

The Political Economy of Fascism

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Much has been said and written about what happened on Capitol ground January 6, 2021. Some called it an insurrection or an attempted coup. Others dismissed it as a riot by Trump's goons that got out of hand only because the police made no preparations for a hostile crowd.

One normally intelligent leftist writer criticized by name the many equally leftist writers who considered calling the actions of a mob of biker type slobs an insurrection ridiculous. Those forgetful leftists were reminded of the 1923 Hitler putsch in Germany. Comparing that or Mussolini's "March on Rome" in 1922 to an escapade by a bunch of right-wing dumb fucks? The normally intelligent writer must be a fool.

Not at all. The writer was willing to make an deliberately ignorant statement in order reinforce his sound conclusion -- If we don't overthrow our bourgeois system now and replace it with socialism, this is what will happen. He even cites Marx on our Civil War -- it was merely a constitutional action, the next one will be a revolution -- meaning: you got rid of slavery, now get rid of capitalism. That's all fine, but it's a very serious error to misrepresent real existing fascism of the 20's through the 40's. A close comparison between it and rotten democracy shows that the transition is right on course.

Fascism and Nazism were modeled on the corporate system. That is why supporters of *our* corporate system prefer to attack a fictional fascism rather than the seed of fascism present in all pseudo-democratic forms of capitalism. How the seed grows into fascism can be observed by an accurate description of how the two major examples came into existence.

Italy suffered heavy casualties in WW1 and was shafted in the Versailles Treaty. That plus everyday class conflict under capitalism resulted in a massive worker uprising. It is usually dated from 1919-1920 but in fact there were daily violent worker actions right up to 1922. Italy had a demoralized conscripted army thus, like in Germany,

fascistic groups were organized from military veterans and rightist youths. Training and arming was often done under military cover. In 1922 Mussolini's party won some local elections south of Rome. The King and government took that as opportunity to invite a Mussolini takeover. By 1925 he had eliminated all opposition and became Il Duce.

Germany was in a similar state even though it actually lost the war while Italy was supposed to be a winner. Capitalists formed freikorps made of demobbed soldiers to defend their interests. Hitler was in the employ of the German government or private associations of capitalists from 1914 until his death. After the war Hitler, still in the army, he was assigned the task of infiltrating a radical political group to determine if it leftist. It was the opposite. Hitler was given funds to monitor its actions which led to his leadership of the Nazi party.

By 1923 he thought he could organize a coup in Bavaria that could be a launching point for the rest of Germany – in 1918 Bavaria briefly organized a communist government. Ludendorff was top commander on the Western front (Hindenberg a figurehead). He also was the de facto political leader of Germany by wars end. Imagine MacArthur and a few other generals rolled into one. He was able to raise truckloads of armed soldiers for the putsch. The president of Bavaria was also a supporter until the last minute. It failed but it did wonders for Hitler's reputation and future. Compare that to January 6.

As with Mussolini, there was no forceful takeover. He was invited to head the government by President Hindenberg. The Reichstag fire soon followed. An enabling act was presented before the Reichstag that granted near totalitarian power to the government. The communists had been kicked out. Only the socialist opposed it. Every single member in attendance from the bourgeois parties voted for what soon became a totalitarian dictatorship.

A giant corporation with many divisions would have a board of directors and executives to manage the divisions. That is essentially how a fascist state is run. Nazi and fascist leaders serve as the overall executive leadership. Assignments are decreed as needed. When the Nazis seized a country it was up to German capitalists working

collectively to integrate captured foreign resources into the German economy.

Fascist regimes also have legislatures and court systems which along with the executive apparatus were intended to manage and run their program for the advancement of state interests. But under fascism only the executive had real power.

In a democracy like we have in America we are taught about the three branches serving the best interests of all Americans while also protecting the independent operations of each branch. In fact, nothing of the kind happens. The trappings of democracy are nothing more they window dressing. The bipartisan electoral duopoly promote identical interests in all significant areas, and those relate to what is best for the capitalism.

As for the three branches, no American can fail to see that the executive branch is by far the most powerful. Much policy is effected just by decrees as in any dictatorship. In times of system crisis everything is rubber stamped by the other branches. Crimes are committed at home and abroad by the military and police with no thought of punishment.

But we saw a new development on January 6th. The large number of military vets along with police that served as what amounted to a leadership in the attack on the Capitol can develop into a force much like Mussolini's Black Shirts and Hitler's Brown Shirts. They could be used for home based crimes that must not be traced back to the officials forces of order. Something to watch for.

Economic Info

-- There has been much reporting on China's economy "booming" while the economies of the rest of the capitalist sphere are in the doldrums. This is easy to understand as China's experience with previous the SARS virus helped them recover from Covid 19 with less financial damage. But China's economy is still capitalist, albeit with more state backing, and it cannot escape the periodic crises that are endemic in all irrationally framed social systems.

Two thirds of China's GDP comes from private capitalists. The rest is from state owned enterprises that have been transformed from a state controlled structure to one that is governed by the rules of the capitalist marketplace. They are funded by borrowing in various forms and are subject to the same regulations governing private capitalism. They have to pay off the debt, with interest, on time or else they are in default.

The fact that the state is still present as a last resort eases the growth of debt. More than half of all loans and 90% of corporate bonds are issued in this way, therefore the state is there to either restructure and bailout, or let fail. Most major capitalist states have to do likewise, but in China it's more tightly controlled.

So how much better is China doing? In 2019 GDP growth was 6%, the lowest in more than 2 decades. Despite the 6.5% growth in the final quarter of 2020, GDP growth for the year was only 2.3%, probably the worst ever since China started on the capitalist path, but fine compared to many others in the throes of the pandemic.

According to Fitch Ratings state-owned firms defaulted on \$6.1 billions in state-owned firms, more than twice the total in the previous two years combined. In the final part of the year when China was largely free of the virus three of its largest enterprises defaulted on loans.

-- If you ever wondered how much a super rich capitalist like Bezos earns in everyday working stiff form, Business Insider used Forbes report on his annual earnings in 2019 of \$78.5 billion. That amounts to roughly \$6.5 billion a month, \$1.5 billion a week, \$215 million a day, almost \$9 million an hour, just about \$150,000 a minute, and close to \$2,500 a second. And he doubtlessly earned every cent of it.

-- Finally, another interesting factoid. According to inequality.org from March to December 2020 the wealth of this country's 671 billionaires grew by \$1 trillion. Meanwhile, 159 million Americans received a measly share of the \$267 billion tip from the ruling class.

<http://unrealeconomy.org>