

THIRD WORLD TRAVELER



Introduction, Rise and Fall of Classic Fascism

excerpted from the book

Friendly Fascism

The New Face of Power in America

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Introduction

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Friendly fascism portrays two conflicting trends in the United States and other countries of the so-called "free world."

The first is a slow and powerful drift toward greater concentration of power and wealth in a repressive Big Business-Big Government partnership. This drift leads down the road toward a new and subtly manipulative form of corporatist serfdom. The phrase "friendly fascism" helps distinguish this possible future from the patently vicious corporatism of classic fascism in the past of Germany, Italy and Japan. It also contrasts with the friendly present

of the dependent fascisms propped up by the U.S. government in El Salvador, Haiti, Argentina, Chile, South Korea, the Philippines and elsewhere.

The other is a slower and less powerful tendency for individuals and groups to seek greater participation in decisions affecting themselves and others. This trend goes beyond mere reaction to authoritarianism. It transcends the activities of progressive groups or movements and their use of formal democratic machinery. It is nourished by establishment promises-too often rendered false-of more human rights, civil rights and civil liberties. It is embodied in larger values of community, sharing, cooperation, service to others and basic morality as contrasted with crass materialism and dog-eat-dog competition. It affects power relations in the household, workplace, community, school, church, synagogue, and even the labyrinths of private and public bureaucracies. It could lead toward a truer democracy-and for this reason is bitterly fought...

These contradictory trends are woven fine into the fabric of highly industrialized capitalism. The unfolding logic of friendly fascist corporatism is rooted in "capitalist society's transnational growth and the groping responses to mounting crises in a dwindling capitalist world". Mind management and sophisticated repression become more attractive to would-be oligarchs when too many people try to convert democratic promises into reality. On the other hand, the alternative logic of true democracy is rooted in "humankind's long history of resistance to unjustified privilege" and in spontaneous or organized "reaction (other than fright or apathy) to concentrated power...and inequality, injustice or coercion".

A few years ago too many people closed their eyes to the indicators of the first tendency.

But events soon began to change perceptions.

The Ku Klux Klan and American Nazis crept out of the woodwork. An immoral minority of demagogues took to the airwaves. "Let me tell you something about the character of God," orated Jim Robison at a televised meeting personally endorsed by candidate Ronald Reagan. "If necessary, God would raise up a tyrant, a man who may not have the best ethics, to protect the freedom interests of the ethical and the godly." To protect Western oil companies, candidate Jimmy Carter proclaimed presidential willingness to send American troops into the Persian Gulf. Rosalyn Carter went further by telling an Iowa campaign audience: "Jimmy is not afraid to declare war." Carter then proved himself unafraid to expand unemployment, presumably as an inflation cure, thereby reneging on his party's past full employment declarations.

Reaching the White House with this assist from Carter (as well as from the Klan and the immoral minority of televangelicals), Reagan promptly served the immediate interests of the most powerful and the wealthiest. The Reaganites depressed real wages through the worst unemployment since the 1929-39 depression, promoted "give backs" by labor unions, cut social programs for lower and middle income people, expanded tax giveaways for the truly rich, boosted the military budget and warmed up the cold war. They launched savage assaults on organized labor, civil rights and civil liberties.

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economist Robert Lekachman

"Ronald Reagan must be the nicest president who ever destroyed a union, tried to cut school lunch milk rations from six to four ounces, and compelled families in need of public help to first dispose of household goods in excess of \$1,000...If there is an authoritarian regime in the American future, Ronald Reagan is tailored to the image of a friendly fascist."

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The bad news is that evil now wears a friendlier face than ever before in American history.

"Like a good TV commercial, Reagan's image goes down easy," Mark Crispin Miller has written, "calming his audience with sweet inversions of the truth...He has learned to liven up his every televised appearance with frequent shifts in expression, constant movements of the head, lots of warm chuckles and ironic shrugs and sudden frowns of manly purpose. Reagan is unfailingly attractive-'a nice guy, 'pure and simple.'" But what is really there, he asks, behind the mask?

The President's critics have many answers. Some call him "an amiable dunce." Some see him, reports Miller, as a devil "who takes from the poor to give to the rich, has supported infanticide abroad, ravages his own countryside and props up brutal dictatorships." Others regard him as a congenital falsifier who surrounds any half-truth with a "bodyguard of lies." Miller himself has still another answer: there is nothing behind the mask. "The best way to keep his real self hidden" he suggests, "is not to have one...Reagan's mask and face are as one." To this, one might add that the Reagan image is an artfully designed blend of charisma and machismo, a combination that Kusum Singh calls charismacho.

"Princes," wrote Machiavelli many centuries ago, "should delegate the ugly jobs to other people, and reserve the attractive functions for themselves." In keeping with this maxim, Reagan's less visible entourage has surrounded the President with highly visible targets of disaffection: Volcker, Stockman, Haig,

Weinberger, Kirkpatrick, and Watt. In comparison, Reagan looks truly wholesome. This makes it all the more difficult to focus attention on the currents and forces behind the people behind the President-or for that matter, other less visible leaders of the American Establishment.

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beyond "nice guy" imagery. They establish America's symbolic environment. The Reagan administration has triggered a great leap forward in the mobilization and deployment of corporatist myths. Many billions of tax-exempt funds from conservative foundations have gone into the funding of such think tanks as the Heritage Foundation and the American Enterprise Institute. According to the Wall Street Journal, nearly three hundred economists on the staffs of conservative think tanks are part of an informal information network organized by the American Heritage Foundation alone. (This contrasts with only about two dozen economists working for trade unions, most of whom are pinned down in researching contract negotiations.)

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Expanded government intervention into \ the lives of ordinary people is glorified under the slogan "getting the I government off our backs." Decriminalization of corporate bribery, fraud and the dumping of health-killing wastes is justified under the banner of "promoting free enterprise" and countering "environmental extremists." Private greed, gluttony and speculation are disguised in "free market" imagery. Business corruption is hidden behind smokescreens of exaggerated attacks on the public sector. Like Trojan horses, these ideas penetrate the defenses of those opposed to any new corporatism. They establish strongholds of false consciousness and treacherous terminology in the minds not only of old-fashioned conservatives but also of the most dedicated liberals and left-wingers.

Hence on many issues the left seems bereft, the middle muddled and the right not always wrong. Other elements are thereby added to the new bill of frights.

One is a frightening retreat by liberals and leftwingers on the key gut issues of domestic policy: full employment, inflation and crime. "Deep cynicism has been engendered in progressive circles by past experiences with 'full employment' legislation (as) the tail on the kite of an ever expanding military economy." A movement for full employment without militarism or inflation is seen as dangerous by old-time labor leaders, utopian by liberals and by some Marxists as impossible under capitalism. Inflation is seen as a conservative issue-or else one that requires the kind of price controls that necessitate more far-reaching social controls over capital. Middle-of-the-roaders try to

deal with crime by fussing too much with the details of the police-court-house jail-parole complex and too little with the sources of low-income crime, racketeering, political corruption and crime in the executive suites. Thus the demagogues among the Reaganites and their frenetic fringes have been able to seize and keep initiatives on these issues.

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Samuel Johnson

"Power is always gradually stealing away from the many to the few, because the few are more vigilant and consistent."

The Rise and Fall of Friendly Fascism

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Looking at the present, I see a more probable future: a new despotism creeping slowly across America. Faceless oligarchs sit at command posts of a corporate-government complex that has been slowly evolving over many decades. In efforts to enlarge their own powers and privileges, they are willing to have others suffer the intended or unintended consequences of their institutional or personal greed. For Americans, these consequences include chronic inflation, recurring recession, open and hidden unemployment, the poisoning of air, water, soil and bodies, and, more important, the subversion of our constitution. More broadly, consequences include widespread intervention in international politics through economic manipulation, covert action, or military invasion...

I see at present members of the Establishment or people on its fringes who, in the name of Americanism, betray the interests of most Americans by fomenting militarism, applauding rat-race individualism, protecting undeserved privilege, or stirring up nationalistic and ethnic hatreds. I see pretended patriots who desecrate the American flag by waving it while waiving the law.

In this present, many highly intelligent people look with but one eye and see only one part of the emerging Leviathan. From the right, we are warned against the danger of state capitalism or state socialism, in which Big Business is dominated by Big Government. From the left, we hear that the future danger (or present reality) is monopoly capitalism, with finance capitalists dominating the state. I am prepared to offer a cheer and a half for each view; together, they make enough sense for a full three cheers. Big Business and Big Government have been learning how to live in bed together and despite arguments between them, enjoy the cohabitation. Who may be

on top at any particular moment is a minor matter-and in any case can be determined only by those with privileged access to a well-positioned keyhole.

I am uneasy with those who still adhere strictly to President Eisenhower's warning in his farewell address against the potential for the disastrous rise of power in the hands of the military-industrial complex. Nearly two decades later, it should be clear to the opponents of militarism that the military-industrial complex does not walk alone. It has many partners: the nuclear-power complex, the technology-science complex, the energy-auto-highway complex, the banking-investment-housing complex, the city-planning-development-land-speculation complex, the agribusiness complex, the communications complex, and the enormous tangle of public bureaucracies and universities whose overt and secret services provide the foregoing with financial sustenance and a nurturing environment. Equally important, the emerging Big Business-Big Government partnership has a global reach. It is rooted in colossal transnational corporations and complexes that help knit together a "Free World" on which the sun never sets. These are elements of the new despotism.

A few years ago a fine political scientist, Kenneth Dolbeare, conducted a series of in-depth interviews totaling twenty to twenty-five hours per person. He found that most respondents were deeply afraid of some future despotism. "The most striking thing about inquiring into expectations for the future," he reported, "is the rapidity with which the concept of fascism (with or without the label) enters the conversation." But not all knowledge serves the cause of freedom... the tendency is to suppress fears of the future, just as most people have learned to repress fears of a nuclear holocaust. It is easier to repress well-justified fears than to control the dangers giving rise to them.

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In 1935 Sinclair Lewis wrote a popular novel in which a racist, anti-Semitic, flag-waving, army-backed demagogue wins the 1936 presidential election and proceeds to establish an Americanized version of Nazi Germany. The title, *It Can't Happen Here*, was a tongue-in-cheek warning that it might. But the "it" Lewis referred to is unlikely to happen again any place. Even in today's Germany, Italy or Japan, a modern-style corporate state or society would be far different from the old regimes of Hitler, Mussolini, and the Japanese oligarchs. Anyone looking for black shirts, mass parties, or men on horseback will miss the telltale clues of creeping fascism. In any First World country of advanced capitalism, the new fascism will be colored by national and cultural heritage, ethnic and religious composition, formal political structure, and geopolitical environment. The Japanese or German versions would be quite different from the Italian variety-and still more different from

the British, French, Belgian, Dutch, Australian, Canadian, or Israeli versions. In America, it would be supermodern and multi-ethnic-as American as Madison Avenue, executive luncheons, credit cards, and apple pie. It would be fascism with a smile. As a warning against its cosmetic facade, subtle manipulation, and velvet gloves, I call it friendly fascism. What scares me most is its subtle appeal.

I am worried by those who fail to remember-or have never learned -that Big Business-Big Government partnerships, backed up by other elements, were the central facts behind the power structures of old fascism in the days of Mussolini, Hitler, and the Japanese empire builders.

I am worried by those who quibble about labels. Some of my friends seem transfixed by the idea that if it is fascism, it must appear in the classic, unfriendly form of their youth. "Why, oh why," they retrospectively moan, "didn't people see what was happening during the 1920s and the 1930s?" But in their own blindness they are willing to use the terms invented by the fascist ideologists, "corporate state" or "corporatism," but not fascism.

I am upset with those who prefer to remain spectators until it may be too late. I am shocked by those who seem to believe in Anne Morrow Lindbergh's words of 1940-that "there is no fighting the wave of the future" and all you can do is "leap with it." I am appalled by those who stiffly maintain that nothing can be done until things get worse or the system has been changed.

I am afraid of inaction. I am afraid of those who will heed no warnings and who wait for some revelation, research, or technology to offer a perfect solution. I am afraid of those who do not see that some of the best in America has been the product of promises and that the promises of the past are not enough for the future. I am dismayed by those who will not hope, who will not commit themselves to something larger than themselves, of those who are afraid of true democracy or even its pursuit.

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I suspect that many people underestimate both the dangers that lie ahead and the potential strength of those who seem weak and powerless. Either underestimation stems, I think, from fear of bucking the Establishment ... a deep and well-hidden fear ...

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...the fanfare of elections and "participatory" democracy usually disguises business- government control.

THE RISE AND FALL OF CLASSIC FASCISM

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Between the two world wars fascist movements developed in many parts of the world.

In the most industrially advanced capitalist countries-the United States, Britain, France, Holland and Belgium-they made waves but did not engulf the constitutional regimes. In the most backward capitalist countries-Albania, Austria, Greece, Hungary, Poland, Portugal, Rumania, Spain, and Yugoslavia-there came to power authoritarian or dictatorial regimes that boastfully called themselves "fascist" or, as the term soon came to be an all-purpose nasty word, were branded "fascist" by their opponents. The most genuine and vigorous fascist movements arose in three countries-Italy, Germany and Japan-which, while trailing behind the capitalist leaders in industrialization and empire, were well ahead of the laggards.

ITALY, GERMANY, JAPAN

In Milan on March 23, 1919, in a hall offered by a businessmen's club, former socialist Benito Mussolini transformed a collection of blackshirted roughnecks into the Italian Fascist party. His word "fascism" came from the Latin fasces for a bundle of rods with an axe, the symbol of State power carried ahead of the consuls in ancient Rome. Mussolini and his comrades censured old-fashioned conservatives for not being more militant in opposing the socialist and communist movements that arose, in response to the depression, after World War I. At the same time, they borrowed rhetorical slogans from their socialist and communist foes, and strengthened their support among workers and peasants.

In their early days these groups had tough going. The more respectable elements in the Establishment tended to be shocked by their rowdy, untrustworthy nature. Campaign contributions from businessmen came in slowly and sporadically. When they entered electoral contests, the Fascists did badly. Thus, in their very first year of life the Italian Fascists suffered a staggering defeat by the Socialists.

In 1920 the left-wing power seemed to grow. Hundreds of factories were seized by striking workers in Milan, Turin, and other industrial areas. Peasant unrest became stronger, and many large estates were seized. The Socialists campaigned under the slogan of "all power to the proletariat."

For Mussolini, this situation was an opportunity to be exploited. He countered with a nationwide wave of terror that went far beyond ordinary

strikebreaking. Mussolini directed his forces at destroying all sources of proletarian or peasant leadership. The Fascist squadristi raided the offices of Socialist or Communist mayors, trade unions, cooperatives and leftwing newspapers, beating up their occupants and burning down the buildings. They rounded up outspoken anti-Fascists, clubbed them, and forced them to drink large doses of castor oil. They enjoyed the passive acquiescence-and at times the direct support-of the police, the army, and the church. Above all, business groups supplied Mussolini with an increasing amount of funds. In turn, Mussolini responded by toning down the syndicalism and radical rhetoric of his followers, and, while still promising to "do something for the workers," began to extol the merits of private enterprise.

On October 26, 1922, as his Fascist columns started their so-called March on Rome, Mussolini met with a group of industrial leaders to assure them that "the aim of the impending Fascist movement was to reestablish discipline within the factories and that no outlandish experiments . . . would be carried out." 1 On October 28 and 29 he convinced the leaders of the Italian Association of Manufacturers "to use their influence to get him appointed premier." 2 In the evening of October 29 he received a telegram from the king inviting him to become premier. He took the sleeping train to Rome and by the end of the next day formed a coalition cabinet. In 1924, in an election characterized by open violence and intimidation, the Fascist-led coalition won a clear majority.

If Mussolini did not actually march on Rome in 1922, during the next seven years he did march into the hearts of important leaders in other countries. He won the friendship, support, or qualified approval of Richard Childs (the American ambassador), Cornelius Vanderbilt, Thomas Lamont, many newspaper and magazine publishers, the majority of business journals, and quite a sprinkling of liberals, including some associated with both The Nation and The New Republic. "Whatever the dangers of fascism," wrote Herbert Croly, in 1927, "it has at any rate substituted movement for stagnation, purposive behavior for drifting, and visions of great future for collective pettiness and discouragements." ~ these same years, as paeans of praise for Mussolini arose throughout Western capitalism, Mussolini consolidated his rule, purging anti-Fascists from the government service, winning decree power from the legislature, and passing election laws favorable to himself and his conservative, liberal, and Catholic allies.

Only a few days after the march on Rome, a close associate of Hitler, Herman Esser, proclaimed in Munich among tumultuous applause: "What has been done in Italy by a handful of courageous men is not impossible here. In Bavaria too we have Italy's Mussolini. His name is Adolf Hitler...." F. L. CARSTEN

In January, 1919, in Munich, a small group of anti-Semitic crackpot extremists founded the German Workers Party. Later that year the German Army's district commander ordered one of his agents, a demobilized corporal, to investigate it. The Army's agent, Adolf Hitler, instead joined the party and became its most powerful orator against Slavs, Jews, Marxism, liberalism, and the Versailles treaty. A few months later, under Hitler's leadership, the party changed its name to the National Socialist German Workers' Party and organized a bunch of dislocated war veterans into brown-shirted strong-arm squads or storm troopers (in German, S.A. for Sturmabteilung). The party's symbol, designed by Hitler himself, became a black swastika in a white circle on a flag with a red background.

On November 8, 1923, in the garden of a large Munich beer hall, Adolf Hitler and his storm troopers started what he thought would be a quick march to Berlin. With the support of General Erich Ludendorff, he tried to take over the Bavarian government. But neither the police nor the army supported the Putsch. Instead of winning power in Munich, Hitler was arrested, tried for treason, and sentenced to five years' imprisonment, but confined in luxurious quarters and paroled after only nine months, the gestational period needed to produce the first volume of Mein Kampf. His release from prison coincided with an upward turn in the fortunes of the Weimar Republic, as the postwar inflation abated and an influx of British and American capital sparked a wave of prosperity from 1925 to 1929. "These, the relatively fat years of the Weimar Republic, were correspondingly lean years for the Nazis."

Weimar's "fat years" ended in 1929. If postwar disruption and class conflict brought the Fascists to power in Italy and nurtured similar movements in Germany, Japan, and other nations, the Great Depression opened the second stage in the rise of the fascist powers.

In Germany, where all classes were demoralized by the crash, Hitler recruited jobless youth into the S.A., renewed his earlier promises to rebuild the German army, and expanded his attacks on Jews, Bolshevism, the Versailles treaty, liberalism, and constitutional government. In September 1930, to the surprise of most observers (and probably Hitler himself), the Nazis made an unprecedented electoral breakthrough, becoming the second largest party in the country. A coalition of conservative parties, without the Nazis, then took over under General Kurt von Schleicher, guiding genius of the army. With aged Field Marshal von Hindenberg serving as figurehead president, three successive cabinets- headed by Heinrich Brüning, Franz von Papen, and then von Schleicher himself- cemented greater unity between big business and big government (both civilian and military), while stripping the Reichstag of considerable power. They nonetheless failed miserably in their efforts to liquidate the Depression. Meanwhile Adolf Hitler, the only right-

wing nationalist with a mass following, was publicly promising full employment and prosperity. Privately meeting with the largest industrialists he warned, "Private enterprise cannot be maintained in a democracy." On January 30, 1933, he was invited to serve as chancellor of a coalition cabinet. "We've hired Hitler!" a conservative leader reported to a business magnate.

A few weeks later, using the S.A. to terrorize left-wing opposition and the Reichstag fire to conjure up the specter of conspiratorial bolshevism, Hitler won 44 percent of the total vote in a national election. With the Support of the Conservative and Center parties, he then pushed through legislation that abolished the independent functioning of both the Reichstag and the German states, liquidated all parties other than the Nazis, and established concentrated power in his own hands. He also purged the S.A. of its semi-socialist leadership and vastly expanded the size and power of his personal army of blackshirts.

Through this rapid process of streamlining, Hitler was able to make immediate payments on his debts to big business by wiping out independent trade unions, abolishing overtime pay, decreasing compulsory cartelization decrees (like similar regulations promulgated earlier in Japan and Italy), and giving fat contracts for public works and fatter contracts for arms production. By initiating an official pogrom against the Jews, he gave Nazi activists a chance to loot Jewish shops and family possessions, take over Jewish enterprises, or occupy jobs previously held by German Jews.

Above all, he kept his promise to the unemployed; he put them back to work, while at the same time using price control to prevent a recurrence of inflation. As Shirer demonstrates in his masterful *The Rise and Fall of the Third Reich*, Hitler also won considerable support among German workers, who did not seem desperately concerned with the loss of political freedom and even of their trade unions as long as they were employed full time. "In the past, for so many, for as many as six million men and their families, such rights of free men in Germany had been overshadowed as he [Hitler] said, by the freedom to starve. In taking away that last freedom," Shirer reports, "Hitler assured himself of the support of the working class, probably the most skillful and industrious and disciplined in the Western world."

Also in 1919, Kita Ikki, later known as "the ideological father of Japanese fascism," set up the "Society of Those Who Yet Remain."

His *General Outline of Measures for the Reconstruction of Japan*, the *Mein Kampf* of this association, set forth a program for the construction of a revolutionized Japan, the coordination of reform movements, and the emancipation of the Asian peoples under Japanese leadership.

In Japan, where organized labor and proletarian movements had been smashed many years earlier and where an oligarchic structure was already firmly in control, the transition to full-fledged fascism was- paradoxically- both simpler than in Italy and Germany and stretched out over a longer period. In the mid-1920s hired bullies smashed labor unions and liberal newspapers as the government campaigned against "dangerous thoughts" and used a Peace Preservation Law to incarcerate anyone who joined any organization that tried to limit private property rights. The worldwide depression struck hard in Japan, particularly at the small landholders whose sons had tried to escape rural poverty through military careers. The secret military societies expanded their activities to establish a Japanese "Monroe Doctrine for Asia." In 1931 they provoked an incident, quickly seized all of Manchuria, and early in 1932 established the Japanese puppet state of Manchukuo.

At home, the Japanese premier was assassinated and replaced by an admiral, as the armed forces pressed forward for still more rapid expansion on the continent and support for armament industries. As the frontiers of Manchukuo were extended, a split developed between two rival military factions. In February 1936, the Imperial Way faction attempted a fascist coup from below. Crushing the rebels, the Control faction of higher-ranking officers ushered in fascism from above. "The interests of business groups and the military drew nearer, and a 'close embrace' structure of Japanese fascism came to completion," writes Masao Maruyama. "The fascist movement from below was completely absorbed into totalitarian transformation from above." Into this respectable embrace came both the bureaucracy and the established political parties, absorbed into the Imperial Rule Assistance Association. And although there was no charismatic dictator or party leader, the Emperor was the supercharismatic symbol of Japanese society as a nation of families. By 1937, with well-shaped support at home, the Japanese army c seized Nanking and started its long war with China.

BREEDING GROUNDS OF FASCISM

Before fascism, the establishments in Italy, Japan and Germany each consisted of a loose working alliance between big-business, the military, the older landed aristocracy, and various political leaders. The origin of these alliances could be traced to the consolidation of government and industry during World War I.

"Manufacturing and finance," writes Roland Sarti about World War I in Italy (but in terms applicable to many other countries also), "drew even closer than they had been before the war to form the giant combines necessary to sustain the war effort. Industrialists and government officials sat side by side

in the same planning agencies, where they learned to appreciate the advantages of economic planning and cooperation. Never before had the industrialists been so close to the center of political power, so deeply involved in the decision-making process " 0

United in the desire to renew the campaigns of conquest that had been dashed by the war and its aftermath, the establishments in these countries were nonetheless seriously divided by conflicting interests and divergent views on national policy. As Sarti points out, big-business leaders were confronted by "economically conservative and politically influential agricultural interests, aggressive labor unions, strong political parties ideologically committed to the liquidation of capitalism, and governments responsive to a variety of pressures." Despite the development of capitalist planning, coping with inflation and depression demanded more operations through the Nation-State than many banking and industrial leaders could easily- accept, more government planning than most governments were capable of undertaking, and more international cooperation among imperial interests than was conceivable in that period

The establishment faced other grave difficulties in the form of widespread social discontent amidst the uncertain and eventually catastrophic economic conditions of the postwar world. One of the challenges came from the fascists, who seemed to attack every element in the existing regimes. They criticized businessmen for putting profits above patriotism and for lacking the dynamism needed for imperial expansion. They tore at those elements in the military forces who were reluctant to break with constitutional government. They vilified the aristocracy as snobbish remnants of a decadent past. They branded liberals as socialists, socialists as communists, communists as traitors to the country, and parliamentary operations in general as an outmoded system run by degenerate babblers. They criticized the bureaucrats for sloth and branded intellectuals as self-proclaimed "great minds" (in Hitler's phrasing) who knew nothing about the real world. They damned the Old Order as an oligarchy of tired old men, demanding a New Order of young people and new faces. In Japan, the young blood was represented mainly by junior officers in the armed forces. In Italy and Germany the hoped-for infusion of new dynamism was to come from the "little men," the "common people," the "lost generation," the "outsiders," and the "uprooted" or the "rootless." Although some of these were gangsters, thugs, and pimps, most were white-collar workers, lower-level civil servants, or declassed artisans and small-businessmen.

But the fascist challenge did not threaten the jugular vein. Unlike the communists, the fascists were not out to destroy the old power structure or to create an entirely new one. Rather, they were heretics seeking to revive

the old faith by concentrating on the fundamentals of ;imperial expansion militarism, repression, and racism. They had the courage of the old-time establishment's convictions. If they at times sounded like violent revolutionaries, the purpose was not merely to pick up popular support from among the discontented and alienated, but to mobilize and channel the violence-prone. If at the outset they tolerated anti-capitalist currents among their followers, the effect was to enlarge the following for policies that strengthened capitalism. Above all, the fascists "wanted in."

In turn, at a time of crisis, leaders in the old establishment wanted them in as junior partners. These leaders operated on the principle that "If we want things to stay as they are, things will have to change." Ultimately, the marriage of the fascist elements with the old order was one of convenience. In Italy and Japan, the fascists won substantial control of international and domestic politics, were the dominant ideological force, and controlled the police. The old upper-class structure remained in control of the armed forces and the economy. In Japan, the upper-class military was successfully converted to fascism, but there were difficulties in winning over Japan's family conglomerates, the zaibatsu.

Thus, while much of the old order was done away with, the genuinely anti-capitalist and socialist elements that provided much of the strength in the fascist rise to power were suppressed. The existing social system in each country was actually preserved, although in a changed form.

THE AXIS

From the start fascism had been nationalist and militarist, exploiting the bitterness felt in Italy, Germany, and Japan over the postwar settlements. Italians, denied territories secretly promised them as enticement for entering the war, felt cheated of the fruits of victory. Japanese leaders chafed at the rise of American and British resistance to Japanese expansion in China, and resented the Allies' refusal to include a statement of racial equality in the Covenant of the League of Nations. Germans were outraged by the Versailles treaty; in addition to depriving Germany of 13 percent of its European territories and population, the treaty split wide open two of Germany's three major industrial areas and gave French and Polish industrialists 19 percent of Germany's coke, 17 percent of its blast furnaces, 60 percent of its zinc foundries, and 75 percent of its iron ore.

Furthermore, each of the fascist nations could ground their expansion in national tradition. As far back as 1898, Ito Hirobumi, one of the founders of the "new" Japan after the Meiji restoration of 1868, had gone into great detail on Japan's opportunities for exploiting China's vast resources. While

the late-nineteenth-century Italians and Germans were pushing into Africa, the Japanese had seized Korea as a stepping-stone to China and started eyeing Manchuria for the same purpose. Mussolini's imperial expansion in Africa was rooted, if not in the Roman empire, then in late nineteenth-century experience and, more specifically, in the "ignominy" of the 1896 Italian defeat by ill-armed Ethiopian forces in Aduwa. Hitler's expansionism harked back to an imperialist drive nearly a century old-at least.

Now, while Japan was seizing Manchuria, Mussolini responded to the crash by moving toward armaments and war. He used foreign aid to establish economic control over Albania, consolidating this position through naval action in 1934. In 1935 he launched a larger military thrust into Ethiopia and Eritrea.

By that time, the Nazi-led establishment in Germany was ready to plunge into the European heartland itself. In 1935, Hitler took over the Saarland through a peaceful plebiscite, formally repudiating the Versailles treaty. In 1936 he occupied the Rhineland and announced the formation of a Berlin-Rome Axis and the signing of a German-Japanese Pact. Hitler and Mussolini then actively intervened in the Spanish Civil War, sending "volunteers" and equipment to support General Franco's rebellion against Spain's democratically-elected left-wing republic.

The timetable accelerated: in 1938, the occupation of Austria in March and of Czechoslovakia in September; in 1939, the swallowing up of more parts of Czechoslovakia and, after conclusion of the Nazi-Soviet Pact in August, the invasion of Poland. At this point, England and France declared war on Germany and World War II began. Japan joined Italy and Germany in a ten-year pact "for the creation of conditions which would promote the prosperity of their peoples." As a signal of its good intentions, Japan began to occupy Indochina as well as China. Germany did even better. By 1941 the Germans had conquered Poland, Denmark, Norway, the Netherlands, Belgium, and France. They had thrown the British army into the sea at Dunkirk and had invaded Rumania, Greece, and Yugoslavia. A new world order seemed to be in the making.

For Japan, it was the "Greater East Asia Co-Prosperity Sphere," and for Italy a new Roman Empire to include "the Mediterranean for the Mediterraneans." And, for Germany, the new order was the "Thousand Year Reich" bestriding the Euro-Slavic-Asian land mass.

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FASCIST EXPLOITS

The essence of the new fascist order was an exploitative combination of imperial expansion, domestic repression, militarism, and racism. Each of these elements had a logic of its own and a clear relation to the others.

Imperial expansion brought in the raw materials and markets needed for more profitable economic activity. By absorbing surplus energies as well as surplus capital, it diverted attention from domestic problems and brought in a flood of consumer goods that could at least for a while- provide greater satisfactions for the masses.

Domestic repression in each of the three countries was essential to eliminate any serious opposition to imperialism, militarism, or racism. It was used to destroy the bargaining power of unions and the political power not only of communists, socialists, and liberals but of smaller enterprises. It helped hold down wages and social benefits and channel more money and power into the hands of big business and its political allies

Militarism, in turn, helped each of the Axis countries escape from the depression, while also providing the indispensable power needed for both imperial ventures and domestic pacification.

All of the other elements were invigorated by racism, which served as a substitute for class struggle and a justification of any and all brutalities committed by members of the Master Race (whether Japanese, German, or Italian) against "inferior" beings. This may not have been the most efficient of all possible formulae for exploitation, but it was theirs.

No one of these elements, of course, was either new or unique. None of the "haves" among the capitalist powers, as the fascists pointed out again and again, had built their positions without imperialism, militarism, repression, and racism. The new leaders of the three "have nots," as the fascists pointed out, were merely expanding on the same methods. "Let these 'well-bred' gentry learn," proclaimed Hitler, "that we do with a clear conscience the things they secretly do with a guilty one." There was nothing particularly new in Mussolini's imperialism and militarism.

His critics at the League of Nations in 1935, when a weak anti-Italian embargo was voted on, may have seemed shocked by his use of poison gas against Ethiopian troops, but he did nothing that French, British, English, and Dutch forces had not done earlier in many other countries. The Japanese and Germans, however, were a little more original. In China and other parts of Asia, the Japanese invaders used against Koreans, Chinese, Burmese, Malayans, and other Asians even harsher methods than those previously used by white invaders. Similarly, up to a certain point, the Nazi war crimes

consisted largely of inflicting on white Europeans levels of brutality that had previously been reserved only for Asians, Africans, and the native populations of North, Central, and South America.

In open violation of the so-called "laws of war," German, Japanese, and Italian officials-to the consternation of old-style officers from the upper class "gentry"-ordered the massacre of prisoners. All three regimes engaged in large-scale plunder and looting.

Since German-occupied Europe was richer than any of the areas invaded by the Japanese or Italians, the Nazi record of exploitation is more impressive. "Whenever you come across anything that may be needed by the German people," ordered Reichsmarshal Goering, "you must be after it like a bloodhound...." The Nazi bloodhounds snatched all gold and foreign holdings from the national banks of seized countries, levied huge occupation costs, fines and forced loans, and snatched away tons of raw materials, finished goods, art treasures, machines, and factory installations.

In addition to this unprecedented volume of looting, the Nazis revived the ancient practice of using conquered people as slaves. In doing so, they went far beyond most previous practices of imperial exploitation. By 1944, "some seven and a half million civilian foreigners were toiling for the Third Reich.... In addition, two million prisoners of war were added to the foreign labor force." Under these conditions German industrialists competed for their fair share of slaves. As key contributors to the "Hitler Fund," the Krupps did very well. "Besides obtaining thousands of slave laborers, both civilians and prisoners of war, for its factories in Germany, the Krupp firm also built a large fuse factory at the extermination camp at Auschwitz, where Jews were worked to exhaustion and then gassed to death."

Domestic repression by the fascists was directed at both working-class movements and any other sources of potential opposition. In all three countries the fascists destroyed the very liberties which industrialization had brought into being; if more was destroyed in Germany than in Italy and more in Italy than in Japan, it was because there was more there to destroy.

All three regimes succeeded in reducing real wages (except for the significant increments which the unemployed attained when put to work by the armaments boom), shifting resources from private consumption to private and public investment and from smaller enterprises to organized big business and channeling income from wages to profits. As these activities tended to "de-class" small entrepreneurs and small landowners, this added to the pool of uprooted people available for repressive activities, if not for the armed services directly. Moreover, each of the three regimes attained

substantial control over education at all levels, cultural and scientific activities, and the media of communication.

In Germany, however, domestic repression probably exceeded that of any other dictatorial regime in world history. An interesting, although little known, example is provided by Aktion t 4. In this personally signed decree, Hitler ordered mercy killing for hospital patients judged incurable, insane or otherwise useless to the war effort, thereby freeing hospital beds for wounded soldiers. At first the patients were "herded into prisons and abandoned castles and allowed to die of starvation." Since this was too slow, the Nazis then used "a primitive gas chamber fed by exhaust fumes from internal combustion engines." Later they used larger gas chambers where "ducts shaped like shower nozzles fed coal gas through the ceiling . . . Afterward the gold teeth were torn out and the bodies cremated." Two years later, after about ten thousand Germans were killed in this manner, a Catholic bishop made a public protest and the extermination campaign was called off.

By this time, however, Aktion t 4 had been replaced by Aktion f 14, "an adaptation of the same principles to the concentration camps, where the secret police kept their prisoners-socialists, communists, Jews and antistate elements." By the time he declared war on the United States in December 1941, Hitler extended Aktion f 14 to all conquered territories in his "Night and Fog" (Nacht und Nebel) decree, through which millions of people were spirited away with no information given their families or friends. This was an expansion of the lettres de cachet system previously used by French monarchs and the tsar's police against important state prisoners. Under this method untold thousands vanished into the night and fog never to be heard of again.

Each of the three regimes, moreover, developed an extra-virulent form of racism to justify its aggressive drive for more and more "living space" (in German, the infamous Lebensraum). Italian racism was directed mainly against the Africans-although by the time Italy became a virtual satellite of Nazi Germany, Mussolini started a massive anti-Jewish campaign. Japanese racism was directed mainly against the Chinese, the Indochinese, and in fact, all other Asiatic people and served to justify, in Japanese eyes, the arrogance and brutality of the Japanese troops. The largest target of Nazi racism was the Slavs, who inhabited all of the Eastern regions destined to provide Lebensraum for the Master Race.

And during World War II more Slavs were killed than an' other group of war victims in previous history.

But Nazi racism went still deeper in its fanatical anti-Semitism. Hitler, of course, did not invent anti-Semitism, which ran as a strand through most significant ideologies of the previous century. While a strong strain of anti-Semitism has usually characterized the Catholic church, Martin Luther, the founder of Protestantism, went further in urging that Jewish "synagogues or schools be set on fire, that their houses be broken up and destroyed." 18 Nazi anti-Semitism brought all these strands together into a concentrated form of racism that started with looting, deprived the German Jews (about a quarter of a million at that time) of their citizenship and economic rights under the Nuremberg Laws of 1935, and then-following Martin Luther's advice with a vengeance-led to the arson, widespread looting, and violence of the Kristolnacht ("The Night of the Broken Glass") of November 1938. Early in 1939 Hitler declared, in a Reichstag speech, that if a world war should ensue, "the result will be . . . the annihilation of the Jewish race throughout Europe," a threat and near-prophecy that he kept on repeating in his public statements. A few weeks after the Nazi invasion of Russia he started to make it a reality with a decree calling for a "total solution" (Gesamtlosung) or "final solution" (Endlosung) of the Jewish question in all the territories of Europe which were under German influence. The "final solution" went through various stages: at first simply working Jews to death, then gassing them in the old-style chambers used under Aktion t 4, then using still larger gas chambers capable of gassing six thousand prisoners a day- to the lilting music of The Merry Widow-through the use of hydrogen cyanide.

While business firms competed for the privilege of building the gas chambers and crematoria and supplying the cyanide, recycling enterprises also developed. The gold teeth were "melted down and shipped along with other valuables snatched from the condemned Jews to the Reichsbank.... With its vaults filled to overflowing as early as 1942, the bank's profit-minded directors sought to turn the holdings into cold cash by disposing of them through the municipal pawnshops." Other recycling operations included using the hair for furniture stuffing, human fat for making soap, and ashes from the crematoria for fertilizer. While a small number of cadavers were used for anatomical research or skeleton collections, a much larger number of live persons-including Slavs as well as Jews-were used in experimental medical research for the German Air Force on the effects on the human body of simulated high-altitude conditions and immersion in freezing water. All in all, of an estimated 11 million Jews in Europe, between 5 and 6 million were killed in the destruction chambers (and work gangs or medical laboratories) at Auschwitz, Treblinka, Belsen, Sibibor and Chelмна, as well as minor camps that used such old-fashioned methods as mere shooting.'

Centrally controlled propaganda was a major instrument for winning the hearts of the German, Japanese, and Italian people. The growth of the control apparatus coincided with the flowering during the 1920s and 1930s of new instruments of propagandistic technology particularly the radio and the cinema, with major forward steps in the arts of capitalist advertising. "Hitler's dictatorship." according to Albert Speer, "was the first dictatorship of an industrial state in this age of technology, a dictatorship which employed to perfection the instruments of technology to dominate its own people." Apart from technology, each of the Axis powers used marching as an instrument of dominating minds. In discussing this method of domination, one of Hitler's early colleagues, Hermann Rauschning, has given us this explanation: "Marching diverts men's thoughts. Marching kills thought. Marching makes an end of individuality. Marching is the indispensable magic stroke performed in order to accustom the people to a mechanic, quasi-ritualistic activity until it becomes second nature."

The content of fascist propaganda. however, was more significant than its forms or methodology. In essence, this content was a justification of imperial conquest, rampant militarism, brutal repression, and unmitigated racism. Many fascist theorists and intellectuals spun high-flown ideologies to present each of these elements in fascist exploitation in the garb of glory, honor, justice, and scientific necessity. The mass propagandists, however (including not only Hitler, Mussolini, and their closest associates, but also the flaming "radicals" of the Japanese ultra-right), wove all these glittering abstractions into the super-pageantry of a cosmic struggle between Good and Evil, between the Master Race which is the fount of all culture, art, beauty, and genius and the inferior beings (non-Aryans, non-Romans, non-Japanese) who were the enemies of all civilization. As the stars and the planets gazed down upon this apocalyptic struggle, the true defenders of civilization against bolshevism and racial impurity must descend to the level of the enemies of culture and for the sake of mankind's future, do whatever may be necessary in the grim struggle for survival. Thus, bloodletting and blood sacrifice became a spiritual imperative for the people, an imperative transcending mere materialism.

This holy-war psychology was backed up by the indiscriminate use of any concept, any idea, theory, or antitheory that was useful at a particular time or place. Liberalism and monarchism, individualism and collectivism, hierarchic leadership and egalitarianism, scientific management and organic spontaneity, private enterprise and socialism, religion and atheism-all were drawn upon as the condition warranted- to polish the image of the nation's leader and play upon the emotions of both establishment and masses. No human interest, drive, or aspiration was safe from exploitation. To help in organizing support of specific groups, promises were made to workers as

well as businessmen, peasants as well as landowners, rural folk as well as urbanites, the old nobility as well as the "common man," the old as well as the young, women as well as men.

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One of the great successes of the classic fascists was to concoct misleading pronouncements on their purposes and practices. Anti-fascists have often accepted some of these self-descriptions or added part-truths of their own. The result has been a vast structure of apparently indestructible myths. Today, these myths still obscure the nature of classic fascism and of present tendencies toward new forms of the old horror. Although the classic fascists openly subverted constitutional democracy and flaunted their militarism, they took great pains to conceal Big Capital-Big Government partnership. One device for doing this was the myth of "corporatism" or the 'corporate state.'" In place of geographically elected parliaments, the Italians and the Germans set up elaborate systems whereby every interest in the country-including labor -was to be "functionally" represented. In fact, the main function was to provide facades behind which the decisions were made by intricate networks of business cartels working closely with military officers and their own people in civilian government.

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There is no doubt that in all three countries the consolidation of the fascist establishment was supported by a psychological malaise that had hit the lower middle classes harder than anyone else. But if one examines the support base of classic fascism, it is hard to avoid the conclusion that the fascists had multi-class support. Many workers joined the fascist ranks-even former socialist and communist leaders. To the unemployed workers not represented by trade unions or the socialist movement, fascism offered jobs and security and delivered on this promise. Although the older aristocrats were somewhat divided on the subject, many highly respectable members of the landed aristocracy and nobility joined the fascist ranks. The great bulk of civil service bureaucrats was won over. Most leaders of organized religion (despite some heroic exceptions in Germany and some foot-dragging in Italy)either tacitly or openly supported the new regimes. Leading academicians, intellectuals, writers, and artists toed the line; the dissident minority who broke away or left the country made the articulation of support by the majority all the more important. Hitler enjoyed intellectual support, if not adulation, from the leading academicians in German universities. In Japan, the Showa Research Association brought many of the country's leading intellectuals together to help the imperial leaders formulate the

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... instead of operating directly, big capital under fascism operated indirectly

through an uneasy partnership with the fascist politicians, the military leaders, and the large landowners. If the privileged classes won many advantages as a result of the indispensable support they gave to the fascist regimes in Italy, Japan, and Germany, they also paid a high price. In addition to being subjected to various forms of political plunder, they lost control of many essential elements of policy, particularly the direction and tempo of imperial expansion. Second, the shift from constitutional to fascist capitalism meant structural changes, not merely the removal of a fig leaf. The fascists suppressed independent trade unions and working-class parties and consolidated big capital at the expense of small business. They destroyed the democratic institutions that capitalism had itself brought into being. They wiped out pro-capitalist liberalism and old-fashioned conservatism as vital political forces. Third, while classic fascism was terroristic, it was also beneficent. The fascists provided jobs for the unemployed and upward mobility for large numbers of lower and middle class people. Although real wage rates were held down, these two factors alone-in addition to domestic political plunder and war booty-improved the material standard of living for a substantial number, until the whole picture was changed by wartime losses. roughshod over his or her students may be called a "fascist pig."

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... for thousands of years hundreds of governments have been fiercely brutal-sometimes on conquered people only, often on their own people also. If we stick by this terminology, then many of the ancient Greeks and Hebrews, the old Roman, Persian, Byzantine, Indian, and Chinese empires, the Huns, the Aztecs, and the tsars who ruled Russia were also fascist. Some of these, let me add, also exercised total control over almost all aspects of human life. Indeed, "force, fraud and violence," as Carl Friedrich and Zbigniew Brzezinski have pointed out, "have always been features of organized government and they do not constitute by themselves the distinctively totalitarian operation." 28 But concentrated capital, modern-style government, and constitutional democracy are relatively new features of human history-as is also the kind of Big Business- - Government alliance that subverts constitutional democracy. Anyone has the constitutional right to pin the label "fascist" or "fascistic" on the brutalities of a Stalin or his heirs in various "Marxist-Leninist" countries, or on the bloodbath inflicted by American firepower on Indochina for a full decade, or even on the latest case of police brutality in a black or Latin ghetto of New York City. This may be a forceful way of protesting brutality. It is much less than a serious examination of the realities of classic fascism or the accumulating tendencies toward new forms of fascism toward the end of the twentieth century.

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The Takeoff Toward a New Corporate Society

excerpted from the book

Friendly Fascism

The New Face of Power in America

by **Bertram Gross**

South End Press, 1980, paper



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Daniel R. Fusfeld

As long as an economic system provides an acceptable degree of security,

growing material wealth and opportunity for further increase for the next generation, the average American does not ask who is running things or what goals are being pursued.

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During the war [WWII] thousands of businessmen, political leaders, military officers, and their professional, scientific, and technical aides had grown. accustomed to working together on national and world affairs. Some of them were consciously preparing for the "American Century." As the war ended, they won the quick support of major elites in Western Europe and Japan in reconciling the contradictions among capitalist countries, fighting communism and socialism in a more unified manner, and moderating the capitalist business cycle. This is how it happened that they converted a bleak and squalid system from a cataclysmic failure in the 1930s into a formidable, if faulty, "engine of prosperity." Without returning to classic fascism, they developed a new, expanding, and remarkably flexible-even to the point of sharp internal conflicts-structure of business-government partnership. If in the process constitutional rights had been thoroughly suppressed in many dependent countries, civil rights and civil liberties (although not all) were at the same time considerably expanded not only in America, but also in America's newfound allies, the former Axis powers.

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As American leaders-political, economic, military, and cultural- were preparing for the American Century, they rushed in to extend a protecting arm over the major capitalist countries, fill the vacuums left by their departure from former colonies, and seek decisive influence over all parts of the globe up to (or even across) communist boundaries. In response to each extension of communism, American leadership strove to integrate the noncommunist world into a loose network of constitutional democracies, authoritarian regimes, and military dictatorships described as the "Free World".

For conservative commentators, the word "empire" is more descriptive. It emphasizes the responsibilities of imperial leadership with respect to protectorates, dependencies, client states, and satellites, without suggesting the Marxist connotations of "imperialism."

... If this be empire, it is very different from-as well as much larger than-any previous empire. First of all, the "imperium" (to use another word favored by conservative observers) is not limited to preindustrial countries. It also includes the other major countries of industrial capitalism: Canada, Japan, the countries of the North Atlantic Treaty Alliance (including Belgium, Britain, Denmark, France, Greece, Iceland, Italy, Luxembourg, the

Netherlands, Portugal, Turkey, and West Germany), Spain, Australia, New Zealand, and Israel. In turn, instead of being excluded from America's preindustrial protectorates, the largest corporations in most of these countries share with American corporations the raw material, commodity, labor, and capital markets of the third world.

Then, too, U.S. imperial control is exercised not by American governors and colonists, but by less direct methods (sometimes described as "neocolonialism"). This has involved the development of at least a dozen channels of influence operating within subordinate countries of the "Free World":

- * The local subsidiaries or branches of transnational businesses, including banks**
- * U.S. foreign military bases, which reached a peak of more than 400 major bases (and 3,000 minor ones) in 30 countries**
- * The C.I.A. and other intelligence agencies**
- * U.S. agencies providing economic and military aid through loans, grants, and technical assistance**
- * U.S. embassies, legations, and consulates**
- * The local operations of U.S. media (radio, TV, magazines, cinema) and public relations and consulting firms**
- * The local operations of U.S. foundations, universities, and research and cultural institutions**
- * Local power centers and influential individuals, friendly or beholden to U.S. interests**
- * Local armed forces, including police, equipped or trained in whole or part by U.S. agencies**
- * Subordinate governments-like Brazil, the Philippines, and Iran under the Shah-capable of wielding strong influence in their regions**
- * Transnational regional agencies such as NATO, the European Economic Community and the Organization of American States**
- * Agencies of the United Nations, particularly the World Bank and the International Monetary Fund**

While these channels of influence have frustrated the efforts of any U.S. ambassador to establish personal control and have pushed final coordinating responsibilities to the level of the White House and the president's National Security Council, the net result has been a remarkably flexible control system in which competing views on strategy and tactics make themselves felt and are resolved through mutual adjustment. When serious mistakes are made, they can be corrected without injury to the dominant sources of a system that can adjust, however painfully, to the loss of any single leader, no matter how prominent. During the Korean War, when General Douglas MacArthur erred in driving through North Korea toward the Chinese border (which brought the Chinese into the war and lost the U.S.-occupied portion of North Korea to the capitalist world), he was promptly replaced. When President Lyndon Johnson erred in overcommitting U.S. troops and resources to the Indochinese war, he was pressured into retiring from the 1968 presidential campaign. Moreover, when new conditions call for new policies, the leaders of transnational corporations may move flexibly where political and military leaders fear to tread-as with corporate initiatives in commercial relations with the Soviet Union, China, and Cuba.

Moreover, the economic functions of subordinate countries now go far beyond those described many decades ago by Hobson and Lenin. Many Third World countries have become, or are about to become.:

- * Markets for raw materials, particularly wheat produced in the United States, Canada, and Australia**
- * Sources of trained technicians and professionals who may then move through the so-called "brain drain" into the skilled-labor markets of the major capitalist countries**
- * Channels for mobilizing local capital which may then be invested locally under foreign control or repatriated to finance investment in the industrialized countries**
- * Sources of low-cost labor for transnational subsidiaries which then manufacture industrial goods that are marketed in the major capitalist countries as well as locally.**

This last point bears special attention. There used to be a time when industrialization-often referred to by the magic word "development"- was seen as the road to economic independence. As it has emerged, however, industrial development has usually been a process of converting preindustrial dependencies into industrial dependencies. Previously, many left-wing revolutionary movements aimed to throw off the yoke of imperialism by

joining with the native capitalists in "national revolutions." What has often happened however, is that the local capitalists have supplanted the old landowning oligarchs in trying to cooperate with, rather than break with, foreign capital. Instead of "ugly Americans" or Europeans meddling in their affairs, many Third World regimes are increasingly manned by Americanized Brazilians, Anglicized Indians and Nigerians, and Westernized Saudi Arabians and Egyptians. As dependent industrialism grows, moreover, its roots spread deeply into the state bureaucracies, in the universities and among the managerial, technical, professional, and intellectual elites. As this happens, military control or the threat of a military takeover becomes somewhat less essential and the military themselves became more civilianized, if not even subordinate to corporate economic interests. Thus a huge infrastructure of dependency is developed which Susanne Bodenheimer sees as "the functional equivalent of a formal colonial apparatus." In fact, external controls are now internalized in domestic institutions, and the new infrastructure may be more powerful than any previous colonial apparatus.

Thus, with the old oligarchies pushed aside by industrial development, the sons and grandsons of the preindustrial chieftains and feudal-aristocrats leap from landowning to stockholding, from the protection of ancient privileges to the glory of new privileges as the local agents-at times, even junior partners-of the new industrial oligarchs of the "New World" empire. The lands they still own allow them to keep one foot in the past, thus easing the transition, or better yet, allowing them to move into the new world of chemically fertilized, supermechanized, and superseded agribusiness.

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Oil, of course, is the biggest issue. In Venezuela, nationalization of currently developed oil reserves, previously scheduled to come into effect by 1983, was completed in 1975-under terms that proved a bonanza to the foreign companies. Similarly, nationalization moved steadily forward in the Middle East, with Libya and Iraq taking the lead and Saudi Arabia and the smaller sheikdoms trailing behind. But there is little prospect that the nationalization of oil would promote socialization in other sectors, any more than it did during the decades after Mexico's expropriation of foreign oil companies. On the contrary, it seems likely that the bulk of any additional money obtained from the larger share of oil profits will be plowed into private enterprise at home and abroad. This is one of the strange lessons of the oil embargo and price increases of 1973-74 and the spectacular rise since then in the oil income of the oil-exporting countries. Although the embargo was widely regarded as an anti-Western move inspired by the Russians, its long-range effect has been to bring the Arab countries more fully than before into the world capitalist market as well as to foster dependent industrialism in the entire Arab world.

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THE GOLDEN INTERNATIONAL

Long before World War II, the larger capitalist corporations spread around the world in their efforts to obtain raw materials and sell manufactured products; a few developed manufacturing facilities in other countries. But they did these things in the context of deadly struggle among capitalist nations. After World War II, they reached an entirely new stage of international development by transcending the old limits on the location of activity. They learned how to do almost anything, any place-to engage in manufacturing and service enterprises in former colonies, to use foreign subsidiaries to vault over or under trade and credit barriers, to mobilize both equity and loan capital in other countries. The modern transnational corporation not only internationalized production, it became the only organization with resources and scope to think, to plan, and to act in developing global sources of raw materials. This wider scope of planning has given the transnationals the advantage of escaping whatever inhibitions might be imposed by national policies on currency, credit, trade, and taxes, and of allowing them to play national currencies and governments against each other. It has also put them in the strategic position of encouraging and profiting from the larger markets made available through the European Economic Community and other regional arrangements. Within these larger markets the transnationals have worked together (while also competing) to contain left-wing movements, subvert left-wing regimes, and maintain the integrity of the "Free World" empire.

The flexibility of the larger transnationals is enhanced by the fact that most of them have become conglomerates. No longer limited to specific sectors, their business is to get money and power, not make specific products. Competence in producing this or that specific product need no longer be built up over generations; it can be bought.

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Some of these capitalist complexes are tightly organized, some remarkably loose. Most find ways of using public funds, contracts, or guarantees as an essential part of their operations. All of them have blurred older distinctions between "public" and "private". All have developed increased power by co-opting, or incorporating as valuable appendages, regulatory agencies presumably established to control them, and by influencing research institutions that might otherwise subject them to embarrassing scrutiny. Large transnationals like General Motors, it has often been pointed out, have total annual sales volumes larger than the annual GNP of medium-sized countries. What has been less noted or understood is that the multinational automobile-highway-petroleum complex (within which General Motors plays a vital role) controls far more money, scientists, and technicians than

provided for in the entire budget of any capitalist country's national government, including the United States itself.

The emerging reality of the Golden International is concretized in a myriad of private, public, and international organizations. The growth of the European Economic Community and its many offshoots has triggered the parallel creation of such powerful business organizations as UNICE (the Union of Industries of the European Economic Community) and FBEEC (the Banking Federation of the European Economic Community). These operations, in turn, have necessitated more active cooperation among First World governments. Thus, in the field of international currency, the Group of Ten finance ministers-representing the United States, Canada, Japan, Britain, West Germany, France, Sweden, Italy, the Netherlands, and Belgium-has been negotiating to establish a new monetary system in which, as Sylvia Porter put it quite a while ago, "our proud but overburdened dollar will remain a key currency of the world-a first among equals-but . . . will not longer be the sole pivot money around which all other currencies revolve." To those who mistakenly see the international value of the dollar as an unmistakable indicator of American capitalism's strength, this may look like an American retreat. For the American transnational corporations, however, who operate in all the world's media of exchange (including the International Monetary Fund's special drawing rights), this is an advance. Together with their European and Japanese brethren, they provide solid support (and more than occasional guidance) for the complex efforts of the IMF in setting up the new multicurrency, and also aid the World Bank in promoting conditions for profitable capitalist investment in the Third World.

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David Rockefeller and other banking leaders designed an organization of "prominent citizens" rather than governments, and limited the geographical scope to what they called the "trilateral world" embracing North America (the United States and Canada), Japan, and Western Europe. Thus the Trilateral Commission came into being in 1973. The commission's membership is mainly high-level bankers and industrialists supported by a sprinkling of enlightened and reliable politicians, public officials, intellectuals, and even union leaders-sixty people apiece from each of the three parts of the trinity. A smaller executive committee has been hard at work organizing task forces and behind-the-scenes discussions by top corporate and government leaders. Its basic task has been to formulate top-level strategy for the leaders of the First World's establishments on such intricate matters as monetary policy, energy, control of the high seas, trade, development, and relations with both communist nations and the Third World. It can do this because, as a Newsweek journalist pointed out, it is not

"merely a rich man's club" but rather a "remarkable cross-section of the interlocking establishments of the world's leading industrialized nations."

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James O'Conner

"Both welfare spending and warfare spending have a two-fold nature: the welfare system not only politically contains the surplus population but also expands demand and domestic markets. And the warfare system not only keeps foreign rivals at bay and inhibits the development of world revolution (thus keeping labor power, raw materials and markets in the capitalist orbit) but also helps to stave off economic stagnation at home."

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The term "welfare state" ... contains a germ of truth. Under pressure from communist regimes and movements, the governments of all major capitalist countries have out-Bismarcked Bismarck in taking over socialist demands and enacting a host of programs to provide state-ordained floors under living and working standards. In a broader sense, however, the "welfare state" idea is fundamentally misleading. The welfare provided is not the general well-being of the people. It is welfare, rather, in the narrow and restrictive sense of public assistance to the poor and other programs (usually financed by the lower and middle classes themselves) to take the rough edge off capitalist exploitation, promote docility among the exploited, and thereby help form a more perfect capitalism.

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Although it is perfectly true, as conservative economists insist, that "there are no free lunches," there are scores of corporate "free lunchers" who manage to get other people-via government intervention-to pick up all or part of the bill. Although new forms of this fine-tuned intervention are created every year, some of the more conspicuous examples in the United States are:

*** The Federal Reserve system, which supports bankers by maintaining high interest rates and bailing out bank failures.**

*** The nominally progressive federal tax system, which has become a labyrinth of special loopholes that provide many billions of "tax expenditures" (indirect subsidies) for specific companies or groups. For fiscal year 1980 these tax expenditures amounted to over \$150 billion-more than 20 percent of direct budget outlays for the same year.**

- * **The Treasury Department, which maintains huge interest-free deposits in large banks while at the same time paying the bank's interest on money lent to the government.**
- * **Billions in direct subsidies that are paid to airlines, the merchant marine, agribusiness and others.**
- * **Federal expenditures for scientific research and development, which have subsidized the growth of capitalism's technological reserve.**
- * **Government guarantees that protect many billions of bank mortgages and foreign investments against losses.**
- * **Government regulations that give the large banks control over the investment of the pension funds of most labor unions.**
- * **So-called regulatory commissions, which help maintain the oligarchic power of the communication media, public utilities, and major transportation interests.**
- * **Government forays into wage-price controls, or "incomes policy," which are used to keep wages down or squeeze out business competitors.**

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Kenneth Boulding

With the coming of science and technology, it is fair to say that we can get ten dollars out of nature for every dollar that we can squeeze out of man.

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The two oldest business commandments- "buy cheap, sell dear" and "let the buyer (or borrower) beware"- had to be expanded to a full decalogue which included the following: (3) risk other people's money, (4) make money out of shortages, (5) use only those new technologies that are more profitable, (6) shift social costs to others, (7) conceal assets and income, (8) squeeze workers as much as possible, (9) buy political influence, and (10) help build a powerful establishment. Each of these maxims. of course, operated under the umbrella of "anything goes if you can get away with it."

During World War II many corporate planners learned how to get away with much more than had previously been imagined. After the war, corporate planning and control became the central focus of attention for hundreds of colleges or departments of business administration, thousands of management articles and books published every year, and hundreds of thousands of students participating in undergraduate and graduate programs

and "management development" or "advanced management" seminars, conferences, and discussion groups. With or without the direct help of such formalities, the leaders of the largest corporate institutions became not inert organization men but adaptive innovators in the more rational and unconstrained pursuit of money and power for the owners and managers of large-scale private property.

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The pressures of World War II unleashed a new burst of technological creativity. The Nazis succeeded in fueling planes and tanks through gasoline made from coal and in developing advanced rocket technology. The U.S. success with the atom bomb was matched by a whole spectrum of less spectacular achievements, including radar, jet propulsion, computers, and operations research. Instead of subsiding with the war's end, technological inventiveness thrived in the ebullient atmosphere of "Free World" integration and corporate expansiveness. With massive support from military and civilian agencies of government, Big Business once again devoted itself to what Karl Marx has called "revolutionizing the means of production." As had already happened in nuclear physics, theoretical and applied scientists were caught up within a complex network of technological research and development. They became valuable resources to be funded, nurtured, and honored by those who saw the possibility of distilling new power or capital from their findings.

The result was "a new technological revolution" in the methods of collecting, transforming, storing and moving almost all forms of energy, matter and information. There has been a veritable chain reaction in atomic energy: hydrogen bombs, nuclear-powered submarines and icebreakers, electricity production through nuclear fission. Important research is underway on electricity production through nuclear fusion and through the more direct use of solar energy through photovoltaic cells that convert sunlight into electricity, tapping the geothermal heat of the earth itself, and, above all, converting grains and other agricultural products into alcohol and other substitutes for gasoline. Also, as Alvin Toffler reports, "scientists are now studying the idea of utilizing bacteria capable of converting sunlight into electrochemical energy." There have been continuing advances in production of energy from fossil fuels and its instantaneous transmission over vast distances through electrical grids, superconductors and the more spectacular means of lasers and microwaves.

Materials are no longer limited to those found in nature. They are now being created de novo either to substitute for such traditional materials as textiles, rubber, steel, aluminum, or paper, or to create entirely new materials, both inorganic and organic. "Just as we have manipulated plastics and metals,"

reports Lord Ritchie Calder, an eminent science commentator, "we are now manufacturing living materials." Medical technology has been developing new capabilities for eradicating contagious diseases; for facilitating or preventing childbirth; for replacing parts of the body. The new "genetic engineers" have been discovering how to reprogram DNA molecules.

Still more revolutionary changes have been taking place in successive generations of information technologies. The collection of information is now possible through increasingly sophisticated systems, including the more ominous forms of remote electronic surveillance. The processing of information through fantastically rapid computers now facilitates the kind and quantities of calculations never before possible. The transmission, storage and retrieval of information is accomplished in new ways

by the widespread advances in telecommunications and electronic coding. Finally, and most disturbingly, the means of control over this great mass has been developed to such a degree that centralized systems can keep tabs on incredible amounts of information over long sequences of widely dispersed and decentralized activities.

This technological revolution is embodied in the plans and actions of industrial, military and political leaders. It is institutionally orchestrated and financed. One strategic objective has been to maintain the military and economic superiority of the United States and its "Free World" allies. Another has been to nurture the economic health of the largest "Free World" conglomerates, clusters, constellations and complexes by staving off the stagnation that always threatens in the event of a decline in innovation. Whether intended or not, a major result has been to help knit together the leading corporations of the technologically advanced countries and buttress their domination of technologically inferior countries.

The scientists and technologists have become an informal "technointernational" whose members (funded from establishment sources) keep in constant touch with each other and hold frequent international meetings. Having more common interests than the managers and owners of corporate wealth, they play a vanguard role in transcending national boundaries and helping make all corporate kings kin. They draw the new generations of Third World scientists and technologists into the First World culture, thereby fostering a Third World brain drain that turns out to be a continuing brain gain for the Golden International.

These activities are helped immeasurably by a euphoric vision- widely shared among the "knowledge elites", as Daniel Bell calls them- that any problems or crises created by new technologies can be coped with, if not solved, by

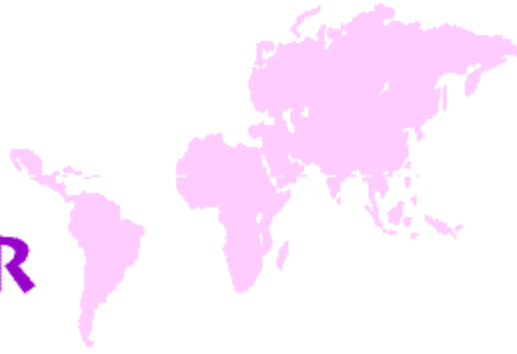
some new technology. The euphoria is nourished by technological thrusts and feints in myriad directions, with thousands of technologists or scientists plunging far beyond the realm of what may be immediately feasible. There is thus built up a huge stockpile or reserve of embryonic, nascent, semi-developed techniques, devices, inventions, theories and methodologies-a sort of reserve army of available but unused technologies.

Although the technology reserve is huge and growing, it is no cornucopia from which benefits quickly or automatically flow to meet the needs of humankind. The great bulk of the new innovations are those fostered by the Establishment's "master magicians"-namely, innovations responding to demands for more destructive weapons more profitable products and more labor-saving processes. In these areas, there is some relevance in Goethe's fable of the sorcerer's apprentice, in which the brooms and water pails take off on their own and run wild. In Pentagon-supported innovation, almost anything goes. For the first time in history, military leaders have escaped the traditional fixation on armaments used in past wars and are creatively at work on the weapons of the future. Side by side with this perverse form of creativity, untold billions are still spent on increasingly obsolete weapons of the past-such as tanks and aircraft carriers, both of which are sitting ducks for the new anti-tank and anti-carrier missiles.

In contrast, however, there is only a small amount of research on nutrition, health promotion (as contrasted with disease treatment), physical exercise, home building, mass transportation, the recycling of waste products, energy conservation, total energy systems, and the full use of agricultural products, including wood, in the production of alcohol and other fuels.

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THIRD WORLD TRAVELER



The Mysterious Establishment

excerpted from the book

Friendly Fascism

The New Face of Power in America

by Bertram Gross

South End Press, 1980, paper



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American Heritage Dictionary

"Establishment: An exclusive group of powerful people who rule a)
government or society by means of private agreements or decisions."

The American Establishment is not an organization. Nor is it a simple coalition or network. Like the industrial-military complex, it has no chairman or executive committees.

(Like the Golden International,)the Establishment is more complicated than any complex. It is a complex of complexes, a far-flung network of power centers, including institutional hierarchies. These are held together less by

hierarchical control and more by mutual interests, shared ideologies, and accepted procedures for mediating their endless conflicts.

Like the establishments in other First World countries, the American Establishment is not just a network of State leaders. Nor is it merely a coalition of private governments. It is an interweaving of two structures-polity and economy-that under industrial capitalism have never been independent of each other. It is the modern partnership of big business and big government. As such, it is much looser and more flexible than the establishments of classic fascism. And in contrast with them, above all, it operates in part through-and is to an important extent constrained by-the democratic machinery of constitutional government. Private agreements and decisions-even well-protected secrecy-play a large role in its operations; this adds to the Establishment's inherent mystery. It is why people often refer to it as the "invisible government." Yet many of its agreements and decisions are open to public view. Indeed, so much information is available in public reports, congressional hearings, and the specialized press that anyone trying to make sense of it all runs the danger of being drowned in a sea of excessive information. This, of course, is the problem faced by all intelligence agencies, which usually feed on a diet of 95 percent public data spiced with 5 percent obtained through espionage. Also, as with intelligence and counterintelligence, there are huge information gaps side by side with huge amounts of deliberately deceptive misinformation.

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The number of people actively involved-even at the very top-is too large for any meeting or convention hall. Robert Townsend, who headed Avis before it was swallowed by IIT, has made this estimate:

"America is run largely by and for about 5,000 people who are actively supported by 50,000 beavers eager to take their places. I arrive at this figure this way: maybe 2,500 megacorporation executives, 500 politicians, lobbyists and Congressional committee chairmen, 500 investment bankers, 500 partners in major accounting firms, 500 labor brokers. If you don't like my figures, make up you own . . ."

I am convinced his figures are far too small. If there are 4,000-6,000 at the top, they are probably able to deploy at least five times as many in executive management; who in turn operate through at least ten times as many junior and contingent members. My total ranges between a quarter and a third of a million. Even without adding their dependents, this is a far cry from a small handful of people. Yet in relative numbers this large number of people is still a "few." A third of a million people numbers less than two tenths of one percent of the U.S. population of about 220 million; and with their immediate

family members this would still be less than 10 percent. It is less than one hundredth of 1 percent (.0001) of the "Free World" under the shared leadership of the United / States. Seldom, if ever, has such a small number of people done so much to guide the destinies of so many over such vast expanses of the planet.

There are conflicts at all levels. Most of these are rooted in divergent or clashing interests, values, perceptions, and traditions. Some are minor, others are major. Many minor crises at various points in the Establishment are daily occurrences, surprising only the uninitiated. But "whenever we are prepared to talk about a deep political crisis," as Papandreu observes, "we should assume that the Establishment (as a whole) is undergoing a crisis, either because of internal trouble-namely, because some of its members have seen fit to alter their relative position within the coalition-or because of external trouble, because another challenger has risen who wants a share of the power." The bulk of these conflicts are resolved through bargaining, accommodation, market competition, and government decision making, particularly through bureaucratic channels. A few more come to the surface through the legislative, judicial, or electoral processes. Coherence is provided not only through these procedures for conflict adjustment but also by large areas of partially shared interests, values, and ideologies.

It is constantly changing. E the Establishment were a mere defender of the status quo, it would be much weaker. While some of its members may resist many changes or even want to "turn the clock back," the dominant leaders know that change is essential to preserve, let alone, expand, power. "If we want things to stay as they are," the young nephew said to his uncle, the prince, in Lampedusa's *The Leopard*, "things have got to change. Do you understand?" Power holders may not understand this at once, but events drive the point home to them-or drive them out. Thus many of the changes occur in the membership of the Establishment which, at any point, may expand or contract. E the Establishment is a target, it is-in Leonard Silk's apt words for the "overall corporate government complex"-a "moving target." '

There is no single central conspiracy. I agree with Karl Popper when he says: "Conspiracies occur, it must be admitted. But the striking fact which, in spite of their occurrence, disproves the conspiracy theory is that few of these conspiracies are ultimately successful." Many of them have consequences entirely or partly unintended or unforeseen. Popper adds the observation that the successful ones rarely come to public attention and that there is usually a "situational logic" that transcends any conscious planning. When there is a fire in an auditorium, people do not get together to plan what to do. The logical response to the situation is "Get out." Some will do it in an orderly fashion; others might be rather rough toward people who get in their

way. The Establishment often operates this way. Some of its most historic achievements have been forced on it by "fires" that break out suddenly, often unanticipated. The major advances in the welfare state, for example, have historical}y been opposed by most elements in capitalist establishments who were usually too stupid or nearsighted to realize that these measures would put a floor (or elevator) under market demand, thereby promoting the accumulation of corporate capital and taking the sting out of anticapitalist movements.

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The greatest difference between the Ultra-Rich and the rest of us is that most of them are addicted to sensory gratification on a grand scale. In part, as Ferdinand Lundberg has documented, this gratification takes the form of palatial estates, fabulously furnished town houses, private art collections, exclusive clubs, summer and winter resort on many continents, membership in social registers, birth and burial under distinctive conditions, etc. It also involves an array of services going far beyond the ordinary housekeepers, cooks, gardeners, masseurs, valets, chauffeurs, yacht captains, and pilots of the large fleet of rich people's private aircraft. But above all, the valets of the ultra-rich also include expert executives, managers, advisers, braintrusters, ghostwriters, entertainers, lawyers, accountants, and consultants. Most of their services are more expensive (and far more sophisticated) than those enjoyed by the emperors, emirs, and moguls of past centuries. Some are freely given in exchange for the privilege of approaching the throne and basking in the effulgent glory of accumulated wealth. Most are paid for by others-either being written off as tax deductions or appearing as expenses on accounts of various corporations, banks, foundations, universities, research institutes, or government agencies. These payments for modern valet service can be unbelievably high. Indeed, one of the earmarks of the Ultra-Rich in America is that they even have millionaires-most of them involved in big business -working for them.

Among the Ultra-Rich, of course, there are the so-called "beautiful people" who nourish their addiction merely by using a little of what accrues to them from fortunes managed by others. These are the "idle rich," the rentiers whose hardest work, beyond clipping coupons, is flitting from one form of entertainment to another. There are also a few deviants who betray their class by denouncing their addiction, getting along with small doses only, ore actively using their money to finance liberal or left wing causes. The great majority, however, seem to be stalwart conservatives who abstain from idleness by some form of "public service"-that is by holding the most prestigious institutions of philanthropy, higher education, health. culture. and art.

There are also those whose addiction is more powerful; they can satisfy it only by larger and larger doses of money or power. This can be done only by exercising directly or indirectly their roles as overseers, roles legitimized by their personal participation in the management of corporate property.

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Adam Smith

"Wherever there is great property, there is great inequality. For one very rich man, there must be at least five hundred poor, and the affluence of the few supposes the indigence of the many."

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C. Wright Mills

"No one can be truly powerful unless he has access to the command of major institutions, for it is over these institutional means of power that the truly powerful are, in the first instance, truly powerful ..."

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Richard Barber

"Their [a few immense corporations] incredible absolute size and commanding market positions make them the most exceptional man-made creatures of the twentieth century.... In terms of the size of their constituency, volume of receipts and expenditures, effective power, and prestige, they are more akin to nation-states than business enterprises of the classic variety."

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If better means more powerful, then the rich and the ultra-rich are truly better than most people. While you and I may work for major institutions, they are part of or close to (sometimes on top of) the cliques that control them. Their family life is also different. For ordinary people, family planning has something to do with control over the number and spacing of children. For the rich, family planning involves spawning trust funds and family foundations that hide wealth and augment control of corporate clusters and complexes. As a result of brilliant family planning, the formal institutions of corporate bureaucracy and high finance have not led to a withering away of the Morgans, Rockefellers, Harrimans, du Ponts, Weyerhausers, Mellons, and other oligarchic families of an earlier era. Nor have they prevented the rise of newer family networks such as the Kennedys. Rather, the nature of family wealth and operations has changed. "Rather than an Irene du Pont exercising absolute domination, now the [du Pont] family fortune has been passed on to a number of heirs, even as the family's total wealth continues to grow. This splitting up of family stock blocks does not mean that capital no

longer tends to accumulate. Just the opposite . . . du Pont wealth, and the power of their business class as a whole, is not diminishing, but growing."

The growth of familial power, paradoxically, has been made possible by the sharing of that power with nonfamily members who handle their affairs professionally and mediate inevitable intrafamily disputes. Many of the corporate institutions, moreover, have been built and are guided by people who are merely rich and are ultra-rich only in intent. Whether the heirs of old wealth or the creators of new wealth, they mingle with the ultra-rich in clubs and boardrooms and play an indispensable role in overseeing corporate affairs.

The role of overseer no longer requires total ownership-or even owning a majority of a company's stock. Most corporations are controlled by only a small minority of corporate stockholders. By usual Wall Street calculations, 5 percent stock ownership is enough to give total control; in a few cases, the figure may rise to 10 percent. The larger the number of stockholders, the smaller this percentage. This "internal pyramiding" is carried still further through chains of subsidiaries and holding companies. Thus, strategic control of a small block of holding company stock yields power over a vast network of accumulated power and capital. Many of these networks include both financial corporations and corporations in industry, utilities, communications, distribution, and transportation. Most of the overseers are what Herbert Gans called Unknowns. "How many

well-informed people," asks Robert Heilbroner, "can name even one of the chief executive officers-with the exception of Henry Ford II-of the top ten industrial companies: General Motors, Standard Oil (N.J.), Ford, General Electric, Socony, U.S. Steel, Chrysler, Texaco, Gulf, Western Electric? How many can name the top figures in the ten top utilities or banks-perhaps with the exception of David Rockefeller."

While the names of chief executive officers are a matter of public record, the names of the top stockholders are not. Most wealthy individuals, as Richard Barber has shown, "are tending to withdraw from direct stock ownership to companies and to funnel their investments through institutions, especially pension funds and mutual funds. This latter development has substantially increased the power of institutions-pension funds, banks, insurance companies and mutual funds-in the affairs of even the largest corporations.

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As the takeoff toward a more perfect capitalism began after World War II, popular support of the system was assured in large part by the system's performance-more striking than ever before-in providing material payoffs

and physical security. The record of over a third of a century has included the avoidance of mass depression or runaway inflation in any advanced capitalist country, expanded mass consumption, the maintenance or expansion of personal options, no near-war between any advanced capitalist countries and, above all, no world war.

Yet these achievements have depended upon a level of commitment among the elites at the Establishment's lower and middle levels that could scarcely have been forthcoming if either had seriously doubted the legitimacy of the evolving order. This legitimacy was fostered by a three-pronged ideological thrust.

The first prong has consisted of a sophisticated and passionate reiteration in a thousand variations of the simple proposition: communism and socialism are bad.

Before World War II there were many small, right-wing movements whose members were driven by nightmares of evil conspirators-usually communists, Jews, Catholics, "niggers" or "nigger lovers"-bent on destroying the "American way of life." During the immediate prewar period, their fears were expressed directly in the Dies Committee's crusade against "pinkos" in the Roosevelt administration. After World War II, these witch-hunting nightmares were transformed into dominant ideology. Professional antiradicalism became entrenched during the brief period of atomic monopoly. It grew stronger in the more frenetic period of nuclear confrontation after Russia acquired atomic bombs. With some toning down and fine tuning, it has maintained itself during the present and more complex period of conflict with socialism and communism. During each of these stages it meshed rather well with anti-capitalist ideology in the Soviet Union, China, Cuba, and other communist countries, thereby providing an ideological balance to parallel the delicate balance of nuclear terror. More specifically, it has given the overall rationale for the extension of America's multicontinental frontiers. It has helped link together the many disparate elements in America's quasi-empire. In large measure, the unity of the NATO countries in Europe had depended on their fear of Soviet communism, and the allegiance of Japan to the United States on the fear of either Soviet or Chinese communism. American aid to "have-not" countries, in turn, has often varied with their ability to produce-or invent-a communist threat on or within their borders. At home, anti-communism has provided the justification needed by the ambitious leaders of the massive military establishment. As Colonel James A. Donovan wrote after retirement from the U.S. Marine Corps, "If there were no Communist bloc . . . , the defense establishment would have to invent one."

Above all, anti-communism has been a valuable instrument in containing pressures for a more rapid expansion of welfare-state measures as opposed to more generous forms of aid to business. In this sense, the ideology of anti-communism has also been anti-socialistic. Although favoring corporate and military socialism for the benefit of businessmen and military officers, the anti-communists have bitterly attacked the "creeping socialism" that aims to benefit the poor, the underorganized, and the ethnic minorities.

The power and the imaginative vigor of anti-communist and antisocialist ideology has stemmed from its many interlacing currents. At one extreme, there have been those like Senator Joseph McCarthy and Robert Welch of the John Birch Society, both of whom charged that Secretaries of State Dean Acheson and George Marshall were communist agents or dupes. In the middle, people like Acheson and Marshall themselves developed the more influential, mainstream version of anticommunist ideology. By deeds as well as words, they attempted to prove they were more anti-communist than their detractors. Toward the left, many brilliant intellectuals have done their own thing less stridently, demonstrating the inefficiency of communist and socialist practice and the stodginess of communist and socialist doctrine. Each of these currents have been invigorated by significant numbers of former communists and socialists, who have atoned for their former sins by capitalizing on their special knowledge of communist inequity or socialist futility. Each helped publicize many of the Soviet Union's hidden horrors-although the tendency has been less to understand the deformation of Soviet socialism (and its roots) and more to warn against the horrors that would result from any tinkering with the American system.

Thus, like a restaurant with a large and varied menu, anti-communist and anti-socialist ideology has been able to offer something for almost any taste. Each dish, moreover, is extremely cheap. A high price is paid only by those who refuse to select any variety, thus opening themselves to the charge of being "soft on communism." For over a quarter of a century there has been only a small minority-particularly in the realm of government service and academia-willing to pay the price. The result has been a rather widespread conformity with ritualistic anti-communism and anti-socialism and a powerful consensus on the virtues of the established order.

The second prong of the ideological thrust consists of even more sophisticated variations on an equally simple proposition: the capitalist order is good. Before World War II one of the weakest links in the established order was the image of the corporation. For its consumers, the corporation said, "The public be damned!" On matters of broad public policy-particularly during the depths of the Great Depression- corporate leaders often distinguished themselves by ignorance and incompetence. There was blatant

evidence to support President Roosevelt's epithet "economic bourbons." Even during the 1950s Charles Wilson, a former General Motors president, as secretary of defense, was able to suggest that what's good for General Motors is good for the United States. In short, the large corporation-as the central symbol of capitalism-was selfish, venal, and mean.

To cope with this situation, huge investments were made in public relations campaigns. Some of these campaigns concentrated on the corporate image. Many of them set forth in excruciating detail the infinite blessings of private ownership and free, competitive private enterprise. An exhaustive analysis of the material appears in The American Business Creed, by a group of Harvard economists. The essence of this so-called creed (to which no serious corporate executives could possibly have given credence) was the ridiculous assumption that the market was mainly composed of small, powerless firms and that large, powerful corporations were controlled by huge numbers of small stockholders instead of a small minority of large stockholders, managers, or investment institutions.

During the same period, however, a more influential ideology for postwar capitalism was formulated by various groups of pragmatic intellectuals. Their problem was that many corporate managers and their truly conservative economists were traditionally rather blunt in stating that their job was moneymaking, period-no nonsense about social responsibility. Besides, even the most dedicated corporate lawyers often remembered Justice Oliver Wendell Holmes's dictum on the subject: "The notion that a business is clothed with a public interest and has been devoted to the public use is little more than a fiction intended to beautify what is disagreeable to others." Nonetheless, the Advertising Council spent billions over the decades in creating fictional images of business "clothed with public interest." In this they were helped by uninhibited academics like Carl Kaysen, who stated that in the corporate world of Standard Oil, American Telephone and Telegraph, Du Pont, General Electric, and General Motors "there is no display of greed or graspingness: there is no attempt to push off onto the workers or the community at large part of the social costs of the enterprise. The modern Corporation is a soulful corporation". Others have pursued the soulful theme even further by suggesting that the executives of transnational corporations are the real "world citizens" whose efforts may soon usher in a new era of permanent peace.

The third prong in the ideological package is the tacit-but breathtaking-assertion or premise that capitalism no longer exists. "A research report of the United States Information Agency," C. L. Sulzberger revealed in a typically incisive column back in 1964, "has ruefully discovered that the more our propaganda advertises the virtues of 'capitalism' and attacks 'socialism'

the less the world likes us . . . Most foreigners don't regard 'capitalism' as descriptive of an efficient economy or a safeguard of individual rights. To them it means little concern for the poor, unfair distribution of wealth, and undue influence of the rich." 37 But what the USIA allegedly needed a research report to discover concerning capitalism's image in other countries was already well understood by capitalism's major publicists and spokesmen at home. As far back as 1941, in his "American Century" editorial, Henry Luce used the well-established term "free economic system" instead of "capitalism." The international capitalist market protected by American hegemony became the "free world" and "freedom" became the code word for both domestic capitalism and capitalist empire. In Carl Kaysen's article on the soulful corporation, the nasty word "capitalism" makes not a single entry. Its use would have introduced a jarring note. It would also have violated a powerful norm among economists namely, that instead of trying to analyze the workings of modern capitalism, capitalism should be discussed mainly in the framework of criticizing Marxian economics or making passing references to the imperfections in Adam Smith's model of perfect competition. When Governor George Romney of Michigan announced that "Americans buried capitalism long ago, and moved on to consumerism," what was really being buried was the old-time conservative defense of capitalism as unadulterated self-interest as superior to socialistic altruism. True believers like Ayn Rand were of no avail in charging that "if the 'conservatives' do not stand for capitalism, they stand for and are nothing" and in proclaiming (like one of her characters in Atlas Shrugged) "We choose to wear the name 'Capitalism' printed on our foreheads boldly, as our badge of nobility." The most intelligent spokesmen for the changing capitalist order wear a variety of names on their foreheads.

The first term-and still the most appealing-has been "mixed economy." The persuasive power of this concept stems mainly from lip service to the perfect-competition model as defined in classical or neoclassical ideologies. If capitalism used to be what Adam Smith advocated, the reasoning goes, then capitalism has been replaced by a mixture of private and public enterprise-or even of capitalism and socialism. This mixture blends the (alleged) productive efficiency of the former with the social justice sought by the latter. At the same time, it preserves the beautiful equilibrium of the classical model by providing opportunities for all interests in society to organize in their own behalf. From this competition in both the political and economic marketplaces comes a peaceful resolution of conflicts through the negotiation, bargaining, pressure and counter-pressure, propaganda and counterpropaganda that underlie electoral campaigns and executive, legislative, and judicial decision making. From this confused but peaceful process of political competition among selfish interests there emerges-as though by some invisible guiding hand-the best possible satisfaction of the

public interest. Granted, there may be some imperfections in this political marketplace, too much strength at some points and too much weakness at others. But then enlightened government, with the help of Ivy League professors, can come in as a balancing factor and restore the equilibrium.

This pluralistic myth is often reinforced by statistical exercises suggesting that the unfair distribution of wealth and influence was on its way out and the majority of the population had attained "affluence." Thus the mere contemplation of the "objective data" carefully selected under his direction induced the usually self-contained Arthur Burns (later named chairman of the Council of Economic Advisers and the Federal Reserve Board) into the following orgasmic spasm of economic hyperbole: "The transformation in the distribution of our national income . . . may already be counted as one of the great social revolutions in history." 30 With such well-certified "evidence" coming across their desks, former Marxists or revolutionaries were able to explain their conversion to the existing order with something more convincing than diatribes (which often appeared in the form of Trotskyism) against Stalinism and more self-satisfying than the attacks on former comrades made by the former communists who converted to professional anticommunism. By 1960, Seymour Martin Lipset was able to proclaim that "the fundamental political problems of the industrial revolution have been solved." 40 This viewpoint was enlarged by Daniel Bell's sadly joyous funeral oration over the end of socialist or communist ideology in the Western world: "For the radical intelligentsia, the old ideologies have lost their 'truth' and their power to persuade . . . there is a rough consensus among intellectuals on political issues: the acceptance of the Welfare State; the desirability of decentralized power; a system of mixed economy and political pluralism. In that sense, too, the ideological age has ended."

In continuation of the same argument, Bell has moved to replace the old ideologies of competing systems with a new end-of-ideology ideology, celebrating the new power of theory, theoreticians, and his best friends. With more wit, passion, and inventiveness than most competing sociologists, Bell has capitalized on the fact that both Western capitalism and Russian socialism have been forms of industrialism. In so doing he defines industrialism loosely as something that has to do with machines, almost completely glossing over the organizational and imperial aspects of industrial capitalism.

This allows him to proclaim the coming of something called "postindustrialism," which is characterized by the increasing relative importance of services as contrasted with goods, of white-collar employment, and of more technical and professional elites. The essence of this allegedly "post" industrialism is "the preeminence of the professional

and technical class." This preeminence, in turn, is based on "the primacy of theoretical knowledge-the primacy of theory over empiricism and the codification of knowledge into abstract systems of symbols." The masters of the new theory and symbols are the "knowledge elites" and their domicile is the university, "the central institution of post-industrial society."

With equal wit and a larger audience, Galbraith propounded a similar theme when, in 1968, he claimed that power in the new industrial state has shifted from capital to the "organized intelligence" of the managerial and bureaucratic "technostructure."

For Bell, if the new knowledge elites do not make the ultimate decisions, it is because of a combination of old-fashioned politics and new cultural styles, particularly among younger people who tend to revolt against the rule of reason itself. If these obstacles can be overcome and if enough resources are channeled into R & D and the universities, then man's reason shall at last prevail and rational calculation and control will lead to stable progress. For Galbraith, the remedy was similar, since the system of industrial oligarchy "brings into existence, to serve its intellectual and scientific needs, the community that, hopefully, will reject its monopoly on social purpose." Galbraith's hope lay (at that time) in the wistful presumption that "the educational and scientific estate, with its allies in the larger intellectual community" might operate as a political force in its own right.

Although both Bell and Galbraith have been willing to concede the existence of capitalism (and Galbraith has more recently revealed himself as an advocate of public ownership of the one thousand corporate giants whom he describes as the "planning system," 44 most Establishment social scientists in both the Ivy League and the minor leagues seem to have adopted methodological premises that rule capitalism out of existence. Without the wit, wisdom, or vision of a Bell or Galbraith, they have busied themselves in efforts to provide technical solutions to political, moral and socio-economic problems. 'The problems they presume to solve-or in Daniel P. Moynihan's more modest terms, to cope with-are defined at the higher or middle levels of the Establishment where decisions are made on which research grants or contracts are to be approved and which professors are to be hired. They are carefully subdivided into categories that reflect the division of labor within the foundations and government contracting agencies.

In turn, the presumably independent "knowledge elites" of the educational, scientific, and intellectual estates-having usually abjured efforts to analyze the morality and political economy of the so-called "market system"-are now rated on their performance in the grant-contract market. The badges of achievement are the research proposals accepted by the Establishment, with

the rank order determined by the amount of funds obtained. Alongside the older motto "Publish or perish" (which puts the fate of many younger people in the hands of establishment faithfuls on editorial boards), has risen an additional imperative: "Get a grant or contract and prosper." This imperative also applies to department heads, deans, and college presidents who-like professors-are expected to bring in the "soft money" to supplement the "hard money" in the regular college and university budgets. During the early 1960s the largest amounts of "soft money," came from the government agencies involved in the "hardware" and "software" needed by the military and outer-space agencies, and including the many programs of "area studies" focused on Asia, Africa, the Middle East, and Latin America. Later, with the civil rights and antiwar movements, a minor avalanche of "soft money" was let loose for research, field work, and demonstration projects in the so-called "anti-poverty" and "model cities" programs. The word went quickly around among the new generation of academic hustlers that "Poverty is where the money is." Under these new circumstances, the serious applicant for funds was well advised to steer clear of root causes or systemic analysis. There was no prohibition against proposing research work or field organization designed to challenge the capitalist system, but no applicant has ever been known to openly propose anything so patently "unsound." Moreover, many of the wisest heads in the academic community-whether from profound inner disillusionment or in the heat of professional arrogance-openly advocated the treatment of symptoms only and inveighed against wasting time with the examination of systemic roots of poverty, unemployment, inflation, crime, or environmental degradation.

On a broader scale, methodology became the "name of the game." A new generation of methodologists learned that with unspoken constraints upon the purpose and content of research and theory, greater importance must be attached to means and form. Younger people who scorned the catch-as-catch-can methodologies of a Bell, Galbraith, or Moynihan- and were embarrassed by their unseemly interest in turning a good phrase -became the new ideologues of scientific methods. On the one hand, "abstracted empiricists" (as C. Wright Mills called them) became frenetic data-chasers eager to produce reams of computer printouts. On the other hand, enthusiastic model-builders erected pretty paradigms from which hypotheses might be deduced. Both sought verification through the application of methods long proven useful in the natural sciences. In this process, they had the aid and participation of many natural scientists perfectly willing to accept admiration from those naive enough to think that their skills in physics, biology, engineering or mathematics were readily transferable to the analysis of social problems. They also enjoyed the guidance or blessings of old-time radicals who-scorched by the heat of the purges or disillusioned by Stalinism-were eager to build a new God in the image of so-called scientific

method. These activities became intensely competitive, with ever-changing cliques and currents providing endless opportunities for innovative nuances in the production of iconoclastic conformity and irrelevant relevance.

Occasionally, the existence of capitalist society has been allowed to enter into the frame of reference-but only marginally. Thus, it has become fashionable for many social science departments to have a well-behaved "Marxist" in residence: an element of good behavior, of course, is to accept the subdivision of mental labor and be a "Marxist" economist, socialist, or political scientist rather than dealing with capitalist society as a whole. A more widespread form of marginal acceptance of capitalist reality is the idea of "putting the profit motive to use in achieving social purposes." The reiteration of this imperative in every area from narcotics control to education has become one of the most effective methods of pledging allegiance to the undescribed and unexamined capitalist order.

Although these many establishment ideologies have not produced any dedicated loyalty or deep commitment to modern capitalism, they have nonetheless been a major factor in the purification process. They have made it possible for purges and induced conversions of dissidents to be reduced in relative significance and conducted on a low-key, routine basis. They have helped absorb some of the activists of the old "New Left" of the 1960s into the Establishment, purify thoughts and behavior during the 1970s, and channel into harmless-if not profitable-ways the resentments and grievances fed by the many crises and traumas of a more perfect capitalism.

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During the so-called "Hundred Year Peace" (1815-1914), all wars among the Great Powers were minor, short, or localized. General peace was preserved in an environment of unending limited war.

The period since 1945 has also been one of limited war. Whatever military action has taken place-whether in Korea, Indochina, the Middle East, Africa, or Latin America-has been geographically limited. Although the devastation has been ghastly, no nuclear weapons have been used.

But limited war has created a baffling problem for the leading capitalist powers, particularly the United States: A reduction in military stimulants to economic expansion and capital accumulation. The present condition of the American industrial establishment, writes David Bazelon, "is unthinkable without the benefit of the capacity-building expenditures of the past twenty years induced by war and preparedness measures." The U.S. Arms Control and Disarmament Agency has thought about this in terms that are themselves unthinkable to most Establishment economists: "It is generally

agreed that the great expanded public sector since World War II, resulting from heavy defense expenditures, has provided additional protection against depression, since this sector is not responsible to contraction in the private sector and has provided a sort of buffer or balance wheel in the economy."

Strangely enough, the use of military-growth stimulants in the United States also served to stimulate growth in the two major capitalist societies with relatively small military budgets: Japan and West Germany. An important part of U.S. military expenditures spilled over into both Japan and West Germany in the form of both procurement of supplies and payments for the maintenance of U.S. installments. More indirectly, the U.S. concentration of war-related technology (which includes advanced computerization, communication systems, and electronic controls) gave the largest corporations in other leading countries of the "Free World," particularly Japan and West Germany, an opportunity to catch up with, or plunge ahead of, the United States in civilian technologies and thereby make spectacular advances in world trade.

As the United States began its slow withdrawal from Indochina in 1969, military expenditures began to level off and then-while prices for military goods were still rising-to fall by almost \$4 billion from 1969 to 1972. As a proportion of total GNP, military spending fell even more drastically-from 9.1 percent in 1967 and 1968 to around 6 percent in 1979. Expenditures for "international affairs" (closely related to military expenditures) also declined. The size of the U.S. armed forces fell from over 3.5 million in 1968 to 2.1 million in 1979. In other words, the military slowdown under conditions of de-escalation and détente deprived the American economy of a defense against recession that had been provided during the 1960s. This was one of the factors in the recessions that began in 1970, 1974, and 1979. In each case unemployment rose. In 1975, the total end to the hugely destructive war in Indochina was a retrogressive economic force, as unemployment in the United States and other capitalist countries rose to the highest levels since the Great Depression.

The response of the industrial-military portion of the Establishment has been prompt, publicly warning against the great perils of becoming weaker than the communist enemy and privately warning against the disastrous economic effects of the slowdown. The positive action has been in two directions: the expansion of new and costly weapons systems and the sale of arms to other countries. Under conditions of détente, however, the two of these together were insufficient to restore defense spending to the proportions of GNP reached during Indochinese wars. Thus the American industrial establishment was subjected to a slow withdrawal of the stimulus to which it had become accustomed. The NATO countries were subjected to a sharp

decline in the vigor of the Soviet "threat," which was the official *raison d'être* for NATO's existence. The capitalist world was subjected for a while to the "threat" of a peaceful coexistence in which the economic stimulus of war and preparedness would no longer be available at the level to which it had become accustomed. With any decline in *détente*, of course, these conditions change.

UNLIMITED OVERKILL

The dominant logic of "Free World" militarism in a period of limited warfare has been slowly developing during the 1970s. If unlimited warfare is "dysfunctional," then two lines of operation are indicated.

The first has been to channel a larger portion of military resources into weapons systems produced by the largest military contractors, even though this means a dwindling number of people in the armed services. The result has been a continuous increase in "overkill" capabilities whose actual use would surely destroy capitalism itself, but whose production and deployment contribute to the maintenance of a capital accumulation. Overkill itself is matched by various forms of "overdelivery": globe-circling missiles in addition to bombers; multiple warheads on a single missile (MIRVs); launchings from roving submarines, ocean-floor emplacements and eventually satellite space stations; ocean explosions to produce tsunamis (tidal waves); antiballistic missiles that would themselves emit vast radiation dosages over the territory presumably defended; and, more recently, cruise missiles that could be launched from submarines, planes, or ships, fly at radar-eluding altitudes, and maneuver around defensive fire. Less publicized, and often excluded from official estimates of nuclear megatonnage, is the armory of "tactical" nuclear weapons. These include huge numbers of air-to-ground, ground-to-air, and ground-to-ground missiles, of which over seven-thousand are stationed in Europe for use by NATO forces. The average yield of these weapons, according to Robert McNamara as far back as 1964, was about 100 kilotons, about five times greater than the strength of Hiroshima's Little Boy. Moreover, considerable "progress" has been made in developing the biological, chemical, physiological, and nuclear instrumentalities that could offer the prospect, in the words of a high U.S. Navy official, of attaining "victory without shattering cities, industries and other physical assets." The extent of this progress was revealed by the announcement in 1977 of the "neutron bomb" and its promotion for NATO use.

The second has been a massive escalation of arms sales and government-subsidized arms gifts to Third World countries. In the United States, this program-which represents a huge stimulus to American industry-reached \$11.2 billion in fiscal year 1977, and then, under the Carter administration

rose to \$13.5 billion in fiscal 1979. This activity has been paralleled by similar arms exports from other "First World" countries. A large part of these exports has gone to the Middle East, thereby recycling "petrodollars" for such countries as Iran and Saudi Arabia. A considerable part of the U.S. exports, in contrast to those from most other First World countries, have gone to Israel, as well as to Third World regimes threatened by domestic upheaval.

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The Specter of Friendly Fascism

excerpted from the book

Friendly Fascism

The New Face of Power in America

by **Bertram Gross**

South End Press, 1980, paper



The Unfolding Logic

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... as I survey the entire panorama of contending forces, I can readily detect something more important: the outline of a powerful logic of events. This logic points toward tighter integration of every First World Establishment. In the United States it points toward more concentrated, unscrupulous, repressive, and militaristic control by a Big Business-Big Government partnership that-to preserve the privileges of the ultra-rich, the corporate overseers, and the brass in the military and civilian order-squelches the rights and liberties of other people both at home and abroad. That is friendly fascism.

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At any particular moment First World leaders may respond to crisis like people in a crowded night club when smoke and flames suddenly billow forth. They do not set up a committee to plan their response. Neither do they act in a random or haphazard fashion. Rather, the logic of the situation prevails. Everyone runs to where they think the exits are. In the ensuing melee some may be trampled to death. Those who know where the exits really are, who are most favorably situated, and have the most strength will save themselves.

Thus it was in Italy, Japan, and Germany when the classic fascists came to power. The crisis of depression, inflation, and class conflict provided an ideal opportunity for the cartels, warmongers, right-wing extremists, and rowdy street fighters to rush toward power. The fascist response was not worked out by some central cabal of secret conspirators. Nor was it a random or accidental development. The dominant logic of the situation prevailed.

Thus too it was after World War II. Neither First World unity nor the Golden International was the product of any central planners in the banking, industrial, political, or military community. Indeed, there was then-as there still is-considerable conflict among competing groups at the pinnacle of the major capitalist establishments. But there was a broad unfolding logic about the way these conflicts were adjusted and the "Free World" empire came into being. This logic involved hundreds of separate plans and planning committees-some highly visible, some less so, some secret. It encompassed the values and pressures of reactionaries, conservatives, and liberals. In some cases, it was a logic of response to anticapitalist movements and

offensives that forced them into certain measures-like the expanded welfare state-which helped themselves despite themselves.

Although the friendly fascists are subversive elements, they rarely see themselves as such. Some are merely out to make money under conditions of stagflation. Some are merely concerned with keeping or expanding their power and privileges. Many use the rhetoric of freedom, liberty, democracy, human values, or even human rights. In pursuing their mutual interests through a new coalition of concentrated oligarchic power, people may be hurt-whether through pollution, shortages, unemployment, inflation, or war. But that is not part of their central purpose. It is the product of invisible hands that are not theirs.

For every dominant logic, there is an alternative or subordinate logic. Indeed, a dominant logic may even contribute to its own undoing. This has certainly been the case with many strong anticommunist drives as in both China and Indochina-that tended to accelerate the triumph of communism. If friendly fascism emerges on a full scale in the United States, or even if the tendencies in that direction become still stronger, countervailing forces may here too be created. Thus may the unfolding logic of friendly fascism-to borrow a term from Marx-sow the seeds of its destruction or prevention.

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A few years before his death, John D. Rockefeller III glimpsed- although through a glass darkly-the logic of capitalist response to crisis. In *The Second American Revolution* (1973) he defined the crises of the 1960s and early 1970s as a humanistic revolution based mainly on the black and student "revolts," women's liberation, consumerism, environmentalism, and the yearnings for nonmaterialistic values. He saw these crises as an opportunity to develop a humanistic capitalism. If the Establishment should repress these humanistic urges, he wrote, "the result could be chaos and anarchy, or it could be authoritarianism, either of a despotic mold or the 'friendly fascism' described by urban affairs professor Bertram Gross."

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A similar note of urgency is trumpeted by General Maxwell Taylor who, in contrast with Zoll's response to internal dangers, warns mainly against external dangers. "How can a democracy such as ours," he asks, "defend its interests at acceptable costs and continue to enjoy the freedom of speech and behavior to which we are accustomed in time of peace?" Although his answer is not as candid as Zoll's, he replies that such traditional and liberal properties must be dispensed with: "We must advance concurrently on both foreign and domestic fronts by means of integrated rational power

responsive to a unified national Will". Here is a distressing echo of Adolf Hitler's pleas for "integration" (Gleichschaltung) and unified national will.

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James Madison

"I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations."

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Although friendly fascism would mean total ruin of the American dream, it could hardly come suddenly- let alone in any precisely predictable year. This is one of the reasons I cannot go along with the old-fashioned Marxist picture of capitalism or imperialism dropping the fig leaf or the mask. This imagery suggests a process not much longer than a striptease. It reinforces the apocalyptic vision of a quick collapse of capitalist democracy-whether "not with a bang but a whimper," as T. S. Eliot put it, or with "dancing to a frenzied drum" as in the words of William Butler Yeats. In my judgment, rather, one of the greatest dangers is the slow process through which friendly fascism would come into being. For a large part of the population the changes would be unnoticed. Even those most alive to the danger may see only part of the picture-until it is too late. For most people, as with historians and social scientists, 20-20 vision on fundamental change comes only with hindsight. And by that time, with the evidence at last clearly visible, the new serfdom might have long since arrived.

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... in the movement toward friendly fascism, any sudden forward thrust at one level could be followed by a consolidating pause or temporary withdrawal at another level. Every step toward greater repression might be accompanied by some superficial reform, every expansionist step abroad by some new payoff at home, every well-publicized shocker (like the massacres at Jackson State, Kent State, and Attica, the Watergate scandals or the revelations of illegal deals by the FBI or CIA) by other steps of less visibility but equal or possibly greater significance, such as large welfare payments to multinational banks and industrial conglomerates. At all stages the fundamental directions of change would be obscured by a series of Hobson's choices, of public issues defined in terms of clear-cut crossroads-one leading to the frying pan and the other to the fire. Opportunities would thus be provided for learned debate and earnest conflict over the choice among alternative roads to serfdom . . .

The unifying element in this unfolding logic is the capital-accumulation imperative of the world's leading capitalist forces, creatively adjusted to

meet the challenges of the many crises I have outlined. This is quite different from the catch-up imperatives of the Italian, German, and Japanese leaders after World War I. Nor would its working out necessarily require a charismatic dictator, one-party rule, glorification of the State, dissolution of legislatures, termination of multiparty elections, ultranationalism, or attacks on rationality.

As illustrated in the following oversimplified outline, which also points up the difference between classic fascism and friendly fascism, the following eight chapters summarize the many levels of change at which the trends toward friendly fascism are already visible.

Despite the sharp differences from classic fascism, there are also some basic similarities. In each, a powerful oligarchy operates outside of, as well as through, the state. Each subverts constitutional government. Each suppresses rising demands for wider participation in decision making, the enforcement and enlargement of human rights, and genuine democracy. Each uses informational control and ideological flimflam to get lower and middle-class support for plans to expand the capital and power of the oligarchy and provide suitable rewards for political, professional, scientific, and cultural supporters.

A major difference is that under friendly fascism Big Government would do less pillaging of, and more pillaging for, Big Business. With much more integration than ever before among transnational corporations, Big Business would run less risk of control by any one state and enjoy more subservience by many states. In turn, stronger government support of transnational corporations, such as the large group of American companies with major holdings in South Africa, requires the active fostering of all latent conflicts among those segments of the American population that may object to this kind of foreign venture. It requires an Establishment with lower levels so extensive that few people or groups can attain significant power outside it, so flexible that many (perhaps most) dissenters and would-be revolutionaries can be incorporated within it. Above all, friendly fascism in any First World country today would \ use sophisticated control technologies far beyond the ken of the classic fascists.

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Although American hegemony can scarcely return in its Truman-Eisenhower-Kennedy-Johnson form, this does not necessarily signify the end of the American Century. Nor does communist and socialist advance on some fronts mark American and capitalist retreat on all fronts. There are unmistakable tendencies toward a rather thoroughgoing reconstruction of the entire "Free World." Robert Osgood sees a transitional period of "limited readjustment"

and "retrenchment without disengagement," after which America could establish a "more enduring rationale of global influence." Looking at foreign policy under the Nixon administration, Robert W. Tucker sees no intention to "dismantle the empire" but rather a continued commitment to the view that "America must still remain the principal guarantor of a global order now openly and without equivocation identified with the status quo." He describes America as a "settled imperial power shorn of much of the former exuberance." George Liska looks forward to a future in which Americans, having become more mature in the handling of global affairs, will at last be the leaders of a true empire.

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Amaury De Riencourt

"Caesarism can come to America constitutionally without having to break down any existing institution."

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... a friendly fascist power structure in the United States, Canada, Western Europe, or today's Japan would be far more sophisticated than the "caesarism" of fascist Germany, Italy, and Japan. It would need no charismatic dictator nor even a titular head... it would require no one-party rule, no mass fascist party, no glorification of the State, no dissolution of legislatures, no denial of reason. Rather, it would come slowly as an outgrowth of present trends in the Establishment.

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Under the full-fledged oligarchy of friendly fascism, the Chief Executive network would become much more powerful than ever before. And the top executive-in America, the president-would in a certain sense become more important than before. But not in the sense of a personal despotism like Hitler's.

Indeed, the president under friendly fascism would be as far from personal caesarism as from being a Hirohito-type figurehead. Nor would a president and his political associates extort as much "protection money" from big-business interests as was extracted under Mussolini and Hitler. The Chief Executive would neither ride the tiger nor try to steal its food; rather, he would be part of the tiger from the outset. The White House and the entire Chief Executive network would become the heart (and one of the brain centers) of the new business-government symbiosis. Under these circumstances the normal practices of the Ultra-Rich and the Corporate Overlords would be followed: personal participation in high-level business deals and lavish subsidization of political campaigns, both partly hidden from public view.

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This transformation would require a new concept of presidential leadership, one emphasizing legitimacy and righteousness above all else. As the linchpin of an oligarchic establishment, the White House would continue to be the living and breathing symbol of legitimate government. "Reigning" would become the first principle of "ruling". Only by wrapping himself and all his agents in the trappings of constitutionality could the President succeed in subverting the spirit of the Constitution and the Bill of Rights. The Chief Executive Network, Big Business, and the UltraRich could remain far above and beyond legal and moral law only through the widely accepted image that all of them, and particularly the president, were fully subservient to law and morality. In part, this is a matter of public relations-but not the old Madison Avenue game of selling perfume or deodorants to the masses. The most important nostrils are those of the multileveled elites in the establishment itself; if things smell well to them, then the working-buying classes can probably be handled effectively. In this context, it is not at all sure that the personal charisma of a president could ever be as important as it was in the days of Theodore or Franklin Roosevelt, Dwight Eisenhower, or John F. Kennedy.

It is no easy task to erect a shield of legitimacy to cloak the illegitimate. Doing so would require the kind of leadership that in emphasizing the long-term interests of Big Business and the Ultra-Rich would stand up strongly against any elements that are overly greedy for short-term windfalls. Thus in energy planning, foreign trade, labor relations, and wage-price controls, for example, the friendly fascist White House would from time to time engage in activities that could be publicly regarded as "cracking down on business." While a few recalcitrant corporate overseers might thus be reluctantly educated, the chief victims would usually be small or medium-sized enterprises, who would thus be driven more rapidly into bankruptcy or merger. In this sense, conspicuous public leadership would become a form of followership.

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During the 1970s, as its forces slowly retreated from the Asian mainland, the U.S. military establishment seemed to dwindle. Even with veterans' and outer-space expenditures included, war spending declined as a portion of the GNP. Conscription ended in 1973. All proposals for overt military intervention in the Third World-whether in Angola, West Asia, Afghanistan, the Horn of Africa, the Caribbean, or Central America-were sidetracked. From an earlier high of 3.5 million people in 1968, the active military fell to 2 million at the beginning of the 1980s.

But in real terms the military establishment is enormous, much more than most people know. To the million on active duty must be added another 2 million in the reserves, and a million civilians in the defense department. This 5-million-figure total is merely the base for a much larger number of people in war industries, space exploration, war think tanks and veterans' assistance. Behind this total group of more than 12 million-and profiting from intercourse with them-stands an elaborate network of war industry associations, veterans' organizations, special associations for each branch of the armed services, and general organizations such as the American Security Council and the Committee on the Present Danger. But there is something else that George Washington could never have dreamed of when he warned against an overgrown military establishment and that Dwight D. Eisenhower never mentioned in his warning against the military-industrial complex: namely, a transnational military complex. This American-led complex has five military components beyond the narrowly defined U.S. military-industrial complex itself:

1. The dozen or so countries formally allied with the United States through NATO

2. Other industrialized countries not formerly part of NATO, such as Spain, Israel, Japan, Australia, and New Zealand

3. A large portion of the Third World countries

4. Intelligence and police forces throughout the "Free World"

5. Irregular forces composed of primitive tribesmen, often operating behind the lines of the Second World countries.

All these forces are backed up by a support infrastructure which includes training schools, research institutes, foreign aid, and complex systems of communication and logistics.

If there is one central fact about this transnational military complex at the start of the 1980s it is growth. Paradoxically, every arms-control agreement has been used as a device to allow growth up to certain ceilings, rather than prevent it. And since those ceilings apply only to selected weapons systems, growth tends to be totally uncontrolled in all other forms of destruction. In the United States, total military expenditure has started to move upward at a rate of about 5 percent annual growth in real terms-that is, after being corrected for the declining value of the dollar. A drive is under way to register young people for a draft, while also providing alternative forms of civilian service (at poverty wages) for people objecting to military service on

moral, religious, or political grounds. New weapons systems are being initiated-particularly the MX missile, which holds forth the promise of a "first strike" capability against the Soviet Union. Major steps are being taken to increase the military strength of all the other components of the transnational complex-

particularly through the expansion of both tactical and strategic nuclear weapons in Western Europe and the beefing up of the defense forces and nuclear capabilities of the Japanese. Above all, despite some internal conflicts on when and where, the leaders of the U.S. Establishment have become more willing to use these forces. Richard Falk of Princeton University presents this thesis: "A new consensus among American political leaders favors intervention, whenever necessary, to protect the resource base of Trilateralistic nations'-Europe, the United States and Japan-prosperity and dominance." 3 This has required strenuous propaganda efforts to overcome the so-called "post-Vietnam syndrome," that is, popular resistance to the sending of U.S. troops into new military ventures abroad. Equally strenuous efforts are made to convince people in Western Europe that as East-West tensions have been relaxing and East-West trade rising, the West faces a greater threat than ever before of a Soviet invasion.

The logic of this growth involves a host of absurdities. First of all, statistical hocus-pocus hides the overwhelming military superiority of the "Free World." One trick is to compare the military spending of the United States with the Warsaw Pact countries but to exclude NATO. Another trick is to compare the NATO countries of Europe with the Warsaw Pact countries, but to exclude the United States. Still another is to exclude not merely Japan, but also the huge Chinese military forces lined up on China's border with the Soviet Union. Any truly global picture shows that while the geographical scope of the "Free World" has been shrinking, its military capability has been expanding. This expansion has been so rapid that there may even be good reason for the nervous old men in the Kremlin to feel threatened.

Second, much of this expanding military power involves nothing more than overkill. Thus just one Poseidon submarine carries 160 nuclear warheads, each four times more powerful than the Hiroshima bomb. These warheads are enough, as President Carter stated in 1979, "to destroy every large and medium-sized city in the Soviet Union." Pointing out that the total U.S. force at that time could inflict more than fifty times as much damage on the Soviet Union, President Carter then went on to raise the level of overkill still higher.

Third, the advocates of new interventionism foster the delusion that military force can solve a host of intertwined political, economic, social, and moral problems. This delusion was evidenced in the long-term and highly expensive

U.S. support for the Shah of Iran and the Somoza dictatorship in Nicaragua. As U.S. strike forces are being prepared for intervention in West Asia (whether in Saudi Arabia, Libya, or elsewhere) the presumption is that military action of this type would preserve the availability of petroleum for the West. What is blindly lost sight of is the high probability-and in the judgment of many, the certainty-that any such intervention would precipitate the blowing up of the very oil fields from which the deep thinkers in the White House, Wall Street, and the Pentagon want to get assured supplies.

Yet in the words of Shakespeare's Polonius, "If this be madness, yet there is method in it." It is the not-so-stupid madness of the growing militarism which is an inherent part of friendly fascism's unfolding logic. "Militarism," Woodrow Wilson once pointed out at West Point in 1916, "does not consist of any army, nor even in the existence of a very great army. Militarism is a spirit. It is a point of view." 10 That spirit is the use of violence as a solution to problems. The point of view is something that spills over into every field of life-even into the school and the family.

Under the militarism of German, Italian, and Japanese fascism violence was openly glorified. It was applied regionally-by the Germans in Europe and England, the Italians in the Mediterranean, the Japanese in Asia. In battle, it was administered by professional militarists who, despite many conflicts with politicians, were guided by old-fashioned standards of duty, honor, country, and willingness to risk their own lives.

The emerging militarism of friendly fascism is somewhat different. It is global in scope. It involves weapons of doomsday proportions, something that Hitler could dream of but never achieve. It is based on an integration between industry, science, and the military that the old-fashioned fascists could never even barely approximate. It points toward equally close integration among military, paramilitary, and civilian elements. Many of the civilian leaders-such as Zbigniew Brzezinski or Paul Nitze-tend to be much more bloodthirsty than any top brass. In turn, the new-style military professionals tend to become corporate-style entrepreneurs who tend to operate-as Major Richard A. Gabriel and Lieutenant Colonel Paul L. Savage have disclosed-in accordance with the ethics of the marketplace. The old buzzwords of duty, honor, and patriotism are mainly used to justify officer subservience to the interests of transnational corporations and the continuing presentation of threats to some corporate investments as threats to the interest of the American people as a whole. Above all, in sharp contrast with classic fascism's glorification of violence, the friendly fascist orientation is to sanitize, even hide, the greater violence of modern warfare behind such "value-free" terms as "nuclear exchange," "counterforce" and

"flexible response," behind the huge geographical distances between the senders and receivers of destruction through missiles or even on the "automated battlefield," and the even greater psychological distances between the First World elites and the ordinary people who might be consigned to quick or slow death.

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William W. Turner

"Leadership in the right has fallen to new organizations with lower profiles and better access to power . . . What is characteristic of this right is its closeness to government power and the ability this closeness gives to hide its political extremism under the cloak of respectability."

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Although most of these right-wing extremists avoid open identification with the classic fascists, the similarities with the early fascist movements of the 1920s are clear. Small clusters of highly strung, aggressive people think that if Hitler and Mussolini (both of whom started from tiny beginnings) could make it into the Big Time under conditions of widespread misfortune, fortune might someday smile on them too.

I doubt it. Their dreams of future power are illusory. To view them as the main danger is to assume that history is obliging enough to repeat itself in unchanged form. Indeed, their major impact-apart from their contribution to domestic violence, discussed in "The Ladder of Terror," (chapter 14)-is to make the more dangerous right-wing extremists seem moderate in comparison.

The greatest danger on the right is the rumbling thunder, no longer very distant, from a huge array of well-dressed, well-educated activists who hide their extremism under the cloak of educated respectability. Unlike the New Left of the 1960s, which reached its height during the civil rights and antiwar movements, the Radical Right rose rapidly during the 1970s on a much larger range of issues. By the beginning of the 1980s, they were able to look back on a long list of victories. Their domestic successes are impressive:

- * Holding up ratification of the Equal Rights Amendment**
- * Defeating national legislation for consumer protection**
- * Defeating national legislation to strengthen employees' rights to organize and bargain collectively**
- * Undermining Medicare payments for abortions**
- * Bringing back capital punishment in many states**
- * Killing anti-gun legislation**
- * Promoting tax-cutting programs, such as the famous Proposition 13 in**

California, already followed by similar actions in other parts of the country

*** Promoting limitations on state and local expenditures, which in effect (like the tax-cutting measures) mean a reduction in social programs for the poor and the lower middle-classes**

*** Undermining affirmative-action programs to provide better job opportunities for women, blacks and Hispanics**

*** Killing or delaying legislation to protect the rights of homosexuals**

They have also succeeded in getting serious attention for a whole series of "nutty" proposals to amend the Constitution to require a balanced federal budget or set a limit on the growth of federal expenditures. By the beginning of 1980, about 30 State legislatures had already petitioned the Congress for a Constitutional convention to propose such an amendment; only 34 are needed to force such a convention, the first since 1787. The major purpose of this drive, however, was not to get a Constitutional amendment. Rather, it was to force the president and Congress to go along with budget cutting on domestic programs. By this standard it has been remarkably successful.

On foreign issues, the Radical Right came within a hair's breadth of defeating the Panama Canal Treaty and the enabling legislation needed to carry it out. They have been more successful, however, on these matters:

*** Reacting to the Iranian and Afghanistan crises of 1979 with a frenetic escalation of cold war**

*** Helping push the Carter administration toward more war spending and more militarist policies**

*** Making any ratification of the SALT II treaty dependent on continued escalation in armaments**

*** Preventing Senate consideration, let alone ratification, of the pending UN covenants against genocide, on civil and political rights, and on economic, social, and cultural rights.**

In a vital area bridging domestic and foreign policy, they provide a major portion of support for the drive to register young people for possible military service and then, somewhat later, reinstitute conscription.

Almost all of these issues are "gut issues." They can be presented in manner that appeals to deep-seated frustrations and moves inactive people into action. Yet the New Right leaders are not, as the Americans for Democratic Action point out in A Citizen's Guide to the Right Wing, "rabid crackpots or raving zealots." The movement they are building is "not a lunatic fringe but the programmed product of right wing passion, plus corporate wealth, plus 20th century technology-and its strength

This strength has been embodied in a large number of fast-moving organizations:

- * American Legislative Exchange Council (ALEC)**
- * American Security Council**
- * Americans Against Union Control of Government**
- * Citizens for the Republic**
- * Committee for Responsible Youth Politics**
- * Committee for the Survival of a Free Congress**
- * Committee on the Present Danger**
- * Conservative Victory Fund**
- * Consumer Alert Council**
- * Fund for a Conservative Majority**
- * Gun Owners of America**
- * Heritage Foundation**
- * National Conservative Political Action Committee**
- * National Rifle Association Political Action Committee (PAC)**
- * Our PAC**
- * Public Service PAC**
- * Right To Keep and Bear Arms Political Victory Fund**
- * Tax Reform Immediately (TRIM)**
- * The Conservative Caucus (TCC)**
- * Young Americans for Freedom/The Fund for a Conservative Majority**

Many of these groups, it must be understood, include nonrabid crackpots and nonraving zealots. They are often backed up-particularly on fiscal matters-by the National Taxpayers Union and many libertarian groups which may part company from them on such issues as the escalation of war spending or the return of military conscription.

All of them, it should be added, seem to be the recipients of far more funds than were ever available to the less respectable extremists. Much of this money unquestionably seeps down, as the ADA insists, from corporate coffers. Some of it unquestionably comes from massive mail solicitations by Richard Viguerie, who has been aptly christened the "Direct Mail Wizard of the New Right." Since 1964, when he was working on Senator Goldwater's campaign for the presidency, Viguerie has been developing a mailing list operation which puts the New Right into touch with millions upon millions of Americans.

Today, the momentum of the Radical Right is impressive. It has defeated many well-known liberal candidates for reelection to national, state, and local offices. Having helped elect a quarter of the members of the House of Representatives in 1976, it looks forward to much greater influence by the

mid-1980s. Like the American labor movement, which has always supported some Republicans as well as many Democrats, the Radical Right has no firm commitment to any one party. Its strength among Democrats is much larger than that of labor among Republicans. It supports candidates of the two major parties and is closely associated with small-party movements, which sometimes have a decisive impact on electoral or legislative campaigns. Its biggest success, however, is that many of its positions which first sounded outrageous when voiced during the Goldwater campaign of 1964 are now regarded as part of the mainstream. This is not the result of Radical Right shifts toward the center. On the contrary, it is the result of a decisive movement toward the right by the Ultra-Rich and the Corporate Overseers.

The unfolding logic of the Radical Right, however, is neither to remain static or to become more openly reactionary. "We are no longer working to preserve the status quo," says Paul Weyrich, one of its ablest leaders. "We are radicals working to overturn the present power structure." To understand what Weyrich means, we must heed Amo J. Mayer's warning-based on his study of classic fascism-that in a time of rapid change "even reactionary, conservative and counter-revolutionary movements project a populist, reformist and emancipatory image of their purpose." More populism of this type can be expected: in a word, more attacks on the existing Establishment by people who want to strengthen it by making it much more authoritarian and winning for themselves more influential positions in it.

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The routinized reiteration of this older conservative doctrine, however, is buttressed by a new ideological reformation that emphasizes the excellence of hierarchy, the wonders of technology, and the goodness of hard times. In *The Twilight of Authority*, Robert Nisbet makes an eloquent call for a return to the old aristocratic principle of hierarchy: "It is important that rank, class and estate in all spheres become once again honored rather than, as is now the case, despised or feared by intellectuals." If democracy is to be diminished and if rank, class, and estate are once again to be honored, the intellectuals at the middle and lower levels of the establishment must be brought into line on many points. Those who advocate a somewhat more egalitarian society must be pilloried as "levellers" who would reduce everybody to a dull, gray uniformity. They must be convinced that the ungrateful lower classes whom they hope to raise up are, in fact, genetically and culturally inferior. They must be flattered into seeing themselves as part of a society in which true merit, as defined by the powerful, is usually recognized and rewarded. The power of the Ultra-Rich and the Corporate Overlords must be publicly minimized and the endless plutocratic search for personal gratification must be obscured by lamenting the self-gratifying hedonism | of the masses.

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A successful transition to friendly fascism would clearly require a J lowering of popular aspirations and demands. Only then can freer rein be given to the corporate drives for boundless acquisition. Since it is difficult to tell ordinary people that unemployment, inflation, and urban filth are good for them, it is more productive to get middle-class leaders on the austerity bandwagon and provide them with opportunities for increased prestige by doing what they can to lower levels of aspirations. Indeed, the ideology of mass sacrifice had advanced so far by the end of the 1970s that the most serious and best-advertised debate among New York liberals on the New York City fiscal crisis rested on the assumption that the level of municipal employment and services had to be cut. The only questions open for debate were "Which ones?" and "How much?" This ideology-although best articulated in general form by political scientists like Samuel Huntington and sociologists like Daniel Bell-also receives decisive support from Establishment economists.

Religious doctrines on the goodness of personal sacrifice in this world have invariably been associated with promises of eternal bliss in the next world. Similarly, the emerging ideologies on the virtues of austerity are bound to be supplemented by visions of "pie in the sky by and by." In their most vulgar form these ideologies may simply reiterate the economic notion that reduced consumption now will mean more profitability, which will mean more capital investment that in turn will mean increased consumption later. In more sophisticated form, these ideologies take the form of a misty-eyed humanism. While moving toward friendly fascism we might hear much talk like Jean-Francois Revel's proclamation that "The revolution of the twentieth century will take place in the United States" or Charles Reich's view that the counterculture of the young will, by itself, break through the "metal and plastic and sterile stone" and bring about "a veritable greening of America." Indeed, work at such "think-tanks" as the Rand Corporation and Hudson Institute increasingly foregoes its old base in economics and related "dismal" disciplines for straight and unadulterated "humanism," the rhetorical promotion of which seems directly related to their involvement in dehumanized and dehumanizing technologies.

As with the ideologies of classic fascism, there is no need for thematic consistency in the new ideologies. An ideological menu is most useful when it provides enough variety to meet divergent needs and endless variations on interwoven melodic lines. Unlike the ideologies of classic fascism, however, these new ideologies on market virtue, hierarchic excellence, wondrous technology, and the goodness of hard times are not needed to mobilize masses to high peaks of emotional fervor. In contrast, they help prevent mass mobilization. Yet their growing function is to maintain the loyalty of intellectuals, scientists, and technicians at the Establishment's middle and

lower ranks, thereby minimizing the need for systemic purges. On this score the two streams of conservative ideology have been remarkably effective. They have taken over the most commanding heights on the intellectual fronts, reducing to a "small section" those anti-Establishment intellectuals who try to swim against the main currents. Indeed, through a remarkable dialectic, the opponents of the so-called "new class" have themselves become a dominant new class of intellectuals who provide the moral and intellectual guidance on the harsh and nasty imperatives of imperial survival in the era of the stagflation-power tradeoff and the movement toward Super-America, Inc.

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TRIPLESPEAK

During the take-off toward a more perfect capitalism, the debasement of the language moved no slower than the abasement of the currency through creeping inflation. The myths of the cold war gave us the imagery of a "free world" that included many tyrannical regimes on one side and the "worldwide communist conspiracy" to describe the other. The "end of ideology" ideologies gave us the myth of all-powerful knowledge elites to flatter the egos of intellectuals and scientists in the service of a divided Establishment. The accelerating rise of scientific and pseudoscientific jargon fragmented social and natural scientists into small ingroups that concentrated more and more on small slices of reality, separating them more than ever before from the presumably unsophisticated (although functionally literate) working-buying classes.

In the early days of this process, George Orwell envisioned a future society in which the oligarchs of 1984 would use linguistic debasement as a conscious method of control. Hence the Party Leaders imposed doublethink on the population and set up a long-term program for developing newspeak. If Orwell were alive today, I think he would see that many of his ideas are now being incorporated in something just as sophisticated and equally fearful. I am referring to the new triplespeak: a three-tiered language of myth, jargon, and confidential straight talk.

Unlike Orwell's doublethink and newspeak, triplespeak is not part of any overall plan. It merely develops as a logical outcome of the Establishment's maturation, an essential element in the tightening of oligarchic control at the highest levels of the Golden International. Without myths, the rulers and their aides cannot maintain support at the lower levels of the major establishments, and the might itself-as well as the legitimacy of empire-may decay. Jargon is required to spell out the accumulating complexities of military, technological, economic, political, and cultural power. Straight talk

is needed to illuminate the secret processes of high decision making and confidential bargaining and to escape the traps created by myth and jargon.

Herein lie many difficulties. With so much indirection and manipulation in the structure of transnational power, there is no longer any place for the pomp and ceremony that helped foster the effulgent myths surrounding past empires-no imperial purple, no unifying queen, king, or imperial council, no mass religion or ideology to fire the emotions of dependent masses. Hence the symbolic trappings of past empires must be replaced by smaller mystifications that at least have the merit of helping maintain the self-respect and motivations of the elites at the middle and lower levels of the national Establishments. Thus the operating rules of modern capitalist empire require ascending rhetoric about economic and social development, human rights, and the self-effacing role of transnational corporations in the promotion of progress and prosperity. The more lies are told, the more important it becomes for the liars to justify themselves by deep moral commitments to high-sounding objectives that mask the pursuit of money and power. The more a country like the United States imports its prosperity from the rest of the world, the more its leaders must dedicate themselves to the sacred ideal of exporting abundance, technology, and civilization to everyone else. The further this myth may be from reality, the more significant it becomes-and the greater the need for academic notables to document its validity by bold assertion and self-styled statistical demonstration. "The might that makes right must be a different right from that of the right arm," the political scientist, Charles Merriam, stated many years ago. "It must be a might deep rooted in emotion, embedded in feelings and aspirations, in morality, in sage maxims, in forms of rationalization . . . ~, 30

Thus, in 1975 and 1976, while the long right arm of the American presidency was supporting bloody dictatorships in Chile, Brazil, Indochina, and Iran (to mention but a few), Daniel P. Moynihan, the U.S. ambassador at the United Nations, wrapped himself in the flag of liberty and human rights. His eloquent rhetoric-deeply rooted in emotion and embedded in feelings and aspirations-set a high standard of creative myth-making. At that time, his superiors in Washington failed to realize that Moynihan's approach was, in Walter Laqueur's terms, "not a lofty and impractical endeavor, divorced from the harsh realities of world endeavor, but itself a kind of Realpolitik." Within two years, however, the next president, Jimmy Carter, seized the torch from Moynihan's hand and, without thanks or attribution, set a still higher standard by clothing the might of his cruise missile and neutron bomb in human-rights rhetoric even more deeply rooted in morality, sage maxims, and forms of rationalization.

Domestic myths are the daily bread of the restructured Radical Right and the old-style and new-style conservatives. Many of the ideologies discussed in the last section of this chapter serve not only as cover-ups for concentrated oligarchic power. They provide code words for the more unspoken, mundane myths that define unemployed people as lazy or are brought into being.

unemployable, women, blacks and Hispanics as congenitally inferior to other people. Presidential candidates invariably propagate the myth that Americans are innately superior to the people of other countries and that therefore they have a high destiny to fulfill in the leadership of the world's forces for peace, freedom, democracy, and-not to be forgotten- private corporate investment and profitability. Trying to flatter the voting public as a whole, they ascribe most of America's difficulties to foreign enemies or a few individuals at home-like Richard Nixon-who have betrayed the national goodness. Not so long ago, General Westmoreland went much further when, to reassure the more naive members of the American officer corps, he soberly declared that "Despite the final failure of the South Vietnamese, the record of the American military of never having lost a war is still intact." 33 With the arrival of friendly fascism, myths like these would no longer be greeted, at least not publicly, with the degree of skepticism they still provoke. Instead, the Establishment would agree that the domestic tranquility afforded by these convenient reassurances qualified them, in contrast to more critical, less comforting diagnoses, as "responsible." As old myths get worn out or new myths punctured, still newer ones (shall we call them "myths of the month"?) are brought into being.

The momentum of jargon would not abate in a friendly fascist society but move steadily ahead with the ever-increasing specialization and subspecialization in every field. New towers of Babel are, and would be, continuously erected throughout the middle and lower levels of the Establishment. Communication among the different towers, however, becomes increasingly difficult. One of the most interesting examples is the accumulation of complex, overlapping, and mystifying jargons devised by the experts in various subdivisions of communications itself (semiotics, semantics, linguistics, content analysis, information theory, telematics, computer programming, etc.), none of whom can communicate very well with all the others. In military affairs, jargon wraps otherwise unpleasant realities in a cloak of scientific objectivity. Thus, "surgical strike," "nuclear exchange," and even the colloquial "nukes" all hide the horrors of atomic warfare. The term "clean bomb" for the new neutron bomb hides the fact that although it may not send much radioactive material into the atmosphere it would kill all human life through radiation in a somewhat limited area; this makes it the dirtiest of all bombs. Similarly, in global economics the jargon of exchange rates and IMF conditions facilitates, while also concealing, the

application of transnational corporate power on Third World countries. The jargon of domestic economics, as I have already shown, hides the crude realities of corporate aggrandizement, inflation, and unemployment behind a dazzling array of technical terms that develop an esprit de corps which unites the various sectors of Establishment economics.

Rising above the major portion of jargon and myth is straight talk, the blunt and unadorned language of who gets what, when and how. If money talks, as it is said, then power whispers. The language of both power and money is spoken in hushed whispers at tax-deductible luncheons or drinking hours at the plushiest clubs and bars or in the well-shrouded secrecy of executive suites and boardrooms. Straight talk is never again to be recorded on Nixon-style tapes or in any memoranda that are not soon routed to the paper shredders.

As one myth succeeds another and as new forms of jargon are invented, straight talk becomes increasingly important. Particularly at the higher levels of the Establishment it is essential to deal frankly with the genuine nature of imperial alternatives and specific challenges. But the emerging precondition for imperial straight talk is secrecy. Back in 1955, Henry Kissinger might publicly refer to "our primary task of dividing the USSR and China." * By the time the American presidency was making progress in this task, not only Kissinger but the bulk of foreign affairs specialists had learned the virtues of prior restraint and had carefully refrained from dealing with the subject so openly. It may be presumed that after the publication of *The Crisis in Democracy*, Samuel Huntington learned a similar lesson and that consultants to the Trilateral Commission will never again break the Establishment's taboos by publicly calling for less democracy. Nor is it likely that in discussing human rights the American president will talk openly on the rights and privileges of American-based transnationals in other countries. Nor am I at all sure that realists like Irving Kristol, Raymond Aron, George Liska, and James Burnham will continue to be appreciated if they persist in writing boldly about the new American empire and its responsibilities. Although their "empire" is diligently distinguished from "imperialism," it will never be allowed to enter official discourse.

For imperial straight talk to mature, communication must be thoroughly protected from public scrutiny. Top elites must not only meet together frequently; they must have opportunities to work, play, and relax together for long periods of time.

Also, people from other countries must be brought into this process; otherwise there is no way to avoid the obvious misunderstandings that develop when people from different cultural backgrounds engage in efforts

at genuine communication. If the elites of other countries must learn English (as they have long been doing), it is also imperative for American elites to become much more fluent in other tongues than they have ever been in the past. In any language there are niceties of expression-particularly with respect to money and power-that are always lost or diluted if translated into another language. With or without the help of interpreters, it will be essential that serious analysis, confidential exchanges, and secret understandings be multilingual. Thus, whether American leadership matures or obsolesces, expands or contracts, English can no longer be the lingua franca of modern empire. The control of "Fortress America" would require reasonable fluency in Spanish by many top elites (although not necessarily by presidents and first ladies). Trilateral Empire, in turn, imposes more challenging-but not insuperable- linguistic burdens.

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Daniel Fusfield

"There is a subtle three-way trade-off between escalating unemployment together with other unresolved social problems, rising taxes, and inflation. In practice, the corporate state has bought all three."

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What will daily life be like under friendly fascism?

In answering this question I think immediately of Robert Theobald's frog: "Frogs will permit themselves to be boiled to death. If the temperature of the water in which the frog is sitting is slowly raised, the frog does not become aware of its danger until it is too late to do anything about it."

Although I am not sure it can ever be too late to fight oppression, the moral of the frog story is clear: as friendly fascism emerges, the conditions of daily life for most people move from bad to worse-and for many people all the way to Irving Kristol's "worst."

To Fوسفeld's trio of more unemployment, taxes, and inflation, however, we must also add a decline in social services and a rise in shortages, waste and pollution, nuclear poison and junk. These are the consequences of corporate America's huge investment in the ideology of popular sacrifice and in the ``hard times" policies that have US "pull in the belts" to help THEM in efforts to expand power, privilege, and wealth.

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Slogan of the Medici family

"Money to get power, power to protect money."

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Capital has always been a form of power. As physical wealth (whether land, machinery, buildings, materials, or energy resources), capital is productive power. As money, it is purchasing power, the ability to get whatever may be exchanged for it. The ownership of property is the power of control over its use. In turn, the power of wealth, money, and ownership has always required both protection and encouragement through many other forms of power. Businessmen have never needed theorists to tell them about the connection. It has taken economic theorists more than a century to develop the pretense that money and power are separate. Indeed, while Establishment militarists persistently exaggerate the real power of destructive violence, the same Establishment's economic policymakers increasingly present destructive economic policies as though they have no connection with power.

The vehicle for doing this is becoming the so-called "tradeoff" policy. The more conservative Establishment notables argue that the way to fight inflation is to curtail growth, even though the inescapable side effect is recession and higher unemployment. Their more liberal colleagues politely beg to differ, arguing that the way to cope with unemployment is to "reflate" the economy. For scientific support, both sides habitually refer to a curve developed by A. W. Phillips on the relation between unemployment and changing money rates in England from 1861 to 1957. Giving modern support to part of Karl Marx's theory on the "reserve army of the unemployed," Phillips showed that when more people were jobless, there was less chance of an increase in money wage rates. Phillips also made a sharp distinction between wages and prices, mentioning prices only to point out in passing that a wage increase does not by itself require a proportionate increase in prices. On this side of the Atlantic, Paul Samuelson and various colleagues applied Phillips's curve to prices instead of wages, and hiding their biases behind Phillips's data, developed the current tradeoff theory.

In its more virulent form at the beginning of the 1980s, this theory means the following: Recession is needed to bring the rate of inflation down below the double-digit level-that is, to less than 10 percent. The most naive backers of the theory suggest that once this is done, the "back of inflation will be broken," inflationary expectations will be buried, never to rise again, and the country can return to the good old days of Lyndon Johnson and Richard Nixon.

Many liberal opponents of this theory, in turn, accept on good faith the credentials of the self-styled inflation fighters. Apparently operating on the premise that economic policymaking is a technical exercise in puzzlesolving, they argue that the conservatives are simply mistaken in their understanding

of economic behavior, and in failing to see that untold millions may be injured by pro-recession policies. In my judgment, however, the liberals who take this view fail to understand or face up to the nature of Establishment power.

In a world of many divergent objectives that must be reconciled with each other, the leaders of any Establishment are continuously engaged in complex juggling acts. Whether developing global investment policies or apportioning economic or military aid around the world, everything cannot be done at the same time. Above all, in planning for corporate profitability, compromises must continuously be made. Profitability in one area is often accompanied by unavoidable losses in another. Short-term profits must often be sacrificed in the interest of the greater profitability that can come only from the fruition of long-term investment programs. Above all, the maintenance or strengthening of the power to protect future profitability often requires the sacrifice of some present, even future, profits. Neither market power nor the political power supporting it are free goods. They too cost money-and in periods of stagflation they tend to cost more money than before.

Toward the end of 1979, more than 100 corporate executives attended a meeting of the Business Council at Hot Springs, Virginia. Almost to a man, they enthusiastically supported the recessionary policies of the Federal Reserve Board and the Treasury. "The sooner we suffer the pain," stated Irving S. Shapiro, chairman of Du Pont, "the sooner we will be through. I'm quite prepared to endure whatever pain I have to in the short term." Steven Rattner, the reporter for The New York Times, pointed out that signs of suffering were nowhere in sight: "The long black limousines and private jet planes were still evident in abundance." Rattner also suggested that Shapiro was apparently referring not to any loss in his personal income but rather to the "pain" that might be inflicted on Du Pont's profits.

How much profit a company like Du Pont might lose in the short run is a matter of conjecture. Unlike American workers, a giant corporation can engage in fancy tax-juggling that pushes its losses on to ordinary taxpayers. Unlike middle-class people, the Ultra-Rich billionaires and centimillionaires can shift the costs of recession or social expenditures to the lowly millionaires, who in turn can pass them along to the middle classes. Above all, the hyenas of economic life can get theirs from recession as well as inflation.

Any serious effort to control stagflation either its recession side or its inflation side-would require serious limitations on both Big Business and the support given to it by Big Government. Any such limitations, in turn, would have to be backed up by anti-Establishment coalition including, but not

limited to, organized labor. The other side of this coin may now be seen in stark clarity: The price of preventing any such coalition and of preserving, if not expanding, Establishment power, is to choose continuing stagnation as the price that must be paid to protect future profitability. The real tradeoff by the big-time traders is not between price stability and high employment. Rather, it is the sacrifice of both in order to curtail union power, dampen rising aspirations among the population at large, and take advantage of both inflationary windfalls and recessionary bargains.

Indeed, not only the U.S. Establishment but the Golden International as a whole has in practice accepted the realities of continuing stagflation (with whatever ups and down may materialize in the proportions of combined inflation and unemployment) as the new economic order of the "Free World." This has long been the operating doctrine of the International Monetary Fund in Third World countries. It is now emerging as a doctrinal strategy for the 1980s in the entire First World.

In the 1960s and early 1970s no one ever dreamed that Americans could become accustomed to levels of either inflation or official unemployment as high as 6 or 7 percent a year. As the Big Business-Big Government partnership becomes closer, the levels previously regarded as unacceptable will-like the hot water to which a frog has become accustomed-be regarded not only as normal but as objectives of official policy. Indeed, 8 percent unemployment is already being regarded as full employment and 8 percent inflation as price stability. Under the emerging triplespeak-in a manner reminding us of "War Is Peace" and "Freedom Is Slavery" in Orwell's 1984-the norm for unemployment could reach and the norm for inflation far exceed the double-digit level of ten apiece. When the two are added together, this provides what I call a "limited misery index"-limited because no similar arithmetic value can be given to such things as job insecurity, crime, pollution, alienation, and junk. The so-called "tradeoff" theory merely tells us that either of the two elements in the index may go down a little as the other one goes up. What the tradeoffers fail to point out is that despite fluctuations the long-term trend of the two together is upward. Thus in the opening months of the 1980s, even without correcting for the official underestimation of unemployment, the limited misery index approached 20. Under friendly fascism it would move toward 30....

MORE MONEY MOVING UPWARD

As the limited misery index creeps or spurts ahead, a spiraling series of cure-alls are brought forth from the Establishment's medicine chest. Logically, each one leads toward the others. Together, apart from anyone's intentions, the medicines make the malady worse.

To cure inflation, interest rates are raised. This cannot be done by bankers alone. Intervention by central banks, acting on their behalf, is necessary. This results in a quick upward movement in prices and a further increase in government spending on new debt service. The companion step is to cut government spending on most social services- education, health, streetcleaning, fire and police protection, libraries, employment projects, etc. The deepest cuts are made in the lowest income areas, where the misery is the sharpest and political resistance tends to be less organized.

To cure stagnation or recession, there are two patent medicines. The first is more Big Welfare for Big Business-through more reductions in capital gains taxes, lower taxes on corporations and the rich, more tax shelters, and, locally, more tax abatement for luxury housing and office buildings. These generous welfare payments are justified in the name of growthmanship and productivity. Little attention is given to the fact that the major growth sought is in profitability, an objective mentioned only by a few ultra-Right conservatives who still believe in straight talk. Less attention is given to the fact that the productivity sought is defined essentially as resulting from investment in capital-intensive machinery and technology that displace labor and require more fossil fuels. The second patent medicine, justified in terms of national emergencies with only sotto voce reference to its implications for maintaining employment, is more spending on death machines and war forces. This, in turn, spurs the growth of the federal deficit.

To keep the deficit within limits and provide enough leeway for alleviation of the worst cuts in social services, higher taxes are required. This is done by a hidden national sales tax. The preparations for this have already been made by preliminary legislative action toward the imposition of the so-called Value Added Tax (VAT), already in force in France and England. VAT takes a bite out of every stage of production. At the end of the line, this means higher prices for consumers.... And so the dismal round continues-higher interest rates, cuts in social services, more tax subsidies for Big Business, and higher sales taxes hitting the middle- and lower-income groups.

Over the short run (which may be stretched out longer than some expect), the net effect of this cycle is to move purchasing power upward toward the most privileged people. This compensates in part for the paradox that making money by raising prices reduces the value of the money made. Over the longer run, however, it intensifies the older contradiction of capitalism, namely, that profit maximization undermines the mass purchasing power required for continued profitability.

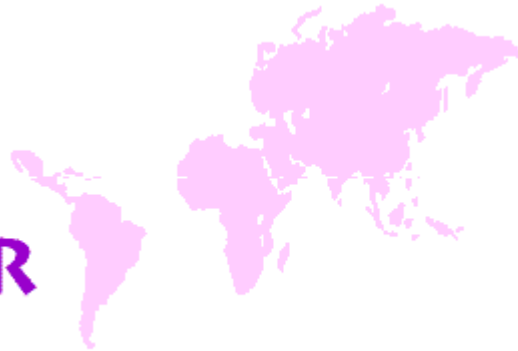
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The major responsibility of corporate executives, so long as they are not

constrained by enforced law, is to maximize their long-term accumulation of capital and power no matter what the cost may be to ... people or physical resources.

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**THIRD
WORLD
TRAVELER**



Subverting Democratic Machinery

excerpted from the book

Friendly Fascism

The New Face of Power in America

by **Bertram Gross**

South End Press, 1980, paper



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Murray B. Levin

"No truly sophisticated proponent of repression would be stupid enough to shatter the facade of democratic institutions. "

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Thomas R. Dye and Harmon Ziegler

"It is the irony of democracy that the responsibility for the survival of liberal democratic values depends on elites, not masses."

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In the constitutional democracies, capitalist establishments have tended to use the democratic machinery as a device for sidetracking opposition, incorporating serious opponents into the junior and contingent ranks, and providing the information-the ``feedback"- on the trouble spots that required quick attention. As pressures were exerted from below, the leaders of these establishments consistently-in the words of Yvonne Karp's commentary on the British ruling elites-"allowed concessions to be wrung from them, ostensibly against their will but clearly in their own long term interests." Eleanor Marx, Karl Marx's youngest daughter, described their strategy (often opposed by the more backward corporate types) in these pungent words: ``to give a little in order to gain a lot." Throughout the First World the Ultra-Rich and the Corporate Overseers have been in a better position than anyone else to use the democratic machinery. They have the money that is required for electoral campaigns, legislative lobbying, and judicial suits. They have enormous- technical expertise at their beck and call. They have staying power.

Hence it is-as Dye, Ziegler, and a host of political scientists have demonstrated-that the upper-class elites of America have the greatest attachment to constitutional democracy. They are the abiding activists in the use of electoral, legislative, and judicial machinery at all levels of government. It is their baby. Ordinary people-called the masses by Dye and Ziegler-tend to share this perception. The democratic machinery belongs to them, "the powers that be," not to ordinary people. It is not their baby.

What will happen if more ordinary people should try to take over this baby and actually begin to make it their own? How would the elites respond if the masses began to ask the elites to give much more and gain much less-particularly when, under conditions of capitalist stagflation and shrinking world power, the elites have less to give. Some radical commentators claim that the powers that be would use their power to follow the example of the

classic fascists and destroy the democratic machinery. I agree with Murray Levin that this would be stupid. I see it also as highly unlikely. No First World Establishment is going to shatter machinery that, with a certain amount of tinkering and a little bit of luck, can be profitably converted into a sophisticated instrument of repression.

Indeed, the tinkering has already started. Some of it is being undertaken by people for whom the Constitution is merely a scrap of paper, a set of judicial decisions, and a repository of rhetoric and precedents to be used by their high-paid lawyers and public relations people. Some of it is being perpetrated by presidents and others who have taken formal oaths to "preserve, protect and defend the Constitution of the United States." Sometimes knowingly, often unwittingly, both types of people will spare no pains in preserving those parts of the written or unwritten constitution that protect the rights of "corporate persons" while undermining, attacking, or perverting those parts of the Constitution that promote the welfare and liberties of the great majority of all other persons.

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Although there have always been ups and downs in the relationship between the president, the Congress and the Supreme Court, the general tendency has been toward a strengthening of the presidential network. This is particularly true in foreign affairs.

Strangely, the first step toward greater domination of the Congress and the courts is to achieve greater mastery of the bureaucracy. This means tighter control of all appointments, including the review by White House staff of subordinate-level appointments in the various departments. It means tighter control of the federal budget, with traditional budgetary control expanded to include both policy review and efficiency analysis. In his effort to master the bureaucracy, President Nixon and his aides went very far in subjecting various officials to quasi-legal wiretaps. President Carter broke new ground by having his economic advisers review the decisions of regulatory agencies that impose on corporations the small additional costs of environmental or consumer protection. Both presidents used their close associations with big-business lobbyists to bring recalcitrant bureaucrats into line and to see to it that they follow the "president's program" in dealing with the Congress or the courts.

Throughout American history wags have suggested that the U.S. Congress has been the best that money could buy. This joke expresses popular wisdom on how far big money can go in "owning" or "renting" members of the House and the Senate. In the present era of megabuck money, however, the old wisdom is out of date. With enough attention to "congressional reform" and

the cost-effectiveness of campaign and lobbying expenditures, the top elites of the modern Establishment could buy a "much better" Congress.

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Every major group at the Establishment's highest levels already has avant garde representatives, proponents, and defenders among the members, committees and subcommittees of Congress. Thus at some date, earlier or later, we may expect new investigatory committees of Congress working closely with the major intelligence and police networks and handling their blacklists more professionally than those developed during the days of Joseph McCarthy. We may expect special investigations of monopoly, transnational corporations, international trade, education, science and technology, civil liberties, and freedom of the press. But instead of being controlled by unreliable liberal reformers, they would be initiated and dominated by a new breed of professional "technopols" dedicated to the strengthening of oligarchic corporations, providing greater subsidization of the supranationals, strengthening the international capitalist market, filling "gaps" in military science and technology, extending the conformist aspects of the educational system, routinizing police-state restraints on civil liberties, and engineering the restraint of the press by judicial action. A small idea of what is involved here is provided by Professor Alexander Bickel's 1971 brief before the Supreme Court in the case of the Justice Department's effort to prevent publication of the famous "Pentagon Papers." The Yale University law professor proposed the establishment of clear guidelines for prior restraint of the press by the executive branch. Here is a challenging task for imaginative lawyers -particularly if they work for strategically placed members of Congress eager to find a loophole in the old Constitutional proviso against the making of laws that abridge the freedom of the press.

In the winter of 1936, "the most liberal four members of the Supreme Court resigned and were replaced by surprisingly unknown lawyers who called President Windrip by his first name." This is part of how Sinclair Lewis-in his book It Can't Happen Here-projected his vision of how "it" could suddenly happen here.

Though a new "it" would happen more slowly, a decisive group of four or more justices can still be placed on the Court by sequential appointment during the slow trip down the road to serfdom. During this trip the black-robed defenders of the Constitution would promote the toughening of federal criminal law. They would offer judicial support for electronic surveillance, "no-knock entry," preventive detention, the suspension of habeas corpus, the validation of mass arrests, the protection of the country against "criminals and foreign agents," and the maintenance of "law and order." The Court would at first be activist, aggressively reversing previous Court decisions and

legitimizing vastly greater discretion by the expanding national police complex. Subsequently, it would probably revert to the older tradition of stare decisis-that is, standing by precedents. The result would be the elimination of opportunities for juridical self-defense by individuals and dissident organizations while maintaining orderly judicial review of major conflicts among components of the oligarchy and the technostructure.

If this slow process of subverting constitutional freedoms should engender protest, the Men in Black may well respond with judicial jiu-jitsu. The administrative reform and reorganization of the judicial system, for example, is needed to overcome backlogs of cases and provide speedier trials. It would require the consolidation of the judicial system, the development of merit systems for judicial employees, the raising of judicial salaries, and stricter standards for outlawing "objectionable" lawyers, all of which poses ample opportunity for undermining legal protection in the name of reform or efficiency.

Judicial approval of new functions for grand juries serves as another example. Historically, federal grand juries were created as a bulwark against the misuse of executive authority. The Fifth Amendment states that a person should not be tried for a serious crime without first being indicted by a grand jury. Thus, a prosecuting attorney's charges would not be sufficient-at least not until upheld by a specially selected jury operating in secret sessions. Historically, grand juries have been widely used to investigate charges of corruption in local government. More recently, they have been set up to investigate political cases under federal criminal laws dealing with subversion and the draft. There have been times when at least twelve federal grand juries were operating simultaneously and using their subpoena power vigorously. Collectively, these may be regarded as "trial runs" which a Supreme Court on the road to friendly fascism would perfect with decisions upholding the wide use of subpoena power by the grand juries and the denial of transcripts to witnesses.

The strong point of a friendly fascist grand jury system is the "Star Chamber" secrecy that could be made operational throughout the fifty states. But this should not obscure the contrapuntal value of a few highly publicized trials. A grand jury indictment can do more than merely set the stage for a showcase trial. It can sort out conflicting evidence in such a way as to induce a self-defeating defense. This can be much more effective than the elaborately contrived "confessions" developed by the Russian secret police in the many purges of Old Bolsheviks. Shrewd and technically expert legal strategies could crucify opponents without allowing them-dead or alive-to be converted into martyrs.

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Gary Wills

"If a nation wishes, it can have both free elections and slavery."

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President Richard M. Nixon

"The average American is just like the child in the family."

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If friendly fascism arrives in America, the faceless oligarchy would have little or nothing to gain from a single-party system. Neither an elitist party along Bolshevik lines nor a larger mass party like the Nazis would be necessary. With certain adjustments the existing "two party plus" system could be adapted to perform the necessary functions.

The first function would be to legitimate the new system. With all increases in domestic repression, no matter how slow or indirect, reassurance would be needed for both middle classes and masses. Even in the past, national elections have provided what Murray Edelman has described as "symbolic reassurance." According to Edelman, elections serve to "quiet resentments and doubts about particular political acts, reaffirm belief in the fundamental rationality and democratic character of the system, and thus fix conforming habits of future behavior."

Second, political-party competition would serve as a buffer protecting faceless oligarchs from direct attack. This would not merely be a matter of politics-as when the slogan of "ballots not bullets" is used to encourage the alienated to take part in electoral processes. It would be a question of objectives. The more that people are encouraged to "throw the rascals out," the more their attention is diverted from other rascals that are not up for election: the leaders of macrobusiness, the ultra-rich, and the industrial-military-police-communications-health-welfare complex. Protests channeled completely into electoral processes tend to be narrowed down, filtered, sterilized, and simplified so that they challenge neither empire nor oligarchy.

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In their march to power in Germany, Italy, and Japan, the classic fascists were not stupid enough to concentrate on subverting democratic machinery alone. They aimed their main attack, rather, against the nongovernment organizations most active in using and improving that machinery; namely, the labor movement and the political parties rooted in it. In Germany, where these organizations seemed immensely powerful, many German leaders thought that even with Adolf Hitler as chancellor, fascism could make little headway. They underestimated the Nazis and their Big Business backers. "All

at once," observed Karl Polanyi, the historian, "the tremendous industrial and political organizations of labor and other devoted upholders of constitutional freedom would melt away, and minute fascist forces would brush aside what seemed until then the overwhelming strength of democratic governments, parties and trade unions."

In most First World democracies a slow meltdown has already started. As I pointed out in "The Take-Off toward a New Corporate Society", conglomerate or transnational corporations expand beyond the scope of any labor unions yet invented. In the more narrow spheres where labor organization is well established, the unions have usually been absorbed into the Establishment's junior and contingent levels, often becoming instruments for disciplining workers. As the work force has become more educated, sophisticated, and professionalized, many labor leaders have become stuffy bureaucrats, unable to communicate with their members, and terrified at the thought of widespread worker participation in the conduct of union affairs. Some of them have been open practitioners of racism, sexism, and ageism. The media have done their bit by exaggerating the power of organized labor and the extent of labor union racketeering and corruption. The new class of conservative intellectuals, in turn, has launched devastating attacks on labor unions as interferences with the "free market" and as the real villains behind high prices and low productivity. All these factors have contributed to a major loosening of the ties between organized labor and the intellectuals, ties that are quickly replaced by grants, contracts, and favors from foundations and government agencies.

In the Third World countries of dependent fascism, antilabor activity has become much more blatant. There the response to trade unions is vigorous resort to the old-time methods used in Western Europe and America during the nineteenth century: armed union-busters, police and military intervention, machine guns, large-scale arrests, torture, even assassination. In countries like Argentina, Chile, Brazil, South Korea, Taiwan, the Philippines, Zaire, and many others, these measures have proved decisive in attracting transnational investment and keeping wages down. They have also helped beat back the forces of socialism and communism in these countries.

Although First World establishments have generally supported (and often braintrusted) this kind of action in the Third World, I do not foresee them resorting to the same strategies at home. The logic of friendly fascism calls, rather, for a slow and gradual melting away of organized labor and its political influence.

At the outset of the 1980s, major steps in this direction are already under way in the United States. They are being worked out by an impressive array of in-house labor relations staffs in the larger corporations and of out-house consulting firms made up of superslick lawyers, personnel psychologists, and specialists in the conduct of anti-union campaigns. The efforts of these groups are backed up by sectoral, regional, and national trade associations, the U.S. Chamber of Commerce, the National Association of Manufacturers, the Business Roundtable, and a long series of "objective" studies commissioned either by these groups or the new "think tanks" of the Radical Right.

The heat for the meltdown is applied on four major fronts. First, the union-busters operate on the principle of containing labor organization to those places where unions already exist. This requires strenuous efforts to preserve a "union-free environment" in the South, in small towns, and among white-collar, technical, and migratory workers. When efforts are made to extend unionism into one of these areas, the union-busters come in to help the managers conduct psychological warfare. Often, the core of such a campaign is "the mobilization of supervisors as an anti-union organizing committee." Each supervisor may be asked to report back to a consultant, often daily, about the reactions of employees. There may be as many as twenty to twenty-five meetings with each employee during a union campaign. In one successful campaign at Saint Elizabeth's hospital outside of Boston, according to Debra Hauser, the methods used included the discriminatory suspension or firing of five union activists; surveillance, isolation, interrogation and harassment of other pro-union employees; and misrepresentation of the collective bargaining process by top management. "This resulted in the creation of an atmosphere of hysteria in the hospital."

A second front is the dissolution of unions already in operation. Construction companies have found that this can be done by "double-breasting"-that is, by dividing into two parts, one operating under an existing union contract and the other part employing nonunion labor. The unions themselves can be dissolved through "decertification," a legal process whereby the workers can oust a union that already represents them. Under the National Labor Relations Law, management cannot directly initiate a decertification petition. But managers have learned how to circumvent the law and have such petitions filed "spontaneously" by employees. They have also learned how to set the stage for deunionization by forcing unions out on strikes that turn out to be destructively costly to both the unions and their members.

The third front is labor legislation. In many states the business lobbies have obtained legislation which-under the label of "right-to-work" laws -make union shops or closed shops illegal. Nationally, they are trying to repeal the

Davis-Bacon Act (which maintains prevailing union wage rates on government-sponsored construction) and impose greater restrictions on peaceful picketing.

Fourth, the most generalized heat is that which is applied by the austerity squeeze of general economic policies. This heat is hottest in the public employment area, particularly among teachers and other municipal or state workers where unionization has tended to increase during recent years.

As a result of all these measures, the labor movement in America has failed to keep up with population growth. Union membership in 1980 covered about 22 million employees. Although this figure is larger than that of any past year, it represents a 3 percent decline from 1970, when union members accounted for 25 percent of non-farm employment.

This slow melting away of labor's organized force has not been a free lunch. It has cost money-lots of it.

But the consequences have also been large: a reduction in the relative power of organized labor vis-a-vis organized business. Anybody who thinks this reduction is felt only at the bargaining table would be making a serious error. Its consequences have been extremely widespread.

For one thing, the morale, crusading spirit, and reformist fervor has itself tended to dissipate within many, if not most, branches of the labor movement. Dedication toward the extension of democracy has often been replaced by cynical inactivism. This has been felt by all the many agencies of government that have traditionally looked to labor for support in the extension and improvement of government services in health, education, welfare, housing, environmental protection, and mass transportation. It has been felt by all candidates for public office, for whom labor support now means much less than in previous years. Above all, the weakening of the labor movement has been one of the many factors in the sharp conservative drift within the Democratic party. This drift reinforces the widespread idea that there is little likelihood of serious disagreement on major issues of policy between the two major parties. The continuation of this drift would be one of the most important factors in brushing aside what might still seem to some as the overwhelming strength of America's democratic machinery.

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Ferdinand Lundberg

"If the new military elite is anything like the old one, it would, in any great crisis, tend to side with the Old Order and defend the status quo, if

necessary, by force. In the words of the standard police bulletin known to all radio listeners, "These men are armed -and they may be dangerous."

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Edward Luttwak

"A coup consists of the infiltration of a small but critical segment of the state apparatus, which is then used to displace the government from its control of the remainder."

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Capitalist democracy has often been described as a poker game in which the wealthiest players usually win most of the pots and the poor players pick up some occasional spare change.

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... a first principle of any replacement coup in the First World is that the replacers operate in the name of "law and order" and appear as the defenders of the Constitution against others eager to use force against it. Something along these lines happened in Japan back in 1936 when a section of the army staged a short-lived revolt against the "old ruling cliques." The defeat of this "fascism from below," as Japanese historian Masao Maruyama points out, facilitated "fascism from above," respectable fascism on the part of the old ruling cliques. In modern America, much more than in Japan of the 1930s, the cloak of respectability is indispensable. Thus a "feint" coup by Know Nothing rightists or a wild outburst of violence by left-wing extremists could be effectively countered by the military establishment itself, which, in defending the Constitution, could take the White House itself under protective custody.

A preventive coup is more sophisticated; it avoids the replacement coup's inherent difficulties by keeping an undesirable regime-after it has been elected-from taking power. Edward Luttwak, author of the first general handbook on how to carry out a coup, has himself published an excruciatingly specific application: "Scenario for a Military Coup d'Etat in the United States." He portrays a seven-year period-1970 through 1976-in which as a result of mounting fragmentation and alienation, America's middle classes become increasingly indifferent to the preservation of the formal Constitution. Under these circumstances two new organizations for restoring order are formed. With blue-ribbon financial support, the Council for an Honorable Peace (CHOP) forms branches in every state. The Urban Security Command (USECO) is set up in the Pentagon. CHOP prepares two nationwide plans: Hard Surface, to organize right-wing extremists, and Plan R for Reconstruction, based on the principle that "within the present rules of the political game, no solution to the country's predicament can be found." Then,

during the 1976 election campaign the Republican candidate is exposed by a former employee as having used his previous senatorial position for personal gain. With a very low turnout at the polls, the Democratic candidate easily wins. Thus "an essentially right-of-center country is now about to acquire a basically left-of-center administration." Immediately after election day, CHOP and USECO put into effect Plan Yellow, the military side of Plan R. By January 4, 1977, the new regime is in power.

A still more sophisticated form of preventive coup would be one designed to prevent the formal election of a left-of-center administration. In the event that the normal nominating processes fail to do this, any number of scenarios are possible before election day: character defamation, sickness, accidental injury, assassination. If none of these are feasible, the election itself can be constitutionally prevented. Urban riots in a few large central cities such as New York, Newark, and Detroit could lead to patrolling of these areas by the National Guard and Army. Under conditions of martial law and curfews during the last week of October and the first week of November large numbers of black voters would be sure to be kept from the polls. With this prospect before them many black leaders, liberals, and Democratic officials would ask for a temporary postponement of elections in order to protect the constitutional right to vote. Since there is no constitutional requirement that voting in national elections be held on the same day throughout the country, there might well be a temporary postponement in New York, New Jersey, and Michigan. The political leaders of these states, in fact, would soon see that postponement puts them in a remarkably influential bargaining position. After voting results are already in from all other states, the voting in their states would probably determine the election's outcome. Party leaders in Illinois and California would then seek postponement also. To restore equilibrium, elections could then be postponed in many other states, perhaps all of them. Tremendous confusion would thus be created, with many appeals in both state and federal courts-and various appeals to the Supreme Court anticipated. In short order Article II, Section 3 of the Constitution would come into effect. Under this provision the Congress itself declares "who shall then act as President" until new provisions for election are worked out by the Congress. If major differences prevent the Congress from making all these decisions, the stage is then set for the kind of regime described by Luttwak under a name such as The Emergency Administration for Constitutional Health (TEACH). In treating Americans like children in the family, the "Teachers" would not spoil the child by sparing the rod.

The best form of prevention, however, is a consolidation coup, using illegal and unconstitutional means of strengthening oligarchic control of Society. This is the essence of the nightmares in *The Iron Heel* and *It Can't Happen Here*. Both Jack London's *Oligarchy* and Sinclair Lewis' *President Windrip*,

after reaching power through constitutional procedures, used unconstitutional means in consolidating their power. This is rather close to the successful scenarios followed by both Mussolini and Hitler.

If something like this should happen under-or on the road to- friendly fascism, I think it would be much slower. The subversion of constitutional democracy is more likely to occur not through violent and sudden usurpation but rather through the gradual and silent encroachments that would accustom the American people to the destruction of their freedoms.

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Jean-Jacques Rousseau - Emile

"There is no subjugation so perfect as that which keeps the appearance of freedom, for in that way one captures volition itself."

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Information has always been a strategic source of power. From time immemorial the Teacher, the Priest, the Censor, and the Spy have helped despots control subject populations. Under the old-fashioned fascist dictatorships, the Party Propagandist replaced the Priest, and the control of minds through managed information became as important as terrorism, torture, and concentration camps.

With the maturing of a modern capitalism, the managing of information has become a fine art and advancing science. More powerful institutions use world-spanning technologies to collect, store, process, and disseminate information. Some analysts see a countervailing equilibrium among these institutions. While computerized science and technology produce shattering changes, it is felt that the schools and the media tend to preserve the status quo. Actually, all these institutions have been involved in changing the world. Each has played a major role in easing the difficult transition from national to transnational capitalism by winning greater acceptance of manipulation or exploitation-even as it becomes more extensive and intensive - by those subjected to them. Only through managed information can volition itself be captured and, as Rousseau recognized, can minds be so perfectly subjugated as to keep "the appearance of freedom."

Indeed, friendly fascism in the United States is unthinkable without the thorough integration of knowledge, information, and communication complexes into the Establishment. At that point, however, the faceless oligarchy could enjoy unprecedented power over the minds, beliefs, personalities, and behavior of men, women, and children in America and elsewhere. The information overlords, intellectuals, and technicians - sometimes unwillingly. more often unwittingly-would be invaluable change

agents in subverting (without any law of Congress doing it openly) the constitutional freedoms of speech and press.

So much "progress" has already been made in the management of minds that it is hard to distinguish between current accomplishments and future possibilities. The difficulty is compounded by the fact that the best critics of the information industry (like the best analysis of the American power structure) have often exaggerated the damage already done. This is a risk that I too must run, although I should prefer, rather, to understate what has already occurred and-for the sake of warning- overstate the greater terrors that may lie ahead.

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Herbert Schiller

"The content and forms of American communications-the myths and the means of transmitting them-are devoted to manipulation. When successfully employed, as they invariably are, the result is individual passivity, a state of inertia that precludes action. "

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For Hitler, according to Hermann Rauschning, marching was a technique of mobilizing people in order to immobilize them. Apart from the manifest purpose of any specific march (whether to attack domestic enemies or occupy other countries) Hitler's marchers became passive, powerless, non-thinking, non-individuals. The entire information complex -which includes education, research, information services, and information machines as well as communications-has the potential of becoming the functional equivalent of Hitler's march. As I reflect on Hermann Rauschning's analysis of Hitler's use of marching as a means of diverting or killing thought, I feel that it would be no great exaggeration to rewrite one of these sentences with the word "TV" replacing "marching." That gives us this: "TV is the indispensable magic stroke performed in order to accustom the people to a mechanical, quasi-ritualistic activity until it becomes second nature."

As a technique of immobilizing people, marching requires organization and, apart from the outlay costs involved, organized groups are a potential danger. They might march to a different drum or in the wrong direction . . . TV is more effective. It captures many more people than would ever fill the streets by marching-and without interfering with automobile traffic. It includes the very young and the very old, the sick and the insomniac. Above all, while marching brings people together, TV tends to separate them. Even if sitting together in front of the TV, the viewers take part in no cooperative activity. Entirely apart from the content of the messages transmitted, TV tends to fragment still further an already fragmented population. Its

hypnotic effect accustoms "the people to a mechanical, quasi-ritualistic activity until it becomes second nature." And TV training may start as early as toilet training.

Unlike marching, TV viewing can fill huge numbers of hours during both day and night. According to the Statistical Abstract, the average TV set in America is turned on, and viewed, for more than six hours a day, which amounts to over forty-two hours a week. This is much more than the average work week of less than thirty-six hours and still more than the hours anyone spends in school classrooms. Among women, blacks, and poor people generally, the average figure rises to over fifty five hours a week. Televised sports events attract huge numbers of spectators. Widely touted educational programs for children help "hook" children at an early age, thereby legitimating their grooming to become passive viewers all their lives. But it should not be assumed that the more adult, educated, and privileged elements in the population are immune to TV narcosis. The extension of educational TV in general-like "public interest" or "alternative" radio-caters mainly to elite viewers. If this trend continues, even intellectuals and scientists, as pointed out to me by Oliver Gray, a former Hunter College student, may well be trapped into hours upon hours of viewing the cultural heritages of the past, both artistic and scientific.

Many parts of the information complex also serve a custodial function that separate people from the rest of society. This is a form of immobilization that goes far beyond the march.

The hypnotizing effect of TV, both mass and elite, can also be augmented by allied developments in modern information processing and dissemination. For example, the fuller use of cable and satellite technology could do much more than bring TV to areas outside the reach of ordinary broadcasting facilities. It could also provide for a much larger number of channels and a larger variety of programming. This could facilitate the kind of sophisticated, pluralistic programming which appeals to every group in the population. The danger is that an additional layer of "cultural ghettoization" might then be superimposed on residential ghettoization. With extensive control "banks" of TV tapes that can be reached by home dialing and with widespread facilities for taping in the home, almost every individual would get a personalized sequence of information injections at any time of the day-or night.

TV fixes people in front of the tube in their own houses, without a marginal cent of additional social overhead to cover the cost of special buildings. The young people who walk the streets with transistor radios in their hands, or even with earphones on their heads, are imprisoned in their own bodies. During the 1967-74 period of the Greek junta, the number of TV receivers

and viewers in Greece steadily rose-much more rapidly than the number of people released from jails in recurring amnesties. By the time the junta was replaced by a conservative civilian government and all the political prisoners were let free, TV sets were already being installed in the bars of Athens and the coffee houses of village Greece. In America meanwhile TV sets have been installed, as a reinforcement of the custodial functions, not only in jails and hospitals but also in nursing homes for the aged. One of the reasons why nursing homes are an important growth industry for the 1980s is the fact that TV, radio, and tapes provide the "indispensable magic stroke" needed to accustom older people to acceptance of life in a segregated warehouse.

According to Arthur R. Miller, TV teaching programs, entirely apart from their content, "anesthetize the sensitivity and awareness" of students, no matter what their age. This paraphrase of Arthur Miller's comment

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Adolf Hitler

"Through clever and constant application of propaganda, people can be made to see paradise as hell, and also the other way around to consider the most wretched sort of life as paradise. "

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"You may fool all of the people some of the time; you can even fool some of the people all of the time," said Abraham Lincoln, "but you can't fool all of the people all of the time." Yet Lincoln's famous statement antedates the modern-day information complex and its potentialities for service to modern capitalism. Hitler's boast about what he could do with "the clever and constant application of propaganda" is also outdated -so too, his more quoted statements that big lies are more easily believed than small ones. Improvements in the art of lying have kept up with advances in communication hardware. The mass-consumption economy of transnational capitalism requires the ingenious invention of impressively (sometimes even artistically) presented myths to disguise the realities of capitalist exploitation. In the misleading advertisements of consumers goods the arts of professional lying are technically referred to as "puffery . . . the dramatic extension of a claim area." With the rapid extension of puffery to include all aspects of politics and institutional advertising, it is not too hard to visualize the faceless oligarchs as managing to fool most of the people (including some of themselves and more of their professional aides) most of the time.

The size of lies varies immensely with the directness or indirectness of propaganda. Thus advertising in the mass media deals mainly with small lies projected into the minds of millions of viewers, listeners, and readers. The truly big lies are those that create the myths of what George Gerbner calls

the "symbolic environment." 6 These myths penetrate the innermost recesses of consciousness and effect the basic values, attitudes, and beliefs- and eventually volition and action themselves- of viewers, listeners, and readers. Herbert Schiller analyzes five of the myths, which in his judgment have represented the media's greatest manipulative triumphs of the past: (1) the myth of individualism and personal choice; (2) the myth that key social institutions are neutral instead of serving concentrated wealth and power; (3) the myth that human nature does not change, despite the mythmakers' successes in helping to change it; (4) the myth of the absence of serious social conflict; and (5) the myth of media pluralism..

Of making myths there is no end. In an era of friendly fascist "triplespeak," the imagery of major myths must constantly be updated, and one obvious technique in both mass and elite media is "take over the symbols of all opposition groups." Peace, equality, black power, women's rights, the Constitution, for example, may become prominent in the sloganry justifying increased armament, oligarchic wealth, institutionalized white and male supremacy, and the subversion of constitutional rights. The thin veneer of Charles Reich's *Consciousness Three* could become a useful facade to adorn the evolution of his *Consciousness Two* into a more highly developed technocratic ideology. Under friendly fascism, one could expect the shameless acceptance of a principle already cynically tolerated in advertising: "Exploit the most basic symbols of human needs, human kindness, and human feeling." For those hardened to such appeals, there would be a complementary principle: "Make plentiful use of scientific and technical jargon."

Of course, not even the most skillful of media messengers can juggle their imagery so as to avoid all credibility gaps. In this sense, Lincoln was right: at least some of the people some of the time will be aware that someone is trying-very hard-to fool them. But it is wishful thinking to assume that these failures in mind management will necessarily have a positive outcome. Unfortunately even credibility gaps can be functional in the maintenance of a nondemocratic system. They may deepen the sense of cynicism, hopelessness, and alienation. A barrage of mythmaking can create a world of both passive acquiescence and of little real belief or trust. In such a world, serious opponents of friendly fascism would have but a slight chance of winning a hearing or keeping anyone's allegiance.

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Aldous Huxley

"Hitler's vast propaganda successes were accomplished with little more than the radio and loudspeaker, and without TV and tape and video recording . . . Today the art of mind control is in the process of becoming a science."

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Fred Friendly head of CBS news

... pointed out that CBS was in business to make money and that informing the public was secondary to keeping on good terms with advertisers.

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In George Orwell's 1984 Winston Smith and his fellow bureaucrats in the Ministry of Truth labored diligently to rewrite past history. Under friendly fascism, in contrast, skillful technicians and artists at scattered points in the information complex will create current history through highly selective and slanted reporting of current events. Like self-regulation of business, self-censorship is the first line of defense. "Prior restraint" is more effective when part of volition itself, rather than when imposed by courts or other outside agencies.

Under friendly fascism the biggest secrets would no longer be in the thriller-story areas of old-fashioned espionage, military technology, and battle plans. Nor would there be little if any censorship-even among America's more prudish partners in the dependent fascist regimes of Brazil, Chile, Pakistan or Indonesia-of visual or written portrayals of frontal nudity and sexual intercourse. The primary blackout would be on any frontal scrutiny of the faceless oligarchs themselves and their exploitative intercourse with the rest of the world. It would not be enough to divert attention toward celebrities, scandals, and exposes at lower and middle levels of power, or new theories exaggerating the influence of knowledge elites, technicians, labor unions, and other minor pressure groups. Neither scholars, reporters, congressional committees, nor government statisticians would be allowed access to the internal accounts of conglomerates and transnationals. Whenever such information would be compiled, it would be done on the basis of misleading definitions that underestimate wealth, profit, and all the intricate operations necessary for serious capital accumulation. As already indicated, "straight talk" must never be recorded in any form, and, if recorded, must be promptly destroyed. Recurring clampdowns by "plumbers' groups" would also enforce established procedures for official leaks to favorite reporters or scholars. At present, information on corporate corruption at the higher levels is played down in both the mass and elite media. Under friendly fascism, while the same activities would take place on a larger scale, they would be protected by double cover-on the one hand, their legalization by a more acquiescent and cooperative state, and, on the other hand, the suppression of news on any such operations that have not yet been legalized.

The whole process would be facilitated by the integration of the media into the broader structure of big business. Thanks to the recurrent shakeups, quasi-independent newspapers and publishing houses would become parts

of transnational conglomerates, a trend already well under way. To make a little more money by exposing how the system works, bringing its secrets to light, or criticizing basic policies (as in the case of this book's publication) would no longer be tolerated. Dissident commentators would be eased out, kicked upstairs, or channeled into harmless activities. "Prior restraint" would be exercised through the mutual adjustments among executives who know how to "go along and get along."

Although "actualities" have thus far been used mainly in political campaigns, it seems likely that in the transition to a new corporate society they will become a standard means of making current history.

Whenever necessary, moreover, residual use would be made of direct, old-fashioned censorship: some matters cannot be left to decentralized judgment. Thus, where official violence leads to shooting people down in jails, hospitals or factories, or on the street or campus, there would be a blackout on bloodshed. If a My Lai should occur in Muncie, Indiana, the news would simply not be transmitted by the media. A combination of legal restraints, justified by "national security" or "responsibility," would assure that the episode would simply be a nonevent.

p263

Larry P. Gross

"While the Constitution is what the judges say it is, a public issue is something that Walter Cronkite or John Chancellor recognizes as such. The media by themselves do not make the decisions, but on behalf of themselves and larger interests they certify what is or is not on the nation's agenda."

p263

A problem usually becomes a "public issue," as pointed out in an earlier chapter, when open disputes break out within the Establishment. But even then, there is a selection process. Many vital disputes-particularly those among financial groups-are never aired at all. Sometimes the airing is only in the elite media-business publications, academic journals, or the liberal or radical press. Those who seek to create a "public issue" must often first submit their petitions to the elite media, hoping that they may then break through to the mass media. Issues that are finally "certified" by a Walter Cronkite or John Chancellor are, in the words of Larry P. Gross, thereby placed on the "nation's agenda." But this privileged position cannot last any longer than a popular song on the "hit parade." Civil rights, busing, women's lib, pollution, energy shortages-such issues are quickly created and then unceremoniously even cast into the shadows of the elite media. Under such circumstances, the time available in the hit parade of vital issues is not enough for serious presentation, let alone sustained analysis, of alternative

views. This kind of issue creation helps nourish the drift toward a new corporate society in which the range of public issues would be narrowed much more rigorously and the nation's agenda rendered much more remote from the real decision making behind the curtains of a more integrated establishment.

In Don't Blame the People, a well-documented study of bias in the mass media, Robert Cirino shows in detail how "money buys and operates the media" and how this fact "works to the advantage of those with conservative viewpoints," namely, the radical right, the solid conservatives, and the moderate conservatives. The radical left and the solid liberals are outside the limits, thus leaving the moderate liberals to "compete alone against the combined mass media power of the conservative camp."

But to have their petitions recognized by the mass media, the moderate liberals usually have to accept or operate within the unwritten rules of the game. Thus their tendency, I would argue, is increasingly to press upon moderate conservatives the kind of reforms which, although usually opposed by solid conservatives, are required to strengthen Establishment conservatism. Similarly, the tendency is among the solid liberals and the radical left to win some slight hearing for their own voices by accepting as a fact of life (what choice is there?) the agenda as certified by the media. The middle ground is moved still further to the right as conservative or moderate-liberal money subsidizes the radical left and the more militant liberals.

Such shifts are supported by the growth of highly sophisticated conservatism, as illustrated by the National Review, Commentary, and The Public Interest. Within these elite circles the spirit of conservative controversy flourishes, both dominating the agendas of nonconservatives and giving the appearance of broader freedom. How much further a friendly fascist regime would go in narrowing still further the limits of elite opinion among solid liberals and the radical left is impossible to predict. The important point is that the basic trends in the information complex could render dissenting or critical opinions increasingly isolated and impotent.

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Edmund Carpenter

"The White House is now essentially a TV performance. "

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Fred W. Friendly head of CBS news said of the American presidency

"No mighty king, no ambitious emperor, no pope, or prophet ever dreamt of such an awesome pulpit, so potent a magic wand. "

p267

In capitalist countries the business of all the private mass media is making money from advertising revenue. Their product is the seeing, listening, or reading audience-or more specifically the opportunity to influence the audience. Although the members of the TV and radio audience seem to be getting something for nothing, in reality they pay for the nominally free service through the prices they pay for advertised products. The larger the estimated audience, the more money the media receive from advertisers.

The biggest exception is the provision of free time-usually prime time-to the chief executive. In return, the media feel they maintain the goodwill of a government which has granted them without any substantial charge the highly profitable right to use the airwaves. This indirect cash nexus is customarily smothered in a thick gravy of rhetoric about "public service." But no equivalent services are provided for the chief executive's political opposition, or for lesser politicians. And in the United States, as distinct from some other capitalist countries, the media extort enormous fees from all candidates for political office, a practice that heightens the dependence of all elected officeholders (including the president) upon financial contributions from more or less the same corporations who give the media their advertising revenue.

Friendly fascism in the United States would not need a charismatic, apparently all-powerful leader such as Mussolini or Hitler-so I have argued throughout this book. The chief executive, rather, becomes the nominal head of a network that not only serves as a linchpin to help hold the Establishment together but also provides it with a sanctimonious aura of legitimacy through the imagery of the presidential person, his family, his associates, and their doings. The chief executive is already a TV performer, and his official residence in indeed "an awesome pulpit" from which he and his entire production staff can wield a potent "magic wand."

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Ronald Reagan when governor of California

"If it takes a bloodbath ... let's get it over with."

p329

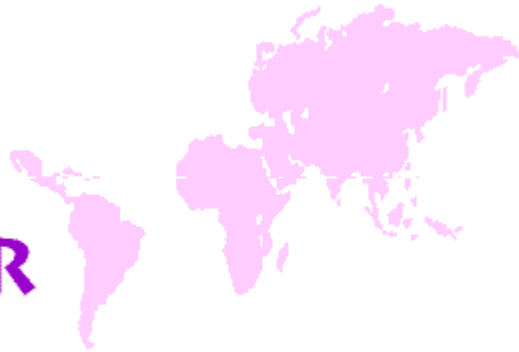
Baron De Montesquieu, The Spirit of the Laws

"The tyranny of a prince in an oligarchy is not so dangerous to public welfare as the apathy of a citizen in a democracy."

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THIRD WORLD TRAVELER



Impossibility: It Couldn't Happen

excerpted from the book

Friendly Fascism

The New Face of Power in America

by **Bertram Gross**

South End Press, 1980, paper



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Karl Popper

""It can't happen here" is always wrong: a dictatorship can happen anywhere."

IMPOSSIBILITY: IT COULDN'T HAPPEN

The thought that some form of new fascism might possibly-or even probably-emerge in America is more than unpleasant. For many people in other countries, it is profoundly disturbing; for Americans, it is a source of stabbing anguish. For those who still see America as a source of inspiration or leadership, it would mean the destruction of the last best hope on earth. Even for those who regard America as the center of world reaction, it suggests that things can become still worse than they are.

An immediate-and all too human-reaction among Americans, and friends of America, is to deny the possibility. In other countries it might happen-but not here. In the Communist world, dictatorships of the proletariat or the Party Military juntas in Argentina, Brazil, Chile, Nigeria, and many other places Other dictatorial styles in India, Pakistan, Iran, Saudi Arabia, and the Philippines But nothing like this in the prosperous, enlightened nations of Western civilization and the Judeo-Christian tradition. Above all, not in the United States of America, not in the land of the free and the home of the brave

But why not? Why is it impossible?

Many of the arguments purporting to demonstrate impossibility actually demonstrate little more than an unwillingness to "think the unthinkable." Some people try to protect their sensibilities behind a tangle of terminological disputation. The word "fascism," they say, is an emotion-laden term of abuse, as though the brutal, inhuman realities behind other terms-whether "manipulatory authoritarianism," "bureaucratic collectivism," or "military junta"-do not also evoke deep human emotions. Some people argue that the future threat in America is socialist collectivism, not fascism, implying that those who detect a fascist danger are spreading leftist propaganda for the purpose of bringing on a different form of despotism. Others merely react to exaggerated claims that fascism is already here or is inevitable.

Nonetheless, there are at least three serious arguments used by those who think that it could not happen here.

One of the most subtle arguments is "American capitalism does not need fascism."

On this point, let me quote from Corliss Lamont, who grew up as a member of one of the families most closely associated with the Morgans and other titans of American banking:

The capitalist class in the United States does not need a fascist regime in order to maintain its dominance. The radical and revolutionary movements are weak and disunited. A large majority of the trade unions are conservative, and are actually part of the establishment . . . I do not see in the offing any constellation of forces that could put fascism across here.

To buttress his case, Lamont points out that the threat to American civil liberties was much greater during the periods of the notorious Palmer raids after World War I and of McCarthyism after World War II. He also cites various judicial victories in recent civil liberties cases. Unfortunately, he does not deal directly with the structure of the "capitalist class" and the Establishment, nor with any of the domestic and international challenges to American capitalism. Moreover, his thesis on the weakness of "radical and revolutionary movements" and the conservatism of trade unions is a double-edged argument. True, these factors are no serious challenge to capitalist dominance. By the same token, they could not be regarded as serious obstacles to creeping fascism. On this matter, Lamont leaves himself an escape clause to the effect that he does not see the necessary constellation of forces "in the offing."

A similar escape clause has been carved out by Theodore Draper. In a scholarly critique of an earlier article of mine on the subject, he added as an afterthought that he did not intend to give "assurances that we will not follow the German pattern of history into some form of fascism." And then he added that although the Republic is not "immediately in danger, if worse comes to worse, we may yet get some form of fascism.

A more widespread argument is "American democracy is too strong."

It is true, of course, that old-fashioned fascism never took root in a country with a solid tradition and history of constitutional democracy. The kind of democracy that grew up in both England and the United States was too much of a barrier to the Oswald Mosleys, the Huey Longs, and the Father Coughlins of a past generation. Even in France, the rise of the French fascists under Petain occurred only after military conquest by the Nazis.

But this kind of argument boils down to nothing less than the identification of obstacles. It provides no evidence to suggest that these obstacles are immovable objects that cannot be overcome or circumvented in the future.

In the early 1970s this argument took a more exhilarating-albeit occasionally flatulent-form. The democratic forces are becoming stronger.

In *The Greening of America*, Charles Reich predicted a "revolution of the new generation." He saw in the counterculture of youth a movement that would break through the metal and plastic forms of the Corporate State (which he held was already here) and bring forth a new flowering of the human spirit. This optimistic spirit was repeated in global terms by Jean Francois Revel a year later. In *Without Marx and Jesus*, Revel pointed out that dissent has always thrived in America and that the new dissenters are building not merely a counterculture but a counter-society that rejects nationalism, inequality, racial and sexual discrimination, and all forms of authoritarianism. As the first and best hope of the world, America will soon produce "a homo novus, a new man very different from other men."

I have never laughed at these salvationist predictions. They are based on an honest perception of many of the things that are not merely good, but wonderful, in my country. In fact, as I demonstrate in "The Democratic Logic in Action" (chapter 20), neither Reich nor Revel, nor other celebrants of America's potentialities have done sufficient justice to the variety of these hopeful currents. But they have tended to exaggerate their strength, perhaps on the theory that a strongly presented prophecy might be self-fulfilling.

I think it imperative to articulate more fully hopeful visions and to ground them on the more hopeful parts of the present. But in doing so, it would be highly misleading to ignore the fact that the new democratic currents represent a threat to all those elements in the Establishment that look forward to a more integrated power structure. This means conflicts whose outcomes cannot be predicted. Revel himself writes that America is "composed of two antagonistic camps of equal size-the dissenters and the conservatives." Writing before the rise of the new Radical Right, he then hazarded the guess that "the odds are in favor of the dissenters." Nonetheless, he accepted the possibility of the authoritarian suppression, sidetracking, or co-opting of the dissenters. I think he would agree with me today that if this should happen there would be many subspecies of the new man-and new woman-faceless oligarchs, humanoid technocrats, and comatose addicts of loveless sex, drugs, madness, and cults.

A third argument is that "While possible, a new form of fascism is too unlikely to be taken seriously."

I see this view as a tribute that blindness pays to vision. It is merely a sophisticated way of conceding possibility while justifying inaction. The outside chance, after all, rarely deserves to be a focus of continuing

attention. In terms of its implications, therefore, "unlikely" may be the equivalent of either "impossible" or "so what?"

In daily life, of course, people and groups do take precautionary action to protect themselves or others against some unlikely events. This is the basis of the vast insurance industry in the capitalist world, which provides protection for some people against some of the monetary losses resulting from ill health, accidents, theft, fires, earthquakes, or floods. In all these cases of unlikely "bads," not insurance but prevention is the best protection. In the case of friendly fascism, it is the only protection.

Yet prevention is always difficult and requires entry into many fields. The prevention of disease and the prolongation of life go far beyond mere medical services; they involve nutrition, exercise, housing, peace of mind, and the control of pollution. The prevention of theft and corruption goes far beyond anything that can be done by police, courts, and jailers; it involves employment opportunities, working conditions, the reduction of discrimination and alienation, and a cleaning of higher-level corruption. The record is also discouraging in the case of all the unlikely major calamities of the modern age: power blackouts, the disposal of radioactive wastes from nuclear power plants, the control of plutonium from fast-breeder reactors, the spread of nuclear weapons, and the escalation in ever-deadlier forms of nuclear, chemical, and bacteriological overkill. Here preventive action spreads into other fields, going far beyond anything that can be done by "fail-safe" mechanisms. It involves nothing less than alternative forms of energy, human as well as solar, and the destruction of the deadliest weapons, if not the elimination of war itself as a mode of resolving conflicts.

There are two natural reactions in the face of the difficulties of prevention. One is to push the possibility into the background by mathematically based arguments that the statistical probability is very low. The other is to exaggerate both the horror and the probability of the calamities to be avoided, justifying such exaggeration on the grounds that it alone can move people to action.

I cannot accept either. As in the following chapters, I prefer to deal with preventive action directly. I do so because in my considered judgment, the coming of some new form of fascism in the United States- and other First World countries-is not only more likely than the extreme catastrophe, but it would also contribute to conditions under which most of the others would become less unlikely. At times, I find myself saying that friendly fascism is a two-to-one probability well before the end of the century. Then I stop and remind myself that in diagnosing broad historical trends no quantitative calculus is really possible. A more balanced statement is that friendly-or even

unfriendly-fascism is a truly significant, not an insignificant possibility. Perhaps it is even highly probable.

INEVITABILITY: IT WILL HAPPEN

When Herbert Marcuse writes about "incipient fascism," when Kenneth Lamott used "para-fascism" to describe California as the "distant warning system for the rest of the United States," when Michael Parenti talks about "creeping fascism," the main purpose is to identify present tendencies and future dangers. Similar use might be made of "proto-fascism" or-better yet-"pre-fascism." These are unwhispered words of warning, often engulfed by the vast silences on such subjects by the mass and elite media.

But the ambiguity of these words is often a weakness, one not to be overcome by stridency. They are wide open to anyone's interpretation that what creeps down the road will necessarily get to the road's end, that the latent must become full-blown. The "womb of history" metaphor used so vigorously by Marx tends to suggest that a little fascism is like a little pregnancy. With a strange innocence concerning the possibility of miscarriage or abortion, it can then be assumed that the pre- and the para-must eventually become the real thing itself.

But even without the use of such words I have found that any strong argument on the possibility of neofascism in America leads many people to conclude that it is inevitable. For some, both the logical case and the empirical evidence in present-day tendencies appear overwhelming. The fact that friendly fascism may come in a variety of forms and circumstances-rather than in some single guise and scenario-strengthens the sense of high probability. For others, perhaps, the judgment of inevitability heightens whatever masochistic pleasure people may get from premonitions of doom, or provides justification for personal escapism from any form of political activism or commitment. For still others, I suspect, the sense of inevitability is intensified by disenchantment with liberalism, socialism, and communism. Many of the very people who in previous periods were attacked as agents of "creeping socialism" or "creeping communism,, now feel that if either were to arrive in America-unlikely though this possibility may be-the result might not be too much different from the fruition of "creeping fascism." Indeed the possible convergence of neofascist state-supported capitalism and high-technology state socialism tends to give the impression that there are few alternatives to some form of repressive collectivism as the profile of man's fate by the end of this century.

The power of modern determinism lies in its "if-then" formulation: "If one does A, then B will result." In truly scientific terms the "will result" is

generally a probability statement. But in the real world of political or managerial control, there is always a strong tendency to let the probabilistic tone fade into the background and to exploit the propagandistic potentialities of a more deterministic mood. In the work of many self-styled Marxists, this has led to an interesting contradiction. On the one hand, the collapse of capitalism under the battering ram of a proletarian revolution is often seen as inevitable. On the other hand, the leaders of the working class must not merely ride the waves of an inevitable future. Rather, they must work strenuously to bring the inevitable into being. Expressing the essence of a long stream of philosophic thought from Kant through and past Hegel, Engels put this powerfully in his cryptic thesis that "freedom is the recognition of necessity." While anti-Marxists are always eager to attack the alleged determinism of Karl Marx, they are rarely unloath to voice their own form of determinism. Thus Friedrich Hayek vigorously argues that (1) it was the socialist trends in Germany that led to German fascism, (2) a little bit of socialism leads inevitably to large-scale collectivism, and (3) socialism inevitably leads to fascism. In other words: "If s, then f."

Finally, in modern science there is a large strain of hope and faith in the eventual discovery and elucidation of deterministic laws of social control. B. F. Skinner has expressed this hope and faith more frankly than most of his colleagues in psychology and other disciplines. His critics have argued cogently that his views have a totalitarian bent-and I have already suggested how Skinnerian reinforcements could be used to help economize on terror and develop what Stephen Spender once called "fascism without tears." Another critical comment is in order, however. The very idea of deterministic control tends to spread inner feelings concerning the inevitability of some repressive form of collectivism- whether Skinner's type or some other. In turn, the sense of inevitability tends to undermine any serious efforts to develop alternatives or fight. The prediction that "It must happen"- particularly if the subjective feeling is more powerful than the rationalistic qualifications and "ifs" that most self-respecting intellectuals will automatically tack on to it- can contribute to a sense of hopelessness and the apathetic acceptance of the unfolding logic. It thus holds forth the potentiality of possibly-not inevitably-becoming a self-confirming prophecy.

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IRREVERSIBILITY: ETERNAL SERVITUDE OR HOLOCAUST

To shake people out of apathy toward some future danger, the self-destroying prophecy is often attempted. Its essence is the confident prediction of doom, either confined or unconfined. Thus the coming of neofascism to the United States may be seen as the maturation of an

invincible oligarchy, or even as prelude to the global holocaust of all-out nuclear warfare.

I am peculiarly sensitive to this temptation. When a few of my students argued a decade ago that fascism would shake Americans from torpor and prepare the way for a more humanist society, I countered one irrationality with another by arguing that the "improbability of any effective internal resistance" to neofascism would doom all hopes of a humanist future. I drew an exaggerated parallel with the past by pointing out that after all serious internal resistance had been liquidated by the German, Japanese, and Italian fascists, "the only effective anti-fascism was defeat by external powers." Since the "only war that could defeat a neofascist America would be a nuclear war, a holocaust from which no anti-fascist victors would emerge," I concluded with the prophecy: "Once neofascism arrives, the only choice would be fascist or dead." 6

My phrasing at that time was an echo of Franklin D. Roosevelt's wartime rhetoric: "We, and all others who believe as deeply as we do, would rather die on our feet than live on our knees."-itself borrowed from the exhortation of the communist leader, Dolores Ibarruri ("La Pasionaria") in rallying the Loyalist forces against the Franco uprising in Spain. It was an effort to suggest "better dead than fascist." The aim in each case, of course, was to stress the urgency of vigorous and dedicated opposition to tyranny-indeed, to give up one's life, if necessary, to prevent the victory of tyranny.

**Today, while still agreeing with Roosevelt that there are things worth dying for, I would rephrase the ancient rhetoric this way: "Better alive and fighting tyranny in any form than dead and unable to fight." If neofascism should come to America, people may have to learn how to fight on their knees. The guiding rhetoric should be Churchill's statement that "We shall fight in the fields and in the streets; we shall fight in the hills; we shall never surrender."
~ To paraphrase: "We shall face**

p349

William H. Hastie

"Democracy is a process, not a static condition. It is becoming rather than being. It can easily be lost, but is never fully won. Its essence is eternal struggle."

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"Sure, we'll have fascism, but it will come disguised as Americanism." This famous statement has been attributed in many forms to Senator Huey P. Long, the Louisiana populist with an affinity for the demagogues of classic

European fascism. If he were alive today, I am positive he would add the words "and democracy."

p356

Mary Parker Follett

"We are not wholly patriotic when we are working with all our heart for America merely; we are truly patriotic only when we are working also that America may take her place worthily and helpfully in the world of nations . . . Interdependence is the keynote of the relations of nations as it is the keynote of the relations of individuals within nations."

p359

James Fenimore Cooper

"The vulgar charge that the tendency of democracies is to leveling, meaning to drag all down to the level of the lowest, is singularly untrue; its real tendency being to elevate the depressed to a condition not unworthy of their manhood."

p359

Louis D. Brandeis

"We can have democracy in this country or we can have great wealth in a few hands, but we can't have both."

p382

Mahatma Ghandhi

"For me patriotism is the same as humanity. I am patriotic because I am human and humane. It is not exclusive. I will not hurt England or Germany to serve India . . . My patriotism is inclusive and admits of no enmity or ill-will."

p383

George Washington, Farewell Address

"Guard against the impostures of pretended patriotism."

p384

In his Militarism, USA, a sober critique based on years of experience in the U.S. Marine Corps, Colonel James A. Donovan: identifies the dangerous patriot: "the one who drifts into chauvinism and exhibits blind enthusiasm for military actions. He is a defender of militarism and its ideals of war and glory. Chauvinism is a proud and bellicose form of patriotism . . . which identifies numerous enemies who can only be dealt with through military power and which equates the national honor with military victory."

p384

In *The Reason for Democracy*, published after his death in 1976, Kalman Silvert of New York University provided another pungent description of false patriots:

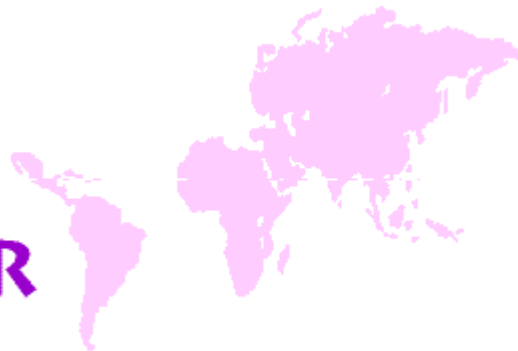
"People who wrap themselves in the flag and proclaim the sanctity of the nation are usually racists, contemptuous of the poor and dedicated to keeping the community of 'ins' small and pure of blood, spirit and mind."

p386

In Germany today the true patriots are those who, among other things, are trying to come to grips with the essence of past Nazi horrors. In the Soviet Union the true patriots are those who try to understand the nature and roots of Stalinism and the Stalinist legacy, rather than simply uttering some words about "the cult of personality" and running away from the subject. In America the true patriots are those who face the fact that Americans have always been both right and wrong and, instead of trying to squelch criticism, calmly take the position "My country right and wrong." They are those who defend the good, the true, and the beautiful in American life. They are willing to take risks in attacking what is wrong...

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**THIRD
WORLD
TRAVELER**



Quotations

from the book

Friendly Fascism

The New Face of Power in America

by Bertram Gross

South End Press, 1980, paper



pxiii

economist Robert Lekachman

"Ronald Reagan must be the nicest president who ever destroyed a union, tried to cut school lunch milk rations from six to four ounces, and compelled families in need of public help to first dispose of household goods in excess of \$1,000...If there is an authoritarian regime in the American future, Ronald Reagan is tailored to the image of a friendly fascist."

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Samuel Johnson

"Power is always gradually stealing away from the many to the few, because the few are more vigilant and consistent."

p32

Daniel R. Fusfeld

As long as an economic system provides an acceptable degree of security, growing material wealth and opportunity for further increase for the next generation, the average American does not ask who is running things or what goals are being pursued.

p43

James O'Conner

"Both welfare spending and warfare spending have a two-fold nature: the welfare system not only politically contains the surplus population but also expands demand and domestic markets. And the warfare system not only keeps foreign rivals at bay and inhibits the development of world revolution (thus keeping labor power, raw materials and markets in the capitalist orbit) but also helps to stave off economic stagnation at home."

p54

American Heritage Dictionary

"Establishment: An exclusive group of powerful people who rule a) government or society by means of private agreements or decisions."

p62

Adam Smith

"Wherever there is great property, there is great inequality. For one very rich man, there must be at least five hundred poor, and the affluence of the few supposes the indigence of the many."

p63

C. Wright Mills

No one can be truly powerful unless he has access to the command of major institutions, for it is over these institutional means of power that the truly powerful are, in the first instance, truly powerful . . .

p63

Richard Barber

Their [a few immense corporations] incredible absolute size and commanding market positions make them the most exceptional man-made creatures of the twentieth century.... In terms of the size of their constituency, volume of receipts and expenditures, effective power, and prestige, they are more akin to nation-states than business enterprises of the classic variety.

p167

James Madison

"I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations."

p184

Amaury De Riencourt

"Caesarism can come to America constitutionally without having to break down any existing institution."

p195

William W. Turner

"Leadership in the right has fallen to new organizations with lower profiles and better access to power . . . What is characteristic of this right is its closeness to government power and the ability this closeness gives to hide its political extremism under the cloak of respectability."

p209

Daniel Fusfield

There is a subtle three-way trade-off between escalating unemployment together with other unresolved social problems, rising taxes, and inflation. In practice, the corporate state has bought all three.

p210

Slogan of the Medici family

"Money to get power, power to protect money."

p219

The major responsibility of corporate executives, so long as they are not constrained by enforced law, is to maximize their long-term accumulation of capital and power no matter what the cost may be to ... people or physical resources.

p229

Murray B. Levin

"No truly sophisticated proponent of repression would be stupid enough to shatter the facade of democratic institutions. "

p229

Thomas R. Dye and Harmon Ziegler

"It is the irony of democracy that the responsibility for the survival of liberal democratic values depends on elites, not masses."

p239

Gary Wills

"If a nation wishes, it can have both free elections and slavery."

p239

President Richard M. Nixon

"The average American is just like the child in the family."

p251

Ferdinand Lundberg

"If the new military elite is anything like the old one, it would, in any great crisis, tend to side with the Old Order and defend the status quo, if necessary, by force. In the words of the standard police bulletin known to all radio listeners, "These men are armed -and they may be dangerous."

p251

Edward Luttwak

"A coup consists of the infiltration of a small but critical segment of the state

apparatus, which is then used to displace the government from its control of the remainder."

p255

Jean-Jacques Rousseau - Emile

"There is no subjugation so perfect as that which keeps the appearance of freedom, for in that way one captures volition itself."

p256

Herbert Schiller

"The content and forms of American communications-the myths and the means of transmitting them-are devoted to manipulation. When successfully employed, as they invariably are, the result is individual passivity, a state of inertia that precludes action. "

p259

Adolf Hitler

"Through clever and constant application of propaganda, people can be made to see paradise as hell, and also the other way around to consider the most wretched sort of life as paradise. "

p260

Aldous Huxley

"Hitler's vast propaganda successes were accomplished with little more than the radio and loudspeaker, and without TV and tape and video recording . . . Today the art of mind control is in the process of becoming a science."

p261

Fred Friendly head of CBS news

... pointed out that CBS was in business to make money and that informing the public was secondary to keeping on good terms with advertisers.

p263

Larry P. Gross

"While the Constitution is what the judges say it is, a public issue is something that Walter Cronkite or John Chancellor recognizes as such. The media by themselves do not make the decisions, but on behalf of themselves and larger interests they certify what is or is not on the nation's agenda."

p267

Edmund Carpenter

"The White House is now essentially a TV performance. "

p267

Fred W. Friendly head of CBS news said of the American presidency

"No mighty king, no ambitious emperor, no pope, or prophet ever dreamt of such an awesome pulpit, so potent a magic wand. "

p303

Ronald Reagan when governor of California

"If it takes a bloodbath ... let's get it over with."

p329

Baron De Montesquieu, The Spirit of the Laws

"The tyranny of a prince in an oligarchy is not so dangerous to public welfare as the apathy of a citizen in a democracy."

p331

Karl Popper

""It can't happen here" is always wrong: a dictatorship can happen anywhere."

p349

William H. Hastie

"Democracy is a process, not a static condition. It is becoming rather than being. It can easily be lost, but is never fully won. Its essence is eternal struggle."

p351

"Sure, we'll have fascism, but it will come disguised as Americanism." This famous statement has been attributed in many forms to Senator Huey P. Long, the Louisiana populist with an affinity for the demagogues of classic European fascism. If he were alive today, I am positive he would add the words "and democracy."

p356

Mary Parker Follett

"We are not wholly patriotic when we are working with all our heart for America merely; we are truly patriotic only when we are working also that America may take her place worthily and helpfully in the world of nations . . . Interdependence is the keynote of the relations of nations as it is the keynote of the relations of individuals within nations."

p359

James Fenimore Cooper

"The vulgar charge that the tendency of democracies is to leveling, meaning to drag all down to the level of the lowest, is singularly untrue; its real tendency being to elevate the depressed to a condition not unworthy of their manhood."

p359

Louis D. Brandeis

"We can have democracy in this country or we can have great wealth in a few hands, but we can't have both."

p382

Mahatma Gandhi

"For me patriotism is the same as humanity. I am patriotic because I am human and humane. It is not exclusive. I will not hurt England or Germany to serve India . . . My patriotism is inclusive and admits of no enmity or ill-will."

p383

George Washington, Farewell Address

"Guard against the impostures of pretended patriotism."

p384

In his Militarism, USA, a sober critique based on years of experience in the U.S. Marine Corps, Colonel James A. Donovan: identifies the dangerous patriot:

"the one who drifts into chauvinism and exhibits blind enthusiasm for military actions. He is a defender of militarism and its ideals of war and glory. Chauvinism is a proud and bellicose form of patriotism . . . which identifies numerous enemies who can only be dealt with through military power and which equates the national honor with military victory."

p384

In The Reason for Democracy, published after his death in 1976, Kalman Silvert of New York University provided another pungent description of false patriots:

"People who wrap themselves in the flag and proclaim the sanctity of the nation are usually racists, contemptuous of the poor and dedicated to keeping the community of 'ins' small and pure of blood, spirit and mind."

● Friendly Fascism

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