



# FASCISM AND NATIONAL SOCIALISM

*A Study of the Economic and Social Policies  
of the Totalitarian State*

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## PREFACE

IT WOULD seem almost inevitable that a student of Russian Bolshevism should yield sooner or later to the temptation to examine the ideas and institutions of Fascism and National Socialism. In spite of the open hostility that exists between the U.S.S.R., on the one hand, and Fascist Italy and National Socialist Germany, on the other, there are striking similarities between them; similarities that lie perhaps not so much in the principles as in the methods of the two antagonistic systems. Intellectual curiosity sometimes works with greater precision than does economic determinism. I have long been interested in the Soviet Union, in the evolution of Communist ideas and of the economic institutions of the proletarian State. In the end this has led me to embark upon a more intensive examination of the experiments that are being conducted in Italy and Germany. The present book is the outcome of this intellectual adventure. The task has been a fascinating one, but it has also been one full of pitfalls and dangers. An obvious difficulty that the student of Fascism and National Socialism has to face is presented by the processes of continuous remodelling at work in the institutions of Italy and Germany. Although in Italy Fascism has been in control for thirteen years the Corporate State is still

far from completion. Under the pressure of necessity and of changing ideas it has been subjected to endless readjustments, significant departures from the original blueprints which were never very clear. Will the Corporate State of today, assuming that it survives the test of time and the buffetings of the political tempest now raging over Europe and Africa, be in the future more like the ideal for which Mussolini is striving than are the present institutions of the Soviet Union like those of the ideal classless and stateless community of the Communist dreams? The question may well be asked.

What is true of Italy is even more so of Germany where the National Socialist State is just entering upon its fourth year. The work of reorganization, whatever we may think of its intrinsic value, that has been done by the Hitler Government in this brief period is truly amazing. It seems certain that much of it is of a merely provisional nature, again assuming that National Socialism withstands the test of time. In spite of these obvious and substantial limitations certain principles underlying both the Italian and the German structures and some important outlines of the structure itself emerge with a reasonable degree of clarity. An attempt to grasp and describe them may not be entirely useless.

The second and even more formidable difficulty is the inescapable fact that Fascism and National Socialism—the latter especially—are among the burning problems of the day. The atmosphere of political passion that at present envelops Italy and

Germany confuses the issues, obscures one's judgment, and makes anything but easy that attitude of serenity and objectivity which is the very essence of a scientific investigation. The ability to understand the point of view of other people, even when one does not share it, is in my opinion the only real criterion of culture. By that criterion I have tried to govern myself in this study. This does not mean, of course, that I have refrained from criticism or from expressing my own views. What I have tried to do however is to interpret the Fascist and National Socialist policies not only from *our*, but also from *their* respective points of view. To what extent I have succeeded it is not for me to judge.

My knowledge of Germany goes back to pre-war days. Since the war I have several times returned to Germany; in 1932, a few months before the Nazi Revolution, again in 1934 in connection with a study I was then making of the Saar problem, and finally in the summer of 1935. I was a frequent visitor to Italy between 1919 and 1926, usually for two or three months at a time. This afforded me ample opportunity to follow the growth of the Fascist movement from its very birth. I was also in Italy in the summer of 1935. My last visits to both Germany and Italy were made with the special purpose of completing the present study. In both countries I discussed the various problems dealt with in the following pages with a large number of people, from high government officials and members of the Fascist and National Socialist parties to their most out-

spoken opponents. All alike showed me great courtesy and devoted much of their valuable time to answering what must have been to them endless and probably not infrequently tedious questions. For obvious reasons I will refrain from making any specific acknowledgments. I regret this enforced silence because my gratitude is sincere and profound.

Professor Leo Wolman, of Columbia University, was good enough to read the manuscript, and Professor Philip C. Jessup, also of Columbia University, has read my last chapter. They have both made valuable criticisms and suggestions but are, of course, in no way responsible for the opinions I have expressed. I am deeply indebted to Miss A. M., who wishes to remain anonymous, for the translation of the German poem which appears on p. 81. I must also express my very real appreciation of the interest taken in my work by my publishers, The Macmillan Company of New York. The encouragement they have given me has been to no small degree instrumental in the fulfillment of a difficult undertaking. Arthur E. McFarlane has rendered invaluable service to my readers by helping me in my struggles with English. For the imperfections that may still remain my obstinacy alone is to blame. I am also very grateful to Mrs. Cecil P. Killien for her help in preparing this manuscript and for her many useful suggestions.

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## CONTENTS

	PAGE
PREFACE	V
I. THE ECLIPSE OF DEMOCRACY: ITALY	
The Roots of Fascism and National Socialism. The Birth of Fascism. The Fascist Party. The March on Rome. Mussolini and Parliament. Toward a Dictatorship. The Party and the State.	1
II. THE ECLIPSE OF DEMOCRACY: GERMANY	
The Setting. The Hitler Movement. The Rising Tide. The National Socialist State. The Fascist and the National Socialist Revolutions.	30
III. THE ARTICLES OF FAITH	
The New Creed. The Nation and the State. Hierarchy and National Solidarity. Italian and German "Socialism." The Heroic Element. The Doctrine and the Rank and File.	56
IV. THE ORGANS OF ECONOMIC CONTROL	
The End of Economic Liberalism. The Corporate State. The Corporate State in Action. The German Version. State Intervention. Business in the Totalitarian State.	83

	PAGE
V. THE END OF CLASS STRUGGLE	
The Basic Principles. Industrial Relations in Italy. Labor under Fascism. Industrial Relations in Germany. Labor under National Socialism. The Balance-Sheet.	118
VI. THE STATE AND THE FARMERS	
The Ideological Foundation. <i>Bonifica Integrale</i> . The "Battle of the Wheat." Hereditary Farms in Germany. The <i>Reichsnährstand</i> . The Rhön Plan. Agriculture and the State.	155
VII. THE NEMESIS: PUBLIC FINANCE AND FOREIGN TRADE	
Autarchy. Italy's Fundamental Weakness. Italy's Financial and Trade Policies. Germany's Position. Germany's Financial Policies. The Verdict.	192
VIII. THE MAN IN THE STREET	
The Background. The New Way. The Romantic Element. The Step-Children. The Church. The Jewish Question. Democracy vs. the Totalitarian State.	222
IX. WAR AND PEACE	
The Chief Factors. Italy and Abyssinia. The League of Nations and the Conflict. The Case of Germany.	252
BIBLIOGRAPHY	277
INDEX	285

## CHAPTER I

### THE ECLIPSE OF DEMOCRACY: ITALY

#### THE ROOTS OF FASCISM AND NATIONAL SOCIALISM

IN DEALING with such vast national and social movements as Fascism and National Socialism one naturally hesitates to attempt to explain them in terms too simple. Like the Russian Revolution of 1917 these movements have their roots in the past, and cannot be completely understood without an exhaustive study of the political and social conditions in Italy and Germany long before the appearance upon their horizons of Mussolini and Hitler. It became customary among the historians writing on the origins of the war of 1914-1918 to speak of the "immediate" and the "remote" causes of the war. This differentiation will be found useful if applied in the case of Fascism and National Socialism.

Of the remote causes which brought about the downfall of democracy in Italy and Germany little will be said here. The subject is too vast and would require a volume of its own. The immediate causes underlying the appearance of Fascism and National Socialism are also anything but simple. There are one or two, however, that emerge from the cloud of conflicting interpretations and opinions and seem to

be of primary importance. The first is the profound disappointment which the outcome of the war brought to both Italy and Germany. Here paradox enters in: a victorious and a defeated nation both found themselves losers at the end of the struggle. Without going into the details of the Italian demands at Versailles and the bitter controversy that raged around the Fiume question and led to the temporary withdrawal of the Italian delegation from the councils of the victorious Powers, it will be enough to recall the fact that Italy obtained no share of the colonial Empire of Germany and had to accept a minor readjustment of the frontier of her African possessions. The expansion in Asia Minor, which was promised her under the terms of the London secret treaty of 1915, failed to materialize. It is true that Rome was given extensive territories in Europe. But these territories were believed by Italy to be less than her due and their economic value proved to be slight. That thirst for imperialistic expansion, which the other Great Powers had satisfied in earlier days and which is behind the venture of Fascism in East Africa, in Italy remained unquenched. The disillusionment of the country found its expression in the well-known Fascist saying that Italy had won the war but lost the peace.

As for Germany, her defeat in 1918 was made even more intolerable by its overwhelming suddenness. To almost the last moment the army and the bulk of the population were still living under the delusion that the hour of victory was merely to be

postponed a little longer. After immense sacrifices for what the country believed to be a great national cause Germany's people had to drink to the dregs the bitter cup of humiliation. They had to accept the terms of a treaty which deprived the Fatherland of not only a large portion of its European territory but also of the whole of its colonial empire. Upon Germany there was also imposed what eventually proved to be an intolerable burden of reparations. She was likewise forced to accept the provisions of Article 231 of the Treaty of Versailles which declared her to be the aggressor and which was generally interpreted as meaning that she was responsible for the war. This fateful article played no small part in paving the way for the triumph of National Socialism and in bringing not thousands but millions to rally to the swastika banner. The abyss which separated the glory of the past from the misery of the present was such as few nations have experienced in history.

To this bitter disillusionment and disappointment at the outcome of the war the popular reaction, whether in Italy or in Germany, was the same. Public wrath turned against those who only yesterday had been the great national heroes, and extended to all who took an active part in the war itself. Soldiers in uniform no longer dared appear in the streets for fear of molestation. The doctrines of Socialism and Communism won converts by the thousand, and the red flag began rapidly to displace the national colors. On the horizon loomed what was

believed to be the menace of Bolshevik revolution. The "International" was the order of the day, and it was in the nationalist reaction against these conditions that both Fascism and National Socialism found their initial impulse. But the road that led to victory was determined by factors peculiar to each country.

#### THE BIRTH OF FASCISM

Viewed in retrospect the Italy of 1919-1922 presents an extraordinarily vivid and animated picture, one full of color, excitement and tumult. The sumptuous piazzas of the large cities, with their noble palazzos and majestic cathedrals, and the narrow streets of the small towns and villages were filled with milling and riotous masses of ex-soldiers and men too young to have served in the war, wearing picturesque uniforms and carrying the Italian tricolor, the Fascist insignia, or the red flag of the revolution. The opposing groups often clashed and fought each other with a bitterness and determination which reminded the former soldiers of the most furious and exalted hours of their wartime days. From the aloofness of the Quirinal the Crown watched the rising of new social forces which an impotent Government and an equally impotent Parliament, supported by a complacent, inefficient and corrupt bureaucracy, were unable to check or control. Against the shifting background of ephemeral political combinations often determined by obscure

local causes, there outlined itself a no less ephemeral array of political leaders headed by the romantic figure of Gabriel d'Annunzio, poet, soldier and hero of Fiume. But gradually a thunderous voice from Milan and the imperious gesture of Benito Mussolini succeeded in dominating the tumult, and in a few brief months the head of a small band of intellectuals and revolutionaries from the great industrial city of northern Italy rose to undisputed mastery over the country.

The origin of the Fascist movement goes back to the "*Fasci d'Azione Rivoluzionaria*" organized by Mussolini in 1914-1915 for the purpose of bringing Italy into the war, an activity which led to his expulsion from the Socialist Party at the end of November, 1914. There is however no direct connection between these early *fasci* and those which came into existence in 1919, although their spiritual kinship is clear. In either case they were primarily a protest against the inaction, the "neutrality" of the Government, and the political and social system it represented.

The end of the war took Italy, as it took every other country, by surprise. Her economic resources were largely exhausted. Hundreds of thousands of men demobilized from the army were vainly looking for jobs. Inflation led to a rapid increase in prices, continuous demands for higher wages and grave disturbances among industrial workers. Communism was making converts not only among the urban proletariat but also among agricultural laborers. It

is one of the peculiarities of the economic structure of Italy that in certain parts of the country agriculture is carried on by the large-scale employment of day laborers. Such districts, for instance, as those around Bologna and Ferrara proved particularly susceptible to extreme Socialist teachings. The unions of rural laborers were largely in the hands of political bosses who, even during the war, practically controlled the entire life of their respective districts, making themselves equally objectionable to landlords and to non-union labor. In certain cities there was also a great deal of discontent among the small traders who felt that they were being crowded out by the aggressive methods of the Socialist cooperative societies. In 1919 and 1920 a number of factories were seized by the workers, some under the national flag, as a protest against the proposed lockouts by the owners, but mostly under the red flag and to the accompaniment of slogans which were more than suggestive of Russian Bolshevism.

Such were the economic factors which underlay the rise of the Fascist movement. It was a struggle against the red revolution, but a struggle conducted not infrequently by groups that were themselves advocating advanced radical doctrines. It was primarily a protest against the inefficiency and weakness of the existing system of government, which had to take the blame for Italy's failure to obtain at Versailles what the country felt it was entitled to. It was also a protest against the violent anti-



militarism of the Socialist and Communist groups. They turned their wrath upon the "interventionists" and often insulted and attacked anyone who dared to appear in the streets in uniform. At the best, those who had never seen the firing line treated with contempt men who had spent long months in the trenches and who felt that they had done their duty at the price of immense personal sacrifice; they regarded them as mere puppets in the hands of demagogues who had foolishly forced the Government to espouse the cause of the Allies. Professor Herbert W. Schneider is right when he says in his book, *Making the Fascist State*, that although no doubt the situation which existed in Italy in 1919 was due to economic causes, "the struggle soon assumed a character which no economic interpretation could possibly explain." What Fascism sought to do was to defend and justify the country for having entered the war, to stress the victory it had won, to denounce Bolshevism and the parliamentary system which it held responsible for the paralysis from which the Government was suffering.

Fascism was originally a spontaneous movement, decentralized and uncoordinated. Its aims and its immediate objectives were as varied as the social groups from which it drew its support. Local conditions and the personalities of local leaders had much to do in determining the form of organization and the aims for which it fought. In addition to those mentioned above, some of the *fasci* had definite objectives of their own. The *fasci* of Trieste,