. In the case of an unregistered union a court may admit as evidence of a marital union facts with regard to (1) a sexual relationship, (2) commensality, (3) public recognition of the union, (4) documents, such as letters, (5) common support of a child. Casual sexual relations are not regarded as constituting a marital union, so that more evidence than that of a sexual relationship is necessary in order to prove the existence of marriage.

This code of laws concerning marriage, divorce, the family, and guardianship, which was published in its most recent form in 1932, contains the following important sections:

The registration of marriages is introduced in the interests of the state and society as well as for the purpose of facilitating the protection of the personal and property rights and the interests of husband and wife and of children. (Part I, Chapter 1, Section 1.)

Persons desiring to register their marriage make a declaration to that effect at the civil registry office of the place of residence of one of the declarants. (Part IV, Chapter 2, Section 131.)

A declaration of dissolution of marriage is filed with the civil registry office either in writing or orally at the place of residence of either the husband or the wife. (Part IV, Chapter 2, Section 138.)

The mutual rights of children and parents are based on consanguinity. Children whose parents are not married possess the same rights as children born in wedlock. (Part II, Chapter 1, Section 25.)

Before discussing in greater detail the situation in Russia with regard to marriage, divorce, the status and rights of children, and the family, it may be well to point out certain facts which are explicitly stated or are implied in the foregoing quotations from Soviet legislation.

In the first place, it is obvious that the parties to a marital union marry themselves and are not married by the intervention of a third party such as a priest, parson, rabbi, judge, mayor, city or county clerk, or any other religious or civil authority. The same is true of divorce with this difference that whereas a marriage requires the consent of both parties

to the union, a divorce may be effected by either party with or without the consent of the other party.

In the second place, registration is merely a formality, the reasons for which will be stated later, and has no effect whatsoever upon the nature of the marriage. This is little understood outside of Russia and not even by many of those who have visited Russia. Several times I have visited "zags," the registry office, with foreigners who went away laboring under the delusion that the registration clerks were marrying and divorcing the persons coming there. Foreigners usually refer to these offices as marriage and divorce bureaus whereas they are nothing more than registry offices for births, deaths, marriages, divorces, and adoptions.

In the third place, the institution of marriage as it is known elsewhere has disappeared almost entirely in Russia. Nor is this merely because marriage ceremonies are no longer performed by religious or civil authorities. This is also true of the so-called "common law" marriages which may be consummated without the intervention of religious or civil authorities wherever the English common law prevails. The fundamental reason for the profound difference between marriage in Russia and elsewhere is that under capitalism marriage entails certain pecuniary rights and obligations which have disappeared almost entirely in Russia. Among them are the obligation of the husband to support his wife, often even after she has ceased to be his wife, the obligation of the wife to follow her husband, the right of the children not only to be supported by their parents until maturity but also to inherit a part or all of their property. Marriage has become a contractual relationship involving all of these rights and obligations. Other conditions are involved, such as that the marital union is permanent, unless legally dissolved, that it is exclusive, that is to say, monogamous, except in the countries where polygyny or polyandry is permitted, that extra-marital sexual relations are

prohibited, etc. Marriage is, therefore, a civil contract but not a free contract because most of these obligations are imposed upon the person entering the marital state through no choice of his own.[1]

In Russia these obligations have been abolished except that in certain respects they are retained temporarily until communism is more fully developed, as will be indicated presently. Marriage is, therefore, no longer a civil contract. There is not even a legal definition of marriage, except in so far as it may be inferred from the above-mentioned type of evidence to be utilized in the case of unregistered unions by courts and other legal authorities. Marriage as a legal institution has, therefore, vanished along with the economic conditions and institutions out of which it arose. In the biological and social sense of a long-continued or permanent mating it is probably as prevalent in Russia as in most countries. The artificial and coercive forces for such mating have in large part disappeared. The factors for monogamy which arise out of the intrinsic nature of the sex relationship and of reproduction continue to operate. Among them are the approximate numerical equality of the sexes, parental affection and the desirability of biparental rearing of the young, and the advantages arising out of long-continued companionship, especially in old age. Sexual jealousy may also continue to operate, but it has been impossible heretofore to determine to what extent this form of jealousy is due to artificial economic factors.[2] Soviet Russia may furnish the acid test for this problem.

The conditions for the registration of a marital union are that both parties have attained the age of eighteen and are unmarried, that they are not related within incestuous limits (direct line of ascent and descent and siblings), and that neither

[1] I have described contractual marriage in my *Personality and Conduct*, New York, 1918, Chapter XVIII, entitled "The Organization of Sex Relations."

[2] I have discussed this question in my *Personality and Conduct*, Chapter VIII, entitled "The Sex Relation."

party has a disease communicable in the sex relation, feeblemindedness, or insanity. Even though registration is not compulsory, it is encouraged by the code mentioned above, not only in order to secure statistics with regard to the number of marital unions, but also to facilitate the proof of the existence of a union where questions arise as to the support of children or of an unemployed or incapacitated spouse, and as to the division of common property when a union is dissolved.

The dissolution of a marital union entails the division of property acquired jointly during the marriage. If either party is unable to earn a living, the other party must contribute to his or her support for a period of six months, after which all economic responsibility ceases. It is expected that these economic obligations involved in a divorce are temporary, for when communism is fully attained the state will guarantee the maintenance of all its citizens, so that no one will be left destitute owing to unemployment, disease, old age, or any other cause. The same applies to the economic obligations of spouses to support each other when one of them is disabled from earning a living, and of children to contribute to the support of disabled parents.

Many visitors to the Soviet Union carry away the rather sentimental notion that bolshevists are exceptionally fond of children. This is due to the large number of institutions for the care of children which they see there. They do not realize that such institutions are necessary for the attainment of communistic ends. If the women are to be economically independent and each woman is to have her own job in industry or agriculture or education or administration, it will no longer be possible for each woman to devote so much of her life to the rearing as well as the bearing of children as she does under the family system. The answer is to be found in the vast number of crèches, nurseries, and kindergartens in Russia.

Nearly every factory of any size has its nursery where the women can leave their children while at work.

In order to enable employed women to bear children, a leave of absence with full pay is given. Ordinarily a woman engaged in physical labor is given two months before and two months after childbirth, or four months in all, and a woman employed in an office is given six weeks before and six weeks after childbirth, or three months in all. After reaching the fifth month of pregnancy a woman cannot be sent on commissions at a distance from her usual place of residence. During the period of lactation a woman is given in addition to the usual meal periods not more than half an hour every three and a half hours in order to feed her infant.

There is an additional reason why the bolshevists are so deeply concerned with the children. Under the family system the rearing of the young is almost exclusively in the hands of the family. The state is hardly at all involved. Under the Occidental capitalistic system the state is not much more concerned with it. Compulsory public education exists in a good many countries. But almost all the moral training and much of the mental education as well is left in the hands of the parents. There are several classes in society, and the rearing of each person is supposed to fit him for the social and economic status for which he is more or less inexorably predestined. The great majority remain poor and relatively uneducated.

Under communism it is incumbent upon the state to prepare the young so that they will fit into the collective commonwealth. Their individualities must be moulded accordingly. While this is to a certain extent necessary in every society, because undisciplined individualities are unsuitable for any sort of social life, it is exceptionally important in the communistic society. This, however, does not mean that the devel-

opment of personality cannot be encouraged under communism, as we shall see in the chapter on communistic education.

One consequence of this situation is a decrease in parental authority. Under tsarism a father could send his child to prison. Under bolshevism filial obedience is no longer a prime virtue because the individual, even the very youthful individual, is rapidly becoming more integrated in the communistic organism than in the family organism. If the parent clings to religious and anti-communistic beliefs, the child is expected to denounce the parent, because his duty to the state is superior to his filial duty. Parental authority is sustained to the extent that it has "pedagogical" value, that is to say, is beneficial to the child from a communistic point of view. Upon attaining his majority, the age of eighteen, all parental authority over the child terminates. He then has the right to change his name, if he so desires. The obligation of the parents to support their children ceases at that age. But an obligation now devolves upon the child to support his parents in case of need.

In addition to and in connection with the extensive educational system which they are developing, the bolshevists are deeply interested in the scientific study of the child. They assert that this study differs materially from pediatrics and is a new science which they call "pedology." According to Dr. N. Semashko, the Soviet commissar of health, pedology "treats child education in the light of the Marxian conception of environment."[1] Like all scientific work in Russia it is strictly Marxian in its point of view. A number of institutes of pedology have been established. In Moscow I visited an institute for the study of normal children and another one for the study of abnormal children. In Kiev I visited an institute where many reflexological tests of children have been made. These tests

[1] According to Pinkevitch, "pedology is the science concerned with the psychological and physical development of the child from birth to maturity." (A. P. Pinkevitch, *The New Education in the Soviet Republic,* New York, 1929.)

are based upon the researches of W. Bekhterev the psychologist and I. Pavlov the physiologist who have developed the science of reflexology which is closely related to the science of human behavior as developed by J. B. Watson and other American psychologists.[1] In the Kiev Institute of Pedology an extensive investigation has been made of books for children which are classified as positive and negative according to the effectiveness of the style of printing and of decoration. No precise scientific tests have as yet been devized for this purpose. The results are based more or less on guesswork.

In 1918 adoption was abolished in order to prevent exploitation and because there is no inheritance of property. This is in accordance with the provision of the code that "the mutual rights of children and parents are based on consanguinity" which does away with such legal fictions as adoption. In 1926 adoption was made permissible again in order to provide homes for homeless children. Only workers can adopt children. If the child is above ten years of age, his consent must be secured. Peasants who adopt children are sometimes given additional land to cultivate if they are still engaged in private agriculture. Presumably the right to adopt will be abolished finally when all children are adequately cared for by their parents or in institutions. It will certainly be abolished when the state is ready to assume the economic support of all children.

If a child is born, not of a registered or unregistered marriage, but as the outcome of a casual sex relationship, the mother must designate to a court the putative father if she wishes a contribution to the support of the child. The man designated is notified within one month. If he denies the allegation, he must disprove the paternity to the court within one year. If the woman has had more than one casual sex relation-

[1] Maurice Parmelee, *The Science of Human Behavior,* New York, 1913. This was, so far as I know, the first book on behaviorism published in any language.

ship at about the time of conception so that there are several putative fathers, the courts at first made all of them responsible for the support of the child. Now it is their practice to make the putative father best fitted for the purpose responsible.

If the mother cares for the child, the father must contribute most or all of the financial aid needed. If there is one child, he is not compelled to contribute more than one-third of his income. If there is more than one child, he is not compelled to contribute more than half of his income.

If parents or foster-parents do not care properly for their children, the latter may be taken away and put in an institution. The parents must contribute to their support. There are guardianship councils composed of representatives of several of the governmental departments (health, education, etc.) which have supervision over the care of these children.

In conformity with the communistic ideals of the economic independence of women and the collectivization of household economy a large part of the culinary activities have already been removed from the home. Nearly every factory of any size has its own kitchen and dining room where its workers secure one or two meals a day at a low price. Many of the new large dwelling houses in the cities contain communal kitchens and dining rooms. There are also so-called "dinner factories" and public dining halls. Some of these are operated by cooperative societies. The state and collective farms are usually equipped with communal kitchens and dining rooms.

In Moscow I visited a large dinner factory with several dining halls erected and administered by the government. More than 12,000 meals are served there daily. Much food is cooked and sent to factories, and thousands of meals are sent to families. These meals cost less than those prepared at home. The raw food is scientifically analyzed and cooked with the best culinary methods. Machines wash and dry the dishes with

little human labor. The sanitary conditions are of the best. This establishment is a model for many other dinner factories in operation or being constructed throughout Russia. It illustrates an important phase of collectivist living. At the party congress in 1934, Mikoyan, commissar of supplies, stated that in Moscow daily are fed 2,340,000 persons in the restaurants and public dining halls, and 430,000 children in the schools.

Another factor which is decreasing family and home life is to be found in the numerous workers' clubs, in the youth organizations, and in many other social and cultural organizations. Most of the large factories maintain clubs for their workers. A fraction of the income of each of these factories is expended for this purpose. There are many clubs for occupational groups maintained by trade unions, the government, the members themselves, or jointly by several factories of the same sort in the same place. In many cities and towns I have visited clubs for soldiers, peasants, transport workers, textile workers, office workers, scientists, authors, artists, etc.

In Moscow I was invited to an excellent musical and dramatic entertainment in the club of artists by some of the leading Russian musicians and actors, and saw mingled democratically together in the audience not only artists of all grades of ability but also scene shifters, carpenters, masons, models, and other workers who contribute to the production of works of art.

In Dnyepropetrovsk I visited an enormous "Palace of Culture" erected by the great Petrovsk metallurgical works for its workers. It contains a large theater, a gymnasium used alternately by both sexes, a library of 30,000 volumes, a small but well-arranged museum of natural science, a lounge equipped with furniture from an imperial palace in Leningrad, a cinematographic theater, several halls for meetings and lectures, and outside of it are grounds for sports. It is visited by about 1,200 workers daily. Nineteen circles ranging in size

from thirty up meet there. The choir circle has 120 members. The sport circles contain over 400 members. There are many young and middle-aged but few old members in the circles. During my visit I attended a dramatic circle rehearsing an American farce, a game in the gymnasium, a chess contest, a lecture against religion, and two meetings to arouse interest in the approaching soviet elections and to hear reports from the soviet delegates. In the street I saw a tram car illuminated with colored lights to stimulate interest in these elections.

All these clubs furnish numerous facilities for instruction, cultural betterment, sport, and recreation. They offer many inducements for the workers to spend much of their leisure time there. The housing shortage in the industrial centers which have been growing rapidly has probably encouraged this tendency, because congested homes are not conducive to comfort. All these clubs are for both sexes in common in accordance with the communistic principle of no discrimination between the sexes. The only exception which has fallen within my observation was the Ali Bairam Club for Turkish women in the former home of a millionaire in Baku. It contained a workroom for 150 women making underclothing, a nursery for the children of these women, a reading room, etc. Courses were given in carpet making, basketry, bookbinding, etc., and lectures on many subjects. This club was established in deference to Moslem prejudices. The Turkish women had already laid aside the veil in large part and were entering industry. This club was facilitating the transition. At the time of my visit it was expected that in a year or so it would become a general club for men as well as for women.

The youth organizations absorb a good deal of the time of their members outside of school. They are the Oktyabria from the age of eight to ten inclusive, the Pioneers from eleven to fifteen inclusive which has more than four million members, and the Komsomols or Young Communist League from six-

teen to twenty-two inclusive with more than four million members. They are for both sexes in common and prepare the young for membership in the communist party, though not all of the Komsomols are admitted when they attain the age of twenty-three. They serve the purpose of centering the interest and loyalty of the young in the communistic commonwealth rather than in the family.

All these organizations furnish a broader communal life than can be secured in the home. They bring the sexes together in a comradely fashion during their leisure time and in their recreation and play just as they are associated together in most of their work. They habituate and discipline the citizens of the communistic commonwealth in collective rather than in individualistic or familial modes of behavior, and thus aid greatly in attaining one of the chief ends of the bolshevists.

The preceding survey indicates the great emphasis put by the bolshevists upon the care of the child and of the mother as the bearer of the child. This care commences prior to birth. The pregnant woman is given three to four months of vacation which is approximately evenly divided before and after birth. She receives full pay during this period and in addition an allowance for the purchase of clothes for the baby. There are medical consultation offices for women and children where the pregnant woman can receive advice and where the mother can take her child for examination until it is three years old.

Industrial work under sixteen years of age is forbidden. From sixteen to eighteen years of age the young can work only six hours daily and must receive the same wages as adults for the same work. A certain percentage of places is reserved in the factories for the young workers.

There is, indeed, reason to believe that this emphasis upon the welfare of the child is excessive in comparison with the attention given to the older age groups. It goes so far as to

obscure and subordinate the interests and happiness of the adults. In 1928 an official publication stated that "the main concern of the Soviet government is the welfare of the rising generation, the protection of the children."

In this regard the situation is the reverse of what it is in communities dominated by the patriarchal family, especially where there is ancestor worship as in China. In such communities the old are highly honored and respected and have much prestige and authority. In Russia the old have so far been neglected under the bolshevist régime and have often been left to perish from inadequate nourishment and medical care. The consequence is at present a noticeable absence of old persons among the Russians and a disproportionate preponderance in the younger age groups. Until very recently the bolshevists have done nothing to provide for a universal pension system and to put into effect a relatively low age of retirement from work.

It is difficult to ascertain to what extent this has been a deliberate policy adopted in order to get rid of the older generation unaccustomed and not well adjusted to a communistic régime and to replace it with the young who can build up the new system. In any case, this reason for such a policy is rapidly disappearing as the date of the Revolution recedes into the past. Needless to say, such a policy is contrary not only to humanitarian sentiments but to the fundamental theory of communism itself. According to this theory, the social system exists for the benefit of all human beings, regardless of age, sex, and race. It is manifestly inconsistent to rear the younger generation with lavish and painstaking care and then to leave it to perish in misery when it grows old.

This excessive emphasis upon the child has also had a negative result in encouraging a puritanical attitude towards sex which is wholly contrary to the avowed principles of the bolshevists. When I mentioned this contradiction to the late

Anatol Lunacharsky, who was for more than a dozen years the commissar of education, he replied that the state is not yet prepared to assume complete care of the children but that when this time comes unlimited freedom in sex relations will be possible and marriage and the family can disappear entirely. This puritanical attitude is due in part to considerable remnants of bourgeois morality which linger in the minds of many bolshevists, even of some of their leaders. It is also possible that some of the bolshevists display this puritanism as to sex as an unconscious revenge upon others for the repression imposed upon themselves formerly by the capitalists.

As cited above, the code specifies that the sex relations of adults are private matters. And yet at tzentralzags or the central registration bureau in Moscow I was told that polygamy is not recognized by law and is regarded as against public policy. This is indicated by the registration law which forbids a person already mated from registering another sexual union. The Supreme Court has decided that too frequent marriages are punishable as indicating the sexual use of women. What this means is far from clear. Inasmuch as women have as much freedom of sexual choice as men in Russia, there is no reason to believe that frequent marriages indicate the sexual use of women by men any more than they indicate the sexual use of men by women.

In the central registration bureau I was given numerous inconclusive statistics which purported to show that the divorce-rate is comparatively low in Russia. Such statistics are exceptionally misleading and unreliable because many unions are not registered. The dissolution of such unions is ordinarily not registered.

With regard to the registration of marital unions the attitude is rather confused. It is said that immediately after the Revolution the Soviet government provided for registration partly in order to satisfy the prejudices of the older genera-

tion (parents, etc.), and to furnish the opportunity for something in the nature of a marriage ceremony for those who want it. Some of the more prominent bolshevists informed me that their marital unions were not registered and that the tendency among cultured people is not to register. A young woman employed in the central registration bureau said that her marriage was not registered and that registration is for the "uncultured." But the law of January 1, 1927, was intended to encourage registration for the reasons mentioned above.

It is impossible to ascertain what percentage of the marital unions is registered. A few investigations seem to indicate that the highest percentage is in the country and a considerably smaller percentage in the cities. Few religious marriage ceremonies now take place. They have no legal significance whatsoever, and must be preceded by registration.

Among some of the sex hygienists I found prevalent the strange myth that the age of puberty comes two or three years later in Russia than in other countries of the north temperate zone inhabited by peoples of the white race. This myth persists in spite of the fact that statistics furnished me by the Institute of Social Hygiene in Moscow indicate clearly that the usual age of puberty in Russia is from thirteen to fifteen as in other countries. It encourages the notion held by some bolshevists that sexual life should not begin until twenty to twenty-two and even later, which would mean a comparatively late age of marriage. However, it is doubtful if this group has much influence upon the usual practice.

It is noticeable that sex as a motive has disappeared in large part from the graphic arts, literature, and the stage. In literature and the drama, propaganda for political and economic ideas has been predominant since the Revolution. Romantic love seems to have disappeared to a great extent not only from these modes of expression but also from life. Mrs.

Lunacharsky, the former wife of the late commissar of education, attributed it to the comradely relations between the sexes and said that the children in coeducational schools display no sentimental attitude towards each other up to sixteen years of age or even later. But Boris Pilnyak, a well-known novelist who is not a bolshevist, asserted to me that much romantic love still persists and that writers and the public are turning back to the classic writers.

The question naturally arises as to whether the apparent diminution of sex as a theme in literature and the drama and of romantic love in life is due to the fact that bolshevism renders possible a more satisfactory sex life for a greater number of people than is possible in other countries. The prominent part played by sex in literature and the drama and the tendency to romanticize love in Occidental culture is doubtless due in considerable part to the facts that many persons are deprived of a sex life by economic conditions and that the difficulties in the way of the dissolution of marriage force many married persons to remain in an unhappy marital union. For example, in the United States about forty per cent of the population of marriageable age are not married and the divorce laws of most of the states are very stringent. In certain countries it is even more difficult to secure a divorce.

During the period of war communism after the Revolution the newly acquired and unaccustomed freedom and the disorganized conditions apparently led to a good deal of promiscuity. This alarmed some of the bolshevists who feared that it might distract the attention of many people, especially among the young, from the Revolution. Though affirming in theory the privacy and inviolability of sex relations, they nevertheless began to insist that certain kinds of sex relations may injure a person's usefulness to the communist party, and to the Soviet state. This attitude would at once destroy nearly all of the privacy and freedom of sex relations. It would reduce

sex almost entirely to the bestial act of reproduction. This attitude was in line with the general inadequacy of entertainment and amusement. Social dancing in public was until recently forbidden. The reason alleged was that it is "bourgeois" in origin in spite of the fact that the social dances now in vogue came from negroes of the lowest class. The theater and cinema have been very serious with comparatively little comedy. There are few gay meeting places, such as cafés and cabarets. The clubs furnish some entertainment which usually is serious. All these conditions have contributed to the somberness of Russian life.

Although the percentage of Jews in the communist party is very small, not much larger than the percentage of Jews in the population at large, a considerable number of the bolshevist leaders are Jews. It is possible that they have brought with them into the bolshevist movement the Hebraic conception of sex as unclean and something to be frowned upon if not restrained and suppressed.

The high-pressure propaganda and education along political lines have aroused an almost mystical idealism concerning the Revolution in many of the young generation. The fiery zeal, extreme seriousness, and lack of a sense of humor displayed by the Komsomols have probably tended to sublimate sex to a certain extent.

The bolshevist attitude towards prostitution ignores entirely the biological and psychological factors involved. In Leningrad I saw a moving picture entitled "Prostitution and Abortion" which attributed prostitution entirely to economic causes. It exposed the incompetent midwife and depicted the misfortune of the "betrayed" girl. It was very propagandistic and rather bourgeois in its moral attitude in spite of the fact that the bolshevists allege that they do not look at prostitution from a moral point of view. They declare that their legislation is directed against prostitution as a social evil and not against

the prostitutes themselves. And yet several times late at night in Moscow I have seen the police driving the prostitutes up the Tverskaya and herding them at the Pushkin statue. They are induced or coerced into entering the prophylactoriums, several of which I have visited. These are rather dismal institutions where the prostitutes are housed and taught trades.

Prostitution cannot exist in any social system which furnishes economic security and a satisfactory sex life to all. If the bolshevists succeed in developing such a system, prostitution and the double standard of sex freedom associated with it will disappear without any specific measures being directed against them. In the meantime it is shortsighted to ignore the biological factors which are involved for the women as well as the men and to attempt to explain prostitution as a purely economic phenomenon.

The preceding description indicates that the situation with respect to sex is still somewhat confused in Soviet Russia.[1] The outstanding fact is that sex relations are in all probability more free in Russia than in any other country. But the bolshevists have so far recognized sex only from the point of view of reproduction and of satisfying the purely biological sex need. They have as yet displayed no understanding of the wider psychological and cultural significance of sex which I have called its play function.[2] This function far surpasses romantic love in importance and includes the effects of the physical aspects of sex upon the affective or emotional and intellectual aspects of human life. It has contributed largely to

[1] Three books by women, the first two authors being Americans and the third an Austrian, describe certain aspects of this confused situation: Jessica Smith, *Women in Soviet Russia,* New York, 1927; Ella Winter, *Red Virtue,* New York, 1933; Fannina Halle, *Woman in Soviet Russia,* New York, 1933. The latter book gives references to the Russian literature on the subject. V. F. Calverton in his book entitled *The Bankruptcy of Marriage,* New York, 1928, devotes five chapters to the "New Morality" in Russia.

[2] See my *Personality and Conduct,* Chapter IX, entitled "The Play Function of Sex."

achievement along many lines and is of great significance for esthetics. Russian life is still very ugly. Little of beauty has as yet arisen out of the new social order. Not much attempt is made to promote the personal attractiveness of appearance of women as well as of men. This will come when the more pressing economic problems have been solved.

One other aspect of the situation which influences the attitude of the bolshevists towards sex is the question of the increase of population. As this is tied up with their economic doctrines, I shall discuss it later.

When the present confusion as to sex has somewhat abated, it is certain that a new type of sex relationship which will involve a new social relationship between the sexes will develop.[1] Many of the economic obstacles in its path have already disappeared in Russia. It will probably be predominantly monogamous, for the biological reasons stated above, though some exceptions from monogamy may be permitted. Life under capitalism is singularly barren of broad social relationships for the vast majority. Power is concentrated in the hands of a privileged few who usurp and monopolize most of the available material and cultural advantages from which they can derive a rich social life. Persons without marital and familial relations are usually condemned to an existence of dismal loneliness. The happiness of many individuals depends almost exclusively upon the slender thread of the life of one person—a spouse, a parent, a child, as the case may be. Those possessing families are harassed by the responsibilities and risks arising out of the economic insecurity of our civilization, which poison family life to a large extent.

[1] "Marriage, believes the communist, will probably develop into a wholly free, physical and spiritual companionship based on a deep mutual affinity and on a single standard of morality. Relationships of this sort, though absolutely free, will probably be more lasting than our present day 'monogamous' marriage." (J. Kunitz in J. Freeman, J. Kunitz, and L. Lozowick, *Voices of October, Art and Literature in Soviet Russia,* New York, 1930, p. 173.)

In a collectivist society there are no economic obstacles in the way of mating. Freedom in sex relations renders possible the personal adjustments which lead to congenial and satisfactory mates. The begetting of children and parental and filial relations can be enjoyed without the dread menace of hunger and starvation. A high standard of living and many cultural facilities give rise to numerous social relationships shared by all. Death thereby loses some of its terror, because few of the survivors are threatened by utter loneliness. The average length of life is greatly extended. A large part of it is enjoyed in a state of health, youthful strength, and virility. All these features of a socialized system augment greatly the happiness derived from mating and reproduction.

Chapter VII

COMMUNISTIC EDUCATION

In order to understand education in Soviet Russia it is essential to remember that under communism the state is concerned with all of the social activities of life. The family as a domestic and economic unit is abolished. The women are employed outside of the home like the men. While they are at work their children are cared for and educated in nurseries, kindergartens, and primary schools. Education is a state and not a private and family function. In Russia it is controlled by the communist party which is preparing the people for fully developed communism.

The fundamental purpose of education is to train the individual to become a citizen of the communistic commonwealth. Lenin set forth this purpose as follows: "The school must train the communist who possesses a broad general education, who is capable of connecting theory with practice, of connecting every step of his instruction, education and training with participation in the common struggle of all toilers against the exploiters—who possesses the polytechnical outlook and is thus capable of becoming a good specialist in a definite branch of socialist construction." Lenin's widow, Krupskaya, states it in the following words: "The collective principle is both the point of departure and the final aim of every educational process. . . . Except through the collective organization of the children there is no social education." The late Anatol Lunacharsky, who was the commissar of education of the Russian Federation from 1917 to 1929, told me in 1928 that the aim of Soviet education is not to develop the individuality as such

but to assimilate it in the social whole. He added that the personality is, however, developed by many and varied means. Here is recognized a distinction between individuality and personality which must be borne in mind in dealing with education as well as many other phases of Soviet life and activities.

In accordance with the rapid mechanization and rationalization of industry, Soviet education is becoming more and more polytechnical in its character. Marx recognized the need for this sort of education more than eighty years ago. "The division of labor in the automatic factory is characterized by the fact that labor there has lost all specialized character. But as soon as all special development ceases, there develops the need for universality, the tendency of the individual towards an all-round development. The automatic factory effaces the specialities and the professional idiocy inherent in them."[1] A recent authoritative statement sets forth the theory underlying polytechnization in Soviet education. "The Soviet worker must not only gain a practical knowledge of this or that process of labor but must understand also the theory of the process, the theory of organization of production in general, the theory of the national economy and politics, in order to be able to approach his work from a general viewpoint, to be master rather than slave to the machine, to be a rationalizer and inventor, to be active in the political and social life."[2]

In the earlier days of Soviet education the so-called "complex method" was much used in the lower school grades. This was similar to the "project method" developed in the schools of Dalton, Massachusetts. A whole class or school would take some subject such as health, labor, the community, an aspect of nature or of science, to study in unison. The bolshevists, however, rejected the individual advancement feature of the

[1] K. Marx, *Poverty of Philosophy*, 1847, Chapter XI, Section 2.

[2] *Socialist Construction in the U.S.S.R.*, Moscow, 1933, Vols. I-II, pp. 50-51. Published by the Society for Cultural Relations with Foreign Countries.

Dalton Plan according to which it is possible for the brighter pupils to advance more rapidly in the curriculum than their original classes. They regarded this feature as too individualistic and not in accordance with communistic theory. Hence the class lockstep was for a time characteristic of Russian education.

After some years of experience with the complex method it has been in large part abandoned. It was found that it did not result in precise, well-organized knowledge and that it was not sufficiently disciplinary. It was one phase of a vast amount of experimenting in education which has been carried on by the bolshevists. Gradually they have been settling down to a fairly well-defined system which will be described briefly.

At present more emphasis is put upon discipline and more attention is paid to the individual pupil. Louis Fischer, who has lived for years in Soviet Russia, has described these changes as follows: "A lot of silly 'modernistic-communistic' schemes have been booted out of the educational system. Teachers have more authority, students must not torment their professors, and the brigade or group method whereby pupils studied and did laboratory experiments collectively and were therefore ignorant individually has been abolished. Simultaneously, entrance and graduation examinations as well as marks have been reintroduced, and the time a pupil may devote to political activities is now strictly limited. For years parental control was weakened by the implications of Soviet education; children learned to be self-reliant young anarchists who belonged to the street when they were not in school. . . . Parents are urged to exercize more authority over their offspring."[1]

The common school education is organized as follows. The pre-school nursery and kindergarten period is from three to seven years of age inclusive. During this pre-school period the emphasis is upon free activity, habit formation, supervised

[1] The *Nation*, New York, November 22, 1933, p. 593.

play and health. The children are usually in the nurseries and kindergartens while their mothers are at work in factories, offices, etc. During this time they eat, sleep, and play. They usually receive a certain amount of instruction in woodwork with tools, modeling in clay, and similar handicraft. Towards the end of this age period they are taught reading and writing and ciphering so that this period overlaps the primary school period.

As in the schools, there is a certain amount of self-government in the nurseries and kindergartens in order to develop a feeling of responsibility on the part of the children. In the room of the four-year-olds in a nursery in Dnyepropetrovsk I noticed a list of names upon the wall. Upon inquiry I was told that this was the committee on sanitation. This may be one of the methods of developing the personality referred to above by Lunacharsky.

Civic training to become a communist also commences during the pre-school period. I happened to visit a kindergarten in Moscow just before the November revolutionary holiday, and witnessed a rehearsal of its celebration. It consisted of marching, waving of red flags, music by the children's band, and the singing of a song entitled "I am preparing to become an Oktyabrya." The latter is the youngest of the youth organizations.

The primary school covers a period of four years, namely, from eight to eleven years of age inclusive. In some of the city primary schools there is a so-called zero group for seven-year-old children who are too advanced for nursery and kindergarten but are not old enough to enter the primary school. During the primary schooling the child acquires the tools of learning, such as reading, writing, grammar, arithmetic, etc., studies his immediate environment, and acquires some elementary science. In 1932 there were 24,700,000 pupils in the primary grade.

The secondary school lasts for three years from twelve to fourteen years of age inclusive. In it are taught natural and social science, history, mathematics, and practical studies. The objects sought in teaching natural science are to combat religion and to develop the materialistic outlook. The class struggle is taught in connection with history and collectivism in social science.

The tertiary school lasts for three years from fifteen to seventeen years of age inclusive. Inasmuch as it brings the boy and girl to the age when work begins, it is distinctly pre-vocational in its character. The pupil selects the line of work which appeals most to him or her, such as factory, administrative, teaching, etc., and the curriculum for each pupil is shaped accordingly.

The primary, secondary, and tertiary schools, grades, or steps constitute the "unified labor school" which furnishes a broad general education to all children from eight to seventeen years of age inclusive. They are taught the scientific fundamentals of production, combining the general subjects with productive labor. Each school has its workshops and workrooms and is connected with a factory or other concrete undertaking which is called its "mother-enterprize" and where its pupils can practise or at least can observe the methods used.

Polytechnical education includes (*a*) mechanical production, (*b*) chemical production, (*c*) energetics, (*d*) agronomics based on the process of creation of organic matter. It furnishes the pupil a broad understanding of the methods and processes by means of which the material equipment of our civilization is produced. It is far more scientific than the bourgeois conception of labor education prevalent in other countries which is largely handicraft. As indicated in the above quotations from Marx and Lenin, the bolshevists recognize that the increasing use of automatic, mechanized processes decreases the

importance of narrowly specialized skilled labor. The Technocrats in America have recently stated the same point of view, but it has not yet had any influence upon education outside of Russia. The workman of the future will need to be attentive and alert and to have the knowledge to direct the machines and to correct them when they go wrong. Thus the laborer will become the master rather than the slave of the machine, and its intelligent director rather than a routinized automaton.

Owing to the differences both of content and of method, it is a little difficult to compare the unified school with our own common and high school system. The pre-school training corresponds to our nursery school, kindergarten, and the first year or two of our primary grades. The primary school carries the pupil to about the sixth or seventh grade of our primary and grammar school system. The secondary school carries the pupil into the first year or two of the American high school. The tertiary school corresponds roughly to an American vocational high school. At the end of the unified school system the Russian pupil is probably as well equipped on the average as an American pupil ready for college, and has in all probability a somewhat broader outlook upon the world.

A variant of the tertiary grade of the unified school is the factory apprenticeship school which trains skilled workers. In 1931 there were 700,000 pupils in these schools, and the number is rapidly increasing to meet the demand of the factories. There are similar apprenticeship schools for the collective farms. In 1931 they enrolled 434,000 pupils. The entrance requirement for the apprenticeship school is the seven-year training given in the primary and secondary grades. The need for workers has in many cases temporarily reduced the requirement to the four-year primary training. In the factory apprenticeship schools about half the time is devoted to general and

polytechnical education and the remainder to industrial training.

A comparison of the system of education in Russia with the bourgeois system prevalent elsewhere indicates that they differ considerably in degree but not altogether in kind. An American educator has characterized Soviet education as follows: "Education in Russia is a deliberate, conscious attempt to prepare the coming generation for effective, intelligent, and sympathetic participation in the affairs of a socialist state."[1] Bourgeois education also is in a measure intended to prepare the young for life and activities in the capitalistic state. But it is much less deliberate and conscious in this regard than Soviet education. This is perhaps due in part to the fact that capitalistic interests feel fairly secure in bourgeois countries, whereas communism is struggling for a foothold in Russia and seriously menaced from without. The principal reason for this difference is that education by the state under socialism and communism must prepare the individual for all phases of human activity. Under capitalism a large part of human activity is private and independent of the state. There are many private schools which vary greatly amongst themselves. A few of these, indeed, teach doctrines opposed to capitalism, though capitalistic interests maintain a fairly effective control over most educational institutions.

Another important difference is that under communism there is only the class of the workers, and the schools must prepare all workers to perform socially useful functions. Under capitalism there are several classes, including an idle leisure class which is not expected to perform any socially useful functions whatsoever. Consequently, there is a good deal of differentiation in education to meet the requirements of these different

[1] Carleton Washburne, in *Soviet Russia in the Second Decade*, A Joint Survey by the Technical Staff of the First American Trade Union Delegation, New York, 1928, p. 304.

classes, whereas the only differentiation in communistic education is in accordance with the vocations to be followed by the pupils, all of whom belong to the working class.

Soviet education may seem to be so standardized and routinized as to produce a very mechanized and uniform product. There are, however, counteracting forces. In every school there is a certain amount of self-government, and some of the discipline is enforced by the pupils themselves. This tends to develop a feeling of responsibility on the part of the students. The school becomes in a measure a precursor of the communistic commonwealth.[1]

A great variety of activities are carried on in the schools to meet the varied interests and talents of the pupils. This can best be illustrated by describing briefly a few of the schools which I have visited. The Moscow model unified labor school is housed in a large, well-equipped building. The same teachers accompany the classes through the four primary years, thus establishing a close personal relationship between teacher and pupils. In the secondary and tertiary grades each instructor teaches a subject and can, therefore, specialize. There are clubs and circles for dramatics, music, games, sewing, art, etc. There are chemical and other scientific laboratories. There is equipment for physical culture. There are excursions followed by discussions and written themes about the excursions. At least two foreign languages, namely, German and English, are taught.

In the state experimental school in Moscow there are laboratories in all subjects including the social sciences which are equipped with charts and statistics. There is equipment for carpentering and metal work for the girls as well as the boys.

[1] Pinkevitch says that the school is a collective with the teacher as organizer and that student self-government is a form of self-organization and develops organized habits, social instincts, socialistic ideology, friendly relations between teacher and pupil, creative powers, etc. (A. P. Pinkevitch, *The New Education in the Soviet Republic*, New York, 1929, translated from the Russian.)

Excursions are taken, some of them away from Moscow, as, for example, to Leningrad. At the time of my visit I was impressed by a certain amount of confusion in the organization of this school. It seemed to indicate that the persons in charge still lacked a sufficient number of fundamental principles to plan its work successfully.

In the Bio-Station for young naturalists in a park on the outskirts of Moscow is maintained a common school where is carried on experimental work in the open with animals and plants. Many visitors come to this station from all parts of Russia. Similar stations have already been established in many other cities.

The Technical Club for the young in Moscow is devoted to developing mechanical talents. To this club can come any child or young person with his mechanical problems and receive advice, guidance, and instruction.

In the home for delinquent children in Moscow is maintained a school in which is given technical training as well as a general education. A certain proportion of normal children are admitted to this school from outside in order to make its atmosphere as normal as possible. Science is taught and is directed against religion as in other schools. There is a certain amount of self-government.

In the Tartar school in Moscow both the Russian and the Tartar languages are used. The Tartars have changed over from the Arabic writing to an improved Latin script. In accordance with the bolshevist principle of recognizing and fostering the different national cultures, the teaching in the schools throughout Russia is in the language of the local population.

In other cities and smaller places I visited schools which fell far below the standard of the Moscow schools. This is to be expected, and throughout the vast territory of Russia

the schools are striving to attain to the norms set up by Moscow.[1]

Apart from the unified labor school which constitutes the fundamental basis of Russian education, the other educational and partially educational institutions may be divided into the politico-educational institutions, and the professional schools and other higher institutions of learning. The former group contains a great variety of institutions. The centers for the liquidation of illiteracy among adults are partly political in their purpose inasmuch as by learning to read the ignorant peasants and industrial workers can acquire political knowledge. The red corners in factories and offices, the agitation points for soldiers in barracks and railway stations, and the cottage reading rooms in villages furnish reading matter and are usually embellished with instructive pictures, charts, statistical tables, and the like. The many thousands of workers' clubs provide lectures and evening courses. Similar courses are given outside of the clubs. There are various schools for adults for the study of foreign languages and other specialized subjects. The circles for self-education are spontaneously organized groups of workers. The schools for political literacy and the Soviet party schools are specially intended for imparting communistic doctrines.

The most advanced of the politico-educational institutions are the communist universities. While all educational institutions are under communistic control these universities are spe-

[1] Among the books on education in Soviet Russia the following may be mentioned: A. P. Pinkevitch, *op. cit.*; Lucy L. W. Wilson, *The New Schools in New Russia,* New York, 1928; Scott Nearing, *Education in Soviet Russia,* New York, 1926; S. N. Harper, *Civic Training in Soviet Russia,* Chicago, 1929; and *Making Bolsheviks,* Chicago, 1931.

Inasmuch as the curriculum of the unified labor school has been radically changed since 1930 by eliminating the complex method almost entirely and by making it much more polytechnical in its character, all these books are more or less out of date. The last two books mentioned are somewhat broader in their scope than education in the schools.

cially intended to train party workers. The oldest and largest of these universities is the Sverdlof Communist University in Moscow founded in 1918. It is named after a bolshevist leader who was the first chairman of the Central Executive Committee and died soon after the Revolution. At the time of my visit it contained 750 students in the day course, to be increased to 1,500 when the new buildings were constructed, 400 in the evening course, 300 in the Sunday or rest-day course, and 3,000 in the correspondence course.

The requirements for admission are that a student has been a party member for at least five years and a party worker for two years, has been examined and nominated by his local party organization, and has been tested by the university in an examination which is as high as the usual university entrance examination. Each student is given food and lodging, clothing, and a small monthly allowance for himself and for his family if he has one. He is under obligation to be at the service of the party after graduation.

There are few lectures and little classwork in the curriculum. The teaching of the natural sciences is largely in the laboratories. The work in history and social science consists of required reading and themes, consultations with teachers, and occasional class discussions. Much attention is devoted to the history of revolutions and of the communist party.

There are many graphic illustrations in the nature of pictures, diagrams, charts, etc., on the walls. As Latin and Greek are not studied, expressions and technical terms derived from these languages are defined on the walls. The years of the four-year course are called first, second, etc., instead of such meaningless terms as freshman, sophomore, etc. The curriculum gives one the impression of being cleancut and time-saving, scientific and free from tradition. It is as if a breath of fresh air had blown through the fine buildings and over the efficient equipment of this university. The Decennial Publi-

cation (1918-28) of the Sverdlof Communist University describes its work for the party, its educational and pedagogical methods, its scientific work, and its literary and artistic work.

Some of the other communist universities are the Markhlevski Communist University for Western National Minorities and the Stalin Communist University for the Toilers of the East in Moscow, the Leningrad Branch of the Communist University and the Stalin All-Union Leningrad Communist University, the Artem Ukrainian Communist University in Kharkov, and the Stalin Communist University in Rostov-on-the-Don.

A type of educational institution which stands somewhat between the unified labor school and the higher schools is the workers' faculty or "rabfak" of which there are many in Russia containing several hundreds of thousands of students. They are intended for workers who have not received a common school education during childhood. The minimum age of admission is eighteen years. The candidates for admission must be nominated by the communist party, trade unions, or local soviets. They must have worked at least three years in the factories or on the land. There is an entrance examination in the Russian language, arithmetic, and elementary political knowledge. Those admitted are given their food and lodging and a small monetary allowance. The curriculum includes the study of languages (Russian and German or French), mathematics (arithmetic, geometry, algebra, trigonometry), physics, biology, geography, history (Occidental, Russian, and of the communist party), political literacy, economics, economic geography, economic politics, the Soviet Constitution, drawing and designing, and military tactics. In the three-year day course is covered much of the common school education which takes ten years. The evening course requires four years because its students are employed during the day. From the rabfak the students go to the higher technical schools and universities, the

weaker students going to the middle technicums. Eventually they enter technical and professional work.

The ultimate purpose of the rabfaks is to draw from the industrial and agricultural workers persons who are competent to become technicians and to receive professional training so that they will gradually replace the technicians and professional persons of bourgeois origin. Stalin expressed the need for this in a speech before a conference of industrial managers in Moscow on June 23, 1931. "Our society has entered that phase of its development when the working class must create for itself its own industrial and technical intelligentsia, able to defend its interests in industry as the interests of the ruling class. No ruling class has managed to get along without its own intelligentsia. . . . The Soviet government has taken this point into consideration and has opened the doors of its institutions of higher learning along all lines of national economy for members of the working class." When the bourgeois class has died out and a generation all of whom have been educated in the unified labor school has grown up, the rabfaks may no longer be necessary.

The Russian universities are breaking up into groups of scientific institutes. The Vladimir University of Kiev was the oldest university in Russia. Its name has been changed to INO (Institute of People's Instruction). It contains an Academy of Sciences founded in 1918, and many research institutes. Medical instruction is given in the Institute of Medicine. The departmental libraries have been combined into one library of 2,000,000 volumes. These facts indicate a tendency towards scientific research, specialization, and the proletarization of the higher learning. The student no longer has to cram for his diploma and degree. He works continuously and intensively upon his special subject under constant supervision. Examinations have been abolished almost entirely. A broad cul-

tural education has already been received by the student in the unified labor schools.

The technicums train the engineers and other technicians. A good deal of the training is in the form of practical work in industry and agriculture. In the North Caucasus I visited the Zernograd state farm of 110,000 hectares or nearly 300,000 acres. There I saw a technicum for agricultural engineers with 500 students. There are similar schools for agronomes at other state farms.

The physicians, pharmacists, and dentists are trained in the medical institutes. Inasmuch as the legal profession has almost entirely disappeared and the simplification of the law renders much less training necessary for the judges, there is little need for law schools.

Formerly all the higher institutions of learning were under the commissariat of education, and the state council of education in each state appointed all the professors and instructors. Since 1930 these schools have been transferred to the jurisdiction of the governmental departments specially concerned with the subjects taught. Thus the medical institutes and faculties are under the commissariat of health, the electrico-technical institutes under the administration of the electrical industry, the agricultural institutes under the commissariat of agriculture, etc. Such an organization is feasible under socialism and communism, whereas it would hardly be possible under a capitalistic régime where industry and agriculture as well as the so-called free professions are almost entirely under the control of private enterprize.

The highest institution of learning in Russia is the Institute of Red Professors in Moscow which trains the most advanced teachers. It is a sort of super-university and consists of two sections, namely, of the natural sciences and of the social sciences. In the first section, known as Ranion, the students are not required to be communists. Many of the teachers of the

natural sciences are not communists. In the section of the social sciences all the students must be communists. There are faculties of economics, history, law, philosophy, and literature. In both sections the students receive their food and lodging and a monetary allowance. After completing the four-year course they become professors or specialists in the government service.

The preceding brief survey of bolshevist education indicates that it fully recognizes the effect of mechanization and rationalization not only upon industry but upon life in general, that it is based largely upon science, and that it is free and open to all workers. On the other hand, it is somewhat hampered by the Hegelian dialectic described in an earlier chapter. This is a limitation especially in the higher schools.

The question now arises as to the relation between education and propaganda. It is often difficult to draw the line between the two. Wherever a doctrine is generally accepted, its teaching is likely to be regarded as education. On the other hand, where it is not generally accepted, it is almost certain to be stigmatized or denounced as propaganda by those opposed to it. Recently in Rome I heard an evangelical mission referred to as propaganda. On the other hand, in non-Catholic countries the "Society of the Propaganda" of the Roman church carries on its missions. In a capitalistic country the teaching of capitalistic ideas, open or disguised, is regarded as educational, whereas the teaching of socialistic ideas is often denounced as propagandistic.[1]

[1] An American sociologist has proposed the following very invidious definition of propaganda: "Propaganda is promotion which is veiled in one way or another as to (1) its origin or source, (2) the interests involved, (3) the methods employed, (4) the content spread, and (5) the results accruing to the victims—any one, any two, any three, any four, or all five." (F. E. Lumley, *The Propaganda Menace*, New York, 1933, p. 44.)

Although most of the propaganda he describes is worthy of denunciation, Lumley himself is somewhat propagandistic in his denunciation of propaganda *in toto*. When he asserts that "education and propaganda are contradictions in terms and

Any new régime is likely to be propagandistic until it feels secure. This is particularly the case if it is authoritarian. In recent years this has been true of the Russian bolshevist, the Italian fascist, and the German national socialist governments, all of them authoritarian in their nature, though the Soviet government is only temporarily authoritarian.

The pressure of propaganda is felt on every side in Soviet Russia. In an earlier chapter I have described the censorship of the press, publication, and assembly as negative propaganda. In addition to the schools, the youth organizations, trade unions, workers' clubs, Red Army, and almost all other organizations take part in it. Nearly every theatrical performance and moving picture is at least in part propagandistic, often to the detriment of its artistic character. In Kiev I attended a play called "Chernoe Ghetto" by Eugene O'Neill.[1] It contained a long political harangue not characteristic of the author's dramatic style. I asked the translator how it became incorporated in the play and he replied: "I inserted it because I was afraid that otherwise the censor would not pass the play."

One result from this pressure is that there is not enough relaxation in Russian life. Apparently the bolshevist authorities are beginning to realize this lack. In 1933 in Moscow I was told that they are searching abroad for comedies and other light theatrical pieces to furnish amusement to the people. Social dancing, formerly frowned upon as too frivolous and as "bourgeois" in origin, is beginning to be tolerated and even encouraged.

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mutually exclusive" (p. 21), he is condemning most of education. The impartation of correct information is none the less educational even though the person imparting it may have a propagandistic motive. Probably the great majority of teachers are inspired with a zeal which renders their teaching at least in part propagandistic. This is not objectionable provided the teacher has a wholesome respect for the truth and tries to be accurate.

[1] "Black Ghetto." The English title of this play is "All God's Chillun Got Wings."

A more serious result is that this heavy weight of propaganda, both negative and positive, tends to suppress to a certain extent independent and original thinking. This may not be so harmful in the lower schools where the young must be prepared for life in a communistic society. It is a more serious matter for the advanced students and the scholars and scientists whose function it is to seek the facts regardless of political theories and of the economic system under which they happen to live. Probably no such system is final, and the safest basis for change is scientific research, for which there should be ample freedom. The Soviet government is already strong enough to grant such freedom without endangering its own existence.

Chapter VIII

THE IMPENDING REGIME OF THE WORKERS

The labor movement arose as an attempt on the part of the working class to wrest concessions from the capitalist class by means of collective bargaining and the strike. Hitherto the latter has been the most effective weapon of the workers in the conflict of the classes. In a country where there is the dictatorship of the proletariat, labor unions seem to be unnecessary and anachronistic. In order to understand the present functions of the Russian trade unions, it is essential to trace briefly the history of the Russian labor movement.

Unlike the labor movement in most countries the Russian trade unions were organized by the Russian social-democratic party in 1905. In other countries the unions have usually preceded the proletarian political parties and have remained more or less independent of them. Owing to these circumstances of its origin, the Russian labor movement was always closely associated with and to a considerable extent incorporated in the social-democratic party and later the communist party which arose out of the bolshevist or left wing of the earlier party. Thus the membership and the leadership of the unions and of the party were to a large extent identical.

During the political reaction of 1907 to 1909 both the unions and the party were suppressed. From 1911 to 1914 there was a slight revival of the unions. After the Revolution of March, 1917, the unions and the party grew rapidly and organized the soviets of workers' deputies. Thus the unions cooperating with the party played an important part in bringing about the

Revolution of November, 1917. This close association has continued down to the present day.

In the early days some of the unions were craft unions and others were industrial unions. At the second trade union congress in 1919 it was decided to organize the movement on the basis of the industrial union, that is to say, the union which includes all the workers in an industry regardless of differences of skill and of function. This rendered it possible to have but one union in each factory. The factory committee is elected by all the workers in a factory. These committees send delegates to the local organization, which in turn sends delegates to the larger territorial and administrative divisions until the delegates are chosen which represent the unions on the central committees in Moscow. The Central Council of Trade Unions in Moscow unites all the Russian unions as their directing head.[1] This form of organization is known as democratic centralism. There are twenty-three of these industrial unions which included a membership of 18,000,000 in 1932. The five largest unions in order of size are the union of soviet, public, and commercial employees, the agricultural and forest workers' union, the railroad workers' union, the metal workers' union, and the textile workers' union. This is the vertical line of organization. The horizontal line of organization is through the trades councils and trade union bureaus.

The Russian workers still retain the right to strike even though the capitalists have disappeared. They may exercize this right because they disapprove of the administration of their factories or of the acts of government officials, because they think that the laws for the protection of labor are not being enforced, or because they believe that their own leaders are making mistakes.[2] Even though the state belongs to them,

[1] In 1933 the joint people's commissariat of labor was abolished and its functions transferred to the Central Council of Trade Unions.

[2] Tomsky, the former chairman of the Central Council of Trade Unions, comments on the right to strike as follows: "We consider it the lawful right of the

and all officials both of the government and of their own unions are in the last analysis responsible to them, the strike furnishes the workers a spontaneous and direct method of acting against bureaucratism, corruption, mismanagement, or any other abuses which they think have arisen. Strikes have, however, been comparatively infrequent, especially recently, and usually of short duration.

Much more important than the negative weapon of the strike are the positive functions performed by the unions. The most important of these functions is collective bargaining with respect to rates of wages, norms of work and other conditions of labor. The factories are in the main under the management of the state "trests" (trusts) or administrations of the various industries. The unions representing the workers bargain with these trusts representing the state. In each factory a collective agreement is signed, usually once a year, between the director of the factory, who represents the trust, and the factory committee which represents the workers.

A uniform tariff or wage scale for seventeen categories of workers was in force until after the beginning of the first five-year plan in 1929. Categories 1 and 2 included the apprentices, categories 3 to 10 included the adult manual workers, and categories 11 to 17 included the technicians. The relative wage rate for apprentices ranged from 1 to 1.2, for adult manual workers from 1.5 to 4.2, and for technicians from 4.6 to 8. The highest-paid adult workers received 2.8 times the wages of the lowest-paid, which is greater than the usual difference between unskilled and skilled labor. The highest-paid technician received 1.74 times the wages of the lowest-paid technicians. The wages of specialists of average qualifica-

workers to react in every way against our mistakes, when they consider that their rights have been infringed. Besides using the press, making estimates and appeals, etc., they have the right to react against our mistakes by going on strike, although such an incident is obviously abnormal in a workers' state." (M. Tomsky, *The Trade Unions, the Party and the State*, Moscow, 1927, p. 17.)

tions are said to be about three times the average wage rates of the workers in general.

During the first five-year plan piecework wages were introduced to a large extent in order to speed up the production. The norms for piecework wages are first estimated by the technicians or engineers of a factory who measure the productivity of the different grades of workers with the aid of stop watches. These estimates are discussed by the director and the workers. The rates jointly agreed upon are set forth in the collective agreement. The workers, in order to increase production, sometimes propose "counter-norms" by which their quota of work is increased, or "counter-plans" calling for more production than is specified by the state plans.

There are, however, other factors which determine wage rates. In order to hasten the building up of the national industrial system, wages in the heavy industries have recently been raised more rapidly than in the light industries. The purpose is to attract the best workers to the industries which manufacture production goods and to furnish them incentives for working hard. After the heavy industries have been developed it will be comparatively easy to develop the light industries which produce consumption goods.

In addition to the monetary wages are the so-called "socialized" wages which include free municipal services, social insurance, public catering, cultural services, house-building, education, health protection, etc. For example, the rent of a worker is never more than ten per cent of his income, regardless of how large his family is and how much dwelling space is assigned to him. It is estimated that rent, lighting, and heat constitute about 10.7 per cent of the worker's budget for the whole of Russia.

Another method of speeding up production during the period of national construction is by means of the organization of shock brigades in the factories and on the farms. The

"oodarnik" or shock brigader is a worker who is exceptionally ambitious or conscientious and wishes to increase production by working harder and longer. He is chosen by the vote of his fellow workers. Under the piecework system he is rewarded by receiving more wages for a higher output, and sometimes he is given certain privileges as well. It is believed that the oodarniks helped materially to fulfil the first five-year plan by serving as pacemakers for the other workers. It is expected that eventually all the workers will become oodarniks, not in the sense that all of them will be exceptional because that is impossible, but in the sense that all will acquire a social conscience.

The production is speeded up also by means of socialist competition or emulation. Competitions to produce the most are arranged between squads of workers within a factory or between factories.[1] Inventions are encouraged by giving prizes and other rewards to the inventors. Such devices as shock brigades, socialist emulation, etc., are used to stimulate production while the new industrial system is being constructed and goods are scarce. When the age of plenty is attained, so much pressure to produce will not be necessary. It may then be possible to pass from the present stage where "from each is demanded in accordance with his ability and to each is given in accordance with his labor" to the stage when "from each will be demanded in accordance with his ability and to each will be given in accordance with his needs."

Under capitalism, piecework wages and pacemaking almost invariably redound to the injury of the workers. By lowering the wages in proportion to the higher rate of production,

[1] See Harry F. Ward, *In Place of Profit, Social Incentives in the Soviet Union*, New York, 1933. Among the incentives described are improvement of material conditions, payment by results (piecework), socialist accumulation, social ownership, social approval and disapproval, the new attitude towards work, creative purpose, new antagonisms (against bureaucratism, religion, nationalism, etc.), shock work, socialist competition, the vstrechny or counter-plan, khosraschet or cost accounting, workers' rationalization, participation in the government, etc.

more work is secured from the worker at less wages and the speeding results in increasing the profit of the capitalists. In Russia all that is produced goes eventually to the working class, but its distribution among the workers is somewhat influenced by the differential wage rates.

As indicated in Chapter VI, the bolshevists have been slow to develop a pension system.[1] In 1928 in Moscow I was able to discover a pension system only for textile workers. Since that time a comprehensive pension system has been introduced. To receive a pension a worker must have worked at least fifteen years and be at least fifty-five years of age or incapacitated for labor. It is expected that at the end of the second five-year plan the age of pensioning will be lowered to fifty-three. The pension ranges from one-half to two-thirds of the last wage earned. A few exceptional pensioners receive 100 per cent of the last wage earned, because they are "old," that is to say, pre-Revolutionary bolshevists, or have made valuable inventions, or have rendered some other exceptional service. There is no moral pressure to work beyond the age of fifty-five, but many workers do so because they want the higher wage income or wish to continue to take part in building up the new system.

Each factory sets aside a part of its revenue as a fund out of which are paid pensions and various forms of insurance against illness, accident, etc. The trade unions play an important part in administering and distributing these funds.[2] For a number of years there was a good deal of unemployment, and the unions paid out large sums in the form of doles to

[1] See A. Katz, *Social Insurance in the U.S.S.R.*, Moscow, 1927:

"Old age pensions and pensions on the completion of a long period of employment, as such, are not paid in the U.S.S.R." (P. 26.)

"Another shortcoming is the lack of old age insurance. On attaining a certain age, say 60 years, old people should be entitled to a pension, regardless of their state of health or degree of disability." (P. 48.)

[2] The increase in the size of these funds is indicated by the facts that in 1924 they amounted to 424,000,000 roubles and in 1933 to 4,431,000,000 roubles.

the unemployed. Now unemployment has decreased to a negligible quantity and under the present organization of industry and agriculture should not recur unless there is gross mismanagement. In a socialized state and with an efficient distribution of work there should be employment for everyone.

The trade unions carry on also extensive educational activities. They maintain trade schools and circles for training the workers to administer industry democratically. Promising workers are sent to the polytechnical schools to be trained as technicians and engineers. Many of the directors have worked their way up from the ranks. The unions promote an intensive development of the social spirit and an enlightened self-interest which in unison with the educational facilities will enable the workers eventually to manage the factories without directors and representatives of the government. The power of the public opinion of the workers as expressed through the trade unions is already very strong. It is expected that the repressive effects of machine work, of scientific management, and of a rigid discipline, will be counteracted and counterbalanced by a broad general education which will develop the personality, and ever-decreasing hours of labor which will leave ample leisure for the choice of cultural activities.

The foregoing description indicates the functions performed by the trade unions, in spite of the fact that capitalism has disappeared in Russia. Beginning at the bottom with the factory committees,[1] all the way up through the local and regional organizations to the Central Council in Moscow, the

[1] "The factory committee directs the entire trade union work in the enterprize, deals with the administration on behalf of the workers and employees, participates in the examination and solution of different economic questions in the enterprize, regulates the conditions of labor, looks after the execution of the labor laws, and the collective agreement, carries on cultural educational work, recruits new members, collects union membership dues, carries out and explains to the workers all the decisions and resolutions of the higher trade union bodies." (I. Resnikov, *Trade Union Organization in U.S.S.R.*, Moscow, 1927, p. 16.)

unions represent the workers and enable them to act collectively. Inasmuch as many union members are delegates to the soviets and several of their leaders are in the presidium of the Central Executive Committee of the Soviet government, a close relationship is maintained between the unions and the government. In similar fashion there is a close relationship between the unions and the communist party. In fact, there is every reason to believe that the party dominates the unions as it does the government in the manner which has been described in Chapter III.

As will be described in the following chapter, Russia is now in the stage of state socialism and has not yet reached communism. The present stage still contains remnants of capitalism and of the class struggle. It retains much of the form of organization and mechanism of the capitalistic system, such as wages, prices, trade unions, parliamentary and even party government though there is only one party, a highly centralized executive control, centralized administrations for the various branches of production, and cooperative organizations which function also to a certain extent under capitalism. Stalin has stated the necessity for a wages system even under socialism as follows: "Marx and Lenin said that the difference between skilled and unskilled labor will exist even under socialism, even after the destruction of classes, that only under communism must this difference disappear, hence that wages even under socialism must be paid according to work performed and not according to need."[1] A similar statement from a bolshevist writer points out that even piecework wages are compatible with socialism. "The piecework system and in general the progressive method of payment in use in the U.S.S.R. permit of the labor of each individual participant in the socialist production being evaluated and remunerated ac-

[1] Joseph Stalin, from a speech before a conference of industrial managers in Moscow, June 23, 1931, translated from the Moscow *Izvestia* of July 5, 1931.

cording to the results (quantity and quality being both taken into account). This is the fundamental principle of the socialist remuneration of labor and is derived from the works of the great communist teachers—Marx and Lenin."[1]

According to Marxist and Leninist theory, the present phase of socialism will merge into the final stage of communism when an adequate productive equipment for an age of plenty has been constructed and a communistic ideology has been instilled into or acquired by the people. Then the state as a highly centralized organ of power and authority will disappear. The party as a distinct group of individuals will disappear because all the population will be assimilated into it. The working class will disappear as a class because the whole of the population will be included in it. Most if not all of the organizations will be liquidated. Controlling organizations will no longer be necessary because the workers will have become so highly developed socially and culturally that all will contribute their time and labor according to their abilities and the requirements of society, and will receive according to their needs and their desires without control from the abundant supply of goods. So runs communistic theory according to Marx and Lenin and their disciples.

The trade unions by preparing the workers for their own régime will bring about the extinction of the unions. Or they may be transformed into some sort of producers' guilds in which the workers of the various branches of production will organize themselves. In similar fashion the cooperative societies of today may become consumers' guilds for the distribution of goods.

During the period of war communism after the Revolution, membership in a trade union was obligatory for the industrial workers. At that time the unions constituted almost an

[1] A. Nelepin, *Wages in Capitalist Countries and in the Soviet Union,* Moscow, 1932, p. 54.

integral part of the government. Then came the period of the New Economic Policy during which private enterprize and capitalism were tolerated to a certain degree. The trade unions now became more or less independent of the government, and membership in the union became voluntary though highly advantageous. With the passing of the NEP interlude and the coming of the intensive construction of the productive system there was some danger that under the syndicalism of the industrial unions the workers and their unions would strive too much for their own immediate interests by demanding and taking too much of the amount produced in the form of wages and by reducing too rapidly their hours of labor. This would have hampered the construction of the new productive equipment by reducing the amount of capital and labor available for the building up of this system. It was partly for this reason that the Soviet government put the direction of the factories under the Supreme Economic Council and the state trusts. When the productive equipment is fully developed and the workers have acquired a social conscience because they regard themselves as the owners of industry and have a cooperative and proprietary attitude towards their industries, this danger will disappear. It will then be safe to place the management and immediate control of all branches of production under their own guilds organized by themselves.

The preceding discussion has dealt primarily and in the main with industry. Until the beginning of the first five-year plan Russian agriculture was almost entirely private. It was impossible to unionize the peasants to any considerable degree. Although the union of agricultural and forest workers is one of the largest of the trade unions, it contains only one or two per cent of the rural population. As the vast majority of the peasants were engaged in private enterprize, they had no interest in joining a union. It was also difficult to inculcate com-

munistic ideas in the rural population while agriculture was on a private basis.

During the first five-year plan took place an intensive drive for the collectivization of agriculture which resulted in collectivizing more than half of the agriculture in the form of state and cooperative farms. This process is being continued during the second five-year plan. At the same time vigorous efforts are being devoted to raising the standard of living of agricultural workers to that of the industrial workers. A corresponding rise is taking place in their cultural level. Whether or not it will be necessary or desirable to unionize the agricultural workers in the same manner or to the same degree as the industrial workers remains to be seen. The rise in their standard of living and cultural level will aid greatly in preparing them to take their part in the impending régime of the workers.

Chapter IX

STATE SOCIALISM THE PRECURSOR OF COMMUNISM

It is often asserted that state capitalism now prevails in Soviet Russia. This widespread notion is due in large part to the fact that many of the forms and much of the terminology of capitalism still persist there. Among them are wages, prices, rent, money, a banking system, credit, state loans, taxation, so-called state trusts for the administration of industry, labor unions, etc.

A moment's thought will indicate the inaccuracy of this notion. Capitalism is based upon and requires the private ownership of the means of production, private enterprize, and private profits. All these fundamental and essential traits of capitalism have been abolished. The only exception is to be found in a relatively small amount of private agriculture which is rapidly being collectivized. Even this remnant of the old agriculture is greatly modified because the land belongs to the state. Each peasant is permitted to utilize only a small piece of ground. The scope of his private enterprize is narrowly limited and his profits correspondingly small.

State capitalism is impossible and a contradiction in terms. If the government were administering all the economic activities of a country, there would be no private enterprize, thus eliminating one of the essential features of capitalism. Without private enterprize there would be no private profits. Such profits are by definition the results of the efforts of the private enterprizer. The only possibility would be that the state might recognize the private ownership of certain means of produc-

tion acquired during an earlier period of capitalism and would pay the owner something in the nature of rent for the use of these means of production. This would be an anomalous situation which could not continue indefinitely and would result eventually in the expropriation of the owner with or without compensation.

A certain amount of state socialism may exist alongside of or within a capitalistic system. If a government operates the postoffice and owns and administers the railways, it is to that extent socialistic. As the socialized, publicly owned economic activities increase, the private, capitalistic enterprizes decrease. How far this process of socialization can be carried without completely eliminating capitalism will be discussed later. The question no longer arises so far as Soviet Russia is concerned. The word "capital," from which the term capitalism is derived, may be used under any economic system as meaning the forms of wealth which are utilized in the production of goods.

The fact that state socialism and not state capitalism is now dominant in Russia is of more than theoretical or terminological significance. Without a recognition of this important fact it is difficult to appreciate the extent of the changes which have already taken place, the true nature of the present system, the principles upon which it is based, and the ends towards which it is working. A few historical facts will aid in understanding the setting of the economic scene in Soviet Russia.

From the November Revolution of 1917 to March, 1921, lasted the period of "war communism." All industrial activities were nationalized and municipalized, private trade was forbidden, the peasants were permitted to retain only as much of their products as they needed for their own subsistence and were required to deliver the remainder to the state, receiving in return some of the industrial products which they needed, and all consumption goods were distributed to the

urban population according to a rationing system. The paper currency was greatly inflated with the deliberate intention of destroying its exchange value and thus eliminating money from the national economy.

During this period production fell to its lowest point both before and after the Revolution. In 1920 the production of coal fell to less than one-sixth of the production in 1916, of pig iron to one-fifteenth of the production in 1913, and of thread and yarn to one-twenty-fifth of the production in 1910. On account of the great shortage, the government distributed the available goods primarily to the industrial workers who received very little of their wages in money.[1] The peasants, finding that they were receiving very little in the way of manufactured goods from the government, planted only enough to support themselves. The land cultivated fell to little more than half of the usual amount. There was a great shortage of food. Many of the city dwellers went to the country in search of food so that in 1920 the urban population was reduced by about one-third.

The results from this situation were most disastrous. Famine and disease caused millions to perish during this period, the estimates running as high as five millions. The factory workers, as well as the peasants, discouraged by the apparent failure of the Revolution to improve their condition, refused in large numbers to work and were mobilized and put under martial law in order to force them to work. Some of them joined the White Guards who formed part of the counter-revolutionary forces in the civil war. The Red Terror was at its height. Many thousands were executed for refusing to work.

[1] "The importance of money wages during this period of currency inflation declined and money played a very insignificant rôle (in 1920 the workers received only 7 per cent of their wages in money). The workers and their families received their remuneration in the form of goods (rations, clothes, communal services and other necessities). The state made labor obligatory for all able-bodied citizens and in exchange it took upon itself the task of their maintenance." (L. Ginsburg, *Conditions of Labor in the U.S.S.R.*, Moscow, 1927, p. 6.)

speculating, carrying on private trade, and other offenses. The members of the other revolutionary political parties were severely repressed, many of the menshevists and social-revolutionaries being executed or put in prisons and concentration camps. The Tcheka, later the GPU, described in Chapter II, was then at the height of its activities. The Red Army was also used to compel the factory workers and the peasants to produce.[1]

The bolshevists asserted that this period of "war communism" was necessary in order to uproot capitalism. They claimed that all forms of capitalistic production must at once be destroyed before they could begin to construct the new system. They attributed the bad conditions which prevailed to the civil war and foreign invasions which took place during this period. Their political opponents, the social-democratic menshevists and the social-revolutionaries, asserted that a period of transition was necessary during which some of the forms of capitalistic production should have been retained. They claimed that the bolshevist policy aggravated the civil war and encouraged the foreign invasions.

The outcome of this situation was a radical change of policy. At the end of February, 1921, a general strike occurred in Leningrad which spread in part to Moscow. Early in March an insurrection took place at Kronstadt of the sailors who in 1917 had contributed greatly to the success of the Revolution. While this insurrection was going on the tenth congress of the communist party met in Leningrad and adopted the "New Economic Policy," proposed by Lenin. In his last speech before he died on January 21, 1924, at the plenary session of the Moscow Provincial Soviet, on November 19, 1922, Lenin described this policy as follows: "This policy was called the New Economic Policy because it is a step backward. We are

[1] See, for a description of this period, a book by a menshevist leader, Theodor Dan, *Sowjetrussland wie es wirklich ist*, Prague, 1926.

giving way, but we are doing it in order to move forward again, and then to take a new start and leap forward with great speed. It is only under this condition that we retired to the point of introducing our New Economic Policy."

The essential features of this policy, commonly known as NEP, were that private industrial enterprizes by Russians or by foreigners were permitted and encouraged temporarily and that private trade was legalized for a time. In order to render NEP possible, it became necessary to establish a new stable currency and a new banking system. In 1921 was opened the State Bank of the U.S.S.R. Many other banks were soon founded whose principal function it was to extend financial credit to industry and agriculture both in their private and in their socialized forms. Among these banks were agricultural, savings, cooperative, municipal banks, the Bank for Foreign Trade, and the Long Term Credit Bank for Industry and Electrification.

The NEP flourished for about eight years, that is to say, from 1921 until the beginning of the first five-year plan in 1929. During the period of the plan it was almost entirely liquidated so that by the end of 1933 few vestiges of NEP remained. Thus was fulfilled Lenin's prophecy in 1922 that in a few years NEP Russia would be made into socialist Russia. Even at its height NEP did not approximate full-fledged capitalism. At no time did the Soviet government relinquish the public ownership of land. Whatever land was needed by the capitalists was rented to them by the state. Concessions to foreigners, which never reached a relatively high aggregate, were limited in time and provided that capital investments were to revert at the termination of the concession to the state. The Russians who undertook private enterprizes during the NEP period were even more narrowly limited. They were heavily taxed so as to prevent them from making very large profits. In production they were limited largely if

not entirely to light industry, that is to say, the manufacture of consumption goods. Thus they were prevented from gaining control of the key industries. In trade they had a larger scope for their activities. As rapidly as the government or cooperative organizations were ready to undertake productive or distributive enterprizes, the private enterprizes were forced out of existence directly by repressive measures or indirectly by increased taxation which rendered the enterprizes no longer profitable. When I was in Moscow in 1928 there were many small private shops but no large ones because a shopkeeper who employed any assistants outside of his own family was taxed so heavily as to be driven out of business. When I returned in 1933 I could find not a single private shop in Moscow.

The NEP played some part in reviving industry and trade after the disorganization and demoralization of the period of war communism. It left a longer impress in time by occasioning the revival of many of the forms and mechanisms of capitalism which have persisted into the present period of state socialism as will be shown below. In the year 1927 to 1928 the industrial production was 89.7 per cent by the government, 2.4 per cent by cooperative societies, and 7.9 per cent by private enterprizes including foreign concessions. In 1928 the distribution of goods was 27 per cent by the government, 50 per cent by cooperative societies, and 23 per cent by private enterprizes. As already indicated, the private enterprizes disappeared during the next few years, their share in trade going almost entirely to the cooperatives and their share in production going almost wholly to the government. Throughout the NEP period the state retained control of the key industries, transportation, and the credit system, so that at no time was there any serious danger that capitalism would regain a permanent foothold in Russia. In 1933 the gross output of large-scale industry was

92.76 per cent by the state, 7.17 per cent by cooperative societies, and only 0.07 per cent was private.

The above figures indicate that industrial production is almost entirely governmental, while most of the distribution of goods is in the hands of cooperative societies. The various branches of industry are administered by a large number of so-called trusts, both of the Soviet Union and of the federated states, most of which are under the commissariats of heavy industry and of light industry. A trust is a group of factories or other industrial enterprizes under one management. Each "productive unit," *e.g.*, factory, maintains a certain amount of independence, but its manager is usually appointed by the board of the trust. Many trusts are horizontal and include one stage in manufacturing, but some are vertical in that they include all the stages in the production of the finished goods.

The trading, *i.e.*, buying and selling, interests of the autonomous trusts are usually administered by syndicates or combines. Advance orders are received from cooperative and state retailing organizations which aid in planning production.

The municipal soviets administer the communal enterprizes, such as water, gas, electricity, transportation, housing, etc.

The prices are regulated mainly by the State Planning Commission and the commissariat of food supply. Prices must not be competitive as between state and cooperative organizations. Wholesale and retail prices and prices for consumers' goods and for producers' goods are fixed. Aside from staple articles, the prices for each locality are not regulated in detail, so that there may be some variation from one region to another. The percentage of profit which may be made by the selling organization is limited.[1]

The bolshevists regard the cooperative movement as one of

[1] Emile Burns, *Russia's Productive System*, London, 1930; Calvin B. Hoover, *The Economic Life of Soviet Russia*, New York, 1931.

The economic organization has changed somewhat since these books were written.

the principal means of preparing the masses for socialism as well as furnishing a mechanism for carrying on an important part of the socialist economy. Lenin said that the "growth of cooperation is tantamount (with minor exceptions) to the growth of socialism" and that cooperation is the "guide to communism." But cooperation in Russia differs fundamentally from the cooperative movement under capitalism. In the latter, people unite in order that each may secure a small share of the profits which would otherwise go to large capitalists. In other words, it is a petty bourgeois movement against the wealthy bourgeois, and may impede a class and workers' movement. In Russia people unite in order to aid in building up the whole socialized system and not merely for the sake of small profits to be derived directly therefrom. "The cooperative societies in the U.S.S.R., unlike those in capitalist countries, have a background not of private capitalist enterprizes, but of predominatingly state socialist enterprizes. They obtain their goods from the state industries, use the state transport facilities, and a large part of their trading capital consists of state credits. In all their operations they are linked up with the economy of the state, which is built up and guided by the working-class in alliance with the peasantry."[1]

The most extensive form of cooperation is found in the consumers' societies which grew from a membership of eighteen millions in 1927 to sixty-three millions in 1931, and which is still greater today. Practically all of the adult urban population are members of these societies. They operate a vast number of shops all over Russia through which most of the goods distributed are sold. Some of these shops are open to non-members and others only to members.

The agricultural cooperative societies rank second in number and importance. Before the first five-year plan they were societies for selling agricultural products and for buying tools,

[1] N. I. Popoff, *Consumers' Cooperation in the U.S.S.R.*, London, 1927, p. 10.

seeds, and other equipment needed by the peasants. The campaign for the collectivization of agriculture during the plan resulted in the formation of a vast number of collective farms organized as cooperative societies which will be discussed later.

Maximum retail prices are fixed above which the cooperative societies cannot charge. The cooperatives are permitted to accumulate sufficient capital to provide for the expansion justified by the public demand for their wares, but not more. By so doing they are restrained from making profits and cannot declare dividends to their members like cooperative societies in capitalistic countries. Membership is advantageous only if and when the shop is closed to non-members or a lower price is given to members.

Owing to the shortage of goods at present the great majority of shops in the Soviet Union are closed except to the persons designated to use them. Every large factory has its shops for its own workers. There are special shops for office workers, soldiers, the police, railway workers, etc. This is a complicated and somewhat clumsy system of distributing goods. But it stimulates factories and other enterprizes to rivalry in trying to secure as much as possible for its workers, and also serves the purpose of furnishing more and better goods to the groups favored by the state authorities. It is expected that before the end of the second five-year plan there will be enough goods to render possible the abolition of the rationing system, and to replace the "closed" shops with so-called "commercial" stores which will be open to everybody.

The consumers' societies are united in Centrosoyus which is the central union of these societies. It aids in the making of agreements and contracts between the cooperatives and the state trusts for the purchase of goods. The foreign trade of the cooperatives is concentrated in the hands of Centrosoyus. It carries on a certain amount of trading on its own account. It endeavors to raise the standard of efficiency of the cooperatives

and to extend the movement by aiding in the formation of new societies.

The chief function of the cooperative movement is to represent and serve the workers organized as consumers just as the trade unions represent and serve the workers organized as producers. Whether or not this distinction will be recognized and will persist indefinitely is a question to be discussed later. At present the cooperatives and the trade unions interlock not only with each other but also with the government in carrying on the national economy. As described in Chapter III, all three are guided and dominated by the communist party. Inasmuch as all these organizations overlap in large part in their membership and to a certain extent in their leadership, it would hardly be possible for them to be hostile to each other or to follow fundamentally contradictory policies.

A brief survey of the financial system will help to furnish a more comprehensive view of the Soviet socialistic economy. In 1922 the State Bank, established in 1921, was made a bank of issue to provide a stable currency at the pre-war par value. The law authorized it to issue bank notes against a precious-metal reserve of at least 25 per cent. Prices were stabilized at about one-third above the pre-war level, and for a time the rouble exchanged at par with other currencies. The State Bank has continued to maintain a firm cover for its notes of at least 25 per cent down to the present. Within a year or two the government treasury began to put currency issues into circulation which had no hard money cover. Prices rose so that by 1924 they were more than twice the pre-war level. The exchange value of the rouble began to fall and continued on its downward path so that now the paper rouble is almost worthless outside of Russia. The government continued to issue currency until by 1930 the total amount of currency in circulation was a little more than double the bank-note issue without any increase in the firm cover. The price level, however, remained

stable between 1924 and 1930. Since that time the currency situation has remained about the same.[1] The so-called "free" prices in the open shops have gone up greatly. This, however, is of no great significance because most of the goods are sold in the closed shops for factories, occupational groups, etc., where the prices are on a much lower level. These goods if limited in quantity are sold on a rationing basis. When there is an ample supply of a commodity, it is not rationed and is put in the open shops as well to be sold there at a much higher price.

The bolshevists contend that there has been no real inflation because production and turnover have increased much more than the currency. The foreign exchange value of the rouble they consider of no importance because Russia has an almost entirely closed and self-contained economy, and its comparatively limited foreign trade is conducted on a gold basis. Inasmuch as prices and wages are centrally controlled, increases in prices can be compensated for by corresponding increases in the wages, thus safeguarding the incomes of the workers.

The second function of the State Bank and its many hundreds of branches has been to furnish financial credit for industry, agriculture, and the distributive agencies. During the NEP period there grew up an extensive network of banking and financial institutions which furnished a large part of this credit. Among them were a very large number of agricultural credit societies and banks, cooperative banks, municipal banks, and savings banks.

In order to serve more than twenty-five million individual

[1] In September, 1932, the total currency in circulation was 6,493,000,000 roubles and was almost equally divided between the bank notes and the treasury notes. The reserve was about 700,000,000 gold roubles. In January, 1934, the bank notes in circulation were 3,432,500,000 roubles, while the treasury notes plus silver, nickel, copper, and bronze coins equaled 3,429,000,000, making a total currency circulation of 6,861,500,000 roubles. The reserve consisted of 807,700,000 gold roubles, 9,190,000 roubles of other valuable metals, and 42,240,000 roubles of foreign money reckoned at gold parity, making a total of 859,130,000 gold roubles. (Reported in the *Economic Review of the Soviet Union,* February, 1934.)

peasant households engaged in private agriculture, there were at one time over ten thousand agricultural credit societies, more than fifty agricultural credit cooperative unions, forty-five provincial and regional agricultural banks, seven agricultural banks of the federated states, and the Central Agricultural Bank of the U.S.S.R. This system was very decentralized and hampered the government in carrying out a unified financial plan. During the campaign for the collectivization of agriculture most of the peasant households were merged in the state and cooperative farms. Consequently, the agricultural credit societies were greatly reduced in number. In 1931 the whole system of agricultural banking was incorporated in the State Bank.

In order to furnish credit and other banking facilities to the large number of cooperative societies a good many cooperative banks arose which served still further to decentralize the banking system. During the first five-year plan most of these banks were liquidated or incorporated in the State Bank to which has been given the exclusive control of short-term credits as well as a large part of the long-term credits. Some of the long-term financing still remains in the hands of the All-Russian Cooperative Bank and the Ukrainian Cooperative Bank.

According to a government decree of 1923, the municipal banks were to meet the financial needs of the cities, and especially to furnish long-term credits for financing housing schemes and municipal enterprizes. These banks also did a great deal of the short-term financing for local trade. In 1930 short-term credit operations were centralized in the State Bank, thus leaving very little of this sort of financing to the municipal banks. A government decree in 1930 prescribed that the financing of all kinds of housing and municipal schemes is to be done by the Central Municipal and Housing Bank and the local municipal banks. As the development of housing in a country where there is a great shortage of houses, and of cities

in a country which is rapidly becoming industrialized and urbanized, requires the investment of a vast amount of capital, the municipal banks have a large task ahead of them. Furthermore, they take some part in the financing of local industries.

Even though a large part of the mechanism of financing and banking has so far been retained because money is still used as a medium of exchange and a measure of value, there are certain important financial differences between the Soviet economy and a capitalistic economy. Commercial credit, that is to say, the giving of credit on open accounts, has been abolished entirely. When a distributive organization, such as a consumers' cooperative society, purchases a bill of goods from a factory or food supplies from a state or cooperative farm, the vendor sends a copy of the bill to the State Bank or one of its branches. After the bill has been accepted by the purchaser, the bank debits the current account of the purchaser and credits the current account of the vendor for that amount. The only exception is when the State Bank advances a loan for this amount to the vendor when transportation difficulties cause considerable delay in the delivery of the goods.

Under the centralized control which exists in Russia it is much more feasible to plan and regulate credit than it is under capitalism. In a capitalistic country it is possible to forecast the movement of credit to a certain extent. The government may also endeavor to regulate this movement by varying the discount rate of the banks which it owns or controls, as in the case of the Federal Reserve banking system in the United States. But it is impossible to curb private enterprize and speculation to any considerable degree under capitalism, because an effective curb would put an end to the system itself. In Russia private enterprize and speculation have been eliminated almost entirely. The national economy is already in part planned and will become more so as time goes by. The planning of long-term credit is an integral part of the general plan for the de-

velopment of the productive forces of the nation. It is also possible to plan and regulate credit with respect to the regular and normal seasonal variations of each year. During the autumn and winter quarters (October to March inclusive) capital construction work and agricultural activities decrease considerably, a good deal of currency flows back into the State Bank, and the demand for credit diminishes. During the spring and summer quarters (April to September inclusive) building and agricultural activities revive, currency flows out of the State Bank, and the demand for credit expands.

The State Bank and the economic branches of the government are able to plan and regulate not only on the basis of past experience, which is possible to a certain extent in capitalistic countries. They are able to procure a great deal of information which is not available in capitalistic countries. Each economic enterprize and institution, namely, factory, collective farm, cooperative society, governmental department, etc., is required to submit to the State Bank or one of its branches or correspondents (other banks) in which its current account is kept, its financial plan for the coming year by quarters. This plan includes its credit plan, namely, what short- and long-term credits it will need, and its plan of cash payments, namely, its estimate of receipts and disbursements in cash during the given period. These plans are revised by the branch banks and combined into a regional plan at each of the twenty-five regional offices and then transmitted to the State Bank in Moscow where a unified plan for the Soviet Union is prepared and submitted to the supreme governmental authorities concerned, namely, the commissariats of heavy industry, light industry, agriculture, etc., the State Planning Commission, the Council of Commissars, and the Central Executive Committee of the Soviet Union.

In a capitalistic country such information is not available not only because the government has no authority to demand it,

but also because most business enterprizes cannot foresee with any degree of precision what their receipts and expenditures and their credit requirements are going to be. If an unexpected business crisis comes and a period of depression commences within the year, the purchasing power of the public will diminish greatly, business receipts will fall off correspondingly, and credit needs will shrink except in cases of enterprizes which are in so precarious a situation that they require financial credit in order to survive. If an unpredictable period of prosperity commences within the year, business receipts and credit needs will expand accordingly. In a socialized economy the trade cycle with its violent fluctuations is almost entirely eliminated.

The information secured by the State Bank furnishes much of the material for the national cash balance sheet which serves as part of the basis for the state budget. The budget contains appropriations not only for financing the current economy but also for the construction and expansion of the new industrial system. The subject of planning and the extent to which planning actually exists will be discussed in the following chapter. At the same time will be discussed the persistence of a price and a wage system in a socialistic economy and the significance of this survival of a capitalistic mechanism. Suffice it to say that even after reaching the stage of state socialism the bolshevists have continued to act and also to think in terms of money, credit, prices, wages, taxes, loans, etc., in fact, practically all the paraphernalia of the capitalist state. In other words, after eliminating the essential features of capitalism, namely, private ownership of the means of production, private enterprize, and private profits, they have continued to use its forms and mechanism. Whether or not this has been necessary or desirable is a question of great practical as well as theoretical importance.

This chapter has dealt mainly with industry because it has been the most socialized branch of the Soviet economy. During

the first five-year plan much was accomplished towards collectivizing agriculture.

Immediately after the Revolution in 1917 the bolshevists said to the peasants: "The landlords are abolished; the land is yours to cultivate." To the Russian moujiks, accustomed to an age-long servitude to the landlords, this seemed like heaven on earth. They were not aware or did not fully realize that at the same time the bolshevists had abolished the private ownership of land and had declared it nationalized, so that they did not as individual peasants legally own the land.

The collectivization of agriculture has been the most serious problem of the bolshevists. During the period of war communism agricultural produce was secured by means of requisitions upon the peasants in return for which they were given manufactured goods. This system limited the freedom of the peasants and diminished their opportunities for making speculative profits. Accordingly they ceased to cultivate much of their land, thus contributing greatly to the misery and starvation of that period.

On March 15, 1921, at the tenth congress of the communist party, while the Kronstadt insurrection was going on, Lenin made a speech advocating the substitution of taxation for requisitions upon the peasants, in which he said: "If any one of the communists has dreamed that in the course of three years we should be able to transform the economic basis, the economic roots of the petty landholders, this man must have been a visionary. . . . The task of remoulding the petty farmer, of rebuilding his entire psychology, all his habits, is a task requiring generations. The solution of this question of the petty land-holder, the curing, as it were, of his entire psychology, can be performed on a material basis, by technical methods, by using tractors and machines in agriculture on a huge scale, by an immense system of electrification."

During the NEP period the bolshevists experimented with

several methods of purchasing agricultural produce from the peasants, no one of which was very successful. It was very difficult to adjust an industrial system which was almost entirely socialized, and a system of distribution which was rapidly becoming socialized, to a system of agriculture which remained almost entirely private. Moreover, this lack of adjustment would be dangerous in the event of war. There was much difference of opinion among the bolshevists and great reluctance to take a decisive step. Many bolshevists thought like Lenin that it would take a long time, perhaps several generations, to prepare the peasants for such a step. This question was one of the principal bones of contention between Stalin and Trotzky. The latter did not believe that socialism and communism could be permanently successful in Russia without a world revolution. He advocated the speedy collectivization of agriculture as well as of industry and distribution in order to prepare Russia to initiate and participate in a world revolution. Stalin hesitated upon this point. After Trotzky was banished to Central Asia in 1927, Stalin apparently changed his mind or made it up finally. At any rate, the first five-year plan provided for an intensive campaign for the collectivization of agriculture which was made one of the two principal objectives of the plan, the other being the development of heavy industry. Among the principal methods used in this campaign have been the organization of many state farms to demonstrate to the peasants the advantages of collective and large-scale agriculture, the establishment of nearly three thousand machine and tractor stations (MTS) to demonstrate and sell agricultural machinery to the peasants, the provision of financial credit to facilitate these purchases, and an aggressive political propaganda carried on in large part from the state farms and the MTS.[1] Many industrial workers were sent into the country to take part in this propaganda. At the same time as a negative

[1] In 1934, 340 MTS were added bringing the total number up to 3,400.

measure several hundred thousand of the koolaks or more affluent peasants who presented the fiercest opposition to the collectivization were dispossessed and transported to distant parts of the country, thus forcibly breaking up a large part of the opposition.

The campaign was unexpectedly and extraordinarily successful, though at a cost which will be indicated presently. Prior to the beginning of the campaign there were about twenty-five million individual peasant households and farms in the Soviet Union. In his speech to the central committee of the communist party on January 7, 1933, Stalin stated that during the three preceding years more than 200,000 cooperative farms and 5,000 state grain and cattle farms had been organized and that during the preceding four years the land under cultivation had been increased by twenty-one million hectares.[1] More than sixty per cent of the individual peasant farms and more than seventy per cent of the land under cultivation were now collectivized, and instead of 500 to 600 million poods it was now possible to produce 1,200 to 1,400 million poods of grain. At the party congress in 1934 Stalin stated that the grain-sowing areas in millions of hectares had increased for state farms from 1.5 in 1929 to 10.8 in 1933 and for cooperative farms from 3.4 in 1929 to 75. in 1933, and for private farms had decreased from 91.1 in 1929 to 15.7 in 1933. In 1933, of these areas 10.6 per cent was in the state, 73.9 per cent in the cooperative, and 15.5 per cent in the private farms.

In his speech to the third session of the Central Executive Committee of the U.S.S.R. in January, 1933, Commissar of Agriculture Yakovlef stated that the number of private farms which had become collectivized had increased from 400,000 in 1928 to 14.5 million, that the latter number of farmers had the use of 90 million hectares instead of 60 million in 1928, and that the more than 400,000 cooperative farms averaged more

[1] A hectare is about two and a half acres.

than 400 hectares apiece. Of the 8 million individual farmers who in 1928 had no horses at least 6 million had joined cooperative farms and were no longer at the mercy of the koolaks from whom they hired horses.

At an earlier date, in his speech to the sixteenth congress of the communist party in June, 1930, Commissar Yakovlef described the technical efficiency of collectivized agriculture as follows: "The actual field work per acre, which formerly took one hundred hours of human labor, now takes less than four hours of man-power in the fields, with one hour of a giant crawler-tractor. The rest of the work needed to produce the wheat is done in the coal and iron mines, the steel works, the oil wells. Metal and oil, instead of human sweat hymned by the poets—that is the essence of today's farming. Thus farming takes its place as large-scale industry, among the other planned industries of a socialist state. Thus the ancient and oldest antagonism, that between city and country, vanishes."[1] In similar vein spoke Michael Kalinin, chairman of the presidium of the Central Executive Committee, to the sixth Congress of the Soviets of the U.S.S.R., in March, 1931: "In industry, great as may be the advance in comparison with our backward past, we are still only striving to overtake the technical development of the more advanced lands. But in farming—we are leaders on a new road. *Here we go before all nations.*"

The campaign for the collectivization of agriculture was in large part accomplished with astonishing rapidity in the course of three or four years, namely, 1929 to 1932 inclusive. The cost of this aggressive and intensive drive was great. In 1917 the moujiks or peasants thought that the land was given to them. Scarcely a dozen years later it seemed that the land was being taken away from them, because they did not understand that

[1] Cited in Anna Louise Strong, *The Soviets Conquer Wheat,* New York, 1931, p. 275. Miss Strong describes the success of the 1929-30 campaign to collectivize the production of wheat, but perhaps does not give sufficient weight to the opposition encountered from the peasants.

the ultimate purpose of collectivization was to increase production for their own benefit. The harsh measures used against the koolaks or richer peasants discouraged the poorer peasants from trying to produce as much as possible. The result was widespread under-cultivation of the land, and sabotage in the form of killing off livestock and consuming it at once, and destruction of a good deal of tools and machinery. These were among the most important causes of the serious shortage of food which lasted in Russia throughout the period of the first five-year plan. Other causes were the exportation of a good deal of food in order to import machinery, and inefficient functioning of the distribution and transportation systems.

No reliable statistics are available as to the amount of starvation, disease, and misery caused by this food shortage.[1] In so far as the livestock is concerned it will take some years to recover from the losses. In a speech before the seventeenth congress of the communist party on January 26, 1934, Stalin stated that in 1933 as compared with 1929 the number of horses had fallen from 34,000,000 to 16,500,000, of cattle from 68,100,000 to 38,600,000, of sheep and goats from 147,200,000 to 50,600,000, and of pigs from 20,900,000 to 12,200,000, or a total decrease from 270,200,000 to 117,900,000 domestic animals. It is estimated that more than 20,000,000 natural horsepower were lost.

Collective agriculture in Soviet Russia is still too new to be accurately judged. Some of the collective farms which I visited in 1933 were functioning very inefficiently, others somewhat

[1] Comments in 1929 and 1930 from foreign correspondents in Russia graphically illustrate the situation at that time:

"What peasant who still owns his farm—and there are twenty-five million of them—will be at pains to cultivate it intensively? If he does, the state will expropriate him, and when he enters the collective he will be suspected as a 'middle peasant,' or, perhaps, even a *koolak*." (Paul Scheffer, in the London *Observer*, quoted in *The Living Age*, New York, January 15, 1930, p. 596.)

"In Moscow, for instance, which, as the capital, receives favored treatment, it is almost impossible to buy any food or other commodities of popular consumption above what, to Western standards, seems a rather meager ration." (Walter Duranty, in the *New York Times*, February 27, 1930.)

better. On the one hand, there is a great lack of technical knowledge and skill. The bolshevists are endeavoring to meet this need by establishing schools for agronomes and agricultural engineers at the larger state farms. On the other hand, the psychology of most of the peasants is not yet adjusted to a collective economy. In the speeches and writings dealing with agriculture of Stalin, Yakovlef, Kaganovich, and other bolshevists, are frequent references to laziness, lack of discipline, a weak sense of the social ownership of property, etc. In a resolution adopted in January, 1933, the Central Executive Committee of the U.S.S.R. declared that the form of organization of collective agriculture is not yet well developed, the new social discipline of labor has not yet been created, the measurement of work and of accomplishment, without which a collective economy cannot survive, is in most cases inaccurate, and that owing to these and other defects a large part of the collective farms are not yet operated at a profit. The recognition of these shortcomings should lead to energetic efforts to eradicate them.

An attempt to improve collective agriculture is to be found in the drastic reorganization of the state farms. During the first five-year plan were established many very large farms, some of the grain farms being much more than 100,000 hectares in area. It has been found that such a farm is far too large and unwieldy to be operated under one management. During the second five-year plan these farms will be reorganized so that no farm will contain more than twenty to twenty-five thousand hectares. A farm with a large tillage area will not contain more than fifteen thousand hectares.

With the collectivization of agriculture the number of agricultural trusts, syndicates, and combines have been increasing. Most of them are under the commissariat of agriculture. Whether the future organization of agriculture will be more in the form of state farms or of cooperative farms remains to be seen.

Chapter X

SOCIALISTIC PLANNING

It has become a commonplace to say that the Soviet system is a planned economy. The bolshevists reiterate it on every possible occasion and point the finger of scorn at capitalism as an unplanned economy. The economic depression which commenced in 1929 caused many questioning eyes to be turned upon Russia in the hope that some solution might be found for the ills which afflict capitalistic countries. Some of the capitalists themselves have proposed schemes for a planned economy in spite of the fact that a régime of *laissez-faire* and private enterprize by definition and by its very nature excludes social planning. All theories of a socialized system, on the contrary, are based upon the concept of social planning. These considerations lend great practical as well as theoretical importance to the question as to what extent and in what ways the Soviet system is already a planned economy.

Economic planning consists of at least two parts. The first is the planning of the current economy, that is to say, in order to provide the supply of goods day by day for immediate consumption. The second is the planning of the capital equipment, that is to say, not only to replace the worn-out or obsolete producers' goods but also to expand or diminish the equipment in accordance with changes in population or in standard of living.

It is the second phase of planning to which reference has almost invariably been made in the descriptions of Soviet planning both by bolshevists and others. The low order of economic development in Russia has forced the bolshevists to con-

centrate attention upon capital construction. They have neglected the planning of the current economy perhaps more than has been required by the need for building up the new system.

The first economic plan was a plan for the electrification of the U.S.S.R. Lenin proposed to utilize the available power resources by transforming them into electrical energy at regional stations from which the electricity would be distributed by means of high-voltage transmission lines. In 1921 the Congress of the Soviets approved the GOELRO plan for the construction of thirty regional power stations with a capacity of one and a half million kilowatts to be completed in ten to fifteen years. This plan was fulfilled by 1930. By the end of 1932 the five-year electrical power plan was completed. In 1933 the total power capacity of electrical energy in the U.S.S.R. was 5,600,000 kilowatts and the total output 15,800,000,000 kilowatt-hours. According to an estimate of the U. S. Department of the Interior the output in the United States in 1927 was 80,000,000,000 kilowatt-hours. The Russian capacity was only a very small percentage of the total electrical capacity of the United States, somewhat less than the German capacity, and not yet equal to the English or the French capacities. The main purpose of this program is to electrify metallurgy, the chemical industry, and all branches of industrial technology as far as possible. The plan is to distribute the industrial centers around the electrical power stations whose energy is derived from coal, peat, water power, and the other natural sources of energy. The power resources of the U.S.S.R. as of January 1, 1931, were estimated to be, in million tons of conventional fuel of 7,000 calories, coal—569,369, peat—51,205, hydraulic—28,316, firewood—19,329, wood substitutes—18,912, oil—4,929, combustible slates—3,061. Recent discoveries have put the estimates for coal up to 1,113,000, and for peat up to 265,000 million tons.[1]

[1] *Monthly Review* of the Moscow Narodny Bank, Ltd., London, January, 1934.

Electrification renders possible the rapid and economical distribution of power in accordance with the distribution of industries and of population, thus furnishing the most efficient technical basis for a planned socialism.

The first five-year plan was intended to cover the years 1929 to 1933 inclusive. Its two main objectives were the development of heavy industry, that is to say, the industries which manufacture producers' goods, and the collectivization of agriculture. The latter has been discussed in the preceding chapter. Among the other objectives of the plan were a small expansion of light industry, namely, the industries which manufacture consumers' goods, increased production of food supplies, and a moderate rise in the incomes of the workers. Among its cultural objectives were a great expansion of educational facilities and an intensive campaign to liquidate illiteracy.

Among the heavy industries developed were the production of fuel, coal and oil in particular, metallurgy including the non-ferrous metals, agricultural machinery, automobiles and tractors, building materials, and the chemical industry. All these industries are of basic importance for the construction of the new productive system.

According to the Soviet statistics most of this five-year plan was fulfilled in four years, namely, by the end of 1932. In his report to the central committee of the communist party on January 7, 1933, Stalin gave a comprehensive survey of these accomplishments from which the following data are cited. The capitalistic features of industry were once for all eliminated, and socialistic industry became the only type of industry in the Soviet Union. This meant the final liquidation of the New Economic Policy. The program for industrial production was fulfilled 93.7 per cent. Industrial production was increased to more than three times the pre-war production, and to more than two times the production in 1928. The program for production in the heavy industries was fulfilled 108 per cent.

According to Stalin, unemployment and the economic insecurity of the workers were eliminated. The number of workers in the heavy industries increased to twice the number in 1928, which exceeded the program of the five-year plan by 57 per cent. The national income in 1932 was 45,000,000,000 roubles, which was 85 per cent greater than in 1928. The average wage of the workers in the heavy industries was 67 per cent greater at the end of 1932 than in 1928, which exceeded the program of the five-year plan by 18 per cent. The funds for social insurance increased by 292 per cent (about 4,000,000,000 roubles in 1932 as compared with about 1,000,000,000 in 1928) which exceeded the program of the five-year plan by 111 per cent.

Stalin asserts that the production of the light industries in 1932 was 187 per cent greater than in 1928, and that retail sales in 1932 amounted to 39,600,000,000 roubles, which was 175 per cent greater than in 1928. He concludes his survey as follows: "The results of the five-year plan have shown that it is entirely possible to create a socialistic society in a single country, because the economic basis of such a society is already constructed in the U.S.S.R. . . . The results of the five-year plan have demonstrated that the only economic system which does not fear crises and is capable of overcoming difficulties which are insoluble for capitalism, is the economic system of the Soviets."

The second five-year plan covers the years 1933 to 1937 inclusive. In July, 1932, the congress of the communist party stated its main objective as follows: "The sixteenth congress of the party holds, therefore, that the chief and decisive economic task of the second five-year plan is to complete the reconstruction of the whole of national economy, to lay down a new technical base for all branches of national economy." According to V. M. Molotov, chairman of the Council of People's Commissars of the U.S.S.R., by the end of this plan the production of consumption goods will be increased two to three times, and of machinery three to three and a half times as com-

pared with 1932.[1] The Soviet engineering industry will play a leading part in attaining these ends.

Whether or not there will be a third five-year plan remains to be seen. There is a great deal of planning in addition to and outside of the programs of the first two five-year plans. In 1933 was completed a canal which connects the White Sea with the Baltic Sea. A canal one hundred kilometers in length between the Volga and Don rivers is now being dug. It is planned to connect the Baltic and the Black seas and the Black and the Caspian seas. By 1937 ships will pass from the Arctic Ocean and the Baltic Sea through Russia to the Caspian Sea and the Black Sea. It is planned to construct a dam forty meters high across the lower Volga River at Kamyshin. This will provide irrigation for four million hectares on the steppes of the left bank. A hydroelectric power plant will be constructed which will produce 7,000,000,000 kilowatt-hours of electricity. Locks will provide for navigation and for the fish coming upstream to breed. Many other irrigation schemes are planned, especially in the arid regions of Central Asia.

The planting of crops according to soil and climate is being planned more and more. The growing of cotton has been greatly increased in Central Asia and to a less degree in the Caucasus. In 1930 it was introduced in certain southern districts of the Russian Federation, namely, Crimea, North Caucasus, Daghestan, Lower Volga, and the Ukraine. Maize has been much cultivated in the Caucasus but can be grown as well in many other parts of Russia. It is being gradually eliminated from the Caucasus, and tea, lemons, oranges, and other tropical fruits are being introduced for which the Caucasian climate is suitable but which cannot be grown in most parts of Russia.

From 1914 to 1933 the urban population increased from 25,000,000 to 39,000,000. This was due in part to the growth of the population in general which has increased more than

[1] V. M. Molotov, *The Second Five-Year Plan,* Moscow, 1932.

20,000,000 since the Revolution of November, 1917. It was due still more to the rapid growth of the industrial centers such as Moscow, Kharkov, Baku, Stalingrad, Dnyepropetrovsk, etc. Several entirely new cities, such as Magnitogorsk at the Magnetic Mountain in the Urals, have come into existence.

The industrialization and urbanization of Russia have created a grave problem of the distribution of population. If Russia were to go the way of the highly industrialized countries in this regard, it would soon have many large cities, some of them numbering in the millions of inhabitants like the monstrous urban centers of Western Europe and America. The bolshevists wish to avoid these monstrosities with the numerous evils which they cause. They plan to restrict the size of cities as far as possible to not more than 500,000 inhabitants. Moscow and Leningrad are already in the millions. Within ten years Baku has more than doubled and is reported to have over 700,000 inhabitants. Kiev probably, and Kharkov and Odessa perhaps, are already over 500,000. Tiflis is reported to be over 400,000. In some places it is difficult to prevent a great concentration of population, as, for example, at Baku on account of the great oil resources and at Odessa on account of the excellent harbor. In most places the concentration of population can be controlled and limited by the distribution of industries. As indicated above, electricity will be distributed from the power stations over a considerable radius thus distributing the industries and likewise the population.

The bolshevists intend to close up the gap between city and country as much as possible. The agricultural centers will to a certain extent be industrial centers as well. The cultural advantages of the city will be brought to the rural inhabitants so that they need not flock to the cities to obtain them. The country will cease to lag behind the city technically and culturally. Villages and towns as well as cities will be planned in order to combine as far as possible the cultural and technical

advantages of the city with the healthfulness and natural beauty of the country. Although there have been no notable achievements in city planning as yet, they should accomplish a good deal in this direction eventually.[1]

The bolshevists have done no planning whatsoever as yet with regard to the movement of population. In accordance with the orthodox Marxist doctrine, they assume that an unrestricted and rapid growth of population is desirable. This is one of the principal lacunae in their program of planning. In a later chapter it will be shown that the regulation of the growth of population is an essential feature of functional planning.

The bolshevists have been fortunate in that their first and second five-year plans have come at the time of the great economic depression in the capitalistic countries. In contrast to the deplorable conditions in those countries their achievements may seem greater than they really are.[2] They have been attained at a great cost to the people. In addition to the grave food shortage which persisted throughout most of the first five-year plan, little has been accomplished as yet to increase the average incomes or to raise the standard of living of the people. In his speech before the Central Executive Committee of the U.S.S.R. on December 28, 1933, Chairman Molotov of the Council of Commissars asserted that wages had increased 10 per cent during 1933 and that retail prices would be reduced from 35 to 40 per cent during the second five-year plan.

[1] According to the Soviet commissar of finance, no real city planning has been possible as yet because of urgent and immediate needs, and the housing construction has been hasty and insufficiently organized. (G. T. Grinko, *The Five-Year Plan of the Soviet Union,* New York, 1930.)

[2] At the party congress in 1934 Stalin asserted that as compared with 1929 the volume of industrial output had risen in Russia to 184.7 per cent in 1932 and 201.6 per cent in 1933, but had fallen in the United States to 53.8 per cent in 1932 and 64.9 per cent in 1933, in Great Britain to 83.8 per cent in 1932 and 86.1 per cent in 1933, in Germany to 59.8 per cent in 1932 and 66.8 per cent in 1933, and in France to 69.1 per cent in 1932 and 77.4 per cent in 1933.

In his speech to the communist party on January 26, 1934, Stalin stated that the average annual wage of the industrial worker rose from 991 roubles in 1930 to 1,519 roubles in 1933, or to about 125 roubles a month. Inasmuch as the price level was at least twice as high as before the war, this was a very low wage even at the latter date, and even after taking into consideration the free social services received by the workers. In 1933 I visited many shops in various parts of the Soviet Union. Nowhere were commodities very plentiful, and most of them were of an inferior and shoddy quality. In his above-mentioned speech Molotov asserted that in 1934 there would be an 18 per cent increase in the production of consumers' goods, and a 22 per cent increase in the production of the industries under the commissariat of internal supply which are largely food industries.

Capitalism has been most successful in its early stages and in the development of new countries with large natural resources. The United States and Canada are notable examples. With very little state planning and under intensive capitalistic exploitation they have in less than a century attained the vanguard of nations in technical equipment. If Russia had had a different type of political régime and as effective a capitalistic exploitation, it might also have attained a high technical development. As will be shown in the last two chapters, it is in its later stages that capitalism breaks down and functions badly. Theoretically, state planning should be more successful than capitalistic planning in building up a new economic and technical system, as the bolshevists have perhaps demonstrated. It is of much greater practical importance that an efficient state administration of a highly developed system be devized. It is becoming more and more evident that technological unemployment and the lack of purchasing power resulting therefrom render capitalism incapable of operating such a system efficiently. Hence it is highly desirable to ascertain whether or

not the bolshevists have succeeded in devizing a plan for the current economy of a going concern.

The state budget of the U.S.S.R. in approximate figures was 7,200,000,000 roubles in 1928, 8,800,000,000 in 1929, 13,200,000,000 in 1930, 20,500,000,000 in 1931, and 27,500,000,000 roubles in 1932. In 1933 the state revenues were 39,200,000,000 and the expenditures 36,000,000,000 roubles, giving a surplus of 3,200,000,000 roubles. The budget estimates for 1934 were 48,900,000,000 roubles for the revenues and 47,300,000,000 roubles for the expenditures. The large increases after 1929 were due to the liquidation of the NEP and the rapid socialization of industry and agriculture.

According to the 1934 budget estimate, the income from socialized economy is 41,100,000,000 roubles, or more than four-fifths of the total revenue. The principal item in this income is 29,200,000,000 from the turnover tax. This is a tax upon sales. The special merchandize fund yields 6,300,000,000. This is the profit from the sales in the open shops, in which the prices are much higher than in the closed shops where goods can be purchased only by the persons having access to them and in the case of many rationed goods only with ration cards. The revenue from transport and communications is 2,900,000,000, most of which comes from railway transport. The deductions from profits yield 1,500,000,000. These are paid out of the profits of the factories, farms, and other economic enterprizes. Outside of the income from socialized economy the principal items are 4,000,000,000 from state loans and 2,600,000,000 from various taxes such as the income tax on individuals. Nearly three-fourths of the revenue is from taxation, about one-eighth from the profits of state trading, and nearly one-tenth from state loans.

According to the 1934 budget estimate 33,400,000,000 roubles are appropriated for the national economy. Heavy industry receives 11,400,000,000, the cooperative farms 4,000,000,000, in-

ternal trade and railway transport nearly 4,000,000,000 each, the state farms 1,900,000,000, the reserve funds of the Council for Labor and Defense 1,300,000,000, light industry 1,200,000,000, and miscellaneous industries 1,200,000,000. The appropriations for social and cultural purposes amount to 3,000,000,000 roubles, of which 2,700,000,000 go to education. In addition and outside of the state budget the local budgets furnish 4,400,000,000 roubles, the social insurance fund 3,400,000,000, and other sources 2,900,000,000 to social and cultural purposes. The other important appropriations are 1,800,000,000 roubles to the army and navy, 1,000,000,000 for administration, 1,700,000,000 for the service of the state loans, 3,700,000,000 for the local budgets, 1,000,000,000 advanced to the State Bank, and 2,900,000,000 to the government reserves. About 70 per cent of the total expenditure is appropriated for the financing of the national economy.

The first thing that will strike the reader of these figures is the enormous size of the Russian state budget compared with other countries. By far the largest state budget of any capitalistic country is that of the United States. In his message to Congress in January, 1934, President Roosevelt estimated the revenues for the fiscal year July 1, 1933, to June 30, 1934, at $3,250,000,000 and for the succeeding fiscal year at $4,000,000,000. The Russian figures are several times as great. This is easy to understand in a country where state socialism prevails. The national income was about 50,000,000,000 roubles in 1933 and is estimated at 60,000,000,000 for 1934, so that the larger part of the national income is now included in the state budget. Theoretically all of the national income should be included in the state budget if and when state socialism is applied in every branch of the national economy.

What seems incongruous and anachronistic in the Russian budget is that more than three-fourths of the revenue is from taxation and state loans. These are the usual sources of revenue

of capitalistic governments. They may be reduced to taxation because loans have to be repaid eventually out of the receipts from taxes. For example, for the five years from 1924 to 1929 the United States government derived 99 per cent of its revenue from taxes, the principal items being 35 per cent from corporation income taxes, 28 per cent from personal income taxes, 18 per cent from customs duties, and 12 per cent from tobacco and liquor taxes. This is a logical situation because under capitalism the government stands apart from the economic system and levies taxes in order to pay for the services it renders to the people.

The Soviet government has carried over into the era of state socialism a large part of the forms and mechanisms of capitalism though it had eliminated practically all of the essence and substance of capitalism by the close of the first five-year plan. Taking the currency system, the financial and credit system, the purchasing power of money, the price level, the wage level, etc., more or less as they were in the NEP period and even under capitalism, the state has gone on buying and selling, paying wages, reckoning its profits, levying taxes, borrowing money, etc. This situation gives rise to many statements from bolshevist sources which are ludicrous and at least in part erroneous under socialism. For example, the "Economic Survey" of the State Bank of the U.S.S.R. for January, 1932, asserted that the turnover tax has no influence upon prices and is not a tax upon the people. It is true that both prices and wages are regulated by the state much more in Russia than elsewhere, and that the real incomes of the workers can to a large extent be arbitrarily fixed. But if the state takes a considerable part of the national income under the name of a turnover tax and applies the proceeds to capital construction, it cannot be used to augment the real incomes of the workers for the present, though it will have that effect in the future. By juggling the national income under the terms of taxes, loans, profits, etc.,

the Soviet government is trying to attain by indirect and rather confused methods the simple objective of dividing the national income into two portions, one for capital construction and the other for immediate consumption.

The Program of the Communist International asserts that during the period of transition from capitalism to socialism and the dictatorship of the proletariat, "market forms of economic contacts" must be preserved to a certain extent. The program says that "provided the state carries out a correct policy, market relations under the proletarian dictatorship destroy themselves in the process of their own development by helping to dislodge private capital, by changing the character of peasant economy—what time the means of production become more and more centralized and concentrated in the hands of the proletarian state—they help to *destroy market relations altogether*." It asserts that in the countries of highly developed capitalism, such as the United States, Germany, and Great Britain, the transition may be made rapidly and "unregulated market relations given comparatively small scope," whereas in countries of a lower degree of development of capitalism the transition will take longer and "the volume of market relations prevailing after the victory of the proletariat is considerable."[1]

Apparently the bolshevists believe that this transitional period is not yet terminated in Russia, because they maintain the myth of the opposition or at least the distinction of interests between buyer and seller, between producer and consumer. Under a thoroughly socialized system these distinctions lose their sense and significance entirely. While the writer was in Russia in 1933 the price of rationed bread was doubled at one fell stroke. The reason given by the bolshevists was that the increased revenue derived from the sale of the bread would be used to increase the price of grain and thus stimulate its production

[1] *Program of the Communist International*, Chapter IV, Sections 4 and 8.

by the private peasant producers and the cooperative farms. In other words, the private profit incentive was still being used. At about the same time there was a great shortage of kerosene in Moscow, which was a serious matter because the household economy of many families is not yet collectivized and owing to the limited housing facilities and equipment numerous housewives have to cook on the small Primus kerosene burners. This shortage was certainly not due to a lack of oil, because Russia is one of the principal oil-producing countries in the world. It was probably due to inefficient transport arrangements. The price of kerosene was at once raised from two to three times the former price in order to lower the demand. Thus demand and supply relations were still regulating prices as under capitalism.

The bolshevist leaders often assert that the strong state and dictatorship of the proletariat must be continued for an indefinite period. In his speech to the central committee of the communist party on January 7, 1933, Stalin said that "the withering away of the state will not be attained through the weakening of the power of the state, but rather through strengthening it to the maximum degree, which is necessary in order to destroy the remains of the dying classes and to organize the defense against the capitalistic attack (from outside) which is far from being destroyed and will not be destroyed for a long time to come." In similar fashion, Chairman Molotov of the Council of Commissars and Chairman Kuibishev of the State Planning Commission in their description of the second five-year plan submitted to the seventeenth congress of the communist party in January, 1934, spoke of the need of strengthening the dictatorship of the proletariat.

Though it may be necessary to continue the strong state and the dictatorship of the proletariat, it is not entirely clear why this means also a continuation of capitalistic forms and mechanisms. From certain points of view a strong socialistic state

ought to be all the more capable of abolishing these forms and mechanisms and of introducing a genuine functional economic plan. Such a plan requires an accurate appraisal of the available supplies of raw materials, of the sources of power, of the capital equipment, and of the labor supply. Only on the basis of such an appraisal is it possible to decide wisely what portion of these four factors of production is to be allotted to capital construction, the remainder being available for the production of consumption goods. It will then be possible to measure accurately the real income of the people for a given period in terms of consumption goods. It will also be possible to measure accurately the social cost of production of all goods produced in terms of materials and energy utilized instead of in terms of a fluctuating, artificial, and largely fictitious monetary standard.

This unstable and obscure standard is still being used by the Soviet government. It is estimated that the wage fund for 1934 is 37,700,000,000 roubles. To capital construction in 1934 is allotted the sum of 25,100,000,000 roubles as compared with 18,000,000,000 for 1933, and 60,000,000,000 for the whole of the first five-year plan.[1] These figures have some value for purposes of comparison. But they represent only very roughly the real facts with regard to production and its cost, and the distribution of goods.

The methods used by the bolshevists are well illustrated in the application of the so-called principle of "khosraschet" or cost accounting.[2] Each factory and other economic enterprize is expected to estimate and to calculate and to draw up a balance sheet of income and expenditure. By so doing it can

[1] U.S.S.R. Chamber of Commerce, Moscow, "Bulletin of Economic Information," January 8, 194. These weekly bulletins contain much current statistical information.

[2] An American writer defines khosraschet as "the socialist form of the principle of rationalization, that is, securing the greatest possible economic results for the least expenditure, and for social ends." (Harry F. Ward, *In Place of Profit, Social Incentives in the Soviet Union,* New York, 1933, p. 164.)

determine whether or not it is paying for itself, how much profit it is making, what its costs of production are, and how these costs may be lowered. In this connection the contract is emphasized as a document of fundamental importance in regulating the relations and accounts between economic enterprizes.[1] In all this accounting is utilized the double-entry system of book-keeping derived from capitalism. This system is expressed in terms of debits and credits which reflect the relations between debtors and creditors. Its chief purpose is to reveal what profits have been gained, which is the end-all of capitalism. It reduces all values to monetary terms and disregards the fact of fundamental importance, namely, that all intrinsic value resides in the consumption, that is to say, destruction of goods, and not in trading them, hoarding them, or manipulating them in any other fashion.[2]

The bolshevists have not as yet devized an effective plan for the distribution of labor. During the NEP period there was a great deal of unemployment. The industries had not developed sufficiently to absorb all the urban workers. The situation was much aggravated by a large influx of peasants who came to the cities in search for work especially in the winter time. Inasmuch as in 1926-27, according to the State Planning

[1] "The consolidation of the principle of economic calculation, the strengthening of the responsibility for the fulfilment of contracts, the tightening of the credit and contractual discipline, the stimulation of the degree of interest shown by the enterprize as a whole and by the individual workers in particular, taken together, will insure an even higher tempo of construction of the socialist economy." (State Bank of the U.S.S.R., "Economic Survey," Moscow, May-June, 1931.)

[2] "In der doppelten Buchhaltung gibt es nur noch einen einzigen Zweck: die Vermehrung eines rein quantitativ erfassten Wertbetrages. Wer sich in die doppelte Buchfuehrung vertieft, vergisst alle Gueter- und Leistungs-Qualitaeten, vergisst alle organische Beschraenktheit des Bedarfdeckungsprinzipes und erfuellt sich mit der einzigen Idee des Erwerbs." (W. Sombart, *Der moderne Kapitalismus,* 5th edit., Vol. II, pp. 119 ff.)

"Dem kapitalistischen Menschen ist in der Tat die Welt des Geldes die wahre Welt, und der Ueberschuss des Ertrags ueber den Aufwand ist ihm der wahre Erfolg und das wahre Ziel seines Lebens." (H. Hardensett, *Der kapitalistische und der technische Mensch,* Munich, 1932, p. 50.)

Commission, the average annual income of an independent peasant farmer was 205 roubles while that of an urban worker was 710 roubles, it is easy to understand why the peasants flocked to the cities. Furthermore, not all the labor of the young workers could be absorbed, and many members of the former bourgeois class and women were seeking employment. From 1921 to 1928 more than one million were registered at the labor exchanges. On April 1, 1927, the number registered at 281 exchanges was 1,477,900, or a million and a half. This registration included only a part of the unemployed because there were no labor exchanges in many provincial towns and workers' settlements so that hundreds of thousands of the unemployed had no opportunity to register. The average period of unemployment was about one year. As unemployment insurance, public works, and other measures taken to aid the unemployed were very inadequate, they suffered greatly during this period.[1]

During the first five-year plan unemployment disappeared almost entirely. The rapid expansion of industry absorbed many workers. The collectivization of agriculture furnished a higher standard of living and more economic security for most of the peasants, thus encouraging them to stay on the land and not flock to the cities. But the mobility and turnover of the industrial workers were too great to permit of the highest degree of efficiency. These workers wandered around not only in search of higher wages but also in search of more adequate food supplies because the acute food shortage in many regions constituted a serious problem. In his speech to a conference of industrial managers in Moscow on June 23, 1931, Stalin commented on this situation as follows: "The present turnover of labor in industry can no longer be tolerated. In order to avoid this evil we must reorganize our system of

[1] A. Katz, *Unemployment in the U.S.S.R. and the Struggle against it*, Moscow, 1927.

wages and create a more or less permanent staff of workers for each enterprize. . . . From a policy of natural flow it is necessary to change to a policy of organized selection of workers for industry. But for this there is only one method, the method of contracts between industrial establishments and collective farms and their members."

Stalin's suggestion of contracts for labor is similar to the contracts used for the sale and purchase of commodities as between the different economic enterprizes in Russia. It is another indication that the forms of capitalism are still being used under Soviet state socialism. It emphasizes the fact that the Soviet economic system is still somewhat decentralized. It is difficult to ascertain whether the contract system for labor has been much used in Soviet Russia. A method which has been used to check the excessive flow of labor to the regions better supplied with food has been to deprive the unemployed in these regions of their ration cards, thus forcing them to go elsewhere where their labor was more needed.

The failure of the bolshevists to devize and put into operation a functional economic plan is not due wholly to the facts that they have had great difficulties to overcome and not much time to develop such a plan. It is due in considerable part to the fact that their economic policy is greatly influenced by political considerations. Mass political training has been one of their principal objectives. This explains why the workers are often permitted so large a share in the management that the discipline of labor is greatly weakened and the output considerably lessened. In his speech to the congress of the communist party in January, 1934, G. K. Ordzhonikidze, commissar of heavy industry, asked "why an American worker works better for General Motors or Ford than our workers in their own proletarian country." His answer was that it is due to defective organization. The division of functions and of authority between trade unions, consumers' cooperative so-

cieties, the Soviet government, and the communist party renders difficult an effective organization.[1]

A more fundamental political reason why Soviet Russia is stumbling and blundering along with capitalistic forms and mechanisms after the essential features of capitalism have been eliminated is the communist theory of the withering away of the state. Nowhere in Marxist, bolshevist, or communist literature has a practicable and detailed program for organization under communism been presented. This is not due to the opportunistic attitude that such a program must be worked out when the time comes. The Program of the Communist International presents a somewhat detailed plan for the transitional period of state socialism. It has no such plan for its ultimate aim, namely, worldwide communism. The reason is apparent in the following assertion: "The state, being the embodiment of class domination, will die out in so far as classes die out, and with it all measures of coercion will expire. . . . In communist society no social restrictions will be imposed upon the growth of the forces of production." (Chapter III.)

The abolition of unnecessary social restrictions is highly desirable. But social planning and organization are hardly conceivable without some sort of centralized administrative authority. This means that the state as a form of political organization must be retained. The experience and experiments of the bolshevists will doubtless aid greatly in determining the future form of the state. This subject will be discussed more fully in a later chapter.

The bolshevists have been able to plan in certain fields where it is almost impossible to do so under capitalism. Standard-

[1] "Soviet economic policy from 1921 to the present time has been shaped principally with the deliberate purpose of providing an environment such as would foster collectivistic habits of thought and behavior in replacement of their individualistic counterparts." (Gustavus Tuckerman, Jr., "Applied Marxism in Soviet Russia," *American Economic Review*, December, 1933, Vol. XXIII, No. 4, pp. 637-49.) Tuckerman perhaps exaggerates somewhat the influence of political considerations upon Soviet economic policy.

ized forms have been established for many commodities. Under capitalism new forms and models are often produced with little or no improvement solely for the purpose of stimulating sales and thereby increasing profits. This motive disappears entirely under socialism so that this great waste can be eliminated. Standardization is not applied completely or at all to commodities where there is consumers' choice. Where esthetic tastes and individual preferences play an important part, as many forms are produced as are demanded by the public. Standardization applies more particularly to the impersonal objects where efficiency alone is important. Clothing, objects of adornment, and the like, which have an intimate personal significance, are produced in a great variety of forms and styles. This is the ideal which the bolshevists are striving to attain.

Our calendar is a clumsy and illogical system for keeping track of the time. The months are cumbrous not only because they are uneven in length, but also because they do not indicate readily the numbers of days between one day of the year and another. An artificial division of the year into more or less equal parts has no utility for any purpose whatsoever. It is better to number the days from 1 to 365 or 366. Whenever desired the year can be divided into such parts as may be useful for any special purpose, as, for example, in order to indicate seasonal variations. The consecutive numbering of the days of the year is already used for certain purposes, as, for example, in numbering the tickets of the subway system in Paris.

The week is also a purely artificial division of time. Some form of the week may have utility in indicating the alternation between workdays and rest days. It must, however, conform precisely to the organization of work and rest at any given place and time. The hebdomadal week, which we inherited from prehistoric antiquity, is already functioning badly under the economic conditions now prevalent. Five and a half days

of work out of seven, which has been widespread in this country for the last few decades, corresponds most closely to a five-day week with one rest day out of five days. Five days of work out of seven stands between a four-day and a three-day week with one rest day out of each. The constant reduction in the hours of labor caused by technological progress calls for a much shorter week or for much fewer hours of labor per day.

The bolshevists have made no attempt as yet to revise or abolish the months, though there has been some talk of a 30-day or a 28-day month, the extra days of the year being used as holidays. They have experimented with two forms of the week. In 1929 they introduced the continuous five-day week, or what might be called the individual five-day week. This means one rest day out of five, not all persons having their rest days at the same time. In a factory or office or farm one-fifth of the force rest while the other four-fifths work. In other words, the rest day is staggered. Each fifth receives its rest day in the course of the five days, and the enterprize is operated continuously by the four-fifths who are at work on any given day.

It was found that the continuous five-day week gave rise to a certain amount of irresponsibility among the workers which was described by Stalin in his speech of June 23, 1931, as follows: "It crept into our enterprizes as an illegitimate companion of the continuous work week. It would, however, be incorrect to say that the continuous working week inevitably leads to irresponsibility in production. Given a proper system of labor organization, individual responsibility for certain work, given a system of making definite groups of workers responsible for the care of their machinery and tools, and given a correct organization of the different shifts, matching them carefully as to quality of work and skill—and under such conditions the continuous working week would result in a great

increase in the productivity of labor, an improvement in the quality of work, and the eradication of irresponsibility."

Minor difficulties which arose were that it was difficult to ascertain on what days officials were to be found at their desk, all the members of an office or industrial force were never together at the same time, and many persons wanted to spend their rest days in company with their relatives and friends. A much more serious objection was that until the new industrial system had been completed not so much time should be given to rest.

After being in operation for two or three years the continuous five-day week was set aside for the time being for the above-mentioned reasons. A six-day week was introduced with the rest days falling on the 6th, 12th, 18th, 24th, and 30th days of each month. When a month has thirty-one days the last week of the month becomes seven days and a day is added to the annual vacations of the workers. A corresponding adjustment is made for the end of February. Under this system the names of the days of our hebdomadal week, namely, Monday, Tuesday, etc., are soon forgotten and a given day is identified as the day of the month. The rest day is called "veekhodnoi," which means literally "going out."

The bolshevists have certain great advantages in reforming the calendar. They have no religious opposition to overcome such as exists in countries where the Christian Sunday or the Jewish Sabbath or the Moslem Friday is considered a holy day. They have no mythological or other sentiments to overcome with regard to the names of the days of the week and of the months. A highly centralized state authority enables them to introduce a new calendar uniformly and at one time. When the development of the new system is farther advanced, they will probably return to the continuous five-day week, and then will shorten the week as the socially necessary work decreases.

The bolshevist policy is directed towards the attainment of

economic self-sufficiency for Soviet Russia. As the only socialistic state in the world surrounded by capitalistic countries, it is very important that it develop a self-contained economy which can resist blockade and attack from outside. Because Russia is a vast country with large natural resources such an economy is feasible to a high degree. This policy is of much more than political significance. It illustrates the future economic trend for the whole world. International trade has existed in the past for three principal reasons, in the first place, in order to procure raw materials; second, because of the uneven industrial development of different countries; and third, in order to secure profits in foreign markets. The first factor will always cause a certain amount of worldwide exchange of materials. As the whole world becomes more or less evenly industrialized, the second factor will give rise to an ever-decreasing amount of foreign trade. As costs of production become more or less uniform the world over, foreign trade will cease to be profitable. The inevitable tendency will be for regional economic organization to be determined by geo-economic factors, which will supersede and eventually wipe out artificial political boundaries. In other words, each natural geo-economic area will be organized as one unit for purposes of production and distribution. Three such areas probably are North America, South America, and Southern Asia. It is less easy to demarkate the geo-economic areas for Northern Asia, Europe, and Africa. The planning and economic organization of Soviet Russia will have the utmost significance for this inevitable worldwide development apart from and in addition to its immediate political significance.

The preceding criticisms of Soviet planning are in no sense intended as disparagement of the genuine and very great achievements of the bolshevists. In certain fields they have already demonstrated the superiority of socialistic over capitalistic methods of production. A notable instance is the pro-

duction of oil. Prior to the bolshevist conquest of Azerbaijan in 1920 there were 270 private firms of several nationalities exploiting the Baku oil field. These proprietors were jealous of each other and concealed as far as possible the depths at which oil was struck in order to prevent others from draining the same strata of sand in which the oil rests. The whole field is now under one administration, the Azneft trust. Test borings are sunk at various points and then drilling takes place in the most favorable regions. The exploitation can be planned on a large scale and for a long time in the future, thus avoiding the enormous wastes which have occurred in the oil fields in the United States and elsewhere. The most recent American machinery and methods are being used.

In the cultural realm also the bolshevist achievements have been great. In tsarist Russia 67 per cent of the population was illiterate. In 1934 the illiteracy was 3.4 per cent among the industrial workers and 20 per cent among the rural population. The idea of industrialization and of rationalization is widespread. A technological ideology has developed and a large part of the population is thinking in terms of machines and large-scale production instead of handicraft and rule-of-thumb methods. A seven-hour day for industrial and agricultural workers and a six-hour day for office workers furnish greater leisure for cultural pursuits, and the hours of labor will probably be diminished at the close of the second five-year plan.

The congestion of shops and offices which characterizes cities in capitalistic countries is rapidly disappearing from Russian cities. Each large factory and collective farm center is surrounded with its own complex of dwelling houses, shops, schools, nurseries, dining halls, clubhouses, theaters, playing fields, etc. The worker has near at hand all the facilities of a well-rounded existence. At any rate, this is the objective towards which the bolshevists are striving.

The Soviet economy is amply protected against the devas-

tating effects of the trade cycle with its alternations of speculation and inflation with deflation and widespread unemployment. This explains in large part the success of the first five-year plan and presages the success of the second. It also assures the individual worker against unemployment and destitution, and the system of social insurance and of old-age pensions secures him against the dangers which menace every worker under capitalism.

A few figures from the second five-year plan will indicate the tempo of Soviet progress. The production capacity will rise from 43,000,000,000 roubles at the end of 1932 to 103,000,000,000 in 1937, 55 per cent of which will be in consumers' goods. Retail prices will be reduced from 35 to 40 per cent which with a rise in wages will double real incomes. The grain harvest will be 110,000,000 metric tons in 1937 as compared with 60,000,000 in 1932 and 89,800,000 in 1933. In 1937 will be produced 38,000,000,000 kilowatt-hours of electricity as compared to 15,800,000,000 in 1933; 200,000 automobiles as compared to 50,000 in 1933; 152,000,000 metric tons of coal as compared with 76,000,000 in 1933; 18,000,000 tons of pig iron as compared to 7,250,000 in 1933—which was greater than the British production; and 47,000,000 tons of petroleum as compared to 23,000,000 in 1933.

The bolshevists assert that the second five-year plan will make the Soviet Union "the most advanced industrial nation in Europe." At this rate a third quinquennial may bring it abreast of the United States. But there is still lacking a genuine functional plan which has not yet been devized for the future. Although a certain degree of opportunism may be justifiable and no inflexible plan can be maintained, such a functional plan should be the goal of every socialized system.

Chapter XI

RUSSIAN BUREAUCRATISM—OLD AND NEW

In 1929 I went to the Gosbank (State Bank) in Moscow to exchange American for Turkish currency because I was sailing from Batum to Trebizond. The bolshevists prevent foreign currency which falls into their hands from leaving the country. They compel foreigners to exchange money at par though the rouble has lost almost all its value in exchange. Consequently, a large part of this money is by this means expropriated by the Soviet government.

At the Gosbank the head of the foreign exchange department was a former bourgeois lawyer. He understood what I wanted and why. Nevertheless he said, "That is very difficult." I pointed out that Russia would lose no foreign currency. "I understand," he replied, "but the regulations governing these transactions present almost insuperable obstacles." Then he instructed me to secure statements that I had exchanged my money at official agencies and not at the "Black Bourse" or elsewhere where I could exchange my money at a rate below par for roubles.

With these documents I went to the Valuta office which was in charge of a communist "worker," that is to say, manual laborer. My Russian companion explained why I wanted this Turkish money. The bolshevist bureaucrat looked puzzled as he tried to grasp these elementary facts of international exchange. Then he demanded all my documents, namely, passport, certificates indicating how much money I had brought into the country, how much I had spent, where I had exchanged it, etc. When he discovered that I had remained in

Russia more than two months, which was the longest period a tourist was supposed to stay there, he inquired maliciously, "Why did he not leave before the end of two months?" My companion explained that I was not a tourist but had come to study the Soviet system for which two months was hardly sufficient. He argued that it would injure Russia's reputation abroad if my request was not granted because I might write a book about Russia and narrate this experience. At this the bolshevist looked troubled and cast an uneasy glance at me. "You should have come alone to tell me these things," he said.

Finally he reached the sapient decision that I must go to Voks (the Society for Cultural Relations with Foreign Countries) and secure a statement setting forth my parentage, age, place of birth, profession, reason for visiting Russia, what I had been doing there, why I had stayed longer than two months, why I wanted to leave, what excuse if any there was for permitting me to secure Turkish currency, etc. Voks gave me this statement and recommended that my request be granted.

Then we went to the foreign currency division of the Commissariat of Finance. After we had waited in line for some time a bored-looking clerk appeared at a small window. When we reached him he examined all my papers minutely and suggested every possible objection to granting my request. At last he said that he must refer the matter to his superior. Later he demanded my signature to several documents and a fee of several roubles. Still later a young woman appeared with several papers. Upon inspection we found that they were wrong, so that the whole procedure had to be repeated.

Armed at last with the necessary permit I returned to the Gosbank. The head of the foreign exchange department inspected it carefully and then said, "But we have no Turkish money."

"Why did you not tell me that beforehand!" I exclaimed.

"Because I did not believe that you could secure the permit," he replied.

Thoroughly disgusted I said, "Give me American bank notes for my check, in all probability I can exchange them in Trebizond."

"I cannot do so," he replied, "because this permit specifies that I must exchange your check for Turkish pounds." Then he offered to give me a draft upon the branch of the Gosbank in Istanbul. I replied that this would be useless in Trebizond and that in Istanbul I could exchange American Express checks without difficulty. Eventually he sent to the vault. There was Turkish currency to the extent of one-third of the small amount called for by my permit. The remaining two-thirds was given in a draft which I cashed some months later in Istanbul.

This absurd performance cost me two or three days of my time and several roubles. But it was most illuminating as to the widespread extent of bureaucratism in Soviet Russia, and illustrated various of its phases. Among them are the remnants of the tsarist bureaucracy, the ignorance and inefficiency of the new "worker" bureaucracy, the surveillance over and spying upon the old by the new bureaucrats which hamstrings the old bureaucrats, the complexity of the red tape involved in attaining the simplest ends, the enormous waste of time and effort resulting therefrom both for the persons trying to attain these ends and the bureaucrats themselves, the deadening effects of this red tape upon initiative and efficiency, etc. Although my contacts with Russian bureaucracy have been comparatively limited, I could tell similar stories with regard to securing visas for my passport, executing a power of attorney, securing permits to visit factories, etc.

In 1933 I carried a portable typewriter with me into Russia. At the frontier station, Negorolye, the customs official failed to register it on my passport, though I called his attention to

it and pointed to the number of the machine. In Moscow I went to the customs house to secure registration in order to be able to take it out of the country. At first the Moscow officials insisted that the Negorolye official could not have been so negligent. They alleged that I must have purchased the machine in Russia. My reply was that no traveler would be so foolish as to go to Russia to purchase a machine where typewriters are scarce, bad, and very expensive. After much red tape my machine was registered, which enabled me to pass it through the customs when I forsook Russia at Odessa. In Moscow I told the customs official in charge that the whole system of registration is superfluous and wasteful because they ought to be thankful if an occasional foreigner increases their inadequate supply of typewriters by selling his machine, even though he makes a small profit thereby. This official seemed to agree with me.

As we have seen in the first chapter, the industrial revolution and the growth of capitalism during the past two centuries required political democracy in order to give ample scope to private business enterprize unfettered by feudal lords or absolute monarchs. The modern democratic revolution freed the middle or bourgeois class but left the proletariat enslaved to the capitalists. In its economic aspect the liberal-democratic state is a form of capitalism. It is opposed to feudalism, absolutism, and clericalism. It is the secular or lay state, and also the civil state based in theory if not in practice upon the will of the people. Hence the parliamentary system prevails in the liberal-democratic state. The police powers and economic functions of the state tend to be limited, while the legal rights of the individual are expanded. There is a strong tendency towards a *laissez-faire* policy both in political and in economic matters.

In the countries where capitalism has developed most highly, such as the United States and Great Britain, the functions of government, especially its economic functions, have been cor-

respondingly limited. There has not been much room for the expansion of an official bureaucracy. On the other hand, in the countries where capitalism has not developed highly, most of which are predominantly agrarian, there has been more room for the expansion of a governmental bureaucracy. The peasantry is usually more or less under the domination of semi-feudal landlords. There are parliamentary institutions in most of these countries, but they are usually under the control of the bureaucrats, because the peasants are too ignorant to know how to vote and the landlords absent themselves a good deal of the time. These bureaucratic governments usually display mild tendencies towards a paternalistic form of state socialism because in the absence of a vigorous capitalism they initiate and operate certain public services and utilities.[1]

Capitalism attained a very low development under the old régime. Accordingly the tsarist government, absolutist in theory, was highly bureaucratic and paternalistic in practice. When the bolshevists gained control in 1917, they could not eliminate most of the tsarist bureaucrats at once because they had no competent persons to take their places. If the government was to function at all, the old bureaucrats had to be retained until such time as there were proletarian workers ready to take their places. As rapidly as possible proletarians were introduced into the government offices. Most of them were ill-prepared for their work. They were expected to watch

[1] In a recent article Handman has distinguished between what he calls the "pecuniary-industrial" and the "bureaucratic" culture patterns, the latter having two subsidiaries, namely, the "aristocratic" and the "military" patterns. In the pecuniary-industrial pattern life "is conceived in terms of engaging in the production and selling of goods and services for immediately pecuniary ends, and, because of that, social status closely follows successful ability in that direction." In the bureaucratic pattern life "is conceived in terms of belonging to a hierarchy entrusted with the management and administration of the affairs of the organized community. Success in life means a continuous ascent in this hierarchy." (Max Handman, "The Bureaucratic Culture Pattern and Political Revolutions," in the *American Journal of Sociology*, Vol. XXXIX, No. 3, November, 1933, pp. 301-13.)

and spy upon the tsarist bureaucrats so as to ascertain whether the latter were sabotaging or plotting against the new régime. This practice of espionage not only distracted the attention of the proletarian workers from their own tasks but paralyzed their bourgeois fellow-workers who were in terror lest they do something for which they would be punished. This anomalous situation lowered greatly the efficiency of all concerned.

A new proletarian bureaucracy imposed upon and spying upon the old has created what is probably the most bureaucratic régime in the world. As the old bureaucracy dies out, this feature of the situation will disappear. But the fundamental problem will remain. The elimination of unnecessary red tape and the development of an efficient administration constitute one of the crucial tests of the Soviet system. The solution of this problem is essential if communism is to prove itself as efficient as capitalism.

It is perhaps inevitable that when a small revolutionary group wins, it will establish a bureaucracy in order to retain its power. The bolshevist party numbered only 70,000 members at the Revolution of November, 1917. The vast mass of the population were indifferent, some of them hostile. The bolshevists may have felt the need of a powerful machine to crush opposition. This machine may also serve to hinder the progress of the Revolution.

Trotzky has accused Stalin of developing and strengthening the bureaucracy for his own personal advancement. Stalin was elected general secretary of the party in 1921. So long as Lenin was alive, this office had only administrative tasks to perform. Lenin directed the party as head of the Politburo. According to Trotzky, during Lenin's long illness Stalin placed his henchmen throughout the party offices thus building up a personal political machine which could control both the communist party and the Soviet government. After Lenin's death Stalin

was in a position to seize the power. Neither Lenin nor most of the other bolshevist leaders had desired this outcome.[1]

Even though Stalin may have used bureaucratic methods to make himself dictator, he himself, as well as the other leaders, has often denounced bureaucratism. The fifteenth congress of the party in December, 1927, adopted a resolution criticizing the bureaucrats severely. "An intolerable hindrance is imposed by such elements of bureaucratic degeneration of the state apparatus as, for instance, excessive centralism . . . , the high costs of the apparatus, and the bureaucratic behavior of various elements of the apparatus in intercourse with simple workers and peasants." In 1928 *Izvestia,* the organ of the Central Executive Committee of the U.S.S.R., published a cartoon entitled "Our Four Greatest Enemies." These were the Nepman (capitalist), priest, counter-revolutionary, and bureaucrat.

Several branches of the bolshevist and Soviet system are intended, among other things, as safeguards against and preventives of bureaucratism. The Workers' and Peasants' Inspectorate was until 1934 one of the joint people's commissariats of the U.S.S.R. The functions of this commissariat were to fight against bureaucratism, embezzlement, bribery, lack of coordination, inefficient financial and accounting methods, and

[1] Just after Stalin banished him from Russia Trotzky wrote a description of Stalin's rise to power. "Stalin was full of feverish activity, placing his friends in all the important posts of the party. By the time Lenin recovered from his first attack and returned to work, bureaucracy was well intrenched, and Stalin had acquired great influence over the mass of the membership. Lenin was insistent that I should succeed him in the Council of People's Commissars, and discussed measures with me for gettting rid of Stalin's bureaucracy. . . . But Lenin fell ill again. In his so-called testament, written January 4, 1923, Lenin again insistently advized that Stalin be removed from the direction of the party, because of his lack of frankness and his tendency to use his powers abusively." (Leon Trotzky, in a dispatch to the Paris edition of the *New York Herald*, March 1, 1929.) See also Trotzky's *The Real Situation in Russia*, New York, 1928.)

Lenin in his testament said that "Comrade Stalin, having become General Secretary, has concentrated an enormous power in his hands; and I am not sure that he always knows how to use that power with sufficient caution." (Dated December 25, 1922, with a postscript dated January 4, 1923.)

all other forms of inefficiency. About the year 1932 was established the Fulfilment Commission which had similar functions to perform with respect to the five-year plan. The party had a central control committee to perform similar functions within itself.

At the party congress in 1934 were created a committee of Soviet and a committee of party control. The first replaced the Workers' and Peasants' Inspectorate and the Fulfilment Commission and is attached to the Council of Commissars of the U.S.S.R. The second took the place of the party central control committee and is attached to the central committee of the party. Both these committees are elected by the party congress. Inasmuch as the Inspectorate and the Fulfilment Commission were not chosen by the party, this change brought the supervision over the government even more directly under the control of the party than was the case before.

Another check upon bureaucratism and other evils is the so-called "self-criticism" originated by the party. Some years ago the leaders asked the workers to write letters of criticism to the press concerning Soviet officials, factory managers, etc. Many workers responded, and some of them became regular correspondents of or reporters to newspapers and came to be known as "rabkors" ("rabtchili korespondent" or labor correspondent). The wall newspapers of the factories, or periodical statements prepared by the workers and displayed on the walls, also serve as mediums of criticism.

Despite these efforts to check it, bureaucratism continues to be one of the greatest evils of the Soviet system. Under socialism the state has the whole economic system under its management and control thus requiring a vast administrative mechanism or bureaucracy. A capitalistic economy also has a vast administrative mechanism which may be called its bureaucracy. Capitalism entails enormous social losses which are eliminated by socialism, among them being the wastes of com-

petition, of salesmanship, of advertizing, of the trade cycle, etc. But capitalism contains within itself one powerful factor for efficiency in the desire and the necessity in the long run of making profits. Otherwise a capitalistic enterprize is doomed. The success of the capitalist depends upon ingratiating himself with the public and "serving" it to the extent of inducing it to purchase his commodities, though those commodities are often not the best which might be had for the price paid and sometimes harmful to the purchaser. The success of the retainers of the capitalists also depends upon their ability to aid their employers in attaining these ends. This is why salesmanship is one of the most pecuniarily remunerative forms of ability under capitalism.

The success of a governmental bureaucrat does not usually depend upon his ability to gratify the public immediately and directly.[1] The careers of government officials are not dependent entirely or even in large part upon the efficiency with which the governmental machinery functions. The capitalist, on the contrary, has a large part or all of his fortune at stake in his enterprize. The success of his employees is directly dependent upon his success or failure. The sort of efficiency called for under capitalism becomes a prime desideratum both for the capitalists and for their retainers.

The Constitution of the Comintern states that "the Communist International and its Sections are built up on the basis of democratic centralism." The democratic part of this principle is supposed to be attained by election of the leading committees by the members and by periodical reports by these committees to the members. The centralization is attained by

[1] An American observer of the Soviet system has said that "bureaucratism is not only red tape, delays, check and counter-check, endless papers and clerks; it is also an attitude of public officials to their jobs and the public; to take things easy and to treat with indifference or officiousness the people they are charged to serve. While this is a great evil in Soviet Russia, it is common to many European countries." (Roger N. Baldwin, *Liberty under the Soviets,* New York, 1928, p. 45.)

making decisions of the superior committees obligatory upon the subordinate committees and by enforcing strict discipline and prompt execution of these decisions throughout the membership. In Russia this principle is applied by making local groups autonomous with regard to purely local issues but giving the superior bodies authority to impose their decisions as to larger issues upon the subordinate bodies.

The principle of democratic centralism is not peculiar to communism because it is applied in varying degrees in every organization which is or is supposed to be democratic at bottom but which operates through a system of representative government and of delegated authority. The application of this principle has, however, been narrowly limited in Soviet Russia, at least in so far as its democratic aspect is concerned, by the fact that it has been operative almost exclusively for the members of the party who comprise only a very small percentage of the total population. This limitation was perhaps justified in the earlier days of the bolshevist régime when there was danger of overthrow of the system from internal enemies. That this danger has disappeared was apparently recognized by the party congress in 1934. It was decided to create a new category of "sympathizers" who are persons loyal to the Soviet system though not members of the party. It was also decided to give more authority to any one in a responsible position "irrespective of whether he is a member of the communist party or not."

These changes may have an important bearing upon the situation as to the extent and nature of bureaucratism. So far there has been a great deal of centralization and concentration of authority, and the new party and Soviet control committees may prove to have a strong tendency in the direction of centralization. On the other hand, the recognition of the "sympathizers" and giving them more authority may increase the

degree of democracy. This may prove to be a needed alternative and antidote to bureaucratism. In any case, the adjustment of the relation between democracy and the centralization of authority is of vital significance in this connection.[1]

The foregoing discussion indicates that the bolshevists have not yet solved the problem of bureaucratism in spite of the fact that their leaders were very sanguine at the outset. In 1917 Lenin declared that "the workers, having conquered political power, will break up the old bureaucratic apparatus, they will shatter it from its foundations up, until not one stone is left standing upon another; and the new machine which they will fashion to take its place will be formed out of these same workers and employees themselves." [2] He goes on to say that the recurrence of bureaucratism will be prevented by the election and recall of officials, by paying the wages of ordinary workers to the officials, and by the control of and superintendence over the transaction of public business by the people as a whole. The latter statement vaguely suggests a democratic control. The context seems to indicate that he had in mind frequent rotation in office on the part of the workers, presumably in order to prevent the rise of a distinct class of officeholders.[3] There is no indication that Lenin had in mind special

[1] A well-informed American observer has commented upon Soviet bureaucratism as follows: "The horizon of a bureaucrat consists of a piece of official stationery and a rubber stamp. These make him a narrow-minded autocrat to whom obedience to a paragraph is infinitely more important than any human consideration. He does not want to do more than he must. His chief concern is to play safe and keep his job. . . . The opening wedge to a much-needed reform of the government apparatus might be the abolition of the spoils system for communists and the introduction of a civil-service system under which government officials would be appointed on the basis of quality and not of adherence to the party. The substitution of a communist for a loyal and able non-bolshevik specialist has ruined many a Soviet enterprize." (Louis Fischer, in the *Nation*, Vol. 137, No. 3,568, November 22, 1933, p. 594.)

[2] N. Lenin, *The State and Revolution*, Chicago, 1924, p. 79.

[3] The program of the communist party advocates that every member of a soviet do administrative work with rotation so that each member becomes acquainted with every kind of work, and that every worker take some part in the state administration.

training and fitness for performing specified functions, a consideration which cannot be wholly ignored.

The problem of bureaucratism cannot be finally solved until a genuine functional plan of operation of a thoroughly socialized system has been devized. Such a plan would include, among other things, a method of choosing the workers for their respective tasks on the basis of fitness. As far as possible, the work would be rationalized, mechanized, and automatized so that laziness, carelessness, ignorance, and inefficiency on the part of the worker could not make it go wrong and to that extent it would be fool-proof. It remains to be seen to what extent a social and educational technology can be developed which will insure industry, alertness, knowledge, good judgment, initiative, and originality on the part of the worker when those qualities are needed.

Chapter XII

SOVIET INTERNATIONALISM AND THE WORLD REVOLUTION

In A.D. 957 Princess Olga of Kiev was converted to Christianity. For some centuries there were close trade relations between Russia and Byzantium by way of the Black Sea and the Dnieper River. A considerable portion of the Russian alphabet was derived from the Greek alphabet, and a good deal of the early Russian culture was Byzantine in origin.

In the thirteenth century the Tartars conquered Russia and ruled over it for more than a century. They introduced Oriental forms of autocracy and serfdom, and Russia was cut off in large part from western Europe.

Peter the Great who reigned from 1682 to 1725 introduced some of the material aspects of European culture, and several of the tsars followed in his footsteps in this regard. But Russia was little influenced by the Renaissance, Reformation, and French Revolution. The concept and ideal of individual liberty have received almost no recognition.

Russia is a plain or series of low plateaus between Europe and Asia and has been the battle ground and buffer state between the two continents.[1] Partly for this reason its culture has been a mixture of Occidental and Oriental culture. Though its culture was more European than Asiatic it was never thoroughly Europeanized prior to the Revolution. The Russians themselves often speak of Russia as outside of both Europe and Asia. This suggests its comparative cultural isolation from both continents.

[1] See Bernard Pares, *A History of Russia*, New York, 1926.

Although this isolation caused a certain amount of cultural loss, it was in one way helpful in giving rise to the new state. When the old régime collapsed, there were few organized forces to oppose the establishment of the new régime. The situation in Russia was, therefore, different from what it is in every Occidental country. It cannot be assumed that state socialism and eventually communism will come in any other country as it has in Russia. The psychology, ideology, customs, and traditions of these peoples are unlike those of the Russians. It is doubtful if the working class of England, or of France, or of the United States would tolerate as much suppression of individual liberty as has been the case in Soviet Russia. There has arisen in Russia a new form of chauvinism which is class rather than nationalistic in character. It is based largely upon a pride in the achievements of the bolshevist Revolution and the uniqueness of the Soviet system which has given rise to a sort of self-righteousness. The Russians are also infected with the idea of bigness, because they control one-sixth of the earth's surface and have more than one hundred and fifty million inhabitants. The psychology of other countries which adopt the Soviet system will be somewhat different.

Whereas the French Revolution emphasized nationality, the bolshevist Revolution emphasizes the proletarian class, which is worldwide. The latter recognizes no national boundaries and is international in its scope. The Soviet government safeguards the revolution in Russia and will safeguard any revolutions which are achieved elsewhere. A soviet régime in any part of the world may, if it so desires, join the Soviet Union which is a federation of socialistic republics. The Communist International, on the other hand, is the organizer of revolutions the world over. Its headquarters have so far been at Moscow. They might be located anywhere because the Comintern and the Soviet government are not identical, as is erroneously assumed by many people.

Lenin said that if revolution comes before long in the West, Soviet Russia will lose its revolutionary hegemony. If it can carry on for several generations and grow rapidly in strength, it may retain this hegemony. Its vast territory, huge potential population, and almost wholly self-contained economy give it great advantages. It may acquire a prestige in Asia which will help it. It has a sympathy for exploited countries which capitalistic countries lack. The docile Oriental masses may submit to a temporary dictatorship more readily than the peoples of the West.

One of the most serious problems for the bolshevists has been as to whether Soviet Russia can continue indefinitely as the only socialistic country in the world. In other words, can there be a permanent revolution in Russia, or must there be a world revolution or at least socialism in several other countries in order to safeguard the revolution in Russia? This was one of the principal issues in the controversy between Trotzky and Stalin. Trotzky contended that socialism could not be constructed in one country alone, especially in so backward a country as Russia. In other words, he believed that a permanent revolution is not possible in Russia by itself. Stalin asserted that socialism is possible in a single country. He won in this struggle, Trotzky was exiled, and Russia withdrew temporarily from attempting to arouse a world revolution in order to develop itself internally.[1]

As a consequence, during the last few years Russia has been seeking cooperation with other countries at the same time that

[1] "Trotzky maintained that socialism cannot be built in a backward country like Russia with 100,000,000 private-capitalist peasants. Therefore the safe future of the bolshevist revolution depended on further revolutionary developments abroad. Stalin maintained that since revolution was receding in Europe and Asia, the bolsheviks had no chance but to build socialism in Russia only, and it could be done by collectivizing and industrializing." (Louis Fischer, in the *Nation*, January 17, 1934, Vol. 138, No. 3,576, p. 80.)

See also Louis Fischer, *The Soviets in World Affairs*, London, 1930, 2 vols.; M. T. Florinsky, *World Revolution and the U.S.S.R.*, New York, 1933.

it advocates world revolution. This has seemed inconsistent to many people. It is readily comprehensible in the light of the above-mentioned decision and the policy which has resulted from it. This does not mean that Soviet Russia will continue indefinitely to follow a non-aggressive policy. This would be contrary to its class and international doctrines. It is to be expected that if and when the appropriate time comes it will resume the offensive in behalf of a world revolution. Hence it is pertinent to inquire what agencies the bolshevists have devized to carry on such an offensive.

The Communist International was established at Moscow in March, 1919, and is commonly known as the Third International. The First International was the International Working Men's Association founded in London in 1864 of which Marx became the leader. It remained in existence only a few years and disappeared in 1876 soon after the Paris Commune of 1871. In 1889 was established the Second International which was mainly an international organization of trade unions under the influence of the social democrats. Since the European War it has been reorganized along imperialistic, nationalistic, and bourgeois lines. Its full title is the International Federation of Trade Unions. It is often called the Amsterdam International and is bitterly opposed to the Third International.[1]

The purpose of the Communist International is set forth in the first article of its Constitution. "As the leader and organizer of the world revolutionary movement of the proletariat and

[1] Lenin characterized the three Internationals as follows: "The First International laid the foundation of the proletarian international struggle for socialism. The Second International prepared the ground for a wide extension of the movement in a number of countries. The Third International succeeded to the fruits of the work of the Second International, threw overboard its opportunist, social-chauvinist, bourgeois, and petty-bourgeois ballast, and made a beginning with the realization of the dictatorship of the proletariat."

See, for a detailed history of the three Internationals, L. L. Lorwin, *Labor and Internationalism*, New York, 1929.

the upholder of the principles and aims of communism, the Communist International strives to win over the majority of the working class and the broad strata of the propertyless peasantry, fights for the establishment of the world dictatorship of the proletariat, for the establishment of a World Union of Socialist Soviet Republics, for the complete abolition of classes and for the achievement of socialism—the first stage of communist society."

The Program of the Communist International describes its strategy and tactics. "The successful struggle of the Communist International for the dictatorship of the proletariat presupposes the existence in every country of a compact communist party, hardened in the struggle, disciplined, centralized, and closely linked up with the masses." (Chapter VI, Section 2.) It outlines the strategy to be followed in the different kinds of countries, such as imperialistic, industrial, agricultural, dependent, semi-colonial, and colonial countries. "In determining its line of *tactics,* each communist party must take into account the concrete internal and external situation, the correlation of class forces, the degree of stability and strength of the bourgeoisie, the degree of preparedness of the proletariat, the position taken up by the various intermediary strata in its country, etc." (*Ibid.*)

The communist parties of more than fifty countries, some of which are outlawed in their respective countries, are represented in the Comintern. The importance of each depends upon its size, whether or not it is self-supporting, and the strategic significance of its country. The Russian party is predominant. It exercizes more influence over the weaker parties and less influence over the stronger parties. Generally speaking, it is trying to direct the revolution the world over in its own way. The bolshevists are not entirely successful in trying to do so, because their knowledge of the cultural background and psychology of other nations is not adequate. The Com-

intern has held congresses in Moscow in 1919, 1920, 1921, 1922, 1924, 1928, and a congress is scheduled for 1934.

The most notable instance of bolshevist propaganda outside of Russia has been in China. After the late Dr. Sun Yat-sen failed to carry out his plans to unify China, partly because he could not secure the assistance he had sought from the United States and Great Britain, he retired to Canton, whence he originally came, and established a quasi-independent government about the year 1923. In this mood the bolshevists found him amenable to their propaganda of Chinese nationalism and xenophobia against the exploitation of China by the imperialistic nations. Such propaganda is inconsistent with the internationalist philosophy of socialism and communism and eventually reacted disastrously upon themselves. With amazing shortsightedness they pursued this policy throughout China, blind to its inevitable consequences upon themselves as well as upon all other foreigners in China.

If the bolshevists had adopted a constructive policy of education in Canton, they might have induced the Cantonese to adopt the Soviet system. But they devoted themselves mainly to stirring up the stupid passion of chauvinism and the blind hate of anti-foreignism instead of endeavoring to propagate internationalism and anti-imperialism. They contributed materially to the confusion which already reigned before they commenced their clumsy and blundering propaganda. Eventually the northern Chinese and even the Cantonese themselves expelled the bolshevist representatives and agitators. Many Soviet agents were withdrawn from China, indicating that Moscow had recognized that bolshevist zeal had overreached itself. For a time diplomatic relations were almost entirely severed between China and Russia.[1]

[1] See Maurice Parmelee, *Oriental and Occidental Culture*, New York, 1928. I have described the bolshevist activities in China in Chapter XIV entitled "The Rise of Oriental Nationalism and Canton," and in Chapter XVII entitled "The Menace of Industrialization and Radical Propaganda."

In 1925 in Peking I talked with L. M. Karakhan, who was then Soviet ambassador to China. He admitted that, generally speaking, Soviet principles are more suitable for Europe and America than for Asia, because they are more advanced economically. In 1928 in Moscow I talked again with Karakhan who had become vice-commissar of foreign affairs in charge of Oriental relations. He asserted that the break with China was not due to anti-foreign feeling stirred up by the bolshevists and then turned against themselves, but to the hostile reaction of the bourgeois Chinese against communism. This was not adequate justification because even if partly true this hostile reaction should have been anticipated and allowance made for it. He admitted that the bolshevists may have carried their propaganda too far.

Dr. Sun Yat-sen was not converted to communism, nor was the Kuomintang party, of which he was the leader, influenced by bolshevism. This party has become more reactionary and counter-revolutionary and now dominates the government at Nanking. Latterly there has been an increase of communistic sentiment in other parts of China. It is difficult to ascertain to what extent this has been due to bolshevist propaganda, and to what extent to the leadership of certain of the Chinese intelligentsia who have acquired communistic ideas and to the uprising of the downtrodden masses.

On December 11, 1927, a soviet was established at Canton, which, however, was overthrown three days later by the Kuomintang army and foreign warships. During the next four years the labor movement grew rapidly and there were many strikes in the cities. Much more important was the agrarian movement which under the guidance of the Chinese communist party assumed a revolutionary and communistic character, especially in central and southern China. Several large armies were sent by the Nanking government to suppress this movement, but without success. On November 7, 1931, met

at Shui-kin in Kiangsi the first China Soviet Congress with delegates from many soviets in Hunan, Hupeh, Kiangsi, Honan, western Fukien, and other provinces. This congress drew up the constitution and elected the provisional central government of the Soviet Republic of China. This government is reported to have a regular Red Army of 350,000, while the Red Guards and guerilla detachments number 600,000 and the Young Red Guards 1,000,000. The eight-hour day has been established, child labor abolished, and minimum wages fixed. Women are on an equality with men, slavery, concubinage, polygamy, and child marriage have been abolished, and divorce is free. The Karl Marx Communist University has been opened at Shui-kin, the capital.

In 1934 Soviet China was said to cover more than 525,000 square miles or nearly one-third of the area of China proper. Conditions are stable in about one-half of this area. Guerilla warfare and battles with the Kuomintang forces are common in the outer regions. Soviet China has probably 100,000,000 inhabitants and is more than twice as large in area and larger in population than any capitalistic country of Europe.[1]

The Central Soviet District is largely in Kiangsi and western Fukien with smaller sections in Chekiang and Kwangtung. Other soviet districts are in Hupeh, Honan, Anhwei, Hunan, Shensi, and Szechuan provinces, and smaller districts in other parts of China. Soviet China is to a large extent blockaded by the army of the Kuomintang government at Nanking and by Japanese, British, French, and American gunboats. This blockade has hampered the economic development of Soviet China. But it is growing weaker because of the resentment of the workers and peasants, the bad economic conditions in the Kuomintang districts, and conflicts between the Kuomintang military leaders. The cooperative societies are being developed

[1] See *Fundamental Laws of the Chinese Soviet Republic*, New York, 1934, translated from the Chinese.

and industry and agriculture gradually expanded in Soviet China.[1] Although its future is still very uncertain, it indicates the possibility that China may become communistic before its capitalism develops to a high degree, thus following the example of Soviet Russia. This would be an event only second or equal in importance to the rise of the U.S.S.R.

The agency next in importance to the Comintern is the Red International of Labor Unions. It was founded in 1920 and unifies the revolutionary elements of the labor movement of the world. It is opposed in particular to the Amsterdam International Federation of Trade Unions. The fundamental difference between the two is that the latter is based upon collaboration between the classes whereas the former is based upon the class struggle. The Amsterdam International is a union of national federations which act more or less independently of each other; the R.I.L.U. puts international interests first. It is, however, not a communistic organization in name though its headquarters are in Moscow.

The R.I.L.U. struggles against imperialism and war, while the I.F.T.U. compromizes and collaborates with the imperialistic governments which make war. The R.I.L.U. shields revolutionary workers and defends the revolution, while the I.F.T.U. is very hostile to Soviet Russia. The R.I.L.U. believes in the rationalization of industry but opposes capitalistic rationalization at the expense of the workers, whereas the I.F.T.U. accepts capitalistic rationalization with equanimity if not with praise. The R.I.L.U. has invariably fought against fascism, whereas the I.F.T.U. makes only verbal protests against fascism and groups it with bolshevism because both of them use force, in spite of the fact that fascism uses force against the workers while bolshevism uses it against the bour-

[1] See *China Today*, New York, Vol. II, 1934; and V. A. Yakhontoff, *The Chinese Soviets*, New York, 1934.

See also M. James and R. Doonping, *Soviet China*, New York, 1932, No. 20 of the "International Pamphlets."

geoisie. The R.I.L.U. advocates the united front and international working class unity, whereas the I.F.T.U. refuses to unite with the revolutionary workers. The R.I.L.U. opposes trade union capitalism, such as the labor banks and insurance companies organized in the United States, whereas the I.F.T.U. favors such trade union capitalism. The R.I.L.U. is democratic and advocates industrial unions; the I.F.T.U. is dominated by the trade union bureaucrats. These are the differences between the two labor internationals as stated to me by Lozovsky, the general secretary of the R.I.L.U.[1] Whether or not he characterizes accurately the attitude of the Amsterdam International, this comparison indicates the point of view and policy of the Red International which claims a membership larger than that of the Amsterdam International, most of its members being Russian workers.

The Peasants' International was organized at an international agricultural exposition held in Moscow in 1923 to which came representatives from forty countries. Its chief purpose is to teach the peasants of the world that their interests are with the industrial workers and against the capitalists. It cannot cooperate with the bourgeois political parties but only with the socialistic and communistic parties. Its specific objects are to work for a government against bourgeois exploitation, to oppose imperialistic war, and also nationalistic war unless it is fought to free a nation from imperialistic domination, to secure the land for the peasants, and to free the world from imperialism. Its tactics vary according to the situation in each country. In most countries it is unlawful or partially unlawful. In Italy and Germany it has been suppressed. Among other countries it has organizations in France, Mexico, Poland, Czechoslovakia, Greece, and Bulgaria. Its membership is not very large. But its influence is much greater than its member-

[1] A. Lozovsky, *What is the Red International of Labor Unions,* Moscow, 1927; *The World's Trade Union Movement,* Chicago, 1924.

ship indicates because many of its members belong to other organizations with similar aims. Its purpose is not so much to form organizations as it is to carry on propaganda which will prepare the peasants for a revolution when it comes. A large amount of literature is distributed in many languages. The peasant psychology is similar to that of petty capitalists, especially in countries where there are many small farmers. Where there are large estates and many tenants, the peasants are more like the industrial workers. The most difficult problem is to harmonize the apparent conflict between the interests of the peasants and those of the industrial workers. The peasant is the seller and the worker the purchaser of agricultural products. But the worker is the vendor and the peasant the buyer of industrial products. The propaganda of the Peasants' International is directed towards convincing the peasants that only under the Soviet system can these apparently conflicting interests be harmonized. The difficulty of reaching and organizing the peasants renders this a slow process.[1] Recently the Peasants' International as such was abolished and its functions taken over by the agrarian department of the Comintern, which has also established an institute for research in agrarian problems.

The International Defense or "Red Aid" for Political Prisoners, whose Russian branch is MOPR, is not exclusively communistic in its membership. It includes radicals of all types and some liberals. It aids radical political prisoners and nationalists struggling against imperialistic domination. But it does not aid fascists, counter-revolutionists, or ordinary nationalists. In most countries political prisoners are treated like common criminals. In fascist and semi-fascist countries such as Italy, Germany, Rumania, Bulgaria, Yugoslavia, Hungary, and Poland, they are treated worse than elsewhere. In Soviet Rus-

[1] The above information was furnished to me in Moscow by Teodorovich, the general secretary, and Falk, the organizing secretary, of the Peasants' International.

sia tsarist offenders and foreign spies are treated like common criminals. The opponents of the Soviet system are treated as political prisoners. Most of the latter are in exile in small towns. This international organization has societies affiliated with it in about seventy countries. It furnishes food, clothing, literature, etc., to political prisoners whenever necessary. Its chief purpose is to provide legal defense in the courts. It is supported by contributions from the workers. It claims nearly twenty million members the majority of whom are Russian. In the United States its affiliated society is the International Labor Defense.[1]

In some of the capitalistic countries there is repressive legislation or an aggressive executive policy against communism. This renders it difficult or impossible for revolutionary labor organizations to belong to these Moscow Internationals even when the latter are not communist in name. The Trade Union Unity League in the United States, which has a membership of about 100,000, is well known to be sympathetic with the R.I.L.U. but is not affiliated with the latter. Hence it is not easy to estimate the numerical strength of the Moscow Internationals. The R.I.L.U. has claimed more than sixteen million members, but its membership in many countries is unknown, especially where it has been declared illegal. The same is true of the other Moscow Internationals. They are said to be increasing rapidly in China. It is difficult to determine whether or not they are growing elsewhere outside of Russia.

The radio is used to broadcast propaganda from Russia to other countries in several languages. Bolshevist literature is distributed through various agencies, such as Kniga in England and Amkniga in the United States.[2] It is impossible to

[1] Most of the above information was furnished to me in Moscow by Preshkovsky, the head of MOPR, and in New York by William L. Patterson, the head of the I.L.D.

[2] *Kniga* means book in Russian.

ascertain to what extent communist parties and newspapers are financially subsidized from Soviet Russia.

With the aid of these and other agencies the bolshevists intend to capture mankind for communism by persuasion if possible. If peaceful methods do not succeed, their philosophy and program contemplate the use of force. "The conquest of power by the proletariat does not mean peacefully 'capturing' the ready-made bourgeois state machinery by means of a parliamentary majority. The bourgeoisie resorts to every means of violence and terror to safeguard and strengthen its predatory property and its political domination. . . . Hence, the violence of the bourgeoisie can be suppressed only by the stern violence of the proletariat. The conquest of power by the proletariat is the violent overthrow of bourgeois power, the destruction of the capitalist state apparatus (bourgeois armies, police, bureaucratic hierarchy, the judiciary, parliament, etc.), and substituting in its place new organs of proletarian power, to serve primarily as instruments for the suppression of the exploiters."[1]

As an agency of force comes in the first line the well-equipped Red Army of more than half a million highly disciplined soldiers. In the second line are the militarized Komsomols or young communists. In the third line are the many millions of workers who, as indicated in Chapter II, are partially militarized.[2]

What wars are in the womb of the future, no one can foresee. There may be one or more imperialistic wars in gestation in which Russia may or may not be forced to take part. There may take place a war between the Occident and the Orient which is perhaps more likely to assume a class than an imperialistic or nationalistic character because of bolshevist influ-

[1] *Program of the Communist International,* Chapter IV, Section 1.

[2] In Moscow on February 9, 1934, was held a military parade before the party congress in which were more than 25,000 soldiers, 20,000 armed and trained Komsomols, and many thousands of the Workers' Guard. (*New York Times,* February 10, 1934.)

ence in the East. Whatever may happen, Soviet Russia stands ready to draw the sword at the propitious moment not only to defend itself but also to fight for the worldwide dictatorship of the proletariat and the eventual advent of communism.

As the Red Internationale, the battle hymn of the communists, expresses it in its chorus:

'Tis the final conflict,
Let each stand in his place;
The International Soviet
Shall free the human race!

Part II

FASCISM

ITALY

Chapter XIII

FASCIST CHAUVINISM AND OPPORTUNISTIC PRAGMATISM

At the commencement of his article on fascism in the Italian encyclopedia Mussolini refers to his career as a socialist from 1904 to 1914. He declares that it was not a doctrinal experience and that his doctrine was then and is now that of action. At the outbreak of the war in 1914 he was editing the socialist paper *Avanti.* On account of his warlike utterances he was expelled from the socialist party. He then started his own paper, *Il Popolo d'Italia,* in which he advocated the intervention of Italy on the side of the Entente Allies in spite of the fact that it was an ally of Austria and Germany in the Triple Alliance. In a speech at Parma on December 14, 1914, he asserted that "the people wishes war," that "war and socialism are incompatible," that "whoever refuses to fight today is an accomplice of the Kaiser, a prop to the staggering throne of Francis Joseph, and an ally of criminals and priests."

In January, 1915, he organized the "Fasci d'Azione Rivoluzionaria" to strive for intervention.[1] When Italy declared war against Austria in May, 1915, he greeted it as a "holy war" and declared that "Italy places its arms in the service of the right. . . . Between the Rhine and the Vistula is a people of barbarians superficially civilized, but we are not Germans or barbarians." (*Il Popolo d'Italia,* Milan, May 24, 1915.) As a

[1] In ancient Rome the *fascis* was a bundle of rods containing an ax with the blade projecting. As a symbol of authority, it was carried by lictors before emperors, kings, consuls, praetors, and other high officials.

common soldier, Mussolini fought in the war and was wounded.

These facts reveal Mussolini as anti-socialist, chauvinist, anti-German, militarist, and as seeking to recover "Italia irredenta" from Austria. They also reveal him as a man who exalts action, often violent action, rather than thought. No great movement is brought into being and controlled by one man alone, but is determined in the long run by events and circumstances. Something similar to fascism would doubtless have come into being and run its course without Mussolini. Nevertheless, as its leader from the outset, he has put upon it a considerable impress, so that his personal traits are of some importance.

After the close of the war Mussolini was afraid that the purposes for which he had fought would be lost. He gave to his paper, *Il Popolo d'Italia,* the sub-title "Quotidiano dei combattenti e dei produttori." On March 23, 1919, was founded at Milan by a group of one hundred and five of Mussolini's followers the "Fasci di Combattimento" with him as leader. The purposes declared were the exaltation of victory, the valorization of war, the annexation of Fiume and Dalmatia, the renovation of the social order, and the establishment of a new political régime of the war veterans and of the producers.

The official history of the fascist revolution asserts that fascism was born out of the subversive movement in Italy during the year 1919 and as a reaction against that movement.[1] Several factories in northern Italy were seized by the workers temporarily. In March this happened in the Franchi-Gregorini metallurgical works at Dalmine. In a speech to these workers Mussolini praised them but uttered a warning against the socialists and bolshevists. A similar outbreak having occurred at Pavia, the fascist meeting on March 23 adopted by acclamation a resolution praising the workers of Dalmine and Pavia,

[1] G. A. Chiurco, *Storia della Rivoluzione Fascista,* with a Preface by B. Mussolini, 5 vols., 1929, Vol. I.

and Mussolini denounced bolshevism as having "ruined" and "totally paralyzed" the economic life of Russia. It is difficult to ascertain to what extent these outbreaks were due to bolshevist influence. Later the fascists claimed to have suppressed bolshevism in Italy. Impartial observers have testified that bolshevism was never a serious menace, that the socialists who took over the factories in Turin and elsewhere ran them well and were trying to secure their rights for the workers, and that the anarchists were responsible for the sabotage and unnecessary strikes which could easily have been suppressed. But these outbreaks were useful to the fascists because they alarmed the capitalists and bourgeois who were, therefore, more inclined to support fascism. In any case, the outbreaks soon ceased and played a very small part in the later development of fascism. At the close of the year 1919 the fascist organization numbered only 870 members in 31 groups.

The *Popolo d'Italia* of February 10, 1920, published the principal fascist objectives with regard to labor as set forth by the central committee. They were the eight-hour day (which already existed by law), minimum wage laws, the participation of the representatives of labor in the technical functioning of industry, the recognition of the proletarian organizations morally and technically worthy of it by the management of industry and of the public services, and the improvement of the insurance legislation with respect to sickness and old age, lowering the age limit for the latter from sixty-five to fifty-five years. During 1919 and 1920 the fascists enthusiastically supported the efforts of d'Annunzio to conquer Fiume and Dalmatia. At the close of 1920 the fascists numbered 20,615 in 88 groups.

From 1919 to 1921 fascism was an anti-party movement of war veterans. In the parliamentary election in May, 1921, thirty-eight fascists were elected to the chamber of deputies including Mussolini himself. In August, a so-called "treaty of peace" was

signed between the socialists and the fascists. This did not long restrain the struggle between the two groups. In November at a congress in Rome the fascist organization was transformed into a political party under the name of "Partito Nazionale Fascista." On December 15, 1921, Mussolini announced that all fascists are members of the fascist militia and that "Italian fascism is ready to defend its right of existence, of propaganda, of organization, and of method." (*Il Popolo d'Italia,* December 15, 1921.) At the close of 1921 the fascists numbered 249,036 in 834 groups.

At a conference in Bologna in January, 1922, was formed the "Confederazione delle Corporazioni Sindacali Fascisti" or confederation of fascist guilds. It was decided that each of the following groups was to form a guild, the industrial, agricultural, commercial, maritime, and intellectual workers. The twenty-first of April, the legendary date of the founding of Rome, was designated as Labor Day. In June this confederation held its first congress at which were represented 458,284 workers, of which 277,084 were in the agricultural guild and 72,000 in the industrial guild.

In April, 1922, was established the "Consiglio Nazionale dei Fasci di Combattimento" as the supreme head of fascism. It decided to form fascist organizations among the youth and the university students.

Late in July a general strike was declared against the fascists by the socialists and non-fascist unions. There were bloody encounters in Milan, Genoa, Parma, Livorno, and elsewhere. The conflict terminated with the suppression of the strike on August 9.

During the autumn of 1922 were held fascist demonstrations in various parts of Italy. Mussolini delivered addresses at Udine, Milan, and Cremona in which he foretold the certainty of a fascist victory. On September 20 at Udine he repudiated republicanism and declared for a monarchy because, as he said,

the monarchy represents "the historical continuity of the nation." On October 25 the fascist congress met at Naples. It was decided to take possession of the government. On October 28 the fascists entered Rome. The king, fearing civil war and bloodshed, appointed Mussolini prime minister.

The success of the fascists in gaining control of the government is to be attributed largely to the weakness of the liberal ministries from 1919 to 1922. The socialist and clerical (Partito Popolare) parties were bitterly opposed to each other. The fascists were opposed to both of them. The liberal parties held the balance of power. Italy had come out of the war with a large national debt. The workers were restless and there were many strikes and other labor disturbances. There was much dissatisfaction over the distribution of territory by the peace treaties. The parliament was divided among many parties. All these factors tended to make the government weak.

The preceding recital has shown that fascism as a doctrine was somewhat vague and confused before it gained the victory. On the one hand, it was very chauvinistic and belligerent and appealed in particular to the war veterans. On the other hand, it displayed some interest in the welfare of the workers, but not along radical lines. It vehemently opposed socialism, communism, and any form of international labor movement. Partly for this reason it did not elicit a very extensive response from the proletarian class. So far as it can be said to have a doctrine, it has developed and formulated it mainly since it gained the victory. It has always remained very opportunistic, owing partly to the character of its leader.

Soon after the fascist victory Professor Volpi, who became later the secretary of the fascist academy, was commissioned to study the medieval Italian city state which was oligarchical in its organization. The fascist corporative state has been modeled to a certain extent after the medieval city state. It has also been greatly influenced by the traditions of the Roman

Empire. During its earlier years fascism was hostile to the Catholic church and several priests were assassinated and churches burned by the fascists. This was due partly to the fact that the papacy has never been reconciled to the unification of Italy because it was deprived of its temporal power. Then fascism became very religious and borrowed many of the hierarchical ideas of the church.

An American writer says that "fascism is not a doctrine but a way of life," and that "the fascist character has been summed up by Mussolini in the Nietzschean slogan 'live dangerously.' "[1] An English writer and ardent supporter asserts that fascism is based on the traditions of the Roman Empire and of the Catholic church, and repudiates the pagan Renaissance, the Reformation, the French Revolution, and capitalism, all of which express an individualistic mentality. He says that this definition is sanctioned by Mussolini who wrote an introduction to his book.[2] Fascism does not repudiate capitalism, as will be demonstrated presently. His statement is based upon an erroneous definition of the term. But fascism repudiates also the spirit of the Risorgimento which was inspired by liberal and democratic ideas, though it accepts the unification of Italy attained by the Risorgimento.

Fascism is not only chauvinistic and imperialistic, but also anti-liberal and anti-democratic. It establishes the authoritarian state in which the individual is in theory completely subordinated to the authority of the leader and the hierarchy. A few quotations from the fascist catechism will indicate how fascism is presented by its official representatives, though this presentation does not clarify greatly its inherent nature. In reply to the question as to what fascism is it is said that "today fascism is a syndicalist movement which gathers together all of the productive forces of the nation obedient to its own law

[1] H. W. Schneider, *Making the Fascist State*, New York, 1928, pp. 247-8.
[2] J. S. Barnes, *The Universal Aspects of Fascism*, London, 1928, p. 35.

and idea. It is a political movement with millions of adherents of an adamantine faith (or loyalty). It is a military movement with a veritable army of Black Shirts. All of this is fused in a quasi-religious devotion, the devotion to the fatherland."[1] In answer to the question as to what is the fascist mode of life: "To live courageously, dangerously; to feel repugnance for the comfortable and soft life; to be always ready to dare as much in the individual life as in the collective life; to love the truth and abhor lying; to love pure sincerity and to abhor whatever is underhanded; to feel every hour the pride of being Italians; to work with discipline; to respect authority." The discipline of the genuine fascist is described as "silent, industrious, and devoted." Obedience to the leader must have no limits. "It is necessary to obey also when the leader demands too much." The genuine fascist ought to live as the "pure, worthy, truly faithful servant and disciplined soldier of the idea, and ought to be contented to serve the nation with a devoted humility." The fascist oath reads as follows: "In the name of God and of Italy—I swear to execute without discussion the orders of the duce and to serve with all my strength and if necessary with my blood the cause of the fascist revolution."[2] Here is given no leeway for dissent.

These principles are in the main rather vague and trite generalizations, not all of which are acceptable to non-fascists. The fascist catechism is a little more definite with regard to the nature of the state and of the economic organization. The bases of the national society are said to be the treaty of 1848 between the king and the Italian people, the monarchy, the church, the parliament, and the army. "According to fascism the state is the supreme authority that subordinates the activity and the interests of the individual citizens to the general interests of the nation."

[1] *La Dottrina Fascista,* Libreria del Littorio, Rome, 1929, p. 10.
[2] At the entrance of the Fascist Exhibition, Rome, 1933.

The fascist economic theories are fundamentally capitalistic. "According to fascist doctrine, the modern capitalists are captains of industry and the greatest organizers; men who have and ought to have the highest sense of civic and economic responsibility, men upon whom depends the destiny of thousands and tens of thousands of workers." With regard to the right of private property it is asserted that "property was not originally a theft, as one reads in the contemptible literature of socialism, but the result of thrift and of toil on the part of persons who have undergone the most severe test," and who therefore are entitled to the "sacred right of transmitting their property by inheritance." It is also asserted that private property is "not only a right but also a duty; it is not an egoistic good but rather a good that should be used and developed for the advantage of others." The liberal state is condemned on the ground that "the fundamental error of the liberal state is that of absolute neutrality in the face of the collective competition of the citizens who can fight up to the point of annihilating themselves and thus strike at the state itself."

Fascist liberty, which, it is alleged, has been given back to the Italian people by the fascist government, is the liberty "to work, to possess, to honor God in public, to exalt the fatherland and its institutions, to have the consciousness of one's self and of one's own destiny, to feel as one of a strong people and not merely as a satellite of the cupidity and demagogy of others." But the right and freedom to work "is a social duty because the person who works does so not only in his own interest but also collaborates in the interest of the nation." Loyalty, discipline, work, and economic productivity do not suffice to assure the future welfare and power of Italy and of the Italians because "all of this is based upon the vitality and the birth-rate of the Italian people." In other words, according to fascism a high birth-rate is essential to the power and welfare of a nation.

These fascist principles will be illustrated in the following chapters in describing the organization of the fascist party and the institutions which it has incorporated in the Italian state. As we have seen, these institutions have heterogeneous sources in imperial Rome, the medieval city state, and the Catholic church. The intellectual background of fascism is meager and confused in contrast to bolshevism, which has a very rich philosophical and theoretical development back of it.

In fascism can be noted traces of the theories of Nicolo Machiavelli who believed that the strong man should become the sovereign tyrant, of Heinrich Treitschke who contended that history is made by great men, of Thomas Carlyle who asserted that the masses need to be directed by and to admire an individual as leader, of Max Weber who propounded the carismatic theory that when a hereditary monarch is incapable of ruling a non-hereditary leader comes up from the common people and is recognized by them, of Vilfredo Pareto who advocated the aristocratic leadership of the élite which changes and circulates with time, of Gaetano Mosca who described leadership by a titled nobility, of Friedrich Nietzsche who exalted strength for its own sake, and of Ernest Renan (whom Mussolini has called one of the "illuminazioni prefascisti") who contended that reason and science cannot arise from the people and that society does not exist for the freedom and welfare of the individual.[1]

Some of these fascist principles display a slight tinge of socialistic and syndicalistic ideas. This is due in part to the fact that Mussolini and some of the other fascists were formerly socialists. The socialistic element is probably disappearing, though there is some difference of opinion on this point. In any case, the foregoing has shown that fascism affirms the

[1] For a discussion of the influence upon fascism of some of these writers, see Roberto Michels, "Le Forze essenziali del Divenire politico," in *L'Ordine Fascista*, Rome, August-September, 1933. Carismatic signifies the gift of divine grace.

private ownership of the means of production, private enterprize, and private profits, so that it is fundamentally capitalistic. It deviates very slightly from the unlimited use of *laissez-faire* by trying to harmonize by means of state action the conflicting interests of capital and labor. The inadequacy of these methods will be described later.

The imperialistic implications of fascism have not yet been clearly or fully worked out. Its imperialistic adventures have not been very successful. Among them have been its aggressive measures in the Adriatic, among other places in Fiume, Dalmatia, Albania, and Corfu; its machinations in the Balkans; its mandates in Asia Minor; and its colonies in Africa. Most important of all in the long run is its naval rivalry with France for the hegemony of the Mediterranean. This manifested itself in an acute and aggressive form at the international naval conference of 1930. If Italy succeeds in carrying out its industrialization program to any extent, the necessity to find markets for its industrial products will force it to intensify its imperialistic activities.

Fascism has had and still has a very limited ideology. On an ideological basis it could appeal to a comparatively small proportion of the Italian population. The bourgeoisie has been largely liberal-democratic in its outlook, and the proletarian class has been to a considerable extent socialistic in its ideology. Accordingly fascism has concealed its paucity of ideas by means of a barrage of semi-mystical and quasi-ethical phrases concerning patriotism, loyalty, personal discipline, the dignity of work, social duty, the hierarchy of the superior, and the like.

In so far as fascism can be said to have a philosophy it is pragmatic in its nature. The leading fascist philosopher, Professor Giovanni Gentile, who was the first fascist minister of education, said to me that fascism does not accept pure science as a body of norms and precepts which has importance in it-

self, but is interested in science only from a pragmatic point of view, considering it as something which ought to be applied. At several of the universities, such as Rome and Perugia, science, history, and the law are taught according to fascist principles, thus establishing the norm which regulates the teaching of every other branch of knowledge. Fascism accepts the Catholic religion and teaches its doctrines in the schools. The fascist catechism states the attitude of fascism towards the Catholic church. "Fascism recognizes the supreme authority of the church, its universality, its compulsory [*sic*] liberty in the field of religion, the immense moral force exercized by it in the world, and has imposed and imposes in public life the greatest respect for the church. For fascism the Latin and imperial tradition of Rome is represented also in Catholicism which is a universal idea which radiates from Rome." Its pragmatic philosophy emphasizes the opportunism of fascism, and its pragmatism and its subjection to religion render it more or less anti-scientific.

Fascism was successful at the outset largely because there was no strong group to oppose it in the somewhat confused and disorganized conditions which existed in Italy at that time. Having acquired control of the government it disbanded the workers' organizations and prevented them from organizing again. It used all the methods of a dictatorship to buttress itself in power. Whether or not the capitalists favored fascism at the outset, they soon discerned that the workers had been deprived of their initiative and thereby greatly weakened. A fascist government is a strong bulwark against the radical and revolutionary movements which menace capitalism. Fascism has become the prototype and model of the most extreme form of capitalistic government and state.[1]

[1] Henri asserts that Giuseppe Toeplitz, a Polish Jew and managing director of the Banca Commerciale, backs Mussolini financially. (Ernst Henri, *Hitler over Europe*, New York, 1934, p. 183.)

Chapter XIV

THE FASCIST GERARCHIA

We have seen that Mussolini organized the "Fasci d'Azione Rivoluzionaria" in January, 1915, and the "Fasci di Combattimento" in March, 1919. As a political party, fascism gained the power in October, 1922. The bolshevist party came into existence in 1903. It gained the power in November, 1917, thus antedating fascism by a few years. There are many obvious similarities in the organization of bolshevism and of fascism which have led some people to think that the latter has borrowed from the former. Whether or not this is the case, there are also striking differences, both external and internal, which are even more significant than the likenesses. The bolshevists utilize none of the external symbols which are so characteristic of fascism, such as the uniform, the salute, the calendar, and the like. Much more important is the difference that bolshevism has no such doctrine of personal leadership as is fundamental in fascism. While each party dominates its respective state, bolshevism proposes to put an end to the existing state and by means of the dictatorship of the proletariat to bring into being the classless state which will no longer be a state in the old sense of the term. Bolshevism professes to be merely the carrier of the culture of the proletarian class and the instrument for attaining its ends. When these ends have been attained bolshevism will have destroyed itself. Fascism, on the contrary, professes to construct its own state and to create its own culture in spite of the fact that it has a very meager intellectual and ideological background. Fascism therefore

gives the impression of considering itself as more of an end in itself and as more permanent than bolshevism.

At the close of the year 1922, the party numbered 299,876 members. A year later it numbered 782,979, or was more than two and a half times as large. The fascists attribute this great increase to the victory of the preceding year.[1] By the close of the year 1924 the number had dropped to 642,246, and by the close of 1925 to 599,988. During these two years the anti-fascist groups made their last attempts to oppose fascism. In 1924 the socialist deputy Matteoti was assassinated by the fascists. For a time the non-fascist deputies refused to attend the sessions of the chamber of deputies and held a sort of rump parliament of their own called the "Aventino" parliament. These efforts to resist called forth the most severe repressive measures. The special tribunal for political offenses condemned many to death or to long-term imprisonment. Eventually all overt and effective opposition was crushed.

During 1926 the party increased by over 300,000 to 939,997. At the close of 1927 it numbered 1,034,998, and at the close of 1928, 1,051,708. From the first of January, 1929, no more adults were admitted to the party which was henceforth to receive its new recruits from the youth organizations to be described later. In 1932 in connection with the celebration of the decennial of fascist rule it was decided to admit half a million adults, thus "going to the people" as Mussolini expressed it.

The constitution of the fascist party was approved by the Gran Consiglio Fascista on November 12, 1932. Article 1 states that "the Partito Nazionale Fascista is a civil militia under orders of the duce and at the service of the Fascist State." Article 2 enumerates the various branches of the party such as the provincial federations, and the peripheral organizations such as the youth organizations. Article 3 describes the sym-

[1] See the article entitled "Lo sviluppo del movimento fascista del 23 marzo 1919 al 23 marzo 1929," in *L'Impero*, Rome, March 24, 1929.

bols of the faith such as the fascist uniform, the black shirt, to be worn only on occasions prescribed by the party regulations, the button which every party member must wear at all times, etc. Article 4 describes the banners and flags and similar party emblems. Almost all of this external and visible paraphernalia is noticeable by its absence in bolshevism.

The fifth article of the constitution says that "the Partito Nazionale Fascista, through its collegiate organs, unfolds its activity under the guidance of the duce and according to the directives designated by the Gran Consiglio." These are the two highest grades of the fascist "Gerarchia" or hierarchy. As they have been integrated into the structure of the state, the duce or leader of the party as the capo di governo or chief of the government, and the grand council of the party as the supreme council of the state, the manner of appointment of the former and the composition and functions of the latter will be described in the chapter on the corporative state. Article 5 specifies the order of precedence from the secretary of the party, the third grade in the gerarchia, down through the vice-secretaries and the officers and representatives of the various subdivisions of the party. It is however stipulated that "the fascist who has participated at the foundation of the Fasci di Combattimento shall have precedence over all those belonging to his own category."

Article 6 provides that "directive functions and positions of command must be intrusted to the Camicie Nere (Black Shirts) who have fought and worked for the Revolution or to [illegible]cists who have entered the party from the youth organizations." It also provides that the fascist year commences on the twenty-ninth of October, the fascist era beginning with October 29, 1922.

Article 7 provides that "the duce proposes to the king the appointment and dismissal of the secretary of the party." Because he is appointed by the king the secretary has an official

status and can attend meetings of the cabinet. He is also a member of the Gran Consiglio and of the Consiglio Nazionale delle Corporazioni and the head of the youth and various other of the fascist organizations. In Article 8 is specified a similar manner of appointment of the vice-secretaries who also are members of the two councils.

The remainder of the thirty-one articles of the constitution provide for the appointment of the lower grades of the gerarchia, as, for example, the provincial secretaries who are appointed and dismissed by the duce upon the recommendation of the secretary, for disciplinary measures, for the administration of the party, etc. Sixteen by-laws to the constitution provide for the salutes to the king and the duce, and regulate the relations of the party to its dependent and peripheral organizations, such as the fascist group in the senate, the university groups, the youth organizations, the female organizations, the athletic organizations, etc.

Even though the first article of the party constitution declares that the party is a "civil militia," it is also organized in part as a military organization in the "Milizia Volontaria per la Sicurezza Nazionale." As indicated in the preceding chapter, the fascists were organized as a fighting militia in 1921. Soon after the fascist victory in 1922 a decree was promulgated by the government which recognized the M.V.S.N. as the "Esercito della Rivoluzione" or army to safeguard the revolution. The second article of this decree states that the M.V.S.N. "is devoted to the service of God and of the Italian fatherland and is subject to the orders of the chief of the government who is the duce of fascism. In cooperation with the police force and the royal army it is expected to maintain public order at home and to prepare and keep organized the citizenry for the defense of Italian interests in the world at large.

The expenses of the M.V.S.N. are borne by the ministry of the interior and its budget is about 50,000,000 lire. A militia-

man receives no pay unless he serves outside of his own commune. In case of a mobilization the M.V.S.N. is absorbed in the army and navy in the corresponding grades and ranks. It is organized after the model of the ancient Roman imperial army. A squadron (*squadra*) is composed of eleven men and one leader. A maniple (*manipolo*) consists of three squadrons. A century (*centuria*) consists of three maniples. A battalion (*coorte*) consists of three centuries. A legion (*legione*) consists of three battalions.

The M.V.S.N. is recruited by volunteers from the party between the ages of seventeen and fifty. At the national headquarters of the party at the Palazzo Vidoni in Rome I was told in 1933 that all members of the party are regarded as active or inactive members of the militia. The party numbered about 1,700,000 at the close of 1933 and there were about 190,000 active militiamen, or a little more than one-tenth of the party membership.[1]

In all these fascist activities the women play a very small part. There are about 500,000 women in the female auxiliary organizations, which have only minor functions to perform. They have not the vote, they cannot belong to the party or the militia, and they hold no public offices of any importance. In all these respects fascism is in marked contrast to bolshevism which puts women upon an equality with men and gives them a share in every field of activity. It is wholly in accord with the older traditions of the Latin countries and with the doctrines of the Catholic church. According to

[1] The *Gazzetta Ufficiale*, No. 297, of December 26, 1933, published a decree which states in part that "the armament materials and the munitions of the royal army which have been received on consignment by the M.V.S.N. are given to the latter gratis." This decree indicates the close connection between the army and the fascist militia and is significant in view of the assertion often made by the fascist government that in case of disarmament by international agreement the militia should not be considered a part of the military forces. On mobilization two battalions of militiamen are attached to each infantry division of regulars. The Italian army numbers 491,000 regulars and with its reserves 4,500,000.

fascism woman's place is in the home, there to breed and to rear as many children as possible. The Lateran Treaty between the Italian government and the papacy, signed by the papal secretary of state, Cardinal Gasparri, and Mussolini on February 11, 1929, regulated the status of marriage. Article 34 commences as follows: "The Italian state, wishing to give back to the institution of marriage, which is the basis of the family, the dignity conformable to the Catholic traditions of its people, recognizes in the sacrament of marriage, regulated by the canonical law, its civil effects." The same article provides that the suits for the nullification of marriages shall be tried by the ecclesiastical courts in accordance with the canonical law. As the Catholic church does not recognize divorce, this means that there are no divorces under fascism.

This attitude towards women is not due only to Latin traditions and Catholic doctrines. It is also due to the fascist policy of stimulating the birth-rate and increasing the population as rapidly as possible. In October, 1933, in Rome and its vicinity I saw many placards announcing that October 30 is the festival of marriages and of fecundity and that the duce would present a gift to every couple married in the province of Latium on that day. In November, 1933, Mussolini issued an order that all bachelors holding offices in the party or wishing to be candidates in the parliamentary election must marry, otherwise they would lose their offices or not be designated as candidates. All this is a part of an elaborate program which extends from reducing the railway rates for honeymoon couples to giving prizes to philoprogenitive parents.[39]

Under fascism taxation is to a large extent adjusted in an inverse ratio to the size of the family. Many taxes decrease as more children are procreated so that to have ten sons alive or to have had twelve children results in a complete exemption from taxation. Childless spouses pay a higher inheritance tax than spouses with one child, and spouses with two or more

children pay no inheritance taxes. Cheap homes are distributed in order of preference according to the size of the family. Bachelors are discriminated against in many ways, especially in the government service where appointment and advancement depend largely upon the marital status of the individual. Between the ages of 25 and 65 heavy special taxes are imposed upon them. In April, 1934, the income tax on bachelors was raised from 25 to 50 per cent of their incomes. It was estimated that an additional revenue of 55,000,000 lire annually would be derived from this tax.

An extensive public service is maintained for the protection of maternity and childhood. Abortion is prohibited and severe penalties imposed upon midwives and physicians who violate the law. In some cases the penalty is deportation to the Lipari islands to which many political prisoners have been banished. A vigorous campaign is waged against various forms of so-called "immorality" which may be due in part to the puritanical tendencies of authoritarian régimes but is specifically for demographic ends. The stage is carefully censored to prevent anything licentious, pornography is rigorously suppressed, and public solicitation by prostitutes prohibited. Prostitution is segregated in bordels and closely supervised by means of frequent inspections. The discriminations against illegitimacy have, however, been in part removed, the desire for more children outweighing in this case the alleged immorality involved.

Owing to the Catholic doctrine that birth control is a sin and to the fascist demographic policy, the sale of contraceptives is prohibited and birth control is forbidden. In spite of this prohibition the birth-rate has continued to fall. The relatively large increase in the population of Italy under fascism has been due to a death-rate which has fallen more rapidly than the birth-rate and to restrictions upon emigration. The drastic campaign against conscious and intentional limitation of births has in one respect over-reached itself. It has taught many peas-

ants who were not aware of it that procreation can be controlled and is not entirely an "act of God." Near the French frontier some of the peasants learn this fact from over the border, much to the annoyance and displeasure of the fascists.

Under these conditions where women are permitted no initiative and can play no part in public life, there can be no such thing as a women's movement. I have conversed with two former female leaders of a labor organization and of an international peace organization, and when I attempted to question them about their pre-fascist activities they could or would utter only fulsome praise of the duce. There are a few auxiliary fascist organizations for women. They are devoted to aiding the men in domestic or recreational activities, or in carrying on some sort of philanthropic or social service work.

Like the bolshevists, the fascists try to indoctrinate the young at the earliest possible age. The youth organizations for both sexes are among the most important of the fascist activities. The boys from eight to fourteen years of age inclusive are organized in the Balilla. The youths from fifteen to eighteen years of age inclusive are organized in the Avanguardia. On June 30, 1933, the Balilla numbered 1,562,651, and the Avanguardia numbered 443,278.

The law of April 3, 1926, with its subsequent amendments, which authorizes and regulates these organizations, states that "the militia of the Avanguardia and Balilla is destined to prepare the boys physically and morally in such a manner as to render them worthy of the new standard of Italian life." The law also states that this youthful militia "has in addition the task of forming the conscience and the thought of those who will be the fascists of tomorrow, of those who will be the future governing class." In order to accomplish these purposes are instituted within these organizations "schools of cultural preparation and centers of study and of propaganda. In such schools must be expounded to the boys the fascist doctrine in

its logical order and in its historical function." Their religious instruction is entrusted to priests who serve as chaplains, there being one chaplain to each battalion of about three hundred boys. Priests who have served in war or have performed other military services are given the preference for performing these functions.

The boys join voluntarily with the consent of their parents or legal guardians. If of sixteen years of age or older, a candidate for admission must also present a certificate of good conduct. Like the Milizia Volontaria per la Sicurezza Nazionale, both the Balilla and the Avanguardia are organized in a military fashion after the model of the ancient Roman army. A squadron (*squadra*) is composed of eleven boys and a leader, a maniple (*manipolo*) consists of three squadrons, a century (*centuria*) consists of three maniples, a battalion (*coorte*) consists of three centuries, and a legion (*legione*) consists of three battalions.

The Balilla are commanded by teachers of the elementary and intermediate schools, preferably teachers who are officers in the M.V.S.N. The law states that these commanders must "instill in the spirit of the Balilla love for the fatherland, the sentiments of order, of honor and of responsibility, the care of the person, and all those sentiments of altruism and of generosity that will contribute to the expansion of the psyche of the boy in such a manner as to develop those traits which should make of him a good father of a family, a good citizen, and a good soldier."

The law states that "the institution of the Avanguardisti is devoted in particular to the instruction and preparation of the youths for the military life." The Avanguardisti are commanded by officers and former officers of the M.V.S.N. According to the law, "the discipline consists in the respect and obedience which the Avanguardista owes to his commanders and to the persons who are directing his civil and military

instruction." The Avanguardista is obliged to give the Roman salute with the right arm to all his superiors ranging from the king, pope, and duce down to the lower officers of the party and militia. He wears the black shirt and various other prescribed garments.

The above description indicates that these two youth organizations are primarily and fundamentally military in their character. They carry on, however, certain athletic and sport activities. Some provision is made for professional and technical training for their members in the arts and crafts schools.

On the twenty-first of April, the legendary date of the founding of Rome, and the fascist labor day, comes the "Leva Fascista" or fascist levy. On that day the Balilla who have attained the age of fifteen graduate into the Avanguardia, and the Avanguardisti who have attained the age of nineteen graduate into the Giovani Fascisti or young fascists. This is an intermediate body from which they will at the age of twenty-one become full-fledged members of the fascist party and militia.

Corresponding to the organizations for the boys are the Piccole Italiane or little Italians and Giovani Italiane or young Italians for the girls. The first organization includes girls from eight to fourteen years of age inclusive and on June 30, 1933, numbered 1,322,228. The second organization includes girls from fifteen to eighteen years of age inclusive and numbered on the same date 125,912. The leva fascista when the younger girls graduate into the upper group and the older girls into the female auxiliary organizations is on the twenty-eighth of October, the anniversary of the fascist victory.

These girls wear a uniform and are organized in a semi-military fashion. They engage in a certain amount of athletic and sport activities. But they devote most of their time to preparing themselves for their domestic duties and to receiving

moral and religious instruction. That their conduct which has or is supposed to have a moral aspect is closely watched is indicated by the following severe reprimand administered to them by the former secretary of the party, Augusto Turati, in April, 1929: "I must point out that many Piccole and Giovani Italiane wear excessively short skirts, thus justly provoking very unsympathetic criticisms. The Piccole and Giovani Italiane ought to give externally in their manner of dress the impression of the seriousness of the fascist education which is being imparted to them, and therefore I desire that when they go out in uniform, they wear skirts which come at least two inches below the knee."

The youth organizations as a whole are known as the Fasci Giovanili di Combattimento. Like all fascist groups they are hierarchically organized and commanded from above. The motto given to them by Mussolini is "Credere, obbedire, combattere." ("To believe, to obey, to fight.") Something of their spirit is revealed in their songs. In "Giovinezza" ("Youth") a stanza reads as follows:

> The poets and the artizans
> The lords and the peasants,
> With the pride of Italians
> Swear fealty to Mussolini.

In another stanza it is asserted that "Mussolini has remade the Italians for the war of tomorrow."

In a song entitled "Balilla" the small boys make the following martial declaration:

> But if, one day, the battle
> Inflames the mountains and the sea,
> We will be the defenders
> Of our holy liberty.

Even the little girls sing martial songs as indicated by the following excerpt from one of them:

Let us march along singing,
In our little white jerseys,
To incite
To the sacred fight.

All of this is appropriate as a preparation for the fascist militia. A few excerpts from its "Decalogue" indicate this clearly. "Know that the fascist, and especially the militiaman, must not believe in perpetual peace." "Days of imprisonment are always deserved." "Mussolini is always right!" "One thing should be dear to you above all others: the life of the duce."

Education in general in Italy has become not unlike these youth organizations, especially in the lower schools. Two American writers have said that the theory of fascist education is that the real mind of the child reveals itself in action, and that all the sciences are abstractions from action and by education must be transformed into action.[1] This is in accord with the pragmatic tendency of fascism as stated in the preceding chapter. Italian education has become chauvinistic to the highest degree. Education in every country is somewhat chauvinistic with the exception of Russia where class is substituted for nation. The fascists had surpassed every other country in this regard, with the possible exception of Japan, until the national socialists emulated them successfully in 1933 and after in Germany.

The schools are conducted under a system of drill and discipline almost military in its character. There are numerous ceremonies, commemorations, parades, processions, speeches, etc., almost all of which are patriotic in their character, and which interfere seriously with the studies of the pupils. A good deal of politics is injected into the teaching of nearly every subject. In so far as it acquaints the young with the problems of the day, this might be very instructive. Inasmuch as almost all this political and economic teaching is very

[1] H. W. Schneider and H. B. Clough, *Making Fascists*, Chicago, 1929.

chauvinistic propaganda, it misleads the pupils more than it teaches them.

On the fifth of November, 1928, the cabinet decided to introduce the system of the state textbook in the lower schools in order to furnish "a necessary instrument for the spiritual formation of the new Italian—educating adolescents in the new atmosphere created by fascism, teaching them the duties of the fascist citizen and the past achievements of Italy in history, in letters, in science, and in art, and those she may hope for in the near future in which we all hope to play our part." In the state textbooks history is taught so as to exalt ancient Rome and modern Italy, geography so as to further Italian imperialistic ambitions, the sciences so as to give the impression that Italy has attained the first rank in all fields of science and of invention, etc. Such teaching gives the pupil the belief that Italy is the center of the world and that other countries are of little importance in comparison.

As to the moral effects of fascist education, force and violence are extolled, and the man of action is exalted rather than the thinker. The exaltation of the use of force and the inculcation of obedience and of discipline are not always congruous. There is often the question as to who is to decide when and how force is to be applied. A dual standard of morality tends to arise, namely, the standard for the duce, the leader, who is more or less independent of law, and the standard of the common individual who must be subservient to the duce and the hierarchy. The fulsome adulation of the duce which is constantly instilled into their minds, so as to make of Mussolini an almost semi-divine being, must have a distorting effect upon the standard of valuation of the young.[1] This sort of

[1] "It is certain that fascism has introduced into the school a transmutation of values which cannot be overlooked. The pupils' new moral code is not without its contradictions, but there is, unquestionably, a new moral code, and that code is the 'Balilla's,' or the 'Little Italian Girl's'; the fascist organizations for the young tend more and more to dominate the school and to permeate it with the fascist spirit,"

education does not encourage either originality of mind or independence of character. It is almost as deadening to both as the military discipline of the barracks.[1]

The information furnished to adults also is regulated and controlled by means of the censorship of the press and of publication in general. Though the Italian newspapers are privately owned they have little freedom as to what they can say. The Press Bureau at the Palazzo Chigi (the foreign office) in Rome, whose head at present is Mussolini's son-in-law, directs the press not only as to what news it cannot publish but also as to what news must be emphasized and how. A certain amount of both internal and foreign news is suppressed. Occasionally the whole issue of a newspaper or other periodical is confiscated. Before me lies a copy of a monthly periodical for January, 1933. It reproduces without comment on its first page an order from the prefect of the province to the police to confiscate the December, 1932, issue of this periodical because it "estimates with an arbitrary and tendencious interpretation the social, moral, and political significance" of a decree promulgated on November 5, 1932. The censorship is apparently carried out by the police whose function it is to see to it that the orders of the Press Bureau are obeyed.

(Hélène Tuzet, "The Education of the Italian People," in *Italy Today*, London, October, 1931.)

[1] The Rome *Tribuna* of January 11, 1934, advocates a still greater militarization of the schools. "The schoolmaster and the officer should be one and the same person always and not exceptionally as is the case today. . . . It is necessary to revise completely the education of the schoolteachers and of the professors both in the schools for the teachers and in the university faculties which need to be thoroughly renovated."

The Bologna *Il Restino del Carlino*, early in 1934, made the following statement concerning military instruction in the schools: "Military science, after having at last been established in the universities from which democratic culture had disdainfully banished it, will be introduced in its most simple elements in the secondary schools. A commission, presided over by General Grazioli, has examined the method of application of this opportune educational measure." (Quoted in *La Libertà*, Paris, March 8, 1934.)

The policy of the Press Bureau is preventive as well as repressive. That is to say, it anticipates and formulates the news and information to be supplied to the public in the future as well as suppressing certain information in the present. A few cases will illustrate its policy and activities. In July, 1932, the press was warned to avoid publishing photographs of thin women because "the phenomenon of thin women signifies no more and no less than a diminution in the birth-rate," and was urged to publish articles on the decrease in the cost of living. In August, 1932, the press was instructed to give publicity to an alleged Hitlerian victory in the German elections; to publish articles on the navy pointing out that the duce had completely renovated and modernized it; to reproduce passages from a French book in which is described "the liberty and cordiality of the life encountered by the author in Rome"; to report only the sentence imposed in a trial of certain "anti-fascists"; to suppress news of the communist movement in South America; to publish no photographs of the duce and his family without permission.[1] In August, 1933, the press was instructed not to use the term "*supreme gerarchie*, because there is in the party only one—the duce"; not to give publicity to the success of the loan in the United States and not to speak of the inflationist policy there; not to reproduce the circulars of the under-secretaries of state as of their own initiative but as under orders from the duce; not to speak of region and regionalism because the policy of the régime is unitary and anti-regional; not to praise the prefects and gerarchs of the provinces for their own acts because they are no more than the executors of orders emanating from the center; to announce with one title in two columns the visit of the duce to Camp Sandro Mussolini; and to discuss only the numerous signs

[1] Some rather undignified photographs of Mussolini had been published abroad and it was feared that they might be reproduced in Italy.

of economic recovery, because the depression will be examined and studied after it is over.[1]

In view of this daily flood of minute instructions it is not surprizing that the Italian newspapers every day say in parrot-like unison the same things, and that nearly every day there appears on the front page of every newspaper one or more articles of fulsome adulation of the duce. Until the national socialists wrecked German journalism in 1933, the Italian press under fascism was less informative and more banal than the press of any country of importance in the world.

In Italy there is not much occasion or scope for propaganda because fascism is capitalistic, nationalistic, religious, and not revolutionary. Hence the situation is very different from Russia where bolshevism has caused thoroughgoing changes in the economic, political, and social organization and in the manner of life which call for corresponding changes in the ideology of the people. In default of genuinely informative and educative propaganda, the Press Bureau has to purvey unbounded eulogies of the duce, exaggerated praise of fascism and its alleged accomplishments, bombastic patriotism, and edifying references to the church and Catholicism (*per Dio e la Patria*). There is constant repetition of all this which soon becomes very wearisome for the reader in search of information and of thoughtful discussions of important topics.

Soon after fascism gained the power there was established the "Special Tribunal for the Defense of the State." On April 15, 1931, the cabinet extended the life of this tribunal for five years. Inasmuch as the fascists have expanded greatly the scope of the laws of treason to include a great variety of acts, this tribunal has been able to condemn many people to severe penalties as political offenders. It is aided by a secret

[1] These cases are reproduced from the publications of *Giustizia e Libertà*, Paris, which has published many of these secret instructions to the Italian press.

police force popularly called O.V.R.A. It is not known for what words these letters stand.[1]

Fascism is a party dictatorship which is not avowedly identified with a class, as is the case with bolshevism. Partly for this reason, it is more of a personal dictatorship and depends largely upon one person, namely, the duce. The choice of a successor is difficult because of the personal ambitions and jealousies of some of the gerarchs who aspire to the succession. Mussolini has followed the policy of officially decapitating or demoting those who have displayed this aspiration too plainly. Among them are the former ministers Bottai, Grandi, and Balbo, and the former party secretaries Turati and Farinacci. It is possible that when Mussolini vanishes from the scene the party will break up into several parties under rival leaders. Several Italians have hazarded this opinion to me in spite of the fact that it is extremely dangerous to express such sentiments in Italy. In this regard bolshevism has much greater viability than fascism, because the disappearance of one leader is much less likely to wreck the party.

A few scenes from Italian life under fascism may render more graphic the foregoing description. At 9:30 on the morning of the twenty-first of April, the "Natale di Roma" or legendary date of the founding of Rome, I entered the castle-like, battlemented Palazzo Vecchio or city hall of Florence built in the thirteenth and fourteenth centuries. The Sala dei Cinquecento is a vast hall whose walls are decorated with

[1] An English writer, who is an ardent admirer of fascism, has described the laws of treason as follows: "Fascism has, in effect, brought up to date the old laws of treason, to include every kind of activity engaged in for the purpose of betraying, breaking up, endangering the safety of the State and of public morality—such as the preaching of class warfare, the advocacy of the suppression of private property, and of measures which would weaken the family tie, the entering into or recognition of seditious associations or international associations claiming a superior allegiance to that of the authority of the State, artificial birth restriction, pornography, blasphemy, open defiance or contempt of authority, and so forth." (J. S. Barnes, *The Universal Aspects of Fascism*, London, 1928, p. 123.)

scenes from Florentine history. At one end stands Michelangelo's group of statues "The Triumph." In the center of the hall were seated thirty-five families of the poorer classes. They were surrounded by halberdiers and trumpeters in medieval costumes, black shirts of the fascist militia and policemen. The podestà or mayor, who was a count of the Florentine nobility and a senator of the realm, clothed in a uniform of the fascist militia with many medals on his breast, entered the hall. After reading a speech in which he asserted that the procreation of numerous progeny signifies a virile nation, he gave prizes to the fathers. The first prize of 100,000 lire went to a stonemason who had won the competition among those who had acquired four or more sons during six years. This mason had achieved the feat of procreating eight sons during this period. Then thirty-four prizes of 1,000 lire each were handed out to fathers having had one son born during the preceding year under certain stipulated economic conditions. A recently widowed mother wept as she received her prize in the place of her deceased husband. Occasionally a baby, unappreciative of the solemnity of the ceremony, cried. At the close cakes were given to the children which they found very edifying. Then the philoprogenitive parents, proud in their best clothes, filed out of the hall.

A few minutes later I entered the tribune in the Loggia dei Lanzi in the Piazza della Signoria opposite the Palazzo. In celebration of the leva fascista 7,000 Avanguardisti and 6,000 Balilla marched into the square. Of the former, 2,300 were to graduate into the fascist party and militia. There was also a very small detachment of girls in black skirts, white sweaters, and black caps whose leva takes place on the twenty-eighth of October. Two legions of the fascist militia with machine guns, two armored cars, a motor-cycle squad, and a bicycle squad clattered into the square. Bands accompanied all three of these armies. The Balilla were officered by Avanguardisti and mi-

litia, and the Avanguardisti were officered by the militia. Some of the companies of the youth organizations were accompanied by priests.

A representative of the militia invested a representative of the Avanguardia of the levy with the militia tunic, a rifle, and a book entitled *La Dottrina Fascista,* thus symbolizing both the force and the teaching of the party. The fascist oath was administered to the recruits who responded by shouting "Giuro" (I swear). A representative of the Avanguardia invested a representative of the Balilla of the levy with the insignia of the Avanguardia and then embraced and kissed him. Then the militia, the Avanguardisti, and the Balilla paraded past the tribune in which were officers of the militia and army, government officials, and members of the fascist gerarchia. Last of all thundered past the motor-cycle squad and the armored cars. In front of the Loggia stood men in medieval uniforms and militia officers, thus symbolizing the blending of the traditional and historical with the modern in fascism.

In commemoration of the decennial of the fascist victory was opened in Rome in the autumn of 1932 the "Mostra di Rivoluzione Fascista" or exhibition of the fascist revolution. In order to coincide with the Holy Year of the Catholic church which commenced with Easter, 1933, in commemoration of the nineteenth centennial of the resurrection of Jesus Christ, the fascist exhibition was prolonged through 1933 and into 1934. The house of the exhibition was of a bizarre futuristic architecture. Inside as well as outside the style was forceful and massive rather than graceful and beautiful. The predominant color was black.

The exhibition was devoted mainly to the history of the party and the exaltation of Mussolini in particular but also of a few of the other fascist leaders. Most of the statements on the walls were bombastic and chauvinistic. The photographs and illustrations exhibited bristled with guns, thus creating a

very militaristic and warlike atmosphere. In strict accordance with this spirit was the guard in front of the exhibition composed alternately of militia, Avanguardia, and Balilla, all of them down to the youngest Balilla of eight or nine years armed to the teeth.

The contrast between the fascist exhibition and the Museum of the Revolution in Moscow and similar museums which I have visited in Soviet Russia is noteworthy. The buildings in which they are housed are simple and bare to the point of austerity. Military features appear only to the extent required for the portrayal of warlike events. Most of the exhibits are devoted to the presentation of scientific, cultural, and educational data. Almost all these data are conspicuous by their absence in the fascist exhibition.

Chapter XV

FASCIST GUILDS AND THE CONTROL OF THE WORKERS

It is a proud boast of the fascists that they have eliminated the class struggle. When presenting to the senate the law of April 3, 1926, about to be described, former minister of justice Rocco asserted that "the legislation of other nations is dominated by the principle of the class struggle; we are glad to have overcome this principle in Italy."

The fascists profess to have harmonized the interests of capital and labor. Article IV of the Labor Charter, to be described later, states that "the concrete expression of the solidarity existing between the various factors of production is represented by the collective labor contract which conciliates the opposing interests of employers of labor and of workers, subordinating them to the higher interests of production." The falsity of this assertion will soon be demonstrated.

The fascists reiterate on every possible occasion that fascism is opposed to socialism, bolshevism, and communism and that it retains capitalism in its essential features, namely, private property, private enterprize, and private profits. On January 13, 1934, in his speech to the senate concerning the law on the formation and functions of the guilds, soon to be described, Mussolini said: "Guild or corporative economy respects the principle of private property. Private property completes human personality. It is a right, and if it be a right it is also a duty. . . . Guild economy respects private enterprize. The Labor Charter specifically states that it is only when private

enterprize is deficient, lacking, or inadequate that the state intervenes."[1]

Capitalism requires *laissez-faire*, and the opposition of the interests of the employers and their employees inevitably results in a certain amount and sometimes in a great deal of disorder. And yet Mussolini in the same speech goes on to say: "Guild economy introduces order in the economic field. If there be one phenomenon which requires regulating, and which should be directed toward certain fixed objectives, it is precisely the economic phenomenon, for it concerns the whole nation. Not only must industrial economy be regulated, but agricultural economy, commercial economy, banking, and even artizan activities."

This seems to suggest economic planning in spite of the fact that such planning is feasible only in a socialized system where the initiation of economic enterprizes is not left to an unorganized group of private entrepreneurs. An English writer, who though an admirer of fascism is cautious in his manner of statement, goes so far as to suggest this very thing: "Without even consciously embarking upon the establishment of a planned economic system, the corporate state by its mere normal functioning contains the elements of a planned economy. It is contrary to the fundamental principle of *laissez-faire* to consider in economic activity any interest other than our own."[2]

The proudest boast of all by the fascists is that they have created a new form of the state, the corporative state. Indeed, another English admirer goes so far as to assert grandiloquently

[1] Article VII of the Labor Charter reads in part as follows: "The guild state considers that in the sphere of production private enterprize is the most effective and useful instrument in the interests of the Nation."

Article IX reads as follows: "State intervention in economic production arises only when private initiative is lacking or is inadequate or when political interests of the state are involved. This intervention may take the form of control, assistance, or direct management."

[2] Paul Einzig, *The Economic Foundations of Fascism*, London, 1933, p. 33.

that "the corporate state is a new form of democracy, . . . a true unitary form of democracy in which the interests of the people, and especially of the people as producers, are duly represented in a single, patriotic, corporate body which is the expression of their will."[1] Mussolini himself, though he often denounces political equality, has said that fascism can be described as "democrazia organizzata, centralizzata, autoritaria."[2]

In this chapter and the three following ones I shall examine the above-mentioned claims and the other alleged achievements of the fascists and endeavor to show whether or not they are justified. At first sight many of them appear to be inconsistent and contradictory.

In Chapter XIII I have indicated that the fascists began to organize trade unions before their victory. In 1922 was formed the Confederazione delle Corporazioni Sindacali Fascisti which in that year numbered 450,000 members. These fascist unions conflicted with the older unions which were socialistic in their political orientation. During the troublous times both before and after the fascist victory mixed organizations of employers and employees arose. The depreciation of the currency was causing frequent changes in prices and wages. In the attempts to readjust these changes many strikes and lock-outs took place. The purpose of the latter organizations was to avoid these labor difficulties.

As early as 1920 Alfredo Rocco published in the journal *Politica* a plan of organization for the fascist unions. Later as minister of justice he wrote the law of April 3, 1926, which brought this organization into being. In the ministerial declaration in the chamber of deputies on November 18, 1925, it

[1] Harold Goad, "The Principles of the Corporate State," in the *American Review*, April, 1933.

See also H. E. Goad and Muriel Currey, *The Working of a Corporate State*, London, 1933. This book gives no conclusive answer as to whether fascism has created a planned economy.

[2] B. Mussolini, "Dottrina Politica e Sociale del Fascismo," in Vol. XIV of the *Enciclopedia Italiana*, Rome, 1932.

was stated that this law was not intended "to destroy the capitalistic economy based upon private production and to substitute for it a socialistic economy based upon communistic production" but to create a "national syndicalism wholly inspired by a sentiment for the fatherland and for national solidarity."

This law states that associations of employers or of employees can be legally recognized if the former contain employers who employ at least one-tenth of the workers of a given occupation within the area covered by the association, and if the latter contain at least one-tenth of the employees of a given occupation within the specified area. (Article 1.) The associations which are legally recognized constitute juridical persons and represent legally all of the employers or of the employees of the given occupation and within the given area whether or not they belong to the associations. (Article 5.) These associations also have the right to levy a specified contribution upon the employers or employees who are not members, which in the case of the workers is one day's wages annually. The nomination or the election of the presidents and secretaries of these associations must be approved by the minister concerned in concert with the minister of the interior, and this approval can be revoked at any time. (Article 7.) The collective contracts negotiated by these associations which are legally recognized are binding upon all the employers and employees of the occupational categories concerned. Strikes and lock-outs are forbidden. (Article 10.) All controversies arising out of the relations between employers and employees are adjudicated by the courts of appeal functioning as labor tribunals. (Article 13.)

On July 1, 1926, was promulgated a decree furnishing rules for the application and enforcement of the law of April 3, 1926. It provides that citizens of both sexes and over eighteen years of age "who are of good moral and political conduct

from a national point of view" can belong to these associations. (Article 1.) Artizans working independently, merchants, and other business men who employ no one, and peasants who own or rent land which they till independent of landlords, must form their own associations. (Article 5.) Intellectual and manual laborers cannot belong to the same association, which is in marked contrast to the situation in Soviet Russia. (Article 6.) Collective contracts negotiated by associations which are not legally recognized are null and void. (Article 47.) In each jurisdiction the president of the court of appeal prepares a list of citizens who as expert counselors may serve as members of the labor tribunals. (Article 62.) These experts must be twenty-five years or more of age, of the best moral and political conduct, and possessing a university degree or equivalent academic title. (Article 64.) As two of these counselors serve with three judges in a labor tribunal, the latter requirement deprives the workers of their representation in these tribunals.

The local occupational associations form provincial federations and these belong to the national federations. These in turn may be organized into confederations which include all the occupations in a general field of economic activity such as industry or agriculture. The ministry of guilds was authorized also to combine for certain purposes the corresponding confederations of employers and employees into a guild (*corporazione*) which is not a juridical person but constitutes an organ of the state administration. (Articles 42, 43.) The presidents of these guilds are to be appointed and dismissed by the minister of guilds. Each guild is to have a council composed of delegates from its constituent confederations, and the delegates of the employers must equal the delegates of the employees. (Article 46.)

By the same decree of July 1, 1926, were authorized national confederations of employers and of employees in six general

occupational fields, namely, (1) Industry, (2) Agriculture, (3) Commerce, (4) Banking and Finance, (5) Land Transportation and Internal Navigation, (6) Maritime and Aerial Transportation. There was also authorized a single national confederation of professional workers and artists, thus making thirteen national confederations in all. (Article 41.) The history of the guilds to be formed from these confederations will be narrated later in this chapter.[1]

By a decree of January 21, 1929, were legally recognized the provincial, interprovincial, and national federations of the workers in the six general fields of economic activities. The decree also included model constitutions based upon and putting into effect the law of April 3, 1926, and the decree of July 1, 1926, which are obligatory for these federations. They are authorized to prepare and negotiate collective contracts or tariffs. But they must obtain permission first from the national confederation. After it is negotiated it must be approved by the national confederation. It does not go into effect until published in the official journal by the provincial prefect if it applies in only one province or by the minister of guilds if it applies in more than one province. The national confederations are under the control of the ministry of guilds. Consequently, all these associations, federations, and confederations are in the last analysis under the complete control of the ministry of guilds. Several of the articles of the above-mentioned law and decree indicate this clearly. For example, Article 15 of the decree of July 1, 1926, says that "the Royal Government has always the power to initiate and to decree officially the revision of the statutes of the legally recognized associations." Articles 23, 29, and 30 also give the prefects and ministry of guilds far-reaching powers. This ministry was cre-

[1] Because the word corporation usually has an entirely different meaning in English, I am translating "corporazione" as guild. As an adjective I shall use the word corporative for "corporativo," as in the expression "stato corporativo" or corporative state to be described in the following chapter.

ated in July, 1926, and was the successor of the ministry of labor which was abolished by the fascists in 1923.

Many statements from authoritative fascist sources indicate clearly that it was not intended that these associations should be free and independent or have any degree of autonomy. In a speech delivered on July 31, 1926, Mussolini declared: "The associations are recognized, guaranteed, protected, in the corporative state and live in the orbit of fascism. They accept the fascist doctrine and practice. They are directed by leaders who are invariably enrolled in the fascist party. It cannot be otherwise." In a speech delivered on February 21, 1927, the then general secretary of the party, Augusto Turati, asserted that "not only in the political and administrative life, but also in the economic organizations, the black shirts of proven loyalty must be everywhere in posts of command." The former head of the fascist unions, Edmondo Rossoni, declared: "One must not believe that the organizations of employers and of workers can ever be free from the control of the fascist party."[1] In a book published in 1929 under the auspices of the general secretary of the party and of the ministry of guilds it is stated that "the party cannot leave the associations to themselves until the socialistic residues which are still numerous in the mass of urban workers have been scattered."[2] In a speech delivered on September 27, 1930, the then minister of guilds, Giuseppe Bottai, declared that "we desire that the directors of the associations be one hundred per cent fascist because our constitution is typically and uniquely political."

Even though the fascists often use the term syndicalist (*sindacalista*), the fascist unions (*sindacati*) are not syndicalist in the same sense as the French trade unions (*syndicats*) or the unions of any other capitalistic country where fascism is not in control. Even though the fascists sometimes speak of

[1] *Il Lavoro d'Italia,* Rome, February 21, 1927.
[2] *La Carta del Lavoro illustrata e commentata,* pp. 71-3.

the corporative state as the syndicalist state, the former is not and cannot be the latter. Indeed, the one is the antithesis of the other.

The national council of guilds was created by the law of March 12, 1930. Regulations governing it were proclaimed in May, 1930, and in October, 1932. It may be regarded as the successor to the superior council of labor which existed before the fascist victory and was abolished by the fascist government. At its first session on April 21, 1930, Mussolini declared that the new council would be in the politico-economic organization of fascism "what the general staff is to the army: the thinking brain that prepares and coordinates." The regulations which govern it indicate clearly that it is merely a consultative body and can have no powers of its own.

This council contains about 120 members. Ten experts are designated by the ministry of guilds, three members by the general secretary of the party, one member by the ministry of foreign affairs, and the other members by the boards of directors of the thirteen national confederations. But these delegates must be approved by the head of the government. The latter has the power to change the composition of the council, to decide if and when it is to be called together, what subjects it shall discuss, and what documents shall be circulated among its members. If its opinions are not pleasing to him, he can prohibit their publication.

In spite of the fact that there had been a vast amount of talk about the guilds, up to the time that the national council of guilds was established in March, 1930, no guilds had been formed from the thirteen national confederations. In other words, there was a council of guilds before there were any guilds. On December 6, 1930, the government appointed a commission of thirty-five dramatic authors, theatrical artists, and state officials to rescue the theater from the depression into which it had fallen. This commission was named the guild

of the theater (*corporazione dello spettacolo*) even though it hardly fulfilled the requirements of a guild according to the legislation which has been described. On January 27, 1931, the national council of guilds was divided into seven sections which were instructed to deal with the special problems of the economic fields described above, namely, a section each for industry, agriculture, commerce, land transportation and internal navigation, maritime and aerial transportation, banking and finance, and the professions. These sections were called the guilds respectively of industry, agriculture, etc., even though they also hardly fulfilled the requirements of a guild. This has been recognized repeatedly by the fascists themselves. For example, the fascist deputy, Angelini, speaking in the chamber of deputies on March 8, 1932, said of the agricultural section that "today no true and suitable guild of agriculture exists, but a sort of committee which meets three or four times a year to discuss certain problems." The undersecretary of the ministry of guilds speaking in the chamber of deputies on March 10, 1933, recognized that the sections of the national council of guilds were still "in their initial phases" and "that the idea of the guild must have a more concrete practical realization cannot be questioned."

Nevertheless changes were being made from time to time which at least introduced the terms "guild" and "corporative" here and there, thus presaging the oncoming of the corporative system. In the autumn of 1932 the "consigli economici provinciali" which in 1926 had taken the places of the prefascist chambers of commerce and of agriculture were renamed "consigli corporativi economici." In January, 1933, the *Bollettino dell'ufficio del lavoro e della previdenza* or bulletin of the bureau of labor and of social insurance, which had been in existence for thirty years, was renamed *Sindacato e Corporazione.* On May 15, 1933, Mussolini proclaimed that each occupation must have its own guild which would be an "organ

of the state" with the function of promoting in each division of the economic life "the unitary discipline of production." Two days later, on May 17, 1933, *Il Lavoro fascista* of Rome declared that "the decision of the duce opens a path that we believe can be that of the future and of salvation. With the establishment of the guilds of category will be completed the construction of the institutions intended to regulate the relations of labor, and at the same time opens the path which will lead to a new economy."[1]

During the remainder of the year 1933 was discussed at length by the national council of guilds, the grand council, and the cabinet of ministers, the creation of so-called guilds of categories. Such a guild would bring together the representatives of occupations in different fields of economic activity which are engaged in producing and distributing the same goods. It was suggested that if the whole process from the production of the raw material through its transformation by manufacture to its distribution to the consumers was included, the guild should be called a guild of the product. For example, the guilds for cotton, wool, and silk would include the agricultural producers of the raw materials, the textile manufacturers, and the merchants who sell textile goods. If the whole process is not included in a guild, it was suggested that it might be called a guild of category. Whether or not this distinction will be retained or all of these composite guilds will be called guilds of categories remains to be seen. Mussolini used both terms in October, 1933, when in an interview with a French journalist he said: "I wish to arrive at the corporative régime and I will arrive there. I desire that labor be organized according to the functions of the interests of the consumers, of the producers, of the workers, and of the technicians. The state

[1] In this brief history of the guilds I have followed in part an article by Professor Gaetano Salvemini entitled "Capitale e lavoro nell'Italia fascista" in *Giustizia e Libertà*, Paris, November, 1933.

will intervene only as the supreme arbiter, as the defender of the collective whole. . . . It is imperative to finish with the old ideas of liberal capitalism. I will create, therefore, the guilds, guilds of categories for industry, guilds of products for agriculture. My plan is definitive."[1]

On January 13, 1934, was enacted a law entitled "On the Formation and Functions of the Guilds." The title itself suggested that this was the first law which actually created guilds and thereby tacitly recognized that no guilds were as yet in existence. The law is very general and flexible as to the different kinds of occupations which can be brought together in a guild. It also provides that two or more guilds can be convened together. This renders possible a great variety of combinations of occupations. It also makes possible a good deal of experimentation before a more or less permanent organization and system of guilds is established. It illustrates the opportunism which has characterized Mussolini and his colleagues in evolving the corporative state. All these points are indicated in the first few paragraphs of this law, which read as follows:

1.—The guilds foreseen in the VIth declaration of the Labor Charter, in the Act of 3rd April, 1926, No. 563, and in the Royal Decree of 1st July, 1926, No. 1130, are set up by decree of the Head of the Government, at the instance of the Minister of Guilds, acting in consultation with the Central Guild Committee.

2.—The guilds are presided over by a Minister, or by an Under-Secretary of State, or by the Secretary of the National Fascist Party, appointed by decree of the Head of the Government.

3.—The decree setting up a guild determines how many members are to sit on its Council and how many of them are to be designated by each of the collegated associations. The designation must be approved by decree of the Head of the Government, at the instance of the Minister of Guilds.

4.—In guilds on which categories belonging to different branches of economic activity are represented, special sections may be set up whose deliberations must be approved by the guild as a whole.

[1] *Il Lavoro Fascista,* Rome, October 10, 1933, quoted from the *Echo de Paris.*

5.—The Head of the Government, for matters affecting different branches of economic activity, may order that two or more guilds be convened together. The united guilds have, for the said matters, the same powers which by the following sections are assigned to the single guilds.

6.—The Head of the Government, by a decree issued at the instance of the Minister of Guilds, in consultation with the General Guild Committee, may set up guild committees for the regulation of economic activities connected with certain products, calling to sit on them representatives of the economic categories, of the public administrations concerned, and of the National Fascist Party. The deliberations of the aforesaid guild committees are submitted for the approval of the qualified guilds and of the General Assembly of the National Guild Council.

7.—The associations brought together in a guild acquire autonomous powers in the syndical field, but remain affiliated to their respective confederations, in accordance with provisions which will be issued by the Minister of Guilds.[1]

These paragraphs and the remainder of the law demonstrate that these guilds of categories are under the control of the head of the government as much as the rest of the system. In paragraphs 8 and 10 it is stated that a guild is empowered to draw up tariffs and rules for services and for prices of commodities, but in paragraph 11 it is provided that these rules and tariffs only "become binding when published by a decree of the head of the government." The whole system is not only under the control of the fascists in general but under the domination of the duce in particular acting as the head of the government.[2]

The fundamental principles upon which this system purports to rest are set forth in the Charter of Labor which was issued

[1] In May, 1934, it was officially announced that twenty-two guilds will be organized, eight in the agricultural cycle, eight in the industrial and commercial cycle, and six others. It remains to be seen what the final form of the corporative system will be.

[2] In his article cited above, Goad asserts that the guilds and their delegations in the provincial councils are legislative bodies within their own sphere which "can initiate industrial policy, make statutory legislation, and see that their decrees are carried out," and speaks of the "position of autonomous responsibility" enjoyed by the guilds. All this is entirely erroneous.

by the grand council on April 21, 1927, and enacted as a law on December 13, 1928. The first article states that the Italian nation "is a moral, political and economic unit which finds its complete realization in the Fascist state," in other words, that it is not only demographic and juridical. The second article asserts that work is "a social duty" and that "from the national standpoint the mass of production represents a single unit." There is a suggestion of a slave morality about this article. Nothing is said about the duty of the favored classes to work. Nor is anything said about the right to work in order to secure a bare subsistence on the part of the numerous unemployed or a good subsistence for all of the working class.

The third article states that "there is complete freedom of professional or syndical organization." Inasmuch as "syndicates legally recognized and subject to state control alone have the right of legal representation of the whole category for which they are constituted," this freedom to organize has no practical value. This article, however, enables the Italian delegates to the International Bureau of Labor at Geneva to assert that the fascist government permits freedom of organization to the workers in accordance with Article 427 of the Treaty of Versailles.

Succeeding articles deal with the legally recognized associations, the guilds, the collective contrasts, and the labor tribunals. We have already seen how these provisions are being carried out. In some cases the Charter provides for things which existed before fascism, sometimes in a better form. For example, Article XV states that "the worker has the right to a weekly day of rest which shall fall on the Sunday." This was already provided in the law of the hebdomadal repose of July 7, 1907. In 1919 was enacted a law for the eight-hour day, whereas the Charter says nothing about the length of the workday. On at least one occasion Mussolini forced the workers in certain industries to work nine hours without increase

of wages in order, so it was alleged, to aid Italy's foreign trade. This is a favorite patriotic excuse on the part of employers to sweat their workers.

In Article XXVII it is asserted that certain forms of insurance and assistance for workers will be improved, among them accident insurance for which laws were enacted in 1904 and 1917, maternity assistance for which laws were enacted in 1907 and 1910, and unemployment insurance for which a law was enacted in October, 1919. In Article XXIII dealing with employment bureaus, members of the party and of fascist syndicates are given the preference.

The Charter of Labor is much vaunted by the fascists as a statement of principles to regulate the relations between capital and labor. In so far as it purports to safeguard the rights and interests of labor, they were safeguarded as well or better prior to the fascist régime. Many of the principles are stated in such general terms that they can be interpreted in a great variety of ways. The German economist, W. Sombart, has said that the Charter is a most audacious attempt to subordinate economic life to the authority of the state without cutting off the nerves of private initiative.[1] The second purpose is fully achieved for the capitalists whose rights are carefully protected, but it is doubtful if the first end is attained to any considerable degree. This will become more evident in the description of the corporative state in the following chapter.

The thirtieth and last article of the Charter of Labor says that "the education and instruction, especially the professional instruction, of the individuals they represent is one of the principal duties of the professional associations. The associations are required to work side by side with the National Welfare Institution (*Dopolavoro*) and other educational institutions."

The "Opera Nazionale Dopolavoro" (Afterwork) is intended

[1] Quoted by R. Rigola in *I Problemi del Lavoro*, Milan, January, 1929.

to give recreational and educational facilities to the workers during their leisure time. It also serves in part as a means of controlling the workers. The spirit of this fascist institution has been expressed by Mussolini as follows: "Fascism wishes the active man engaged in action with all his energies, wishes him virilely conscious of his difficulties and ready to confront them. He should conceive of life as a struggle and believe that it concerns man to conquer whatever is truly worthy of him, creating first of all of himself the instrument (physical, moral, intellectual) to construct it."[1] This rather incoherent statement of the duce in characteristic fashion emphasizes action as the fundamental element in fascism. It also emphasizes the responsibility of the individual for the difficulties which confront him which is only in part in accordance with the facts. Most of these difficulties, especially for the workers for whom this fascist institution is destined, are due to a social organization which they did not create, for which they are not responsible, and which as individuals they cannot overcome. It is often to the interest of those in power to arouse a feeling of moral guilt in the victims of the social order, however innocent they may be of the evils it creates, in order to check them from attempting to overthrow the order. This happens in many places outside of fascist Italy.

The Dopolavoro, which had commenced its work in 1924, was instituted as the "Opera Nazionale Dopolavoro" by a royal decree on May 1, 1925, which was converted into a law on March 18, 1926. According to the constitution of the party, approved by the grand council on November 12, 1932, the general secretary of the party is the president of the O.N.D. It is supported by an appropriation of one million lire a year from the ministry of national economy, by contributions from certain public service administrations whose employees make use of its facilities, by contributions from the syndical associations,

[1] Quoted by A. Starace, *L'Opera Nazionale Dopolavoro,* Rome, 1933, p. 11.

by contributions from certain private sources, and by the dues of its members. Under the supervision of the party secretary is a director general who is the executive director of the O.N.D. In each province it is under the supervision of the provincial secretary of the party. In this fashion the O.N.D. is entirely under the control of the party.

The membership of the Dopolavoro rose from 280,548 in 1926 to 1,445,226 in 1929, and to 1,775,570 in 1932. The salaried employees in the membership rose from 164,417 in 1926 to 524,013 in 1929, and to 675,626 in 1932, while the manual laborers rose from 116,167 in 1926 to 921,213 in 1929, and to 1,099,944 in 1932. In other words, the percentage of manual workers in the membership increased from 42 in 1926 to 63 in 1929, and to 70 in 1932, while the percentage of salaried employees decreased in proportion. In 1932 the membership was distributed as to occupations as follows: 684,413 in industry, 335,102 in agriculture, 206,245 in commerce and banking, 80,429 in transportation, and 469,380 in the government services. In comparison with the occupational distribution of the whole population the agricultural membership is small, whereas the membership in industry, commerce and banking, and the government service is large.

The number of Dopolavoro organizations increased from 1,064 in 1926 to 11,084 in 1929, and to 17,809 in 1932. The latter number is made up of 9,367 communal and regional organizations, 2,394 connected with factories and other enterprizes, and 6,048 organizations of various sorts which are dependent upon the party. In 1932 of the 7,249 communes in Italy 6,235 had their own Dopolavoro organizations.

In accordance with fascist emphasis upon action the O.N.D. devotes much attention to sport and athletics. Inasmuch as the worker, and especially the manual laborer, is usually physically fatigued after his day's work, the lighter sports are chosen. The more violent sports and the preparation for strenuous

athletic competitions are in charge of the "Comitato Olimpionico Nazionale Italiano" which is another auxiliary of the fascist party. The sports of the Dopolavoro are intended not only to aid in the physical development of the workers, but also to stimulate the spirit of "fair play," thus contributing to their moral development as well.[1] Closely related to the sports and athletics is the organizing of tours and excursions (*tourismo e excursionismo*) which have both a physical and an educational value.

In the field of art the Dopolavoro organizes musical, dramatic, and other performances in which the members participate both as spectators and as performers. These performances are intended to be educational and also recreational and restful, thus counteracting in part the effects of the fatigue caused by their daily work.

Many courses of instruction are given by the Dopolavoro. Some of these are vocational in their character. Others are for civic instruction or for raising the general cultural level of the workers. More than 3,000 libraries are maintained by the Dopolavoro. In the country are given ambulatory courses on agricultural technique with special reference to the application of machinery in agriculture. One of the principal purposes of the rural instruction in general is to encourage the peasants to remain on the soil and thus to check the tendency to migrate to the cities (*urbanismo*).

A good deal of hygienic and sanitary work is carried on by the Dopolavoro. It is attempted to improve the housing and living conditions of the workers. Bad habits such as drunkenness are discouraged. The workers are encouraged to spend their leisure time in their homes or at the club houses instead of in cafés and bars. One of the principal objects is to stimulate family life and to increase the birth-rate. As one of the writers

[1] G. Bertinetti, *Il Libro del Dopolavoro*, Turin, 1929, pp. 62-5.

on the Dopolavoro has said: "Più figli per la più grande Italia."[1]

Some indication is given of the distribution of the foregoing activities by the following figures. Of the 17,809 Dopolavoro organizations in 1932, 6,465 were engaged in popular games and sports, 5,903 in "excursionismo," 7,312 in artistic activities, 6,190 in popular culture and folklore, 4,127 in hygienic and sanitary activities, and 527 in vocational instruction.

The Dopolavoro organizations of the government services are in part autonomous though under the general direction of the O.N.D. The three principal government services are of the railways, the post and telegraph, and of the state monopolies (tobacco, etc.). About 90 per cent of the employees in these services are members of the Dopolavoro. The colonial service also has its own Dopolavoro in the Italian colonies (Tripoli, Somali, Erythrea, etc.). These organizations for the public employees receive special appropriations from the governmental administrations concerned.

According to the decrees of July 1, 1926, and of January 21, 1929, concerning the syndical associations, which have been described in this chapter, these associations are required to make contributions to the O.N.D. The ministry of guilds or of national economy decides how much these contributions must be. Some of the Dopolavoro organizations connected with factories and other private enterprizes receive financial and other aid from the owners and employers, presumably because they believe that this institution makes better workmen of their employees.

Women play a very small part in the Dopolavoro, probably because under fascism women are supposed to be housewives and breeders of children and not workers outside of the home.

[1] Literally translated: "More children for the greatest Italy." G. Bertinetti, *op. cit.*, p. 236.

The same writer denounces the neo-malthusians as follows: "Dopo di me il diluvio—è il motto dei neo-maltusiani—è il motto dei vili egoisti." (Pp. 280-1.)

The female division is under the immediate direction of the secretary of the women's auxiliary of the party, but under the general direction of the director general of the O.N.D. and the general secretary of the party. The members are given instruction in sewing, cooking, and other household occupations. The latest figures available are of 1929 when there were 115,509 female members, or less than one-tenth of the male membership. Of these women 63,741 were employed in industry, 22,584 in commerce, 6,565 in agriculture, 4,293 in banks, 2,376 in transportation, and the remainder in other occupations.

At the international conference of labor in Geneva in 1924 was adopted a recommendation to the governments which are members of the International Bureau of Labor to undertake welfare work for laborers in conformity with Part XIII of the Treaty of Versailles. The fascists point with pride to the fact that their government is the only one which has undertaken such welfare work. The spirit in which it has been done is stated by the general secretary of the party and titular head of the O.N.D., Achille Starace, in the following words: "In the new Italy, which has emerged victorious from war and from revolution, reintegrated in its dignity and tempered in its power, wholly engaged in the work of reconstruction, the Dopolavoro orders, prepares, and animates so many energies of the people, in an atmosphere of warm camaraderie, of conscious discipline, of incredible devotion for the duce and for fascism."[1]

There are obvious likenesses between the fascist Dopolavoro in Italy and the bolshevist workers' club in Russia. In each case there is complete domination by the ruling party. But the control is more direct and immediate in Italy. In Russia a club may be controlled by a trade union or by the management of a factory which is in turn controlled by the party. The fascists assert that the bolshevist club is much more of a political organization than the Dopolavoro. It is probably true that there

[1] A. Starace, *op. cit.*, p. 95.

is less political discussion and instruction in the latter. This is due to a fundamental difference between the two institutions. As we have seen, the trade union, the club, the school, and almost every institution in Russia, are directed towards educating and preparing the workers to take over the state and run it themselves. In Italy, on the contrary, the fascists intend that there will always be a hierarchical system with the duce ruling from above. There is little occasion to give the workers political instruction because they will have little or no part to play in politics so long as the fascist régime persists. The Dopolavoro is administered for them in a paternalistic fashion like the syndical associations and all other institutions in Italy.

I have shown that the officials of the syndical associations must in every case be appointed or approved by the government. These officials represent the associations on every possible occasion, as in negotiating collective contracts, conducting trials before the labor tribunal at congresses of the provincial and national federations, etc. Many of these officials are unsuited for their posts. In the autumn of 1932 the secretary of the butchers' association was an architect, the secretary of the tanners' association was a physician, and the secretary of the metallurgical workers was a merchant who had failed in business.[1] Such representatives could have little knowledge of the conditions of these workers and of their peculiar problems.

In similar fashion every contract negotiated or any decision reached by an association must be approved from on high by the ministry of guilds. The syndical associations are no more than consultative bodies. In an authoritarian state like fascist Italy it is dangerous to criticize because a critic is likely to be treated as an enemy of the system. Consequently, protests are rarely ever heard from the members of the associations.

In Milan is published a monthly review entitled *I Problemi del Lavoro* and edited by a former socialist deputy and secre-

[1] See G. Salvemini, "Capitale e Lavoro nell'Italia fascista," in *Giustizia e Libertà*, Paris, August, 1933, p. 119.

tary of the pre-fascist confederation of labor. Its point of view is a very mild form of Fabian socialism. Several Italians have expressed to me the opinion that Mussolini tolerates this journal, which has a very small circulation, so that the Italian representatives to the International Bureau of Labor in Geneva can allege that there is freedom of the press in Italy. When I repeated this opinion to the editor, he was inclined to disagree. Whatever may be the reasons for its survival under fascism, sometimes it publishes items which could not or would not appear in any other journal in Italy. In the issue for February, 1933, there appeared an anonymous letter from a worker who commented on the absence of free discussion in the syndical associations. He said that "there are intelligent and competent workers who could say many true things which it would be useful to know in the interest of the occupation and which would help the efficient functioning of the syndical system, but two things hinder them: (1) occupational meetings for discussion are not regularly held; (2) one breathes always an air of hesitation and fear because no one wishes to expose himself to the consequences of being accused certainly and inevitably as an opponent of the régime with undesirable results to himself and his family." An editorial note corroborates and endorses this worker's statement.

There is much reason to believe that the elaborate syndical system which has been constructed by the fascists will be soon if it is not already a burdensome bureaucracy which stifles all initiative and spontaneity of thought and action on the part of the workers.[1]

[1] An American investigator has noted this tendency towards bureaucracy: "In every bureaucratic system these faults are inherent, but fascism has carried them into the field of labor, by transforming the workers' syndicates from positions of vital importance, where social ideas fermented, into bureaucratic offices, similar to any other administrative office." (Carmen Haider, *Capital and Labor under Fascism*, New York, 1930.)

Miss Haider goes on to say that the labor organizations are not in contact with the people and rest on the passivity of the masses.

Chapter XVI

THE CORPORATIVE STATE

After the fall of the Roman Empire Italy became a conglomeration of states which varied from century to century. Down to the latter half of the nineteenth century there were numerous kingdoms, principalities, duchies, city states, papal states, and a certain amount of foreign rule. During the last few centuries there was only absolutism in government. The vast mass of the population was miserably poor, and almost entirely ignorant and illiterate. About twelve major dialects of the Italian language were spoken and numerous minor dialects. It was impossible for the common people of the different parts of the peninsula to understand each other.

During the first half of the nineteenth century a large part of northern Italy was under Austrian rule. There were the two kingdoms of Piedmont and Sardinia and of Naples and Sicily, the grand duchy of Tuscany, several smaller duchies, and the papal states ruled by the pope. Several Italian patriots, such as Mazzini, Garibaldi, and Manin, were trying unsuccessfully to drive out the Austrian invaders, to deprive the pope of his temporal power, and to unite all these states into one country either as a constitutional monarchy or as a republic.

The revolutionary wave which swept over Europe in 1847 and 1848 had its effects in Italy. It scared several of the Italian rulers into granting constitutions or "charters of liberty" to their subjects. Constitutions were granted in January, 1848, by the king of Naples, in February by the grand duke of Tuscany, in March by the king of Piedmont and by the pope. In March, 1848, the Austrians were driven out of Venice and a republic

was proclaimed under Manin. Piedmont fought a war with Austria which was unsuccessful. In February, 1849, republics were proclaimed in Tuscany and Rome.

A reaction came very soon, and absolutism was again established over most of Italy. The constitutional régime ended in Naples in May, 1848. The Roman and Tuscan republics lasted only a few months. The Austrians captured Venice in August, 1848. The grand duke abolished the constitution in Tuscany in May, 1852. The only state in which a semblance of constitutional government persisted was Piedmont. Its constitution was of peculiar interest because it became eventually the constitution of united Italy.

The Piedmontese constitution vested the executive power in the king, while the legislative power was shared by the king and parliament. The senate was appointed for life by the king. The chamber of deputies was elected by the people. Laws could be initiated by the king and by both houses of parliament, except laws appropriating money which could be initiated only by the chamber. The civil liberties of the subjects were guaranteed by the constitution. No constitutional provision was made for a cabinet, but the ministers of the king were carried over from the old autocratic régime.

In 1859 France and Piedmont fought a victorious war against Austria, and the latter was forced to give up most of its territory in Italy. This gave impetus to the movement to unite Italy. In March, 1860, Tuscany and Emilia joined Piedmont, in October Naples and Sicily, and in November Umbria and the Marches did the same. In March, 1861, the kingdom of Italy was proclaimed by the first Italian parliament with the king of Piedmont of the house of Savoy as its king. In 1866 Austria was defeated by Prussia and Venetia was freed from Austrian rule and joined Italy.

During this period of unification Napoleon III was using French troops to maintain the temporal power of the pope in

order to placate the French Catholics. In 1870 Prussia defeated France, and Napoleon was deposed. Italy captured Rome and overthrew the papal government in the same year, and in 1871 Rome became the capital of Italy. The process of unification was now complete. But as Cavour expressed it, "we have created Italy; it now remains to create Italians." People continued to think of themselves as Romans or Tuscans or Neapolitans. This provincial spirit was exaggerated by jealousy of Piedmont because of the leading part it had played during the Risorgimento or resurrection of Italy.

In 1871 the suffrage was given to less than 500,000 in a population of 28,000,000. The vast mass of the people had had no political experience and were unprepared for democracy. The chamber of deputies was unaccustomed to party government. At first there were no well-organized parties with definite programs, but numerous groups with personal leaders. A prime minister formed a government by securing the support of a sufficient number of these groups to give him a majority. Since this support was very precarious a cabinet usually remained in power a comparatively short time. There were thirty-five ministries during the half century from 1871 to 1922, each ministry lasting on the average one year and five months. During the same period there were nineteen prime ministers each remaining in office on the average for two years and eight months. In this regard the situation was similar to parliamentary government in France and various other Latin countries and also in Germany after the European War. For several decades opportunism and personal leadership dominated rather than principles and responsible party government.

Under these conditions the elections reflected to a very slight extent the opinions and will of the people. They were managed and to a large extent decided by the party leaders and bosses. But the suffrage was gradually extended. In 1913 under Giolitti a law was enacted increasing the number of voters

from three to eight millions. Literacy was increasing. The working class was becoming self-conscious. By the commencement of the nineteenth century the socialist party had acquired considerable strength and was the first party with a distinctive program. But by 1902 it had split up into three groups, namely, the Marxists or revolutionary socialists who though using parliamentary methods were ready to utilize direct action when it seemed desirable, the reform socialists who wished to use only peaceful means, and the revolutionary syndicalists who repudiated parliamentary methods and advocated direct action alone. Trade unionism also was developing, and was to a considerable extent political and revolutionary in its outlook. The railway union in particular was very revolutionary and called several strikes during the early years of this century. There were other strikes, some of them more or less general in their character. All this might have led to a strong workers' government if the socialists had not been divided.

During the war, strikes and the revolutionary movement were almost entirely suspended. After the war, as we have seen, there was a new series of strikes. If the socialists had been united, they might have utilized the revolutionary tendencies to establish a strong government. The cabinets of Orlando, Nitti, Giolitti, Bonomi, and Facta were more or less liberal but were too weak to create a strong tendency either to the right or to the left. This confused state of affairs gave Mussolini his opportunity to win in October, 1922. It is not known who furnished the money which financed the fascist movement up to this time, but it probably came from the capitalists who wanted not only order, but the crushing of the working class movement.[1]

[1] McClellan, who is very friendly to Mussolini and the fascists, comments as follows: "The cost of arming, equipping, and maintaining in the field thousands of black shirts must have been very great, and it is probable that the paymasters were the industrialists whose interest required the restoration of order." (G. B. McClellan, *Modern Italy*, Princeton, 1933, p. 230.)

The foregoing brief description indicates the historical background of the situation when Mussolini became prime minister. He had no definite program but believed that the executive should be independent of and more powerful than the legislative branch of the government. On November 16, 1922, he came before the chamber of deputies and by a threat of dissolution he intimidated it into giving him absolute power for one year, which was wholly contrary to the constitution. In December, 1923, he submitted a bill for a new election law which was enacted by the chamber, and then parliament was dissolved.

According to the new law Italy was divided into fifteen districts each of which elected a certain number of deputies in proportion to its population. The party securing a plurality of the total number of votes in the whole country received two-thirds of the seats in the chamber. The election was held on April 6, 1924. Much intimidation was used by the fascists who policed the polls. The fascists received 4,693,690 out of 7,628,859 votes, or about 65 per cent.

As already indicated in Chapter XIV, for the first year or two after this election the non-fascist parties tried to oppose the fascists in the chamber of deputies. They were not successful. But this opposition led to the decision to abolish party government entirely in the old parliamentary sense and to recognize and tolerate but one party, namely, the fascist party. On May 17, 1928, was enacted a new electoral law which made of Italy one electoral district. The voters are male Italian citizens

"Mussolini, after the failure of the occupation of the factories (by some of the workers in 1919), drew large subsidies from the great Italian industrialists as a reward for the intensive warfare which he carried on against the socialist and communist groups. It was with the assent and to a large extent the positive co-operation of the Italian industrialists, as well as of the aristocracy, that, despite the declared anti-capitalist attitude of the movement, Fascism actually climbed towards power." (G. D. H. and Margaret Cole, *The Intelligent Man's Review of Europe Today*, New York, 1933, p. 435.)

21 years of age and over, or over 18 years if married and having children, provided that (1) they pay syndical dues or are managers or members of a company or institution which pays such dues, or (2) if they pay at least 100 lire annually in direct taxes or own for at least one year public bonds yielding 500 lire annually, or (3) receive a salary, pension, or other permanent income from the state, or (4) are members of the Catholic clergy or ministers of any other religion permitted in Italy.

According to this law the chamber of deputies has 400 members. One list of 400 candidates is prepared by the grand council and the voters signify yes or no to the question "Do you approve the list of deputies designated by the Gran Consiglio Fascista?" there being no choice of other candidates. Various organizations have the privilege of nominating or suggesting candidates to the Gran Consiglio. The latter makes the final decision as to who the candidates are to be. In the almost impossible contingency that the majority vote against the official list, a new election must be held.

The first election under this law was held on Sunday, March 24, 1929, in commemoration of the tenth anniversary of the founding of the Fasci di Combattimento on March 23, 1919. The ten organizations having the largest number of representatives in the list prepared by the Gran Consiglio were 82 members of the confederation of professional people and artists, 46 from the confederation of agricultural employers, 40 from the association of war veterans, 31 from the confederation of industrial employers, 27 from the syndicates of agricultural employees, 26 from the syndicates of industrial employees, 16 from the confederation of commercial employers, 15 from the universities, 14 from the association of mutilated war veterans, and 12 from the confederation of employers in land transportation and internal navigation, making 309 of the 400 candidates. The remaining 91 were scattered through 21 other organizations and occupations.

The basis of representation is no longer territorial but is in theory at least occupational. In each case the employers have many more representatives than the employees. If the representatives of the workers were in reality workers and members of the occupations which they are supposed to represent, the representation of the working class would be much greater than in most parliaments. But these representatives are mainly the secretaries of the workers' syndicates who are chosen by or must be approved by the ministry of guilds. A large part of them are not workers in the occupations which they represent. The same is true of many of the other representatives in the chamber, so that the chamber represents not so much these occupations as the fascist party and the government.

The election of this hand-picked list of candidates was a foregone conclusion. Nevertheless there was a certain amount of electioneering in order to induce the voters to turn out in large numbers and for purposes of propaganda. As I was in Rome at the time, I witnessed some of this electioneering. On Sunday afternoon, March 17, and on Friday evening, March 22, I attended open-air meetings in different quarters of the city. On Saturday evening, March 23, the then secretary of the party, Turati, spoke in the Piazza Colonna. The fascist organizations marched into the square in their black shirts, carrying lighted torches of rolled paper. The crowd was not at all demonstrative at any of these meetings.

The result of this election of the first "Camera Corporativa" was as follows. Out of 9,682,630 registered voters, 8,661,820 voted. There were 8,517,838 votes for the list of candidates, 135,773 against, and 8,209 null and void.[1] In other words, only about 1½ per cent voted against. These were in large part in the industrial centers in northern Italy. In Milan about 6 per

[1] These figures are inscribed in stone at the entrance of the Palazzo Medici-Riccardi which is the Palazzo del Governo of Florence.

cent voted against, in Genoa 5 per cent, and in Turin 4 per cent.

The election was supposed to be by secret ballot. After the election a foreign diplomat showed me ballots which he had procured. On the outside the "si" and the "no" ballots were printed alike. But the colors on the inside were different and were visible from the outside so that it was possible for the officials to ascertain how each voter had voted. Inasmuch as the election booths were policed by the fascist militia, the whole situation was such as to intimidate the voters into voting favorably.

On March 25, 1934, was elected the second "Camera Corporativa." The conditions of the election were exactly the same as in 1929. It was preceded by less electioneering than in 1929. According to the official figures, out of 10,433,536 registered voters 10,041,997 or 96 per cent voted, and only 15,265 dared to vote "no." The control exercized by the fascists was more drastic and the intimidation greater than in 1929.

The senate contains 472 members including the royal princes. The senators are appointed for life by the government. It is almost solely a consultative body. The powers of the parliament in general have become so limited, and may be restricted still further at any time by the grand council, that it is now little more than a debating and consultative body. The powers which the legislature has lost have been gained by the head of the government and the grand council.

In the old Piedmontese monarchy the king was his own first minister and appointed and dismissed his ministers at will. The constitution of 1848 did not recognize the cabinet of ministers explicitly. But it became customary in the parliament created by this constitution to recognize the minister who was designated by the king as the president of the council of ministers as the representative of the king and his government. Inasmuch as a prime minister who could not command the

support of parliament was impotent, cabinet government was introduced tacitly without constitutional recognition. Legislation in 1867 and 1876 attempted to regularize this situation. Finally in 1901 was promulgated a decree which defined precisely the functions of the president of the council of ministers as head of the ministry and as representative of the whole cabinet, thus emphasizing the unity and collective responsibility of the cabinet. As we have seen, with a limited suffrage the elections were managed by the politicians and their bureaucratic office-holding followers. The prime minister was the politician or statesman who could most successfully form a coalition of political leaders. In 1913 the suffrage was increased from three to eight million voters. In the election of October, 1913, the socialist deputies increased to 79 because the franchise had been extended to many workers. As the pope had abolished in 1905 the "non-expedit" ban upon the organization of a Catholic party, the Catholics as a party elected 33 deputies. In September, 1919, under Nitti a proportional representation law was enacted which rendered possible a greater representation of the popular groups. In the election of November 16, 1919, 156 socialist deputies, 101 Catholics of the Partito Popolaro, and 30 "combattenti" or war veterans were elected. The remaining deputies were scattered through many small groups. But the socialists were too split up to form a government and for a time withdrew from parliament. Nitti and the following prime ministers, Bonomi and Facta, could not secure sufficient support in parliament to maintain strong governments. Both the executive and legislative branches were weak during this period. This situation rendered feasible the fascist victory in October, 1922.

As we have seen, Mussolini at once secured from parliament a dictatorship for one year. Then he proceeded to strengthen the prime ministership by making himself not *primus inter pares* among the ministers as formerly, but superior to the

other ministers. The Piedmontese constitution had declared that "the executive power belongs solely to the king who is the supreme head of the state." On December 24, 1925, was enacted a law which specified that the executive power is in fact vested in the "capo del governo" or head of the government, which became the official title of the prime minister or president of the council of ministers. Later was enacted a law which specifies that the capo del governo is to be nominated by the grand council. If the king refuses to appoint this nominee, the council must make a new nomination. This provides for the succession of authority when the capo del governo dies, resigns, or is removed by the council. In similar fashion it was provided that the general secretary of the party is nominated by the capo del governo as the duce of the party and appointed by the king. This gives the secretary an official status so that he can attend meetings of the cabinet.

The Piedmontese constitution declared that the monarchy is hereditary. The law of December 9, 1928, provides that the grand council determines the succession to the throne. The council can appoint whomsoever it pleases, whether of the house of Savoy or not. This puts an effective control upon the king so that he has no power whatsoever and has become a figurehead.

The law of January 31, 1926, provides that the capo del governo can promulgate whenever he chooses decrees on any subject whatsoever which have the force of law. The parliament, therefore, can legislate only on such subjects as the head of the government desires. The distinction between decrees and laws has in practice disappeared, because the former have as much authority as the latter.

Mussolini has accentuated the concentration of power in his own hands by holding several offices at the same time. In 1929 in addition to being the president of the council of ministers he was the minister of the interior, foreign affairs, war, navy, avia-

tion, guilds, and colonies. He was not only the prime minister but embodied in himself the ministers of seven departments, thus constituting the major part of the cabinet in his own person.

The grand council is a creation of the fascist régime. The origin of the Gran Consiglio Fascista in April, 1922, has been described in Chapter XIII. When the fascists won, the grand council acquired control of the government through its control of the party. From time to time decrees were promulgated or laws enacted which gave specific functions and powers to the council. On December 9, 1928, a law was enacted that almost reproduces the statute of the party concerning the council. It states that the Gran Consiglio Fascista is the supreme organ which coordinates the entire activity of the régime, and that it has the power to decide in all cases specified by the law and to give its advice on all other political, economic, and social questions of national interest which are submitted to it by the capo del governo or by the king.

The president of the grand council is the capo del governo who convokes it whenever he sees fit and fixes the order of the day, namely, what subjects it may discuss. In addition to him the "Quadrumviri" of the "March on Rome" (Balbo, Bianchi, de Bono, de Vecchi) are life members. Ex officio members are the presidents of the chamber and senate; the ministers of state; the under-secretaries of state in the presidency of the council of ministers, foreign office, home office, and ministry of guilds; the commanding general of the militia; the general secretary, vice-secretaries, and administrative secretary of the party; the members of the directorate of the party; the president of the Italian Academy; the president of the general confederation of autonomous organizations; the president of the general confederation of professional people; the president of the general confederation of agricultural employers and the president of the general confederation of industrial employ-

ers; the president of the national cooperative organization; the president of the Opera Nazionale Balilla; and the president of the special tribunal for the defense of the state. In addition to the above members, who number about forty, the capo del governo has the power to appoint as many additional members as he chooses for as long a period as he sees fit.[1]

All the ex officio members of the grand council hold their respective offices by appointment or nomination of the capo del governo, with the exception of the presidents of the two houses of parliament who are chosen by their respective houses. Consequently, the grand council is entirely in the power of the head of the government.

There is a striking similarity between the relation of the capo del governo to the grand council and the relation of the pope to the college of cardinals. The pope appoints the cardinals. Their college in turn chooses the pope when the holy pontificate falls vacant. In like fashion, the capo del governo appoints the members of the grand council. The council in turn chooses the head of the government when this office falls vacant. In each system the college and the council respectively safeguards the succession of the position and authority of the chief, and constitutes in itself the abiding and continuous authoritative body. When once chosen the chief is practically independent for life. Prior to the choice the aspirants to the succession are entirely dependent upon and at the mercy of the elective body.

One important difference between the college of cardinals and the grand council is that the cardinals are appointed for life whereas the members of the council hold their offices as long as the head sees fit. Whether this stability of tenure makes the college more impartial and less subject to intrigue, political maneuvers, log-rolling, and the like, in selecting a pope, it is

[1] See for a description of the Gran Consiglio, M. Missiroli, *L'Italia d'oggi*, Bologna, 1932, Chapter VIII.

difficult to determine. The papal system has been tested by many centuries of usage. The fascist system has yet to be tried, as the grand council has not up to the present been called upon to choose a capo del governo.

The workers and employees have no representatives on the grand council. The employers and capitalists, the fascist party, and the government have numerous representatives. All these features tend to concentrate all powers even more completely in the hands of the capo del governo who is also the duce or leader of fascism.[1] At no point is there an effective check upon him at law.

The centralization of authority has been applied to local government as well, so that local autonomy no longer exists. The provincial and communal elective councils have been abolished. There are provincial advisory economic councils appointed by the prefects who are in turn appointed by the capo del governo. The mayors (*podestà*) of the communes are appointed by the minister of the interior and are not necessarily residents of the communes they govern. Councils are chosen from among the voters of the communes which may advize the mayors, but the latter are not compelled to follow this advice. In other words, the old imperial Roman praetorian system has been revived and the Italian people have no more to say as to how they are to be governed than a crown colony.

As a result of these sweeping changes, the Piedmontese constitution has almost entirely disappeared. The only remnant which remains is Article XXXIII which created the senate and provided that the senators were to be appointed by the king. This is still done in name, but in practice the senators are

[1] McClellan, who admires fascism though sometimes critical, characterizes this situation as follows: "The power which the duce has attained is as nearly absolute as human ingenuity can make it. Through his instrument, the grand council, he may by decree repeal, amend or enact any law he pleases. The state is so centralized that there is no public official who is not directly under superior authority in Rome, and who is not immediately removable." (G. B. McClellan, *op. cit.*, p. 251.)

chosen by the capo del governo. These changes have been achieved by extra-constitutional if not unconstitutional means. No attempt has been made to substitute a new constitution for the old. Under an autocratic or oligarchical régime a constitution is ineffective and means nothing.

The next important change which is anticipated is the abolition of the chamber of deputies and the substitution for it of the council of guilds. In fact, so strong is this anticipation that the twenty-ninth chamber which was elected on March 25, 1934, has been generally called the "suicide" chamber because it is expected that it will vote its own dissolution before it completes its five-year existence. Mussolini referred to this situation in his speech to the senate on the guild law on January 13, 1934. "When the guilds are set up we shall watch their procedure, which must be rapid, not weighted down by bureaucracy. . . . When we have watched, followed, controlled the practical and effective working of the guilds we shall have reached the third stage, that called constitutional reform. Only when that third stage is reached will the fate of the chamber of deputies be decided." When he has reached that stage Mussolini will attain his ideal of eliminating the last vestige of even a semblance of parliamentary government.

Enough has been said to indicate the nature of the so-called corporative state which the fascists allege is a new form of the state. In his article on fascism in the Italian encyclopedia Mussolini says that "for fascism the state is an absolute before which individuals and groups are relative." This illustrates the fascist tendency to subordinate the individual and to exalt the state, in other words, to lose sight of the trees because of the forest, in spite of the fact that the state, like every social institution, should exist for the welfare of the individuals who constitute it. Later in his article Mussolini endeavors to counterbalance this assertion by saying that "the individual in the fascist state is not annulled but rather multiplied, just as in a

regiment a soldier is not diminished but multiplied by the number of his comrades." This is specious reasoning because, while his effectiveness as a soldier may be enhanced, his status as an individual is narrowly limited in an army. It is rather damning to a state to compare it with a military régime.

This attitude towards the individual is sufficient in itself to explain the undemocratic character of fascism. Nevertheless it is often asserted by fascist officials that their régime is representative. On April 21, 1929, in his speech from the throne to the chamber of deputies the king spoke as follows: "In the new state the masses of the working population are directly represented and tutored in their legitimate interests and needs. In the organized nation all have a task, a responsibility, a duty, and a right. In the loyal collaboration of classes, by means of the corporative order and thanks to the henceforth perfect and conscious discipline of the Italian people, the guarantee of the continuity of the productive process is assured and every voluntary waste of wealth is eliminated." We have already seen that the corporative system is far from representative, at least of the working classes. It may well be questioned as to how any undemocratic system can be truly representative. If a group is not free to choose its own representatives, its self-appointed and would-be representatives can hardly be genuine. There is much to be said in favor of occupational as opposed to territorial representation. But the much-vaunted occupational representation in the fascist parliament as in the whole corporative system is too questionable to be taken at its face value. Beyond furnishing some opportunity for discussion and debate concerning public questions this parliament is worthless.

We may turn again to the fascist catechism for a statement of the nature of the fascist state.[1] As already cited in Chapter XIII, "Fascism considers as the bases of the national society, the Constitution, the Monarchy, the Church, the Parliament,

[1] *La Dottrina Fascista,* Libreria del Littorio, Rome, 1929.

and the Army. . . . The State is the political and juridical organization of the National Society." The constitution is described as "the pact between the king and Italy agreed upon in 1848 when Italy was formed of Piedmont, Liguria, Sardinia, and Savoy." It is stated that "the legislative power can modify the Constitution and has done so in several articles which were not adapted to the new needs which were not foreseen in 1848." We have seen that the constitution has been almost entirely abrogated not so much by legislative as by executive means.

The monarchy is grandiloquently described as "the sacred, glorious, traditional, millennial symbol of the Fatherland." More than a symbol it is no longer where the duce of fascism rules as the uncrowned absolutist king.

The church is considered as one of the bases of the fascist state "because religion is the sacred patrimony of the peoples and the Church is its supreme authority. . . . Fascism is not atheistic but is an army of believers. Religion alone renders possible the realization of the great human ideals." Fascism has abandoned entirely the modern conception of the secular state. Not only has it capitulated to religion and the church in general but in part to the Roman Catholic church. This is indicated by its treaties with the papacy. It is essential to cite a few historical facts in order to understand the background of this situation.

When Cavour was organizing the government of Piedmont along modern lines and trying to unite Italy, he abolished privileges which the church had retained in Piedmont long after they were lost in Austria and France. His principle was "a free church in a free state." Partly for this reason but also because it was an obstacle to a unified Italy, he wished to destroy the temporal power of the pope. In 1859 Romagno broke away from the papal states and joined Piedmont. Cavour did not accomplish his purpose before he died in 1861. The pope con-

tinued for nearly a decade as the absolute ruler of his states with the aid of French troops sent by Napoleon III. On September 20, 1870, an Italian army captured Rome. On October 2 a plebiscite was held in the five provinces under the pope, namely, Rome, Civita Vecchia, Velletri, Frosine, and Viterbo. Out of 167,548 registered voters, 133,681 voted for annexation to the kingdom of Italy and 1,507 against, the remainder abstaining from voting. In the city of Rome itself about 40,000 voted for annexation and almost no one against. This was in spite of the fact that almost all Italians are Catholics and because the papal rule was detested. In 1871 the capital was moved from Florence to Rome, which is the suitable place for it both historically and geographically.

The Italian parliament enacted the law of guarantees which gave the pope the personal immunity of a sovereign, the right to maintain diplomatic relations, an income of 3,225,000 lire annually, and various other privileges. But the pope, Pius IX, refused to accept this law and shut himself up in the Vatican as a so-called "prisoner." His successors perpetuated this fiction.

Though Mussolini was formerly an ardent atheist and the fascists were at first inclined to be anti-clerical, they soon realized that they could better maintain their domination over the people with the aid of religion and the church. The crucifixes were restored to the schools, the large cross was set up again in the Colosseum, and a postcard photograph was put on sale showing Mussolini kneeling before an altar.

After protracted negotiations on February 11, 1929, were signed at the Lateran a political treaty, a financial convention, and a concordat between state and church. The pope was given full sovereignty as a temporal ruler over a small patch of ground called the Vatican City.[1] The Italian government

[1] The Vatican City covers 44 hectares or about 110 acres and contains about 400 inhabitants.

agreed to pay 750,000,000 lire in cash and 1,000,000,000 lire in 5 per cent government bonds to the Holy See as indemnity for the loss of the papal states in 1870. Article 1 of the treaty states that "the Catholic, Apostolic, and Roman religion is the only religion of the state." The religious holidays were recognized. The church was given supervision over the religious instruction in the public schools. Article 34 of the concordat says that "the Italian state, wishing to give back to the institution of matrimony, which is the basis of the family, the dignity conformable to the Catholic traditions of its people, recognizes the civil effects of the sacrament of matrimony regulated by the canonical law."

This manner of settlement of the Roman question doubtless strengthened fascism among the more devout Catholics of Italy and of the world. But it was, in appearance at least, a capitulation by the fascists on nearly every question at issue between the Holy See and the Italian government. They thought that they could now count upon the support, or at least the neutrality, of the papacy in carrying on the process of regimentation of the Italian people and of the working class in particular.

On February 15, 1929, four days after the signing of the Lateran treaties the Holy Father said at an audience to students from the Catholic university of Milan, "We believe that, thanks to the concordat, We have given back God to Italy and Italy to God." Hardly were the signatures of Mussolini and Cardinal Gasparri dry on these treaties before controversies broke out anew between state and church. On May 13, 1929, Mussolini said in the chamber of deputies: "The fascist state makes the fullest claim to its ethical character; it is Catholic, but it is above all fascist, exclusively, essentially fascist." The fundamental difficulty is that the church professes to be infallible and absolutist in religion and ethics, and fascism claims

to be totalitarian and therefore to include every phase of the life and activities of the people.

Prior to the signing of the treaties the fascist government had restricted or suppressed various Catholic organizations such as the Catholic boy scouts and the Azione Cattolica Italiana or Catholic Action. The latter was described in the papal draft for the concordat as an organization "to affirm, spread, apply, and defend Catholic principles in the individual, family, and social life." The fascists objected to its social activities because these might be political. Article 43 of the concordat recognizes this organization provided it attaches itself to no political party and also stipulates that priests must refrain from all political activities.

Before long it became evident that the Azione Cattolica was forming workmen's societies which paralleled in a measure the fascist organizations. Pius XI issued several statements and the encyclical "Non abbiamo bisogno" of June 29, 1931, expressing the papal theocratic principle that the church has the right to concern itself with all secular as well as sacred matters. Accordingly the government issued an ultimatum which resulted in a new constitution for the Azione Cattolica, approved on December 31, 1931, which provides that it must not organize professional associations and trade unions, that its clubs for youths must not engage in athletic and sporting activities, and that it must restrict itself entirely to religious activities.

In similar fashion the Holy See claimed jurisdiction over the whole of education. In his speech to the chamber of deputies Mussolini said that "education belongs to us. These children must be raised in our religious faith, but we must complete this education. . . . We must above all transmit to them our faith and our hopes." The following day Pius XI said at an audience to students from the college of Mondragone that education is an essential and inalienable right of the family

and, in its behalf, of the church. In a speech to the senate Mussolini replied to the pope by saying that education is the right not of the family but of the state, and that this education of a totalitarian nature is the education of the citizen. On account of these diametrically opposed points of view, controversies are certain to arise repeatedly between fascism and the papacy. As many countries have already discovered, in modern times only a complete separation between state and church is feasible.

Evidences of the fascist attempts to regiment the people are to be seen on every hand. Priests and monks swarm, especially in Rome. Police are to be seen almost everywhere, above all in Rome where they have to protect the life of the dictator. Most of the police are the *guardia municipale* or municipal police. Here and there are to be seen the *carabinieri*, always in couples, who are youths performing their military service. There are also many policemen in plain clothes, especially in Rome. Numerous fascist militiamen in their black shirts come and go. Although there are also many soldiers, they are usually off duty and not so noticeable. Every Sunday many bands of militia, avanguardia, and balilla are to be seen parading through the streets.

The king's head still appears on the coinage, but on the opposite side of the newer coins are stamped the fascio and the fascist year (1934 = XII). On the 20-lire coin issued in 1928 are the head of a lion and this characteristically Mussolinian sentiment: "Meglio vivere un giorno da leone che cento anni da pecora."[1]

The fascist state is a mixture of imperial Roman, medieval city state, ultra-montane and papist elements. It is not only anti-democratic and based in theory upon party rule, but partly oligarchical and predominantly absolutist. The fascists, however, allege that its original and distinctive feature is its "cor-

[1] "Better to live one day as a lion than a century as a ewe."

porative" character, and this is far from clear.[1] In the two following chapters this elusive feature will be pursued further in the economic conditions created or fostered by fascism.

[1] In no one of the many fascist descriptions of the corporative state which I have read have I found elucidated the traits which have been disclosed by the preceding analysis. A recent example which describes in great detail the mechanism and outward appearance of the corporative state but gives no indication of its true inwardness is the following book: Fausto Pitigliani, *The Italian Corporative State*, New York, 1933, translated from the Italian.

Chapter XVII

THE ECONOMIC CONSEQUENCES OF FASCISM

Many visitors to Italy see in Rome only the tourist sights, the magnificent new Via Imperia from the Capitoline to the Colosseum, and the other improvements in the heart of the capital. In the principal industrial center, Milan, they see the imposing modern railway station and the new buildings in the central portion of the city. These are some of the features of the elegant façade with which Mussolini and his colleagues have covered the more conspicuous aspects of the face of Italy. These tourists fail to see the congestion of population and the squalor in the working class quarters of every Italian city, and the miserable living conditions in all the towns and villages. At present these conditions are hardly equaled in any European country.

For the last few centuries the standard of living of the Italian industrial workers and peasants has been lower than in any other country of importance with the exception of Russia. The fascists claim that they have raised this standard materially. Among other things they boast that there is much less unemployment in Italy than in other capitalist countries. This sounds plausible because Italy is not a highly industrialized country. The official statistics in thousands for the years 1923 to 1933 for the month in each year when the figure for the totally unemployed was the highest are as follows:[1]

1923 (Jan.) 391	1927 (Dec.) 414	1931 (Dec.) 982
1924 (Jan.) 280	1928 (Jan.) 439	1932 (Feb.) 1,147
1925 (Feb.) 156	1929 (Feb.) 489	1933 (Feb.) 1,229
1926 (Dec.) 181	1930 (Dec.) 642	

[1] From various numbers of the *Bolletino Mensile di Statistica* and *Annuario Statistico* of the Istituto Centrale di Statistica, Rome.

The figure for total unemployment increased more than six-fold from 1925 to 1931 in spite of the fact that the world-wide depression did not get under way until 1930. By 1930 it had reached a higher figure than the highest between the end of the war and the beginning of fascist rule. This was in January, 1922, when it was 606,000. But the decrease indicated by the official statistics during the first two years of the fascist régime was more apparent than real. It was mainly due to the fact that the government cut off in large part the doles which the pre-fascist liberal government had paid to the unemployed. Most of the latter disappeared from the registration list under fascism but not from the army of the unemployed. In 1925 and 1926 the decrease was due in part to a brief period of fascist inflation of the currency which stimulated exports and industry temporarily.

The sudden increase of nearly 130 per cent from 1926 to 1927 was due in part to the stabilization of the lira at a rather high exchange value in 1927 which caused a temporary economic setback in Italy by decreasing its exports. As compared with the unemployment statistics of some countries these figures are low. However, there is good reason to believe that these figures under-estimate the actual amount of unemployment far more than the official statistics of most countries. These figures are derived largely from the unemployed in industry and commerce who draw a dole and those who are registered at the fascist labor exchanges which exist in only about 2,000 of the more than 7,000 cities and towns in Italy. Many of the unemployed do not register because they are afraid of being sent back to their native towns and villages by the police or refrain from doing so because they do not belong to the fascist syndicates and know that it is useless to apply for work.

Italy is predominantly an agricultural country, and the unemployed agricultural laborers are hardly represented at all in

these official figures. In England and in Italy agricultural laborers are excluded from unemployed benefits. But in England these are less than one-tenth of the working population whereas in Italy they constitute more than half. In a speech in the senate on May 14, 1932, Senator Federico Ricci analyzed this situation and arrived at the following conclusion: "The data published by the International Labor Office show that in Belgium the unemployed form 38 per cent; in Germany 30 per cent; in England 21 per cent of the whole. For Italy we have no exact figures. From the *Annuario Statistico* I take a total figure of 2,906,000 operatives in industry and 307,000 employed in commerce; total 3,213,000. Hence if we exclude agriculture, we get for Italy (in the winter of 1932) an unemployed percentage of 28 per cent, almost as much as in Germany and far more than in England." Senator Ricci pointed out that compulsory military service artificially lessens the unemployment considerably as compared with Germany and England. He stated that the number employed in metallurgy was 67 per cent, in silk 35 per cent, and in textiles 66 per cent of the 1926 figures. He added that the distress among the black-coated workers was great, and that the only industry doing well at that moment was the artificial silk industry.

As the official figure for the totally unemployed has increased considerably since the time for which Ricci made his calculation, his estimate of the percentage of unemployment among the industrial workers must be increased accordingly. Furthermore, he took no account of the partially unemployed. According to the figures of the central institute of statistics in 1933 the partially unemployed were more than one-fourth of the totally unemployed. It is not indicated how much of the time the former were unemployed.

It is impossible to measure the unemployment in agriculture even roughly. There is reason to believe that it is underestimated by the official figures even more than the industrial

unemployment. For example, the federation of agricultural syndicates of Mantua announced that in June, 1931, there were in their district of about 400,000 population 8,945 unskilled day laborers who could find work only at times of special pressure and were usually unemployed.[1] And yet the maximum official figure of unemployment for this district in this year was 4,903 for March, 1931.

Agricultural unemployment can be measured only among the rural inhabitants who work for landlords. A large part of the agricultural population are peasants who work for themselves on their own small farms. During bad times these peasants have to work harder than ever to secure a miserable existence for themselves. Unlike the unemployed industrial workers who cannot work at all, the labor of these peasants is greatly increased. The same is true of the peasants who are tenants of the landlords. Many of them are tenants under the metayer system. Whether they pay rent or share the crops with the landlords, with the falling prices for agricultural products they have to redouble their efforts in order to keep alive. The reports of hunger riots among the peasants in various parts of Italy which have leaked through the fascist censorship give some indication of the misery which is prevalent in the rural regions.

In spite of the fact that Italy is primarily an agricultural country, and even though fascism has been in power a dozen years, the unemployment is as great as in some of the highly industrialized countries which have suffered the most during the prevailing depression. What is most significant is that it was increasing even when other countries were enjoying prosperity. The only possible explanation is that fascism itself gives rise to an exceptional amount of unemployment. The reasons for this phenomenon will become more evident later in this discussion.

[1] *Il Lavoro Agricolo Fascista*, June 17, 1931.

The fascists also boast that they have raised the real wages of the workers. Professor Mortara has published index numbers based upon 1913-14 as 100 which indicate that from the latter half of 1922 to the latter half of 1925 the index for the cost of living rose from 498 to 628, or 26 per cent, while the index for wages rose from 505 to 545, or 8 per cent.[1] In other words, during the first three years of fascist rule the cost of living rose more than three times as fast as wages, and the standard of living of the workers was reduced to a corresponding extent.

In 1927 the revaluation of the lira at a rather high level caused the prices to fall somewhat. According to the official figures of the central institute of statistics the index for the cost of living fell from 516.7 in 1926 to 472.4 in 1927 and 437.8 in 1928, rose slightly to 445.6 in 1929 and fell to 430.5 in 1930. In other words, it fell about 17 per cent from 1926 to 1929. "In April, 1927, the wages of all Italian working people in town and country were reduced by 10 per cent, and this was followed by a further reduction of 10 per cent in October, 1927. In December, 1930, the government ordered another general wage cut which amounted to 8 per cent in industry and from 15 per cent to as much as 25 per cent in agriculture."[2] In other words, during this period of four years of fascist rule wages fell almost twice as much as the cost of living, thus depressing still lower the standard of living of the workers. All this reduction in the standard of living took place while other countries

[1] G. Mortara, *Prospettive Economiche*, 1927, p. 442.

In the 1926 edition of his annual publication Mortara had criticized the employers in the national confederations as "interested parties who are the last to be capable of an impartial opinion." (*Op. cit.*, 1926, p. 453-4.) Nevertheless, perhaps because his figures were so damaging to the fascists, they disappeared from his publication in 1929 and later, and new index numbers based upon the statistics of the national confederation of industry, namely, the employers' confederation, appeared in their place.

[2] Professor G. Salvemini, "Italy from 1926 to 1931," in *Italy Today*, London, September-October, 1932, p. 15.

were prospering and before the worldwide economic depression was under way. According to the central institute of statistics, with index numbers based upon July, 1928, to June, 1929, as 100, the index for the cost of living fell to 83.49 and for wages to 87.48 in 1932, indicating a slight rise in the standard of living of the workers.

In addition to the general wage reductions revealed by decrees, there have been many special reductions in various industries which are revealed by the published collective contracts and the decisions of the labor tribunals. The wages of the laborers in the rice harvests of whom there are more than 200,000, many of them women, fell from 1926 to 1933 by 53 per cent. In the silk industry wages fell 50 per cent between 1926 and 1933. The salaries of bank employees fell about 40 per cent between 1927 and 1931.[1]

All these and many other data which are available show not only that fascism has not raised the standard of living of the workers but that in all probability this standard has fallen more rapidly in Italy than in any other capitalistic country. The secretary of the fascist national confederation of industrial syndicates stated in March, 1932, that wages fell 20 per cent in 1927 and 1928, 10 per cent in 1929, and from 18 to 25 per cent in 1930 and 1931.[2] In view of the widespread unemployment and progressive pauperization which have been occasioned if not caused by fascism, the workers have little reason to feel friendly towards the fascist régime. Needless to say, it is impossible for them to express their sentiments freely and openly.

A study of the collective contracts which have been published and of the decisions of the labor tribunals confirms the opinion that fascism is directly responsible for at least a part

[1] The above and many similar cases have been assembled from such sources as the *Informations Sociales* of the International Labor Office at Geneva, *Corriere della Sera* and *Popolo d'Italia* of Milan, *Stampa* of Turin, *Lavoro Fascista* of Rome, *Times* of London, etc., in *Giustizia e Libertà*, Paris, August, 1933.

[2] Biagi, in the *Corriere della Sera,* Milan, March 26, 1932.

of the decline in the standard of living. A comparison of a fascist with a pre-fascist contract will be given in detail in the following paragraphs. At the Exhibition of the Fascist Revolution in Rome in 1933 were prominently displayed upon the walls statistics to the effect that during the preceding eleven years of fascist rule had been negotiated 10,040 and published 4,873 collective contracts of labor. These were presented as among the great achievements of fascism. But the pre-fascist socialistic labor organizations also negotiated many collective contracts, as, for example, in the metallurgical, textile, and typographical industries, for journalists, etc. They were able to secure much better terms for the workers as the following case shows.

In September, 1920, was concluded a collective contract by the federation of metallurgical workers which fixed the conditions of labor for about 500,000 workers. It established a minimum wage for all these workers which was 20 per cent above the minimum then in force but gave to the provincial organizations the power to fix the local wages above the minimum. It guaranteed an indemnity of two days' wages for every year of employment in case of dismissal, an annual vacation of seven days with pay, a bimensual revision of the wages in relation to the fluctuations in the cost of living, and the right of the employees in each factory to elect a committee to represent their interests in questions of internal discipline.

In February, 1928, the fascist organizations concluded a collective contract for the metallurgical industry which superseded the contract of 1920. It stipulated no minimum wage for the whole industry but provided that the minimum should be fixed in the local contracts on the basis of the minimum wages paid in each establishment during the last three months of 1926 reduced by 20 per cent. In other words the minimum was to be only 80 per cent of the wages paid after four years of fascist rule. It provided that in no case could the minimum be

so high as to cause a loss to the factory. This opened the way to further reductions of the minimum wage by the employer. The disciplinary penalties were increased from 20 to 60 per cent. The maximum week of excess labor was increased from eight to ten hours a day. In case of controversy the workers were represented by persons designated by the officials of the syndicates, in other words, officials appointed or endorsed by the ministry of guilds. The mutual aid and sickness benefit funds were no longer to be administered by trustees elected by the workers themselves but by representatives of the syndicate officials. The employers agreed to employ workers only through the employment offices of the legally recognized associations, and these offices are required to give the preference to members of fascist organizations. Whereas the pre-fascist collective contract gave the workers a great deal of protection, the fascist contract gave them no protection whatsoever and was entirely in favor of the employers.

The number of collective contracts is not so significant as their effect upon the status and conditions of the persons concerned. While it may be desirable to substitute collective contracts for strikes and lock-outs whenever possible, contracts which are imposed from above by force do not put an end permanently to the class struggle but merely bottle it up and suppress it temporarily.

There are many other indications of the increasing misery under fascism. The fascists have been doing all they can to increase the marriage- and birth-rates. And yet according to the official statistics the marriage-rate fell from 7.9 per 1,000 inhabitants in 1924 to 7.1 in 1928 and 6.4 in 1932. The birth-rate fell from 29.0 per 1,000 inhabitants in 1924 to 26.7 in 1928 and 23.8 in 1932. But the illegitimate births rose from 4.8 per 100 live births in 1924 to 5.1 in 1928 and 5.2 in 1932. The increasing unemployment, falling standard of living, and great economic uncertainty created by fascism discourage marriage,

in spite of the excessive taxes upon bachelors. This situation inevitably increases the extent of extra-marital sex relations and the proportion of illegitimate to legitimate births. The abolition of divorce by the Lateran concordat with the Holy See in 1929 has also probably increased the hesitation to marry.

We have seen that by the law of April 3, 1926, and the Charter of Labor of April 21, 1927, strikes and lock-outs are absolutely forbidden and heavy penalties are imposed. And yet, despite the fascist boast that the class struggle between capital and labor has been abolished, the *Annuario Statistico Italiano* for 1932 published the following figures:

	Strikes in agriculture	No. of persons prosecuted	Strikes in industry	No. of persons prosecuted	Lock-outs in industry	No. of persons prosecuted
1927.....	5	1,881	149	16,752	15	27
1928.....	6	59	63	2,905	8	35
1929.....	6	180	68	3,042	9	30
1930.....	9	209	66	2,629	7	33
1931 (1st half)	10	684	39	2,722	1	11

It is easier to understand how workers can in desperation strike even in the face of severe penalties when the low range of wages in fascist Italy is considered. In 1933 the average wages for an eight-hour day for the highest-paid workers, namely, the skilled male workers, ranged from 10 lire and less in some industries, such as the silk industry, to about 30 lire in a very few industries, such as the chemical industry. The average was much nearer to the lower than to the higher level. In agriculture the average hourly wage in 1933 was 1.16 lire for men, 0.66 lira for women, and 0.62 lira for children.[1] The lowness of these wages will be recognized when it is considered that 10 lire is barely 50 cents of a gold dollar and somewhat less than one inflated dollar of United States currency.

[1] The above wage statistics were taken from the reports of the United States consulate general in Naples, in which they were compiled from official Italian sources.

Some indication is given of the position of the business men under fascism by the figures of dishonored bills and business failures published by the central institute of statistics:[1]

	Dishonored bills	Business failures		Dishonored bills	Business failures
1922.....	306,703	3,858	1927.....	1,096,447	11,418
1923.....	427,224	5,771	1928.....	1,093,392	12,315
1924.....	544,054	7,619	1929.....	1,289,416	13,115
1925.....	638,270	7,933	1930.....	1,449,084	16,182
1926.....	849,520	8,580	1931.....	?	21,607
			1932.....	?	24,047

The business failures in 1932 were about twice as many as in France in spite of the fact that there is much more business activity in France than in Italy. During the first eight years of fascist rule the dishonored bills increased nearly five-fold, and during the first ten years of fascist rule the business failures increased more than six-fold.

According to the figures of the central institute of statistics, which in these matters go back to 1887, at no period prior to fascist rule have there been so many dishonored bills and business failures as under fascism. The highest figure for dishonored bills was 209,994 in 1915, and this was less than one-half of the lowest figure for a full year under fascism which was 427,224 in 1923. The highest figure for business failures was 7,397 in 1913, which was less than any full year of fascist rule except 1923 when it was 5,771.

The smaller business failures have been increasing at a higher rate than the larger failures. They increased nearly six-fold from 251 in 1922 to 1,328 in 1929, while the larger failures increased only a little more than three-fold from 3,607 in 1922 to 11,787 in 1929. On July 10, 1930, was enacted a law which went into effect on September 1, 1930, according to which the maximum liabilities for a small failure were raised

[1] *Annuario Statistico Italiano,* Rome, 1932, p. 583.

from 5,000 to 20,000 lire. According to this new basis for distinction, the small failures increased from 8,854 in 1931 to 11,212 in 1932, while the larger failures increased only from 12,753 in 1931 to 12,835 in 1932. During the first half of 1933 the average loss to the creditors in the larger failures was about 60,000 lire for each failure, and in the smaller failures it was about 6,400 lire for each failure. During the same period the average for the dishonored bills was nearly 1,000 lire for each bill.[1]

These facts indicate that all is not for the best even for the capitalists under fascist rule, though fascism promotes capitalistic interests in the main and in the long run.[2] They also suggest that the small business men are suffering much more than the big capitalists. This conclusion is supported by other facts which will be mentioned presently.

According to the publications of the central institute of statistics the balance sheet of the government has been as follows:[3]

[1] See the *Bollettino Mensile di Statistica dell' Istituto Centrale di Statistica*, Rome, various numbers for 1933.

[2] In April, 1934, the *Gazzeta Ufficiale* reported the liquidation of the Società Elettro-finanziaria of Milan capitalized at 350,000,000 lire, the Società Finanziaria Industriale Italiana of Milan capitalized at 300,000,000 lire, and the Società Finanziaria Italiana of Rome capitalized at 120,000,000 lire. The latter was organized and largely financed by the government. According to the Gazzeta "these three liquidations were made in conformity with the rules of the Istituto per la Liquidazione Industriale, which functions according to the principle of 1933, and were decided upon for reasons of public interest."

[3] The figures for the later years were taken from the *Bolletino Mensile di Statistica* for September, 1933. Later I found that in the issue of this bulletin for February, 1934, the deficit for the fiscal year 1931-32 had been changed to 909,762,000 lire, and for 1932-33 to 4,102,000,000 lire. How the deficit could suddenly decrease by nearly 3,000,000,000 lire more than a year and a half after the close of the fiscal year is one of the many mysteries of fascist statistics. These discrepancies have aroused a good deal of distrust in Italian statistics under the fascist régime. According to the later figures, the revenues in 1931-32 were 24,325,602,000, and in 1932-33, 18,901,000,000 lire; and the expenditures in 1931-32 were 25,235,364,000, and in 1932-33, 23,003,000,000 lire.

(In thousands of lire)

Fiscal year July 1–June 30	Revenues	Expenditures	Balance
1922–23	24,260,466	24,655,404	− 394,938
1923–24	26,108,100	24,777,579	+1,330,521
1924–25	27,246,217	22,248,140	+4,998,077
1925–26	25,549,730	23,014,001	+2,535,729
1926–27	26,618,052	24,592,531	+2,025,521
1927–28	20,071,700	19,574,400	+ 497,300
1928–29	20,200,800	19,645,700	+ 555,100
1929–30	19,838,200	19,667,900	+ 170,300
1930–31	20,387,000	20,891,000	− 504,000
1931–32	19,324,000	23,191,100	−3,867,100
1932–33	17,965,900	21,903,600	−3,937,700

During the war and for three or four years thereafter the budget of the Italian government showed large deficits. In 1918 the deficit was 22,700,000,000 lire, in 1919-1920 it was 7,800,000,000, in 1920-21 it was 17,400,000,000, and in 1921-22 it was 15,700,000,000. The public debt increased correspondingly. These deficits were due in the main to the war and its after-effects, and to the fact that the liberal government was trying to help the poor by means of a bread subsidy and an unemployment dole.

For the first few years of fascist rule the budget was more than balanced, largely by eliminating the assistance to the poor.[1] The lira was revalued in 1927, after a brief period of inflation, and has been maintained at par since that time. But the ratio of the gold reserve to the circulation has fallen from 64 per cent at the end of 1928 to about 53 per cent on March 31, 1934. Since 1929 the governmental budget has shown large deficits and the public debt has increased correspondingly. The fiscal situation of the Italian government has been rapidly growing worse. This is one of the many indications that fascism does not save a government from the effects of a

[1] Some of the critics of fascism contend that the fascist fiscal statistics showed a much more favorable situation than actually existed. See, for example, an analysis of these statistics by a former Italian minister: Eugenio Chiesa, *La Situation Politique, Financière et Économique en Italie,* Paris, 1929.

worldwide depression. The fascists have not succeeded in abolishing the trade cycle in spite of their frequent boasts to that effect.

The deficit has been estimated for 1933-34 at about 4,000,000,000 and for 1934-35 at nearly 3,000,000,000 lire (2,974,000,000), or about 14 per cent of the expenditures. As supplementary credits are customary, these deficits will doubtless be much increased. The 1932-33 budget was increased by nearly 2,000,000,000, and the 1933-34 budget has already been increased by more than 1,000,000,000.

The internal public debt increased from 92,896,000,000 lire on June 30, 1922, to 97,215,000,000 lire on June 30, 1933, and to 98,117,000,000 on January 31, 1934. To the latter figure must be added 1,653,361,000 lire for the Morgan loan to the Italian government in 1927, which has been only slightly reduced from its original figure of 1,841,005,000 lire, and which brought the total public debt of the central government up to about 100,000,000,000 lire by the beginning of 1934. It is reported that it has increased to more than 102,000,000,000 since that date.

In a speech in the senate on December 13, 1932, Senator F. Ricci estimated the total public debt of Italy at about 150,000,000,000 lire. This figure included about 100,000,000,000 for the central government, 10,000,000,000 for the communes, 1,800,000,000 for the provinces, 10,000,000,000 to 15,000,000,000 for loans upon agricultural land, and 7,000,000,000 for loans to quasi-state (*parastatali*) institutions. Mussolini and the minister of finance, Jung, were present at this speech, and Ricci's statements have never been denied.

The taxes of the central government amount to about 18,000,000,000 and of the local governments to about 7,000,000,000 lire. Inasmuch as the total national income is estimated at about 68,000,000,000 lire, the burden of taxation is about 37 per cent of the income. As the standard of living was always low in Italy, and has been further depressed by fascism, it

cannot squeeze much more out of the workers in order to make up its deficits.

Italian imports have fallen from 22,313,000,000 lire in 1928 to 7,412,000,000 lire in 1933, and exports from 14,998,000,000 lire in 1928 to 5,979,000,000 lire in 1933. In 1928 the exports constituted about 68 per cent of the imports and in 1933 about 80 per cent. The unfavorable balance of trade which has almost always characterized Italian foreign commerce has been made up heretofore by remittances from Italian emigrants, the shipping business, and tourist traffic. The revenue from all three of these sources is decreasing so that it will be increasingly difficult to make up this trade deficit.

The fascists advertize persistently their expenditures on public works which are devoted in considerable part to constructing the façade mentioned above. And yet these expenditures in 1932 barely equaled similar expenditures by the department of the Seine in France in the same year which received no publicity whatsoever.[1] The question therefore arises as to what happens to the large expenditures of the fascist government which are so burdensome to the poverty-stricken Italian population. At least a part of the answer is to be found in the fact that as long ago as 1928 De Stefani, who was the minister of finance from 1922 to 1925, was commissioned to study the fascist bureaucracy. The *Nazione* of Florence remarked in 1929 that "with regard to the bureaucratic organization and while awaiting the conclusions of the investigation which the Honorable De Stefani has recently reported to the duce, the *Corriere d'Italia* (of Rome) observed that too many functions

[1] This information was furnished to me by Professor Carlo Roselli, formerly of Italy, now of Paris.

According to a dispatch of the Delta Agency in the fascist press of May 15, 1934, 175,000,000 workdays were utilized in the public works from 1928 to 1932 inclusive. Assuming a work-year of 300 days, an average of 110,000 persons were employed, or less than one-tenth of the number officially registered as unemployed, and only 1½ per cent of the total number of industrial and agricultural employees in Italy.

have been assumed in the long course of years, weighing in an appreciable manner upon the functioning of the services, and requiring the recruiting of a number of officials superior to the number which is strictly necessary." The *Nazione* goes on to say: "The cause of the slowness of the functioning of the state administration is to be found above all in this superposition of functions whereby the tasks to be performed are never accomplished in the same office but arrive finally where there is no knowledge as to what has gone before, so that new and laborious instructions become necessary."[1] So far as I know, the De Stefani report has never been published.

In a socialized state a large bureaucracy is inevitable and useful. The state performs the economic functions of private enterprize, and the private bureaucracy of capitalism becomes the public bureaucracy of the state. The capitalistic state has no need for a large bureaucracy. It has only a very limited range of functions to perform. An excessive number of officials gives rise inevitably to bureaucratism, because the superfluous bureaucrats must appear to justify their existence. The conditions in fascist Italy are favorable for such a bureaucracy. An all-powerful party needs places for its followers. A personal dictator must furnish positions to his henchmen. The almost chronic state of depression occasioned if not caused by fascism creates a hungry horde of office-seekers. The elaboration of the extensive and somewhat complicated mechanism of the corporative state furnishes the offices, though most of them have no genuine political, economic, or social functions to perform. While bureaucratism is prevalent in many capitalistic countries, it finds a fertile soil for growth also in corporative Italy.

The bureaucracy explains only the smaller part of the large expenditures of the fascist government. In the fiscal year 1926-27 were spent nearly 25,000,000,000 lire. The salaries and

[1] *La Nazione*, Florence, April 13, 1929.

wages of the state employees amounted to 5,600,000,000, or not much more than one-fifth of the total expenditures. The army and navy cost 4,400,000,000, the ministry of public works 1,800,000,000, and the ministry of public instruction 1,400,000,000. But the ministry of finance spent 9,800,000,000. The upkeep of the ministry itself cost less than 500,000,000. As the public debt in that year was about 90,000,000,000, the servicing of the debt must have amounted to several thousands of millions. Where the rest of the money went is uncertain because the statements of the ministry of finance have always been rather obscure. In 1932 the ministry spent 12,000,000,000 lire, and the mystery of its expenditures increased correspondingly.

An agricultural enterprize which has been widely advertized by the fascists is their "battaglia del grano." This is a campaign to increase the production of wheat which commenced in 1925. It has been carried on with the aid of instruction in the schools, propaganda among the peasants, and the awarding of prizes to the most productive cultivators.[1] The most significant aspect of this campaign has been completely ignored. It has rendered even more harmful the unbalanced diet of the Italian workers and peasants. The Italians are in the habit of eating much bread, spaghetti, macaroni, and other starchy foods. About 55 per cent of their consumption of calories is derived from cereals. This percentage is excessive and is accompanied by an inadequate consumption of vegetables, animal fats, and meat. And yet their unwholesome diet has become still worse under fascism.

In the years 1909-13 the annual importation of cereals was

[1] On December 3, 1933, in Rome, Mussolini awarded prizes in silver and diplomas to the sixty most successful producers of wheat, in the presence of the presidents of the senate and chamber, the ministers and under-secretaries of state, the secretary of the party, the governor of Rome, and other notable personages. The duce delivered a speech in which he declared that "the conquest of wheat is a triumph of technique and of tenacity, but that it is above all a victory of the faith of the Italian peasants." (*Le Temps,* Paris, December 4, 1933.)

54 kilograms per inhabitant whereas in 1926 it had risen to 72 kilograms.[1] In spite of this unbalanced and deleterious diet the fascists have suceeded in increasing greatly the production of wheat instead of encouraging the production of vegetables, fruit, and cattle. In a speech at his home town, Forlì, on September 24, 1932, Mussolini announced that the area cultivated in wheat had increased as compared with the pre-war cultivation by about 200,000 hectares, or 4 per cent. But he did not mention the fact that the census of 1931 indicated that between 1926 and 1931, only the swine increased by 10 per cent, while the horses decreased 8 per cent, mules 16 per cent, asses 13 per cent, cattle 7 per cent, sheep 20 per cent, and goats 43 per cent. And yet the Italians have an annual individual consumption of meat of less than half the consumption of the English and the Germans.

The immediate purpose of the "battaglia del grano" has been to decrease imports of wheat and to rectify to that extent the unfavorable trade balance. The campaign has also been used for political purposes by drumming up patriotic sentiments and enthusiasm for the party in connection with it. There is reason to believe that it has been encouraged by large capitalistic interests which have profited by it, such as the Montecatini chemical trust which produces artificial fertilizers and the manufacturers of agricultural implements and machinery. The principal motive probably has been to provide cheap food for the impoverished masses though to the detriment of their health by accentuating their ill-balanced diet.[2]

[1] In the *Corriere Padano of Padua* of June 14, 1931, a fascist agricultural expert, Professor Bizzozero, advized the Italian peasantry to eat "little bread and hardly any meat" but to be satisfied with *polenta*, a porridge made of maize flour, which is a prolific cause of the dangerous disease pellagra.

[2] The "battaglia del grano" is fully described in the following publications: E. Mueller-Einhart, *Mussolinis Getreide-Schlacht, Regensburg,* 1933; "La Battaglia del Grano," in *Giustizia e Libertà*, Paris, June, 1933. These writings show that this fascist undertaking has been much less successful within its own narrow limits than the fascists themselves claim.

All of this is characteristic of the fascists, namely, their shortsightedness, proneness to be influenced by immediate financial and political considerations, tendency to discriminate in favor of the large capitalistic interests and against the interests of the masses, and their ignorance of science and of economics. If, with the aid of competent scientific experts and economists, they had worked out a general plan for agricultural production based upon sound scientific and economic principles, instead of rushing into their ill-conceived "battaglia del grano," they could have much better attained all their legitimate purposes, in so far as that is possible within the narrow limitations of capitalism which does not permit of much in the way of economic planning.

The preceding survey has revealed as among the economic consequences of fascism for the workers a complete suppression of the proletarian movement, an increase of unemployment, and lower real wages and standard of living. In the business world are many more failures, a much greater number of dishonored bills, and a decrease of foreign trade. For the government it has meant a worsening of the fiscal situation, as indicated by larger budget deficits and an increase of the public debt, and an increase of bureaucratism. In the field of planning it has included an abortive industrialization program and an economically unsound land reclamation program, to be described in the following chapter, and a dietetically injurious program for the cultivation of cereals. For the Italian people at large it has given rise to lower marriage- and birth-rates accompanied by a higher illegitimate birth-rate, and a more or less chronic state of depression.

Many of these conditions exist in varying degrees in other capitalistic countries. Most of them have been aggravated by fascism. The least that can be said is that fascism has failed to prevent any one of them, in spite of the vainglorious boasts of the fascists that they have created a new system which is superior to any other and almost perfect.

Chapter XVIII

FASCISM AS MONOPOLISTIC CAPITALISM

The fascists claim to have brought about a fundamental change in the economic as well as in the political organization of Italy. At the same time they assert that they have retained capitalism. Consequently, this fundamental change must be in the nature of capitalism itself. The most important question is as to whether fascism has actually caused a far-reaching transformation in economic organization.

The three essential features of capitalism are the private ownership of the means of production, private enterprize, and private profits. In the purest form of capitalism the state takes no part in economic activities and there is no limitation upon *laissez-faire*. This means freedom for the worker as well as for the capitalist. While the individual worker is usually helpless in our modern large-scale production, the workers can by combining acquire a good deal of power. By means of collective bargaining they can wring concessions from the capitalists in the way of higher wages, lower hours of labor, better working conditions, etc. This conflict between the capitalist and the proletarian classes results in strikes, lock-outs, and other industrial disturbances which interfere with the productive processes and cause a certain amount of inconvenience for the public at large. The ultimate effect, however, is to raise the standard of living of the proletarian class which constitutes the largest part of the public. Furthermore, this class conflict sometimes gives rise to legislation in the interests of the workers. This legislation may result from direct political action on the part of the workers. Or it may come as a con-

cession on the part of the capitalists who hope thereby to diminish the force of the attack of the workers by throwing a sop to them.

The capitalists often influence the government in order to secure state action favorable to themselves. This may take the form of legislation which encourages private enterprize and exploitation, as when valuable franchises are given free or at a relatively small cost for the exploitation of natural resources, for the operation of means of transportation on public highways, etc. It may take the form of state subsidies to private enterprizes which are new or are in difficulties. Taxation legislation is constantly being influenced so as to put the incidence of taxes largely upon the poorer classes. Import duties are almost always intended to protect private enterprizes. In some cases the capitalists desire that the state own and operate an industry or administer a service which is not profitable in itself but whose operation is essential for capitalistic enterprize in general.

Under capitalism the state is to a large extent under capitalistic control. To this extent the doctrine of the communists that the state is the agent of capitalism is correct. In so far as it is active in the interest of capitalism it is capitalistic, and such activities are sometimes called state capitalism.[1] When the state enters the field of economic production and owns and operates enterprizes in the interest of the community as a whole, it is engaging in state socialism and not capitalism.

The fascists allege that they have abolished "liberal" capitalism by which they mean a capitalism where the state is or is supposed to be neutral as between capital and labor. In his speech to the grand council of guilds in November, 1933, Mussolini said: "Corporativism is an economy which is disciplined

[1] For example, Thomas speaks of state capitalism as capitalism "using the powers of the state to stabilize the maximum amount of private ownership and the operation of the system for the benefit of private owners." (Norman Thomas, *The Choice before Us,* New York, 1934.)

and is therefore controlled, because a discipline which does not arise out of a control is inconceivable. Corporativism surpasses both socialism and liberalism and creates a new synthesis." In his speech to the senate of January 13, 1934, he said: "If liberal economy is the economy of individuals in a state of more or less complete liberty, fascist guild economy is that of individuals, and also of associated groups, and also of the state."

The three preceding chapters have furnished ample evidence that the working class is entirely controlled. The fascists often allege that the workers are represented in the corporative system. The former minister of guilds, Bottai, has made this claim very emphatically. "This régime, too hastily described by casual critics as an anti-representative régime, appears in reality to be the most representative régime in existence today. From the local syndicates (of employees) to the provincial, regional, and national associations, from the guilds of the main branches of production to those of category, from the council of guilds to the corporative chamber is a whole series of organs in which the genuine forces, values, and competence of the Italian people express themselves in a concrete and organic and not merely symbolical and figurative manner, and express themselves in every order of facts, political and economic, social and moral."[1]

The above-mentioned data prove conclusively that this claim has no basis whatsoever in fact. In the economic field the workers must accept as secretaries of their syndicates persons approved by the ministry of guilds, and these secretaries are their official representatives to the higher bodies. In the political world they can only approve of the list of candidates for the chamber designated by the grand council. In the social and moral spheres they have not even the semblance of a representation. Inasmuch as they are deprived of the right to organize free syndicates and to strike, they have no means

[1] G. Bottai, "Il Regime rappresentativo," in *Gerarchia*, Rome, March, 1929.

short of a revolution of expressing their opinions and their wishes. The maximum penalty for striking is seven years in prison, which is sufficient to intimidate most workers.

The associations of employers are under regulations similar to those of the employees. To what extent the choice of their officers is dictated by the party and government, it is difficult to ascertain. It is certain that these officers do in fact represent capitalistic interests and not merely the party and the government. For example, in January, 1932, were chosen the nine directors of the confederation of industry, which represents all the employers in Italian industry, for the triennium 1932 to 1935. At least six of these nine directors are connected with some of the largest industrial concerns in Italy.[1] In Rome I have interviewed the presidents of the employers' confederations of industry and of agriculture, both of whom represented large capitalistic interests and one of whom is a senator. The presidents of the workers' confederations with whom I talked had had comparatively little contact with the working class and represent primarily the party and the government. The employers' confederations of industry and of banks have the same presidents and secretaries as they had before the guild law of April 3, 1926, was enacted, so that it is certain that they were chosen originally by the capitalistic interests which they represent. There is much evidence that the big capitalistic interests dominate these employers' associations and that the petty capitalists and employers have little influence in them. This is to be expected even more under fascism than under other forms of capitalism.

These facts prove conclusively that the fascist assertion that all the economic classes are regulated equally and collaborate with one another is a myth. The question therefore arises as

[1] These six directors and the large industrial interests which they represent are A. S. Benni, metallurgy; A. Bocciardo, shipbuilding; E. Parisi, real estate; G. Agrelli, Fiat automobile factory; G. Donegani, president of the Montecatini chemical trust; and Pirelli, rubber goods. (See *Giustizia e Libertà*, Paris, August, 1933, p. 106.)

to whether capitalism under fascism, apart from the complete control and suppression of the workers, differs from capitalism elsewhere. It is alleged that the employers are controlled and put upon the same basis as the workers by the prohibition of lock-outs. Inasmuch as it is practically impossible for the workers to strike or use any other measure against their employers, there is no occasion for the latter to use lock-outs as offensive or defensive measures. The employers are in any case free at any time to reduce their forces or to close down completely on the ground that their business does not justify continued employment.[1]

I have already quoted Senator Ricci's estimate in December, 1932, that the government loans upon agricultural land amounted to 10,000,000,000 to 15,000,000,000 lire, and the loans to quasi-state institutions to 7,000,000,000. The nature of these institutions is not entirely clear. It seems probable that most of this money has been loaned to capitalistic interests.

On January 14, 1933, was announced the creation by the government of the Istituto per la Ricostruzione Industriale to be divided into two sections, namely, the Sezione Finanziamenti Industriali and the Sezione Smobilizzi Industriali. On June 15, 1933, was issued a decree providing aid for financially embarrassed firms.[2] The government was authorized to buy controlling blocks of stock in such firms as are regarded as "public utility." In October, 1933, I was told in Rome that only one firm had so far been assisted in this fashion. But the

[1] In commenting upon the guild law, *Il Lavoro d'Italia* of September 3, 1929, remarks that "it is clearly indicated that the employers can reduce the number of their employees without closing their establishments and without producing a lock-out."

[2] In November, 1931, had already been established the Istituto Mobiliare Italiano under the ministry of finance as a public utility corporation largely for the purpose of relieving the Banca Commerciale of its burden of industrial securities which were transferred to a new company, the Società Finanziaria Industriale, which was financed mainly by the new Istituto mentioned above. The Società Finanziaria was apparently not successful because it was liquidated in April, 1934, as indicated in the preceding chapter.

institute for industrial reconstruction has guaranteed dividends to the stockholders of a number of concerns.

This indicates that the fascist government goes out of its way to assist and bolster up capitalistic interests and especially large capitalistic interests. In this sense it may manifest state capitalism. But it displays no tendency to take the place of private initiative. On July 1, 1925, it turned over to private enterprize the telephones which it had previously owned and operated.

In the earlier days of fascism the fascists had an ambitious program for the industrialization of Italy. A little was done in the way of subsidizing shipbuilding, automobiles, artificial silk, and a few other industries. Not much was accomplished in this fashion because the shipping business is at a low ebb and most industries are much depressed in all capitalistic countries. Furthermore, Italy lacks most of the natural resources for a high degree of industrialization. The industrial development of England, Germany, France, Belgium, etc., has been based upon the possession of large resources of coal and iron. Italy's supply of "white coal" (water power) cannot take the place of these resources. Even if Italy possessed these natural resources, the low standard of living fostered by fascism does not permit of a sufficient amount of purchasing power to create a large home market for industrial products. The world market is almost moribund, and Italy would have little chance to compete successfully with the older industrial nations.

The fascists have also had an extensive agricultural program for land reclamation. They have claimed most or all of the credit for this program. But much had been accomplished before they came into power. In the fiscal year 1913-14, 44,000,000 gold lire were spent for this purpose; during the war, 163,000,000 paper lire; and from July 1, 1918, to June 30, 1922,

664,000,000 paper lire.[1] By 1922, 901,912 hectares (1 hectare = 2.47 acres) had been drained and 623,000 hectares were partly drained. Between 1922 and 1928 the fascists completed the drainage of 325,000 hectares.

In December, 1928, was enacted a law, known as the "Mussolini Act," which authorized not only the drainage of swamp land, but also the improvement of mountainous districts, the construction of roads, aqueducts, and farm houses, the promotion of irrigation and electrical plants, etc. For these purposes were appropriated 4,300,000,000 lire to be spent during fourteen years. This law provided for a comprehensive development of these rural areas which is called "la bonifica integrale." However desirable such a comprehensive development may be, the law is so worded that it is to the interest of the large landowners and capitalists and against the interest of the small landowners and laborers.

"The Mussolini Act lays down that negligent landowners may be expropriated by consortia of neighbors, or, where these are non-existent, by capitalistic concerns (a joint stock company or a private contractor), who pledge themselves to carry out the work. In a country where all landowners, owing to debts and to the economic crisis, are compelled to remain inactive, all landed property might conceivably be confiscated and handed over to anyone who would make himself responsible for reclamation. . . . In these consortia, whether or no they associate themselves with joint stock companies, the big landowners are predominant. Even in those areas which have been entrusted to companies, the large estate owners can always find money to contribute to the cost and thus escape expropriation. . . . The Mussolini Act contains no clause conferring on laborers or on their cooperative societies any preferential rights over the land that is to be drained and improved at the

[1] Ministero delle Finanze, *Il Bilancio dello Stato dal 1913-14 al 1929-30,* Rome, 1931, p. 370.

expense of the tax-payer. Such lands are to be sold to the future cultivators at the market price, according to the ordinary law of supply and demand."[1]

In the preceding chapters have been raised several questions concerning fascism which we are now better prepared to answer. The fascists allege that they have eliminated the class struggle. It is obvious that they are hindering the class struggle in its inevitable historical development. It is not permanently eliminated but temporarily suppressed and is likely to break out again at any time with even greater bitterness than it formerly displayed.[2] In similar fashion the fascists allege that the interests of capital and labor have been harmonized. This harmony is only on the surface because labor is completely subjugated and cannot defend its interests at present. Hence this apparent harmony is in a very precarious situation and may be destroyed at any time.

The fascists boast that they have destroyed "liberal" capitalism, but have retained private enterprize in its best form. In so far as the fascist state influences and controls economic activities it often discriminates against the interests of the petty bourgeoisie and in favor of the large capitalists. To this extent it encourages the development of monopolistic capitalism. Whereas capitalists do not usually welcome state intervention in economic affairs, the big capitalists and capitalistic concerns tolerate and to a certain extent approve of fascism because it suppresses the workers and aids them in competing with the small capitalists.

The fascists claim that they have introduced order into the economic world. In so far as they have done so, it has been

[1] G. Salvemini, "Land Reclamation and Fascism," in *Italy Today*, London, May-June, 1932, pp. 19 and 29. In this paper Professor Salvemini has given a detailed account of the "bonifica integrale."

[2] The organ of the Concentrazione Antifascista, *La Libertà* of Paris, often publishes reports of riots and other outbreaks both among industrial and among agricultural workers which are usually not reported in the domestic Italian press.

by means of suppression of the workers and the use of military measures in the political as well as the economic world. It is an order which is maintained by force and does not arise out of the system itself. The fascists rightly accuse "liberal" capitalism of being individualistic, disorderly, and anarchic. As Spirito has expressed it: "In an individualistic régime every productive establishment formulates its own program exclusively on the basis of a prevision of the market prices determined by free competition. . . . The economic system then becomes in part always increasingly fortuitous and casual and the errors of prevision always greater, until it compromizes every line of development so as to make the crisis general and inevitable." After reviewing and condemning communism as a remedy, he goes on to say: "In integral corporativism, finally, the materialistically communistic ideal is spiritualized through the concept of hierarchy (*gerarchia*), and the logical value of the unity of the state is enriched with all the dynamism of individual initiative."[1]

Whatever Spirito's last incoherent statement may mean, it is certain that fascism has failed to prevent the major disorder of capitalism, namely, the business cycle and its recurring periods of depression. As we have seen, fascism has occasioned if not caused a more or less chronic state of depression of its own. In 1929-30 it was overtaken by the worldwide depression. In a speech delivered in October, 1930, Mussolini prophesied that this depression would terminate in 1932. His prophesy not being fulfilled, in 1932 he raised the question as to whether this is a crisis of the capitalistic system or in it. In his speech to the council of guilds in November, 1933, he replied to his question as follows: "This is a crisis of the capitalistic system in its universal sense, but for us there is a special crisis which affects us in particular as Italians and Europeans." He goes

[1] Ugo Spirito, "L'Economia Programmatica Corporativa," in *Il Lavoro Fascista*, Rome, October 11 and 12, 1933.

on to say that "now we are burying economic liberalism. . . . That is why the corporative economy is emerging at a given historical moment, namely, when the two concomitant phenomena of capitalism and of socialism have already given all that they can give." The implication seems to be that capitalism in the strict sense of the term is disappearing. And yet in 1926 Mussolini had declared to the senate that capitalism "has henceforth several centuries of existence . . . , so much so that where it has been abolished, also physically, it returns." The latter reference was to Soviet Russia, and subsequent events have completely disproved his assertion because Russia is much less capitalistic today than it was in 1926.

In his speech of November, 1933, Mussolini hopefully declared that "without a doubt, at the end of the general crisis of capitalism, the corporative solution will impose itself everywhere." In order not to alarm the capitalists he distinguished between the bourgeoisie and capitalism. "It is not necessary to confuse capitalism with the bourgeoisie. The latter is another thing. The bourgeoisie is a mode of existence which can be great and small, heroic and philistine." And in his speech to the senate on January 13, 1934, he declared that "corporative economy respects private enterprize."[1] His alleged distinction between capitalism and the bourgeoisie is patent nonsense because the bourgeoisie always has been and is identified with capitalism.

Notwithstanding Mussolini's false prophecies, rash miscalculations, inconsistent generalizations, banal play with words, misstatements of fact, reckless assertions, and bombastic declarations, Italy suffers from the general as well as the fascist depression. The reason is obvious. The worldwide depression

[1] In an interview with a French journalist in 1933 Mussolini reiterated his implacable hatred of socialism. "With regard to this dangerous thing, socialism, only one position can be taken, namely, to destroy it. . . . More than ever, I hate bolshevism. Spiritually, it constitutes the greatest danger which can menace our civilization." (Henri Massis, in *Le Matin*, Paris, November 1, 1933.)

curtails its market abroad, while the decline in the purchasing power of its own people diminishes its home market. This is inevitable in any capitalistic country. Soviet Russia alone, as the only socialistic country, has escaped from the worldwide depression.

The fascist government has fully recognized by its actions that Italy is affected by the general depression as much as other capitalistic countries. On April 14, 1934, the council of ministers decreed extensive reductions in wages and salaries and also in the cost of living in order to enable Italy to compete in the foreign market with other nations. Rents were lowered 12 per cent, the salaries of government employees were reduced 6 to 12 per cent, and the corporative organizations were ordered to reduce wages and salaries in industry, agriculture, commerce, etc., in similar fashion. The cabinet explained its purpose as follows: "The reduction of salaries is essential for diminishing and equilibrating costs. Carrying the burden of production lower, one renders easier the defense and possible development of export; the circulation of money can be curtailed considerably; one offers conditions of life conducive to recalling the tourists who constitute an important factor in the prosperity of the country." The cabinet asserted that the decrease in the cost of living during the past few years justified this reduction. Whether or not the real incomes of the workers will be diminished, as on past occasions when the fascists have regulated wages, is uncertain at the present time of writing.

While the fascists denounce "liberal" democracy and have destroyed political democracy completely, they sometimes claim that in the corporative system they have created a new form of democracy in that it represents all the economic classes. We have seen that this claim is utterly false because the workers are not represented at all, and the corporative system is in truth an oligarchical and dictatorial rule in the interests

of the big capitalists. The fascists have, however, somewhat encouraged the cooperative movement which is in appearance at least a democratic movement. Mussolini once declared that it is a "noteworthy movement not only because of its economic but also and above all because of its moral and social importance."[1] It is highly probable that its chief significance for the fascists is political. In October, 1933, an official of the cooperative federation of the province of Milan said to me that "Mussolini favors cooperation because it brings fascism close to the people." This official asserted that cooperation is a form of private enterprize, but that the big capitalists are naturally opposed to it. The reason is that it deprives them of some of their profits. In every capitalistic country the cooperative movement is primarily a petty bourgeois movement by means of which the lower middle class and some of the workers endeavor to conserve some of the profits for themselves. It seems likely that in fascist Italy it is intended as a sop to the petty bourgeoisie who are otherwise exploited in the interests of the big capitalists. It plays but a small part in the economic life of the nation. In 1929 the retail sales of the cooperative societies amounted to only 3 per cent of the total retail sales of the country. It is democratic mainly in appearance. The cooperative movement is controlled by the "Ente Nazionale Fascista della Cooperazione" which was created by the decrees of March 2 and August 28, 1931. Like all the other units of the corporative system it is dominated by the ministry of guilds. The government aids the movement by extending credit to it but also strengthens its control over it thereby.

We have seen that, as Mussolini asserts, "corporative economy respects private enterprize," and that, as the Charter of Labor expresses it, "State intervention in economic production arises only when private initiative is lacking or is inadequate

[1] Quoted in U. Gobbi, *La Cooperazione*, Milan, 1932.

or when political interests of the state are involved." In spite of this insistence upon the conservation of an inviolate private enterprize, there are suggestions of a certain amount of planning. An economist who is said to have much influence on the duce at present, Ugo Spirito, writes of an "economia programmatica corporativo" which, he alleges, will prevent unemployment, and will eliminate the trade cycle with its crises. "Understood in this profoundly spiritual sense the programmatic economy will overcome all the antinomies of the old science and of the old political economy. Of science because it furnishes a method of avoiding the contradictions in which the economists lose themselves. . . . Of political economy because it permits of a continuous and not fragmentary activity with the clearness and the certainty of the end to be attained without the abandonments and empirical corrections of an occasional intervention."[1]

In his speech at the quinquennial assembly of the fascist party in Rome on March 18, 1934, Mussolini declared that fascism will "deal with the conflict between man and machines" and that "they will in turn be tamed by the corporative state which will again render them useful instruments of prosperity and progress instead of instruments of human poverty and suffering." How it will attain this desirable end, he does not explain. There is nothing in the corporative economy which can render this feasible. He also announced a sixty-year plan which far surpasses in time, but not in content, any plan which the bolshevists have announced up to date.

For a planned economy the corporative state is no better adapted than any other capitalistic system, because it contains the inherent and fundamental contradiction between private enterprize and socialized planning. Consequently, Professor Spirito's "programmatic" corporativism is mostly illusory. In

[1] Ugo Sprito, *op. cit.* See also his *I Fondamenti della Economia Corporativa*, Milan, 1932.

the above-mentioned speech, Mussolini described in boastful language his grandiose sixty-year plan. "In this age of plans," he declared, "I want to lay before you a plan not for five or ten years but for sixty years, carrying on to the twenty-first century, at which time Italy will possess the primacy [*sic*] of the world." He asserted that Italy will expand externally to the east and south in Asia and Africa. This is no different from the imperialism of other capitalistic countries. He declared that internally the immediate purposes are the completion of swamp reclamation by 1940, the construction of new aqueducts and highways, plans to reconstruct municipalities, the rebuilding of 500,000 and repairing of 930,000 rural houses which will take thirty years. All this is similar to the public works carried on by other capitalistic governments.

The foregoing description indicates conclusively that the corporative state is largely a myth. It is an almost empty shell with little significance and vitality. The high-sounding phrases of the Charter of Labor are vague and mostly empty words. The same is true of many of the utterances of the fascist leaders, from Mussolini downwards, as numerous quotations have amply demonstrated. In fact, there is little to corporativism apart from words. Nor can it be said that this is solely because fascism is in an experimental stage. For more than a dozen years the fascists have had an almost unlimited power. If they possessed sound and fruitful theories, they would by this time have produced at least the foundations and the outlines of a new economic system and of a new political state. In a no longer period of peace and of undisturbed control the bolshevists have gone much farther towards attaining such ends on the basis of their own far-reaching theories.

And yet it would be unwise to under-estimate the significance of fascism. As many of its critics assert, it may be the last and dying phase of capitalism which will destroy itself in nationalistic and imperialistic wars. It is certain that, owing

largely to the grave economic depression the world over, a vast number in many countries are looking to fascism as the best way out. Hence it behooves mankind to consider carefully whether its career and its record in Italy, where it is most highly evolved, justify its adoption elsewhere.

Fascism may be called monopolistic capitalism in at least two senses. In the first place, by subjugating the workers completely it prevents them from uniting for action and from bargaining collectively. Thus capitalism acquires a monopoly of power in the economic field, whereas under liberal capitalism and with some measure of political democracy the workers have at least the chance to fight and to try to defend their own interests.

Fascism is also a form of monopolistic capitalism in a narrower sense in that it promotes the interests of the big at the expense of the little capitalists. This is to be expected because the big capitalists have much better facilities and much greater resources for influencing the governmental agencies and can make them in large part their creatures and their tools. The same takes place to a considerable extent under liberal capitalism as well. But in the liberal-democratic state the petty bourgeoisie can at least make use of political action. Their votes count for something, and they can form parties which make their weight felt. At times when their interests happen to coincide with those of the workers they can and do cooperate against the big capitalists. In an autocratic, oligarchical, and bureaucratic state, on the contrary, where votes are nonexistent or have no significance, there is nothing to counteract the preponderating influence of the large capitalistic interests. The only recourse left to the victims of these interests is violent and bloody revolution.

Part III

NATIONAL SOCIALISM AND RACIALISM

GERMANY

Chapter XIX

RACIALISM AS A POLITICAL THEORY

In the summer of 1933 I was riding in an inter-urban tramcar in Westphalia. Looking down into an adjoining valley I saw painted in large letters on the roof of a barn: "Die Juden sind unser Unglueck. Hitler unser Retter! Liste 卐 1." ("The Jews are our misfortune. Hitler is our savior." List 1 was the national socialist list in the election of March, 1933.)

In 1933 Germany paid Italy the, in this instance, dubious compliment of imitation. As I shall show in the following chapter, national socialism is a close variant of fascism. But the German national socialists have injected into their creed racialism as a political principle which has played only a small part in the program of the Italian fascists. Inasmuch as this racialism is a cardinal feature of the nazi program and runs like a dark thread throughout their policies, I shall devote this chapter to a description of this principle and its applications.

/ At the trial of nazis in Leipzig in September, 1930, Hitler made the following declaration: "When we come into power, Jewish, social-democratic, and communist heads will roll in the dust." In his book entitled *The Myth of the Twentieth Century*, the head of the department of foreign affairs of the party, Dr. Alfred Rosenberg, wrote as follows: "On every telegraph pole from Munich to Berlin, the head of a prominent Jew must be stuck." On March 15, 1931, was issued from the headquarters of the party in Munich the following instruction: "The natural hostility of the peasant toward the Jews must be whipped into a frenzy." All this sounds like group

paranoia. With these and many other incitements to murder it is not surprizing that the nazi régime has been blackened by numerous atrocities against the Jews. And yet in Hamburg the head of the division of the party for Germans in foreign countries greeted me with the sarcastic question: "Have you seen streets flowing with Jewish blood?" In Dr. Rosenberg's office in Berlin it was alleged to me that the foreign press had maliciously maligned the nazis with its atrocity tales.

The fourth paragraph of the program of the national socialist party reads as follows: "Only a fellow countryman (Volksgenosse) can be a citizen. A fellow countryman must be of German blood without regard to religious faith. No Jew can therefore be a fellow countryman."[1] This statement assumes the existence of a German race as a biological entity and takes it as a basis for citizenship. In no other Occidental country in modern times have citizenship and nationality been restricted within so narrow a racial limitation. In answer to the question as to what is the nation, the fascist catechism replies: "More than fifty millions of Italians who have the same languages, the same customs, the same blood (*sangue*), the same destiny, the same interests: a moral, political, and economic unity that is integrally realized in the fascist state."[2] Though the "same blood" is mentioned, a cultural rather than a biological unity is emphasized. There has been as yet no fascist racial legislation, and fascism has so far displayed no antisemitic tendencies.[3] The nazi régime has indulged in much racial and antisemitic legislation.

[1] Gottfried Feder, *Das Programm der nationalsozialistischen deutschen Arbeiterpartei und seine weltanschaulichen Grundgedanken*, Berlin, 1933, p. 19.

[2] *La Dottrina Fascista*, Libreria del Littorio, Rome, 1929, p. 23.

[3] In March, 1934, several Jews were arrested in Turin on the ground that they had opposed the parliamentary election and also as reprisals because a young Jewish anti-fascist had escaped over the Swiss frontier. On April 7, 1934, *Il Tevere* of Rome, one of the most rabid of fascist newspapers, criticized the Lloyd-Triestino line for giving the name "Tel-Aviv" to one of its ships sailing between Trieste and Palestine.

The belief in nordic or so-called "aryan" race superiority and antisemitism were widespread in Germany long before the nazi régime. During a residence of three years in Germany and several lengthy visits, I heard many expressions of these beliefs and prejudices. As a Gentile of nordic descent the Germans did not hesitate to speak frankly in my presence. Comically enough, these expressions often came from Germans who were obviously not of nordic descent but were inflated with pride at their alleged "aryanism."[1]

The belief in racial superiority is at least as old as human history and probably goes far back into prehistoric times. Many primitive peoples have called themselves by the generic name "men" or an analogous term, thus distinguishing themselves from other groups as the only beings of human rank. The Jews divided mankind into themselves and Gentiles. The Greeks and the Romans called all outsiders "barbarians." At the height of their power the Chinese looked with contempt upon the rest of the world. When George III sent Lord Macartney in 1792 to negotiate a commercial treaty, and demanded treatment as an equal, the Emperor Chien Lung dispatched the following arrogant message to the English monarch: "It behooves you, O King, to respect our wishes and by perpetual submission to our Throne in the future to bring prosperity and peace to your people. Tremble and obey." Occidental nations have repaid this attitude with interest by the contempt which they have shown for the Oriental peoples. Generally speaking, the white peoples have regarded themselves as much superior, morally as well as intellectually, to the darker-colored races. As the raucously imperialistic poet, Rudyard Kipling, has vulgarly and insultingly expressed it:

It remains to be seen whether antisemitism is developing spontaneously out of fascism or as a result of nazi influence.

[1] Even among the nazi leaders, Hitler is an Austrian of Alpine race, Rosenberg is a brunette from the Baltic provinces, and Goebbels is a diminutive brunette of uncertain origin.

Ship me somewheres east of Suez where the best is like the worst,
Where there ain't no Ten Commandments, an' a man can raise a thirst.

There are at least two psychological reasons for race prejudice. Whatever is different and unaccustomed is likely to be looked upon with distrust if not with dislike. The assumption of racial superiority is flattering to the self-esteem of nations as well as individuals. Some of the sociologists have emphasized group loyalty and like-mindedness as factors for social cohesion.[1] These traits may and usually do arise in part out of a feeling of racial unity. This feeling is not necessarily correlated with contempt and dislike for other races, but for the psychological reasons mentioned above they are likely to accompany it.

The rise of large states and nations has created social groups including several races or racial varieties. The Roman Empire extended its citizenship to all the races within its vast area provided the individual members of these races fulfilled the necessary requirements. The universal religions, such as Christianity, Islam, and Buddhism, have recognized the unity of mankind, at least in so far as religion is concerned. The French Revolution emphasized the equality of mankind. For several centuries at least in European countries no crucial distinctions on racial grounds have been made, and the essential unity of the white race has been recognized. National feeling and consciousness for a time superseded consciousness of the minor differences between the varieties of the white race. The rise of race prejudice within the white race itself is due to an exacerbation and narrowing of national consciousness and is decidedly anachronistic.

About the year 1853 a French noble, Count de Gobineau, published his *Essai sur l'Inégalité des Races Humaines* in which

[1] For example, the "consciousness of kind" of F. H. Giddings, the "we-feeling" of C. H. Cooley, and the "syngenism" of L. Gumplowicz. The last one in particular suggests an attitude of dislike and hostility towards other races and peoples.

he asserted the superiority of the nordic race, or rather variety of the white race. Gobineau was possessed with an aristocratic hatred for democracy which was enhanced by the revolution of 1848. As many of the aristocratic families of northern France are of Germanic origin, while the French population is predominantly Alpine or Celtic and Mediterranean in its racial origins, his theory seemed to furnish a biological justification for aristocratic dominance. His ideas were circulated in the southern part of the United States to justify negro slavery.

Later works by the Frenchman, Vacher de Lapouge, and the German, Otto Ammon, presented similar ideas. About the year 1890 the renegade Englishman, Houston Stewart Chamberlain, published his book entitled *Die Grundlagen des neunzehnten Jahrhunderts* which furnished in large part the ideological basis for the Pan-Germanic movement and which embodied the notion of nordic superiority. All these works were flattering to German self-esteem even though a considerable part of the German population is not nordic. But this alone is hardly sufficient to explain the great influence this theory has had in Germany as compared with the Scandinavian countries, where there is a larger proportion of nordics, and Great Britain and the United States in which countries the percentage of nordics is perhaps as high as in Germany.

The unification of Germany as a single powerful nation came rather late in modern European history. Germany did not secure the colonies and the position in international trade to which the Germans thought they were entitled. This gave rise, on the one hand, to a feeling of inferiority, and, on the other hand, to an aggressive attitude which was due primarily to the desire to secure Germany's "place in the sun" but may also have been strengthened by the feeling of inferiority. All this played its part in bringing about the European War. I was in Berlin in 1914 at the commencement of the war, and often heard the expression, "Feinde ringsum," or "surrounded

by enemies," which was usually uttered with a sort of melancholic pride. It implied that Germany was surrounded on all sides by enemies and more or less effectually isolated from the rest of the world. As more and more nations declared war against Germany, there were many indications of the hurt surprize and indignation of the Germans. It strengthened their belief that the war was due to an infamous conspiracy against them. Their indignation was increased by what they called the "hunger" blockade. During the first few months following the armistice I visited Germany three times and observed that almost without exception the defeat of Germany and its allies was attributed to the blockade. This opinion doubtless arose in part out of a more or less subconscious desire to retain a belief in the supremacy of German military prowess and to explain defeat in a manner not derogatory to national self-esteem.[1]

In 1919 the peace treaty, generally known in Germany as the "Diktat von Versailles," and in 1923 the occupation of the Ruhr by the French, exacerbated this self-pity and feeling of national martyrdom. The belief in racial superiority was very acceptable as a balm for hurt pride and as a stimulus to national vanity. This explains at least in part why the theory of nordic superiority, however fallacious it may be, has been so much more influential in Germany than in any other country.

The antisemitism which had long been prevalent in Germany also plays an influential rôle in this connection. Antisemitism can be explained in part on historical grounds. During the middle ages the church forbade the taking of interest as being usury. The Hebrew religion did not impose this restriction. As the Jews were often limited to the pale within the cities and were excluded not only from agricultural but also certain urban occupations, many of them became money-

[1] Maurice Parmelee, *Blockade and Sea Power*, New York, 1924.

lenders. They were often useful to kings, princes, prelates, nobles, and other potentates, who wished to carry on wars and other feudal and ecclesiastical enterprizes, as well as to business men in need of liquid funds. Consequently, the Jews were well prepared to play an important part in the development of capitalism because they had large funds at their disposal with which to finance capitalistic enterprizes. They became to a considerable extent the bankers and financiers of modern capitalism and to a certain extent the owners of industrial but especially of commercial enterprizes.

A German writer has suggested that commercial exchange is impersonal in its character and more readily carried on between persons who are relatively strangers to each other than between persons who are more intimately connected. He argued that immigrants and Jews, in other words, persons somewhat alien to the local population, have been the most suitable exponents of the spirit of capitalism.[1] However this may be, the Jews acquired the reputation in many countries of being money-lenders and usurers. They have been accused also of working together too much and of over-reaching themselves. In Germany they were particularly prosperous and acquired the ownership of many banks, large department stores, and the like. Their material prosperity enabled them to play an important part in cultural activities as well. Many of them entered the professions, such as medicine and law, and they have contributed largely to science, literature, and art. The German Jews probably formed the best-educated and most-cultured Jewry in the world. They were more assimilated with the native population than in most countries. Their strong

[1] "Der *Tauschpartner ist ihm* nicht ein Mitmensch, ein Mitbuerger, ein Mitglied der Gemeinschaft, ein Produktionskamerad, sondern ein *Fremder,* dem man unter Ausschaltung aller menschlichen Bindungen lediglich geschaeftlich-objectiv gegenuebertritt. (Daher waren die Fremden—Emigranten, Juden—stets hervorragende Traeger kapitalistischen Geistes.)" (Heinrich Hardensett, *Der kapitalistische und der technische Mensch,* Munich, 1932, p. 25.)

Semitic family traditions and distinctive religious beliefs and practices did not make of them a more or less alien enclave to the same degree as in many other countries. The similarity between the German and Yiddish languages aided their assimilation and cultural achievements.

The success of the German Jews brought its own nemesis. It aroused a jealous envy which has reacted most disastrously upon them. Their financial power has given rise to much resentment, especially because the Jewish bankers had extensive international connections, thus making them suspect to all staunch and patriotic nationalists. They doubtless used their power to squeeze all they could out of their debtors. In this regard they did not differ from their Gentile brethren. This is a capitalistic trait and not peculiar to any one race. Long experience had increased their predatory skill in finance and commerce, and the position of aliens which was in part imposed upon them probably accentuated their ruthlessness over that of the Gentile business men. Their prominence in the professions, literature, science, and the arts also gave rise to envious hostility.

This hostility created a favorable situation for making the Jew the scapegoat, or one of the scapegoats, for Germany's ills. Hitler and his followers capitalized and exploited these prejudices with great energy. From the outset of their campaign the nazis have been virulent Jew-baiters. Their principal epithets have been directed against the "Diktat von Versailles" and the "pitiless international Jew."[1] They attribute the bad economic conditions almost exclusively to these two factors, in spite of the fact that Great Britain and the United States are in as bad a case. And yet the latter countries have had no treaty of peace imposed upon them and are not suffer-

[1] "Now the pitiless international Jew is fighting for control of the nations." (Adolf Hitler, *My Battle*, Boston, 1933, p. 279.)

This is a condensed translation of Hitler's *Mein Kampf* which was first published about the year 1924.

ing, so far as they have yet discovered, from the nefarious activities of the Jews. The common cause for the economic misery of these three highly industrialized countries is the maladjustment of an obsolete economico-political system to the new technique of production. As we shall see in the following chapters, the nazis are not doing and do not propose to do anything whatsoever to remove this fundamental cause and to create a new economico-political system which is adjusted to the new productive technique and competent to distribute its products.

With regard to the truth or falsity of the nazi racialistic theories the following may be said. While the major races, namely, the white, yellow, and black, can be distinguished as racial types, and varieties within each race distinguished with less assurance, there is no nation or people which belongs exclusively to one racial variety or even to one racial type. In this sense there is no "pure" race, and every people is more or less racially mixed and hybrid. The European peoples are almost entirely white, but each one of them is a mixture of racial varieties. This is as true of Germany as of most of the other European nations. Probably less than half of the German population is nordic, a large part of the remainder being of Alpine stock. Central and southern Germany resemble central France racially more than northern Germany. The Jews belong to the white race and through long residence in Europe have become much intermingled with the European population.

There is no conclusive evidence of racial superiority as between the major races. Even if such superiority were demonstrated, it would not necessarily be true as between the varieties within one race.[1] The narrower the racial line is drawn the smaller are the divergences from the norm.

There is no evidence of a necessary correlation between a

[1] The hypothesis of racial superiority is criticized by an American ethnologist in the following book: Paul Radin, *The Racial Myth*, New York, 1934.

certain race and a certain type of culture. All the available data indicate that geographical, economic, political, and social factors have been much more potent than race in cultural evolution.

In any case, the question of race is not necessarily the decisive consideration in determining political and social status. The modern tendency has been to judge the individual on his own merits regardless of the family or race to which he belongs. Even if racial differences of ability exist, they would manifest themselves automatically in a tendency for each race to become segregated in the functional activities for which it is best fitted. This would not mean that any individual should be barred from any activity for which he could prove himself capable. By introducing race as a criterion of political and social status the nazis are repudiating the modern principle of recognizing, judging, and rewarding the individual on the basis of his own traits and not by what his biological antecedents and relationships happen to be.

In order to secure a statement on these questions from a representative and authoritative German anthropologist, in the summer of 1933 I sought an interview with Professor Eugen Fischer, the director of the leading German anthropological institute, the Institut fuer Anthropologie at Berlin-Dahlem. In the spring of 1933 Professor Fischer was appointed the Rektor or president of the University of Berlin, which is the highest academic post in Germany.[1] I was informed that he had departed on a vacation, but an interview was arranged for me with one of his colleagues, the head of one of the divisions of the institute. In response to my questions this anthropologist made the following statements. (1) The nordic race is superior to all other races. (2) The nordic

[1] I learned that in anti-nazi circles Professor Fischer is known as the "Konjunktur-Rektor," the implication being that he has trimmed his sails to the dominant political winds. It must be remembered, however, that scientists are in a difficult position when the rulers demand theories of a certain political color.

race created the largest part of Occidental culture. (3) Not all German anthropologists agree with Professor Hans Guenther of the University of Jena that by artificial selection for breeding the Alpine and Mediterranean stocks can be eliminated from the German population. (4) The Jews are racially unfitted to participate in German culture, and must therefore be entirely separated from it.

If these opinions are representative, German anthropologists differ radically from the consensus of opinion among anthropologists outside of Germany. The second assertion is in part based upon a not well-authenticated theory that Greece was colonized by Teutonic tribes prior to the efflorescence of Greek culture. Professor Guenther is the most extreme exponent of these anthropological hypotheses and therefore the principal scientific supporter of the nazi racialistic theories.

Hitler has defined the purpose of a state as follows: "The state as such does not create a definite cultural standard; it can merely include the race which decides it. . . . The chief aim to be pursued by a national state is conservation of the ancient racial elements, which, by disseminated culture, create the beauty and dignity of a higher humanity."[1] This implies an almost complete identification of race with culture which is contrary to all the available data. In furtherance of this purpose, paragraph 8 of the program of the nazi party makes the following demand: "The immigration of non-Germans should be prohibited. We demand that all non-Germans who have immigrated into Germany since August 2, 1914, should be forced to leave the country at once."

The author of the program, Gottfried Feder, comments upon this paragraph as follows: "Germany should be the home of the Germans, not of Jews, Russians (communists), social democrats who know no fatherland called Germany, nor of all other kinds of foreigners who dwell upon German

[1] A. Hitler, *op. cit.*, p. 159.

soil for a longer or shorter time." This is a strange mixing together of racial, national, and political groups. More specifically he demands "the removal of the Jews and all non-Germans from responsible positions in public life," and "prohibition of immigration of Jews from the east and of other parasitic foreigners." He asserts that "antisemitism is, as it were, the emotional basis of our movement. Every national socialist is an antisemite, but not every antisemite will become a national socialist."[1]

In August, 1933, the *Reichsgesetzblatt*, or government legal journal, published a decree concerning the racial antecedents of public officials whose first two paragraphs read as follows:

1. A non-aryan is a person who has descended from non-aryan, especially Jewish, parents or grandparents. It suffices if one parent or grandparent is non-aryan. This is especially to be assumed if one parent or grandparent belonged to the Jewish religion.

2. Whoever is appointed as a government official must prove that he and his spouse are of aryan descent. Every government official who is about to marry must prove that the person whom he is to marry is of aryan descent.

The word "aryan" is of significance principally in linguistics as another name for the Indo-European family of languages. It is too vague and ill-defined to be of value with regard to race. Nevertheless the nazis use it continually as a racial term. They exclude from it, to begin with, all peoples not of the white race and the Jews who are of the white race and whose language is Indo-European, that is to say, aryan.[2] They exclude also all of the darker-complexioned whites outside of Europe, such as the Semitic peoples in addition to the Jews, the Egyptians, the Berbers of northern Africa, the peoples of

[1] G. Feder, *op. cit.*, pp. 30, 35, 41.

[2] "The Indo-Germanic or aryan peoples do not include, for instance, the negroid race which is hardly represented in Germany and, above all, not the Jews, who now constitute 1.5 per cent of the total population of Germany." (From a speech by Minister of the Interior Dr. W. Frick, February 15, 1934.)

northern India who are predominantly of the white race, and many other peoples, possibly including the darker inhabitants of southern Europe. Inasmuch as a large part of the German population is non-nordic they cannot very well narrow it down to the nordics alone.

In September, 1933, the Prussian minister of justice, Kerrl, published a project for a new penal code, containing a chapter on the defense of the family and the race, which declared null and void all marriages between aryans and non-aryans and penalized such marriages. This would be artificial selection by negative measures of a very drastic sort. Such laws have not as yet been put into effect. Aryans married to non-aryans were given six months in which to have their marriages annulled. After that period they were required to seek divorces if they wished to be separated from their non-aryan spouses. In March, 1934, the Prussian ministry of justice issued an order that aryans who married non-aryans after the nazi revolution could not secure divorces because they "placed themselves in conscious opposition to public opinion and must bear the consequences of their acts." The order also stated that "the interests of the state will be well enough served, apart from the avoidance of such alliances, if the partners to mixed marriages develop enough race consciousness to justify the hope that they may find their way back to their own people." For the present the indirect pressure of discriminations against the Jews and other non-aryans is being used to discourage marriages with them.

The nazi party has gone much farther than the government in purging itself of non-aryan elements. In April, 1934, the supreme court of the party issued an order that all members must submit evidence of pure aryan ancestry as far back as January 1, 1800. The order also excludes from the party aryans who are married to non-aryans. It states that "the continuation of marriages with bearers of colored or Jewish blood is incom-

patible with the aims of the national socialist party, and persons living in such unions cannot be members thereof."

In November, 1933, was issued a decree retroactive in effect prohibiting the adoption of Jewish children by aryans and of aryan children by Jews. In the same month the Prussian ministry of public instruction withdrew the doctor's degree given by a Prussian university from all persons who had been deprived of German citizenship, and a decree was issued nullifying all contracts between Jewish authors and German publishers.

In March, 1934, a decree was promulgated dismissing all non-aryans from the army and navy who had hitherto been exempted. The only exceptions after May 31, 1934, were of officers who were in the army or navy prior to August, 1914, or who fought in the war, or whose parents or sons were killed in the war.

The Jews are gradually being driven from the professions partly by prohibitory legislation and partly by discriminations and propaganda against them. Some of the Jewish lawyers have been disbarred. Those who are still members of the bar have lost most of their clients. On August 8, 1933, was issued a decree that Gentiles cannot be represented in court by Jews. The Jews themselves are afraid to be represented by Jewish lawyers because they are not likely to secure justice unless they employ nazi lawyers.

In similar fashion the Jews are being driven from the medical and other professions. An official league of artists has been formed to coordinate the artistic professions which is purging the theater, concert hall, etc., of non-aryan artists. A similar league of journalists has been especially drastic in purging the press of non-aryan elements.

In the spring of 1933 and again in the spring of 1934 was conducted an unofficial drive against Jewish business in order to induce the Germans to boycott Jewish shops, and the like.

But the Jews have been guaranteed the right and freedom to carry on their own business enterprizes. They cannot be eliminated from the economic field without confiscating their property. This would be a serious violation of the right of private property. The nazis are strong supporters of the capitalistic system and could not very well commit this violation. Their labor code, which will be described in the following chapter, designates the owner of a business as the "leader of his workers." Not only non-aryans but women and foreigners have been recognized as leaders. To bar an owner from this function is likely to destroy an enterprize, thus disturbing business conditions and increasing unemployment. Furthermore, he cannot be held responsible for the welfare of his workers.

The more ardent nazis are unwilling to accept any kind of Jewish leadership. With the logic of consistency they assert that it is a denial of their racialistic principles. In March, 1934, *Der Deutsche,* the organ of the leader of the nazi labor front, published the following declaration: "The might of Pan-Judaism is broken. The Jew is no German. The alien and homeless Jew can never be a leader of German men. We cannot imagine our national socialist comrades swearing loyalty to a Jewish employer. We did not fight fifteen years for the soul of the German worker to present to him a Jew as a leader." This is an anomalous situation which will have to be solved by going farther either to the right or to the left.

In November, 1933, was issued a project of a law to regulate the status of the Jews. It deprives them of all rights of citizenship, such as the suffrage, holding public office, etc. Their civic rights are the same as those of foreigners residing in Germany. No restrictions upon their activities in commerce, industry, and agriculture are imposed. A limited number of Jews are admitted to the professions. Jewish children are admitted without restriction to the lower schools, but only in limited numbers to the higher schools and universities.

In the meantime, while awaiting the definitive establishment of the status of the Jews, the antisemitic agitation has caused harmful results for Germany. It has given rise to a widespread boycott of German products. Nearly 100,000 Jews have been driven or have fled from Germany and have created a serious refugee problem in several other countries where it is difficult for them to secure employment. The League of Nations is concerned because it is expected to protect the rights of national minorities. The persecution of the Jews has injured the reputation of Germany the world over.

According to the census of 1925 there were 564,379 Jews in Germany, or 0.9 per cent of the total population. The nazis assert that to this number should be added the baptized Jews, the irreligious Jews, and the hybrids. They claim that this would make about 900,000 Jews. In the world at large there are probably not more than 15,000,000 Jews. So that antisemitism, however reprehensible it may be, directly affects a comparatively small number.

The nazi doctrine of nordic superiority as a political principle affects directly the whole of mankind. It is certain to arouse a vast amount of resentment and opposition and may disturb international relations considerably. Any attempt to base civic rights upon narrow racial distinctions is a retrograde step in political evolution.

Nationalism is always likely to be accompanied by racialism, especially when the former assumes an extreme form. Then racialism emphasizes and accentuates nationalism and furnishes an additional motive for national cohesion and exclusiveness. Nationalism is instigated to a high degree in times of danger and crisis, such as war and economic depression. Fascism, though extremely nationalistic, has so far encouraged little racialism of the narrow and specialized sort, such as antisemitism. This is mainly because it came into power during a period of capitalistic prosperity and because

there are very few Italian Jews. Italy was a victor in the war and needed no scapegoat, and as a comparatively little industrialized country has not suffered from the economic depression in so acute a form. Germany was defeated in the war, had heavy conditions of peace imposed upon it, and as a highly industrialized country has suffered from the economic depression in its most acute form. Nazi nationalism and racialism differ not so much in kind as in degree from pre-war nationalistic and racialistic movements, such as Pan-Germanism and Pan-Slavism.

Chapter XX

THE TOTALITARIAN STATE

In a speech to the Reichstatthalter or provincial governors, on July 6, 1933, Chancellor Hitler declared that "we must now eliminate the last remnants of democracy, especially the methods of voting and of decision by majority, . . . in order that the responsibility of the individual shall be given its proper value everywhere." Whatever the last ambiguous phrase may mean, this declaration breathes the profound hatred of the nazis for democracy. Later in his speech Hitler asserted that "the party has now become the state. All power resides in the authority of the nation. It must be prevented that the weight of German life is again misplaced in separate spheres or organizations. There is no more authority in a part of the nation, but only in the German conception of the people (*Volksbegriff*) as a whole."

The nazi principle of coordination and of regimentation is graphically expressed by the term "Gleichschaltung" which is borrowed from the terminology applying to electricity and means "putting in a like circuit." In other words, it signifies subjecting every individual to the same rigid and immutable order. A still more drastic expression for the same idea is "Totalisierung." When a whole people marches in the goose-step at the command of the Fuehrer or leader, it will be completely "gleichgeschaltet" and "totalisiert," and the nazi ideal will be attained.

The nazi party was organized in Bavaria in 1919 under the name "Deutsche Arbeiter-Partei" or German workers' party. Later it became the "Deutsche Nationalsozialistische

Arbeiter-Partei" or German national socialist workers' party. At a meeting in Munich on February 25, 1920, was adopted its program which has not been modified in its essential features. On May 22, 1926, it was decided that "this program is unchangeable," by which it was meant that its basis and fundamental principles are immutable, though modifications as to details might be made.

The party was organized originally to oppose the communists who maintained a soviet republic in Bavaria for a brief period after the war. It continued as an extremely chauvinistic party appealing more particularly to the lower middle class and the peasants. For the first few years of its existence it was small and had little influence. Political and economic conditions in Germany favored its ultimate success. Immediately after the war the social democrats had an excellent opportunity to establish a republic along social democratic lines. But their leaders were too conservative or too fearful and played into the hands of the capitalists. Many small parties arose in the Reichstag so that no one party was strong enough to form a government. One coalition government followed another. Several of these governments were formed by the Centrum or Catholic party with a Catholic as chancellor. As the Catholics are in a minority in Germany, their party was not as nationalistic as the Protestant conservative parties. Its policies were slightly tinged with Christian socialistic ideas. It stood somewhere between the parties of the right and those of the left and often held the balance of power.

The currency inflation during the first few years after the war stimulated Germany's foreign trade by increasing its exports, and caused a brief period of factitious prosperity. The stabilization of the mark in 1924 and the heavy war indemnities destroyed this foreign trade in large part. Unemployment increased rapidly. The onset of the worldwide depression in 1929 and 1930 made economic conditions much worse. In the

meantime the communist party was increasing in numbers and strength, and the possibility of a revolution was increasing.

This situation was very alarming to the German capitalistic interests. Some of the big capitalists gave financial support to Hitler and his colleagues. Otherwise the nazis could not have carried on a long and expensive campaign.[1] As we have seen, Jew-baiting played a prominent part in this campaign. The so-called "Diktat von Versailles" also played an important part. While the treaty of Versailles deserves severe criticism, it was at no time a major cause of the economic misery in Germany. The inflation policy of the German government from 1918 to 1923 laid the basis for many of the difficulties which followed. During this period Germany was in part sold out at a low figure to foreign countries. This situation was probably due more to the inflation than to the reparations demanded by the Entente Allies. But the nazis persuaded many Germans that the Jews and their erstwhile foreign enemies were almost entirely responsible for their sufferings. This put them in the mood to follow the nazis in their bloodthirsty adventures of racial and political persecution and war. For several generations the Germans have been accustomed to being drilled and regimented by their rulers, so that they succumbed more readily to the authoritarian doctrines of the nazis than would most peoples.

The program of the party includes several semi-socialistic measures and ideas which brought the party some support

[1] "Hitler, in his ten-year fight for power, spent some hundred and fifty million dollars for propaganda. Now, by pursuing aggressive and nationalist policies, he is simply paying back to Thyssen, Krupp, and the German dye trust [poison-gas manufacturers] the financial assistance they accorded him in his earlier days; he is making these interests the sole beneficiaries of Germany's enormous new armament budget, both the open and the secret one. . . . The Czechoslovakian subsidiary of Schneider-Creusot [French armament manufacturers], the firm of Skoda, which, according to the statements made by Paul Faure in the French Chamber on February 11, 1932, supported Hitler's election campaigns with great sums of money, has also profited greatly by this development." (Johannes Steel, "The Mechanics of Nationalism," in the *Nation*, New York, April 11, 1934, p. 412.)

from the workers and the lower middle class. But the exponents of these measures and ideas gradually lost their influence in the party. The Strasser brothers, Otto and Gregor, advocated a mild form of national communism. They were out of the party by 1932. Otto is now in exile abroad and Gregor is in private business in Germany.[1] Gottfried Feder, the author of the party program, has been the principal advocate of the "Brechung der Zinsknechtschaft," or "elimination of the servitude to usury," which he proposed to attain by socializing the banks and similar measures. When the nazis came to power, instead of receiving a major position Feder was appointed under-secretary in the ministry of national economy where he has little influence. As minister of national economy was appointed Kurt Schmitt, the president of a large insurance company, who was not even a member of the party at the time of his appointment. Schmitt is a close friend of Fritz Thyssen, the iron and steel magnate, who heavily subsidized the nazi campaign for power with large financial contributions.[2]

In the election of July, 1932, the nazis polled about 13,750,000 votes and returned 230 members to the Reichstag. In the election of November, 1932, when the total vote was somewhat smaller, they polled about 11,750,000 votes and returned 196 members. In January, 1933, President Hindenburg appointed Hitler as chancellor. In the election of March, 1933, the nazis polled about 17,750,000 votes and returned 288 members. By coalescing with the 52 nationalist members they constituted a majority. During the preceding year there had been about ten major elections and several cabinets. Some of the Germans may have voted for the nazis as a gesture of despair and in the hope that a strong government might result therefrom.

[1] In July, 1934, the newspapers reported the assassination of Gregor Strasser by the nazis.

[2] In August, 1934, Schmitt resigned and Hjalmar Schacht, president of the Reichsbank, was appointed acting minister of national economy.

In the spring of 1933 the Reichstag voted almost unlimited powers to the chancellor for a period of four years and then was dissolved. For a time it appeared that there would not be even the semblance of a parliament in Germany for at least four years. As will be indicated later, in November, 1933, was elected a new Reichstag in precisely the same manner as the "Camera Corporativa" in Italy.

The preceding narrative indicates the close resemblance between the rise to power of national socialism in Germany and of fascism in Italy. Both of them arose in opposition to communism and appealed in particular to the lower middle class and the peasants. Both of them were slightly tinged with socialistic ideas at the outset but lost this tinge entirely or almost entirely by the time they attained power. Both of them are organized in a militaristic fashion, each with its own militia. Both of them are characterized by an opportunistic philosophy with force exalted and the "heroic attitude" upheld as an ideal.[1] The principle of leadership is fundamental to both and has been applied in a more thoroughgoing fashion by the nazis than by the fascists.[2] The principle of a uniform coordination of all phases of national life is fundamental to both, and has been applied in a more thoroughgoing fashion by the nazis. In the two latter respects the nazis have outstripped their teachers and mentors, the fascists. They have succeeded in doing so in many respects, as will be evident in the following description.

[1] In a speech at the University of Berlin on May 16, 1934, Minister of Justice Hans Frank declared that the old principle that "might is right" is the basis upon which every "international decision" must be made, and that "in our opinion, the world will always belong to the heroic and not to the decadent." (*New York Times*, May 19, 1934.)

[2] In April, 1934, Dr. Alfred Rosenberg, the head of the nazi department of foreign affairs, proposed "Herzog" as the title of the leader. This was the title of the war leader of the Teutonic tribe just as "duce" was the title of the ancient Italian war leader. Herzog became a title in the German nobility meaning duke, while duca became the corresponding Italian title.

The membership of the party increased greatly after the nazi victory so that it soon rose to more than three million members. When I visited the headquarters of the party, the Braunes Haus in Munich, in the summer of 1933, I was shown the enormous file in which are kept the records of the members. I was told that new members are not being admitted for the time being in order to enable the clerical force to catch up with the work of making out the membership records. But more weighty reasons than this have given rise to this bar against new members. Neither national socialism nor fascism proposes to admit the entire population to membership eventually but to restrict the party to the "élite" who presumably are competent to lead.[1] In this regard they differ fundamentally from bolshevism which intends to include the whole people in the communist party as rapidly as they acquire the communist ideology and fulfil the other requirements for admission.

A considerable part of the young men in the party belong to the "Sturm Abteilung" or assault division and a smaller number to the "Schutz Staffeln" or defense battalions which constitute its militia. They are ordinarily known as the "S. A. Maenner" or brown shirts.[2] The boys and girls are organized in the "Hitler Jugend" or youth societies. As under fascism, these societies are expected to feed into the party.

In the Braunes Haus I was shown the assembly room of the Grosser Senat or great senate of the party which contains about

[1] For a statement of the nazi doctrine of the "élite," see Edgar J. Jung, *Die Herrschaft der Minderwertigen,* Berlin, 1927; *Sinndeutung der deutschen Revolution,* Oldenburg, 1933.

[2] It has been estimated that the party militia included about 1,000,000 men with a high degree of military training which fits them for service in the army. The pre-nazi chauvinistic and militaristic Stahlhelm or steel helmet society has recently been merged with the nazi militia bringing the total number up to about 2,500,000. Those under thirty-five years of age have become active S. A. Maenner, those between thirty-five and forty-five belong to the first reserve, and those over forty-five belong to the second reserve. (*Le Temps,* Paris, November 11 and 30, 1933. See also E. Roehm's speech to the diplomatic corps, December 8, 1933.)

sixty seats. The guide proudly informed me that the somewhat highly colored but not untasteful decorations were designed by the Fuehrer himself. This senate corresponds to the Gran Consiglio of fascism. Under the presidency of the Fuehrer it determines the policy of the party. It is expected that when the position of Fuehrer falls vacant it will choose the new leader. It is not generally known how the members of the senate are chosen, and the manner of choice may not as yet be finally fixed. Consequently, it is impossible to ascertain to what extent the senate is the creation of the Fuehrer. As the nazi leader is not as forceful a personality as the fascist leader, it is possible that he does not dominate the supreme body of his party to the same degree as the latter dominates his grand council.

On December 2, 1933, the cabinet of ministers promulgated a law which integrated the nazi party in the government by making it an organ of the state. An official announcement compared its status with that of the fascist party. "As in Italy, the party is incorporated with the state. It is invested with public and legal functions. The creation of a jurisdiction which is suitable to it already gives it a position which analogous organizations have never had."

At the same time Rudolf Hess, the deputy leader of the party and personal representative of Hitler, and the late Captain Ernst Roehm, the head of the storm troopers or brown shirts, were appointed ministers without portfolio.[1] These acts made the storm troops at law as well as in effect an integral part of the armed forces of the nation. They also subjected the members of the party and the brown shirts to a civil and

[1] On April 18, 1934, Captain Roehm delivered a speech in which he declared that the storm troops constitute a wholly peace-loving but militant organization which guarantees the peace of central Europe, and that the nazi revolution marked a break with the ideas of the French Revolution, such as liberty, reason, and democracy. (*New York Times*, April 19, 1934.)

On June 30, 1934, Roehm was executed by Hitler, apparently on account of disagreements as to policy.

penal jurisdiction which can arrest and punish them for violations of the rules and discipline of the party. Hitherto the storm troopers had often committed acts of violence independent of the law, and the party courts had not been very effective in punishing and restraining them from lawlessness.

Like the fascists the nazis are opposed to political democracy and parliamentarism. While the twenty-fifth paragraph of the program of the party refers to a central parliament, it denounces party politics and advocates a strongly centralized government. In nazi as in fascist literature almost all objectionable political and economic phenomena are attributed to "liberalism." Both the nazis and the fascists have failed to discern that most of these phenomena are due not to liberalism, democracy, and freedom but to the anarchic features of capitalism.

When the German government unexpectedly withdrew from the League of Nations in October, 1933, thereby causing an international sensation and defeating the disarmament negotiations then in progress, it announced a plebiscite and an election on November 12, 1933. The plebiscite called for an expression of approval or disapproval of the policy of the government. The election was a vote for a list of candidates for the Reichstag prepared by the party organization. Prior to the election the Germans were told by the nazis that anyone who failed to vote would be morally if not legally guilty of high treason. On the day of the election each person after voting was given a button to wear which said "Ja" (yes) and which indicated that he or she had voted. These and many other menaces and coercive measures explain almost entirely the large percentage that voted and discount in large part the high degree of unanimity.

In the plebiscite out of 45,128,000 registered voters 43,439,000 voted, of whom 40,588,000 voted yes and 2,100,000 voted no,

the remaining votes being null and void. In the election to the Reichstag out of 45,128,000 registered votes 42,965,000 voted, of whom 39,626,000 voted for the governmental list of candidates. The remaining votes were counted as null and void, but were in effect votes against the governmental list. As the election law prescribes one member to each 60,000 votes cast, there were elected about 660 hand-picked members of the Reichstag ready to do whatever is demanded of them by the Fuehrer.

After the death of President Hindenburg, at a plebiscite held on August 19, 1934, Hitler was elected "leader-chancellor" by a vote of 38,362,760 or about 90 per cent, there being no other candidates. As the poll was under nazi supervision, the 4,294,650 who voted against him did not represent all of the opposition, but numbered more than twice as many as the opposition in the plebiscite of the preceding November. This election amalgamated the former presidency with the chancellorship. It concentrated all of the executive power in one person.

[1] On January 30, 1934, the Reichstag enacted upon the demand of Chancellor Hitler a law which abolished the state diets and all the legislative functions of the states. The state governments were made branches of the central executive. The law also authorizes the government to promulgate a new constitution when it is prepared to do so. On February 14, 1934, was issued a decree which abolished the Reichsrat or federal council which represented the states. The functions of this council were transferred to various ministries or to commissions designated by the ministry of the interior. By these measures state and local autonomy has been obliterated and the government completely centralized. Federalism was terminated and the unitarian state established.

Germany was divided up into many states, some of them very small, clinging to their local rights of autonomy and often

jealous of one another. This situation prevented the enactment of a good deal of legislation of national importance. The centralization and unification of power are not peculiar to national socialism and might have been accomplished under almost any kind of a régime. The abolition in practice though not yet entirely in appearance of democratic and representative government and the vesting of power in the leader and a small oligarchical group are, however, wholly characteristic of national socialism. In its political principles and tendencies national socialism is in complete accord with fascism. It differs somewhat, however, from fascism in its legal doctrines.

In a conversation with Dr. Alfred Rosenberg, the head of the nazi department of foreign affairs, he informed me that the nazis intend to eliminate every vestige of the Roman law from the German legal codes and return to the system of jurisprudence of their Teutonic ancestors. That modern industrialized Germany can revert to the laws of barbarians of two thousand years ago sounds incredible. Only a mind obsessed with racialism and chauvinism of the narrowest type can harbor or even conceive such an idea. And yet at the congress of German jurists in Leipzig in October, 1933, Minister of Justice Frank declared the same thing.

Whether or not the nazis go back to the jurisprudence of their barbaric ancestors, certain tendencies are manifesting themselves in the preparation of their codes. They propose to abolish the court with a plurality of judges who arrive at a decision by a vote of the majority and to have a single judge. He will be like the judge-king of antiquity and the Fuehrer of his court. They propose to decrease the technicalities of the law. This will probably diminish the influence of the lawyers for the defense and will enhance the power of the judge and of the prosecuting attorney.

They have revived the law of the "hereditary homestead,"

whereby only one son, preferably the oldest, can inherit the homestead, in order to keep peasant property intact. The farmer is also protected by rendering his farm immune from seizure for debt. This is intended to prevent speculation in land. On May 15, 1934, was enacted a law restricting the freedom of movement of the rural population in order to promote the back-to-the-land movement.

The race doctrines of the nazis have given rise to an extensive series of laws, some of which have been indicated in the preceding chapter. An important section of the penal code is devoted to the defense of the race and of the family. For the defense of the latter have been enacted various sterilization laws which will be mentioned presently.

The general tendency of nazi legislation is towards much greater severity, especially in the criminal law. The principles of the modern school of criminology, such as the individualization of punishment, have been abandoned almost entirely. On May 18, 1934, the ministry of justice issued a decree which abolishes the special code for minors and asserts that "the purpose of imprisonment is to punish the prisoner for his crime." According to the modern school the primary purposes of penal treatment are to defend society against socially injurious conduct, and, if possible, to reform the criminal.[1] Generally speaking, the rights of the individual are not defended as fully as formerly, the protection of the state and the nation being regarded as of overwhelming importance. The death penalty is inflicted for many crimes, especially political crimes. There were more executions during the first eight months of the nazi régime than during the preceding fourteen years of the German republic.

A law dated April 24, 1934, established a special revolutionary tribunal called the People's Court to try cases of treason for

[1] Maurice Parmelee, *Criminology*, New York, 1918.

which the death penalty by decapitation may be inflicted.[1] Unlike the courts mentioned above this tribunal is composed of five judges. The presiding and one other judge must be professional judges. The other three may be laymen and are appointed by the chancellor. They must be chosen from "such persons as have had special experience in fighting off attacks upon the state." The tribunal is freed from most of the technicalities which limit other courts.

The nazis have increased greatly the number of acts which are treasonable. Among those for which the death penalty is prescribed are any attempt to detach forcibly any part of the country or to transfer it to another country (which might apply in the case of the Saar region), to change the constitution by force, to deliver a state secret to another government, to hamper the army or police in doing its duty, to negotiate with a foreign government with the intention of causing war against Germany, etc. Hard labor is prescribed for "atrocity mongers" who publish untruthful or exaggerated reports abroad which injure the reputation of Germany. Many of these treasonable acts might be committed while carrying on a propaganda against national socialism.

The nazis have interned many political prisoners in concentration camps. In July, 1933, Dr. Rosenberg stated in my presence that there were 18,000 interned at that time, 12,000 in Prussia and 6,000 in other German states. In March, 1934, Rudolf Diels, the head of the secret state police force, which administers these camps, asserted that more than 30,000 had passed through the concentration camps and that there were about 9,000 in them at that time.[2] He stated that most of the original prisoners were communists.

An innovation in government introduced by the nazis is the ministry of propaganda and popular enlightenment. Through

[1] *Reichsgesetzblatt,* Berlin, May 2, 1934.
[2] *New York Times,* March 8, 1934.

its control of all the agencies of publicity it has a tremendous influence within Germany. It controls the press, the publishing business, the radio, the moving-picture industry, the theater, music, and art. It censors all of these and can transmit an order to the entire press in two hours. It can direct all these agencies of publicity as means of propaganda within Germany. It endeavors also to carry on a propaganda for national socialism outside of Germany, which has not had much success because of the characteristic German ineptness in such matters. Part of its foreign activity is an attempt to combat the "campaign of lies" and "monstrous Jewish agitation" consisting of "atrocity tales" which it alleges is carried on against Germany.[1]

The nazis call their régime the "drittes Reich" or Third Empire as contrasted with the monarchy and then the republic which preceded it. Just what it is has never been made very clear.[2] They are opposed to most of the things implied by a republic, such as political democracy and representative government. They have not as yet committed themselves to monarchism. It is possible that if the nazi régime continues long enough Germany will again become a monarchy, but not under the Hohenzollerns. Another dynasty will probably be chosen. It has even been suggested that the Fuehrer may see fit to crown himself.

On July 14, 1933, was enacted a law for the prevention of the transmission of hereditary disease ("Verhuetung erb-

[1] Ample evidence of nazi atrocities against Jews, Marxists, communists, socialists, pacifists, liberals, etc., is furnished in *Nazism; An Assault on Civilization,* published in New York in 1934; in *The Brown Book of the Hitler Terror and the Reichstag,* published by the World Committee for the Victims of German Fascism, with an introduction by Lord Marley, in London and New York in 1933; and in numerous other reliable publications.

[2] For a vague and nebulous nazi attempt to describe it, see A. Moeller van den Bruck, *Das dritte Reich,* 3rd edition, Hamburg, 1931, first published in 1922. The *Nationalsozialistische Zeitung* has characterized this book in the following bombastic fashion: "The prophetic book in which the ardent desire of millions of our people has been expressed has become the basis for the spiritual transformation which today as national socialism is conquering the world."

kranken Nachwuchses") which went into effect on January 1, 1934. The law provides for the compulsory sterilization of persons afflicted with inborn feeblemindedness, insanity which according to clinical tests is permanent, congenital epilepsy and St. Vitus' dance, hereditary blindness and deafness, grave bodily deformations in so far as they are hereditarily determined, and chronic alcoholism under certain conditions. The sterilization may be sought by the patient himself, by his legal guardian, by an official physician, or by the head of a medical institution such as a hospital. The decision is made by a court composed of a professional judge, an official physician, and a second physician, which has the authority to compel sterilization.

At the time this law was published the nazi government announced that it would not follow the policy of Italy and France of trying to increase population indiscriminately by any means. The sterilization law is a measure to prevent the increase of undesired population elements. It is a form of negative eugenics. It was estimated that during the first few months after the law went into effect as many as 400,000 persons would be sterilized, about 50 per cent of whom on account of congenital feeblemindedness. About 1,700 courts and 27 courts of appeal were established to decide which diseased persons are to be sterilized. It is expected that castration will be inflicted upon dangerous criminals. As Germany is the first important country to apply sterilization on a large scale, the results will be worthy of careful study.

The nazis advocate as rapid an increase of population as possible. The German birth-rate has fallen greatly since the war, and has become the lowest in Europe. In 1932 the number of births fell below one million for the first time since 1841, and was less than in Italy despite the great disparity of population. The births dropped from 275 per 10,000 of population

in 1913 to 186 in 1928 and 151 in 1932.[1] Immediately after coming into power the nazis commenced an active campaign to take women out of business and industry and send them back to the Kaiser's three k's, namely, Kirche, Kueche, Kinder (church, kitchen, children).

On June 1, 1933, was published the nazi economic relief program. It was announced that a special tax, known as the "marriage aid" tax, would be levied on all unmarried women as well as men. As compensation they would be relieved of the special ten per cent super-income tax, but this would relieve only those with large incomes. The revenue from the tax upon the unmarried is used to encourage marriages. A man who marries a woman who has been employed for at least half a year receives a loan of 1,000 marks without interest in scrip to be used for the purchase of furniture and household utensils. As long as the husband earns more than 125 marks a month, the wife cannot accept a remunerative position until the loan has been repaid at the rate of one per cent a month or in about eight and a half years.

In April, 1934, the nazi legal publication (*Der nationalsozialistische deutsche Jurist*) published the following principles as those on which nazi legislation as to marriage and the family is to be based:

> The racially pure and hereditarily healthy Class I citizens will be permitted to marry only among themselves.
>
> Divorce shall be impossible if a marriage has produced children.
>
> In childless marriages divorce shall be easier than heretofore.

This legislation is still in a state of flux. It remains to be seen to what extent the nazis will see fit or will dare to attempt to regulate marital and family relations in accordance with their racialistic, eugenic, economic, and ethical ideas. They

[1] Children born alive by every 1,000 married women decreased from 146 in 1925 to 101 in 1932. The excess of births over deaths fell from 13.6 per 1,000 inhabitants in 1891 to 11.3 in 1911, and to 4.7 in 1931.

have already begun to relax their insistence that the women be driven from business and industry.[1] The reasons probably are that they have discovered that Germany is too highly industrialized to endure such a change without serious disturbance, and the women do not want to lose the economic independence which they have won. The nazis cannot turn the clock back in all the respects which they desire.

[1] For example, on April 16, 1934, Dr. Ley, the leader of the labor front, said to the female workers in a tobacco factory at Aachen: "I want to warn against attempting to replace all women workers with men. That is not necessary, for there are many kinds of work that a man cannot do at all or not so well or so speedily as a woman. It is likewise a mistake to assume that shop work hurts a woman's health. Statistics prove that since women entered shops we have healthier, more vigorous women." (Quoted in the *New York Times,* April 17, 1934.)

In July, 1933, Dr. Ley asserted to me that woman's most important function is as the preserver of the race, that marriage must be encouraged, and that household work, nursing, and social work are suitable occupations for women.

Chapter XXI

NATIONAL SOCIALISM AN ECONOMIC CONTRADICTION

Several times I said to prominent nazis, "By socialism I suppose you mean the public ownership of the means of production?"

"Oh no, God forbid," they all exclaimed.

"But that is its meaning everywhere, even in Germany up to the present," I persisted.

"That is Marxism; ours is the only genuine socialism," they asserted.

In 1933 in an interview with a French journalist Mussolini commented on national socialism as follows: "How many equivocations in the twenty-five points of Hitler? And what do these words mean: national socialism, which clash when joined together? Socialism is socialism. It is a term which has a precise meaning. One must leave to it this meaning or banish it from use."[1] If the father of Italian fascism has been correctly reported, he is not altogether pleased with his offspring at first remove in Germany, in spite of the fact that national socialism is a close variant of fascism. There is a good deal of dissatisfaction in fascist Italy with nazi Germany. This is partly due to the fact that the foreign policies of the two countries clashed soon after the arrival of the nazis to power.

The nazi tendency to coordinate and to regiment is to be seen clearly in their economic as well as in their political program and policies. The economic policies of the nazis were

[1] Quoted by Henri Massis, *Le Matin*, Paris, November 1, 1933.

originally set forth in several paragraphs of the twenty-five points of the party program:

7. We demand that the state assume the responsibility to care in the first instance for the possibility of employment and of livelihood for the citizens. . . .

10. The first duty of every citizen is mental or physical labor. The activity of the individual must not conflict with the interests of society. . . .

11. Hence we demand the abolition of an income acquired without toil and trouble.

12. In view of the enormous sacrifice of life and property which every war demands from a people, the enrichment of the individual through war must be characterized as a crime against the people. Consequently, we demand the complete confiscation of war profits.

13. We demand the nationalization (*Verstaatlichung*) of all enterprizes which have already been made into trusts (*vergesellschafteten Betriebe*).

14. We demand profit sharing in large enterprizes.

15. We demand the expansion of old age insurance on a large scale.

16. We demand the creation and maintenance of a sound middle class, the socialization (*Kommunalisierung*) of the large department stores and their rental at low cost to petty merchants, and special consideration for the small merchants when purchasing for the state and government.

17. We demand a land reform which is suitable for our national needs, the enactment of a law for the expropriation of land without pay for social purposes, the abolition of rent (*Bodenzins*) on land, and the prevention of all kinds of land speculation.

The last point apparently sounded too socialistic because on April 13, 1928, Hitler issued the following explanation:

"As the National Socialist Party upholds the principle of private property, it goes without saying that the expression 'expropriation without pay' has application only when legal means have been created to expropriate land which has been acquired in an illegal fashion or which is not administered from the point of view of the welfare of the people. This is

directed in the first instance against the Jewish concerns for speculation in land."

The last sentence quoted from Hitler raises a consideration which casts suspicion upon many of the nazi economic proposals, namely, that they are inspired by hatred for the Jews rather than by a genuine desire to reconstruct the economic system. Paragraph 12 of the nazi program demands the confiscation of war profits. While traveling in Germany during and soon after the war I heard numerous denunciations of the "Krieg-Schieber" or war profiteers who were usually stigmatized as Jews. Paragraph 16 demands the breaking up of the large department stores into many small commercial enterprizes in order to distribute the profits to a much larger number of persons. Many of these large department stores are Jewish. Feder, the author of the program, in expounding this demand refers to these stores as "Tietz, Wertheim, Karstadt, etc., etc., nothing but Jews," and accuses them of using bluff, stimulation of unnecessary desires, and incitement to luxurious expenditure as methods of increasing their sales.[1] The nazi attacks upon the bankers and other financiers have almost invariably been accompanied by denunciations of the Jewish bankers and their international connections. When Feder speaks of "the spiritual basis of the existing domination by the Jews, 'individual rather than social interest,' and its material means of power, the system of Jewish banking, loan and credit enterprizes," it sounds as if an antisemitic paranoia rather than a critical analysis is inspiring his attack upon capitalistic finance.[2] After declaring that "the function of the national economy is to supply needs and not to secure the highest possible rate of interest for loan capital," he goes on to praise the great industrialists. "Henry Ford is the most eminent and world-renowned example of this kind of entrepreneur, while

[1] Gottfried Feder, *Das Program der N.S.D.A.P.*, Munich, 1933, pp. 47-8.
[2] *Op. cit.*, p. 30.

the truly great creators of our heavy industry are to be rated not less high in this regard, such as Krupp, Kirdorf, Thyssen, Abbé, Mannesmann, Siemens."[1] These industrialists are Gentiles, living or deceased, and Ford is a notorious antisemite.

It is not essential for our purpose to appraise the part played by the Jews in the German economic system or to evaluate their methods. These methods are characteristic of capitalism as a system and not of any particular race. It is important to note the conflicting ideas and contradictory measures proposed in the nazi program. These are not surprizing when we consider that its author has said that "National Socialism is a world-philosophy (*Weltanschauung*) which stands in the sharpest opposition to the world of today of capitalism and of its Marxist and bourgeois satellites."[2] In addition to confusing socialistic and capitalistic tendencies indiscriminately, this statement is the very reverse of the truth because national socialism is fundamentally capitalistic.

The nazi program expresses the amiable sentiments that the state should be responsible for a means of livelihood for the citizens, that all citizens should work and that no one should possess an income acquired without toil, and that old age insurance be greatly extended. Its demand for profit sharing in large enterprizes is obscure for it is not specified whether profits are to be shared by the workers or to be distributed among small entrepreneurs. Under capitalism the state cannot guarantee the livelihood of all of its citizens because the livelihood of the individual citizen is dependent upon the fortuitous operation of private enterprize. No capitalistic state has succeeded in even guaranteeing a bare subsistence to all its citizens. Under a system of private profits wealth is certain to accumulate in individual ownership and to be transmitted by

[1] *Op. cit.*, pp. 45 and 47.
[2] G. Feder, *op. cit.*, p. 64.

inheritance, so that the acquisition of an income without toil is inevitable.

The nazi proposals which appear at first sight to be socialistic in tendency are vitiated in large part by the antisemitic animus which inspires them. Leaving aside the racial prejudice which colors them, the nazi expositions of their economic policy are incoherent in the extreme and partake largely of the nature of diatribes. In this regard they are inferior even to the fascist disquisitions on economic questions.

The nazi demands that the trusts be nationalized and the large department stores socialized were apparently not genuine socialistic proposals but attempts to distribute more widely the profits of the large business concerns in the interest of the middle class. The demand for the abolition of ground rent (*Bodenzins*), if carried out, would mean the elimination of one of the shares in capitalistic distribution. I have found no indication in nazi literature that it was seriously intended to carry out this proposal. It may have been included as a bid for the support of the peasants. On May 10, 1934, the minister of agriculture, Walther Darré, who is the nazi "peasant Fuehrer," announced that most of the large estates in Eastern Germany would be broken up and revert to the peasant tenants. He asserted that "the large landholdings across the Elbe have long ago lost all economic reasons for being, and their titled owners (the Junkers) should take note of this."[1] He did not state to what extent they would be indemnified.

No one of these proposals, however sincerely advocated, could possibly fit into the general scheme of capitalism which the nazis uphold. The discrimination against the banker and financier (Hitler's "pitiless international Jew") in favor of the "aryan" industrialist is patent nonsense. Each performs an essential function under capitalism. The industrialist is as anx-

[1] *New York Times*, May 11, 1934.

ious to make as high a profit as possible upon his product as the banker is to secure the highest possible rate of interest upon the financial credit which he furnishes. The industrialist exploits his workers and fleeces the consumers of his product as ruthlessly as the banker exploits the enterprizes which he finances and promotes and ultimately the public at large. The great industrialist is the most powerful figure in the capitalistic world. If regulation and control of capitalism are desirable, they should be imposed upon the industrialist even more than upon the financier and the merchant.

The contradiction between the promises and apparent intentions of the nazis and their actual accomplishments will be more readily understood if we turn to the history of the party. In the election of November, 1932, the nazis received two million less votes than they had in July. Many thought that this was the beginning of the end of national socialism. And yet in January 1933 the Schleicher government fell and Hitler was appointed chancellor. In the election of March, 1933, the nazis received four million more votes than in the preceding July election and six million more than in November. This increase must be heavily discounted because the nazis were already in power and were using their measures of coercion and intimidation.

In 1926 and later took place attempts to combine the German and French coal and metal industries. The cosmopolitan group which desired this combine was led by the industrialist Otto Wolff and the Deutsche Bank, and the chauvinistic group which opposed it was led by the industrialist Fritz Thyssen. In 1932 a bitter struggle for supremacy between these two groups took place within the German steel trust (Vereinigte Stahlwerke A.-G.). Since 1927 Thyssen had supported Hitler and is reported to have contributed more than 3,000,000 marks to the nazis from 1930 to 1933, for which he

demanded and received control of the steel trust.[1] Thyssen decided to use political measures. Dr. Alfred Hugenberg, one of the directors of the steel trust and the owner of many newspapers, Colonel Franz von Papen, who had been chancellor for a short time in 1932 and wanted to get back into power, and Hitler combined against Schleicher. Hitler came to power, thus reviving the failing strength of his party.[2]

The final and most decisive test of the economic policy of the nazis is what they have actually done since coming into power. In July, 1933, Minister of National Economy Schmitt delivered an important speech in which he proclaimed that the "Unenttastbarkeit" (literally "untouchability"), namely, inviolability of private enterprize, must be maintained, and that the "Kenner" ("those who know") and the "Koenner" ("those who can"), namely, the business men, must have liberty. Shortly after this speech I visited the Ruhr region partly in order to ascertain what effects the nazi régime has had upon industry and commerce. An important official of the Krupp works assured me that national socialism has had no effect upon industry, and that so long as Dr. Krupp von Bohlen und Halbach continues as the chairman of the Reichsverband der deutschen Industrie no great changes in industrial organization are likely to take place.[3] The Syndicus of the Handelskammer or chamber of commerce in Essen declared that national socialism has had no effect upon commerce, and that while it will eliminate corruption from government and business and

[1] "The man behind Hitler is Thyssen, the steel magnate of the Ruhr." (H. C. Engelbrecht and F. C. Hanighen, *Merchants of Death,* New York, 1934, p. 243.)

[2] For a full description of these events see Ernst Henri, *Hitler over Europe,* New York, 1934.

Henri contends that imperialism and a warlike policy are inevitable for the nazis because Germany must secure raw materials and markets, which are furnished in part by their own colonies to France and Great Britain. This consideration may influence any German party in power and not only the nazis.

[3] This was the pre-nazi society of industrialists which has been superseded by the nazi organization described below of which Dr. Krupp is the leader.

the "Wucherei" or usury practised by the Jews, it will not restrict private initiative. As in fascist Italy, the workers in nazi Germany have no opportunity whatsoever to express their desires and opinions.

The nazis treated the labor movement in much the same way as the radical political parties. They seized the offices of all the trade unions, confiscated their property valued at 700,000,000 marks, and imprisoned some of their leaders. Nazi henchmen were put in charge of these unions.[1] It was announced that there would be two aspects to the organization of labor. The one is the Staendischer Aufbau or organization to regulate the relations between employers and employees, wages, and social measures and legislation which affect labor. The other is the Arbeitsfront or cultural activity which is intended to develop a unified spirit among both the workers and their employers.[2] This spirit is to be submissive to the nazi régime and to be intensely chauvinistic. Representatives of the party were sent into the workshops to organize councils of "nationally reliable" workers pending final legislation on this subject.

The nazi labor code was enacted on January 12, 1934, and went into effect on May 1, 1934. Its title is the "Law for the Organization of National Labor." It governs the rights and duties of employers and employees in all private establishments

[1] "I gave the order on the twenty-fourth of April, 1933, that the party organizations on May 2, the day after the national labor celebration, should occupy the buildings of the trade unions and should convert these strongholds of international class madness into bulwarks of national work." (Chancellor Hitler in a speech to the Reichstag, January 30, 1934.)

[2] In November, 1933, three cabinet ministers and the leader of the Arbeitsfront issued a proclamation which reads in part as follows:

"The exalted aim of the Labor Front is the education of all Germans who participate in our industrial life, for the National Socialist state and to a National Socialist conception. It aims particularly to train those best fitted to exert a directive influence in the branches of our social institutions, our labor courts, and our social services. It will strive to make the social honor of the leader of industry (the employer) and that of his following (the employees) a driving force for a new social and economic order." (Quoted in the *Nation*, New York, January 31, 1934, p. 125.)

employing more than twenty workers. It abolishes all the rights which the labor movement has won, namely, the rights to organize, to strike, and to bargain collectively. According to the nazi minister of labor, Franz Seldte, "the Marxist ideal of class war is replaced by that of common loyalty."

The employer is designated as the Fuehrer of his own concern whom his employees must follow. The second paragraph of the code says:

"The leader of the undertaking decides in respect to the followers all matters relating to the enterprize. He must care for the welfare of the followers who must accord to him the loyalty required by the common interests of the concern."

The employer is the chairman of the shop council which is composed of "nationally reliable" workers over twenty-five years of age who have worked at least one year in the enterprize. They are nominated by the employer in cooperation with the secretary of the nazi cell organization, and then elected by their fellow workers. The council is expected to promote mutual confidence, to furnish advice on conditions of labor, and to attempt to settle any disputes which may arise. The employer has the final decision in all cases, so that the council is nothing more than an advisory body. The only recourse it has is to appeal by a majority vote to a labor trustee. The country is divided into thirteen labor districts in each of which the government appoints a trustee.[1] The functions of these trustees are to maintain industrial peace, to draft regulations for wages and working conditions, and to supervise their enforcement when adopted by the government. Each employer is free to adopt his own regulations and wage scale subject only to such minimum wage legislation as may be enacted by the government.

In each labor district is a Standesgericht which takes the

[1] The labor trustees are appointed according to the law of May 19, 1933, and receive their instructions from the ministry of labor.

place of and is much more powerful than the pre-nazi Arbeitsgericht or labor court. This court is also known as a "court of social honor" which is concerned not only with wages and working conditions but also with questions of honor. This vague term is supposed to cover cases where the public and social interest is involved. The court tries employers who "maliciously exploit the labor of their employees or who insult their honor," and workers who "through malicious agitation endanger labor peace within the shop, deliberately interfere with the management, or make frivolous complaints to the labor trustee." The latter provision renders it dangerous for the workers to appeal to these courts. A professional judge presides over this court, which can impose fines and prison terms, and can depose an employer as Fuehrer and discharge a worker. Mass dismissals and shutdowns must be announced four weeks and in some cases as much as two months in advance. When an individual worker is dismissed, he may sue for reinstatement or for an indemnity amounting at most to one-third of a year's wages. There is a supreme labor court to which appeals against judgments may be made.

The foregoing description indicates clearly that the organized labor movement has been destroyed and the workers deprived of the right of initiative as completely in nazi Germany as in fascist Italy. Dr. Robert Ley, the leader of the Arbeitsfront, asserted to me that liberalism and Marxism incite class war, fascism causes governmental control of the classes, while national socialism brings about the coalition of the classes. This apparent coalition is brought about by governmental suppression of the workers as much as under fascism, so that no fundamental distinction between the two systems can be made in this regard.

On March 13, 1934, was published the "Law for the Organic Upbuilding of the German Economy." The purpose of this law is to obviate the excessive organization of business enter-

prize and eliminate the competition created thereby, and to replace it with a unitary organization. The minister of national economy is empowered to designate certain organizations as the sole representatives of their lines of business, to create new organizations and to dissolve or merge others, to dictate or change their by-laws, to appoint or remove their leaders, and to force individual outside concerns to join them and submit to their regulations.

In accordance with this law German private enterprize has been divided into the following twelve groups: (1) Mining, iron and metal industries; (2) Machine, electrotechnical, optical, and other mechanical industries; (3) Iron, tin, and metal products (hardware); (4) Stone and earth, lumber, building, glass and ceramics; (5) Chemical industries, technical oil and fats, paper and paper-using industries; (6) Leather, textiles, and clothing; (7) Food; (8) Handicraft; (9) Commerce; (10) Banks and credit; (11) Insurance; (12) Transportation.

The law provides for a chief leader, deputy leader, a leader of each of the twelve groups, and 32 leaders of their subdivisions. The minister of national economy appointed Philipp Kessler, chairman of the board of directors of the Verzmann Electric Company of Berlin, as chief leader, and Count R. von der Goltz, son of a famous war general, as deputy leader. Dr. Gustav Krupp von Bohlen und Halbach was appointed leader of the first group. Each group leader has a Fuehrerrat (leader's council) to advize him.

The organization for business is very similar to the fascist corporative system. Because German industry is much more extensive there are several industrial groups whereas there is only one at present in Italy. There is no suggestion as yet that the organization for the workers and the business organization within the same field of activity will be brought together in a guild as is proposed in Italy.

It remains to be seen to what extent the nazi organization

will actually regulate business and industry. There have been more cartels and trusts and more governmental interference in private enterprize in Germany than in most capitalistic countries. The nazis insist that they will not restrict private business initiative. They oppose a planned economy as being "Marxist" and therefore objectionable. This leaves little scope for a regulated economy. But the pressure of economic conditions has already caused a certain amount of regulation in the way of embargoing or restricting imports, rationing certain commodities, controlling foreign exchange, etc. The government has set up monopolies to supervise trade in many commodities, especially those which are imported and exported. Some of the measures undertaken to decrease unemployment also involve regulation of business and industry. The future will determine whether such regulation will become permanent. It depends largely upon whether or not there will be an economic revival. For some years past there has been a tendency in Germany to strive for "Autarkie" or economic self-sufficiency. Now the nazis are dreaming of "Grossraumwirtschaft" or the development of trade especially with the countries of central Europe, such as Poland, Czechoslovakia, Austria, Hungary, Yugoslavia, Rumania, and Bulgaria, in which there will be an extensive exchange of German manufactured products for foodstuffs.

According to the law of business organization a Jewish owner can be the Fuehrer of his own enterprize. Many nazis have opposed this situation on the grounds that a Jew cannot be expected to teach antisemitic doctrines to his employees and that it is insulting to the workers to be put under Jewish leadership.[1] It has been suggested that a Jewish employer may

[1] For example, Director Reinhardt of the nazi labor organization for Lower Franconia has made the following declaration: "It is out of the question for a Jew to be the leader of his business. It is the duty of a leader to educate his followers in the nazi spirit. Antisemitism is a fundamental principle of national socialism. It would be repugnant to nazi leaders to demand of a Jew that he educate his following to antagonism against his own race." (*New York Times*, April 27, 1934.)

appoint an "aryan" deputy to instruct his employees in nazi doctrines. But the Jewish owner will remain responsible before the law. The more conservative and capitalistic of the nazis do not wish to oust and expropriate Jewish owners because it would cause a good deal of business disturbance and would violate the right of private property. It remains to be seen how this clash between nazi racialistic doctrines and capitalistic principles will be resolved. Up to the present the big Jewish financiers and industrialists have been little disturbed as compared with their racial brethren.

Paragraph 7 of the nazi program declares that the state is responsible for the employment of all its citizens. The nazis claim that they have reduced unemployment very greatly. According to the official statistics the unemployed in Germany at the end of January, 1933, numbered 6,013,612, and at the end of March, 1934, 2,799,000. This would seem to indicate a decrease of more than 50 per cent during the first fourteen months of the nazi régime. But on April 9, 1934, Director Friedrich Syrup of the German Labor Institute issued a statement which indicated that 1,940,000 of those who had been dropped from the list of the unemployed were engaged in "substitute employment" where they receive only their food and lodging and little or no wages.[1] This "substitute employment" includes the labor service in the army or in the civilian labor camps, emergency public works, and forced additional employment in industry and agriculture where employers have been compelled to take on unemployed workers whose services they did not need. Such substitute employment cannot be regarded as a genuine reduction of unemployment.

In December, 1933, the minister of labor issued a memorandum "for the exclusive information of official and semi-official organs" of the government which indicated that many persons who had been receiving unemployment doles had lost

[1] *New York Times,* April 11, 1934.

this public assistance because of the more drastic regulations of the nazi régime.[1] These persons cease to report at the labor offices and before long are dropped from the official list of the unemployed. Many thousands of women, especially in commerce, have been replaced by unemployed men in accordance with the nazi theory that the woman's place is in the home. Although these women are forced into unemployment, they are not included in the official list of the unemployed. Probably at least sixty thousand Jews and an unknown number of Marxists, pacifists, liberals, etc., have been driven from Germany, thus reducing still further the list of unemployed though these exiles can with difficulty secure employment elsewhere.[2] These facts prove conclusively that instead of reducing unemployment about 3,200,000 during the first fourteen months of the nazi régime, as the nazis allege, the reduction was certainly not over one million and may have been much less. In a speech on April 17, 1934, Chancellor Hitler declared that "if we succeed in reducing the number of unemployed to one million, we may regard the employment problem solved."[3] This was tacit admission that the nazis cannot eliminate unemployment, in spite of numerous earlier assertions to that effect.

When Hitler became chancellor he declared that labor conscription is one of the principal aims of the nazi program. On May 8, 1934, the under-secretary in the ministry of labor announced that it would soon be introduced. He stated that "the transition to a general compulsory labor service must now be vigorously prepared and must in great part be realized when

[1] Cited in the *Nation*, New York, January 31, 1934, p. 121.

[2] It is estimated that as many as 200,000 have been forced to escape from Germany for racial or political reasons.

[3] *New York Times*, April 19, 1934.

Henri estimates that the unemployed in Germany number 8,000,000, consisting of a "bondage-army" of 1,000,000, a "starvation-army" of 3,000,000, and a "transition-army" of 4,000,000; and that during the first year of nazi rule real wages decreased 20 to 30 per cent. (Ernst Henri, *op. cit.*, pp. 75 and 99.)

it is inaugurated by legislation."[1] Many permanent barracks have been built in the labor camps, and the inmates have been put in uniform. The principal purpose of the compulsory service is to furnish substitute employment for the unemployed. It also has some value for military training. I have visited several of the camps where the men were building roads, reclaiming land, constructing buildings, etc. They are maintained at the cost of about two marks per day per inmate and the daily wage paid is twenty-five pfennigs. These measures may have a temporary value, but they do not constitute a permanent solution of the problem of unemployment.

[1] *New York Times,* May 9, 1934.

Chapter XXII

NAZI REGIMENTATION OF CULTURE

"What changes have you noticed in Germany?" inquired a very ardent but rather stupid nazi.

"All the newspapers read alike now," I replied.

He looked surprized and then said: "It had not occurred to me, but I believe you are right."

Prior to the nazi régime the *Vossische Zeitung, Berliner Tageblatt, Frankfurter Zeitung, Muenchner Neueste Nachrichten, Deutsche Allgemeine Zeitung, Hamburger Fremdenblatt, Koelnische Zeitung,* and *Leipziger Tageblatt* were among the better of the liberal and moderately conservative journals. Each had a distinctive character of its own. Then there were numerous radical newspapers to the left and many conservative and nationalistic papers to the right. All the radical papers were suppressed soon after the commencement of the nazi régime. The surviving newspapers of the other groups have become entirely colorless. Such is the effect of nazi "Gleichschaltung" and "Totalisierung."

With respect to education the twentieth paragraph of the nazi program reads as follows:

> 20. To enable every capable and industrious German to acquire a higher education and to attain thereby a position of leadership, the state is responsible for a thoroughgoing development of our entire system of popular education. The curriculum of every school should be adjusted to the requirements of practical life. The idea of the state must be grasped through the school with the awakening of intelligence. We demand the training of gifted children of poor parents at the expense of the state without regard to their social status or occupation.

Immediately after coming to power the nazis began to coordinate education by subjecting the schools to a process of "Gleichschaltung." Emphasis upon the development of the individual and sex education given by a teacher to an entire class were forbidden. Discrimination, tolerance, and an objective attitude of mind are discouraged, and an intolerant, partizan attitude encouraged. Veneration of great men, the heroic ideal, the precept that youth must be blindly obedient to their elders and leaders, and the concept of race and blood as of supreme importance are the principles and ideals now imparted to the young. A rigid school discipline imposes the lockstep upon all pupils.

History plays a peculiarly significant part in the nazi scheme of education. A proclamation by Dr. Frick, the minister of the interior, concerning the teaching of history contains the following instructions. Emphasis is to be placed upon the teaching of German pre-history in order to exalt the virtues or alleged virtues of the barbaric Teutonic ancestors of the German people. Greek history is to be taught as commencing in central Europe, because according to a nazi legend of dubious accuracy the Greeks who created the classic Hellenic culture were of Teutonic origin. The classical Roman culture also is to be traced back to Germany, because according to another nazi legend the inhabitants of northern Italy were of nordic origin and formed the patrician class in Rome. A continuation of nazi mythology attributes the efflorescence of culture during the middle ages including the Renaissance to an infusion of nordic blood. The history of the recent European war is to be taught as the heroic struggle of Germany against a world of foes.

In almost every country a patriotic and more or less chauvinistic tinge is imparted to the teaching of history. Rarely if ever has it been prostituted to the aggrandizement of a race and of a political party to the same degree as in nazi Germany. As an American observer on the spot has expressed it: "The

suppression of liberal idealism, the exaltation of the heroic in the individual and of power in the state, the suppression of tolerance and objectivity, and the presentation of race as the key to all historical cultural development constitute the new norms for historical instruction in the Third Reich."[1]

On December 28, 1933, Minister of the Interior Frick issued an order limiting the number of students to be admitted to the universities during 1934 to 15,000. Heretofore about 40,000 have been admitted annually. The conditions of admission are political zeal and partizanship rather than scholarly attainments. The "Fachschaft" or group study has been introduced for political education.[2] The S. A. Mann or brown shirt now dominates the university perhaps more than the professor. The nazi principle of leadership has been imposed upon the universities. The Rektor or president of a university is no longer chosen by the faculties as formerly but is appointed by the Kultus-Minister (minister of public worship and instruction). German students who go abroad to study must prove that they can do propaganda work. Students who are physically incapable of the Wehrpflicht (military training of one night march and two day marches a week and drill with arms) required of students may serve the fatherland by two semesters of propaganda at a foreign university.

Prior to the nazi régime there was a good deal of academic freedom in the German universities. An Ordinarius-Professor or professor of the highest rank was appointed for life and could not be discharged for any political, economic, or racial reason whatsoever.[3] It would be superfluous even if there were the space to describe the well-known achievements of German

[1] Oron J. Hale, "The Way of Social Science and History Teaching in Hitler's Germany," in *Social Forces*, December, 1933, Vol. XII, No. 2, p. 190.

[2] Shepard Stone, "Twilight of the German University," in *Current History*, New York, April, 1934, pp. 39-43.

[3] See for an excellent description of the German university, A. Flexner, *Universities, American, English, German*, New York, 1930.

science and scholarship. This freedom has entirely disappeared. Many professors of all ranks have been driven from their positions because they are Jews or for political reasons. The Dekan or dean of the philosophical faculty of one of the largest German universities admitted to me that several professors had been dismissed from his university because of their political opinions but none because they are Jews. He said that he was very busy with changes in the curriculum because it was necessary to introduce new courses in the early history of Germany and to make other changes required by the nazis.

An innovation introduced by the nazis into the educational system is the labor service. It has not taken its final form as yet. It is expected that it will become compulsory for all students. A voluntary work semester has already been provided for the male graduates of the higher schools. For four and a half months in a work camp six and a half hours a day are spent in improving land, building roads, and similar work of public utility. Then six weeks are devoted to "land sports" of a warlike nature. The student participates in drill, organized marches, shooting practice, and in similar military activities. For the young women a number of small farm camps have already been established where they are taught agricultural methods by engaging in all the hard work of a farm. All graduates of the high schools who wish to matriculate in the universities in 1934 and later are required to have performed six months of labor service. According to a decree issued on February 9, 1934, for the male matriculants six weeks in a camp with nazi storm troopers or brown shirts is included, but the corresponding duties for female matriculants were not specified and apparently were still under consideration.

In March, 1934, a law was promulgated in Prussia establishing a "country year" for boys and girls leaving the city public schools after completing the legal schooling minimum at fourteen years of age. They are to be trained in rural "homes" in

groups no larger than thirty. According to the official announcement the purpose is "to take school juveniles who are racially suitable and enjoy hereditary good health out of their deleterious environments and train their bodies and minds harmoniously. They are to be taught under national socialist direction to put in all their energies early and joyously for the commonwealth." Special attention will be given to "regions infected with a spirit of non-conformity to national socialist tenets or otherwise morally endangered." In addition to the physical training and labor, these children will be indoctrinated in the nazi "Weltanschauung" or world outlook, political principles, and racial theories.

In May, 1934, was issued an appeal by the leader of nazi women's organizations, the leader of the Hitler Youth, and the head of the unemployment and labor bureau for a "kitchen year" for girls leaving the public schools. German housewives were urged to take these girls into their homes to work for their board and lodging but no pay and to teach them the "foundations of housekeeping" without dismissing their regular domestic servants. A primary purpose of the "kitchen year" as well as of the "country year" is to keep as many as possible of the boys and girls leaving school out of the labor market and thus to relieve in a measure the pressure of unemployment. The head of the labor bureau, Dr. Friedrich Syrup, stated that 1,300,000 children, of whom 600,000 are girls, would leave school in 1934, as compared with less than 700,000 annually during the past decade. The increase in the number leaving school was mainly due to the smaller number permitted by the nazis to enter the higher schools.

The nazis assert that the labor camps, "country year," etc., will constitute a powerful factor for democracy by bringing the young of all classes together on a basis of social equality to learn to work for the common good (*Gemeinnutz*). They allege that by such measures the class struggle of Marxian theory

will be eliminated. It is possible that they may accomplish something in the way of promoting democracy. They will not attain the second objective. So long as there are classes whose fundamental economic interests are opposed to each other, the class struggle is inevitable.

Like fascism, national socialism proclaims itself religious and Christian, but in very racialistic terms. The twenty-fourth paragraph of its program reads as follows:

> 24. We demand freedom for all religious creeds in the state, in so far as they do not endanger its permanence or violate the moral and ethical sense of the German race.
>
> The party as such represents the point of view of a positive Christianity without binding itself to any distinct creed. It opposes the Jewish materialistic spirit in and outside of ourselves and is convinced that a permanent healing of our nation can take place only from within by placing the common good before the good of the individual.

Soon after his accession to power Hitler assured both the Lutheran evangelical and the Catholic churches that they had nothing to fear from the nazi régime. For the first two or three months the churches were left comparatively free and were almost the only German organizations which were not regimented from on high. Towards the close of April, 1933, commenced a movement within the evangelical church to reform its constitution along patriotic lines, at the same time affirming its independence of the state. Then Hitler designated Ludwig Mueller, an obscure army chaplain of Koenigsberg in East Prussia and a close friend of his, as his personal representative. Mueller at once assumed the leadership of a politico-religious movement calling itself the "Glaubens-Bewegung der deutschen Christen" or faith movement of German Christians. This organization declared itself the "church of the German Christians, that is to say, of Christians of the aryan race," the obvious intention being to exclude baptized Jews. Inasmuch as Christianity is a universal religion which recognizes no racial

distinctions within its fold, the Lutheran synod objected to an "aryan Christianity" founded upon "blood and race." It chose as the bishop of the nation a pious Lutheran clergyman named von Bodelschwingh. Mueller protested against this choice on the ground that he had not been consulted. After considerable persecution on the part of the nazis, von Bodelschwingh resigned his bishopric. Soon after, Hitler appointed Mueller as the chief bishop or primate of the evangelical church. Thus was the nazi principle of leadership and of authority descending from on high affirmed.

Since his appointment Mueller has dominated the evangelical church in the spirit and manner of the Fuehrer. Many pastors have been discharged who have objected to nazi control of the church. The nazis have been especially anxious to secure control of all the youth organizations in order to be able to direct all forms of education. On December 21, 1933, an agreement was signed between Mueller and Baldur von Schirach, the head of the Hitler Youth, which merged the evangelical youth league numbering over 700,000 members and the Y.M.C.A. and Y.W.C.A. in the nazi organization. The agreement states that the evangelical league "recognizes the unification of civic education of German youth by the national socialist state and recognizes the Hitler Youth as an exemplar of the state idea."

The nazi onslaught on the evangelical church has aroused a good deal of sympathy among protestants in other countries in behalf of the evangelicals. This has encouraged the anti-nazi clergy to continue their efforts to free their church from state control. Early in the year 1934 they organized a national league for the protection of the faith which has been organizing free local synods with a view to establishing eventually a free national synod. In May, 1934, the nazi primate, Bishop Mueller, tried to induce not only the Lutheran church, which is the established church in Germany, but also the other Protestant

sects, such as the Baptists and Methodists, to come under his jurisdiction under an agreement which would guarantee their independence in matters of doctrine and of internal church discipline. It remains to be seen what the final outcome of this conflict will be.

The Catholic church has been having similar difficulties with the nazi régime. The nazis are particularly hostile to this church because it is an international organization of non-German origin and because it has disseminated the Latin culture which they regard as peculiarly alien to the Germanic culture. After lengthy negotiations in the latter part of 1933 a concordat was signed between the papacy and the German government in which the church accepted the dissolution of the Catholic parties, the Centrum, and the Bavarian People's Party, and agreed to refrain from all political activities. This did not terminate the controversies between the church and state. Like the evangelicals the Catholics have been opposing the nazi attempts to organize Christianity. As Cardinal Faulhaber of Munich has expressed it: "In the kingdom of God there are no pampered favorites and all peoples have the right to their racial individuality. . . . We are not redeemed by German blood, but by the blood of Christ." Furthermore, the church has been opposing the sterilization legislation, which it regards as contrary to its tenets.

As in the case of fascism, the controversy of greatest practical significance is over the education of the youth. The church claims supreme authority over education and morals while the totalitarian state wishes to direct the rearing of the youth in all its phases. The nazi government is trying to merge the Catholic Youth Association numbering about 300,000 in the Hitler Youth. It remains to be seen what the outcome of this struggle will be.

The religious situation in Germany is complicated by the desire of many nazis to abandon Christianity entirely and to

revert to the pagan religion of their Teutonic ancestors. This might mean the reinstatement of the Teutonic pantheon of gods and goddesses and possibly also the sun and light worship attributed to the early Teutons. On July 30, 1933, about 100,000 nazis held a convention at Eisenach where they disavowed Christianity and declared their responsibility "for our Germanic origin before the divine reality," whatever that may mean. Later was organized the German faith movement, which is to be distinguished from the above-mentioned organization of German Christians who assert that Jesus was not a Jew but of aryan origin. Early in 1934 Chancellor Hitler appointed Dr. Rosenberg the supreme supervisor of the mental training of the members of the "national socialist party and all politically coordinated associations," which would include church organizations as well. As Rosenberg is the author of a book entitled *The Myth of the Twentieth Century* in which he opposes Christianity, this appointment may indicate an official recognition of the tendency towards a pagan religion.

The sacrosanct nature of religion, the religious point of view of national socialism itself, and the unfavorable repercussions from abroad to religious persecution have checked somewhat the ruthlessness of the nazis in regimenting religion. There have been no such restraints with respect to other phases of German culture. The German press was slaughtered with one fell stroke.

Paragraph 23 of the nazi program reads as follows:

23. We demand a battle by legislation against conscious political falsehood and its dissemination through the press. In order to render possible the creation of a German press, we demand that:

(*a*) All editors of and contributors to journals which appear in the German language must be fellow countrymen (*Volksgenossen*);

(*b*) Non-German journals must have the explicit permission of the state to appear. They can not be printed in the German language;

(*c*) Every financial participation in or influencing of German jour-

> nals by non-Germans must be forbidden by law, and we demand as a punishment for violations of this law the suppression of such a journal and the expulsion from Germany of the non-Germans involved.
>
> Journals which offend against the common welfare must be forbidden. We demand a battle by legislation against any artistic and literary tendency which exercizes a disintegrating influence upon the life of our people and the closing of establishments which offend against these demands.

This very general and rather vague program furnishes a basis for almost any degree of suppression and regulation. Immediately after coming into power the nazis imposed a severe censorship upon the press. Jews and other persons objectionable from the nazi point of view were driven from their positions, some of them being forced to flee from the country. Among the latter were two of the most distinguished German journalists, namely, Theodor Wolff, the editor of the *Berliner Tageblatt*, and Georg Bernhard, the editor of the *Vossische Zeitung*. Before long a guild of journalists was organized under the control of the ministry of propaganda. Journalists were made public officials. On January 23, 1934, were created special professional courts to discipline journalists. The penalties they can impose range from fines to dismissal from the guild which bars a journalist permanently from journalism.

Instructions issued to the German newspapers by the ministry of propaganda have been reproduced in *Das neue Tagebuch* published by German refugees in Amsterdam and Paris. On March 5, 1934, they were told that "corruption scandals in the American army" must not be played up. This is a muddled reference to the government charges against the aviation companies and the transfer of the air mail to the army fliers. On March 7 they were warned not to reprint an interview with Dr. P. J. Goebbels, the minister of propaganda, in the *New York Times*, but to use a copy circulated by the official German press bureau. On March 9 they were ordered to say nothing

about a mass meeting in New York concerning "Civilization against Hitler" until the ministry of propaganda had decided "whether said meeting has any significance."

The inevitable consequence of this situation is that most of the newspapers have lost a large part of their circulation and many of them have gone out of existence. For example, on March 31, 1934, the *Vossische Zeitung* ceased publication after being published continuously for 230 years. On the same day four newspapers went out of existence in Hamburg. Almost the only daily journal with a large circulation in Germany today is the official organ of the party, *Der voelkische Beobachter*, published in Munich and Berlin by Adolf Hitler. Its appeal to the public reads as follows: "Thou German! Read the journal which since thirteen years fights for the honor and freedom of our people, struggles for the soul of every German, and engages in a heroic battle against the poison of the Jewish world press." The organ of the ministry of propaganda, *Der Angriff*, makes frequent virulent attacks on the Jews, Catholics, Marxists, communists, socialists, pacifists, and liberals.

On April 20, 1934, Minister of Propaganda Goebbels delivered a speech in which he accused the bourgeois press of sycophancy and subservience and demanded more courage of their editors. The editor of *Die gruene Post*, an agricultural paper with a large circulation, took him at his word and suggested certain reforms in the ministry of propaganda. He was charged with lèse majesté and imprisoned in a concentration camp. His paper was suppressed for three months. These measures caused so much criticism and ridicule in the foreign press that in a few days the editor was released. On May 8, 1934, the ministry of propaganda issued an order which professed to give more freedom to the press. But it specified that editors can exercize this freedom "provided other regulations shall not be necessary for weighty reasons" and "as far as necessities of state permit." This signifies no more freedom than before,

because an editor can at no time be certain whether he has any freedom or not. In a speech to nazi journalists on that day the diminutive Dr. Goebbels, who in private is called "Wotan's Micky Maus," bombastically declared that "many German journalists completely fail to understand the mightiest phenomenon of our century—the national socialist movement." So long as Goebbels displays this spirit, there is not likely to be any more freedom of the press in Germany.[1]

The foreign correspondents also have been hampered in their attempts to send complete and accurate reports from Germany. Some of them have been expelled from the country and a few imprisoned. In October, 1933, the Munich correspondent of the *London Daily Telegraph* reported a parade of brown shirts reviewed by Chancellor Hitler in which he described the military formation and goose-step of these nazi warriors. The following day he was imprisoned and held incommunicado for nine days under charges of high treason and espionage. Only after vigorous protests from the British foreign office was he released and then expelled from the country.

The ministry of propaganda maintains a similar rigid censorship over the publication of books, the radio, the moving-picture industry, the theater, music, and art. Consequently, it controls every agency of publicity in Germany. Paragraph 25 of the nazi program demands "the establishment of professional and vocational chambers for the execution of constructive legislation (*Rahmengesetze*)." On November 4, 1933, was published a law creating a chamber of culture composed of seven sections, namely, fine arts, music, theater, literature, press, radio, and films. The chamber was inaugurated on November 15, 1933, and is presided over by the ubiquitous Dr.

[1] In a speech on May 11, 1934, Dr. Goebbels again attacked the Jews. "We have spared the Jews, but if they think they can therefore reappear on the stage and in the editorial office, if they imagine they can again stroll along the Kurfuerstendamm as if nothing had happened, let them take my words as a last warning." (*New York Times*, May 12, 1934.)

Goebbels who has the power of appointing the chiefs of the various sections. Each of these sections includes all the organizations within its field and has the status of an official body at law. All persons engaged in these professions are expected to become members of the chamber of culture. Its functions are to promote the economic interests of its members, to regulate conflicts between the bodies concerned, and to develop German culture from the point of view of national socialism.

Throughout the cultural as well as the political and economic activities of the nazis run their glorification of and preparation for war. In the inchoate mass of Hitler's wordy *Mein Kampf* can be discerned the nazi war program. It has been clearly stated by Banse.[1] The Third Reich is to include Denmark, Holland, Belgium, northern France, most of Switzerland, southern Tyrol, Austria, western Czechoslovakia, West Prussia, Posen, and Upper Silesia. Instead of a little over 60,000,000, Germany will then number more than 100,000,000 inhabitants. This plan is the same as the pre-war Pan-Germanism. As Banse says in his preface: "The Third Reich, as we dream of it—from the Flanders coast to the Raab, from Memel to the Adige and the Rhone—can only be born in blood and iron."

The German regular army numbers 165,000 with at least 100,000 in its first reserve. The police who receive military training number 80,000. The storm troops include at least 1,000,000. The recently incorporated Stahlhelm troops number another 1,000,000. At the ministry of labor I was told that with the introduction of compulsory labor service the militarized labor camps will probably contain 900,000. There are 1,300,000 veterans of the European war available for service. The Hitler Jugend number at least 1,500,000 boys and girls who are being

[1] Ewald Banse, *Germany Prepares for War,* New York, 1934, translated from the German. The author is professor of military science at the Brunswick Technical College. The German title is *Raum und Volk im Weltkriege.*

taught the glories of war, while the schools are imparting this instruction to all the young.

The German budget for the army rose from 472,000,000 marks in 1933 to 647,000,000 in 1934, for the navy from 183,000,000 marks in 1933 to 233,000,000 in 1934, for aviation from 78,000,000 marks in 1933 to 210,000,000 in 1934, a total increase of 347,000,000 marks. There are reports from many sources that large stocks of munitions are already on hand, and the factories producing war materials are at work. During 1933 the shares of many of the firms which manufacture war materials rose in value, among them being the Berlin-Karlsruher Industrie, the Rheinmetall Werke, the Bayerische Motoren Werke, and the I. G. Farben which manufactures poison gas.[1]

Before the nazis had come to power Rosenberg and other nazi writers had described a plan to attack Soviet Russia in unison with Poland and to take possession of the Ukraine which would probably be divided into economic spheres of influence among the capitalistic powers. The recent *rapprochement* between the German and Polish governments, as indicated by the German-Polish non-aggression pact of January 20, 1934, lends plausibility to this scheme. In any case, the virulent hatred for bolshevism often expressed by the nazis and the fascists renders highly probable a concerted attack upon Soviet Russia. While all forms of capitalism tend towards war and imperialism as methods of securing markets, monopolistic capitalism accentuates this tendency considerably.

One of the serious consequences of the nazi regimentation of culture is that numerous persons who have distinguished them-

[1] Information about German preparation for war is furnished in the following recent books: Leland Stowe, *Nazi Means War*, New York, 1934; C. B. Hoover, *Germany Enters the Third Reich*, New York, 1933; E. A. Mowrer, *Germany Turns the Clock Back*, New York, 1933; H. C. Englebrecht and F. C. Hanighen, *Merchants of Death*, New York, 1934; George Seldes, *Iron, Blood and Profits*, New York, 1934. "It is hardly an exaggeration to say that war is no longer conceived as a measure for the protection of the state; it is the end of statecraft itself." (Ludwig Lore, "How Germany Arms," in *Harper's Magazine*, New York, April, 1934, pp. 505-17.)

selves in various cultural fields have lost their positions and careers, and in some cases have been driven from Germany. Many others are in voluntary or enforced exile with their careers partly or entirely destroyed.[1] This is in accord with the burning of the books in 1933 symbolizing the suppression of much of the world's most important and valuable literature which cannot be taught or even read. As long as the nazis remain in power, a considerable part of German culture itself is banned from its native land.

[1] Among the victims are the physicist Albert Einstein and chemist Fritz Haber, both of them Nobel prize winners, the mathematician Adolf Franckel, the physicians Blumenthal and the Zondeck brothers, the sociologists Emil Lederer and Karl Mannheim, and the philosophers Ernst Cassierer, Moritz Geiger, Max Wertheimer, and Theodore Lessing who was assassinated by the nazis near Prague. In literature are Thomas Mann, Nobel prize winner, Lion Feuchtwanger, Jakob Wassermann, Erich Maria Remarque, Franz Werfel, Ernst Toller, Ludwig Renn, Heinrich Mann, Emil Ludwig, Alfred Doeblin, Oskar Maria Graf, Johannes R. Becher, and Theodor Plivier. In painting are Max Liebermann, Franz Marc, Paul Klee, Karl Hofer, Oskar Koakoschka, and Kaethe Kollwitz. In music are Bruno Walter, Arnold Schoenberg, Arthur Schnabel, and Karl Flesch. In the theater are the producers Max Reinhardt, Erwin Piscator, and Jessner, and the actors Max Pallenberg, Fritz Kortner, and Elizabeth Bergner.

Part IV

LIBERAL DEMOCRACY

WESTERN EUROPE AND AMERICA

Chapter XXIII

THE QUESTION OF FREEDOM

Recently I was talking with a historian who has written a well-known textbook on modern European history and a professor of Italian literature who has translated a treatise by a famous Italian sociologist. "Bolshevism and fascism are almost the same thing," said the historian.

"On the contrary, they differ greatly," I replied.

"How can there be a difference when both of them restrict freedom?" declared the professor of Italian.

When persons who are in a position to know display such egregious misconceptions, it is not surprizing that the vast majority have no comprehension of the fundamental differences between these two forms of the state.

Every community imposes restrictions upon its members which arise in the first instance out of habits, customs, and public opinion. These are determined in turn by the natural environment and the social system which prevail at any given time and place. Most individuals are little aware of many of the restrictions of their own communities because they are accustomed to conform to them and would not ordinarily wish to act otherwise. In a small American town I encountered an Englishman who was very indignant because he could not purchase a bottle of whisky. He declared that there is no liberty in the United States and unlimited freedom in Great Britain. I asked him how much freedom has an English wife who wishes to divorce her husband.

In Japan I had to remove my shoes before entering a dwelling house whereas in the Occident such a requirement would

be regarded as an unwarranted infringement upon personal liberty. In the promenoir of a Parisian theater I was forbidden to wear a cap because this innocent headgear is worn by the "apaches" or gangsters of Paris. On a hot summer's day I removed my coat in the reading room of a famous club in Washington and felt much more comfortable. My shirt was much cleaner and looked better than my woolen coat. Presently a negro attendant came in and informed me that shirt-sleeves were permitted only in the billiard room.

Conventionality in dress or in any other aspect of life is due to mental inertia and often inferiority. Each convention has or usually has had at its base a utilitarian consideration. That is to say, at the time and place of its origin it had its utility for the existing social order. With the passage of time its utility changes and often decreases. The uniformity required by convention is never entirely justified because there are at all times exceptional cases. Owing to stupidity or inertia the average person is unable or unwilling to judge each case by itself and therefore succumbs to the sway of convention.

While traveling the world over I have often meditated as to where there is the greatest freedom from and the greatest slavery to convention. It is difficult to determine because there is an abundance of sumptuary restrictions everywhere, though they vary greatly in kind from place to place. But there are differences of fundamental importance with regard to the status and conditions of freedom which arise out of the nature of the social organization and its underlying philosophy. In certain social systems freedom is recognized as a good and an end in itself. The rights of the individual are safeguarded in order to promote this freedom. In other systems authority of divine or human origin is exalted above freedom. The rights of the individual are subordinated to those of the group in spite of the fact that a group is composed of individuals.

It is not sufficient to consider only the ideas which furnish

the theoretical basis for a system. A political and economic organization may be based upon libertarian ideas and yet result in a high degree of exploitation which narrowly limits the freedom and rights of a vast number of individuals. Another political and economic organization may be based upon authoritarian ideas and yet permit of a certain amount of individual freedom. These types of social organization are to a certain extent illustrated in the social systems now competing for the mastery.

Liberal democracy, in name at least, seems to sponsor the largest amount of liberty. It professes to maintain freedom of thought, of speech, of publication, and of assembly, in other words, all of the so-called civil liberties. It also professes to maintain economic liberty. In a comparatively simple agricultural community and where industrial production is largely by handicraft, liberal democracy may succeed in promoting economic liberty for the great majority. With the development of large-scale machine production it became no longer possible for the average worker to own the means of production. The workers are now largely at the mercy of the capitalists who own the machines. By uniting and bargaining collectively they have endeavored to defend themselves against the advantageous position of their employers. But technological advance has rendered such measures almost ineffective. It is now possible to produce all that the capitalistic system is capable of distributing by means of its mechanism of prices with a comparatively small amount of the available labor supply. There is a large labor surplus which can find little or no employment and therefore starves to death or survives at the miserably low subsistence level afforded by charity. The existence of this labor surplus also lowers the wages and standard of living for the whole of the working class. Under these circumstances economic liberty in the liberal-democratic system

has become a tragic farce. The many millions in the liberal-democratic countries, such as the United States, England, and France, who are unemployed or have miserably low incomes have no liberty or individual rights which have any practical value.

The failure of liberal democracy to provide a decent standard of living for the vast majority has also resulted in destroying in large part the civil liberties. The capitalists in power have been chiseling away these rights and thus preparing the way intentionally or unconsciously for the coming of the authoritarian state under capitalism. With the proletarian and lower middle classes much weakened there can be little opposition to the rule of the capitalists. This is a class dictatorship which contemplates no termination because the capitalistic class can never include the whole of mankind.

The authoritarian capitalistic state is supposed to remedy the evils of liberal democracy. In fascist Italy and nazi Germany it fails completely to do so and has made the economic situation even worse for the masses. It destroys what vestiges of liberty have remained in the liberal-democratic state. Freedom of the press, of assembly, and of voluntary organization disappear entirely. The women lose their newly acquired liberty. The class struggle is temporarily obstructed by the complete subjugation of the largest class which contains most of mankind. The doctrine of the "leader" carries this process still farther by subjecting almost everyone to a small oligarchy. Italy, the birthplace of the positive school of criminology of Lombroso and Ferri, has reverted to the utmost severity in the treatment of criminals.[1] In Germany have come the stupid and brutal racial limitations.

[1] A former fascist minister of education, Belluzo, in a speech at Turin, stigmatized pre-fascist freedom as "not liberty but dangerous license." He then characterized fascist "liberty" as follows: "But the liberty to work, to produce, to act within the orbit of the institutions, the liberty to respect all the laws of the state, to feel one's self within the state and for the state, to cooperate in order to strengthen it,

When we turn to bolshevism, what seems at first a paradoxical situation presents itself. Here also as under authoritarian capitalism we find militarism, dictatorship, terrorism, the suppression of civil liberties, and the frequent use of undemocratic methods. A better acquaintance with the bolshevist system indicates that it differs in all its fundamental traits from capitalistic authoritarianism. In the course of an extensive perusal of communistic literature and in conversations with many bolshevists, I have never read or heard a single word against freedom and democracy as such. On the contrary, the ultimate purpose of bolshevism is invariably set forth as the freedom of the individual and the protection of his rights, while authoritarianism in all its forms is denounced. As Marx expressed it: "I call revolution the conversion of all hearts and the raising of all hands in behalf of the honor of the free man." A German Marxist deplores the fact that "the masses are still credulous of authority. Show them a crucifix and they will fall upon their knees muttering a prayer, thunder a command at them and they will click the heels together and stand at attention."[1]

The authoritarian methods used by the bolshevists are intended as temporary and should terminate as soon as the ends sought are attained. The dictatorship of the proletariat will cease with the termination of the class struggle. The permanent subjugation of one class by another as under authoritarian capitalism is not contemplated. On the contrary, class distinctions will disappear because all the classes will be merged in an all-inclusive mankind in which there will be no groups of exploiters and of the exploited.[2] In similar fashion, dis-

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the liberty to respect and love the fatherland, and to make it great with one's own acts, this liberty, as all know, has never been so great in Italy." (*Il Giornale d'Italia*, Rome, March 22, 1929.)

[1] Hartwig, in the *Protokoll* of the 3rd congress of the "Internationale Proletarischer Freidenker" at Cologne, January 4 to 8, 1928, p. 231.

[2] As Trotzky has expressed it: "The proletariat acquires power for the purpose

crimination as between races and nationalities will disappear. All of them will enjoy an equal freedom. This is already admirably illustrated in the Soviet policy towards the many racial and national entities in Russia.

Only in Soviet Russia has woman already attained an equal freedom with man. As Lenin wrote in 1919: "Education, culture, civilization, freedom—these high-sounding words in all capitalist, bourgeois republics of the world, go hand in hand with unusually debasing and brutal laws which emphasize the inequality of women in marriage rights and divorce, the inequality between the 'legitimate' child and the child born out of wedlock, the privileges of men, the humiliation and degradation of women. . . . The Soviet Republic, the republic of the workers and peasants, has swept away these laws, has smashed all this bourgeois falsehood and bourgeois hypocrisy."[1] An Austrian woman writer comments on the present situation as follows: "The new form of marriage will be based upon the full economic, political and social equality of the sexes. . . . A hierarchy of achievement rules, molding the whole of life on one consistent principle, estimating the worth of every person, whether man or woman, according to his or her achievements and achievements according to their social value."[2]

From the November revolution of 1917 until the beginning of the New Economic Policy the law was enforced through the revolutionary tribunals in which the judges were expected to decide according to their "revolutionary conscience." This is a very uncertain and vague guide and opens the way to numerous abuses and injustices. Gradually there developed civil and criminal codes, a special family code, and the most detailed labor code in the world. The spirit of Soviet law is well illus-

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of doing away forever with class culture and to make way for human culture." (L. Trotzky, *Literature and Revolution,* New York, 1925, p. 186.)

[1] Quoted in the Introduction to *The Soviet Law of Marriage,* New York, 1933.

[2] Fannina W. Halle, *Woman in Soviet Russia,* New York, 1933.

trated in the penal code which conserves and applies nearly all of the principles of the modern positive school of criminology. The prisoner is not regarded as a convict but as a worker temporarily isolated from society who is protected by the labor code like all other workers. The eighth congress of the bolshevist party stated as the ultimate purpose of prison reform, "the replacement of prisons by educational institutions." Apart from its treatment of those whom it considers the enemies of the proletarian class, the aim of Soviet law is to promote individual freedom as much as possible.

The scientific attitude advocated by bolshevism destroys absolute standards and repudiates spiritual authoritarianism. Dialectic materialism itself implies never-ending change and development. As a non-partizan American philosopher has characterized the bolshevist attitude: "The program of communism has its counterpart, therefore, in what we have called the active attitude; an attitude which is dissatisfied, curious, analytical, but likewise is directive, organizational, synthetical; an attitude which reflects, yet by its own light kindles."[1] The frequent charge that bolshevism is fundamentally authoritarian is obviously erroneous.[2]

The accusation which has perhaps been the most plausible is that bolshevism strives to submerge the individual in the mass and to standardize him.[3] There has doubtless been a

[1] T. B. H. Brameld, *A Philosophic Approach to Communism*, Chicago, 1933, p. 192.

[2] For example, a German sociologist has made this egregious error: "Bolshevism is superior to the skeptical, relativist, and purely opportunist political and social attitude so common in the outside world. It claims to represent immutable principles." (W. Gurian, *Bolshevism: Theory and Practice*, London, 1932, translated from the German.) Nothing could be farther from the truth than the last sentence.

[3] For example, Fueloep-Miller asserts that the bolshevist is the "kollektive Mensch" or "Massemensch." (R. Fueloep-Miller, *Geist und Gesicht des Bolschevismus*, Vienna, 1926.)

"The collectivized man is a public being. There exists nothing but the masses, and thought itself has become standardized." (A. Feiler, *The Russian Experiment*, New York, 1930, p. 258.)

"It is communist theory that individual personality does or should count for

tendency in this direction during the revolutionary period which has not yet terminated. One of the most striking examples has been the attempt to regiment and standardize art and the artists.[1] All this is contrary to the fundamental tenets of communism whose purpose it is to promote to the highest possible degree the freedom of the individual. Such measures can be justified, if at all, only temporarily as revolutionary means. Under communism the "submergence of the individual in the mass" can take place only to the minimum extent to which every individual must be adapted to the social system under which he lives. The submergence is far less than under authoritarian capitalism where the individual is intentionally and systematically submerged to the greatest possible degree.

The foregoing discussion indicates that economic well-being and genuine liberty for the great majority can come neither through a theoretically unrestricted individualism nor through the authoritarianism of monopolistic capitalism. It is becoming increasingly clear and more widely recognized that these ends can be attained only under a genuine socialized system, which neither of the above-mentioned is.[2]

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little, that disciplined party members should simply carry out the tasks which the party assigns them." (W. H. Chamberlin, *Soviet Russia*, Boston, 1930, p. 107.)

"The guiding philosophy of the Soviet state, with its emphasis on class, likewise ignores the individual." (W. C. White, *These Russians*, New York, 1931, Preface.)

[1] "The communists not only deny that art is something apart from the social structure; they further deny that artists are 'above the battle.' All art, they say, is *class* art; and every artist is a participant in the class struggle. The 'absolute freedom' of the artist, they maintain, is an illusion." (Joseph Freeman in J. Freeman, J. Kunitz, and L. Lozowick, *Voices of October, Art and Literature in Soviet Russia*, New York, 1930, p. 17.

See, for a full description, Max Eastman, *Artists in Uniform: A Study of Literature and Bureaucratism*, New York, 1934.

[2] A significant recognition of this situation is in the report of the social studies commission of the American Historical Association, which is far from being a radical organization, published in May, 1934. The commission asserts that "the road of collectivism is one which it believes will make possible the most complete realization, under the changed conditions of life, of the ideals of American democracy and cultural liberty; the recognition of the moral equality and dignity of all men; the abolition of class distinctions and special privileges; . . . the protection of all liberties essential to defense against the exercise of brute power," etc.

Chapter XXIV

THE PROBLEM OF LEADERSHIP

The worldwide attack upon democracy and parliamentarism, the rise of the "duce" in Italy and of the "Fuehrer" in Germany, the bolshevist doctrine of party dictatorship, and the fascist doctrine of the "Gerarchia" (hierarchy), have rendered very acute the problem of leadership and of the succession of authority. In a speech delivered in November, 1933, former president Alexandre Millerand declared that France is suffering from a "crise d'autorité" which he described as follows: "The origin of this crisis arises out of the absorption by the legislative branch of executive power. I have denounced it in 1919, repeated it in my message to the chambers and throughout my legislative career. The executive power should again become independent. That the legislative and executive powers should be divided is as true today as in the days of Montesquieu."

The issue now at stake is much more fundamental than that of the division of powers between the legislative and executive branches of a liberal-democratic government. Such a government is based upon the theory that the ultimate source of authority is the people. According to the "Fuehrer-Prinzip" or fascist and nazi principle of leadership the masses are incompetent to rule themselves and therefore should be led. The supreme authority should be vested in the leader and should be delegated by him to his subordinates who will exercize it upon the people. In Germany this theory is extended in theory as well as in practice from the political to the economic sphere so that each owner and employer is called

the leader of his enterprize. In Italy also this is the practice though not so clearly recognized in theory.

Autocracies, tyrannies, dictatorships, and oligarchies have been common enough in the past. They have almost invariably been theocratic in their nature in that the mundane ruler was supposed to have derived his authority from a divine potentate. Machiavelli gave to the theory of autocracy a more secular character in his doctrine of the hereditary "good prince" or benevolent despot. At various times of crisis when governments have been overthrown or greatly weakened dictatorships have arisen. Some of the dictators have endeavored to establish hereditary dynasties, the most notable instance being Napoleon. Under fascism and national socialism the duce and Fuehrer have arisen out of the common people and the leadership is not necessarily hereditary.

The first serious objection which may be raised against the contemporary principle of unbridled leadership is that no human being can be an expert in every field of activity. No one can exercize leadership with wisdom in every field, or even wisely delegate authority to subordinates or deputy leaders in various fields. The danger is that the so-called leadership will be little more than a technique of playing upon the emotions, passions, and prejudices of the people, in other words, the art of demagogy. This is strikingly illustrated by the two most prominent leaders of today. Mussolini is a man of great willpower and of a strong personality. But he won his victory with no constructive program and has maintained his power by means of a constantly shifting policy of opportunism rarely ever equaled in history. Hitler's verbose and incoherent *Mein Kampf* is filled with vague and more or less inconsistent ideas. But he is an eloquent and persuasive orator who by constant repetition of a few simple ideas, which are in the main erroneous, won the support of many millions of Germans. As a leader he is little more than a "stuffed shirt." But he has be-

come an almost mystical symbol of authority and leadership whom his stronger colleagues must perforce maintain in order to retain their control of the government. In some quarters in Germany one hears talk that he is a new messiah. Despite the great disparity between these two leaders, both have attained power not so much through their own statecraft as through the political illiteracy of the Italian and German peoples, neither of which was well habituated to democratic and parliamentary institutions.[1]

For both fascism and national socialism the victory came at a time of political crisis and confusion and of a greatly weakened governmental authority and prestige. In one of its aspects each of these movements constitutes a revolt of many minds exasperated by the never-ending arguments and uncertainties of badly functioning democratic and parliamentary institutions. For the great majority of these people the principle of leadership means not so much the conscious subjugation of the individual as it does a pleasing release from social, moral, and intellectual responsibility for the individual. No longer need the bewildered citizen harrow his mind trying to decide between the rival political parties and creeds. He secures a blessed respite until the blandishments of the leaders grow stale and their promises prove to be unfulfilled and incapable of fulfilment, when the responsibility for decision is again thrust back upon him.

The second serious objection to this principle of leadership is the difficulty of determining the succession of authority. In a hereditary monarchy the succession is determined automatically by birth because the authority passes to the hereditary heir. In a republic the succession is by election for a limited

[1] "The Hitlers and Mussolinis, far from being leaders, are carried to power on waves of mass emotion which has been effectively exploited by skilful propaganda and which springs from the spiritual and intellectual emptiness of the people, who see in these so-called leaders the symbolic expression of their confused desires." (Johannes Steel, in the *Nation*, New York, May 30, 1934, p. 627.)

period. In a dictatorship for life there is great uncertainty as to the succession. The duce or Fuehrer is an uncrowned, non-hereditary king for life. In Italy it has been decreed that the successor is to be chosen by the Gran Consiglio Fascista. Practically all the members of the grand council are appointed by the duce, so that the choice of his successor is in effect in his own hands. Under these conditions a struggle among the rivals for the succession is almost inevitable even during the lifetime of the duce. This struggle is already apparent in Italy. When there is an armed citizenry (the fascist militia) with each aspirant leading an armed group, attempts to seize the power by violence are very likely to occur. Mussolini has followed the policy of officially decapitating or demoting aspirants who have become too strong or too obstreperous. Among them are the former secretaries of the fascist party—Farinacci and Turati, and former cabinet ministers—Bottai, Grandi, and Balbo.

The same situation exists in Germany but has not yet had time enough to develop fully. I asked a prominent nazi how the succession will be determined. He replied that the Fuehrer will doubtless survive another thirty years and then the Grosser Senat of the party will probably choose his successor. When the initial enthusiasm over the new régime and its leader dies down the struggle for leadership in the future will doubtless commence.

Another difficulty is that the successors are not likely to have as much prestige as the original leaders who have come into power with unquestioned authority. The authority of the leader will at times hang upon a slender thread, and a socially wasteful and harmful struggle for the leadership involving loss of life and property will readily break out. Neither fascism nor national socialism has a sufficiently extensive and consistent body of doctrines to carry it along independent of whatever leader happens to be in power. Even now under

the original leader, in each case an exaggerated exaltation of the dictator amounting almost to deification is necessary in order to keep the régime going. The increasing complexity of the economic functions of government renders the parliamentary leader incompetent under liberal democracy. A more technically trained leadership is needed. Neither fascism nor national socialism furnishes any guarantee of securing technically competent leadership. Both of them utilize the principle of leadership for purposes of exploitation rather than for socially constructive statesmanship. The same often happens under liberal democracy as well.

The communistic theory of government is "democratic centralism." And yet Lenin and Stalin have had extensive powers as leaders and have often been called dictators outside of Russia. The "Politburo" or committee on policy of the party forms a small but powerful oligarchy. The dictatorship of the proletariat and more particularly of the party is officially recognized. But this is regarded as temporary, until the other classes have been liquidated and all citizens have become communists.

Bolshevism has a vast body of doctrines and an extensive intellectual background. Its rich content may enable it to carry on independently of whoever happens to be the leader or what the members of the oligarchy are. The concept of the "duce" and "Fuehrer" is not presented to the people. The social concepts of the "Massemensch" and of the "will of the masses" negate the "leader" doctrine. Although their leaders are highly honored, fulsome adulation is not poured upon them and all progress is not attributed to them as in Italy and Germany. In Russia Stalin's name appears comparatively infrequently in the newspapers whereas an Italian or German newspaper rarely ever appears without at least one article of adoration of Mussolini or Hitler respectively.

In contradistinction to the situation in Italy and Germany

the Russian people is made to feel that it is playing not only an important but a preponderant part in the course of events. A considerable part of the bolshevist program is devoted to making the people politically literate. The purpose is to render them immune to demagogy and independent of personal leadership so as to enable them to direct the affairs of government directly and of themselves. An understanding of communistic doctrines is already remarkably widespread among the masses. The schools, the trade unions, the workers' clubs, and many other institutions are devoted in part to the political education of the people.

In the Narkompross or commissariat of education in Moscow I was talking with the late Anatol Lunacharsky who was for many years the commissar of education. "Everywhere I see busts and pictures of Lenin, Marx, and Engels," I said. "Is not this contrary to communistic theory?"

"We exalt Lenin because he expressed so fully the will of the masses," he replied. "The proletarian ideal for the individual is to rise out of the masses and to express its will." Then he declared that the bolshevists gladly honor their great men. I have been present at the funeral of a bolshevist leader which was attended by most of the leaders from Stalin down.

According to the Marxian theory of dialectic materialism, history is not determined by the leader. Each social system has the leaders which it creates and deserves. While the personal influence of the leader is one factor in a given situation, he is not independent of the masses in making his decisions. A leader who loses contact with the masses is no longer a leader. He has a following only in so far as the masses consider that he is leading in the direction of certain chosen ends.

The communistic theory of leadership differs not entirely in kind but largely in degree from liberal-democratic theories of leadership. Communism and liberal democracy are agreed in theory that the ultimate seat of authority is in the people.

But the communists contend that this theory cannot work out in practice under liberal democracy because the favored position of the capitalists gives them a preponderant power. Bolshevism has liquidated capitalism almost entirely in Russia. The bolshevists are now engaged in combating other forces which may suppress the spontaneous and direct expression of the will of the masses, such as parental and pedagogical authority and the ponderous inertia of bureaucratism.

The Freudian psychoanalysis contends that mankind requires a social substitute for the father and that the Edipus complex is inevitable. This theory is very gratifying to a ruling class which wishes to impose an authority from above on the masses. The bolshevists do not consider this mental complex inevitable. They believe that they can eliminate absolutism from the family in order to free the young from a blind respect for and servile subordination to their parents. Without attempting to destroy affectionate relations between parents and offspring, they endeavor to develop in children a feeling of dependence upon and responsibility to the community as a whole rather than to their parents. In similar fashion they are eliminating authoritarianism from the schools so that the pupils will not become unduly subject to pedagogical authority.

The instruction in the schools is based upon science. All supernatural, nationalistic, patriotic, racialistic, and romantic features are banned. A realistic attitude towards the world is developed in the pupils. Emphasis upon the past is limited as compared with the present and future so that the past will not acquire a predominant influence over the minds of the young. Thus the power of tradition is diminished. The same pedagogical principles are applied through the press, theater, literature, and art upon the adults as well as the young.

By these means the bolshevists hope to train a populace which will be indifferent to the blandishments of the demagogue, and unmoved by passionate appeals based upon religion,

race, or nation, and by the seductions of militaristic, imperialistic, and heroic adventures. They wish to transfer the emotions hitherto directed in these channels by statesmen, politicians, priests, publicists, orators, and journalists who represent a ruling class which never intends to admit all and sundry to its exclusive membership, to the inclusive mankind of a classless society.

Along with this transference of emotional energy comes an education in public matters intended to make the masses politically literate and enlightened. If this end is attained, leadership becomes much less essential and perhaps entirely unnecessary. The bolshevist theory is that any worker and ordinary citizen should be competent to deal with affairs of state. Lenin once said that their aim would be attained when a chambermaid could run the government. Subsequent events have shown that this was not an entirely idle dream. One day I was walking through the corridor of my hotel with a Russian friend. Pointing to one of the hotel maids he said, "She is a member of the local soviet." It had not occurred to me that while engaged in her prosaic tasks she was also concerned with the affairs of state.

Bureaucratism constitutes one of the most serious problems of the Soviet system, which the bolshevists fully recognize. *Izvestia,* the organ of the Central Executive Committee of the U.S.S.R., once published a cartoon entitled "Our Four Greatest Enemies." The enemies portrayed were the Nepman (capitalist), priest, counter-revolutionary, and bureaucrat. The bolshevists are well aware that by building up a cumbrous and slow-moving machinery the bureaucrats may nullify the spontaneous expression of a democratic society.

The capitalistic system requires an extensive administrative organization which is its bureaucracy. The pressure for profits gives rise to a sort of efficiency characteristic of capitalism. But it is accompanied by enormous social losses, such as the

wastes of competition, salesmanship, advertizing, the trade cycle, etc. Under socialism the state manages and controls the whole economic system. It also requires a vast administrative mechanism or bureaucracy. But the pressure for efficiency arising out of the desire for private profits is lacking. The bolshevists have endeavored to devize safeguards against and preventives of bureaucratism by means of the Workers' and Peasants' Inspectorate and the Fulfilment Commission for the five-year plan which were replaced in 1934 by a committee of Soviet and a committee of party control. The so-called self-criticism within the party also acts as a check upon bureaucratism. But the problem is not yet solved and the development of an efficient administration is one of the crucial tests of the Soviet system, as has been indicated in Chapter XI.

The personality of the present leader or "dictator" has complicated the situation in Soviet Russia. Stalin was elected general secretary of the party in 1921. By placing his henchmen throughout the party offices and building up a personal political machine he defeated his great rival, Trotzky, and secured the leadership of the communist party and the government after Lenin's illness in 1922 and 1923 and death in 1924. Just after his expulsion from Russia in 1929 Trotzky described his successful rival in the following pungent terms: "What is Stalin? The shortest answer to that is that he is the most prominent average man in our party. He is a practical politician with no creative imagination, having had no political experience outside his party—for in wider spheres he is completely unknown. Like all practical politicians, Stalin is full of contradictions. He acts without perspective, on impulse. His policy is a zig-zag. It never embarrasses him to call white today what he called black yesterday. An amazing catalogue of Stalin's contradictions might be composed. In what he called his 'Testament,' Lenin underscored two characteristics of Stalin: his rudeness and his unfairness. 'This is a cook who

will prepare only peppery dishes'—that was the warning given by Lenin to the party as early as 1921."[1]

This description sounds not unlike many politicians in non-socialistic countries. Stalin's political machine has encouraged bureaucratism because the government is clogged with his placed henchmen. Since he has acquired leadership he has denounced bureaucratism and has made some attempts to eliminate it. Stalin is, however, a phenomenon of the present transitional period of state socialism. Under communism no such figure could rise to power. A former Soviet diplomat has described and perhaps exaggerated his power as follows: "The political bureau which rules over the U.S.S.R. and the Third International has become a consultative organ for the dictator. The personal influence of Stalin is actually greater than that of Lenin in his best days. Stalin is an absolute monarch. He retains his following by his ideological honesty, his faith, his ability as an organizer, by the legend that his departure would cause a catastrophe, and by fear."[2]

If Soviet Russia succeeds in passing from state socialism to genuine communism, no human being can again acquire so much power. A politically literate and enlightened citizenry will have much less need for leadership. Bureaucratism will not be encouraged because no one will be interested in creating offices and functions for their own sake. Everyone will be interested in reducing work to the minimum compatible with a high standard of living. The exaltation of work as a virtue in itself, which is so characteristic of the slave morality which is at present dominant, will disappear. This slave morality is very profitable for the capitalists who wish to squeeze as much work as possible out of their employees. This morning my barber told me that the invention of the safety razor has destroyed much of the business of the barbers, and added that

[1] Leon Trotzky, in the *New York Herald*, Paris, February 28, 1929.
[2] G. Bessedovsky, in *Le Matin*, Paris, October 24, 1929.

machines should be destroyed in order to create more work. Here we have a confusion of the slave morality with the resentment and ignorant reaction of the innocent victim of technological advance under a system which cannot utilize it. These incongruities arise out of the anarchic state created by capitalism.

Under communism or any truly socialized system, machinery, the rationalization of industry, and technological advance will be utilized to the highest possible degree in a planned economic order. A highly developed technique will almost automatically solve most of the problems which harass the politicians and statesmen and puzzle the minds of the citizenry of today.

The foregoing survey indicates that fascism and national socialism furnish no promise of efficient leadership. Under the pressure of grave economic problems the parliamentary system has proved to be in the main incompetent in the liberal-democratic countries. Their parliaments are composed largely of lawyers, politicians, and careerists of one sort and another, and the wars engendered by capitalism furnish their quota of military adventurers and heroes. Vocational representation might improve the situation somewhat. It already exists in fact in Russia, and in name but not in fact in Italy and Germany in which countries representative government is virtually abolished. Under capitalism the lure of profits and large salaries attracts a large part of the technical skill and exceptional ability while much talent finds no scope for expression. Communism offers in theory an admirable scheme for the full utilization of technical skill and of all kinds of talent for social ends with the minimum amount of leadership required by a politically literate and enlightened populace. Soviet Russia is endeavoring to apply this scheme. If it is permanently successful, it will furnish an object lesson of a socialized system which will be of the utmost value to mankind.

Chapter XXV

THE FATE OF THE STATE IN A CHANGING WORLD

Bolshevism alleges that the state arose out of class exploitation and professes to destroy it entirely. In reality it is developing a new form of the state which it hopes to make international and worldwide. Fascism aggrandizes the national state and professes to have created a new form which it calls the corporative, unitary, and totalitarian state. In reality this is a heterogeneous medley of ancient Roman imperialistic, medieval city state, papist hierarchical, and modern nationalistic institutions. German national socialism, apart from its racialistic features, is a close variant of fascism.

Italian fascism is the prototype and model for personal and party dictatorships in several European countries. While bolshevism has attained control only in Russia, communistic ideas are spreading elsewhere among the proletarian workers and intellectual radicals. Soviet Russia does not monopolize international communism, nor fascist Italy the nationalistic and totalitarian state.

For very different reasons both bolshevism and fascism oppose the liberal-democratic state, the offspring of the French Revolution, which professes political democracy and individual freedom. The three-cornered struggle between these three forms of the state will result in a new form characterized by a somewhat different adjustment of emphasis upon democracy and freedom, and equipped with an economic organization much more socialized than that of the liberal-democratic state.

Parliamentarism has taken on somewhat different forms in various parts of the world. The chancellor of the German

Empire was the unique minister of the chief of state who was the emperor ruling directly. The cabinet of ministers was not responsible to the Reichstag. It was dependent upon the latter to the extent that it had to secure the legislation that it desired.

The British prime minister is the only connection between the crown and the cabinet. In theory he directs the whole government. But the tradition of the unwritten constitution compels the king to appoint as prime minister the leader of the dominant party. Hence the government is determined by the balance of power in parliament.

The French president du conseil is the mandatory of the parliamentary majority. He is formally invested by the chief of state who is the president of the republic. The former and his cabinet of ministers are entirely at the mercy of the balance of power in parliament.

The British two-party system makes the government relatively stable. A dissolution of parliament occurs only when the opposition defeats the party in power decisively. The French parliament also is dissolved rather infrequently. But it contains many parties, so that cabinets are formed by coalitions of small parties. Usually they are weak and unstable and the government changes frequently. The permanent bureaucracy furnishes continuity to the governmental activities. This is true in varying degrees in all governments.

After the European War most of the new states adopted the French system with proportional representation in order to give to each small minority a representation in proportion to its strength. The socialist parties have not been strong enough to dominate and there are numerous class-interest and nationalist parties. Consequently, the weakness of the French parliamentary system has been widely reproduced.

In the western hemisphere the type of government which may be called the presidential régime is predominant. This governmental type originated in the United States and has

been copied more or less closely by most of the Latin-American countries. The president is elected for a term of years and has extensive executive powers. He appoints the cabinet ministers, who are responsible only to him, and many other officials. Through a limited veto power he exercizes a certain degree of control over legislation.

In Canada the British model is followed. In Latin-American countries the principal variations from the presidential régime are in Uruguay, Ecuador, and Honduras. In Uruguay the executive power is divided between the president and the national council of administration. In Ecuador the parliament elects many of the most important officials, may nullify presidential decrees as unconstitutional through a council of state, and may retire from office the cabinet ministers who, though appointed by the president, are responsible to the parliament and may be dismissed from office by it.[1] Brazil has recently adopted a new constitution creating the "integral state" which somewhat resembles the "unitary and totalitarian" state of fascism and national socialism. It gives the government a certain degree of control over associations of employers and of employees.

All these forms of parliamentarism exist within the general framework of the liberal-democratic state. They have succeeded in varying degrees to meet the requirements of that type of state. But liberal democracy has been associated with a capitalistic economic organization. Its ideal is the government that governs least. Hence its demands of the state are not extensive or high. So long as capitalism functions moderately well, the efficiency of the state is not of crucial importance. It is at times of crisis and stress that the weakness of the liberal-democratic state becomes most evident.

The European War constituted a crisis during which par-

[1] B. Mirkine-Guetzévich, *Les Constitutions des Nations Américaines*, Paris, 1932; F. Garcia-Calderón, *Les Démocraties Latines de l'Amérique*, Paris, 1920.

liamentary institutions broke down to a considerable extent in many countries. The prolonged and acute economic depression of the last few years has been a period of stress which the liberal-democratic state has not adequately met. Pressure has been brought to bear upon it from both sides. The widespread distress among the workers has called for extensive measures of relief which the state has been able to furnish to a comparatively limited degree. The capitalists also have demanded assistance to stimulate stagnant enterprizes by means of financial credit, subsidies, regulation of foreign trade, manipulation of currencies, and like measures, which have been more or less unavailing to attain their ends.

The liberal-democratic conception of the state as a political organization whose principal function is to maintain order, but which is expected to perform relatively few economic and social functions, has attracted to governmental activities a large percentage of lawyers and of political adventurers and careerists of various sorts. Technical skill and ability have usually found a more adequate scope in private life. As the largest financial rewards are in private business enterprize, the latter has attracted a high proportion of the best organizational and administrative ability. Parliaments largely composed of lawyers and politicians are little competent to deal with economic and social problems when circumstances force these problems upon the attention of a liberal-democratic government.

These circumstances have set the stage for the advent of fascism and dictatorships of various sorts. Fascism professes to establish the strong state in which the interests of the individual are subordinated to those of the nation, as if the nation were an entity distinct from and superior to the individuals of which it is composed. The state thus becomes a sort of Moloch to which are to be sacrificed the individuals under its domain. Power is centralized in a personal dictator or small oligarchy. Democracy and other liberal institutions, such as

the civil liberties, are denounced and in large part eliminated. Parliamentarism disappears or remains merely as a form.

These measures purport to result in the extinction or at least the collaboration of the classes and the elimination of the class struggle. In Germany this process of unification by pressure is carried farther by eliminating alien racial types from the national entity. The nazis now triumphantly declare that Germany is "geeinigt" (unified) and "rassenrein" (racially pure). A casual inspection of the real situation is sufficient to indicate that the classes are not obliterated and that there is no genuine collaboration among them. Fascism and national socialism ardently champion the cause of capitalism and maintain the privileges of the capitalists to the highest degree. The contradiction between the interests of the workers and of the capitalists is accentuated and not diminished.

By suppressing the labor movement fascism and national socialism are reverting to the early days of capitalism when the workers were forbidden to organize. It was only during the nineteenth century that they won this right with great difficulty in England and in some other countries. In 1934 was commemorated the centenary of the condemnation to seven years of deportation of six agricultural laborers who had organized a union at Tolpuddle, a little village in the county of Dorset. During the third quarter of the last century Napoleon III tried to destroy this right in France. Tsarism suppressed the labor movement as much as possible in Russia until its downfall in 1917.

According to a nazi writer, the totalitarian state is the antithesis of the pluralistic state of liberal democracy, it is antidialectic as contrasted with bolshevism, it is authoritarian, and the new power is "the highest expression of the executive that Occidental history has known."[1] In its external features all this is true of the fascist-nazi state. But it is not a strong state

[1] Gottfried Benn, *Die Intellectuellen und der neue Staat,* Berlin, 1933.

in the fundamental sense of the term. The genuine strong state would represent the interests of the whole of its people, and would be an effective instrument for attaining its collective purposes. The fascist-nazi state represents primarily and predominantly the capitalist class and discriminates against the much more numerous proletarian class. In Germany it discriminates against certain racial elements as well. As compared with the liberal-democratic state, it reinforces and concentrates capitalism so as to give to it a monopolistic power which the proletarian class can for the time being in no way resist.

The inevitable result from this situation is to drive the liberal-democratic opponents of fascism in the direction of collectivism. As it is to the interest of the upper bourgeoisie to support fascism, the anti-fascist counter-revolution is necessarily at least in part socialistic. This is demonstrated by the pact known as the "Patto di Novembre" of the Concentrazione Antifascista which unites the anti-fascist exiles of various political schools in France. In November, 1932, the Consiglio Generale of the C.A. voted unanimously that the C.A. represents republican, socialist, and syndicalist democracy, and "reaffirms its intention of intransigent struggle against fascism and the reactionary forces which support it—the monarchy, the papacy, and the great capitalists." The pact reads in part as follows:

The Concentrazione Antifascista declares that it fights for the following objects:

(1) *The democratic republic,* founded upon the working classes, organized upon the basis of the broadest autonomy, upon the freedom of political and syndical association, upon the liberty of propaganda and of the press, upon the free and lay school, upon the separation of the state from the church with the abolition of the Lateran treaties;

(2) *A new social order* that abolishes the capitalistic monopoly of the means of production and of exchange, guaranteeing liberty against all reactionary tendencies, with the socialization of industrial and banking concerns considered as essential, the control and democracy of industry, the land to the peasants, and housing for everybody;

(3) *International peace,* through a radical movement of disarmament, compulsory arbitration, the supersession of national conflicts by the development of the federative principle and with absolute respect for the cultural autonomy of minority populations, the most ample liberty for the circulation of commodities and of labor, the collaboration of free peoples for the creation of the United States of Europe.[1]

This anti-fascist organization is now known as the Fronte Unico di Azione. The Italian communist party is, I believe, the only anti-fascist group which has not joined it, because its objectives are much more radical.

The Program of the Communist International asserts that "the state, being the embodiment of class domination, will die out in so far as classes die out, and with it all measures of coercion will expire." Lenin declared that "the state is the product and the manifestation of the irreconcilability of class antagonisms. When, where, and to what extent the state arises, depends directly on when, where, and to what extent the class antagonisms of a given society cannot be objectively reconciled. And, conversely, the existence of the state proves that the class antagonisms are irreconcilable."[2] These assertions are based upon the theory of the "withering away of the state" of Marx and Engels. "Already in Marx's work against Proudhon (*The Poverty of Philosophy,* 1847), and then in the Communist Manifesto (1847), it was stated definitely that, with the introduction of the socialist order of society, the state will dissolve of itself (*sich aufloest*) and disappear."[3]

The communistic theory of the origin of the state, and of the state as the organ of exploitation and domination by the

[1] *Giustizia e Libertà,* Paris, No. 5, December, 1932, pp. 73-4.

For a later discussion of this program, see *Giustizia e Libertà,* Paris, new weekly series, Vol. I, No. 1, May 18, 1934. See also Carlo Roselli, *Socialisme Libéral,* Paris, 1930.

[2] V. I. Ulianov (Nicolai Lenin), *The State and Revolution, Marxist Teaching on the State and the Task of the Proletariat in the Revolution,* Chicago, 1924, p. 4. First published in Russian in 1917.

[3] Friedrich Engels, letter to August Bebel, March 18-28, 1875.

ruling class, is a unilateral and inadequate theory. Various factors have been involved in the origin and evolution of the state. It is an administrative as well as a coercive organ. Even in Marxian literature the theory of the state is not so simple. Engels himself asserted that the state originated as an administrative organ and then developed into a coercive agent. "In what did the chief characteristic of the old state consist? Society had created for itself definite organs, originally by simple division of labor, for the provision of its common interests. But these organs, at the head of which is the power of the state, had in course of time, and in the service of their own separate interests, transformed themselves from the servants of society into its masters. And this is true not only of the hereditary monarchy, but also of the democratic republic."[1]

While the state may disappear in large part as a coercive agent, it will remain and become greatly enlarged as an administrative organ.[2] The bolshevists limit the term unduly both in its historical significance and its functional activities, as when Lenin said that "the state is the instrument of the suppression of one class by another," and Bukharin that "the organization of the state is altogether an organization of the 'ruling class.' "[3] In Russia the soviet state has already assumed enormous proportions. It is an interesting and important question as to what its course of development is likely to be.

Even if classes disappear entirely, the state in some form will persist as a coercive agent over the individual. With the advent of economic security, a much higher standard of living, widespread scientific enlightenment, and political literacy, a large

[1] F. Engels, Introduction to Marx's *The Paris Commune*, New York, 1902, pp. 17-18.

[2] "State interference in social relations becomes in one domain after another, superfluous, and then dies out of itself; the government of persons is replaced by the administration of things, and by the conduct of processes of production." (F. Engels, *Socialism, Utopian and Scientific*, London, 1892, pp. 76-7.)

[3] N. Bukharin, *Historical Materialism*, New York, 1925, p. 151, translated from the third Russian edition.

part of the anti-social conduct of today will disappear. Theft, for example, is due mainly to poverty and the great disparities of wealth. Under a socialized system stealing would not be possible in most cases. Money, at any rate in its present freely exchangeable form, and securities representing the ownership of capital and debt claims will no longer exist. Objects of great intrinsic value will no longer be subject to private ownership. The numerous forms of deceit permissible under a régime of private enterprize and sanctioned by the capitalistic principle of *caveat emptor* will be utterly impossible.

And yet it is hardly conceivable that the time will ever come when individuals will not invade the rights and interests of others.[1] There will always be at least a few abnormal persons who will need restraint. Under exceptional circumstances some normal persons also may need restraint. There are certain types of conduct which are difficult to classify as to whether or not they are invasive. A well-known case is the use of alcoholic beverages, which has been a problem for Soviet Russia as well as for capitalistic states. Under any system delicate adjustments are at times necessary between social control and individual freedom. Some sort of central arbiter is needed for these cases.

The state is also needed to protect the individual against the omnipotence of public opinion and custom. In pre-state tribal society tradition, public opinion, and custom were often more tyrannical than the state itself. With the spread of enlightenment the power of convention and of fashion will decrease. The right of the individual to dissent in matters which are not vital or relevant to the maintenance of the social system should at all times be recognized and upheld against the pressure of mob psychology. This right has great social value because it is a prolific agent for change and progress.

[1] See Maurice Parmelee, *Personality and Conduct*, New York, 1918, Chapter II entitled "Invasive and Non-Invasive Conduct."

The state as a central organ of authority to perform a minimum amount of coercion will always be necessary. It is doubtful if Lenin's hope can ever be entirely fulfilled that under socialism "people will grow accustomed to observing the elementary conditions of social existence without force and without subjection."[1] It will always be needed to perform most of its present functions. Among them are the maintenance of highways and of means of transportation and communication, police regulation, harmonizing of conflicting individual interests by means of a system of jurisprudence, and education. A socialized system of production and of distribution of commodities will enormously increase its administrative functions, as the bolshevists themselves in effect recognize.[2]

The bolshevists often speak as if production and distribution will eventually be turned over to autonomous collective organizations which may grow out of the labor unions and cooperative societies of today. They look forward to this stage as the ultimate disappearance of the state as an administrative organ. It is hardly conceivable that these autonomous organizations can successfully meet the needs of a large population over an extensive area without some sort of general organization which will coordinate and unify their activities. Whether or not this general organization is called the state or the cooperative commonwealth, it will be the successor of the state of today. It will be the collectivist, socialist, and communist government and state of tomorrow, which may or may not be organized in the form of guilds. The latter is a technical problem to be solved by experiments such as are now being carried on in Soviet Russia.

[1] N. Lenin, *op. cit.*, p. 59.

[2] "We know that the classes themselves have risen organically, as Engels described, from the division of labor, from the organizational functions that had become technically necessary for the further evolution of society. Obviously, in the society of the future, such organizational work will also be necessary." (N. Bukharin, *op. cit.*, p. 309.)

The government of the U.S.S.R. displays the usual range of governmental organs, and a good deal besides. It includes national, provincial, municipal, and rural government.[1] It includes also the administrations, national and local, of the various branches of production. Its immediate form was adopted partly by accident. The Constituent Assembly which gathered early in 1918 to formulate the new government was not submissive to the bolshevists and was dispersed by force the day after it met. Most of the functions which the Soviet government performs will always persist. Its administrative functions are likely to expand greatly. As indicated above, its coercive functions will decrease approximately in proportion to the success of its administrative functions. To a corresponding degree will diminish the juridical and punitive character of the state.[2]

So long as the national state persists, the concept of national sovereignty dominates. Under its influence the state becomes an abstract entity whose honor must be upheld and to which the individual is subordinated and often sacrificed. The national state often desires more territory for an expanding population or in order to secure markets for its surplus commodities. Even when it seeks no more territory, it almost always desires more citizens. A larger population enhances the prestige and power of the state. Demographic policies have hitherto been governed more by the interests of the artificial state than by the natural

[1] For a detailed description of the Soviet government see B. W. Maxwell, *The Soviet State,* Topeka, Kansas, 1934.

[2] Many writers, who fail to understand that democracy and the widest possible expansion of individual rights and freedom are the ultimate ends of communism, misinterpret the legal aspects of the Soviet state. This is illustrated in the following passage: "La théorie générale de l'Etat soviétique, dans sa partie idéologique, est construite sur la négation absolue du caractère juridique de l'Etat; dans sa partie constructive, elle s'appuie sur un système singulier d'organes du pouvoir qui confondent les compétences législative et exécutive. Ce système tend à supprimer les libertés individuelles et à nier le droit objectif." (B. Mirzine-Guetzévich, *La Théorie Générale de l'Etat Soviétique,* Paris, 1928, p. 17.) The last sentence quoted is almost entirely erroneous.

biological and economic interests of mankind. A scientific demographic policy cannot be adopted until the national state has disappeared.

This explains in part why fascism and bolshevism, so unlike in other respects, are somewhat akin in their theories of population. Each seeks the aggrandizement of its respective state. Bolshevism is negatively and fascism positively anti-Malthusian. Birth control is tolerated in Soviet Russia and prohibited in Italy with the encouragement and support of the Catholic church. In both countries a much larger population is desired for militaristic and propagandistic reasons. Neither bolshevism nor fascism has faced the problem of population and studied it scientifically. Bolshevism is misled by Marxian errors with regard to the law of population, and fascism by vain nationalistic aspirations. The fascist delusion of a highly industrialized Italy and dream of extensive colonies seem to justify a much greater population. Both countries still have a relatively low standard of living, and Italy a vast amount of poverty. Neither country can escape ultimately from the inexorable operation of biological and economic forces. Nazi Germany is following the Italian example but with somewhat more discrimination. It is trying to secure a selective birth-rate by eliminating the hereditarily diseased lines of descent.

There can be little hope for a higher standard of living for a much larger population in Italy and Germany. In such countries an increase of population can only mean accentuated misery and more "Kanonen-Futter." Russia is a vast and thinly populated country with a rapidly rising productive capacity. For a time it can assimilate an increasing population with a rising standard of living. But every country and geographical region reaches inevitably its optimum population determined by its natural resources and technical equipment. Beyond this point an increase of population causes a relative decrease of productive capacity and a lower standard of living.

Marx contended that Malthus taught that mankind increases more rapidly than the means of subsistence and that starvation is a law of nature, thereby soothing the conscience of the ruling class. He himself asserted that each historical period has its own law of population. This has encouraged the socialists and communists to contend that a low standard of living has been due to exploitation by the ruling class, and that under a socialized system there will be an abundance of wealth for an unlimited population. Although there is some truth in Marx's demographic teachings, it should never be forgotten that natural resources are limited and will eventually be exhausted in large part if not entirely. Even in the early stages of the evolution of a socialized system of production, this should be borne in mind. With the coming of an international political organization the nationalistic, militaristic, and propagandistic motives for increase of population will disappear. It will then be possible to adopt a worldwide scientific policy with regard to population.

The state is still a political organization ruling a definite territory and people, exercizing coercion, and performing certain economic and social functions, in Soviet Russia as in capitalistic countries. If the bolshevist ideal, which is shared by some of the liberal democrats, that nations should disappear and be replaced by a worldwide political organization, is attained, some of the functions of the state will disappear. International warfare will die out and armies and navies need no longer be maintained and administered. There will no longer be any foreign and diplomatic relations to be administered. Regulation of foreign trade will no longer be necessary. Under a unified economic administration the standard of living will tend to become equal the world over. Thus will be eliminated a fruitful cause for the dislocation of economic relations.

A world organization can hardly come into existence under

capitalism. National power is a valuable tool utilized by the capitalists to secure every possible advantage for themselves. Fascism and national socialism are striking illustrations of this fact. More than a decade ago I wrote that "an essential prerequisite for the establishment of a genuine and permanent world state is an international movement similar to the modern socialistic movement, which would eliminate the possibility of economic discrimination and would restrain effectually the powerful groups which today are almost certain to manipulate an international political organization."[1] Subsequent events, especially those pertaining to the League of Nations, have corroborated the essential accuracy of this forecast.

The foregoing survey indicates that the liberal-democratic state is already in an unstable equilibrium and has become more or less self-contradictory. While clinging to the theory that the government which governs the least is the best, it is subjected to severe pressure to perform many social and economic functions for which it is not well fitted. The bolshevist and fascist theories of the state are more self-conscious than the liberal-democratic theory, partly because they are new. The fascist-nazi state professes to be strong, but is in reality a puppet in the hands of the big capitalists. The bolshevists profess to abolish the state, but are actually building up a powerful organization which will direct and control the economic as well as the political life.

The outcome of this situation depends mainly upon what happens to capitalism. The fate of the state of today and the fate of capitalism are inextricably bound up together. If capitalism is destined to disappear, fascism and national socialism, which constitute its most monopolistic phase, will go with it. The way will then be clear for the genuinely strong state of communism. This will combine the libertarian features of liberal democracy with the economic functions of capitalism.

[1] Maurice Parmelee, *Blockade and Sea Power*, New York, 1924, p. 338.

The only other possibility is a combination of state socialism in certain economic activities, such as transportation, banking, mining, the heavy industries, with capitalism in the other branches of production, such as the light industries, agriculture, etc. Whether such a hybrid combination can long persist is questionable. Soviet Russia's experience with the NEP (New Economic Policy), which lasted only from 1921 to 1929, seems to indicate that any considerable degree of socialism will soon eliminate the remnants of capitalism.

Chapter XXVI

THE TWILIGHT OF CAPITALISM

In 1933 I visited the Berlin Kraftwerk West, a municipal power plant completed in 1930, which has a productive capacity of 228,000 kilowatts. The coal brought in barges upon the Spree is carried on a traveling belt up to the roof and then descends into the furnaces. The heat there generated runs the dynamos which produce the electricity which furnishes the power for operating the transportation system of a great city. Upon each floor I saw only one or two workmen. In the control room are numerous buttons and switches by means of which one man can direct the whole plant. It is an admirable demonstration of mechanization, rationalization, and automatization which result in an enormous saving of labor.

In front of the plant I observed several men cutting the lawn by hand. "You do not apply the same mechanical principles here," I remarked. "A single motor mower would do this work more economically."

"You are right," replied the chief engineer, "but we wish to give work to some of the unemployed." Then he added that no employers should be permitted to introduce machines unless they provide work for the employees who are displaced thereby. Thus does labor-saving machinery become a menace under capitalism.

Prior to the extensive use of fossil fuels the total expenditure of energy extraneous to the human organism was about 2,000 kilogram calories per capita per day. About 400 kg. cal. came from fuel and 1,600 from the use of domestic animals. A century or so ago the expenditure of extraneous energy was from 2,000 to 4,000 kg. cal. per capita per day in our own civiliza-

tion. By 1929 this had risen to about 150,000 kg. cal. in the United States, but fell to about 100,000 kg. cal. in 1932.

The Department of the Interior estimated that there was an output of about 80,000,000,000 kilowatt-hours in the United States in 1927. There are about 1,000,000,000 installed horsepower of prime movers in the United States, which is about 50 per cent of the world's capacity.[1] It has been estimated that North America possesses about 64 per cent of the world's supply of coal, huge resources of oil, and other great mineral resources.[2] These natural resources render possible the operation of the above-mentioned industrial equipment at a high energy rate and the maintenance of a high rate of consumption, in other words, a high standard of living for the whole of the population.

In spite of the world's enormous capacity, production has fallen greatly during the past few years, as indicated by the following figures from the International Labor Office in Geneva:

INDUSTRIAL PRODUCTION
(Index—1928 = 100)

	Average 1929	Average 1930	Average 1931	July 1932	February 1934
Germany	100	90	74	60	81
Great Britain	106	98	89	83	100*
France	109	110	98	72†	83
Belgium	100	90	83	49†	71†
Czechoslovakia	104	91	81	56	—
Poland	100	82	69	54	62
Sweden	106	102	89	71	100
United States	107	86	73	52	73
Canada	108	92	77	63	71
Japan	111	106	101	106	123
The world	107	94	83	69	89

* First quarter of 1934. † Strikes in the coal mines.

[1] Harold Ward, "America's Consumption of Power," in *Current History*, New York, February, 1934, pp. 570-74. One kilowatt equals 1.341 horsepower.

[2] The above estimate for coal is from the report of the International Geological Congress in 1912. The bolshevists have reported the recent discovery of beds in Soviet Russia, and more may be found in China. But it still remains true that North America possesses a large part of the world's coal supply.

According to this table industrial production fell 36 per cent from 1929 to the middle of 1932 when it reached its lowest point. The only noteworthy exception was Soviet Russia, which rose from 124 in 1929 to 205 in 1932. By February, 1934, about half of this loss was recovered.

Correlated with the decrease in production has been an increase of unemployment, as indicated by the following figures from the International Labor Office:

UNEMPLOYMENT IN EUROPE
(Average number registered as unemployed)

	1928	1932	January, 1933
Germany	1,200,000	5,580,000	6,014,000
Great Britain	1,290,000	2,846,000	2,955,000
Italy	324,000	1,006,000	1,225,000
France	15,000	306,000	352,000
Europe*	3,395,000	12,058,000	13,610,000

* Exclusive of Switzerland.

These figures under-estimate greatly the actual amount of unemployment. In earlier chapters I have demonstrated the inaccuracy of the fascist statistics in Italy and of the nazi statistics in Germany. The French statistics report only those registered upon certain narrowly restricted lists for unemployment benefits.[1]

It has been estimated that unemployment attained a peak of 17,000,000 in the United States during the present depression. In April, 1934, the International Labor Office in Geneva reported a moderate decrease of unemployment for the world during 1933. It estimated that unemployment in the United States had fallen from 13,294,000 in March, 1933 to 11,374,000 in March, 1934. In April, 1934, William Green, president of the American Federation of Labor, stated that while 3,000,000 had been re-employed under the codes for industries, 10,000,000

[1] When the French unemployed were recorded at 75,000 in 1931, a writer in the *Economist* of London estimated the real number at well over a million.

were still without industrial employment and being supported by emergency employment or by relief funds.[1]

The foregoing statistics illustrate the phenomena of the trade cycle which is characteristic of the modern capitalistic system. There are new dynamic forces which are rendering obsolete the theory of the business cycle. There is reason to believe that capitalism is now on the decline. A few historical facts will help to clarify the present situation.

During the middle ages production was often limited by law. In some countries the kings alone had the right to utilize inventions and to produce new commodities. Technical progress was in chains. These negative measures were intended to protect the pre-capitalistic handicraft system and feudalism. The economic crises which took place were those of scarcity caused by bad harvests, wars, earthquakes, and other catastrophes.

Gradually the legal restrictions upon the use of machinery were removed. The English Rebellion of 1640 and Revolution of 1688 gave the middle class much political power. The invention of the steam engine in the eighteenth century rendered possible large-scale factory production. The industrial revolution commenced in England. The French Revolution freed the bourgeoisie and removed the final restrictions upon capitalistic enterprize. The American War of Independence made the middle class supreme in the North, and the Civil War destroyed the feudalism of slavery in the South. Feudalism was suppressed, and agriculture, industry, and commerce liberated. It became possible to produce anything in any quantity.

The middle class was formerly the mercantile class with an

[1] *New York Times*, May 1, 1934.

The *Nation*, New York, August 22, 1934, stated that "some five million American families, or about 20,000,000 people, are receiving relief in some form from the federal government, according to official figures recently released. . . . Nor do these figures include the 2,000,000 families that are expected to augment the relief rolls as a result of the drought." (P. 200.)

economic and social status between the feudal lords and their serfs. It now became merged with the capitalists. The latter became the heirs of the feudal monopolists and established their own monopolies. Capitalism is essentially and inevitably monopolistic because a privileged few own the means of production. Economic power leads in turn to a preponderant political influence. If and when the means of production are owned by all the workers alike, capitalism and its monopoly of power cease and collectivism begins. The capitalist class is now able to exploit the proletarian class almost without restraint. The workers, nominally free, are actually at the mercy of the capitalists because they own the tools of production even less than under the earlier feudalism.[1]

With large-scale production came the capitalistic crises caused by a lack of equilibrium between production and consumption. They are crises of relative over-production as contrasted with the crises of under-production of the preceding economy of scarcity. The production is excessive in relation to the purchasing power and consequent effective consuming power of the public, though not greater than its absolute consuming power. In fact, under-consumption actually exists in spite of an adequate productive capacity. It is entirely and solely due to the inability of capitalism to distribute the products efficiently.

Crises of this nature took place in Europe and America at approximately the following dates—1815, 1825, 1836, 1847, 1857, 1873, 1884, 1893, 1900, 1907, 1921, 1929. They marked a business cycle of about ten years in length. The cycles of 1857 to 1873 and 1907 to 1921 were somewhat prolonged by the intervention of the American Civil War and the European War respectively. The cyclic nature of the capitalistic economy

[1] "Instead of the principle of private property guaranteeing to the worker the fruits of his labors, that very principle has become an impassable obstacle forever preventing him from obtaining them." (John Strachey, *The Coming Struggle for Power*, New York, 1933, p. 49.)

indicates an inherent instability which would not be present in a planned and socially regulated economy. This instability is an ineluctable consequence of the fundamental nature of capitalism.

The prime motive of the capitalist is the securing of profits. So long as he is able to sell his products he is encouraged to produce. When the public is no longer able to absorb his output, he will decrease his production. This means discharging some or all of his employees, thus increasing unemployment and still further decreasing the purchasing power of the public. When this situation becomes general, a crisis arises and a period of depression ensues. This period endures until the accumulated stocks of commodities are diminished to such a point that the effective purchasing power of the public demands a new supply. At this point commences the upward phase of the business cycle or so-called period of prosperity during which employment, production, and sales increase.

The question naturally arises as to why there is this lack of purchasing power which starts the downward phase of the business cycle and which is accentuated by increased unemployment. The reason is that the capitalists withdraw a part of the revenue from the sale of commodities in the form of profits from their enterprizes or of interest upon capital which they have loaned. If they expended all their incomes at once by purchasing commodities or paying for services, the situation would be greatly relieved and a crisis might be averted. But the incomes of some capitalists are so large that they cannot readily spend all upon themselves. Most capitalists, small as well as great, save part of their incomes in order to increase their present capital and their future incomes, and also in order to assure economic security for themselves and their families.

If the flow of new capital into the production and distribution of goods always equaled the amount saved, the situation

would be to a large extent stabilized. But the eagerness of the capitalists to acquire profits leads them to expand production with precipitate haste during the upward phase of the cycle until the saturation point in relation to the purchasing power of the public is reached and passed. Then comes the even more precipitate shrinking of production with the disastrous consequences which have been described.

This situation is inevitable because private enterprize is an essential feature of capitalism and cannot be planned and socially regulated. Under the most favorable conditions there are fluctuations in production which often falls far below productive capacity and is wholly unrelated to the genuine needs and desires of mankind. On the one hand, unemployment and destitution give rise to an enormous amount of poverty. On the other hand, the fluctuations of the business cycle furnish many opportunities for speculative enterprizes which have little or no relation to production. The more astute of the business men take advantage of these opportunities and thereby build up large fortunes. Thus the disparity in the distribution of wealth is greatly accentuated.

The lack of coordination between productive capacity and the capitalistic system of production and distribution has been enhanced by the technological progress of the past century or more, especially during the last few decades. Owing to this progress, it is feasible to produce with a proportionally much smaller application of labor. Unless the amount produced is increased to a corresponding degree, or the hours of labor are reduced, unemployment is the inevitable result. This leads in turn to diminution of purchasing power, decrease of production, more unemployment, and so on around the vicious circle.

During the nineteenth century these effects of technological progress were counterbalanced in a measure by several temporary factors. Technical equipment had to be created for in-

dustry and to a certain extent also for agriculture everywhere. In the new countries, such as the United States, a complete equipment had to be produced. Science and invention not only improved and renovated the equipment of the old industries but created many new industries. For a time the economically backward countries in the Orient and elsewhere imported many industrial products from the Occident. These conditions demanded a good deal of capital and labor. They compensated in part if not entirely for the rapid increase of wealth and of population, and for the economies in the expenditure of capital and labor due to technological progress, all of which were caused in the last analysis by science and invention.

These compensatory factors have disappeared in large part. The new as well as the old industrial countries have attained a high level of technical equipment. The rate of creation of new industries has slowed down greatly, and these industries cannot absorb all the capital and labor left idle by technological progress. The economically backward countries are becoming industrialized and are taking a constantly decreasing proportion of commodities from the Occident.

This situation is clearly reflected in the statistics of industrial employment. In the American automobile industry the man-hours per automobile manufactured fell from 1,291 in 1904 to 94 in 1929. For a time this great rise in labor productivity was more than balanced by a greatly increased demand for automobiles. The market is now more than saturated and can no longer absorb the effects of an increased labor productivity. In the United States the relations between industrial employment and production from 1914 to 1927, using 1914 as a base, are indicated by the following indices. Employment rose from 100 in 1914 to 129 in 1919, and then fell to 115 in 1927. Production rose from 100 in 1914 to 147 in 1919 and 170 in 1927. In other words, during these thirteen years, while employment increased only 15 per cent, production in-

creased 70 per cent. From 1919 to 1929 the number of the unemployed in the United States was at all times at least 2,500,000. From 1923 to 1928 the number of workmen employed in factories decreased at least 1,250,000, even though this was a period of great prosperity.

This course of development can be illustrated by innumerable concrete instances. Owing to the exploitation of natural resources and the building up of the capital equipment, there was for many years a lack of man power in the United States which was supplied in part by immigration. Lack of labor also stimulated technical progress. Motoculture in French agriculture was stimulated because the rural laborers were going to the cities. During the European War industry was devoted in part to producing means of destruction. The war stimulated technical progress because of the urgent need for commodities and because a part of the man power was drafted into the armies. Rationalization of industry as illustrated by the traveling belt helped to restore production within ten years after the war. Man power was greatly increased by the women who had entered industry during the war. This tended to lower the wage scale and accentuated the unemployment, thereby decreasing the purchasing power and so on through the rest of the vicious circle.

Many countries have tried to protect themselves against economic depression by raising their import tariffs, admitting only contingents of goods, and controlling foreign exchange. Some countries have tried currency inflation, hoping to stimulate their export trade thereby. This has been of little avail because most of the countries threatened with dumping have imposed compensatory taxes. The undeveloped countries have great needs but little purchasing power. In any case, they are now developing themselves and offer little promise of foreign markets. In the United States it was attempted to stimulate buying at home by means of the instalment plan. This only

deferred a little the effects of inadequate purchasing power and helped to precipitate the crisis of 1929 and render it more acute. Fiscal difficulties in many countries have led to heavy taxes which constitute an additional obstacle to private enterprize.

In the effort to revive profits there has been widespread destruction of goods in many parts of the world. Production has been limited by trade agreements, trusts, cartels, and in some countries by legislation. While the vast majority of mankind is in urgent need of a much higher standard of living, the capitalistic system has restricted production to far less than can be readily produced. Since 1900 economic equilibrium has not been restored under this system. Up to 1914 America was an outlet for the surplus labor of Europe, but is so no longer. The European War was caused primarily by the search for markets as outlets for surplus production. Warfare for this purpose has become utterly futile, because the former foreign markets are becoming industrialized. Russia is completely withdrawn as a market, and China in large part. India now produces its own textiles and the Lancashire textile industry is moribund. Japan, owing to its low labor cost and highly rationalized industrial system, is competing successfully for the export trade as against the Occidental industrial nations.

One obvious measure for mitigating somewhat the disastrous effects from the inability of the capitalistic system to utilize technological progress in a socially beneficial manner is a reduction in the hours of labor and a shortening in the years of labor. This would distribute work more equitably, enhance purchasing power, and increase leisure time and the cultural advantages which flow therefrom. Nevertheless, the capitalists have always opposed the reduction of the hours of labor because they fear that it will increase their labor cost and diminish their profits. This has been one of the principal causes of the class struggle. A bitter fight has been necessary on the

part of the workers, sometimes aided by social legislation, to force the capitalists to lower the hours of labor from fourteen to twelve, to ten, and to eight hours a day.

Such reduction is at best only a temporary amelioration of the general situation. A reduction of the hours of labor stimulates technical improvements because the capitalists wish to balance the increased cost of labor by reducing the amount of labor needed. Thus there is soon a reversion to the same state of affairs. At present many countries hesitate to reduce the hours of labor because they fear that it will put them at a disadvantage in international competition. Whether they are right or not, it is impossible to regulate these matters on a universal scale without a world state. Free competition has sacrificed the workers in the interests or alleged interests of the capitalists. Capitalism has always demanded this freedom to exploit. Nevertheless, whenever it gets into trouble, it runs to the state for aid in the form of subsidies, tariffs, and favorable legislation of various sorts.

The present world situation is that, with the exception of Soviet Russia, the markets overflow with unpurchasable goods while a large part of mankind is on the verge of starvation. Besides the many who have not the financial means to buy are those who can buy but refrain from doing so because of the uncertainty and in some cases because they are awaiting lower prices. The surplus capital which cannot find profitable investment accumulates in the banks and elsewhere. The thesaurization of wealth takes place which renders it socially useless for the time being and much of it is totally wasted.

Private property and profits arise out of the scarcity of goods. A relative or absolute over-abundance of goods destroys profits. Furthermore, it renders the private ownership of goods valueless because it destroys the exchange value of property, however much intrinsic value it may have. These facts indicate that capitalism can work only under a régime of scarcity. As

mankind approaches the era of abundance, capitalism becomes less and less workable. Even if it could continue to work, it would cease to be profitable for the capitalists themselves.[1] Hence they will eventually abandon it of their own accord, if they are not expropriated before that time arrives.

Capitalism contains the germs of its own destruction. The relative degree of freedom and encouragement which it has given to science and invention has prepared for its demise. Capitalism and its political correlative, liberal democracy, have accomplished a good deal by building up the present system. The technical transformation of production is rapidly and inevitably bringing into existence a new system more or less independently of the concerted action of men. A directed economy and capitalism are incompatible, and the new technical methods and organization require a planned economy.

The present business cycle does not belong to an indefinite series. It manifests symptoms of being one of the last in the career of capitalism. The exploitation and depletion of natural resources, progressive industrialization of the whole world, increasing spread between potential productive capacity and actual purchasing power, piling up of privately owned surplus capital, are rendering it difficult for capitalism to pull itself out of a depression by developing new industries, creating new wants, waging imperialistic wars, fostering foreign markets, tampering with the currency, manipulating prices, stimulating speculation, or by utilizing any other of its favorite devices for promoting profitable business transactions.

Such artificial stimuli as war, inflation, and emergency gov-

[1] This idea has been expressed independently of each other by a French statesman and financier, who was formerly vice-minister of finance, and an American sociologist. Duboin says that "l'abondance tue le profit et provoque la thésaurisation," and that "si l'abondance ne réussisait à tuer le profit, la fiscalité s'en chargerait." (Jacques Duboin, *La Grande Relève des Hommes par la Machine*, Paris, 1932.) Fairchild says that the fallacy of profits consists in that "general profits are possible only when they are so widely dispersed that there cease to be any profits at all." (H. P. Fairchild, *Profits or Prosperity?* New York, 1932, p. 67.)

ernmental enterprizes are becoming much less potent to stimulate flagging industry and commerce, decrease technological unemployment, and augment inadequate purchasing power. The liberal-democratic state is not so much attacked from without as it is disintegrating from within. Technological progress and rapid industrialization menace it far more than the class struggle, rise of the proletariat, revolutionary socialism and communism, military or civil dictatorships, or agrarian and handicraft movements.

BIBLIOGRAPHICAL NOTE

Thorstein Veblen foresaw and described in part the disintegration and collapse of capitalism in his *Theory of the Leisure Class*, New York, 1899; *Theory of Business Enterprise,* New York, 1904; *Engineers and the Price System,* New York, 1920; *Vested Interests and the Common Man,* New York, 1921.

Two decades ago I discussed the business cycle, economic effects of saving, lack of purchasing power, technological unemployment, social consequences from technical progress, etc., in my *Poverty and Social Progress,* New York, 1916, especially Chapters XXII, XXV, XXVI, XXVII. See also my *Blockade and Sea Power*, New York, 1924, especially Chapters XV on "Sea Power and Imperialism" and XVII on "The Balance of Power and Economic Imperialism."

Among the recent books which describe more or less accurately one or more phases of the present situation, and indicate explicitly or implicitly that fundamental changes are taking place, are the following:

A. A. Berle, Jr., and G. C. Means, *The Modern Corporation and Private Property,* New York, 1932. ("The rise of the modern corporation has brought a concentration of economic power which can compete on equal terms with the modern state." P. 357.)

H. N. Brailsford, *Property or Peace,* New York, 1934. (Depicts the irreconcilable conflict between private enterprize and social welfare.)

Stuart Chase, *The Economy of Abundance,* New York, 1934. (Describes the technical possibility of producing an abundance, but fails almost entirely to describe how it is to be attained.)

G. D. H. and Margaret Cole, *The Intelligent Man's Review of Europe Today,* New York, 1933. ("The overmastering need of our time is to release the powers of production from their present thraldom by means of a new and more adequate system of distributing wealth.")

ARTHUR DAHLBERG, *Jobs, Machines and Capitalism,* New York, 1932.
LAWRENCE DENNIS, *Is Capitalism Doomed?* New York, 1932. (Though inclining to fascism, he recognizes that "capitalism is destroying itself or disintegrating with age.")
JOHN T. FLYNN, *Security Speculation: Its Economic Effects,* New York, 1934.
CARMEN HAIDER, *Do We Want Fascism?* New York, 1934.
R. G. HAWTREY, *Economic Aspects of Sovereignty,* London, 1929. (Demonstrates the inevitability in the self-destruction of capitalism of the three stages of economic nationalism, imperialism, and war.)
FRED HENDERSON, *The Economic Consequences of Power Production,* New York, 1933.
BASSETT JONES, *Debt and Production,* New York, 1933.
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HOWARD SCOTT *et al., Introduction to Technocracy,* New York, 1933.
GEORGE SOULE, *The Coming American Revolution,* New York, 1934.
JOHN STRACHEY, *The Coming Struggle for Power,* New York, 1933. (Marked traits of capitalism today are a strong tendency to growth of monopolies, nationalism, an increasingly unstable money, and an accelerated recurrence of crises.)

There are several recent books which fail almost entirely to elucidate correctly the present situation and to appreciate that extensive changes are taking place. A well-known example is Sir Arthur Salter's optimistically entitled *Recovery*, New York, 1932, which presents the fallacious view that a revival of international trade will go a long way towards promoting an economic recovery. The above discussion demonstrates that the search for foreign markets is almost futile as a solution.

Another example is J. M. Keynes' hopeful *Essays in Persuasion*, republished in 1932. Though he is probably the best known and perhaps the ablest of British economists, he asserts that "capitalism, wisely managed, can probably be made more efficient for attaining economic ends than any alternative system yet in sight," and that in about a century capitalism will bring mankind to universal plenty and security. The logic of events is rapidly destroying the persuasiveness of this fantastic dream.

Chapter XXVII

THE IMPENDING TRIUMPH OF TECHNOLOGY

The industrial exploitation of the United States and of Canada has been the greatest or at least the most spectacular achievement of capitalism. Aided by a vast territory, the richest natural resources in the world, the surplus labor and capital of Europe, and the rapid progress of science and technology, it has brought these two new countries in little more than a century to the front rank of industrial nations. No state has hitherto been equal to this feat. Whether or not any kind of government could have accomplished it in America is an academic question. The government of the U.S.S.R. is now industrializing the largest country in the world at an ever-accelerating tempo. If Soviet China survives and grows stronger and more efficiently organized, it may accomplish the same feat in another vast country. Capitalism is not necessarily the only system which can attain a high industrial level.

Private enterprize may have been best adapted for the earlier stages of modern large-scale production. If it can continue to do as well as or better than any other system, it should survive. When it breaks down in part or entirely, the state must take over its activities and thus become the heir of capitalism. The latter now presents the strange paradox of want in the midst of plenty. Scarcity is necessary in order to secure profits and maintain the private ownership of capital. The technology of production renders such scarcity superfluous. It must, therefore, be artificially induced in order to perpetuate the profit-making system.

The greatest human need is an uninterrupted flow of an

abundant supply of goods to the consumers. Capitalism now faces the most crucial dilemma of its career. It must do grave injury to the common welfare of mankind in order to perpetuate itself, or give way by force or otherwise to another system in which technology will have full scope to work for the benefit of mankind. This dilemma is clearly illustrated in the present status of production in the United States which is industrially the most developed and technically the most advanced country in the world.

The statistics of the production of various basic commodities during the past century indicate that for a time this production increased at a rapidly accelerating rate, though interrupted by temporary decreases during crises and depressions. The rate of increase for many of these commodities has fallen greatly recently. When represented by a graph, the smoothed curve takes on the form of an S. The lower part is concave and delineates the rising rate of increase. At the point where the rate begins to fall the curve turns and becomes convex. This inflection point indicates that saturation has been attained, or that capitalism hampers the production of what is needed and demanded by mankind.

The production of coal in the United States rose from a trifling amount in 1840 to about 670,000,000 short tons in 1918. It dropped to about 480,000,000 in 1922, rose again to about 650,000,000 and then fell to about 350,000,000 in 1932, or nearly 50 per cent below its peak of production. It probably reached its inflection point between 1905 and 1910.

The production of pig iron in the United States rose from a very small amount in 1830 to about 42,000,000 long tons in 1929. It fell to about 8,500,000 tons in 1932. The fall from high to low point following the crisis of 1893 was 27 per cent, of 1907 was 38 per cent, of 1921 was 57 per cent, and of 1929 was 79 per cent. In other words, the fluctuation became greater and more violent with each succeeding depression. It reached

its inflection point between 1915 and 1920, or possibly a little earlier.

The statistics of other phases of productive activity give similar results. The rate of increase of ton-miles of revenue freight reached its inflection point about 1910. The utilization of energy derived from mineral fuel (coal, oil, etc.) and water power probably reached the inflection point between 1910 and 1915.

The automobile industry commenced in about the year 1900 and reached its peak in 1929 with a production of 5,600,000 automobiles. Then it fell to 1,400,000 in 1932, a drop of 75 per cent. It reached its inflection point between 1920 and 1925. The radio industry commenced about 1921 and grew very rapidly until 1929. Since then the production of radio sets has decreased greatly. Apparently the saturation point is being approached.[1]

The limitations upon the increase of production are partly natural and partly artificial. Certain resources, such as coal, oil, and the metals, are limited in quantity and therefore nonrecurrent, as distinguished from plant crops which are periodically recurrent. From 1860 to 1910 coal production in the United States increased at the rate of 7 per cent a year. At that rate the coal reserves of the United States would be exhausted by about the year A.D. 2030. Only by a retardation of the rate of increase in the consumption of these natural resources can they be conserved for a long time for posterity. This retardation has already commenced for most of these resources.

The consumption of certain commodities, such as food and clothing, is more or less narrowly limited by the size of the population. The potential consumption of other commodities

[1] The above statistics have been derived from the *Mineral Yearbooks* and *Statistical Abstracts* of the United States Government, and similar authoritative sources. They have been put into readily available form by Technocracy, Inc., of New York City.

which are not absolute necessities is much more flexible. The capitalistic system fails even to supply mankind fully with the necessities. Hunger, starvation, and inadequate clothing and housing are widespread even in the richest countries. This is especially true at a time of economic depression when the system breaks down and ceases to function to a considerable extent. In a desperate attempt to augment their shrinking profits the capitalists try to cut down their costs of production by introducing labor-saving devices with the aid of technology and by lowering wages. Both of these measures decrease purchasing power and thus aggravate the situation. Technology is prevented from producing an abundance for mankind by the incapacity of capitalism to distribute this abundance. Bewildered by the unforeseen consequences from the application of technology which they cannot explain, some of the capitalists demand its restriction.[1]

The impasse which capitalism has reached shows clearly the need for the development of a social technology capable of fully utilizing the mechanical and physical technology of production. As a preparation for this social development, a preliminary need is a thoroughgoing revision of the current orthodox theories of economics. Such a revision will eliminate a good deal that is fallacious and clarify and simplify much that is obscure.

One of the most characteristic features of the classical school of economics is its theory of marginal productivity or of marginal utility. According to this theory the economic value of any class of goods is determined not by the average cost but by the cost of production of its marginal unit, that is to say, the last one produced at the greatest cost to meet the effective

[1] For example, a recent French prime minister who is a financier, Joseph Caillaux, when delivering the fourth annual Richard Cobden Lecture in London on February 29, 1932, on the "World Crisis," asserted that producers should "moderate the application of scientific discoveries to industry," and that "the authorities must be called upon to intervene."

demand in the market. This establishes the value and fixes the price of every unit of its class. The difference between the cost of production of the marginal unit and of the other units constitutes a surplus from which profits are derived. This difference also makes private property in the means of production a valuable right. No one would be interested in owning these means if he could not secure profits thereby.

It is sometimes alleged that when capitalists organize combinations, trusts, cartels, and the like, which monopolize and control the production of certain commodities, prices are fixed by the average cost of production and not by the cost of the marginal unit. This is obviously fallacious because there would be no surplus from which profits could be derived. The capitalists would quickly abandon such unprofitable enterprizes or gladly turn them over to the state.

Changes in the relation between supply and demand cause changes in the economic value, according to the classical theory. If the supply increases through the discovery of natural resources or through technological improvements, the value decreases in accordance with the decrease in the cost of production of the marginal unit. If the demand increases, the cost of production of the new marginal unit is higher. Hence the value rises. If the supply and the demand increase or decrease in an equal measure, their respective changes offset each other and there is no variation in the value of the goods.

The classical economists assert that this theory proves that under the undisturbed operation of the capitalistic system each so-called "factor" of production receives precisely the amount which it produces. Many of them also allege that it is only right and ethical that this should be the case. There is no space to discuss these points here. It would in any case be futile to do so. The capitalistic system will never again operate in its unmitigated and unadulterated form. The least that can be said concerning these economists is that they are extraordinarily

blind or at least indifferent to the many unfavorable traits of capitalism even in its best form. They are still more blind towards the inherent contradictions of capitalism which constitute the germs of its own destruction and give to it a very brief viability.[1]

The classical theory of value arose under a régime of scarcity. Under a régime of plenty value in the classical sense would disappear. The capacity of goods for gratifying human wants would then be recognized as their only genuine value. Production would be determined by this value, and not by the possibility of gaining profits through scarcity. Intrinsic value is realized through the consumption of goods, in other words, by their destruction. Under the present system goods are often saved with the expectation of gaining profits. During an economic depression there accumulates a good deal of wealth which cannot find profitable investment. Thus occurs the thesaurization of wealth which gives rise to social waste.

In a socialized system commodities will be produced to the extent that the gratification derived from them is greater than the irksomeness of the labor required to produce them, and not to the extent that they give rise to profits. For the capitalist, vendibility and not intrinsic value is the primary consideration in determining what goods are to be produced and in what quantities. With the advance of science and invention the irksomeness involved in production decreases. In a so-

[1] The marginal productivity or marginal utility theory was apparently first expounded by the German economist, von Thuenen, in the early part of the nineteenth century. It was most fully developed by the American economist, John Bates Clark, who asserted "that the distribution of the income of society is controlled by a natural law, and that this law, if it worked without friction, would give to every agent of production the amount of wealth which that agent creates." (*The Distribution of Wealth*, New York, 1900, p. V.)

Recently the theory has been again expounded by another American economist, Paul H. Douglas. He recognizes that the theory may not apply under another system. "The marginal productivity theory is in fact merely an explanation of the way in which wages and interest are determined in a competitive and capitalistic society. It is not an ethical justification of what distribution 'ought' to be." (*The Theory of Wages*, New York, 1934.)

cialized system the amount of goods produced increases correspondingly until an equilibrium is attained between these two factors of irksomeness and gratification. The labor required for production will be asymptotic to zero, that is to say, it will steadily approach zero without ever reaching it. In similar fashion, mankind will be continually leaving behind a régime of scarcity and approaching a régime of plenty without ever completely attaining it. In other words, if expressed in terms of fractions, scarcity will become asymptotic to zero, and plenty will become asymptotic to the integer unity. The equilibration of irksomeness and gratification is a problem for the new social technology. It will probably require the cooperation of the political with the economic mechanism to fix the hours and the years of labor.

This progressive transformation, due to the effects of an improved technique of production and of a socialized system of distribution, will give rise to important psychological and cultural results, owing in part to changes in the character of human desires. Under a régime of scarcity many objects are valued mainly or solely because they are rare. A striking example is that of the so-called "precious" metals whose exchange value is grossly exaggerated in contrast to their genuine utility. A still more striking example is that of jewels, such as diamonds. Under a régime of plenty these valuations, which are largely fictitious and artificial, will disappear. If there are enough of these metals and jewels available to satisfy human needs and wants, no more time and effort will be wasted in trying to increase the supply.

Pecuniary standards of valuation are inevitable in capitalistic society. Success therein is measured largely by the amount of wealth personally and privately acquired and owned. Ostentatious expenditure and what Veblen termed "conspicuous waste" are necessary for the rich to show off their wealth. Even down to the low-income groups "keeping up with the Joneses" is an

important motive in spending in order to avoid the appearance of failure according to the prevailing monetary standard of achievement. In a society where incomes are the same or vary much less than the present enormous range, social rather than predatory standards of achievement can prevail.

This transformation of values will have far-reaching cultural consequences. It will be much more feasible to appraise accurately the genuine utility of goods to satisfy human needs and desires. Judgments as to value will no longer be vitiated to a considerable extent by the artificial factors introduced by and inherent in the contemporary dominant system. In a socialized system these judgments can be based almost exclusively upon biological, psychological, esthetic, social, and cultural considerations. In other words, health, comfort, beauty, and happiness for all mankind will be the determining factors.

The existing price system will be swept away. Prices are now based in the last analysis and in the long run upon the cost of production of the marginal unit. This is inevitable under a system of predatory competition where a small minority are in the privileged and advantageous position of owning most of the means of production. In a socialized system goods and services needed and used by everybody will be furnished without requiring in return a symbol of value. This is already the case in the utilization of most roads, bridges, parks, etc., the lighting of public places, protection against crime, prevention of fire, etc. In the distribution of goods and services in which there is individual choice, such as clothes, books, forms of amusement, etc., there will no longer be required in return a symbol as unstable and variable as the monetary system of today. The latter is subject to the supply of and demand for the precious metals, the fiscal policies of governments, the balance of trade between nations, and various other incalculable factors. The continual and often great and sudden fluctuations in the exchange value of money disrupt

price and income standards. Monetary inflation and deflation constitute one of the principal causes of the economic insecurity which afflicts mankind.

Money has played an important and valuable part in facilitating the free exchange of goods. But it has also rendered possible borrowing on a large scale with the usury (interest) which arises therefrom. Usury and debt interfere with the free operation of supply and demand upon prices. At any given moment a certain amount of income from sales is utilized to pay interest and capital on debts incurred in the past. Some of this is withdrawn temporarily from the market and does not make itself felt at once as effective demand. This aggravates the already existing lack of equilibrium between production and purchasing power under capitalism. It is estimated that the debt claims in the United States greatly exceed the enormous sum of $200,000,000,000. This is a heavy burden for industry and agriculture to carry. Some of these debt claims can never be repaid. This fact indicates that the financial structure of the capitalistic system is essentially unsound.

In a socialized system the symbol required in return for goods distributed according to individual choice will represent a definite quantity of something readily measurable and immutable, such as a unit of energy, or relatively unchangeable, such as labor. This new medium of distribution will measure the actual cost of production of commodities instead of vendibility in the capitalistic market. Both the extraneous energy and the man-hours expended in production will decrease as technology, unhampered by capitalism and its financial structure, progresses. But both of these elements of cost will persist. One or the other or both of them will have to be recognized in measuring the cost of production of the various groups of commodities in accordance with the relative importance of each element in the process. The scarcity of non-recurrent materials will also have to be recognized. This is a problem for

social technology to solve. Enough of the new money will at all times be issued to purchase all the goods produced.[1] The capitalistic lack of equilibrium between the goods available or those which can be readily and usefully produced and the effective demand represented by purchasing power will disappear.

The number of symbols of the medium of distribution required in return for commodities will no longer be based upon the cost of production of any one unit, marginal or otherwise, but upon the average amount of energy (extraneous or human or both) per unit expended for all of a given class of goods. The quantity produced of any class of goods during a given period will be gauged by the quantity demanded and consumed during the preceding period. Thus will be avoided, on the one hand, absolute under-production or under-consumption, and, on the other hand, relative over-production of goods and lack of purchasing power leading to the accumulation and the deliberate or unpreventable destruction of goods, which are among the major social evils of today.

This will no longer be a price system operating through barter and exchange in a market where free competition prevails and which results in economic insecurity for all, even the capitalists themselves, and in economic misery for the vast majority. On the contrary, it will be an efficient method of distributing commodities for which there is an individual choice. It will register demand which will furnish a guide and index for future production and distribution. Nor will it be a system of valuation. Judgments of value will no longer be based upon the cost of production of any individual unit but upon ultimate capacity for satisfying human needs and wants. The new system will assure not only economic security but

[1] According to the Technocrats the new money or medium of distribution will be issued against available goods and services, non-transferable, canceled at the point of distribution of goods and services, issued for a limited period at the end of which it will be canceled whether used or not, and issued under proper control to everyone.

also a high standard of living for everyone, because technology will no longer be prevented from producing a great abundance of goods.

The foregoing considerations indicate clearly the unsuitability of the economics of capitalism for a socialized system. Its numerous fictitious "values" render capitalistic economics singularly unrealistic, and obfuscate the essential features of a social economy. As a method of social accounting, the price and credit system functions very badly. The orthodox economists classify the factors of production as land, capital, labor, and business enterprize or management. The first and second factors are distinguished largely because as privately owned and operated they receive special shares in distribution. Capital includes money in which there is an extensive traffic, and which therefore becomes a quasi-commodity under capitalism. Under a socialized system would be recognized raw materials and sources of power which are derived largely from the land so that all three may be subsumed under the original endowment of nature, the capital equipment created by mankind in the past, and labor which includes science, invention, and technology.

According to the orthodox economists, the shares in distribution are rent, interest, wages, and profits, which correspond respectively to their factors of production. Usury or interest is justified in part as an inducement to save, and thus furnish new capital. Thrift is forced upon the individual as a protection for the future by the economic insecurity of the present system. But it is an exceedingly clumsy and inaccurate method of supplying new capital. There is no assurance that it will supply the precise amount needed at any particular moment. If less is saved than the amount called for, there is almost invariably a rise in the prices of consumption goods. If too much is saved, there is a glut of accumulated monetary capital, and prices fall. In either case, there is uncertainty, in-

stability, confusion, and lack of security. Standards of income and of living as well as prices are dislocated without rhyme or reason. Thus thrift often becomes a social menace more than a productive factor. All this is due to the inefficiency of capitalism as an economic and social mechanism. It is incapable of guaranteeing even the primary needs to all of mankind.

In a socialized system whatever is needed for the replacement and expansion of the capital equipment will be provided for in the plan of production and withdrawn before distribution takes place. This renders saving unnecessary and removes this element of confusion from the process of distribution. The outgo of consumption goods will be devoted in the first instance to provide an adequate subsistence for everyone. The surplus over and above this subsistence minimum will be distributed equally or differentially according to a social standard of individual productivity. This may vary according to the stage of development attained by the socialized system, and is a problem for social technology to solve.

Changes in economic organization and the mechanism of the distribution of wealth are not keeping pace with the technical changes in the production of wealth and the worldwide economic balance. Some of the capitalists are beginning to discern the impasse or vicious circle which capitalism has entered. They are seeking for some form of economic planning, usually nationalistic in character. This is a vain hope for them. Planning is wholly inconsistent with and impossible under capitalism.

Capitalistic governments, liberal-democratic as well as fascist, are trying to improve conditions by more or less haphazard and temporary public and semi-public enterprizes intended to decrease unemployment and stimulate business enterprize. As at present organized these governments lack the technical skill and the authority to handle these problems effectively. Everything points towards an eventual functional organization

of society under a technological control competent to create a genuine social mechanism.

The mechanical and physical technology to produce a great abundance for the whole of mankind is already available. Its implications are very helpful for developing a social technology which will furnish an efficient method of distribution. This social technology will include a suitable political organization, educational institutions, and the other essential features of a socialized system. North America is a most admirable scene for the new system. It possesses the richest natural resources of any continent. The United States and Canada have the most highly developed technical equipment in the world. The new system could be introduced with the least possible degree of economic dislocation and social disorder. The experience of Soviet Russia furnishes numerous valuable suggestions to render this doubly certain.

And yet the attainment of a functional organization seems unlikely in the immediate future. More than a decade ago, in the concluding sentence of a book, I expressed the fear that "mankind will again plunge for a series of generations into the maelstrom of rivalry and conflict based upon brute force."[1] This danger is even more imminent today. Instead of making way for a socialized system, capitalism is preparing for greater wars. This is the inevitable consequence from economic nationalism, monopoly capitalism, and imperialism with its attendant militarism and navalism. Economic crises are becoming more accelerated in time, more extended in scope, and more acute in their disastrous consequences. Capitalism is, as it were, determined to destroy itself in the most violent and catastrophic fashion and with the maximum of injury to mankind.

[1] Maurice Parmelee, *Blockade and Sea Power*, New York, 1924, p. 390.

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