The Clash of Ideas

The Ideological Battles that Made the Modern World—And Will Shape the Future

Edited by Gideon Rose and Jonathan Tepperman
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Contents

This book presents a special selection of new and archival material from *Foreign Affairs*, telling the story of the ideological battles of the past century and the emergence of the modern order. It is meant as is an accompaniment to the January/February 2012 issue of the magazine, which includes the four new pieces published here and heavily trimmed selections from the older articles. This volume presents, in addition to the new articles, the full, original text of all the archival articles, along with related material. The contents are arranged in substantive, rather than strictly chronological, order.

Making Modernity Work  *Gideon Rose*  
January/February 2012
How the postwar order of mutually supporting liberal democracies with mixed economies solved the central challenge of modernity, reconciling democracy and capitalism.

Lenin  *Victor Chernov*  
March 1924
The ideas and attitudes driving the leading protagonist in the Russian Revolution.

Making the Collective Man in Soviet Russia  *William Henry Chamberlin*  
January 1932
Life under communism, where a new man himself was the object of production.

Radical Forces in Germany  *Erich Koch-Weser*  
April 1931
Germany, 1931—depression and despair, with the Nazis coming up as a fringe party on the political horizon.

Hitler: Phenomenon and Portent  *Paul Scheffer*  
April 1932
What made Hitler’s audiences so receptive to his message.
Hitler’s Reich  *Hamilton Fish Armstrong*  99

July 1933
National Socialism in power—a portrait of Germany three months into the Third Reich.

The Position and Prospects of Communism  *Harold J. Laski*  169

October 1932
The state of ideological play at the depth of the Great Depression: the future looks bleak unless liberalism can reform itself.

Nationalism and Economic Life  *Leon Trotsky*  185

April 1934
Open economies can no longer survive on a national basis; unless broader economic integration can be achieved, fascism will triumph.

Freedom and Control  *Geoffrey Crowther*  216

January 1944
Those who say that democracy and capitalism cannot survive are wrong—but saving them requires finding a middle path between laissez-faire and comprehensive planning.

The Myth of Post–Cold War Chaos  *G. John Ikenberry*  259

May/June 1996
The end of the Cold War was less significant than people think—because the real postwar order, based on a reformed approach to political economy, endures.

The Future of History  *Francis Fukuyama*  309

January/February 2012
Stagnating wages and growing inequality will soon threaten liberal democracies unless a new populist ideology emerges that can yield healthy middle-class societies.

Acknowledgements  341
We are living, so we are told, through an ideological crisis. The United States is trapped in political deadlock and dysfunction, Europe is broke and breaking, authoritarian China is on the rise. Protestors take to the streets across the advanced industrial democracies; the high and mighty meet in Davos to search for “new models” as sober commentators ponder who and what will shape the future.

In historical perspective, however, the true narrative of the era is actually the reverse—not ideological upheaval but stability. Today’s troubles are real enough, but they relate more to policies than to principles. The major battles about how to structure modern politics and economics were fought in the first half of the last century, and they ended with the emergence of the most successful system the world has ever seen.

Nine decades ago, in one of the first issues of this magazine, the political scientist Harold Laski noted that with “the mass of men” having come to political power, the challenge of modern democratic government was providing enough “solid benefit” to ordinary citizens “to make its preservation a matter of urgency to themselves.” A generation and a half later, with the creation of the postwar order of mutually supporting liberal democracies with mixed economies, that challenge was being met, and as a result, more people in more
Making Modernity Work

places have lived longer, richer, freer lives than ever before. In ideological terms, at least, all the rest is commentary.

To commemorate Foreign Affairs’ 90th anniversary, we have thus decided to take readers on a magical history tour, tracing the evolution of the modern order as it played out in our pages. What follows is not a “greatest hits” collection of our most well-known or influential articles, nor is it a showcase for the most famous names to have appeared in the magazine. It is rather a package of 20 carefully culled selections from our archives, along with three new pieces, which collectively shed light on where the modern world has come from and where it is heading.

THE BIRTH OF THE MODERN

In the premodern era, political, economic, and social life was governed by a dense web of interlocking relationships inherited from the past and sanctified by religion. Limited personal freedom and material benefits existed alongside a mostly unquestioned social solidarity. Traditional local orders began to erode with the rise of capitalism in the eighteenth and nineteenth centuries, as the increasing prevalence and dominance of market relationships broke down existing hierarchies. The shift produced economic and social dynamism, an increase in material benefits and personal freedoms, and a decrease in communal feeling. As this process continued, the first modern political ideology, classical liberalism, emerged to celebrate and justify it.

Liberalism stressed the importance of the rule of law, limited government, and free commercial transactions. It highlighted the manifold rewards of moving to a world dominated by markets rather than traditional communities, a shift the economic historian Karl Polanyi would call “the great transformation.” But along with the gains came losses as well—of a sense of place, of social and psychological stability, of traditional bulwarks against life’s vicissitudes.

Left to itself, capitalism produced long-term aggregate benefits along with great volatility and inequality. This combination resulted in what Polanyi called a “double movement,” a progressive expansion
of both market society and reactions against it. By the late nineteenth
and early twentieth centuries, therefore, liberalism was being chal-
lenged by reactionary nationalism and cosmopolitan socialism, with
both the right and the left promising, in their own ways, relief
from the turmoil and angst of modern life.

The catastrophic destruction of the Great War and the economic
nightmare of the Great Depression brought the contradictions of
modernity to a head, seemingly revealing the bankruptcy of the
liberal order and the need for some other, better path. As democ-
ratic republics dithered and stumbled during the 1920s and 1930s,
fascist and communist regimes seized control of their own destinies
and appeared to offer compelling alternative models of modern
political, economic, and social organization.

Over time, however, the problems with all these approaches
became clear. Having discarded liberalism’s insistence on personal
and political freedom, both fascism and communism quickly
descended into organized barbarism. The vision of the future they
offered, as George Orwell noted, was “a boot stamping on a human
face—forever.” Yet classical liberalism also proved unpalatable,
since it contained no rationale for activist government and thus
had no answer to an economic crisis that left vast swaths of society
destitute and despairing.

Fascism flamed out in a second, even more destructive world
war. Communism lost its appeal as its tyrannical nature revealed
itself, then ultimately collapsed under its own weight as its non-
market economic system could not generate sustained growth.
And liberalism’s central principle of laissez faire was abandoned in
the depths of the Depression.

What eventually emerged victorious from the wreckage was a
hybrid system that combined political liberalism with a mixed
economy. As the political scientist Sheri Berman has observed, “The
postwar order represented something historically unusual: capitalism
remained, but it was capitalism of a very different type from that
which had existed before the war—one tempered and limited by
the power of the democratic state and often made subservient to
the goals of social stability and solidarity, rather than the other way
around.” Berman calls the mixture “social democracy.” Other scholars use other terms: Jan-Werner Müller prefers “Christian Democracy,” John Ruggie refers to “embedded liberalism,” Karl Dietrich Bracher talks of “democratic liberalism.” Francis Fukuyama wrote of “the end of History”; Daniel Bell and Seymour Martin Lipset saw it as “the end of ideology.” All refer to essentially the same thing. As Bell put it in 1960, “Few serious minds believe any longer that one can set down ‘blueprints’ and through ‘social engineering’ bring about a new utopia of social harmony. At the same time, the older ‘counter-beliefs’ have lost their intellectual force as well. Few ‘classic’ liberals insist that the State should play no role in the economy, and few serious conservatives, at least in England and on the Continent, believe that the Welfare State is ‘the road to serfdom.’ In the Western world, therefore, there is today a rough consensus among intellectuals on political issues: the acceptance of a Welfare State; the desirability of decentralized power; a system of mixed economy and of political pluralism.”

Reflecting the hangover of the interwar ideological binge, the system stressed not transcendence but compromise. It offered neither salvation nor utopia, only a framework within which citizens could pursue their personal betterment. It has never been as satisfying as the religions, sacred or secular, it replaced. And it remains a work in progress, requiring tinkering and modification as conditions and attitudes change. Yet its success has been manifest—and reflecting that, its basic framework has remained remarkably intact.

**THE ONCE AND FUTURE ORDER**

The basic question of modernity has been how to reconcile capitalism and mass democracy, and since the postwar order came up with a good answer, it has managed to weather all subsequent challenges. The upheavals of the late 1960s seemed poised to disrupt it. But despite what activists at the time thought, they had little to offer in terms of politics or economics, and so their lasting impact was on social life instead. This had the ironic effect of stabilizing the system rather than overturning it, helping it live up to its full potential by
The Clash of Ideas

bringing previously subordinated or disenfranchised groups inside the castle walls. The neoliberal revolutionaries of the 1980s had little more luck, never managing to turn the clock back all that far.

All potential alternatives in the developing world, meanwhile, have proved to be either dead ends or temporary detours from the beaten path. The much-ballyhooed “rise of the rest” has involved not the discrediting of the postwar order of Western political economy but its reinforcement: the countries that have risen have done so by embracing global capitalism while keeping some of its destabilizing attributes in check, and have liberalized their polities and societies along the way (and will founder unless they continue to do so).

Although the structure still stands, however, it has seen better days. Poor management of public spending and fiscal policy has resulted in unsustainable levels of debt across the advanced industrial world, even as mature economies have found it difficult to generate dynamic growth and full employment in an ever more globalized environment. Lax regulation and oversight allowed reckless and predatory financial practices to drive leading economies to the brink of collapse. Economic inequality has increased as social mobility has declined. And a loss of broad-based social solidarity on both sides of the Atlantic has eroded public support for the active remedies needed to address these and other problems.

Renovating the structure will be a slow and difficult project, the cost and duration of which remain unclear, as do the contractors involved. Still, at root, this is not an ideological issue. The question is not what to do but how to do it—how, under twenty-first-century conditions, to rise to the challenge Laski described, making the modern political economy provide enough solid benefit to the mass of men that they see its continuation as a matter of urgency to themselves.

The old and new articles that follow trace this story from the totalitarian challenge of the interwar years, through the crisis of liberalism and the emergence of the postwar order, to that order’s present difficulties and future prospects. Some of our authors are distinctly gloomy, and one need only glance at a newspaper to see why. But remembering the far greater obstacles that have been overcome in the past, optimism would seem the better long-term bet.

[6]
Lenin is dead—this time dead physically, for spiritually and politically he has been dead a year at least. We have got in the habit of speaking of him as a thing of the past; and for that very reason it will not be difficult now to write of him dispassionately.

Lenin was a great man. He was not merely the greatest man in his party; he was its uncrowned king, and deservedly. He was its head, its will, I should even say he was its heart were it not that both the man and the party implied in themselves heartlessness as a duty. Lenin’s intellect was energetic but cold. It was above all an ironic, sarcastic, and cynical intellect. Nothing to him was worse than sentimentality, a name he was ready to apply to all moral and ethical considerations in politics. Such things were to him trifles, hypocrisy, “parson’s talk.” Politics to him meant strategy, pure and simple. Victory was the only commandment to observe; the will to rule and to carry through a political program without compromise, that was the only virtue; hesitation, that was the only crime.

It has been said that war is a continuation of politics, though employing different means. Lenin would undoubtedly have reversed this dictum and said that politics is the continuation of war under another guise. The essential effect of war on a citizen’s conscience is nothing but a legalization and glorification of things that in times of peace constitute crime. In war the turning of a flourishing country into a desert is a mere tactical move; robbery is a “requisition,” deceit a stratagem, readiness to shed the blood of one’s brother military

Victor Chernov, Russian Social-Revolutionary writer; Minister of Agriculture in the Kerensky Government.
zeal; heartlessness towards one’s victims is laudable self-command; pitilessness and inhumanity are one’s duty. In war all means are good, and the best ones are precisely the things most condemned in normal human intercourse. And as politics is disguised war, the rules of war constitute its principles.

Lenin was often accused of not being and of not wanting to be an “honest adversary.” But then the very idea of an “honest adversary” was to him an absurdity, a smug citizen’s prejudice, something that might be made use of now and then jesuitically in one’s own interest; but to take it seriously was silly. A defender of the proletariat is under an obligation to put aside all scruples in dealings with the foe. To deceive him intentionally, to calumniate him, to blacken his name, all this Lenin considered as normal. In fact, it would be hard to exceed the cynical brutality with which he proclaimed all this. Lenin’s conscience consisted in putting himself outside the boundaries of human conscience in all dealings with his foes; and in thus rejecting all principles of honesty he remained honest with himself.

Being a Marxist, he was a believer in “class struggle.” As an individual contribution to this theory he used to confess his belief that civil war was the unavoidable climax of class struggle. We may even say that to him class struggle was but the embryo of civil war. Dissent in the party, whether serious or merely trifling, he often tried to explain as an echo of class antagonisms. He would then proceed to eliminate the undesirable by cutting them off from the party, and in doing this he “honestly” resorted to the lowest means. After all, is not a non-homogeneous party an illegitimate conglomeration of antagonistic class-elements? And all antagonistic class-elements should be treated according to the precept “war is war.”

His whole life was passed in schisms and factional fights within the party. From this resulted his incomparable perfection as a gladiator, as a professional fighter, in training every day of his life and constantly devising new tricks to trip up or knock out his adversary. It was this lifelong training that gave him his amazing cool-headedness, his presence of mind in any conceivable
situation, his unflinching hope “to get out of it” somehow or other. By nature a man of single purpose and possessed of a powerful instinct of self-preservation, he had no difficulty in proclaiming *credo quia absurdum* and was much like that favorite Russian toy, the Van’ka-Vstan’ka boy, who has a piece of lead in his rounded bottom and bobs up again as fast as you knock him down. After every failure, no matter how shameful or humiliating, Lenin would instantly bob up and begin again from the beginning. His will was like a good steel spring which recoils the more powerfully the harder it is pressed. He was a hardy party leader of just the kind necessary to inspire and keep up the courage of his fellow fighters and to forestall panic by his personal example of unlimited self-confidence, as well as to bring them to their senses in periods of high exaltation when it would be extremely easy for them to become “a conceited party,” as he used to say, resting on their laurels and overlooking the perils of the future.

This singleness of purpose was the thing that most imposed respect among his followers. Many a time when Lenin managed to survive, thanks only to some blunder of his foes, the credit for his survival was attributed to his unflinching optimism. Often it used to be mere blind luck—but then blind luck mostly comes to those who know how to hold out through a period of desperate ill-luck. Most persons soon give up. They do not care to sacrifice their strength in evidently futile attempts; they are sensible—and it is this good sense that precludes good luck. There is some supreme common sense, on the other hand, in a man who will spend his last ounce of energy in spite of all odds—in spite of logic, destiny and circumstance. And with such “unreasonable common sense” nature endowed Lenin to excess. Thanks to this tenacity he more than once salvaged his party from apparently inextricable straits, but to the masses at large such occurrences were miracles and were ascribed to his genius of foresight. Foresight on a large scale, however, was the very thing he lacked. He was a fencing master first of all, and a fencer needs only a little foresight and no complicated ideas. In
The Clash of Ideas

fact, he must not think too much; he must concentrate on every movement of his adversary and master his own reflexes with the quickness of inborn instinct, so as to counter every hostile move without a trace of delay.

Lenin’s intellect was penetrating but not broad, resourceful but not creative. A past master in estimating any political situation, he would become instantly at home with it, quickly perceive all that was new in it and exhibit great political and practical sagacity in forestalling its immediate political consequences. This perfect and immediate tactical sense formed a complete contrast to the absolutely unfounded and fantastic character of any more extensive historical prognosis he ever attempted—of any program that comprised more than today and tomorrow. The agrarian plan worked out by him in the nineties for the Social-Democratic Party, something he had been toiling over and digesting for ten years, met with complete failure, an accident which never prevented him subsequently from hastily borrowing from the Social-Revolutionaries agrarian slogans which he previously had spent much effort in combating. His concrete plans of attack were superbly practical; but his grandiose program of action after victory, which was to cover a whole historical period, went to pieces at the first touch of reality. His “nearer political outlook” was unexcelled; his “further political outlook” went permanently bankrupt.

As a man who already had the truth in his pocket he attached no value to the creative efforts of other seekers after truth. He had no respect for the convictions of anyone else, he had none of the enthusiastic love of liberty which marks the independent creative spirit. On the contrary, he was dominated by the purely Asiatic conception of a monopoly of press, speech, justice, and thought by a single ruling caste, agreeing therein with the alleged Moslem saying that if the library of Alexandria contained the same things as the Koran it was useless, and if it contained things contrary it was harmful.

Granting that Lenin was absolutely lacking in creative genius, that he was merely a skillful, forcible and indefatigable expounder of other thinkers’ theories, that he was a man of such narrowness
of mind that it could almost be called limited intelligence, never-
theless he was capable of greatness and originality within those
limitations. His power lay in the extraordinary, absolute lucidity—
one might almost say the transparency—of his propositions. He
followed his logic unflinchingly even to an absurd conclusion,
and left nothing diffuse and unexplained unless it were necessary
to do so for tactical considerations. Ideas were made as concrete
and simple as possible. This was most evident in Lenin’s rhetoric.
He never was a brilliant orator, an artist of beautiful speech. He
would often be coarse and clumsy, especially in polemics, and he
repeated himself continually. But these repetitions were his very
system and his strength. Through the endless re-digesting, uncouth
pounding and clumsy jokes there throbbed a live, indomitable
will that would not be deviated by an inch from the appointed
path; it was a steady, elemental pressure whose monotony hyp-
notized the audience. One and the same thought was expressed
many times in many different shapes till finally in one way or
another it penetrated each individual brain; then, as a drop of
water perforates the rock, constant repetition was applied to implant
the idea into the very essence of the hearer’s intelligence. Few
orators have known how to achieve such admirable results by
dint of repetition. Besides, Lenin always felt his audience. He
never rose too high above its level, nor did he ever omit to de-
scend to it at just the necessary moment, in order not to break
the continuity of the hypnosis which dominated the will of his
flock; and more than any one he realized that a mob is like a
horse that wants to be firmly bestrode and spurred, that wants to
feel the hand of a master. When needed he spoke as a ruler, he
denounced and whipped his audience. “He’s not an orator—he’s
more than an orator,” someone remarked about him, and the remark
was a shrewd one.

The will of Lenin was stronger than his intellect, and the latter
was everlastingly the servant of the former. Thus when victory was
finally won after years of clandestine toil he did not embark upon
the task of embodying his ideas as would a constructive socialist
who had pondered over his creative work in advance; he merely
applied to the new, creative phase of his life’s program the same methods which had been used in his destructive struggle for power, “On s’engage et puis on voit”—he was very fond of these words of Napoleon’s.

Lenin has often been painted as a blind dogmatist, but he never was such by nature. He was not the kind to become attached for better or worse to a symmetrically finished system, he merely set his mind on succeeding in his political and revolutionary gamble, where to catch the proper moment meant everything. This is how he often became a quack, an experimenter, a gambler; this is why he was an opportunist, which is something diametrically opposed to a dogmatist.

Many critics have thought Lenin greedy for power and honors. The fact is he was organically made to rule and simply could not help imposing his will on others, not because he longed for this but because it was as natural for him to do so as it is for a large astral body to influence the planets. As for honors, he disliked them. His heart never rejoiced in pomp. Plebeian in his tastes and by his inmost nature, he remained just as simple in his habits after the October revolution as he had been before. He has often been represented, too, as a heartless, dry fanatic. This heartlessness of his was purely intellectual and therefore directed against his enemies, that is, against the enemies of his party. To his friends he was amiable, good-natured, cheerful, and polite, as a good comrade should be; so it was that the affectionate, familiar “Iliich” became his universally accepted name among his followers.

Yes, Lenin was good-natured. But good-natured does not mean good-hearted. It has been observed that physically strong people are usually good-natured, and the good nature of Lenin was of exactly the same description as the amiability of a huge Saint Bernard dog toward surrounding pups and mongrels. So far as we can guess, real good-heartedness most probably was considered by him one of the pettiest of human weaknesses. At least it is a fact that whenever he wanted to annihilate some Socialist adversary he never omitted to bestow upon him the epithet of “a good fellow.”
He devoted his whole life to the interests of the working class. Did he love those working people? Apparently he did, although his love of the real, living workman was undoubtedly less intense than his hatred of the workman’s oppressor. His love of the proletariat was the same despotic, exacting, and merciless love with which, centuries ago, Torquemada burned people for their salvation.

To note another trait: Lenin, after his own manner, loved those whom he valued as useful assistants. He readily forgave them mistakes, even disloyalty, though once in a while calling them sternly to task. Rancor or vengefulness were alien to him. Even his foes were not live, personal enemies but certain abstract factors to be eliminated. They could not possibly excite his human interest, being simply mathematically determined points where destructive force was to be applied. Mere passive opposition to his party at a critical moment was a sufficient reason for him to have scores and hundreds of persons shot without a moment’s consideration; and with all this he was fond of playing and laughing heartily with children, kittens and dogs.

It has been said that what the style is the man is. It would be even truer to say that what the thought is the man is. If it has been given to Lenin to leave any imprint of himself upon the doctrine of class struggle it is to be found in his interpretation of the dictatorship of the proletariat, an interpretation permeated with the conception of that will which was the essence of his own personality. Socialism means the enfranchisement of labor; and the proletariat is the warp and woof of the working mass. In the proletariat itself, however, there are purer and less pure strains of proletarians. Now if a dictatorship of the proletariat over the working masses is required there must be, on the same principles, within the proletariat itself a vanguard-dictatorship over the proletarian rank and file. This must be a kind of quintessence, a true Proletarian Party. Within this Proletarian Party there must likewise be an inner dictatorship of the sterner elements over the more yielding ones. We have thus an ascending system of dictatorships, which culminates and could not help culminating in a personal dictator. Such Lenin came to be.
The Clash of Ideas

His theory of concentric dictatorships, which reminds one of the concentric circles of Dante’s Inferno, thus developed into a universally applicable theory of Socialist dictatorial guardianship over the people, that is, into the very antithesis of true Socialism as a system of economic democracy. This favorite and most intimate conception of Lenin—and the only one really his own—was a *contradictio in adjecto*. Such an inner contradiction could not help but become, ultimately, a source of disintegration inside the party he had created.

He is dead. His party is now headed by men whom for a long period of years he moulded after his own image, who found it easy to imitate him but who are finding it extremely difficult to continue his policy. That party as a whole is now beginning to experience the fate of its supreme leader: gradually it is becoming a living corpse. Lenin is no longer there to galvanize it with his surplus energy; he spent himself to the dregs—spent himself on a party which is now, in its turn, exhausted. Over his freshly made grave it may for a moment draw closer together and pronounce vows of fidelity to the revered teacher who has told it so much in the past, but who today is telling it no more, and who will tell it no more in the future. Then it will fall back into everyday life and again be subject to the law of disintegration and dissolution.
Making the Collective Man in Soviet Russia

William Henry Chamberlin

Foreign Affairs, January 1932

The individual human personality is fighting a losing battle against heavy odds in Russia today. When one hears of state planning in the Soviet Union one usually thinks of factories, steel plants, large grain farms and cotton plantations, tractors and other accessories of industrialization. What is perhaps not generally realized is that man himself is the first and most important objective of Soviet planning and that the tendency to replace man, the individual, by collective man, the product of social groups and forces, is one of the most important and interesting currents in Soviet life.

Indeed the success which has been achieved in shaping the individual and placing a definite stamp upon him is perhaps greater up to the present time than the success in standardizing types of tractors or railroad equipment. The Soviet Union has certainly gone further than any other country has ever gone in building up a gigantic mechanism of social, economic, educational and propaganda forces which tend to repress many old aspects of human personality and to remold it in the image of Marx and Lenin. Of course even the strongest individuality does not exist in a vacuum, but is modified to a greater or lesser extent by the political, economic, social and intellectual atmosphere surrounding it. In the Soviet Union the balance

William Henry Chamberlin, for some years correspondent of the Christian Science Monitor in Soviet Russia; author of “Soviet Russia.”
which exists elsewhere between the claims of society and the autonomy of the individual has been heavily weighted in society’s favor. From the cradle to the grave the life and thought of the Soviet citizen are mapped out for him so far as external influences can be mobilized to achieve this end. The Soviet child about the age of eight is apt to join the Young Pioneers, an organization which numbers more than four million members and is steadily growing. From the moment when young Vasya and Sonya put on the red scarf that is the distinguishing sign of the Young Pioneer a process of intensive propaganda begins, of which a part consists in giving them definite tasks to do. Thus Young Pioneers are not only taught to disbelieve religion; they are encouraged at Christmas time to go around and convert those “backward” children who may still want to have Christmas trees and celebrate the holiday in the traditional manner. When harvest time comes one is apt to answer a knock on the door and find two or three children in red scarves, asking for grain sacks which somehow never seem to be furnished in sufficient quantity through ordinary channels.

No meeting of workers or employees for the election of delegates to the Soviet is complete unless a troop of Young Pioneers marches in and, through its leader, gravely announces its “nakaz,” or set of instructions for the future Soviet delegates. The “nakaz” usually includes a point about closing more churches and turning them into Pioneer clubs or schools. When a “chistka,” or purge, of Soviet institutions and offices is in progress it is not uncommon for a ten-year-old Pioneer to stand up, after some preliminary coaching, and solemnly denounce some middle-aged official or professor as a bureaucrat or a saboteur.

Fairy stories and even pictures of genuine animals, accompanied by jingling rhymes, are now frowned on; and children from an early age are supposed to concentrate on the problems of the Five Year Plan. Even toys are made with a view to turning children’s ideas along definite lines; the following excerpt from a symposium on the proper kind of Soviet toys is quite typical: “Show the children malignant caricatures of tsars, capitalists, policemen, priests. Show them the faces of saboteurs, bureaucrats, private traders. Show them
proletarians of Europe, America, Asia and Africa. And instead of carriages and phaetons we need toys that reflect our technical revolution: cranes, machines, tractors, motorcycles, automatons.”

That the intensive political training of the Young Pioneers tends to make them quite different both from pre-war Russian children and from children in other countries is quite generally testified. Karl Radek recently pointed out that the authority alike of parents and of teachers is thoroughly undermined under present conditions. If parents are not communist their Young Pioneer children are apt to look on them rather condescendingly as “politically backward.” Even when this issue does not arise there are other factors that make for the disintegration of normal family life: the frequency of divorce, for instance, and the absorption of many active communists in their work to such a degree that little time is left for their children. As for the teachers, few of them, especially of the older generation, are communists; and the children, as Radek observes, knowing that the Party is the highest authority in the country, cannot have full respect for a teacher who is not identified with the Party. Under these circumstances the Young Pioneer “otryad,” or troop, tends to become an important force in regulating the lives of its members. The ten-year-old who is indifferent or rebellious to a rebuke by parent or teacher may be greatly affected if his comrades in the troop, in solemn imitation of their elders, bring him before a “social court,” consisting of themselves, and pass a resolution condemning him for loafing, hooliganism or some violation of the rules of conduct for Young Pioneers.

Of course not all Russian children are Young Pioneers. But almost all children in Russia now attend primary school, at least for three or four years; and the present school is almost as much of a forcing-ground for the inculcation of communist ideas as the Young Pioneer organization itself. Every teacher is obligated to give anti-religious instruction, not only in the classroom but through such media as excursions to anti-religious museums and the organization of atheistic skits, plays and carnivals. Then too a good dose of the Five Year Plan is inserted into every course of study, and a bust or picture of Lenin is to be found in almost every schoolroom.
Children are politically propagandized in the schools from a very early age, even to the point of being pressed to vote approval for sentences of execution which are passed upon accused counter-revolutionaries and saboteurs.

From the Young Pioneers it is a natural upward step to membership in the Union of Communist Youth, an organization with a membership of more than four million young people between the ages of sixteen and twenty-three. Here the clay of human personality that has been given preliminary shape in the Pioneer stage is subjected to further and more vigorous psychological kneading. The khaki uniform and Sam Browne belt which Young Communists of both sexes wear are symbolic of the militantly active type of life which they are expected to lead. Not only is theoretical training in the teachings of Marx and Lenin intensified for the Young Communists; but they are given the most effective kind of propaganda, the propaganda of action, that finds expression in various ways. Sometimes groups of Young Communists, without their distinctive uniforms, will descend on a store, factory, office or public institution, take notes on any real or supposed cases of inefficiency or bureaucracy which they may discover and report their discoveries to higher authorities. This sort of informal inspection is called “a raid of the light cavalry.” The Young Communist “yacheika,” or local branch, is a power to be reckoned with in any higher school or university.

Young Communists are all bound to take military training; and anyone who fails to comply with this requirement is liable to expulsion from the organization. These four million fanatically ardent young people (for girls also take the military training) are a very important element in the huge trained civilian reserve which is steadily being built up for the regular Red Army. The Young Communist also has his duties on the so-called economic front. When a large new tractor plant was built at Stalingrad thousands of Young Communists were mobilized by their local organizations all over the country and sent there to work. One often reads of similar mobilizations for the “timber front” or the “coal front.” Failure to comply with such an order, or unauthorized
departure from the new place of work, are punishable with expulsion from the Union.

Now the passing of a large and increasing part of the Russian youth through the political school represented by the Young Pioneers and the Union of Communist Youth tends to shape, direct and repress the individual in various ways. First of all, the child from an early age is under collective or group influence. Then the whole channel of thought and action is marked out with a definitiveness and precision scarcely paralleled in any other country. There is short shrift for any kind of questioning or doubting. A Young Communist leader named Sten recently brought down a storm of criticism on his head by voicing the opinion that “every Young Communist must seriously work out all questions by his own experience and thus become convinced of the correctness of the general line of the Party.” The official newspaper of the Union of Communist Youth read Sten a severe lecture and informed him that “his formula is at best the formula of a petty-bourgeois revolutionary individualist, not the formula of a Bolshevik. Sten’s Young Communist is some sort of critically thinking personality, who has no concern with the collective experience of the Party.” The sort of individuality that finds expression in a “critically thinking personality” is decidedly not in favor in the Soviet Union today. The human type which is wanted is a sort of gramophone which plays without a hitch the records that are placed on it.

The tremendous pressure of “obshestvennost,” which might be loosely translated as organized public opinion, does not slacken when the Soviet citizen grows out of the Communist Youth age and takes up his regular work in life. True, the proportion of the adult population enrolled in the Communist Party and subject to its severe discipline is much smaller than the percentage of young people who wear the red scarf of the Young Pioneers or the khaki uniform of the Young Communist. But other agencies, such as the trade-unions, which were rather aptly described by Lenin as “schools of communism,” continue the work of molding individuality and repressing it when it comes into conflict with the supposed interests of the social organism as a whole. Thus if our Soviet citizen goes to
work in a factory he will be under strong pressure to join a “shock brigade,” which may mean that he will be obligated to work overtime, to increase productivity without demanding higher wages, to remain at his post until the Five Year Plan is finished, even though he may hear of more attractive work elsewhere, and so on. If he is an engineer and is sent to an uncomfortable post he will have difficulty in declining the appointment. Some group organization, most probably his trade-union, will report and denounce him as “a deserter from the industrial front” and do its best to make him an outcast.

Moreover, it is difficult for anyone living outside of Russia to understand the tremendous machinery for the regimentation of the individual which exists when every agency of information and entertainment—the press, the radio, the drama, the motion-picture—is centrally controlled for the purpose of making people communistically minded. Compared with this gigantic state monopoly of all the main forces that contribute to the making of ideas the most elaborate schemes of governmental propaganda and private advertising in other countries seem very puny.

When the Soviet citizen picks up his newspaper, no matter which one it may be or whether it is published in Moscow, Kharkov, Tiflis or Vladivostok, and no matter whether it is printed in Russian, Ukrainian, German, Tatar or any one of the other numerous languages of the Soviet Union, he gets precisely the same picture of political and economic events, often expressed in virtually identical phraseology. The outside world is represented as writhing in the throes of a hopeless crisis, with widespread hunger and unemployment and communist revolution as the sole way of salvation, while the Soviet Union is depicted as living through an era of unprecedented prosperity, tempered perhaps by a few prosaic difficulties in such matters as supply with food and clothing, housing shortage, overcrowded trains and street-cars, all difficulties, however, of growth, which will soon be victoriously overcome by the creative energy of the proletariat under the direction of its leader, the Leninist Communist Party.

The Soviet press has a number of stock methods of suggestive reporting. Whenever a new state loan is issued (and subscriptions
to such loans, while nominally free, actually are virtually compulsory for workers and employees, as a result of the social pressure which is placed on them by trade-unions) it is always “in response to the overwhelming demand of the workers.” When an ardent shock brigade member, trying to speed up the other workers, is beaten or killed his assailant is almost always described as a drunkard, a hooligan and, as a final damning trait, of kulak origin. Any international dispute in which the Soviet Government may become involved or any trial of persons accused of treason or sabotage is always the occasion for a vast outpouring of very similarly worded resolutions from factories, institutions and organizations, all expressing their support of the government, their detestation of the persons on trial and pledging the signers to work harder as a response to the incident in question.

The radio, which is entirely under state or public control, broadcasts a vast amount of political agitation and economic exposition. The Soviet citizen cannot escape from the Five Year Plan by going to a new play, which in most cases will be a dramatized story of the building of some new enterprise, or by going to the motion-picture theater, where the newsreel certainly and the film quite probably will be full of excavators, cranes, pulleys and blast-furnaces. Even concerts are often accompanied by short explanatory lectures in which the class origin of the composer is analyzed and his music is discussed as reflecting both his origin, whatever it may be, and the general historical problems of his time. Amateur theatricals, of which the Russians are enormously fond, represent still another means of influencing sentiment. There are now 120,000 circles under the central direction of the so-called “Theater of Self-Activity.” The members of these circles are not professional actors, but workers, employees and peasants, who put on plays and skits in the factory or village club in their spare time. The themes for these amateur plays and playlets are carefully worked out in the center and are, of course, designed to stimulate enthusiasm for Soviet policies.

So the individual personality is attacked from every side by forces which are all controlled from a common center and which are
working in accordance with a prearranged plan to remake the traditional human individualist into a collective man, a citizen of the future communist society. Of course character in every country is shaped by a variety of institutions—home, school, church, books, radio, newspaper, and so on—and critics sometimes see in modern industrialism a potent and even sinister force for the standardization of tastes, habits and thoughts. But there can be no convincing analogy between the loose, jarring and sometimes conflicting influences which operate for the creation of personality in most countries and the closeknit, intense concentration of effort upon the production of a definite type of citizen which goes on today in the Soviet Union.

The idea given expression in the blunt phrase “None of your business” finds little toleration in the Soviet Union. There almost everything is almost everybody’s business, as witness the numerous groups of people who go about inspecting, warning, reprimanding, purging institutions and organizations. A typical Soviet practice in this connection is the so-called “chistka,” or purge, carried out periodically both among the members of the Communist Party and among employees of state institutions. The purging of a state institution is carried out under the supervision of a commission appointed by the Commissariat for Workers’ and Peasants’ Inspection, which is a sort of supreme state department of audit, inspection and control. The commission hears evidence from employees about the conduct and efficiency of their colleagues and holds public purges of those individuals whose behavior has given occasion for suspicion. The commission may inflict penalties ranging from complete debarment from state employment for serious offenders to dismissal from the particular post, without prejudice to future employment. So-called workers’ brigades, usually recruited from the more active communists and members of the Union of Communist Youth sometimes inspect the work of libraries, hospitals, museums and other institutions. The wall newspaper which is typewritten or written out by hand and posted up in every large factory or office is also a vehicle of criticizing individuals who are accused of not fulfilling their duties.
Making the Collective Man in Soviet Russia

A little incident which I recently witnessed on a Moscow street-car illustrates the difference between the Russian and the foreign attitude toward personal criticism. An American woman was getting on the car with her little daughter and a Russian workman, who had perhaps participated in a commission which told some professor or physician how his library or hospital ought to be run, offered criticism of the way in which the child had been lifted onto the car. The American woman knew enough Russian to tell him rather tartly that it was none of his business. An expression of sheer blank and hurt incomprehension came over the Russian proletarian’s face. “How? None of my business?” he stammered.

Still another important way in which old individualist ideas of possession and privacy are being designedly supplanted is seen in the architectural blueprints for the new “socialist cities” which are growing up in various parts of Russia as the building of huge new plants creates new centers of population. Some of these socialist cities, like Stalingrad and Cheliabinsk, are additions to old towns; others, like Magnitogorsk and the new town which is growing up in the neighborhood of the great hydro-electric power plant on the River Dneiper, are built almost to order. In the apartment-houses which are constructed in these cities comparatively little space is reserved for individual dwelling quarters; and the cottage type of house, designed for one or two families, is frowned on. On the other hand, lavish appropriation is made for communal buildings: common dining-rooms, mechanized laundries, clubs, reading-rooms, nurseries, kindergartens. Soviet city planners are projecting not only new houses but new people whose group interests will predominate over their individual interests as a direct result of the living quarters in which they will be placed.

In the field of economic enterprise the individual has received blow after blow. The big prizes which the capitalist system offers to a restricted number of people, ownership or part ownership of a bank, a railroad, a big industrial or commercial corporation, have been abolished in Russia ever since the revolution, which transferred to the state the title to the large industries, the transportation and banking systems, along with monopolistic control of foreign
trade. And during recent years the smaller individual prizes which in most countries are vouchsafed to the doctor or lawyer who builds up a large practice, to the farmer who adds steadily to his acres and his stock, to the mechanic who develops into a small businessman, have been all but entirely swept away. The wages of thrift, industry and commercial shrewdness for the more prosperous peasants, the so-called kulaks, have been “liquidation as a class,” i.e., expulsion from their homes and confiscation of their property; and the absorption of over half the peasant homesteads into collective farms during the last two years heralds the disappearance in Russia of a world-wide bulwark of economic individualism: the independent peasant-proprietor.

“The butcher, the baker, the candlestickmaker” of the nursery rhyme, such craftsmen as shoemakers, tailors, barbers and locksmiths are also being pulled into the collectivist net. They are under strong economic pressure to give up their little separate businesses and to band together in so-called cartels, or coöperative groups, where each member receives a definite wage. Private legal practice has almost completely ceased; lawyers, as a general rule, are enrolled in associations and are assigned in rotation to such cases as arise in the courts. The same tendency is visible in medical practice, although some of the older doctors and dentists with established reputations still carry on private practice, usually combining it with work in some state hospital. The younger doctor is almost invariably a state employee, with a definite salary, attached to a hospital or assigned in rotation to treat cases which may arise in homes. A further curtailment of the economic enterprise of the individual may be seen in the regulations which, combined with social pressure, make it difficult if not impossible for a worker or employee to move from one place of employment to another without the consent of the director of his enterprise. Workers in factories are urged to sign pledges not to leave until the end of the Five Year Plan; and an engineer or specialist of any kind who leaves a post without permission may be blacklisted and barred from further employment.

Communists, of course, would contend that their present system is not merely one of restrictions and deprivations. It may be true,
they say, that wealth, even very modest wealth, is not attainable for
the individual under present Soviet conditions; but the specter of
unemployment is also banished. While the present standard of
living is low for everyone, lower in proportion for the professional
classes than for manual workers, there is the hope that it will rise
steadily after the first rough construction jobs of the Five Year
Plan are finished. As a substitute for the acquisition of individual
wealth there is an effort to find socialist stimuli for productivity in
the shape of public honoring of the best “shock brigade workers”
through publication of their names and pictures in the newspapers
and by giving them the title of Heroes of Labor.

Moreover, it is important to bear in mind that the communists
themselves realize that the time is still far off when people will give
their best services merely in return for the satisfaction of benefiting
the community. Curious and even paradoxical as it may seem, dur-
ing the very period when the wiping out of the individual enter-
preneur even of the smallest type—the peasant with three horses
and a farm of a hundred acres, the corner barber, the trader with a
small shop—has gone ahead most rigorously, the insistence upon
the necessity for piecework methods of payment in state enterprises
and collective farms has increased.

I recently remarked jokingly to a communist acquaintance that
the whole process of liquidating the kulaks as a class would have
been in vain if, under piecework methods of payment, new classes
would spring up among the peasants in the collective farms ranging
from those who would be relatively well-to-do as a result of earning
high piecework rates to those who would be poor because they
would receive little pay for slovenly and indifferent work. “Ah,” he
replied, “but differences of wealth in such cases will not grow out
of the exploitation of one man by another. The peasant who earns
more money in the collective farm will not be able to buy land
and machinery and to increase his wealth by utilizing the labor of
others.” This reflects the present dominant communist view that
original economic sin is expressed not in varying wage and salary
scales and standards of living but in the use of capital by one man
to employ, or in communist phraseology to exploit, others.

[61]
One last sanctuary of the individual personality, artistic creation, has recently been ruthlessly invaded in Soviet Russia. Pegasus has been firmly hitched to the chariot of the Five Year Plan. The present tendency is not to encourage free flights of individual creative fancy, but to regiment art in all its forms and to place before it definitely propagandist objectives. The contrast with the situation of a few years ago is very marked. There has always been a strict political censorship in the Soviet Union; but from 1922 until 1928 or 1929 authors and playwrights were given a fairly wide scope in their choice of themes. There was a school of so-called proletarian writers who wrote the slogans of class war, but there was also a group of “poputchiki,” or “traveling companions,” who often stood aloof from political and economic questions, eschewed moralizing along communist lines, and concerned themselves with problems of individual character and psychology.

Now there has been a great shift of emphasis. It is perhaps most clearly reflected in drama, where an extraordinarily high percentage of the new plays of the last two seasons conform to a rather narrow and simple pattern, something as follows. An effort is being made to build a new factory, or to step up production in one which already exists. There are difficulties in the path; some of the newly recruited workers grumble about physical hardships; a counter-revolutionary engineer usually is cast for the villain’s rôle and plots sabotage. But in the end the enthusiasm of the workers, under communist leadership, sweeps all before it; the program is carried out in record time; the “internationale” blares out as the symbol of the invariably happy ending. There are probably a score of new plays which would conform to this formula with minor variations, while new Russian dramas based on historical or personal psychological themes have been extremely uncommon in the last two seasons. Even the Kamerny Theater, long a stronghold of æstheticism in dramatic art, has fallen in line with the new tendencies, and its director, Alexander Tairov, quite correctly described one of the Theater’s new plays, “The Line of Fire,” as “the victorious building of socialism, the industrialization of the Soviet land, the electrification of the Soviet Union, cultural revolution and socialist recon-

[62]
struction of human psychology.” This transformation of the Soviet theater is partly but by no means entirely explained by a tightening of the censorship, which has found perhaps its most visible expression in the banishing from the stage of the satirical comedies of Mikhail Bulgakov, whose mordant wit at its best had a suggestion of Gogol. Bulgakov disappeared from the stage just about the time, early in 1929, when the clamor for “art in the service of the Five Year Plan” became very insistent.

More important probably than the negative influence of the censorship is the direct and intensive effort to mold the temperament and forms of expression both of authors and producers. The VAPP, or All-Union Association of Proletarian Writers, is perhaps the most active of several organizations which are quick to pounce on any taint of heresy in a new book or play. The subordination of the autonomy of the theatrical producer to social control, and of aesthetic to political considerations, is vividly reflected in the following instructions which one of the Moscow district committees of the Communist Party gave to the communists engaged in the Vakhtangov Theater: “Decisively and consistently to turn the theater in the direction of artistic reflection of the problems of socialist construction, struggle of the proletariat for the Five Year Plan in four years, cultural revolution, problems of struggle for the mastery of technique, questions of the international struggle of the proletariat and of the defense of the Soviet Union.”

The same sort of regimentation affects painters and sculptors. With the disappearance of the well-to-do private purchaser these artists have become dependent on state, trade-union and other public patronage, and many, especially of the younger painters, sculptors and engravers, are attached to institutions which pay them salaries and instruct them as to just what subjects they shall depict. Last year 347 artists were sent into industrial regions and large state and collective farms, and commissioned to paint scenes of new Soviet life. Employing the economic phraseology is habitual in Russia in discussing literature, art and drama, the newspaper Soviet Art complains that “the artists did not receive from their organizations definite pro-
duction assignments,” with the result that “we had unsatisfactory production.” The Rabis, the artists’ trade-union, has now decreed that “the sending of artists must be carried out in strict accordance with production plans, and every artist must receive a definite concrete assignment as regards production and theme, linked up with proposed exhibitions, as for instance, ‘For the strengthening of the defensive capacity of the Soviet Union,’ ‘The Storm of the Second Five Year Plan,’ etc.” It would not seem that under this system much scope is left for caprices of the artistic temperament.

“Art organizes thought. And, as it formerly served the priesthood, the feudal classes and the bourgeoisie, so in the Soviet Union it must serve the proletariat.” This statement, made to the author by Mr. Felix Kon, head of the Arts Department of the Commissariat for Education, sums up concisely the communist view of the function of art.

A parallel process is to be observed in the field of science. There is now no toleration for the idea that science should be divorced from politics. Classes in Marxian theory and dialectic materialism are instituted for greybearded professors. There is a strong tendency to give preference to utilitarian and applied as against pure science. Quite typical of the effort to bring into the field of scientific research the element of class struggle that communists see in every branch of intellectual life was a recent decision of the Leningrad Academy of Sciences to study not “remnants of patriarchal life,” but “remnants of patriarchal life as a weapon of class struggle and an obstacle to socialist construction.”

The Tsarist censorship was probably the strictest in Europe. Yet it is doubtful whether anyone who reads the Russian classics—Dostoevsky, Tolstoy, Turgeniev, Gogol—would derive from them any idea that the Tsarist régime was a desirable or admirable one. On the other hand, emphasis on the desirability of the communist social order, on the necessity for struggling for its ideals, certainly permeates a considerable portion of contemporary Soviet literature. The Tsarist censorship was purely negative in its operation. So long as an author did not advocate “dangerous thoughts” he could be neutral or indifferent in his attitude toward politics. Neutrality or
Making the Collective Man in Soviet Russia

indifference is not enough today.

So the machinery for the forging of the new type of collective man is functioning at full speed. It includes almost every external influence that may touch or affect the development of a human personality, from the song taught to an eight-year-old Young Pioneer to the book or play or newspaper that attracts the attention of an adult man. Of course human clay is malleable in varying degrees. The most finished standardized type of collective man is perhaps the young factory worker who has grown up since the revolution and who has felt most strongly the concentrated propaganda force of the new régime. The most resistant types are probably the pre-war intellectual, who may have travelled abroad and whose world outlook was formed before the communist mechanism began to operate, and the old peasant, whose struggle with the soil and the elements has cultivated in him an incurably individualist psychology. But the new Soviet intelligentsia is, on the whole, very cocksure and dogmatic, very different from the eternally doubting Hamlet type of the pre-war Russian student; and the collective farm may be as big a factor in remolding the individualist psychology of the peasants as the Soviet factory has been in producing a new type of worker, shot through and through with new political and social ideas. ☸
Economic depression and political radicalism go hand in hand. When economic distress reaches a certain point, the individual citizen no longer uses his political power to serve the public weal, but only to help himself. His ideal of political liberty pales before his ideal of economic equality.

Once this sentiment has eaten its way into the hearts of the majority of a nation, any political system is doomed to failure. It is useless to tell the embittered masses that their political and economic rulers are not responsible for their misfortunes. It is equally useless to point out to them that a revolution with its attendant disorders would not improve their situation, but would hopelessly compromise it. The world is not ruled by reason, but by passion, and when a man is driven to despair he is ready to smash everything in the vague hope that a better world may arise out of the ruins.

Intelligent and orderly as the German people are, patiently as they have borne the sufferings of war and of inflation, they are in danger today of falling into this reckless state of mind. It would seem that the economic crisis, the reduction of large classes of the German population to the level of the proletariat, and the unemployment of nearly five million persons, cannot go on for many more years without ruining the German nation as a whole. Here is a population, well-equipped from the point of view of health and intellect, which in general is forced to be satisfied with an income barely sufficient for a minimum existence. One-eighth

Erich Koch-Weser, former Minister of Justice of the German Republic, recently leader of the Democratic Party.
Radical Forces in Germany

of those who are able and eager to work are unable to find any opportunity to do so. And those who are employed see no possibility of little by little rising to positions where their abilities will have fuller scope. Above all—and this is perhaps the worst aspect of the situation—not only are great numbers of persons forced to abandon any hope of advancement themselves but they must also relinquish the idea of giving their children an adequate education and thus opening up a way for them to better their situation. About 30 percent of the German people have received an education higher than that acquired in the ordinary public schools. But only about 12 percent of all positions available in Germany are of a nature to require this higher education or make it advisable. Thus vast sections of the people feel oppressed and bitterly discontented.

The consequence is a pronounced and inclusive dissatisfaction with the prevailing economic system. All the blame for every ill is laid on the shoulders of the capitalistic system, despite the fact that it has been hampered and weakened to a considerable degree by governmental interference. The number of people who feel confident that they can get on by their own abilities is steadily declining. You will recall the saying that Napoleon’s soldiers were inspired by the belief that each of them carried a marshal’s baton in his knapsack. Perhaps this was not really the case. But certainly it is one of the secrets of success of any efficient régime not to allow the feelings of self-reliance and self-help which exist in a nation to go to waste. America has managed things better in this respect than have the nations of the old world. In Germany, the self-made man is no longer the ideal of the people. This marks the end of the “bourgeois” way of thinking in the best sense of that word. The number of those who are beginning to think in terms of socialism is increasing. The adherents of the middle parties, who oppose this development, are dwindling in the same proportion that the number of independent, progressive and self-reliant citizens is being diminished through the increasing pauperization.

Of the non-bourgeois parties, the Social Democratic Party, notwithstanding its general socialistic attitude, is the one that cares least about remodeling the state in the socialistic sense. This is not
so strange as it sounds. This party, which is still by far the strongest political group in Germany, consists of brain and manual workers, employees, foremen, small officials and peasants. It is proletarian in name, but actually the individuals who compose it have attained a greater degree of lower-middle-class security than have many of those in the ranks of the old bourgeoisie. This is partly the result of extensive social legislation, but in the main it is due to the protection offered by the trade-unionist organization. In these times of economic distress it has been unable to hold its own in open economic strife with the capitalists, but thanks to its power at the polls it nevertheless has been almost completely successful in averting the reductions of wages which would otherwise have accompanied increasing unemployment.

In consequence, this whole social group has become as conservative as any other class which has something to lose. Their economic and political phraseology is radical, but as a matter of fact they are concerned to preserve the present economic order because they see that their own existence and that of their children is tied up with it. Radical as this party is apt to be when there is a question of limiting capitalistic profits, it nevertheless turns resolutely away from any sort of revolutionary violence which would ruin the basis of their livelihood. For the time being, then, it is almost completely absorbed in the ungrateful but historically significant task of keeping alive, in wide circles of the population, a sense of order and an appreciation of the value of the state. Nor does it allow itself to be diverted from this attitude by the evidences of unfounded or exaggerated dislike which many well-to-do and well-educated citizens frequently exhibit against it. It has in the end become a party standing for the preservation of the state.

The attitude of the Communist Party is totally different. It constitutes a reservoir for all those proletarians who—either without fault or by their own fault—have failed to find suitable employment or adequate wages. Of the great altruistic idea of communism there is not a trace to be found in this party. The watchword is not the Christian one, “What is mine shall be
thine,” but rather one of envy, “What is thine shall be mine.” The blind submission shown by the leaders of the party towards edicts issued by Soviet Russia increases its danger to Germany, as does also their financial dependence on Moscow. But—leaving out of account some disgruntled writers who are not in touch with world currents—the party members are recruited from the lower strata of the working classes. Unless the distress among the German people should become insupportable, any sudden advance movement on their part that relied on force would be doomed to failure without armed support and assistance from outside.

Greater danger is threatening at the present time from the National Socialists, popularly called the Nazis. This movement comprises the large ranks of the disinherited and the déclassés—middle-class citizens, officials, officers and landowners. All of these deserve our sympathy and pity. Enormous numbers of them have been uprooted from a satisfactory social position by war, revolution and inflation, and thrust out to seek an uncertain and penurious existence. In supporting and voting for the National Socialist Party they are generally influenced to only an inconsiderable degree by its rhetoric. For Germany’s foreign policy in its main features is compulsory, not a matter of conviction, but of diplomatic and geographic fate. The success of the party lies principally in the fact that those who belong to it despair of ever again being able to win a substantial share of the goods of this world or to secure a higher post than the one they fill today.

The National Socialist Party offers the advantage that one may indulge in cheap socialism, or rather in a socialism of envy, without having at the same time to forego class-consciousness or a sense of superiority over the proletariat. Both the membership and the political aims of the party show extraordinary variations. Some of its members condemn the present Republic on account of its ruthlessness in breaking loose from the old traditions of the German people. Others blame it for being lukewarm about the necessity for a new social order. That is why nobody knows exactly what their “third empire” would be like. They call themselves socialists, and probably really mean to be. But they use the word
“Marxists” as a term of opprobrium and reserve it for their adversaries. Their “socialism” is hatred of capitalism; their “Marxism” is hatred of social democracy. Whether this party will ever make up its mind to take the leap and try an assault upon the Republic is extremely doubtful. And after all, it comprises at present not more than one-fifth of the population. Moreover, it is animated by a club or fraternity spirit more than by the sort of will which resorts to revolutionary measures. But no matter whether its deeds remain undone or whether it succeeds in temporarily usurping power or a slice of power, the main danger in the long run will be that it has no goal to attain. It therefore is bound to lead the hosts of its disappointed adherents not to a victory of reason but to some sort of embittered union of forces with left-wing radicalism.

Is there any way of counteracting the dangers inherent in this whole situation? One must not forget what difficulties Germany had to overcome in her struggle for economic progress even before the war. History has no parallel to offer of the way in which, during the years 1871–1914, Germany achieved the gigantic feat of increasing her population of 40 millions to 70 millions and of providing them with tolerable conditions of existence within her same narrow frontiers. England maintains the standard of living of the English people only by means of the interest and dividends from her foreign investments, which are almost great enough to cover the cost of feeding the entire nation. The American workman has one-fourth of the raw materials of the whole world at his disposal for his work, so that, with every turn of his hand, he enriches America not only by the value of his work but also by the value of the raw materials thus turned to account. In Russia a host of slaves, consisting of 120 millions of peasants who live in a state of serfdom, with few needs and in a state of misery beyond that of the Middle Ages, is toiling for an oligarchy of 6 or 8 millions of industrial workers. Germany was unable to draw on any such resources even before the war.

Will Germany be able to continue along the line of her past achievements?

The energy and willingness of the German workman, the intelligence and enterprise of the German capitalist, the adaptability
Radical Forces in Germany

and versatility of the German merchant, the efficiency and technical training of the German man of science—these have not decreased, at least not to any considerable degree. It has been aptly said that Germany “starved herself to greatness” during the nineteenth century. She would be able to do the same thing again today if the conditions imposed on her from without were the same as they were then. But these conditions have become harder in two respects.

Germany is groaning under burdens arising out of the lost war. She has obligations at home and obligations abroad. The number of invalids, widows and orphans created by the war, all of whom have a claim to maintenance, is enormous. The cession of important territories has made it difficult for Germany to provide the needed raw materials, and the establishment of impossible frontier lines has mutilated her physical body to such an extent as to make it difficult to regulate economic exchange and the supply of goods. The fabulous reparations imposed on her people bleed her capital strength, notwithstanding that an increase in her exports has been made possible by cutting prices.

The second adverse factor is a general one, and consists in the increased isolation of the various countries of the world from one another. Germany by herself is too small to turn to account and develop the vital energies of her population. World commerce is a necessity for her. But the greater the need of the nations, the greater their dependence on coöperation in the field of international economics, the more obstinately they seem to set their mind on nationalism and protectionism. They shut themselves off from one another. Tariff walls rise higher and higher. Meanwhile emigration of the laborers and peasants for whom there is no longer room in Germany is coming to a standstill. Even German physicians, chemists, technicians and merchants, many of whom formerly put their abilities to work in different parts of the world and then brought home the fruits of their labor, are now excluded almost everywhere. Germany is thus confined to her own narrow limits, within which her people wear themselves out in fruitless competition.
From both the economic and the political point of view Germany’s collapse would mark a long stage on the road leading to the decay of our modern culture. The German is easily satisfied and by nature is opposed to revolution. Only when he becomes a prey to despair does he lend his ear to agitation. With some good will, the world could prevent Germany’s collapse. Germany was overwhelmed in the war because the world got the erroneous conception that she was an obstacle to the idea of democracy and liberty. Today the world ought to help Germany defend her democratic and liberal institutions by showing some understanding of her economic and political needs. In doing so, the world will be defending its own liberty and its own democratic institutions.
The National Socialist Party came into being in Germany eleven years ago, founded by a group of seven men. Adolf Hitler was the seventh to join. He was soon, however, “the man” in the group; and so he is today in the party numbering millions of adherents which is often designated by his name. There may be cleverer, better educated, more energetic individuals in the party than he. All the same, “the Nazis” and “Hitler’s Party” are synonymous terms. The party, such as it is, exists because there has been a man like Hitler for it to gather around, a man of a definite driving force that is powerful and contagious; an electric person whose appeal is irresistible.

I have used the word party as the term readiest to hand. It is not, however, a case of Hitler’s having added just one more parliamentary machine to the many—the far too many—which figure in German political life. Here is a movement nourished on a variety of social, moral and economic forces and which has hardly reached the political stage in its evolution. For this very reason Hitler’s party is as intolerant as any young movement can be. It has as yet no definite program, nor as yet any definite support which it can use to bargain with other parties and measure

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Paul Scheffer, Washington correspondent of the Berliner Tageblatt, formerly correspondent in Soviet Russia, author of “Sieben Jahre Sowjet Union.”
its pretensions with reference to what it can actually obtain. In a word, the Hitler movement has not yet assumed its rational physiognomy. The currents of feeling which it expresses lie deep down in German life. They have still to come to practical expression.

As always happens in such cases, there is no way of knowing whether the party can ever take on full status as a party. We do not know whether its leaders feel certain that it can. We are not even sure whether Hitler in his secret heart is free from doubts, whether, out of the inner aspirations, the chemically pure ideals, which his following shares with him—out of so much still fluid metal—he can forge a weapon of steel adapted to practical politics. We do not know whether at bottom he is a “strong man.”

It is difficult for traditional democracies to picture embryonic political movements of the Hitler type in their beginnings. But no less idealistic, no less utopian, were the beginnings of the Communist movement in Russia. That movement, too, started with a few individuals of glowing convictions and extremist aims. Did not Italian Fascism likewise begin with a few persons of strong but vague aspirations—vague so far as any application of them to practical life was concerned? And did not those petty groups enlarge suddenly into big organizations? As late as 1927 the Fascist Minister of Justice, Signor Rocco, remarked to the author of this article that the theory and the general program of Fascism would have to evolve out of an actual struggle with realities; that the Fascist movement did not derive from a program, nor was it being guided by one; that the program would be supplied by the march of events. In Fascism, accordingly, the prime factor has been something altogether subjective, a driving force that does not know precisely where it is headed, but which, wherever it is, will be sure of itself. Mussolini has been a statesman and not merely a stirrer of emotions. The dynamic elements which he crystallized, he soon pressed into the service of very definite aims—and that was the case with Lenin, too. The leaders of the National Socialists in Germany admit, in thoughtful moments, that for “ten years or so” they will make mistakes, even bad ones. But the success of their Bolshevist and Fascist predecessors inclines them to view that prospect with calm. Those who consider the
Hitler

Hitler movement from a detached standpoint—indifferently, maybe, or even with sympathy or hostility—should not beguile themselves with the consideration that it is “utopian,” or that “it has no fixed program,” or that its concrete demands are “nonsensical.” In the party’s present stage of development its demands are more safely to be regarded as symbols, as signboards indicating a general direction, but saying nothing as to what will be found at the end of the road. It is true, of course, that these symbols represent in large part real things, existing institutions, other facts, against which National Socialism is making radical protest. The danger lurking in the situation is therefore enormous. Irreparable havoc may be wrought in Germany if the movement grows in power without maturing correspondingly in its thought. Soviet Russia has been through just that experience—and its leaders as well. It is all the more important, therefore, to appraise the Hitler movement as the thing that it really is today, and to understand its true meaning.

Hitler is the most successful orator that Germany has ever possessed. It is a striking fact that the spoken word should be exerting such a strong influence at the present moment in German history. The Germans are a people of books, not of auditoriums. It is an interesting and a stirring experience to listen to Hitler—his bitterest enemies have often fallen under his spell. And it is very instructive to examine his audiences. The hall where he is to speak often closes its doors an hour before the meeting is scheduled to begin because it is already filled to overflowing. One always sees a clean, neatly-dressed crowd with faces that betray intellectual pursuits of one kind or another: clerks, professors, engineers, school teachers, students, civil service employees. These audiences are preoccupied, chary of words, quiet. Their faces are tense, often drawn. The only hustle in the room will come from the “hall guards,” a typical product of these new times—rough young fellows—the Sturm Abteilungen, or “shock troops.” The predominant element in the picture is what is so aptly described in Germany as the “de-classed” middle class: creatures visibly down at the heel, spiritually crushed in the struggle with everyday reality, distraught under a perpetual worry about the indispensable necessaries of life. One notes many young people among
them. All in all, it is an exceedingly variegated mixture of types from the past, from the present, and one might almost say from the future of Germany: it is that famous “brew” into which Germany, once so stably articulated in her classes and callings, has dissolved during these past ten years as a result of economic disaster, unemployment and shifts in power. They are all people who have had conceptions of life, and conceptions of their personal rôles in life, with which their present situation stands in violent contrast. Often they are people who have been pushed aside, people who have not been admitted to German life under present-day conditions. The proletariat, the working man, has on the whole bettered his financial situation under the Republic; whereas the middle strata of society have had to lower their standard of living to an incredible minimum.

Even if the observer had never heard of Hitler’s program he might guess what this depressing assemblage of people is waiting for. It is waiting for a gospel, a message, a Word that will release it from the pinch of want, something that will compensate for the unbearable limitations of its present mode of existence. It wants to get hold of an ideal that will guide it forth from the quagmire where it finds itself. It wants to hear an assurance that it is entitled to a place in this new world. The man who can lift these people from their depression of spirit even for the space of an hour can win them to himself and to the cause that he tells them represents the substance of “liberation.” A situation for a great orator! A great situation for an orator!

Hitler’s adversaries are right in charging that such an audience can easily be misused. Hitler’s utterances on the subject of propaganda, both from the platform and in print, show in fact that he is willing to use any means which he judges serviceable in winning adherents to his cause. He fans the flames of hatred just as unscrupulously as he arouses the most exaggerated hopes.

However, let us keep to his audiences. What is it that stirs them? What keys can Hitler strike with such effect that he can drag millions of people whithersoever he chooses?

Fundamentally it is a question of the hard times which have settled over Germany ever since the war. Great fortunes have come into being, though they are probably more apparent than real. Meantime,
statistics show that as regards the middle classes, which used to be Germany’s backbone, the standard of living is far below the pre-war level. Since 1929 it has sunk to unprecedented depths. Hitler turns his guns against those people who have increased their fortunes disproportionally to the general average of wealth accumulation in Germany, and especially against the anonymous wealth of the trusts—“coupon slavery.” He attacks reparations which are sapping the life-blood of Germany. All this is well known abroad.

Hitler berates “Marxism,” denounces and vilifies it. In this lies a very instructive portion of his propaganda and of his fanaticism. Unquestionably it is his most emphatic theme. The people before him are Germans. Can they, as Germans, consent that a large number of their fellow-citizens, the industrial workers, should be taught that in the last analysis they are more closely bound up with the working classes in other lands than with their own countrymen who do not happen to be “proletarians?” The people who are sitting in front of Hitler have, for the most part, sunk below the standard of living of a German workingman with a job. As for some of the others, there is only a slight difference between their income and the wages of a workingman. For all that, they do not think of themselves as proletarians. That they do is one of Moscow’s illusions. Quite the contrary! On that very account they insist that they prefer to live in a state that is not governed by workpeople, a state that knows no discriminations of class—not a state according to the ideals which Marx set up for his state of workingmen, where the proletariat hold the power and set the tone. On just such grounds they want to be “national.” From just such feelings nationalism has taken on a new meaning and impetus, not only in Germany, but in Italy and other countries.

To the same extent these people feel strangers to the “forces of wealth.” They have nothing—just as the working classes have nothing. Hence the surprising mixture of concepts apparent in the baroque expression, “National Socialism.” The effects of the capitalist system also weigh down upon them. They hate “the plutocrats.” Their battle cry is about what they call the “Jewish financial tyranny,” an artificial scarecrow, devised ad hoc, and aimed at one individual or another. Propaganda requires such things.
Hitler proclaims that a German today cannot properly say “we Germans.” The “we” has no meaning. Marxism says “we,” but it knows a different kind of “we.” And is not capitalism international, after its fashion? Germany must become one again. Germany needs to become one again in order to be “free” again. She will be “free” again when she is again respected abroad! All this, as is apparent, is held together by very simple stress on German homogeneity, on things that seem self-evident. But in the impoverished and “enslaved” Germany of the present “the program” must prevail absolutely, actively, as the highest expression of the country’s life.

In this clamor for unity, for unification, there is something that is never put clearly into words but which is nevertheless playing an important part. It is a problem of German “culture.” Hitler storms at the “intellectuals.” He is forever crying alarm against their conception of the world. The best educated people in Germany are indifferent to the national interest—and the word for “interest”—“belange”—is a new German term taken over to replace the Latin word. They have an international outlook. They do not “think German.”

In Germany, as everywhere else, there are great differences in degrees of popular education; but such differences have greater social significance in Germany than in other countries. They create sharper distinctions between one individual and another. Hitler is against all that. He is fighting for the right of the half-educated to their own picture of the world, to a culture which is illumined by love of country. He shouts at the university students that they are not worthy of pursuing their scholarly studies if they cannot find a common ground with the mechanic who is intent on serving his country. Hitler takes into account the reaction of the moderately educated but thinking person to the superiority of those who are highly educated, a reaction that is not without its resentments. Hitler himself is a self-educated person, a thorough-going “auto-didact,” and he has read in many directions. In his eyes the essential thing is not high intellectual finish, but active love of country and mutual understanding among all. Germany, with a huge intellectual proletariat, which in many cases does not come up to the older
standards of education, really finds herself in an educational crisis. Hitler’s idea is to give the people a common meeting ground of convictions which abolish all distinctions and in which all share. Cultural differences must yield to patriotic sentiments, not result in divisions between individuals and classes. This expresses itself in attacks on the intellectuals whom the plain man least understands.

What unites all of Hitler’s listeners is a feeling of humiliation, of injured self-respect. This comes into play in many directions, economic, social, cultural. And even diplomatic! For it is a quite natural thing that all these feelings of hurt should gather and precipitate about the rôle which Germany has been playing in the world since Versailles. While, with some undulations, the international position of Germany has been improving, this relative increase in her prestige has made no great impression on the German masses. Discriminations against Germany within the world of nations have, on the other hand, been generally noticed by the plain people. By dint of careful nursing, the notion of reparations has been transmuted into the notion of “payments of tribute;” and economic distress has found in reparations an explanation that is clear and convincing to everybody. The same is true of social unrest. The people who sit before Hitler have in their minds a very clear picture of the forces that are determining their present situation, and it is not difficult to carry them on to the corollaries. Hitler can lay hold on them in their innermost sensibilities when he raises his cry for unity, promises them the “respect” of the world as the fruit of unity, and tells them that Germany can have no foreign policy—on this theme he harps in every conceivable connection—until she has made herself one. No party in Germany has a formula so simple. No party has gone to the trouble of understanding this particular class of people as Hitler has done. That is why he has succeeded in leading such an astonishing following whithersoever he will.

The foregoing will perhaps help one to understand the simple primitive impulses on which Hitler continually plays in order to draw the masses to him. One may find them understandable, and even see in them much that is constructive for the preservation of Germany. But a person may well be shocked at the expression
which Hitler and his people have given to the forces which they have mobilized, and wince at the anti-Semitism and the chauvinism which he is ever stirring up with such reckless skill.

It is important here to distinguish between the propagandist aspect of the Hitler movement and its realistic political aspect. On the one side it is devoted wholly to the acquisition of power, and so drives unscrupulously ahead as all such movements do. On the other side it has to consider the exercise of power, or at least preparations for such exercise. What National Socialism, once in power, will become under the pressure of adverse conditions, under the influence of the German temperament which is by nature disinclined to extremes, is the real question—a question not answerable today, but which the student of foreign affairs must consider quite apart from watchwords of the moment.

It is evident that Hitler himself is impressed by the fact that his movement is predominantly of an emotional character and is held together by sentiment. His movement lives in opposition and on opposition. How will it act when it is called upon to deal with the tremendously difficult concrete problems which confront Germany both at home and abroad? Can the movement be carried over into practical politics?

It is striking, in this connection, that recently Hitler and his entourage have declared that members of the National Socialist Party are to occupy no public offices in “the Third Reich.” In “the Third Reich,” the party would be just a power station for driving the state machine. In “the Brown House” in Munich, the headquarters of the party, many specialists of varying political complexions are at work on ways and means for dealing with concrete economic problems, and other sorts of questions. Hitler, furthermore, has recently been making connections with individuals of importance in the business world. The cabinet in “the Third Reich” is to be a cabinet of experts. Inside the party, meantime, there is not a little quiet criticism of many deputies who were most unexpectedly swept into the Reichstag by the surprising triumph at the last elections. They now are not experienced, not competent, enough. They were good enough to run, but not good enough to be elected! The party
Hitler

leaders are well aware of all this. In Russia and Italy “the party” stands as a general directorate behind the administration, but it has also taken over high positions in the state. Hitler will have none of that. Efficiency is to be rewarded with tolerance. Even a Jewish minister of finance—the thing has actually been said—is not beyond the range of possibility. As regards anti-Semitism, there are proofs that in matters political Hitler recognizes not only the absolute, but also the relative! In practical terms, trouble will be made only for the “immigrant Jew” who has not “fitted himself in.”

Little by little, too, it will be made clear to the masses standing behind Hitler that the movement cannot become active in foreign policy until it has attained its domestic goals. Hitler’s emissaries went to Geneva with instructions to state to the French that Hitler “afterwards as now” will “regard a rapprochement between France and Germany as absolutely essential.” That shows a point which this article set out to show: how plastic the notions of the National Socialist leadership can be. On January 26, behind closed doors but watched attentively by all the nation, Hitler made a speech before representatives of the Manufacturers’ Club at Düsseldorf. The audience, made up of people who were eager for a glance at the dangerous demagogue, was in large part hostile. But he enjoyed a complete success. He was in a position to say things which worked just as effectively upon that select audience as upon the crowds of six thousand that flock to the Tennis Hall in Berlin. And that shows how elastic are the possibilities of the movement in its present stage of development. One may add, also, that it shows its political vagueness. But there is nothing vague about the millions of followers. They are formidably real; and it would hardly be sound statesmanship to ignore them.

Chancellor Brüning has had three interviews with Hitler since September 1930. The last took place in the full limelight of public attention and public curiosity. Dr. Brüning is one of the most significant statesmen that Germany has had in the last hundred years. He is no less a patriot than Hitler; and he has an iron nerve with which Hitler is far from being blessed. He has a crystal-clear picture of the German life about him. It is inconceivable that

[97]
the significance of such a movement as Hitler’s has escaped Dr. Brüning. The contacts with Hitler did not lead to any common understanding—on good grounds, so far as Brüning is concerned: he is responsible for the stability of a most complex Germany, a Germany that is rapidly nearing a new economic crisis and is holding her balance only with the greatest effort. National Socialism is not, as the French say, “ministrable.” It has not worked itself up to the point where it can be given a diploma in politics. It is torn within by conflicting currents. It has a half-Communist wing; it is quarreling over the question of participation in parliament, and over the question of the national Presidency; its leaders are not sure of their following, nor are they in agreement among themselves—their common basis is propaganda, rather than anything else. Hitler and his associates are striving to give a body to this young and obstreperous soul. That is Hitler’s problem in particular; and to such an extent that many say he is afraid to assume power.

But to get hold of the energies that are expressed in National Socialism, and to use them, is also the problem of the men who are keeping Germany alive today—business leaders, the Government, everyone, in short, who represents tradition in German achievement. The surprising triumph of National Socialism at the polls has slowly awakened the routine parties to the issue. It has revealed to them a grand political task, on the performance of which the very existence of Germany may depend.

Let us imagine that the millions of German citizens who are today following Hitler prove to be disappointed. In that case no patriotic movement could have any chance in Germany for a long time. Economic distress and social unrest would then destroy the foundations of present-day Germany. The bourgeois Germany of moderate views—and the Social Democracy must stand with that Germany—is confronted with a technical problem. It has a gasoline tank before it. The tank may explode, with disastrous effects upon the whole country. But the tank also contains riches which may be cleverly used to drive many a profitable machine. Such is the alternative which the patriotic movement, born of unprecedented conditions, sets before the German people.
Hitler’s Reich

The First Phase

Hamilton Fish Armstrong

Foreign Affairs, July 1933

A people has disappeared. Almost every German whose name the world knew as a master of government or business in the Republic of the past fourteen years is gone. There are exceptions; but the waves are swiftly cutting the sand from beneath them, and day by day, one by one, these last specimens of another age, another folk, topple over into the Nazi sea. So completely has the Republic been wiped out that the Nazis find it difficult to believe that it ever existed, at any rate as more than a bad dream from which they were awakened by the sound of their own shouts of command, their own marching feet. To them it signifies nothing that this or that compatriot shouldered more than his share of the load in the long uphill struggle to establish Germany’s prestige and means of existence in the black years after the military collapse, or that his German nationalism and patriotic devotion were, according to the lights of that day, beyond question. The measure of his right to any sort of present consideration is first of all whether or not he was a Nazi. If he was not, he is wiped out, usually even though he might now wish to swallow his past and accept Adolf Hitler’s leadership.

Not merely is he wiped out, but the memory of him is wiped out. It is pretended that he never was. His name is not mentioned, even in scorn. If one asks about him, a vague answer is given: “Oh yes—but is he still alive? Maybe he is abroad. Or is he in a nursing home?”

Hamilton Fish Armstrong, Editor of Foreign Affairs.
The Clash of Ideas

This does not merely apply to Jews and Communists, fled or imprisoned or detained “for their own protection” in barbed-wire concentration camps. It applies to men like Otto Braun, leader of the great Social Democratic Party, perennial Premier of Prussia, the strong man of whom Germans used to say: “When Hindenburg dies, we have him.” Ill and broken, he escaped to Switzerland the day before the election. It applies to the series of Chancellors furnished by the once-powerful Center Party, traditional provider of Chancellors; Dr. Brüning alone has managed to keep a few slender lines of communication with the present, but at a sacrifice of reputation among such of his friends as are not thorough expedientists. The generals who were talked about as embryo dictators—von Seeckt, Groener, even the powerful von Schleicher—are no more heard of or seen. It is said that when General von Schleicher leaves the confines of his country place at Glienicke two of the Sturm Abteilung (generally referred to as the S.A.) attend him. Stresemann is not merely dead, but has been dead as long as the last Pharaoh. The men who ruled Germany in these fourteen years have been swept away, out of sight, out of mind, out (according to the program of Dr. Goebbels, propagandist-in-chief) of history. Hindenburg himself is a legend, a fable. His picture is on the walls of the coffee houses, for he played his rôle for the Nazis; their need for him is finished, and to all intents and purposes he is also.

The Stahlhelm, the organization of front-line veterans, credited with having saved the country from anarchy and communism in several post-war crises, but feared by the Nazis as a possible rival to their S.A., has been broken and subjected. Its second in command, Colonel Düsterberg, a few short months ago candidate for President of the Reich, but with Jewish blood in his veins, was turned out in a manner which was no less humiliating because President Hindenburg wrote him a letter of condolence. The other Stahlhelm leader, Herr Seldte, followed with the announcement that he had gone over to the Nazis and had put the organization at Hitler’s orders. The rank and file, disciplined ex-soldiers, who looked upon the S.A. as a rabble of mercenaries and looters, were left gasping. They had not been ready to shoot when they had the chance; the chance is theirs no longer.
Hitler’s Reich

The Reichswehr, on which General von Schleicher counted and which as recently as last December could and would have supported him in a determined move to establish authority in the name of the flickering Republic, now stands glumly aside. Its barracks are the sole government buildings to fly only the black-white-red flag of the Reich; over all the others (except the President’s residence, which has a special flag) floats the Nazi swastika. But despite this last symbol of independence, the Reichswehr knows its day for action has slipped by. All that its leaders can do is wait (as the Royal Italian Army has waited without result) to see whether there will ever come a moment of chaos when they might step in to reëstablish the state they were enlisted to serve. It is a forlorn hope.

One by one continue to fall the last possible citadels of defense against uncontradicted Nazi dictatorship.

Federal Germany is gone. The Gleichschaltung law disposes of the prerogatives of the separate States, and Nazi leaders have been named Statthalter, with power from Berlin to dismiss State governments should they not prove fully amenable. Eminent Lutheran and Re- formist theologians are hastily forming a new and unified Reichskirche to meet the fear of the Nazis that opposition or weakness might develop in the former 28 autonomous churches in the various States, and to simplify their drive against religious organizations which are not two parts blood and iron and only one part milk of human kind- ness. The Socialist trade unions, already dead as a political power and presumably resigned to the abolition of the strike as a weapon in wage bargaining, were finally seized outright on May 2, the day after the celebration of the “Festival of National Labor.” Their buildings were occupied by storm troops, their officers were jailed, and their funds were appropriated to the new Nazi union which is now organ- izing all labor as an instrument of party will. They had hoped to be allowed to continue their social insurance and banking activities for their 3,500,000 members, preserving at least their identity after fifty years of activity in German life. The answer was the raid, and the simultaneous Nazi proclamation attacking the union leaders as “Red criminals” and announcing to German labor that “Adolf Hitler is your friend, Adolf Hitler is fighting for your freedom, Adolf
Hitler will give you bread!” The smaller Catholic and other trade unions promptly “submitted themselves unconditionally and without reserve,” and the agricultural organizations and coöperatives followed suit. Freemasonry has been abolished; the Grand Lodge of Prussia has abjured its origins, dissolved its ties with other Masonic lodges, and is now the exclusively Aryan “German Christian Order of Friendship.”

The judiciary has been weeded over with minute care, and as a result many judges (beginning with Dr. Tigges, President of the Supreme Court of Prussia) have either resigned or been dismissed. Henceforth, says a circular of the Prussian Ministry of Justice, judges will be tested for their patriotism and social principles and will be put through periods of service in military camps to school them in “martial sports.” In Nazi eyes the conception of abstract justice is outworn. The essential justice is that which serves the higher ends of the state.

Even the great Nationalist Party, co-partner with the Nazis in the March election which followed the fall of von Schleicher, and supported by all the clans of Junkers, monarchists, landed proprietors, former army officers and officials, is left hanging in the air, its toes barely touching the ground, slowly strangling in the noose of its own devising. When on the night of January 30 von Papen persuaded Hitler to join him in making the election, he thought that he had prepared the way for his own conservative forces to swallow up the Nazis. But it was the reverse which happened. Since the elections, the strength of the Nationalist Party has been sapped in every direction. Most strikingly, perhaps, has this been true in the Junker stronghold of East Prussia, where on one excuse or another (the latest Nazi method is simply to say that an unregenerate official has been recreant to his trust, but without proffering specific charges) the key men of the Nationalist Party organization have been removed from controlling places in the government and banks and agricultural organizations. Throughout the Reich, chambers of commerce and other public organizations in which Nationalist elements were strong are being “assimilated,” while private associations and even important industrial organizations are experiencing the novelty of having Nazi commissars appear at board meetings, announce the

[102]
expulsion of Jewish, “liberal” or otherwise undesirable members, and constitute new boards amenable to party orders.

In answer to this smashing of his strongholds, and in effect replying to frequent prophecies that he would have to resign, Dr. Hugenberg, Chairman of the Nationalist Party and Minister of Industry in the present government, began at the end of April to issue appeals, sometimes plaintive, sometimes threatening, calling on everyone to remember that he and his non-Nazi colleagues were in the cabinet by agreement with Hitler and that the Enabling Act which had put the power in Hitler’s hands for four years was conditioned upon that agreement. But, in the cabinet or out, Hugenberg and his friends are condemned to becoming more and more helpless. Some non-Nazis may manage to cling to their posts for a time by adopting Nazi ways. But they will be few. The smile is on the face of the bigger, more ruthless and cleverer tiger.

These new rulers of this new people have also a new vocabulary. In literature and art, in the professions and even in sport, new specifications replace taste and skill and experience. It is hard for a foreigner to learn this language. A work of art or a performance of any sort is not good unless the creator is an Aryan, preferably Teutonic to the last drop of his blood (if such a being exists), preferably a Nazi, and in any case not a liberal or a Jew. Music, the theatre, the cinema, all have been bent to Nazi propaganda aims. The universities are being “cleansed.” Eminent professors who are of Jewish descent or who are known to entertain liberal ideas, as well as their colleagues who show regret at their fate or who are suspected of believing in academic freedom, are dismissed either by the government or more often simply by orders of the student committees. Meanwhile their books are removed from

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1 Cf. Vice-Chancellor von Papen’s speech at Münster on May 13, glorifying the Mediæval Teutonic love of death on the battlefield. “Mothers,” he said, “must exhaust themselves to give life to children. Fathers must fight on the battle-field to secure the future for their sons.” And he added that Germany had struck the word pacifism from its vocabulary.

2 So far the studenthoods have not been definitely given the right to dismiss professors; but they have terrorized the university administrations by their power to turn suspicion on anyone who opposes them, and as a result of their demonstrations, boycotts and proclamations have succeeded in forcing out even the Jewish or liberal professors for whom the government had proposed making exceptions because of service at the front.
the university and public libraries and suffer the same fate in the
bookshops which is now being meted out to the works of a long
list of writers headed by Thomas Mann—namely, confiscation and
burning, sometimes officially, sometimes by Nazi groups who cannot
be held accountable for their actions with the police or in any court or
in any department of the official government.3 The press has also been
“assimilated,” unfriendly or lukewarm or liberal or pacifist or “inter-
nationalist” or Jewish proprietors, editors and correspondents have
been expelled, and Nazi commissars put at the side of the writers who
remain. Attention is centered almost exclusively upon news of the
revolution—texts of proclamations, speeches of leaders, accounts of
mass meetings and celebrations. Everything is reported in a feverish
tempo, with what seems to a foreigner no sense of proportion, with
scant reference to the facts of history, and with little notice of world
opinion except to abuse or jeer at it.

II

How has it been possible thus to clip short all ties with the past—
with the Kaiser’s Germany as well as with the Republic? Because
the young people who dominate the Third Reich care absolutely
nothing at all about history before the beginnings of the Nazi
movement in Munich in 1919. They live exclusively in the present,
except for a little private history which they have created for them-
selves, consisting (apart from embellished and purified records of
Nazi growth) of the glorification of certain martyrs to the cause of
German awakening—for example, Horst Wessel, a Nazi labor or-
ganizer murdered by communist rivals, and Schlageter, a young
German patriot of uncertain antecedents who was executed in

3 Outside the Hochschule on Invalidenstrasse in Berlin, and on the doors of similar
institutions throughout the Reich, is nailed the red proclamation of “Die Deutsche
Studentenschaft” proclaiming the Jew as the enemy of German thought and culture; a
Jew’s book must not be printed in German characters, or if it is the title page must be
inscribed “translated from the Hebrew.” This follows the Nazi program announced in
Munich in February 1920, where among other things was written: “No Jew . . . may be a
member of the nation.” It remains to be seen whether the policy will be made retroactive;
the works of Heinrich Heine are said to be still on the shelves.
Hitler’s Reich

May 1923 after conviction by a French court-martial on charges of espionage and sabotage in the Ruhr. The rest is for them the history of the Aztecs or the Trojans. They haven’t the remotest interest in the politics or program of old Imperial Germany, or in the origins of the World War, or in the military victory of the Allies, or even in the Treaty of Versailles. Those are causes; they care only about consequences. What they do know about is the 1918 “stab in the back” by the communists (or was it socialists or republicans?—the labels are practically interchangeable); the weakness and treachery of the men who came to power by “giving away” parts of the fatherland to Germany’s enemies; the failure of these same republicans to throw off more rapidly the servitudes which they had tamely accepted on Germany’s behalf; the sufferings and indignities undergone by the German masses while Jewish bankers trafficked in currencies and Jewish businessmen profiteered. Against the materialism of Marx they set the self-sacrifice of Schlageter. It does not count that the old German Jews were among the most thoroughly respectable, industrious and patriotic of German citizens, that they fought in the Kaiser’s armies, gave lives and fortunes for their country. It does not matter that out of Germany’s post-war population of some 65,000,000 only 600,000 were Jews—less than one percent. Marx was a Jew. He curses the whole race, and even the families into which they have married, to such an extent that super-racist circles talk of sterilizing all women in Germany who are unable to bear exclusively Teutonic offspring and of forbidding Jewish men to have intercourse with Teutonic women under pain of capital punishment.4

The movement may hark back in some of its aspects to the Middle Ages, and in others to the régime of Wilhelm II, but plainly in its essence it is not reactionary. It is a revolt against the

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4 Speech of Julius Streicher, leader of the Nuremberg Nazis, chief organizer of the April 1 boycott, reported in the London Times of April 24. Similar ideas recur in Nazi speeches, and are being translated into action in a preliminary way by the “Race Offices” now being set up with the task of separating the population into two groups which may not intermarry. The present article does not discuss Nazi “atrocities,” nor the fate of the various categories of “un-German” emigrés, now estimated to total between 30,000 and 50,000.
men, methods and aims of the past fourteen years. It is not a return to any old Germany as such. It is a twentieth century revolution, as radical in its implications and potentialities as the Russian Revolution, but in the Prussian manner.

It is very Prussian because the people have had the desire, the will, to subordinate themselves to leaders with imperious voices and gestures, to obey them even when violence was involved, and individually to merge themselves in the totalitätstat. They felt Germany ready once again to command in the world; and because they were conscious of being part of a superior force they did not individually mind being commanded. Marching, singing, smashing windows, delighted to be in uniform though usually too young to have known the war first-hand, others of them never having had a chance of steady employment since they left the army, immunized from any knowledge of all but the most recent past, without sense of proportion about the events of the present, protected from all disturbing opinion, foreign or domestic, the Nazi rank and file have swept along, accepting the symbols and slogans and ideology which all the instruments of modern mechanized propaganda have blared out at them, forgetting everything else in the exaltation of accepting their new lot. Democracy to them had become tedious, intolerable. Without allowing ourselves to be drawn into too theoretical an analysis of this collective movement, we none the less can perceive in it a strong undercurrent of the twentieth century, to some phases of which the Spanish philosopher Ortega y Gasset has drawn attention. These young Nazis are proud to be ignorant, proud to despise the skill and attainments of the specialist. Like young Soviet workers a few years ago in Russia, they also are proud to be free of the burdens of possessions, proud to be hungry. Particles of the mass which is to rule the world, they are compelled forward by some cosmic urge which their leaders as well as their enemies say frankly no foreigner can possibly understand, much less—alas!—explain.

The mentality of the Nazi leaders is mainly an intensification of the instincts and feelings of the Nazi masses. Among them, as among those whom they lead, are elements of idealism, of romanticism,
of enthusiasm, of naïveté. We find here, too, the same elements seeking adventure, power, revenge and profit at the expense of competitors and rivals. One suspects as one reads the calculated statements of certain Nazi chiefs that there also must be an element of sadism, the counterpart of what in the mob is bloodthirstiness. And of course there is in all classes and groups the reaction against what the chief financial adviser of the party characterized to the writer as “wild capitalism”—speculation, the cycle of giddy profits and fearful drops, corruption, the power of money and banks. Further, what in the bands roaming the streets often is merely intolerance and bull pride of ignorance has its parallel among the intellectual leaders (who, incidentally, are not many) in an impulse to abjure reason and cool classicism, to fly from Apollo. The impulse needs no special description here, because in many countries there have been manifestations of dissatisfaction with science and with classical rules, in art as well as in social politics.

Of a remaining characteristic noted in the talk of Nazi leaders somewhat more must be said, however dangerous the ground it offers for exaggeration and error—the characteristic, namely, of twentieth century Teutonic mysticism, what might be called Wotan second-hand. The current manifestation seems to stem from Houston Stewart Chamberlain, who preached race conflict and the invincibility of the blonde Teuton hero. But the German super-man was defeated in the war. Obviously here is a contradiction. Either he is not a super-man, or there is an alibi. The alibi is furnished by the Jew, the traitor within the gates. Let him be extirpated, along with the soft liberals who helped him betray Germany, and behold! the Nibelungen hero will once again know how to cope with his enemies. If we take with Chamberlain’s racial teachings the contempt for democracy which exudes from Spengler, carrying as it does the suggestion to exploit the masses as a means to power, we have two principal keys to Nazi mental processes. The second conception has enabled Nazi leaders to sweep rivals aside and to bind the masses—for already they are bound, though they do not yet know it, as securely as are the masses in Soviet Russia—to the chariot of self-appointed dictatorship, helpless any more to find
the instruments or arms to free themselves, helpless even to cry out. The first conception will enable them, they hope, to build up a pure and whole Teutonism, ready to move invincibly forward on its appointed mission throughout the world.

III

Given these origins, is there cause for surprise in the fact that the foreign policy of the Nazis was at the start a very primitive thing indeed? On the day they came to power there were few of them from top to bottom who had ever seen a foreign land, and probably there was not one whose conception of what the world is like corresponded to reality. Striding back and forth across platforms or cooped up with microphones, forever preaching in hoarse voices or planning the strategy of violent party warfare, they had had no time to turn their eyes across the frontiers long enough to see more than lowering masses of enemy troops, clouds of aeroplanes on the horizon. Wishes and words were their facts, force their measure of success. It was not to be expected that when suddenly the responsibility for directing the foreign policy of a great nation fell on their shoulders they would adopt a less impatient or less brash method than that which had just brought them success at home.

The method became apparent in the statements of German representatives at the Disarmament Conference in April and early in May, and in the statements of Chancellor Hitler and other Nazi notables, both public and private, during the same period. Thus, in a conversation with the writer on April 27, Chancellor Hitler said that the Allies would have been more honest had they denied Germany even the 100,000 soldiers allowed by the Versailles Treaty, for they were useless as protection and simply gave Germany’s neighbors an excuse to call her chauvinistic; that to allot her so inadequate a number was obviously a “swindle;” that equality of armaments was a sine qua non of his policy; and that he doubted whether progressive disarmament of offensive weapons by Germany’s neighbors, and her own progressive rearmament, pari passu, with forts and other means of defense, could possibly close the gap
**Hitler's Reich**

quickly enough to satisfy German needs. The plain implications in this line of argument were given substance by Foreign Minister von Neurath on May 11, when he announced Germany's intention, regardless of the results of the Disarmament Conference, to create a military and naval air force, to arm with big guns, and to increase her man-power. Vice-Chancellor von Papen's belligerent speech at Münster two days later seemed designed to strengthen the determination of the German public to be satisfied with no other course.

But on May 11, the same day that Baron von Neurath published his interpretation of Hitler's intentions, the British Secretary of State for War, Lord Hailsham, gave expression in the House of Lords to the world's rising fear that Germany would precipitate another armaments race while the Disarmament Conference was still sitting at Geneva, and to England's determination to prevent that result. In deliberate tones he pronounced the word “sanctions.” The German press had brushed aside as “French propaganda” the warning given Germany by Sir Austen Chamberlain in his speech of April 13, and the plain implications of the Rosenberg incidents during the second week in May. But this was a different matter. Moreover, Signor Mussolini, who had been not a little shocked by the universal outcry against his ally, now sent strong admonitions to him, giving notice that Italian sympathies could not be stretched to the point of engaging in a struggle against the united forces of England and France. At the same time he intimated that the Nazi persecution of the Jews had misrepresented Fascist doctrine and had been a tactical error: “You put all the Jews of the world against you,” he told Hitler, “and you put against you the Christians also!” In this, Hitler's first important test in foreign affairs, he showed himself more supple than his critics expected. Seizing upon President Roosevelt's message to the world, he adroitly used it as a shield to cover his retreat. As this is being written, the world is waiting for evidence whether the speech to the Reichstag on May 17 was a maneuver or whether it represents a change of heart which will lead Germany to postpone rearming.

What do the Nazis want in addition to rearmament or equality of armaments? They want the *Anschluss* with Austria. They
want the Corridor and Silesia back from Poland, and Danzig back from its truancy as a Free City. Less immediately, they want Northern Schleswig back from Denmark, Memel back from Lithuania, Eupen and Malmedy back from Belgium, and the former German colonies back from the present possessors. It goes without saying that they count on receiving back the Saar after the 1935 plebiscite. Alsace is usually mentioned indirectly, as when the Nazi Premier of Bavaria on May 7 said that the Nazis would take an oath “never to rest or relax until the Rhine flows to the sea once more as Germany’s river, not as Germany’s frontier.” If Nazi leaders think of the South Tyrol they say nothing about it—for the moment. As the Nazi textbooks proclaim the right and duty to use force to attain Nazi goals, and as the use of force to attain the very first of their territorial goals would entail war, and since France will necessarily be party to that war if she is not to wait passively to be dealt with singly later on, it cannot be claimed that a general European war is excluded from the Nazi program. Conscious that they are super-men, and having made sure that they will not again be stabbed in the back by pacifists and Jewish traitors, they do not doubt that when the time comes they could win such a war. It is not necessary, then, to speak definitely about Alsace or to breathe the words “South Tyrol.” These will fall into Germany’s lap by the logic of events and the law of gravity.

About the cancellation of the so-called war guilt clause in the Versailles Treaty the Nazis seem to care much less than did von Papen. He wanted that concession as a trophy to bring back from Lausanne, along with the end of reparations. The Nazis have so

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5 In the 1920 plebiscite about 75 percent of the inhabitants of Northern Schleswig voted for union with Denmark. The campaign for re-annexation of this territory has been led in German Schleswig by the Schleswigsche Zeitung and by the Nazi organization in Flensburg.

6 Nazi threats as to what will happen to the administrative and judicial officials who have been serving the Saar international governing commission have had so demoralizing an effect that the League commissioner has appealed to the Council (in an official communication made public at Geneva on May 23) to secure some sort of guarantees from the German Government.
Hitler’s Reich

many real scalps hanging on their belt that at the moment they feel no need of trophies of sentimental value.

The annexation of Austria has figured first among territorial aims of the Nazis because until recently they thought it the goal most easily attained, as well as because of Austria’s proximity to the home base in Bavaria and because of Hitler’s Austrian origin. The situation in Austria has been so tense, the strife between the Christian Socialists and the Social Democrats so bitter, that the Nazis well might have considered that a sudden *putsch* would soon be feasible. And indeed in the first weeks after Hitler’s victory the Nazi forces in Austria grew steadily. The Pan-German party of course went over to the Nazis en masse, and they were followed by many adherents of Chancellor Dollfuss and by younger Social Democrats who accused their leaders of inaction and of stupidity in having actually created the situation which allowed Dollfuss (head of a minority party) to function without parliamentary restraint. But the most important recruits to the Nazi banner came from the Heimwehr, which in Styria accepted the Nazi program entirely and in the Tyrol in large part.

To meet the Nazi menace Chancellor Dollfuss had a choice of two courses—to out-do the Nazis in an anti-Marxist drive, the while drawing support from Fascist Italy (which is far from anxious to see a greater Germany on the Brenner and looking down at the blue waters of the Adriatic from above Trieste); or to make some sort of armistice with the Social Democrats. The aim of the Social Democrats has been to avoid both *Anschluss* and Hapsburg restoration; to arrange a neutralized status for Austria like Switzerland’s; and to bring her into some sort of Danubian confederation where she might fulfill her traditional rôle as middleman between east and west. With the benevolent neutrality of the Social Democrats, and supported from without by the League, Dollfuss would have had a fair chance of waiting successfully for Austrian public opinion—notoriously variable—to become disillusioned by Nazi performances in Germany. In choosing the first course he probably made his task more difficult. The risk, evidently, is that he may not be strong enough to keep on waging a battle on two fronts at once,
and that either he will eventually find himself swallowed up by the Nazis, or, to avoid that, will follow Italy’s wishes and throw himself into the arms of the legitimists who want Otto in the Hofburg. If the first of these eventualities occurs—if, that is to say, Dollfuss ends up by having played von Papen—the Anschluss will be consummated whenever Hitler finds it convenient. If the second occurs, Italy’s will be the principal success. She will have prevented the Anschluss; she will have prevented the formation of a Danubian confederation; she will have nullified the strength of the Little Entente by isolating Jugoslavia and by setting up a focus of attraction (Hapsburg and Catholic) for the Croats who are discontented with the rule of Belgrade. Before Czechoslovakia and Jugoslavia accepted such a development Europe would certainly have had, if not war, then a war scare of the first order.

Meanwhile, all the radio stations of Germany continue to blare out their nightly messages across the Austrian frontier; arms and money have gone over to aid the Nazi cause, especially in the Tyrol; and care is taken that in every Nazi demonstration in Germany a prominent rôle shall be allotted to the representatives of the movement in Austria. As Herr Rosenberg said recently: “The first stage of the great German revolution will only be finished when National Socialism has become the foundation of the thought of 80,000,000 Germans.” The population of the Reich is 65,000,000; of Austria 6,500,000; the balance is to be made up, presumably, in Danzig, parts of the present territory of Poland, and other lands not yet redeemed. Dr. Frick, Nazi Minister of the Interior, raised the ante to 100,000,000 in a speech on May 9 when he noted that “a full third of all Germans now live outside the Reich,” thus adding the necessary specifications to the statement made by Hitler a week or so earlier to the effect that “the revolution will only be complete when the entire German world is inwardly and outwardly formed anew.”

The German radios carry the voices of Hitler, Goebbels and the others over the eastern frontiers of Germany as well; and they have had a particular effect in the Free City of Danzig. This city, almost exclusively German in population, was given independent status in order that it might serve as a port for Poland.
Hitler’s Reich

From the first there were disputes between Poland and the city government. The Danzigers complained about unfair Polish competition, about Polish mismanagement of the railways, about Warsaw’s alleged intention gradually to Polonize and absorb them. Poland complained of the obstacles put in the way of her merchants, bankers and shipping men who wished to establish themselves in Danzig. The continual wrangling, and the memory of the difficulties which she had encountered in importing arms through Danzig in July 1920 to carry on the war against Soviet Russia, led Poland in 1924 and 1925 to undertake the construction of an exclusively Polish port at Gdynia. The energy and success with which she pushed the undertaking were remarkable—so remarkable, in fact, that today the upstart port of Gdynia divides the sea-borne trade of Poland equally on a tonnage basis with her ancient rival, and takes an even larger share of the more profitable trade in non-bulk goods. As a result, Danzig is languishing, unemployment has reached about 40,000 out of a population of about 400,000, and there can no longer be any doubt in the minds of Danzigers that in their anxiety to monopolize the transit trade and show their resentment at Poland’s high-handed ways they have over-reached the mark and now face gradual dry rot and in the end ruin. Their fate, they realize too late, is to be that of Riga, Libau, Fiume and other ports left without a hinterland to gaze out across stagnant seas.

For Danzig to rejoin East Prussia as the result of some desperate coup d’état which did not also bring the Polish Corridor and Gdynia within the German frontiers would merely hasten the eventual disaster, for all that Danzig could expect in those circumstances would be to divide with Königsberg the meagre local trade of East Prussia. The Nazi program of “Back to the Reich” offered, then, not a practical solution to the dilemma, but a development which appealed to the town’s aroused German sentiment and feeling of desperation. The writer was in Danzig for a few days during the campaign which preceded the May 28 elections. Nazi flags were flying everywhere, motor cars were dashing about carrying brown-shirted couriers, and, in order to keep within the letter
of the law forbidding political meetings, sports assemblies or concerts were being held daily, at which, after the necessary legal preliminaries of calisthenic exhibitions or patriotic music, the radio was tuned in on Berlin. The result of this intensive propaganda was that the Nazis swept the field, securing the right to organize the Diet and set up the city administration. In Nazi hands, the leader of the Danzig Nazis7 told the writer, Danzig will be “safe for Germany,” ready to be reincorporated in the Reich when and if Hitler gives the sign. In other words, here as in Austria, Hitler aims to secure the mastery, arouse or calm the populace as suits his plans, vex or pacify his foreign enemies as other aspects of his foreign policy make it seem expedient, and bide his time until Poland can be dealt with resolutely, the Corridor wiped out, and (in his own words) “once again it is all Germany.”

IV

National Socialism will last in Germany, as the Soviet and Fascist dictatorships have lasted in Russia and Italy. So much can reasonably be said, even though its domestic program is still directed mainly toward a negative object—the extirpation of its enemies—and hence has not yet been tested for constructive statesmanship. Already, however, we can discern several possible sources of future weakness.

In the first place, the party has grown so rapidly, its final access to power was so sudden, that it is not homogeneous. The historical fact that divisions which occurred in the ranks of the Italian Fascists and the Russian Communists were overcome does not necessarily mean that similar divisions within the Nazi ranks will also be overcome. Among the seventeen millions who voted the Nazi ticket on March 5 must be many who already are uneasy over the new régime’s treatment of its enemies and its violation of

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7 An energetic young Bavarian named Foster, one of the “original seven” founders of the Nazi movement, whom Hitler despatched to Danzig about two years ago to organize the party there.
the old German standards of law and justice. The burning of the Reichstag enormously impressed the voters on the eve of going to the polls. But the proofs that it was done by communists (promised then for publication within a few days) were not forthcoming, and now some are asking themselves whether the whole communist menace was not a hoax. Up to the present time, however, individual waverings have been more than made up for by the general rush to the band-wagon.

More real at present than any likelihood of divisions in the Nazi masses is the possibility of divisions in the Nazi leadership. Two tendencies can already be distinguished. The conservative wing is represented by der Führer himself. Thus it was he who argued in the party councils against the Jewish boycott. But though he rejected the proposals of some of his colleagues for a protracted boycott he eventually was persuaded that a one-day boycott was indispensable as a means of letting off the accumulated hatred which Nazi propaganda machines had whipped up and to avoid “undisciplined” persecutions, plundering and very possibly a general pogrom. To say as much is to admit two important facts—that on this particular occasion the party masses were out of hand and had to be satisfied, regardless of consequences; and that there was a division of will among the leaders. Again, it is no secret that Dr. Schacht’s influence in the régime consists in large part of the weight his views carry with Hitler personally. This may prove of importance in party councils when the difficult economic and financial decisions of the next few months come to be taken. Again, at a private meeting of party leaders held in Munich the last week in April, Hitler gave notice that the first task was internal consolidation, and that talk about winning back lost territories should be postponed until Germany’s internal position had become stronger, until not mere argument but positive action could be the order of the day. But the whole psychology of the intimate

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8 It is instructive to note in this connection that apparently Hitler has never felt it wise publicly to disown or deprecate any act of violence committed by or attributed to members of his party.
circle of persons with whom he has worked in past years is con-
trary to moderation of this sort, even should the reasons for it be
merely tactical.

Not exactly opposed to Hitler, for as yet no one dares to oppose
him, but nevertheless suspected of pursuing more inflammatory
and dangerous methods than his, are men like Captain Göring,
head of the Prussian state government, Dr. Goebbels, head of the
new propaganda ministry, some of the Bavarian ministers whose
views have already been quoted, and the chiefs of the S.A. troops
in various centers. The torrential but carefully phrased speech
which Dr. Goebbels pronounced over the radio the evening before
the boycott must be read to realize the extent of the man’s will and
ability subtly to incite to violence. There might well be a temptation
for men like these to egg on the crowd, or to float with it should
its demands grow more radical, even while pretending to accept
the party decisions dictated by Hitler. After all, it is less a question
of direction than of speed and intensity. Or they might elevate
Hitler to the Presidency (or even, it is sometimes suggested, to
some inaccessible religious height) and attempt to rule in his name.
Or, should the program of the more moderate (i.e. less impatient)
Nazis fail to fulfill popular expectations, the extremists might
carry the party for a policy of immediate adventure and in one
desperate stroke sweep away the whole underpinnings of Euro-
pean peace. To cross Hitler’s will openly today is impossible; any
disillusionment of the country about him personally would destroy
the whole movement. But these are only the opening months of a
long struggle to get and keep a monopoly of power. The possibilities
of a division of wills later on in the very heart of the Nazi party are
not to be excluded from an observer’s calculations.

Among the economic effects of the Nazi accession to power
have been a shrinking of the market for German goods in many
parts of the world; a reluctance on the part of many people to travel
by German boats, ship goods by German routes, patronize Ger-
man films, or visit Germany as students or tourists; a retreat by
foreign enterprises which were considering opening factories or
branches in Germany, due to Nazi discrimination against concerns
Hitler’s Reich

with foreign capital; a feeling of uncertainty and mistrust among domestic capitalists who might have started new enterprises; a general tendency of people to hoard money rather than spend it in such uncertain times; and to some extent an export of capital either because of the flight of Jews and others from the country or in preparation for such flight in the event that ways might later be found to cross the frontier.

Now these are all distressing developments in a country with some 6,000,000 men out of work, and which has managed to live in recent years because it had a favorable balance of trade. The trade figures for the two months following the election are now available. In March imports were valued at 362,000,000 gold marks, exports at 426,000,000 gold marks. In April imports had fallen to 321,000,000 gold marks, exports to 382,000,000 gold marks. Last year the figures were as follows: March, imports 364,000,000 gold marks, exports 516,000,000 gold marks; April, imports 427,000,000 gold marks, exports 472,000,000 gold marks. It will be noted that last year imports increased from March to April, a natural development (in a country which is a large importer of raw materials) in the spring of the year. This year, however, imports fell. The explanation undoubtedly is that in order to maintain a favorable balance of trade the Reichsbank had to restrict the import of raw materials. The result inevitably will be a subsequent further fall in exports. Dr. Schacht went to America in May in the hope of securing a loan to finance German exports. He failed. Germany’s economy is obviously in a precarious situation.

Meanwhile, the position of the individual worker has not improved. Unemployment, so far as can be judged, has not decreased. The official figures show a fall in the number of unemployed from 6,000,958 in February, the last month before the Nazi victory, to 5,598,855 in March, representing an improvement from 33.0 to 30.7 in the percentage of workers who are without employment. It is doubtful whether this improvement is real. Part is seasonal, part is undoubtedly due to the transfer of numbers of men from the unemployed lists to service in the S.A., while part is probably due to the elimination from the lists of those receiving help of many
persons suspected of entertaining “un-German” political theories. While the government was issuing figures showing a decline in unemployment, the Trade Unions reported an increase in the percentage of unemployed from 47.4 percent in February to 52.7 percent in March. On the whole, it seems likely that the unemployment situation is really worse than it was in the winter. It is hard to see how the Hitler government is going to pay off its supporters, redeem its promise to improve the situation of agriculture as against industry, and in general bring better times, except by trying socialization schemes which may prove risky in a time when political tension is so high.

Another cause for apprehension in Berlin is furnished by American moves toward inflation. Germany has been through the mill of uncontrolled inflation, and knows its bitter ending as well as its pleasant first stages. The Reichsbank under Dr. Schacht, like German opinion in general, certainly is strongly set against another inflation, even if the United States proposes to join England in offering her goods to the world at lower prices due to a devaluation of the dollar. But could Germany long resist if the greater part of the world took that road? And what would happen to her export trade if she did resist? Inflation is one of the things which no German government, not even a Nazi government, could feel sure of coming through unscathed. In the decisions to be taken in this connection may lurk another threat to Nazi popularity and power.

As yet only a few Nazi leaders have had time or felt it necessary to look ahead at all these hurdles. They will reach some of them rapidly in the period of “trial and error” upon which they are now entering. But for the moment the revolution is still in course and fevers are high. A whole people has been given an inoculation. To all practical purposes it has taken universally.

Another of the new democratic states of Europe has retreated before the wave of dictatorship. Must we conclude that Western
Hitler’s Reich
democracy as known in England, France and the United States
has suffered a defeat? The truth is that it has only lost the semblance
of a victory it had never won. In the lands of the Hohenzollerns,
the Hapsburgs and the Romanoffs the soil was not yet ready for
democracy. The old Germany, it is true, was a legal state. There
was freedom of thought, a free press, confidence that one would
secure justice if one kept within the law. But at the top was a stark
force, militaristic and autocratic, which could command Germans
to die, and which was ready to give the word when it thought its
interests or prestige demanded.

The German Republic was a puny plant. Beneath the inch or
so of top-soil in which its seeds were hastily placed were a dozen
unyielding strata, packed down and solidified by tradition and
usage. The servitudes of a punitive peace treaty, the galling pre-
ponderance of France and her allies in Europe, the economic
distress following the defeat and the inflation, all these hindered
its growth. The cultivators, from Ebert and Scheidemann through
Stresemann and Brüning down at last to von Papen and von
Schleicher, cared less and less about saving it. Nor did the well-
intentioned campaign of the liberal press abroad to rectify the
extreme appraisal which the world had formed about Germany’s
part in causing the war, a campaign in which they white-washed
the Imperial Government as uncritically as Lloyd George in an
earlier incarnation had damned it, serve to make the task of sincere
republican leaders any the more easy. But the final determining
condition which caused the Republic’s death was that it had no
nourishment from below. As an eminent German said to the
writer two or three years ago: “We made a republic; but there were
no republicans.”

The German people came to believe that their position was
ignoble, intolerable, and could never be righted except by force.
Even their best leaders (Stresemann included) were afraid of point-
ing out how much better their position in Europe was becoming
year by year. They hardly noticed that the hated treaty was grad-
ually being revised in a whole series of vital respects (evacuation
of the Rhineland, ending of military control, entry into the League,
virtual cancellation of reparations), that France, the traditional enemy, was becoming perceptibly more pacific, that she had already recognized the necessity for taking the next great step in treaty revision—the accord of equal rights—and that progressive disarmament would come next.

Von Papen and von Schleicher prepared to break sharply with the method of appeasement and revision by stages which Stresemann, a man as thoroughly German as either of them, had pursued with concrete evidences of success. Hitler, going to the people with an eloquence and abandon of which none of the others were capable, actually made the break. Looking back at the position of the German people after the war, taking account of their psychological make-up, and remembering that ten years, though it is a short time in the life of a nation seems long in the life of individuals, we now see that the break was one day almost bound to be made.

Will Hitler, having given the German spirit an opportunity to purge itself of part of its store of resentment and hate and envy, and having counted from his new vantage point of supreme power and responsibility the cost of a desperate policy of revenge, decide to try gradually to return to the methods of piecemeal revision which some of his predecessors pursued? If he does, will it be possible for France, all of whose wartime fears have been revived by the events of recent weeks, to return to a conciliatory course promptly enough for the (hypothetical) moderate elements in the Nazi party to retain control? It will not be easy for France to assume good faith in a Germany which has been talking and acting as Nazi Germany has, to make concessions to a Hitler which she said she was not yet ready to make to a Stresemann and a Brüning. And if she refuses to be led rapidly into accepting German offers of collaboration (presuming they are forthcoming), will the German masses, “awakened” indeed, allow Hitler to delay rearming, no matter what has happened at Geneva? Then, feeling themselves stronger, will they refrain from producing faits accomplis in Austria and Danzig and the Saar and wherever else local conditions play into their hands?
One other question-mark cannot be ignored. National Socialism poses as a mighty bulwark against Bolshevism. But it fights with the enemy’s own methods—repression, fear, propaganda, isolation from world thought and world opinion. The whole control of the state, mechanical and spiritual, is in the hands of an unchallengeable directorate. One turn of the knob, and the radio would play a German version of the Red International as unanimously as it now plays the Nazi marching songs. One order, and the S.A. would become a Red Army. A transformation like this would not be the result of chance. Germany is not a country of improvisations. It would happen because Hitler, or his colleagues, or his successors, planned it to happen as a way out of imminent failure, to avert the anger of a people which had been promised bread and given a stone.

It is with fears and questions such as these in mind that we watch each day’s events in Germany. Three months after the Nazi revolution we cannot pretend that as yet there is any real evidence to cause our fears to diminish, or that our questions can as yet be given any conclusive answer.
“A spectre is haunting Europe—the spectre of communism.” Eighty-five years have passed since the *Communist Manifesto* opened with those fateful words. It is little less since Tocqueville predicted that the democracy, weary of the inadequate results of their political emancipation, would one day turn to the destruction of the rights of property as the condition precedent to their economic emancipation. “In matters of social construction,” he wrote,¹ “the field of possibilities is much more extensive than men living in their various societies are willing to imagine.”

After the breakdown of the revolutions of 1848 there was little disposition among the statesmen of Europe and America to take the growth of socialism with any profound seriousness until the epoch of the war. A moment of horror at the events in Paris in 1871, a sense that the abortive revolution in Russia of 1905 might be the prelude to a vaster drama, exhausted the sense of doubt about the foundations of the social system. Neither the experience of France nor of Germany seemed to point to the likelihood of Socialist governments; and as late as 1908, President Lowell, reflecting upon the English position at the close of his famous treatise,² concluded that “unless the Labor Party should grow in a way that seems unlikely” there was no prospect of a class-division in English politics.

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¹ Harold J. Laski, Professor of Political Science in the University of London; author of “The Dangers of Obedience” and other works.
in the near future. Lord Grey, indeed, on the very eve of the war, was troubled by a sense that its prolongation might result in a repetition of 1848; but the universal welcome which greeted the March Revolution in Russia did not suggest that men had any doubts about the foundations of a capitalist society. At no time in American history prior to the war had the socialist movement made any profound impact upon American life.

The Bolshevik Revolution wrought an immediate and fundamental change in the perspective of public opinion. The very fact that Marxian principles could assume the guise of action made it evident that the foundations of capitalism had nothing like the security that had been assumed. As Lenin consolidated his position against both the attacks of the Allies and the impact of civil war, the Russian Revolution began to reveal itself as the profoundest change in the mental climate of the world since the Reformation. The proletariat in a state of one hundred and thirty millions had not merely challenged the rights of property, it had overthrown them. Before five years had passed it was obvious that the Russian Revolution was not, as its enemies hoped, a temporary portent. It had affected the psychological fabric of all civilization. Ideas like the class-war, the dictatorship of the proletariat, the expropriation of the capitalist, had passed at a single bound from books to action. What seemed in 1914 an underground and unimportant conspiracy had become, ten years later, a state. And it was obvious that the fact of such a state’s existence, the knowledge that it could survive and grow, had turned men’s thoughts into new directions. For the first time in history, a proletarian state was an actual, and not merely an ideological, inspiration; and for the first time in history, also, capitalist society met a direct and thorough-going challenge.

The impact of Russia upon the old world and the new cannot be expressed in simple terms. Certainly there were few thoughtful minds whom it did not compel to a revaluation, or, at least, a reassessment of the basic principles of politics. The pre-war state-system emerged

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from the great conflict far more shattered than was apparent in the
mood of vindictive triumph embodied in the Peace of Versailles. It had to grapple with a damnosa hereditas. The necessities of war had given an enhanced status to the working-classes of the belligerent countries; and it was necessary to satisfy their new claims. National feeling had been profoundly inflamed by the conflict; and since nationalism took the form of an intense revival of neo-mercantilist doctrine, a community of states emerged whose political practices were increasingly at variance with the objective needs of the world-economic market. The problems created by debts and reparations, the control of imports and migration in the interest of the several states, the new levels of taxation rendered necessary by the demands of social legislation, the refusal of the Far East any longer to accept the domination of Western Europe and America, all implied the futility of believing that the old laissez-faire was compatible with the attainment of social good. It had become clear to every careful observer that it was necessary either deliberately to plan the post-war civilization or to perish.

For a brief period, the sudden prosperity of America (though much more confined than was generally realized) concealed from many the realities of the situation. It was argued that the condition of Russia was a special one; that, elsewhere, the problem was rather one of dealing with the excrescences of the capitalist system than with capitalism itself. As late as 1928 President Hoover felt able to announce to an awe-struck world that America had (under God) solved the problem of poverty. Two years later, it was clear that his announcement was premature. The world (including America) was caught in the grips of a depression more intense and more widespread than any recorded in history. The unemployed could be counted in millions in capitalist countries. The mood of pessimism was universal; men spoke gravely of a possible collapse of civilization. At a time when science had made possible a greater productivity than in any previous age, the problem of distribution seemed insoluble. All the nations demanded the removal of barriers against world-trade; despite pious recommendations, like those at Geneva in 1927, they did not seem able to
remove them. All the world agreed upon the necessity of disarmament; the conference at Geneva to attain it would have been farcical if it had not been tragic. The dislocation of currency methods deprived commerce of that automatic measure of value upon which the life-blood of trade depended. Thirteen years after the end of the war, the perspective of capitalist civilization revealed an insecurity, both economic and political, which made justifiable the gravest doubts of its future.

Russian development was in striking contrast. The Five Year Plan gave it an integrated and orderly purpose such as no capitalist country could rival. Productivity increased at a remarkable rate; unemployment was non-existent. If the standard of living was low compared with that of Great Britain or the United States, its tendency was to increase and not to decline. The whole population was united in a great corporate effort at material well-being in which there was the promise of equal participation. Where Europe and America were sunk in pessimism, the whole temper of Russia was optimistic. The authority of its government was unchallenged; its power to win amazing response to its demands was unquestionable. Granted all its errors, no honest observer could doubt its capacity both to plan greatly and, in large measure, to realize its plans. No doubt its government was, in a rigorous sense, a dictatorship. No doubt also it imposed upon its subjects a discipline, both spiritual and material, such as a capitalist civilization would hardly dare to attempt. No doubt, again, its subjects paid a heavy price for the ultimate achievement to which they looked forward. Yet, whatever its defects and errors, the mood of the Russian experiment was one of exhilaration. While the rest of the world confronted its future in a temper of skepticism and dismay, Russia moved forward in a belief, religious in the intensity of its emotion, that it had a right to ample confidence in its future.

II

No one can understand the character of the communist challenge to capitalism who does not grasp the significance of this contrast.
A hundred years ago the votaries of capitalism had a religious faith in its prospects. They were, naturally enough, dazzled by the miracles it performed, confident that the aggregation of its individual successes was coincident with the social good, happy in a security about the results of their investment which seemed to entitle them to refashion the whole world in their own image. The successful business man became the representative type of civilization. He subdued all the complex of social institutions to his purposes. Finance, oil, coal, steel, became empires of which the sovereignty was as unchallenged as that of Macedon or of Rome. Men so different as Disraeli and Marx might utter warnings about the stability of the edifice. Broadly speaking, they were unheeded in the triumphs to which the business man could point.

But those triumphs could not conceal the fact that the idol had feet of clay. The price to be paid for their accomplishment was a heavy one. The distribution of the rewards was incapable of justification in terms of moral principle. The state was driven increasingly to intervene to mitigate the inequalities to which capitalism gave rise. Vast and costly schemes of social legislation, militant trade unionism, a nationalism of pathological proportions, imperialist exploitation with its consequential awakening of nationalism among the peoples exploited, were all inherently involved in the technique of a capitalist civilization. Nationalism meant imperialism; imperialism meant war; in the struggle for markets there was involved an inescapable threat to the security of the whole structure. That became finally evident in the Great War and its aftermath. A world of competing economic nationalisms could not avoid inevitable conflict.

Nor is this all. The condition for the survival of an acquisitive society is twofold. There must be no halt in its power to continue its successes; and it must be able so to apportion their results that the proletariat do not doubt their duty to be loyal to its institutions. This condition has not been realized. Economic nationalism has given birth to a body of vested interests which impede in

3 See my “Nationalism and the Future of Civilization” (1932).
a fatal way the expansion of world trade. On the one hand, the power of productivity makes the ideal of self-sufficiency incapable of realization; on the other, the capture of foreign markets means commercial warfare which issues into actual warfare. The individual ownership of the means of production is incompatible with the kind of planning necessitated by the interrelations of a world reduced to the unity of interdependence.

The failure to maintain the allegiance of the proletariat, though different in degree in different countries, is, nevertheless, universal. Its danger was foreseen by Tocqueville nearly a century ago. “The manufacturer,” he wrote,4 “asks nothing of the workman but his labor; the workman expects nothing from him but his wages. The one contracts no obligation to protect, nor the other to defend; and they are not permanently connected either by habit or by duty. . . . The manufacturing aristocracy of our age first impoverishes and debases the men who serve it, and then abandons them to be supported by the charity of the public. . . . Between the workman and the master there are frequent relations but no real partnership.” Everything that has happened since Tocqueville wrote has combined to give emphasis to his insight. The decay of religion has intensified the appreciation of material well-being. The growth of education has made working-class resentment at the contrast between riches and poverty both keener and more profound. Universal suffrage has made necessary a far wider and more costly response to the demands of the proletariat; and the perfection of party organization has made the struggle for political power one in which the offer of bread and circuses is an essential part.

Men, in short, accept a capitalist society no longer because they believe in it, but because of the material benefits it professes to confer. Once it ceases to confer them, it cannot exercise its old magic over men’s minds. It has become, writes Mr. Keynes,5 “absolutely irreligious, without internal union, without much public spirit, often, though not always, a mere congeries of possessors and pur-

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4 “Democracy in America,” Part II, Book II, Chapter XVIII.
The Position and Prospects of Communism

suers.” Once its success is a matter of dubiety, those who do not profit by its results inevitably turn to alternative ways of life. They realize that the essence of a capitalist society is its division into a small number of rich men and a great mass of poor men. They see not only the existence of a wealthy class which lives without the performance of any socially useful function; they realize also that it is inherent in such a society that there should be no proportion between effort and reward. They see this when the decline of capitalist prosperity makes the payment of the price demanded for their allegiance to the system one it is increasingly difficult to pay without destroying the position of advantage which the rich enjoy in society. The social service state can only be maintained at a level which satisfies the worker in a period of increasing returns. Once its benefits have to be diminished, the moral poverty of capitalism becomes apparent to all save those who live by its preservation. There arises an insistent demand for economic and social equality—such a distribution of the social product as can rationally be referred to intelligible principle. Resistance develops to the normal technique by which capitalism adjusts itself to a falling market. The growth of socialism in Great Britain, the dissatisfaction with the historic parties in the United States, the rise of Hitlerism in Germany, the profound and growing interest, all over the world, in the Russian experiment, are all of them, in their various ways, the expression of that resistance. Men have begun to ask, upon a universal scale, whether there is not the possibility of consciously building a classless society in which the ideal of equality is deliberately given meaning.

It is not, I think, excessive to argue that the experience of this generation leads most socially conscious observers to doubt the desirability of relying upon the money motive in individuals automatically to produce a well-ordered community. It is at least a matter of universal recognition that the collective intelligence of society must control all major economic operations. But the translation of that recognition into policy encounters difficulties of which the importance cannot be over-emphasized. For it asks men to part with power on an unexampled scale. It changes a system of established expectations profoundly rooted in the habits of mankind.
It disturbs vested interests which are well organized, both for offense and defense, and accustomed by long tradition to have their way. No governing class in the history of the world has consciously and deliberately sacrificed its authority. It has gone down fighting, as in France and Russia; it has cooperated with the novi homines of the industrial revolution, as in England or Germany. But the call to socialism, which the anarchy of capitalist society has produced, is, at bottom, a demand for economic egalitarianism in which the possessors are invited to sacrifice their power, their vested interests, their established expectations, for the attainment of a common good they will no longer be able to manipulate to their own interest.

The socialist parties of Western civilization have conceived a simple formula upon which to place reliance. They will win a majority of the electorate to their side; and they will proceed, by legislative enactment, gradually to introduce the socialist commonwealth. Possessing themselves of the constitution of the state, they assume that they can operate the machinery to their own purposes. They argue that if the pace is not too violently forced, the instinct for law and order will enable them to consummate their revolution with good will because their policy will proceed by reasonable stages. That has been the policy of the two Labor Governments which arrived in office, a little accidentally perhaps, in Great Britain; and in their different ways it has been the policy of such socialist governments as have held office elsewhere. Of them all it is not unfair to say that they nowhere made any essential difference to the foundations of capitalist society. Of them, also, it is true to say that if they showed signs of seriously compromising those foundations, they were driven to surrender power to their rivals. And in that event it was the bankruptcy, rather than the success, of gradualist change which became apparent.

In this context, what is important is the underlying assumption of socialist gradualism: it builds upon the persistence of constitutional democracy. But not only—as Italy, Jugoslavia and the rest make plain—is that persistence a dubious matter in practice; the persistence of constitutional democracy depends upon the further
assumption that men are agreed upon the fundamental principles of policy. In a broad way, this was true as between Liberals and Conservatives in the nineteenth century; experience has demonstrated how little ground there is for believing that it is true when the choice is between a capitalist and a socialist way of life. No one who meditates upon the prospect of large-scale socialist experiment can conclude that it is likely to go into operation without grave challenge. No one, either, can argue that such a challenge will permit the principles of constitutional democracy to survive unimpaired.

III

It is at this point that the communist hypothesis becomes of such overwhelming importance. It points to the inherent contradictions of capitalist society. It denies that there is in it any longer the power to resolve those contradictions within its assumptions. It insists that no socialist government can attempt seriously to put its principles into practice without encountering determined resistance which will issue in civil war. To maintain socialist principles, in short, socialists will be driven to become communists or to betray their socialism. If they become communists, they will find themselves involved in the grim logic of Leninism—the dictatorship of the proletariat, the drastic suppression of counter-revolution, the confiscation of the essential instruments of production, the building of the state, in a word, upon the principles of martial law until the security of the new order is firmly established. The transformation of capitalism into socialism means revolution, and that implies an experience akin to that through which Russia has passed.

I do not see how it is reasonable to deny the possibility—to put it no higher—that the communists are right. The threat of war is implicit in our society, and war means revolution all over the world. Even if that revolution assumed a Fascist form, communism would be its inevitable antithesis; and, in that event, sooner or later communism would move to the assault. To avoid the threat of war, the degree of self-reformation which capitalist states must undertake would leave them unrecognizable as capitalist. The observer of
England, of America, of France is entitled to doubt whether there is in the possessing classes of any of them that will to self-reformation which would make it effective. The change of heart required would involve a transvaluation of all values, the supersession by agreement of money as the dominant motive to action. It is only the acceptance of new values with an intensity almost religious in character which could effect that supersession; and that possession of a body of alternative values held with religious intensity is, to put it quite bluntly, practically a monopoly of the communists at the present time.

That, indeed, is the secret of its strength. Its devotees believe in it with a faith so absolute that there is no sacrifice they are not prepared to make in its name. Communism has succeeded in Russia for the same reasons that brought triumph to the Jesuits, the Puritans, the Jacobins in an earlier period. Willing the end, the communists have not shrunk from the application of any means likely to attain that end. They have consistently opposed an unshakable will to the resistance they have encountered. They have disdained both compromise and hesitation. In the service of no other social system in the world today can it be said that these qualities are enlisted. No one defends the acquisitive society save in the most mitigated terms. No capitalist society could attempt experiment on the Russian scale without risking the willingness of the working-classes to observe the demands of law and order. Not even the most intense propaganda in capitalist countries has prevented the working-classes from feeling a proud interest in every success the Russian experiment can show. “Perhaps,” wrote Mr. Keynes, “Russian communism does represent the first confused stirrings of a great religion.” That is a widespread and growing feeling among all who are disturbed by the contradictions of capitalism; and it is an emotion far more profoundly diffused among the workers than is realized by the rulers of alternative systems.

The unity, in fact, of capitalist society has been broken. No country is prepared to pay the price which its simple rehabilitation demands; and to attempt the enforcement of that price would

The Position and Prospects of Communism

involve disorders of which no one could predict the outcome. That is the significance of the point made earlier in this essay that the Russian revolution shapes the perspective of men’s thoughts. Lower the standards of life, whether by decreases in wages or by economies in social legislation, diminish the worker’s security, sharpen the contrast between poverty and wealth, and it at once comes into the worker’s mind that in Russia, if the standard is low, it is rising, and that the hope of still greater rises is profound, that all social legislation is in the proletarian interest, that the contrasts between poverty and wealth are largely without meaning. A state has been built upon the exaltation of the common man; it is inevitable that the common men of other states should have its existence and its possibilities increasingly in their minds.

Capitalist society, in other words, is running a race with communist society for the allegiance of the masses. The terms upon which the former can be successful are fairly clear. It has to solve the contradiction between its power to produce and its inability to distribute income in a rational and morally adequate way. It has to remove the barriers which economic nationalism places in the way of an unimpeded world-market. It has to remove the fear of insecurity by which the worker’s life is haunted. It has to end the folly of international competition in wage-rates and hours of labor; it has to find ways of saving Western standards from the slave-labor of the East. It has, not least, to cut away the jungle-growth of vested interests which at present so seriously impair its efficiency. Even a capitalist society will not long endure the spectacle of the cotton and coal industries of Great Britain or the power-trust in the United States. Above all, perhaps, it has to find some way of removing from the clash of competing imperialisms those structures of armed power which, clothed in the garb of national sovereignty, make certain the perpetual threat of insecurity and, born of it, the advent of war.

Let me emphasize again that to meet successfully the challenge of communism a capitalist society has to show itself immensely more successful than the former. This does not, of course, mean that communism, in its Russian expression, does not confront its
own grave problems. Broadly, they are of two kinds. It is necessary, by economic success, to maintain the exhilaration, the enthusiastic will to sacrifice, of the first great period of striving; and it is necessary, in the second, to relate Russia more adequately to the conditions of the external world. For, in the context of the first condition, it must not be forgotten that Russia was to some extent fortunate in her situation. Not only was she dealing with a people accustomed to the psychology of an autocratic discipline; she was also able to take advantage of a profound patriotism engendered by external attack. The Soviet State cannot go on perpetually demanding the postponement of consumption for the sake of a future which does not arrive. They must come to a point where the maintenance of enthusiasm for the new régime is the outcome of having conferred tangible benefit. Nor will it be possible over any considerable period to maintain the dominating grip of the Communist Party over the whole political life of Russia. That grip has been acquiesced in because of the social circumstances confronting the new régime; no acquiescence in a dictatorship is ever permanent in character. There must, that is to say, not only be economic success in the new Russia; there must come also a time when restriction is relaxed and room is found for the admission of freedom. The permanence of communist society depends upon its ability to meet these issues creatively. For any new social order that seeks to become universal must be able to correlate its economic advance with spiritual growth.

No doubt, of course, spiritual growth, and especially that temper of tolerance which is the groundwork of all intellectual achievement, is, in its turn, dependent upon economic advance. Periods of revolutionary poverty rarely synchronize with periods of great scientific or literary production; for the atmosphere of dictatorship, the pre-occupation with material well-being, are stifling to that atmosphere of experiment upon which intellectual advance depends. It is not accidental that neither the Puritan nor the French Revolution has left behind it a great cultural impact upon the mind of the world; the spiritual fruits of each were gathered after men could in leisure and in safety seek to probe their implications. It is there-
fore reasonable to argue that the success of Russian communism depends upon the maintenance, at least for a considerable period, of world peace. For if Russia becomes involved in any serious military conflict the transformation of its energies will dangerously impair the prospect of its economic policy. More than this, the intensification of the dictatorship involved in war might easily, if the struggle were at all prolonged, result in the kind of internal conflicts within the Communist Party which, in the French Revolution, made ultimately possible the emergence of Napoleon.

It would be folly to deny the possibility of Russia becoming involved in war within the next decade. The clash of interests with Japan in the Far East is a grave one. The fear of the effect of Russian exports of butter, timber, oil, coal and wheat on a depressed market already gives birth to those economic reprisals out of which war has so often come. The instability of Europe is fed by Russian propaganda; and the very fact that communism expects a world-revolution to come by way of war gives to that propaganda the psychological perspective which so easily makes expectancy fact. The failure of disarmament, the dissatisfaction of minorities, the intensity of social revolutionary movements in the East, all of these point to that kind of collapse in the system of international regulation which is the prelude to conflict. And it is useless to deny that there are, all over the world, important interests which would welcome an attack on Russia before its success is beyond question as the surest way of ending that implicit challenge to capitalist society which it represents. Certainly militant communism and militant capitalism cannot exist side by side, especially in a period of serious economic stress. It is important that Moscow is the Mecca of the discontented and disinherited of the whole world; it is not less important that Moscow is ideologically driven to the encouragement of their hopes. No one who surveys at all objectively the relations of Russia with the external world can possibly be optimistic about their outcome.

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7 On this see Mr. R. D. Charques’ admirable résumé, “The Soviets and the Next War” (1932).
I do not think that a war against Russia would destroy communism there though I believe it would enormously increase the price of its accomplishment; but I do believe it would be fatal to the maintenance of capitalist society at least in Europe and the Far East. Probably its cost would be a period of anarchy comparable to the Dark Ages, with every sort and kind of dictatorship emerging to supply for brief periods an uneasy semblance of order. Ultimately, I think, Russia would be the first state to emerge from that chaos with something like the hope of recovery; and its authority, under those circumstances, would be far more compelling than it is today, its challenge more direct and explicit. In the long run, in a word, the price of challenging communism to military conflict would be not its defeat but its victory.

The future of communism is a function of the capacity of capitalist society to repair its foundations. The success—despite the appalling cost—of the Russian experiment has made it the one effective center of creativeness in a world which, otherwise, does not seem to know how to turn its feet away from the abyss. Capitalist society since the war has adopted every expedient of self-destruction. The Peace of Versailles, the tangled mess of war-debts and reparations, the struggle for power concealed beneath the myth of national sovereignty, the failure to respect the League, all of these were implicit in its ultimate disrespect for moral principle. The social habits of its votaries, its literature with its insistent note of cynical skepticism, its philosophy which sought refuge in mysticism and impulse to shut out the still small voice of reason, a press which (not least notably in its dealing with Russia) could make miraculous propaganda but could not tell the truth, its religions in decay, its political and economic institutions hopelessly remote from the realities they confronted, its leaders like straws caught in the eddies of an ever-quickening stream—it is not in such a society as this that one looks for the spring of a new hope. On the credit side, no doubt, there was a science more renaissance than at any time since
the seventeenth century; but it was also more dangerous because the
formula seemed lost by which it could be bent to social purposes.

Such a society cannot meet the challenge of communism, because
its faith in itself is not sufficient to give it a victorious destiny. It
may postpone defeat; it cannot finally elude it. For in the conflict
of ideologies victory always goes in the end to men who are willing
to sacrifice material power for spiritual conquest. Communism in-
terests the new generation because, alone among the welter of
competing gospels, it has known how to win sacrifice from its
devotees in the name of a great ideal. It offers the prospect—the
clue to the success of all the great religions—of losing one’s life in
order to find it. There is poverty, there is intellectual error, there is
grate moral wrong; but there is also unlimited hope. These have
been characteristic of all great religious movements. They do not
seem to disturb their power eventually to triumph.

The chance for a capitalist society in contest with communism
lies in its ability to remake its own creed. Its danger is the ease with
which it attacks the symptoms of communism instead of its
causes. It is afraid of the propaganda of the Third International
instead of the conditions which make that propaganda fall on fer-
tile soil. It is afraid of the bold imagination which underlies the
Five Year Plan; but instead of planning more boldly and more
imaginatively itself, it spends its time dourly foretelling its in-
evitable failure. It attacks with passion the outrageous injustices of
which communism has been guilty, its stifling of initiative, the
reckless cruelty of the Ogpu, the relentless attack on the Kulaks.
But it does not stay to remember that its own Sacco-Vanzetti case,
the Polish treatment of minorities, the dreary wastage of its own
unemployment, bear the same lesson to the masses, and that for
them the costs of Russia are expended for the advantage of the
many, while the costs of the capitalist society are paid for the profit
of a few. There is an uncomfortable sense in the world that what
is happening in Russia may be the prelude to a renaissance of the
human spirit. There is no such prophetic confidence in capitalist
society. Its very leaders look less like great adventurers than men
who scan a gray horizon without confidence of a dawn.
The principles which govern capitalist society are, in fact, completely obsolete before the new conditions it confronts; and it seems to lack the energy to bend itself to their revision. It needs a new scheme of motivation, a different sense of values. It needs the power and the will to move from the era of economic chaos to a system which deliberately controls economic forces in the interests of justice and stability. To do so there are required far more pervasive international controls, on the external side, and far greater equality in matters of social constitution, on the internal. To find equilibrium by the blind adjustment of competing interests is simply to court disaster. Yet, generally speaking, the men who govern the old world can think in no other terms.

It is true there are men about us who voice a different philosophy. Rathenau, Keynes, Salter—these have endeavored, as best they could, to insist that the way to survival lies along the road to profound reconstruction. They have seen that a temper is required which gives new significance to the claims of the common man, which recognizes the dangers inherent in a system which identifies self-good and social. They admit the need for sacrifice as the price of reconstruction. They see all the cost involved in a clash of ideologies which seek to test their respective strengths in terms of power. But theirs, if I may say so, is an aristocratic approach, a cool and skeptical impatience of dogma, a passion for the rational solution of questions in their nature essentially rational, of which the appeal is by its nature a limited one. They underestimate the inertia of the existing order, the irrationality with which men will cling to vested interests and established expectations even when their title to response is no longer valid. Given something like a geological time, such rationalism might prevail against the passions which stand in its path. The tragedy of our present position is that the voice of the Mean is unlikely to win attention until humanity has been sacrificed to the call of the Extreme.
Italian fascism has proclaimed national “sacred egoism” as the sole creative factor. After reducing the history of humanity to national history, German fascism proceeded to reduce nation to race, and race to blood. Moreover, in those countries which politically have not risen—or rather, descended—to fascism, the problems of economy are more and more being forced into national frameworks. Not all of them have the courage to inscribe “autarchy” openly upon their banners. But everywhere policy is being directed toward as hermetic a segregation as possible of national life away from world economy. Only twenty years ago all the school books taught that the mightiest factor in producing wealth and culture is the world-wide division of labor, lodged in the natural and historic conditions of the development of mankind. Now it turns out that world exchange is the source of all misfortunes and all dangers. Homeward ho! Back to the national hearth! Not only must we correct the mistake of Admiral Perry, who blasted the breach in Japan’s “autarchy,” but a correction must also be made of the much bigger mistake of Christopher Columbus, which resulted in so immoderately extending the arena of human culture.

The enduring value of the nation, discovered by Mussolini and Hitler, is now set off against the false values of the nineteenth

Leon Trotsky, leader in the October Revolution in 1917; Commissar for Foreign Affairs, 1917–1918; Commissar for War, 1919–1923.
The Clash of Ideas

century: democracy and socialism. Here too we come into an irrec-
concilable contradiction with the old primers, and worse yet, with
the irrefutable facts of history. Only vicious ignorance can draw a
sharp contrast between the nation and liberal democracy. As a
matter of fact, all the movements of liberation in modern history,
beginning, say, with Holland’s struggle for independence, had
both a national and a democratic character. The awakening of the
oppressed and dismembered nations, their struggle to unite their
severed parts and to throw off the foreign yoke, would have been
impossible without a struggle for political liberty. The French
nation was consolidated in the storms and tempests of democratic
revolution at the close of the eighteenth century. The Italian and
German nations emerged from a series of wars and revolutions in
the nineteenth century. The powerful development of the American
nation, which had received its baptism of freedom in its uprising in
the eighteenth century, was finally guaranteed by the victory of the
North over the South in the Civil War. Neither Mussolini nor
Hitler is the discoverer of the nation. Patriotism in its modern
sense—or more precisely its bourgeois sense—is the product of the
nineteenth century. The national consciousness of the French peo-
ple is perhaps the most conservative and the most stable of any; and
to this very day it feeds from the springs of democratic traditions.

But the economic development of mankind which overthrew
mediæval particularism did not stop within national boundaries.
The growth of world exchange took place parallel with the forma-
tion of national economies. The tendency of this development—for
advanced countries, at any rate—found its expression in the shift of
the center of gravity from the domestic to the foreign market. The
nineteenth century was marked by the fusion of the nation’s fate
with the fate of its economic life; but the basic tendency of our cen-
tury is the growing contradiction between the nation and economic
life. In Europe this contradiction has become intolerably acute.

The development of German capitalism was of the most dy-
namic character. In the middle of the nineteenth century the
German people felt themselves stifled in the cages of several dozen
feudal fatherlands. Less than four decades after the creation of the
German Empire, German industry was suffocating within the framework of the national state. One of the main causes of the World War was the striving of German capital to break through into a wider arena. Hitler fought as a corporal in 1914–1918 not to unite the German nation but in the name of a supra-national imperialistic program that expressed itself in the famous formula “to organize Europe.” Unified under the domination of German militarism Europe was to have become the drill-ground for a much bigger job—the organization of the entire planet.

But Germany was no exception. She only expressed in a more intense and aggressive form the tendency of every other national capitalist economy. The clash between these tendencies resulted in the war. The war, it is true, like all the grandiose upheavals of history, stirred up various historical questions and in passing gave the impulse to national revolutions in the more backward sections of Europe—Tsarist Russia and Austria-Hungary. But these were only the belated echoes of an epoch that had already passed away. Essentially the war was imperialist in character. With lethal and barbaric methods it attempted to solve a problem of progressive historic development—the problem of organizing economic life over the entire arena which had been prepared by the world-wide division of labor.

Needless to say, the war did not find the solution to this problem. On the contrary, it atomized Europe even more. It deepened the interdependence of Europe and America at the same time that it deepened the antagonism between them. It gave the impetus to the independent development of colonial countries and simultaneously sharpened the dependence of the metropolitan centers upon colonial markets. As a consequence of the war, all the contradictions of the past were aggravated. One could half-shut one’s eyes to this during the first years after the war, when Europe, aided by America, was busy repairing its devastated economy from top to bottom. But to restore productive forces inevitably implied the reinvigorating of all those evils that had led to the war. The present crisis, in which are synthesized all the capitalist crises of the past, signifies above all the crisis of national economic life.
The League of Nations attempted to translate from the language of militarism into the language of diplomatic pacts the task which the war left unsolved. After Ludendorff had failed to “organize Europe” by the sword, Briand attempted to create “the United States of Europe” by means of sugary diplomatic eloquence. But the interminable series of political, economic, financial, tariff, and monetary conferences only unfolded the panorama of the bankruptcy of the ruling classes in face of the unpostponable and burning task of our epoch.

Theoretically this task may be formulated as follows: How may the economic unity of Europe be guaranteed, while preserving complete freedom of cultural development to the peoples living there? How may unified Europe be included within a coördinated world economy? The solution to this question can be reached not by deifying the nation, but on the contrary by completely liberating productive forces from the fetters imposed upon them by the national state. But the ruling classes of Europe, demoralized by the bankruptcy of military and diplomatic methods, approach the task today from the opposite end, that is, they attempt by force to subordinate economy to the outdated national state. The legend of the bed of Procrustes is being reproduced on a grand scale. Instead of clearing away a suitably large arena for the operations of modern technology, the rulers chop and slice the living organism of economy to pieces.

In a recent program speech Mussolini hailed the death of “economic liberalism,” that is, of the reign of free competition. The idea itself is not new. The epoch of trusts, syndicates and cartels has long since relegated free competition to the back-yard. But trusts are even less reconcilable with restricted national markets than are the enterprises of liberal capitalism. Monopoly devoured competition in proportion as the world economy subordinated the national market. Economic liberalism and economic nationalism became outdated at the same time. Attempts to save economic life by inoculating it with virus from the corpse of nationalism result in blood poisoning which bears the name of fascism.

Mankind is impelled in its historic ascent by the urge to attain the greatest possible quantity of goods with the least expenditure.
of labor. This material foundation of cultural growth provides also the most profound criterion by which we may appraise social régimes and political programs. The law of the productivity of labor is of the same significance in the sphere of human society as the law of gravitation in the sphere of mechanics. The disappearance of outgrown social formations is but the manifestation of this cruel law that determined the victory of slavery over cannibalism, of serfdom over slavery, of hired labor over serfdom. The law of the productivity of labor finds its way not in a straight line but in a contradictory manner, by spurs and jerks, leaps and zigzags, surmounting on its way geographical, anthropological and social barriers. Whence so many “exceptions” in history, which are in reality only specific refractions of the “rule.”

In the nineteenth century the struggle for the greatest productivity of labor took mainly the form of free competition, which maintained the dynamic equilibrium of capitalist economy through cyclical fluctuations. But precisely because of its progressive rôle competition has led to a monstrous concentration of trusts and syndicates, and this in turn has meant a concentration of economic and social contradictions. Free competition is like a chicken that hatched not a duckling but a crocodile. No wonder she cannot manage her offspring!

Economic liberalism has completely outlived its day. With less and less conviction its Mohegans appeal to the automatic interplay of forces. New methods are needed to make skyscraper trusts correspond to human needs. There must be radical changes in the structure of society and economy. But new methods come into clash with old habits and, what is infinitely more important, with old interests. The law of the productivity of labor beats convulsively against barriers which it itself set up. This is what lies at the core of the grandiose crisis of the modern economic system.

Conservative politicians and theorists, taken unawares by the destructive tendencies of national and international economy, incline towards the conclusion that the overdevelopment of technology is the principal cause of present evils. It is difficult to imagine a more tragic paradox! A French politician and financier, Joseph Caillaux,
sees salvation in artificial limitations on the process of mechanization. Thus the most enlightened representatives of the liberal doctrine suddenly draw inspiration from the sentiments of those ignorant workers of over a hundred years ago who smashed weaving looms. The progressive task of how to adapt the arena of economic and social relations to the new technology is turned upside down, and is made to seem a problem of how to restrain and cut down productive forces so as to fit them to the old national arena and to the old social relations. On both sides of the Atlantic no little mental energy is wasted on efforts to solve the fantastic problem of how to drive the crocodile back into the chicken egg. The ultra-modern economic nationalism is irrevocably doomed by its own reactionary character; it retards and lowers the productive forces of man.

The policies of a closed economy imply the artificial constriction of those branches of industry which are capable of fertilizing successfully the economy and culture of other countries. They also imply an artificial planting of those industries which lack favorable conditions for growth on national soil. The fiction of economic self-sufficiency thus causes tremendous overhead expenditures in two directions. Added to this is inflation. During the nineteenth century, gold as a universal measure of value became the foundation of all monetary systems worthy of the name. Departures from the gold standard tear world economy apart even more successfully than do tariff walls. Inflation, itself an expression of disordered internal relationships and of disordered economic ties between nations, intensifies the disorder and helps to turn it from a functional into an organic one. Thus the “national” monetary system crowns the sinister work of economic nationalism.

The most intrepid representatives of this school console themselves with the prospect that the nation, while becoming poorer under a closed economy will become more “unified” (Hitler), and that as the importance of the world market declines the causes for external conflicts will also diminish. Such hopes only demonstrate that the doctrine of autarchy is both reactionary and utterly utopian. The fact is that the breeding places of nationalism also are the laboratories of terrific conflicts in the future; like a hungry
Nationalism and Economic Life

tiger, imperialism has withdrawn into its own national lair to gather itself for a new leap.

Actually, theories about economic nationalism which seem to base themselves on the “eternal” laws of race show only how desperate the world crisis really is—a classic example of making a virtue of bitter need. Shivering on bare benches in some God-forsaken little station, the passengers of a wrecked train may stoically assure each other that creature comforts are corrupting to body and soul. But all of them are dreaming of a locomotive that would get them to a place where they could stretch their tired bodies between two clean sheets. The immediate concern of the business world in all countries is to hold out, to survive somehow, even if in a coma, on the hard bed of the national market. But all these involuntary stoics are longing for the powerful engine of a new world “conjuncture,” a new economic phase.

Will it come? Predictions are rendered difficult, if not altogether impossible, by the present structural disturbance of the whole economic system. Old industrial cycles, like the heartbeats of a healthy body, had a stable rhythm. Since the war we no longer observe the orderly sequence of economic phases; the old heart skips beats. In addition, there is the policy of so-called “state capitalism.” Driven on by restless interests and by social dangers, governments burst into the economic realm with emergency measures, the effects of which in most cases it cannot itself foresee. But even leaving aside the possibility of a new war that would upset for a long time the elemental work of economic forces as well as conscious attempts at planned control, we nevertheless can confidently foresee the turning point from the crisis and depression to a revival, whether or not the favorable symptoms present in England and to some degree in the United States prove later on to have been first swallows that did not bring the spring. The destructive work of the crisis must reach the point—if it has not already reached it—where impoverished mankind will need a new mass of goods. Chimneys will smoke, wheels will turn. And when the revival is sufficiently advanced, the business world will shake off its stupor, will promptly forget yesterday’s lessons, and will contemptuously cast aside self-denying theories along with their authors.
The Clash of Ideas

But it would be the greatest delusion to hope that the scope of the impending revival will correspond to the depth of the present crisis. In childhood, in maturity, and in old age the heart beats at a different tempo. During capitalism’s ascent successive crises had a fleeting character and the temporary decline in production was more than compensated at the next stage. Not so now. We have entered an epoch when the periods of economic revival are short-lived, while the periods of depression become deeper and deeper. The lean cows devour the fat cows without a trace and still continue to bellow with hunger.

All the capitalist states will be more aggressively impatient, then, as soon as the economic barometer begins to rise. The struggle for foreign markets will become unprecedentedly sharp. Pious notions about the advantages of autarchy will at once be cast aside, and sage plans for national harmony will be thrown in the wastepaper basket. This applies not only to German capitalism, with its explosive dynamics, or to the belated and greedy capitalism of Japan, but also to the capitalism of America, which still is powerful despite its new contradictions.

The United States represented the most perfect type of capitalist development. The relative equilibrium of its internal and seemingly inexhaustible market assured the United States a decided technical and economic preponderance over Europe. But its intervention in the World War was really an expression of the fact that its internal equilibrium was already disrupted. The changes introduced by the war into the American structure have in turn made entry into the world arena a life and death question for American capitalism. There is ample evidence that this entry must assume extremely dramatic forms.

The law of the productivity of labor is of decisive significance in the interrelations of America and Europe, and in general in determining the future place of the United States in the world. That highest form which the Yankees gave to the law of the productivity of labor is called conveyor, standard, or mass production. It would seem that the spot from which the lever of Archimedes was to turn the world over had been found. But the old planet
refuses to be turned over. Everyone defends himself against everybody else, protecting himself by a customs wall and a hedge of bayonets. Europe buys no goods, pays no debts, and in addition arms itself. With five miserable divisions starved Japan seizes a whole country. The most advanced technique in the world suddenly seems impotent before obstacles basing themselves on a much lower technique. The law of the productivity of labor seems to lose its force.

But it only seems so. The basic law of human history must inevitably take revenge on derivative and secondary phenomena. Sooner or later American capitalism must open up ways for itself throughout the length and breadth of our entire planet. By what methods? By all methods. A high coefficient of productivity denotes also a high coefficient of destructive force. Am I preaching war? Not in the least. I am not preaching anything. I am only attempting to analyze the world situation and to draw conclusions from the laws of economic mechanics. There is nothing worse than the sort of mental cowardice which turns its back on facts and tendencies when they contradict ideals or prejudices.

Only in the historic framework of world development can we assign fascism its proper place. It contains nothing creative, nothing independent. Its historic mission is to reduce to an absurdity the theory and practice of the economic impasse.

In its day democratic nationalism led mankind forward. Even now, it is still capable of playing a progressive rôle in the colonial countries of the East. But decadent fascist nationalism, preparing volcanic explosions and grandiose clashes in the world arena, bears nothing except ruin. All our experiences on this score during the last twenty-five or thirty years will seem only an idyllic overture compared to the music of hell that is impending. And this time it is not a temporary economic decline which is involved but complete economic devastation and the destruction of our entire culture, in the event that toiling and thinking humanity proves incapable of grasping in time the reins of its own productive forces and of organizing those forces correctly on a European and a world scale.
At this stage of the last war, friend and foe alike knew the main general principles of the world order that would follow on an Allied victory. The world would be made up of self-determined, independent, sovereign states, linked together by a League of Nations founded on the principles of collective security, arbitration and disarmament. The normal pattern for a state would consist of a two-chamber legislature elected by universal suffrage, a responsible executive, an independent judiciary and guarantees of the civil liberties. Financial relationships between nations would be regulated by the gold standard, buttressed by central banks. Commercial policy would permit only moderate protective tariffs and would frown on such expedients as quotas, discriminations, dumping and official trading. Internally, every state would be dedicated to the principles of free individual enterprise, with a minimum of state interference or control.

It is beside the point that these principles were not completely applied and that some of them which were applied were unsuccessful. In 1918–19 that all lay in the future. The point is that, at the end of the last war, the world knew what an Allied victory would mean. The “triumph of democracy” then had a fairly detailed intellectual substance as well as an emotional content.

But who knows today what an Allied victory would mean? Of the four major Allies, two are democracies, but, apart from the general conviction that people should be allowed to settle their own
affairs, how much of the formulae of democracy do the Americans and British regard as articles of export? To take a specific case, should we recommend the Germans to set up a replica of the Weimar Republic, or the French to restore the Third Republic—supposing that our advice were asked for in either case? And, if not, what do we recommend? Moreover, the other two major Allies do not, in their own affairs, practise anything that we should recognize as democracy. Some allege that the real preference of the western Allies is for legitimist, conservative, monarchist governments in Europe. One may think that it is not so. But can anyone of us say, of full knowledge, that it is not so? We want governments to be democratic, yes. But we want them to avoid the mistakes that were made in the name of democracy after the last war. And where does that leave us? Does anyone know?

The confusion is hardly less in the sphere of international organization. The League of Nations is still alive, and the many small nations of the world will not abandon without a very fierce struggle the doctrines of sovereign equality and equal sovereignty on which the League was founded, or the principles of arbitration (i.e., willing submission to arbitration), collective security (i.e., security by the consenting coöperation of all) and disarmament (i.e., equalization of advantages and burdens) by which it hoped to secure peace. But there has been much talk of other conceptions. Much has been heard of the international police force. Some conceive it as a genuinely international body, responsible to a world agency, to which, consequently, the essential attributes of sovereignty would have to be ceded. Others conceive it more in the light of a continuance into the peace of the concept of the present major allies. This latter has become almost a majority concept; and even most of those who criticize the idea of an Anglo-American alliance (should anyone propose it, which no one in authority has done thus far) are usually content if it is enlarged to cover only four of the nations of the world. Does anyone know whether the system to be created will be a “Great Power system” or a generally collective one? If a compromise, will it lean more one way or the other? And do we believe in disarmament, for ourselves, in the practically foreseeable future?
Our economic principles are equally indefinite. Do we still believe in free individual enterprise as the basis of economic activity? Many Americans—probably the majority—say they do, though the vehemence and frequency with which they say it seem to suggest the existence of a doubt. (It was not necessary to make any such profession of faith in 1919.) Most Englishmen have very serious doubts whether private enterprise can any longer be regarded as the sole, or even as the principal, determinant of economic activity. And the Russians have no doubt at all that it cannot. In this supremely important aspect of human society, what would an Allied victory mean? Do we believe in the gold standard? In the old sense, clearly not (for the minority of the faithful is very small). But do we believe in the possibility of universal currency standards in any sense? It is the question that has underlain the recent international discussions, and no answer that is given can be more than experimental. Do we believe in a return to a commercial régime of moderate tariffs only, with the abolition of all the other obnoxious obstructions to world trade that have grown up in the last generation? The American and British Governments share some hopes, but not much confidence. The Russians have not been heard from. And if we do not believe that the international economy of which free trade and the gold standard were the chief symbols can, or should, be re-created, what do we believe in to take its place?

This is a formidable list of questions, and if there is any one of my readers who can answer any one of them—answer it, that is to say, not for himself alone, but as expressing the dominant view of the United Nations, or even of the two democratic Great Powers—then he is a far bolder man than I am. It has often been pointed out that there has been nothing in the present war to compare with Woodrow Wilson’s magnificent series of definitive and expository speeches in the latter phase of the first World War. The Atlantic Charter was very vague, and subsequent pronouncements have been even less precise. But this is a very small part of the story. It
was easy for President Wilson to make his speeches because he
knew what to say and he knew that it would command general
agreement. He knew this because the western democratic world
knew in 1918 what it was after. Last time, we knew what our ideas
were. We were putting the finishing touches to a triumphant pro-
gram. The war of 1914–18 was to be the means of plucking good
out of evil, an opportunity to finish off the job on which the west-
ern democracies had been engaged for more than a century. The
Armistice and the peace were to register the final victory of every-
thing in which the nineteenth century liberal believed. Wilson
and everybody else knew what the ideas were because a hundred
years had been spent in working them out.

Now nobody knows for sure. We have not yet made up our col-
lective mind (and not many people have made up their individual
minds over the whole range) whether there is life in the old dog-
mas yet, or whether our problems are so different that they can-
not be handled by the former body of doctrine, however amended.
Is the twentieth century an extension of the nineteenth century,
or something different? We do not know, and it is very foolish to
cavil at Mr. Roosevelt and Mr. Churchill because they have not
taken an afternoon off to tell us. They do not know either. The
western democratic world is perilously close to a vacuum of faith.

It is the thesis of E. C. Carr’s influential book, “Conditions of
Peace,” that the dominant ideas of the nineteenth century are dead—
or at least that they no longer have sufficient validity to serve as
our guiding lights. He defines these dominant ideas as being, in
domestic politics, representative democracy; in economics, free
individual enterprise; and in international affairs, the sovereignty
of self-determined nations. For myself, I would not admit that
either representative democracy or free capitalism was dead. But
even in our domestic affairs, it seems to me to be very difficult to
affirm that they are still the sole or the dominant principles. And
as articles for export they are even more doubtful, while between
nations it has become clear that national sovereignty, so far from
being the only valid principle, is the only certainly disastrous prin-
ciple. In general, though I would differ from Mr. Carr in matters
of degree, I find it impossible to refute the substance of his charge. The twentieth century is not simply an extension of the nineteenth. The problems of the postwar world will not be those of the nineteenth century. In many respects they will be directly opposite (e.g., the pressure to create maximum employment rather than maximum income, the need to curb the freedom of nation-states rather than to create them), and in every case they will be different.

Moreover, the people who will face them will be different. Hitherto, the world has been run by men and women who were born in the nineteenth century. Only one man born in the twentieth century has yet sat in an American or British Cabinet. The Russians and Chinese leaders are nineteenth-century-born. So are the chief Nazis. It happens that the children of the nineteenth and twentieth centuries are divided by much more than the accident of a numeral. The eldest child of the twentieth century man who was born on January 1, 1901—was within a few weeks of the draft age when the last war came to an end. He stands just on this side of that great dividing line—a borderline of much greater psychological importance than any that will be created by this war, for all but the very youngest of those who fought in the last war had been brought up to a world of security. They had come to accept a set of absolutes which crumbled in front of their eyes, while the children of the twentieth century have never known what a secure world is. In Britain, though not in America, there is also the great chasm of the “missing generation” dividing the children of the twentieth century from their fathers.

This is not the only accident of history that sets them off. The great technical inventions of the nineteenth century were industrial processes, which the individual rarely saw; they were ways of producing familiar objects in greater numbers and at lower cost, ways of providing for the poor what had formerly been the prerogative of the rich. They extended the spread of comfortable living, but they did not greatly change its content. Round about the turn of the century, however, technical progress began to have a direct impact on social customs and modes of thought. The men and women born in the twentieth century are the first generation to
have been familiar, for the whole of their lives, with such revolu-
tionary molders of thought and custom as air travel, individual
transport on land by means of the automobile, the moving picture,
the radio. They have been influenced by the decline in formal
religion. They are the first generation in which it has been more
than an impiety to think that the human race could or should control
its numbers. In America, they are the first generation in which high-
school education has been universal and college education general.
In England, the creation of a complete educational ladder from
bottom to top dates from 1902.

The historians of the future will have to judge whether these
changes were, on balance, for good or evil. My present point is that
they make for a greater cleavage of instincts and of instinctive
ideas between old and young than has perhaps ever before existed.
And just when this strange new generation would in any case be
beginning to push its way into the driving seat, there comes the
vast catastrophe of the present war to accentuate still further the
difference between its environment and that of its fathers. In view
of all these facts, I do not believe it is an exaggeration to say that
we stand at one of the grand climacterics of world history. If there
is any carry-over of dominant principles from the former age to
the latter, it will be a matter for marveling.

My quarrel with Mr. Carr is not, then, that I wish to refute
his main thesis but that I do not like being left where he leaves
me. The dominant doctrines of the nineteenth century, if not
dead, are so battered that they will not serve us any longer as our
main props. We are, indeed, living in a vacuum of faith. But the
trouble about a vacuum is that it gets filled, and if there are no
angels available to fill it, fools—or worse—rush in. Let us, then,
take Mr. Carr’s threefold division of politics, economics and in-
ternational relations, and consider in each case the alternatives
to the old principles which he condemns. What are, not merely
the theoretical alternatives, but the actual enemies that have
been pushing them off their thrones?

The trend away from liberal democracy has been a trend to-
wards totalitarian dictatorship. The trend away from individualist
capitalism has been a trend toward rigid state control exercised in the interest of a war economy—or at least of a war-minded economy. The trend away from the sovereignty of the nation-state has been a trend towards the concentration of aggressive strength in the hands of a few Great Powers. These are not, of course, the only conceivable alternatives; but they are the alternatives that the pressure of the age has been forcing upon us.

That pressure, it will be objected, is about to be lifted by a victory for the United Nations. I am not so certain. I have the suspicion that the Nazi alternatives, diabolical though they are, have far too much of the logic of events in them to be brushed aside by the military defeat of Hitler. If we are realistic, we shall recognize, even though it increases the difficulty of our task, that there is a great deal in the circumstances of our century that leads straight to Fascism. The enormous development in the technique of propaganda and advertising, in the power to sway the minds of people in the mass, plays straight into the hands of the would-be dictator or any other manipulator who, for large ends or small, seeks to muddy the waters of democracy. The growth of large-scale industry, the need for gigantic aggregations of capital, the implications of a maximum employment policy—all these create the danger of a concentration of economic power. The technique of modern war, with its emphasis on the possession of certain complicated weapons which only a handful of highly industrialized states can produce, makes the small nations, or even the league of small nations, quite helpless, and compels the Great Powers to devote quite unprecedented proportions of their resources to the barren purposes of war. We cannot abolish these things, we cannot dodge them. We cannot cancel the invention of the radio and aircraft or unlearn the technique of mass production. But if we accept their existence, we must also accept their consequences. Propaganda plus the concentration of economic power plus Blitzkrieg technique add up to Fascism; or they may be made to add up to something new that will be compatible with democratic ideals. But whatever else they add up to, they certainly do not add up to the sort of democracy that our fathers thought of. The plain truth is that Hitler has an answer to the
problems of the twentieth century and we, as yet, have not. It fol-
lows that whatever happens in the present war, Hitler will be hot
on our heels for the rest of our lives. We shall have to think very
fast, and run very fast, to keep ahead of him. One slip, one stumble,
and he will be on our necks.

The central dilemma of the present age is that we can no longer
rely on the old principles alone, but that we abominate the alter-
natives that time and tide, if it is left to them, will produce. This
dilemma can be solved in only one way, by the birth of a new faith,
adjusted in its instrumentalities to the needs of the new century, but
preserving the ultimate objectives of the old. The only way to avoid
the murder of nineteenth-century Liberalism by twentieth-century
Fascism is through the birth of a twentieth-century democratic
faith by the new out of the old. The biological analogy with the
conflict of the sexes is exact. If one kills the other, no continuing
life is possible. This is what would happen if the crude, raw impact
of changed conditions were merely to remove the tried doctrines
of an earlier age. Nor is the future to be secured by some hermaph-
roditic compromise, in which the two elements are so much in con-
lict that the result is, as Disraeli said of the mule, “without pride
of ancestry or hope of posterity.” No, the only solution is to take
what is strong and good and lasting in the new ideas, to mate it
with the old and to conceive something that has elements of both,
but has its own life, is new, harmonious, growing, integral. What
we need is not a compromise between the old ideas and the new, but
a fusion; not a mixture but an amalgam. The nineteenth century,
before it dies, must take what is virile in the hostile movements
and give birth to something new. Only then can it die in peace.

To state the need for such a new democratic faith is one thing. To
meet it is another. The task of developing the thesis here presented
in every sphere of public policy, political and economic, domestic
and international, is probably beyond the power of a single pen; and
certainly far beyond the reach of a single article. It may, however,
be permissible to proceed a little way further in one particular direction, that of economic organization. What I have to say is chiefly directed to the internal economic problems of nations such as the United States and the United Kingdom—though it is, of course, impossible to treat of these problems in isolation from their international implications.

The air is full at present of wordy warfare on the relative merits of unhampered private enterprise and of government planning of economic developments. Both are being argued in extreme and absolute terms—that is, as principles capable of being applied universally and in unadulterated form. Possibly the protagonists have reservations and modifications in mind, but, if so, they escape but rarely into print or speech. Not often does an advocate of private enterprise make the admission that there are certain economic problems (and among the largest) which must either be tackled by the organizing powers of the government or else left untackled. Still less frequently does an advocate of “planning” pause to concede that over a vast range of industries and occupations either the mainspring of activity will (in any easily foreseeable future) remain that of individual enterprise and ambition or there will be no mainspring at all. No, the argument proceeds in absolutes: the free enterprise party has no use for “bureaucracy” anywhere at any time; and the planners will not admit that a businessman, by serving the interest of his own profit, can ever serve the general interest.

It is, of course, a sham fight. I do not mean that the contestants are not sincere; many of them doubtless (and unhappily) are passionately sincere. It is a sham fight because there is not the slightest chance of either side winning its fight. In the circumstances of the twentieth century, there is no prospect whatever of an industrial democratic state basing its affairs on the principle of unrestricted individual enterprise to the exclusion, or even to the subordination, of other principles. Even less can an industrial democracy contemplate governmental “planning” of the bulk of its activities—at least it cannot do so and remain a democracy.

Perhaps it is worth while pausing for a moment to justify these dogmatic statements. The reasons why unrestricted private enterprise
is insufficient by itself are perhaps clearer to a British observer than to an American. The United States, after all, is still in the period of rapid expansion. It is wholly reasonable to suppose that by the end of the present century the American national income may be at least double what it is now—that is to say, at least three times what it was in the late 1930s. And the frontiers of possible achievement are more distant still. The supreme necessity of the American economy remains that of expansion and there is an almost automatic source of demand for great masses of capital. The pioneer is no longer, perhaps, the American archetype—but he is still a socially necessary type, and it is, of course, in a pioneering environment that unregulated private enterprise shows to maximum advantage.

In Great Britain, on the other hand, the end of the rising national income is in sight, owing to the imminence of a stable and even a falling population. It is unlikely that the British national income will ever be more than 50 percent higher than it is now, and even that moderate increase requires optimistic assumptions on the trend both of population and of individual productivity. The peak will be reached in about a generation from now, and thereafter the national income will be preserved from falling only if the rise in individual productivity succeeds in outpacing the fall in total numbers. Clearly, this puts the pioneer and the builder at a discount and the administrator and allocator at a premium. Moreover, there are other problems, hardly more important but possibly more urgent. Britain needs her foreign purchases to live, and the war has knocked a series of holes in the credit side of what was at best a somewhat precarious balance. The task of the postwar years will be not merely to get back the prewar trade, but to find markets for something like a 50 percent increase in the prewar volume of exports. No one but a fanatic would believe uncoördinated private enterprise capable of outfacing these difficulties.

Thus there are reasons why there is less talk in Britain than in America of the sovereign virtues of unregulated individualism. But this does not mean, in my judgment, that there is the slightest possibility of a return to laissez-faire even in America. For one
thing, I remain obstinately skeptical about the possibility of making any appreciable headway against the menace of recurrent depressions except by the road of government action. The present attempt, sponsored by the Committee for Economic Development, to demonstrate that a regular and adequate flow of savings into physical investment can be organized by business itself, is a gallant rearguard action. I wish it well, but my money is on the other horse. Secondly, I remain even more obstinately skeptical about the ability of a free-enterprise economy—that is, of an economy where the requirements of free enterprise have priority over other objectives—to bring about any substantial improvement in the unequal distribution of wealth and welfare. Yet if there are two things in the sphere of economic policy that the electorate is going to impose as categorical imperatives on its representatives, regardless of party, they are contained in the current expressions Full Employment and Social Security. Walter Bagehot, the great apostle of the free economy, wrote nearly eighty years ago that “the coöperative, if not the compulsory, agency of the state ought to be used far more than now in applying to our complicated society those results of science which are new to our age.” He was thinking, in the main, of physical science. But his remark applies with even greater force to those results of social science (and of social experience) which are new to our age and which must be incorporated into our economy and policy without damaging delay. There are certain objects that society can attain—it has been demonstrated—by means of “the coöperative, if not the compulsory, agency of the state.” The Russians have shown that it is possible to secure a very rapid increase in the national income; the Germans have shown that it is possible for a highly industrialized state to remove within a few years one of the largest masses of unemployment known to economic history. We may abominate the methods by which these achievements were secured. But we cannot pretend they do not exist. On the contrary, the electorate is going to insist on emulation of the results, if not on imitation of the methods. Employment of “the coöperative, if not the compulsory, agency of the state” is an inescapable consequence.
But if the wholly free economy is an impossibility, the wholly controlled economy is no less unacceptable. There are two main reasons for this. In the first place, experience seems to show—and common sense would confirm—that it is considerably less efficient in the production of wealth for consumption. The planned economy has had its triumphs. But none of them, I think, has been a triumph in supplying in large quantities at low prices consumption goods of the kinds and in the variety that people want. Yet that must remain one of the fundamental and co-equal objects of any democratic economy. There are examples of planned economics where the strength of the state has been increased, where the capital equipment of the community has been enriched, where mass unemployment has been avoided. I do not know of a wholly planned economy where the consumer has been satisfied. And, in the second place, a wholly planned economy is incompatible with any degree of political freedom. The possibility of a man’s earning his own living in his own way, without let or hindrance, is the essential condition of there being any freedom of discussion, any freedom to oppose. If more than a fraction of the electorate come to depend for their livelihood upon the temporary masters of the mechanism of the state—that is, upon the politicians—then democracy is at an end.

It follows from this discussion that the economic system of the next few decades will inevitably have elements both of individual freedom of enterprise and also of purposive direction by the state. This conclusion, by now, is almost a commonplace. What is not so generally realized is that it matters most vitally how the two elements are combined. Neither can, it is true, remove the other; democratic society is not going to be either wholly planned or wholly unplanned. But each opposing principle can very effectively obstruct the other. A society which is based on an active coöperation of the two principles will be a vastly different place from a society based on a deadlock between them.

Deadlock is what the western democracies have been threatened with in the past thirty years. It is easy to see how the desire to plan economic development, the desire to make it follow motives
more socially respectable than the incentive of profit, the desire to ensure security in an insecure world—it is easy to see how these desires have clogged and frustrated the free economy. Over far the greater part of the economy, the businessman is still left with the responsibility of initiating activity. He has to make up his mind whether an enterprise is worth the risks involved in it, and unless he gives the word to start the wheels turning, no one else will or can. But the risks of loss have been increased by the great load of prior charges that has been put upon him in the way of rigid wage-rates, wasteful labor practices, social security contributions and the like, while his incentive to take these risks has been dulled by heavy and differential taxation, and his arm has been jogged by all manner of inspectors, controls, regulations, inquisitions, prohibitions and indictments.

The impact on our economy of the idea of planning and of the motive of social welfare has hitherto been almost wholly negative. Few industries have been planned, but a vast number have been bedevilled by planning. In many cases, the approach has been more than negative, it has been punitive, and the entrepreneur has been abused and penalized precisely in proportion to his success in performing his duty of running economic activity at a profit. To date, we are certainly far more planned against than planning.

The other side of the medal is very similar. Wherever the state has tried, by the use of collective methods, to make headway against the problems that beset it, it has been held back by a hundred visible and invisible strings of timidity and orthodoxy. If it wishes to close the deflationary gap by deficit financing, it can do so only within the very narrow field that runs no risk of competing with private enterprise. And every step is taken to the accompaniment of charges ranging from corruption and dictatorship to red ruin.

IV

The result has been deadlock, and if we sometimes wonder why it is that our economy seems to have lost its elasticity, its power to respond to opportunity, if we complain that only in wartime are
its potentialities realized, the reason is that we have been busy putting brakes on both the two possible springs of initiative. We make it difficult for the profit motive to work lest it should be anti-social in its effect, and we make it difficult for the social motive to work lest it be too wasteful.

In this struggle, neither side can win. It follows that the most urgent task for all economic statesmen is to work out means by which the two principles of organization can live side by side. If there is to be activity of any sort, there must be some incentive to activity. For a generation or more, we have been hard at work whittling down all incentives, and trying to work out a compromise between freedom and organization on the basis that we shall have as little as possible of either. That is wrong. The right course is to have as much as possible of both, to take the brakes off both the profit incentive and the social incentive.

This is not the place to discuss how this can be done. But the method clearly lies along the way of sorting out the economic activities of the community that are to be powered by each incentive. There are no absolute rules for determining where the line should be drawn, and no doubt it will be drawn in different places in different countries, and at different times in the same country. There are some activities that every country puts on the “organization” side of the line and makes no attempt to run on a profit-earning basis—justice, education and war-making, for example. There are others that every democracy will put on the “freedom” side—the press, entertainments and most luxury trades. Between these extremes, the people will draw the line as they choose and the location of the line is a fit and proper subject for party controversy. What is essential is that, on either side of the line, the dominant incentive should be left as free as possible to stimulate activity. Neither one can be quite exclusive: profit-minded enterprise cannot be allowed to be anti-social, nor can social-minded activity be undertaken without any regard to its economic cost. But in each sphere the interloping considerations should be adjusted to interfere as little as possible with the dominant incentive. The businessman, for example, cannot
be relieved of taxation; but his taxes can be designed to interfere as little as possible with the earning of profits.

There will be those among the critics of this doctrine who will shake their heads and say that it cannot be done. They will quote Abraham Lincoln to the effect that a nation cannot live half slave and half free. If so, then the prospect is black indeed for all of us; because, for the reasons given above, it seems to me inconceivable that we shall ever be able to pin our faith on either of the alternatives. If they are so instinctively and inevitably antipathetic to each other that they cannot live in peace, side by side, then we must conclude that democracy is incapable of resolving the contradictions to which it gives rise and must surely perish. I take a more optimistic view. It is true that the opposing principles of economic freedom and of economic organization have, in fact, generated frictions which have perceptibly slowed down the progress of the democratic economy. But this is because they have been stupidly handled and the frictions would not arise if the object of all parties were to avoid them, instead of, as at present, to seek battle on all occasions. Both the British and the American democracies have, each in its own way, over the past 150 years resolved the very similar conflict between freedom and order in the political sphere. I see no overriding reason why the same success should not be achieved in the economic sphere, provided the same essential moderation is shown.

There are those also who hold that there is some inevitability of conflict in the international sphere between nations which draw the line between freedom and organization in different places. This seems to me to be even purer defeatism than the former objection. No state is wholly without compulsory organization in its economy and none is wholly without freedom. The differences are of degree, not of kind, and our affairs are in a sorry posture if differences of ideological degree are going to cause irreconcilable conflicts. The battle, it is said, will come on the management of international trade; a country that exercises conscious management of its trade relations will necessarily have an unfair advantage over one that does not, and thus controlled economics are inevitably aggressive.
But if there is anything at all in this objection, the way to meet it is directly, by securing agreement on the definition of unfair practices and putting a ban on them, whether perpetrated by governments, by cartels or by individuals.

This economic argument, as has been said, is intended only as an illustration of the wider thesis that, if western democracy is to confront its twentieth-century problems with any hope of success, there is an urgent necessity for hard thinking on first principles. It is not enough either to demonstrate the inadequacy of the old liberalism or to expatiate on the abomination of the Fascist alternative. Both are destructive exercises, necessary as preliminaries perhaps, but contributing nothing to the positive task of construction. That task involves nothing less than the creation of a new faith, a newly articulated set of principles by which the imperishable objectives of a free humanity can be sought by techniques appropriate to this century. And the first step is to realize that it is not only the theses of the nineteenth century that are dead or dying, but the antitheses also.

I am not one of those who holds that a vacuum of faith will be much handicap to us in winning the war. War is fought mainly by material means, and though it would be an advantage to know what we are fighting for, it is enough to know what we are fighting against. It is after the fighting is over that the trouble will begin. For when material force is removed, it is only the force of ideas that can prevail. At present, in the realm of ideas, we are almost completely disarmed. Rearmament, with modern weapons, cannot begin too soon.
A great deal of ink has been shed in recent years describing various versions of the post–Cold War order. These attempts have all failed, because there is no such creature. The world order created in the 1940s is still with us, and in many ways stronger than ever. The challenge for American foreign policy is not to imagine and build a new world order but to reclaim and renew an old one—an innovative and durable order that has been hugely successful and largely unheralded.

The end of the Cold War, the common wisdom holds, was a historical watershed. The collapse of communism brought the collapse of the order that took shape after World War II. While foreign policy theorists and officials scramble to design new grand strategies, the United States is rudderless on uncharted seas.

The common wisdom is wrong. What ended with the Cold War was bipolarity, the nuclear stalemate, and decades of containment of the Soviet Union—seemingly the most dramatic and consequential features of the postwar era. But the world order created in the middle to late 1940s endures, more extensive and in some respects more robust than during its Cold War years. Its basic
principles, which deal with organization and relations among the Western liberal democracies, are alive and well.

These less celebrated, less heroic, but more fundamental principles and policies—the real international order—include the commitment to an open world economy and its multilateral management, and the stabilization of socioeconomic welfare. And the political vision behind the order was as important as the anticipated economic gains. The major industrial democracies took it upon themselves to “domesticate” their dealings through a dense web of multilateral institutions, intergovernmental relations, and joint management of the Western and world political economies. Security and stability in the West were seen as intrinsically tied to an array of institutions—the United Nations and its agencies and the General Agreement on Tariffs and Trade (GATT) only some among many—that bound the democracies together, constrained conflict, and facilitated political community. Embracing common liberal democratic norms and operating within interlocking multilateral institutions, the United States, Western Europe, and, later, Japan built an enduring postwar order.

The end of the Cold War has been so disorienting because it ended the containment order—40 years of policies and bureaucratic missions and an entire intellectual orientation. But the watershed of postwar order predated hostilities with the Soviet Union. The turning point was not a Cold War milestone such as the announcement of the Truman Doctrine in 1947 or the creation of the Atlantic alliance in 1948–49. It might have come as early as 1941, when Roosevelt and Churchill issued the Atlantic Charter declaring the liberal principles that were to guide the postwar settlement. The process became irreversible in 1944, when representatives at the Bretton Woods conference laid down the core principles and mechanisms of the postwar Western economic order and those at Dumbarton Oaks gave the political aspect of the vision concrete form in their proposals for a United Nations. The Cold War may have reinforced the liberal democratic order, by hastening the reintegration of Germany and Japan and bringing the United States much more directly into the management of the system. But it did not call it forth.
The Myth of Post–Cold War Chaos

In world historical terms, the end of the Cold War is an overrated event. Former Secretary of State James A. Baker III observes in his 1995 memoir, The Politics of Diplomacy, “In three and a half years [from the late 1980s to the early 1990s] . . . the very nature of the international system as we know it was transformed.” To be sure, large parts of the non-Western world are undergoing a tremendous and difficult transformation. A great human drama is playing itself out in the former communist states, and the future there hangs in the balance. But the system the United States led the way in creating after World War II has not collapsed; on the contrary, it remains the core of world order. The task today is not to discover or define some mythic new order but to reclaim the policies, commitments, and strategies of the old.

A Tale of Two Doctrines

World War II produced two postwar settlements. One, a reaction to deteriorating relations with the Soviet Union, led to the containment order, which was based on the balance of power, nuclear deterrence, and political and ideological competition. The other, a reaction to the economic rivalry and political turmoil of the 1930s and the resulting world war, can be called the liberal democratic order. It culminated in a wide range of new institutions and relations among the Western industrial democracies, built around economic openness, political reciprocity, and multilateral management of an American-led liberal political system.

Distinct political visions and intellectual rationales animated the two settlements, and at key moments the American president gave voice to each. On March 12, 1947, President Truman delivered his celebrated speech before Congress announcing aid to Greece and Turkey, wrapping it in an American commitment to support the cause of freedom worldwide. The declaration of the Truman Doctrine was a founding moment of the containment order, rallying Americans to a new great struggle, this one against what was thought to be Soviet communism’s quest for world domination. A “fateful hour” had struck, Truman said, and the people of the
world “must choose between two alternate ways of life.” If the United States failed to exercise leadership, he warned, “we may endanger the peace of the world.”

It is often forgotten that six days before, Truman had delivered an equally sweeping speech at Baylor University. On this occasion he spoke of the lessons the world must learn from the disasters of the 1930s. “As each battle of the economic war of the Thirties was fought, the inevitable tragic result became more and more apparent,” said Truman. “From the tariff policy of Hawley and Smoot, the world went on to Ottawa and the system of imperial preferences, from Ottawa to the kind of elaborate and detailed restrictions adopted by Nazi Germany.” Truman reaffirmed America’s commitment to “economic peace,” which would involve tariff reductions and rules and institutions of trade and investment. When economic differences arose, he said, “the interests of all will be considered, and a fair and just solution will be found.” Conflicts would be captured and tamed in a cage of multilateral rules, standards, safeguards, and procedures for dispute resolution. According to Truman, “This is the way of a civilized community.”

But it was the containment order that impressed itself on the popular imagination. In celebrated American accounts of the early years after World War II, intrepid officials struggled to make sense of Soviet military power and geopolitical intentions. A few “wise men” fashioned a reasoned and coherent response to the global challenge of Soviet communism, and their containment strategy gave clarity and purpose to several decades of American foreign policy. Over those decades, sprawling bureaucratic and military organizations were built around containment. The bipolar division of the world, nuclear weapons of growing size and sophistication, the ongoing clash of two expansive ideologies—all these gave life to and reinforced the centrality of the containment order.

By comparison, the thinking behind the liberal democratic order was more diffuse. The liberal democratic agenda was less obviously a grand strategy designed to advance American security interests, and it was inevitably viewed during the Cold War as secondary, a preoccupation of economists and businessmen. The
policies and institutions that supported free trade among the advanced industrial societies seemed the stuff of low politics. But the liberal democratic agenda was actually built on a robust yet sophisticated set of ideas about American security interests, the causes of war and depression, and a desirable postwar political order. Although containment overshadowed it, the postwar liberal democratic order was more deeply rooted in the American experience and an understanding of history, economics, and the sources of political stability.

The proper foundations of political order have preoccupied American thinkers from the nation’s founding onward, and innovative institutions and practices were developed in response to independence, continental expansion, civil war, economic depression, and world war. The liberal ideal was held high: open and decentralized political institutions could limit and diffuse conflict while integrating diverse peoples and interests. Moreover, a stable and legitimate political order was assured by its grounding in the Constitution, which specified rights, guarantees, and an institutionalized political process. When American officials began to contemplate postwar order, they were drawing on a wellspring of ideas, experiments, and historical lessons and sifting these with an abiding liberal belief in the possibility of peaceful and mutually beneficial international relations.

The most basic conviction underlying the postwar liberal agenda was that the closed autarkic regions that had contributed to the world-wide depression and split the globe into competing blocs before the war must be broken up and replaced by an open, nondiscriminatory economic system. Peace and security, proponents had decided, were impossible in the face of exclusive economic regions. The challengers of liberal multilateralism, however, occupied almost every corner of the advanced industrial world. Germany and Japan were the most overtly hostile; both had pursued a dangerous path that combined authoritarian capitalism with military dictatorship and coercive regional autarky. But the British Commonwealth and its imperial preference system also challenged liberal multilateral order.
The hastily drafted Atlantic Charter was an American effort to ensure that Britain signed on to its liberal democratic war aims.¹ The joint statement of principles affirmed free trade, equal access to natural resources for all interested buyers, and international economic collaboration to advance labor standards, employment security, and social welfare. Roosevelt and Churchill declared before the world that they had learned the lessons of the interwar years—and those lessons were fundamentally about the proper organization of the Western political economy. America’s enemies, its friends, and even America itself had to be reformed and integrated into the postwar economic system.

THE LIBERAL MANIFESTO

The postwar liberal democratic order was designed to solve the internal problems of Western industrial capitalism. It was not intended to fight Soviet communism, nor was it simply a plan to get American business back on its feet after the war by opening up the world to trade and investment. It was a strategy to build Western solidarity through economic openness and joint political governance. Four principles pursued in the 1940s gave shape to this order.

The most obvious principle was economic openness, which would ideally take the form of a system of nondiscriminatory trade and investment. As American strategic thinkers of the 1930s watched the world economy collapse and the German and Japanese blocs emerge, they pondered whether the United States could remain a great industrial power within the confines of the western hemisphere. What were the minimum geographical requirements for the country’s economic and military viability? For all practical purposes they had their answer by the time the United States entered the war. An American hemispheric bloc would not be sufficient; the United States needed secure markets

¹ Churchill insisted that the charter not mandate the dismantling of the British Empire and its system of trade preferences, and only last-minute sidestepping of this controversial issue made agreement possible.
and supplies of raw materials in Asia and Europe. Experts in a Council on Foreign Relations study group reached a similar conclusion when considering the necessary size of the area on which the United States depended for economic vitality.

American thinking was that economic openness was an essential element of a stable and peaceful world political order. “Prosperous neighbors are the best neighbors,” remarked Roosevelt administration Treasury official Harry Dexter White. But officials were convinced that American economic and security interests demanded it as well. Great liberal visionaries and hard-nosed geopolitical strategists could agree on the notion of open markets; it united American postwar planners and was the seminal idea informing the work of the Bretton Woods conference on postwar economic cooperation. In his farewell remarks to the conference, Secretary of the Treasury Henry Morgenthau asserted that the agreements creating the International Monetary Fund and the World Bank marked the end of economic nationalism, by which he meant not that countries would give up pursuit of their national interest but that trade blocs and economic spheres of influence would no longer be their vehicles.

The second principle was joint management of the Western political-economic order. The leading industrial democratic states must not only lower barriers to trade and the movement of capital but must govern the system. This also was a lesson from the 1930s: institutions, rules, and active mutual management by governments were necessary to avoid unproductively competitive and conflictual economic practices. Americans believed such cooperation necessary in a world where national economies were increasingly at the mercy of developments abroad. The unwise or untoward policies of one country threatened contagion, undermining the stability of all. As Roosevelt said at the opening of Bretton Woods, “The economic health of every country is a proper matter of concern to all its neighbors, near and far.”

The belief in cooperative economic management also drew inspiration from the government activism of Roosevelt’s New Deal. The postwar Western system was organized at a high tide of
optimism about the capability of experts, economic and technical knowledge, and government intervention. The rise of Keynesian economics in Europe in the 1930s had begun to encourage an activist role for the state in the economy and society. International economic governance was a natural and inevitable extension of the policies being tried in individual Western industrial societies.

A third principle of liberal democratic order held that the rules and institutions of the Western world economy must be organized to support domestic economic stability and social security. This new commitment was foreshadowed in the Atlantic Charter’s call for postwar international collaboration to ensure employment stability and social welfare. It was a sign of the times that Churchill, a conservative Tory, could promise a historic expansion of the government’s responsibility for the people’s well-being. In their schemes for postwar economic order, both Britain and the United States sought a system that would aid and protect their nascent social and economic commitments. They wanted an open world economy, but one congenial to the emerging welfare state as well as business.

The discovery of a middle way between old political alternatives was a major innovation of the postwar Western economic order. British and American planners began their discussion in 1942 deadlocked, Britain’s desire for full employment and economic stabilization after the war running up against the American desire for free trade. The breakthrough came in 1944 with the Bretton Woods agreements on monetary order, which secured a more or less open system of trade and payments while providing safeguards for domestic economic stability through the International Monetary Fund. The settlement was a synthesis that could attract a new coalition of conservative free traders and the liberal prophets of economic planning.

A final element of the liberal democratic system might be termed “constitutionalism”—meaning simply that the Western nations would make systematic efforts to anchor their joint commitments in principled and binding institutional mechanisms. In fact, this may be the order’s most basic aspect, encompassing
the other principles and policies and giving the whole its distinctive domestic character. Governments might ordinarily seek to keep their options open, cooperating with other states but retaining the possibility of disengagement. The United States and the other Western nations after the war did exactly the opposite. They built long-term economic, political, and security commitments that were difficult to retract, and locked in the relationships, to the extent that sovereign states can. Insofar as the participating governments attempted to construct a political order based on commonly embraced norms and principles along with institutional mechanisms for resolving conflicts and reaching specific agreements, they practiced constitutionalism.

Democracies are particularly capable of making constitutional commitments to each other. For self-regarding states to agree to pursue their interests within binding institutions, they must perceive in their partners a credible sense of commitment—an assurance that they will not exit at the least sign of disagreement. Because policymaking in democracies tends to be decentralized and open, the character of commitments can be more clearly determined and there are opportunities to lobby policymakers in the other democracies. Democracies do not just sign agreements; they create political processes that reduce uncertainty and build confidence in mutual commitments.

A CONSTITUTION FOR THE WEST
The constitutional political order was constructed in the West around economic, political, and security institutions. In the economic realm, the Bretton Woods accords were the first permanent international arrangements for cooperation between states. Rules and institutions were proposed to ensure a stable and expansionary world economy and an orderly exchange rate system. Many of the original agreements for a rule-based monetary order gave way to ad hoc arrangements based more on the American dollar, but the vision of jointly managed, multilateral order remained. The organization of postwar trade relations also had an uncertain
The constitutional vision informed the creation of the United Nations, which combined political, economic, and security aspirations. To be sure, the U.N. system preserved the sovereign rights of member states. Intent on avoiding the failures of the League of Nations, the architects of the new international body drafted a charter under which the great powers would retain their freedom of action. But despite its weak rules and obligations, the United Nations reflected American and European desires to insure against a relapse of American isolation, to establish principles and mechanisms of conflict resolution, and to mute conflicts between states within a semi-institutionalized political process.

Cold War security structures provided additional constitutional architecture. Lord Ismay’s observation that NATO was created to keep the Russians out, the Germans down, and the Americans in encapsulates the alliance’s importance in locking in long-term commitments and expectations. The American-Japanese security pact had a similar dual-containment character. These institutions not only served as alliances in the ordinary sense of organized efforts to balance external threats, but offered mechanisms and venues for building relations, conducting business, and regulating conflict. The recent French decision to rejoin NATO can be understood only in this light. If NATO were simply a balancing alliance, the organization would be in an advanced stage of decay. It is NATO’s broader political function—binding the democracies together and reinforcing political community—that explains its remarkable durability.

The democratic character of the United States and its partners facilitated construction of these dense interstate connections. The decentralized and open character of domestic institutions encouraged political give-and-take across the advanced industrial world.
Thus the Western liberal democratic order was not only defined by a set of institutions and agreements but made for a particular kind of politics—transnational, pluralistic, reciprocal, legitimate.

The constitutional features of the Western order have been especially important for Germany and Japan. Both countries were reintegrated into the advanced industrial world as semisovereign powers that had accepted unprecedented constitutional limits on their military capacity and independence. As such, they became unusually reliant on Western regional and multilateral economic and security institutions. The Western order in which they were embedded was integral to their stability and their very functioning. The Christian Democratic politician Walther Leisler Kiep argued in 1972 that “the German–American alliance is not merely one aspect of modern German history, but a decisive element as a result of its preeminent place in our politics. In effect, it provides a second constitution for our country.” Western economic and security institutions were and are for Germany and Japan a political bulwark that provides stability and transcends those institutions’ more immediate purposes.

**WHAT ENDURES**

For those who thought cooperation among the advanced industrial democracies was driven primarily by Cold War threats, the last few years must appear puzzling. Relations between the major Western countries have not broken down. Germany has not rearmed, nor has Japan. What the Cold War focus misses is an appreciation of the other, less heralded, postwar American project—the building of a liberal order in the West. Archaeologists remove one stratum only to discover an older one beneath; the end of the Cold War allows us to see a deeper and more enduring layer of the postwar political order that was largely obscured by the more dramatic struggles between East and West.

Fifty years after its founding, the Western liberal democratic world is robust, and its principles and policies remain the core of world order. The challenges to liberal multilateralism both from
within and from outside the West have mainly disappeared. Although regional experiments abound, they are fundamentally different from the autarkic blocs of the 1930s. The forces of business and financial integration are moving the globe inexorably toward a more tightly interconnected system that ignores regional as well as national borders. Recent proposals for an Atlantic free trade agreement and a Transatlantic Treaty, whatever their economic merits, reflect the trend toward increased integration across regions. The successful conclusion of the Uruguay Round of international trade talks in 1994 and the launching of the World Trade Organization on January 1, 1995, testify to the vigor of liberal multilateral principles.

Some aspects of the vision of the 1940s have faded. The optimism about government activism and economic management that animated the New Deal and Keynesianism has been considerably tempered. Likewise, the rule-based, quasi-judicial functions of liberal multilateralism have eroded, particularly in monetary relations. Paradoxically, although the rules of cooperation have become less coherent, cooperation itself has increased. Formal rules governing the Western world economy have gradually been replaced by a convergence of thinking on economic policy. The consensus on the broad outlines of desirable domestic and international economic policies has both reflected and promoted increased economic growth and the incorporation of emerging economies into the system.

The problems the liberal democratic order confronts are mostly problems of success, foremost among them the need to integrate the newly developing and post-communist countries. Here one sees most clearly that the post–Cold War order is really a continuation and extension of the Western order forged during and after World War II. The difference is its increasingly global reach. The world has seen an explosion in the desire of countries and peoples to move toward democracy and capitalism. When the history of the late twentieth century is written, it will be the struggle for more open and democratic polities throughout the world that will mark the era, rather than the failure of communism.

Other challenges to the system are boiling up in its leading states. In its early years, rapid and widely shared economic growth
buoyed the system, as working- and middle-class citizens across the advanced industrial world rode the crest of the boom. Today economic globalization is producing much greater inequality between the winners and the losers, the wealthy and the poor. How the subsequent dislocations, dashed expectations, and political grievances are dealt with—whether the benefits are shared and the system as a whole is seen as socially just—will affect the stability of the liberal world order more than regional conflict, however tragic, in places like the Balkans.

To be sure, the Cold War reinforced solidarity and a sense of common identity among the liberal democracies, so it would be a mistake to take these binding forces for granted now. Trade disputes, controversies over burden-sharing, and regional conflict will test the durability of the liberal order. Without a Cold War threat to unite their countries, leaders in the advanced democracies will have to work harder to manage the inevitable conflicts and fissures. An agenda of reform and renewal would be an intelligent move to protect 50 years of investment in stable and thriving relations. Policies, institutions, and political symbols can all be directed at reinforcing liberal order, just as they are in individual liberal polities. At the very least, Western leaders could spend much more time acknowledging and celebrating the political space they share.

It is fashionable to say that the United States after the Cold War faces its third try at forging a durable world order, at reinventing the basic rules of world politics, just as after both world wars. But this view is more rhetorically compelling than historically valid. The end of the Cold War was less the end of a world order than the collapse of the communist world into an expanding Western order. If that order is to be defended and strengthened, its historical roots and accomplishments must be reclaimed. The United States built and then managed the containment order for 40 years, but it also built and continues to enjoy the rewards of an older liberal democratic order. America is not adrift in uncharted seas. It is at the center of a world of its own making.
Something strange is going on in the world today. The global financial crisis that began in 2008 and the ongoing crisis of the euro are both products of the model of lightly regulated financial capitalism that emerged over the past three decades. Yet despite widespread anger at Wall Street bailouts, there has been no great upsurge of left-wing American populism in response. It is conceivable that the Occupy Wall Street movement will gain traction, but the most dynamic recent populist movement to date has been the right-wing Tea Party, whose main target is the regulatory state that seeks to protect ordinary people from financial speculators. Something similar is true in Europe as well, where the left is anemic and right-wing populist parties are on the move.

There are several reasons for this lack of left-wing mobilization, but chief among them is a failure in the realm of ideas. For the past generation, the ideological high ground on economic issues has been held by a libertarian right. The left has not been able to make a plausible case for an agenda other than a return to an unaffordable form of old-fashioned social democracy. This absence of a plausible
progressive counternarrative is unhealthy, because competition is good for intellectual debate just as it is for economic activity. And serious intellectual debate is urgently needed, since the current form of globalized capitalism is eroding the middle-class social base on which liberal democracy rests.

THE DEMOCRATIC WAVE
Social forces and conditions do not simply “determine” ideologies, as Karl Marx once maintained, but ideas do not become powerful unless they speak to the concerns of large numbers of ordinary people. Liberal democracy is the default ideology around much of the world today in part because it responds to and is facilitated by certain socioeconomic structures. Changes in those structures may have ideological consequences, just as ideological changes may have socioeconomic consequences.

Almost all the powerful ideas that shaped human societies up until the past 300 years were religious in nature, with the important exception of Confucianism in China. The first major secular ideology to have a lasting worldwide effect was liberalism, a doctrine associated with the rise of first a commercial and then an industrial middle class in certain parts of Europe in the seventeenth century. (By “middle class,” I mean people who are neither at the top nor at the bottom of their societies in terms of income, who have received at least a secondary education, and who own either real property, durable goods, or their own businesses.)

As enunciated by classic thinkers such as Locke, Montesquieu, and Mill, liberalism holds that the legitimacy of state authority derives from the state’s ability to protect the individual rights of its citizens and that state power needs to be limited by the adherence to law. One of the fundamental rights to be protected is that of private property; England’s Glorious Revolution of 1688–89 was critical to the development of modern liberalism because it first established the constitutional principle that the state could not legitimately tax its citizens without their consent.
At first, liberalism did not necessarily imply democracy. The Whigs who supported the constitutional settlement of 1689 tended to be the wealthiest property owners in England; the parliament of that period represented less than ten percent of the whole population. Many classic liberals, including Mill, were highly skeptical of the virtues of democracy: they believed that responsible political participation required education and a stake in society—that is, property ownership. Up through the end of the nineteenth century, the franchise was limited by property and educational requirements in virtually all parts of Europe. Andrew Jackson’s election as U.S. president in 1828 and his subsequent abolition of property requirements for voting, at least for white males, thus marked an important early victory for a more robust democratic principle.

In Europe, the exclusion of the vast majority of the population from political power and the rise of an industrial working class paved the way for Marxism. *The Communist Manifesto* was published in 1848, the same year that revolutions spread to all the major European countries save the United Kingdom. And so began a century of competition for the leadership of the democratic movement between communists, who were willing to jettison procedural democracy (multiparty elections) in favor of what they believed was substantive democracy (economic redistribution), and liberal democrats, who believed in expanding political participation while maintaining a rule of law protecting individual rights, including property rights.

At stake was the allegiance of the new industrial working class. Early Marxists believed they would win by sheer force of numbers: as the franchise was expanded in the late nineteenth century, parties such as the United Kingdom’s Labour and Germany’s Social Democrats grew by leaps and bounds and threatened the hegemony of both conservatives and traditional liberals. The rise of the working class was fiercely resisted, often by nondemocratic means; the communists and many socialists, in turn, abandoned formal democracy in favor of a direct seizure of power.

Throughout the first half of the twentieth century, there was a strong consensus on the progressive left that some form of
socialism—government control of the commanding heights of the economy in order to ensure an egalitarian distribution of wealth—was unavoidable for all advanced countries. Even a conservative economist such as Joseph Schumpeter could write in his 1942 book, *Capitalism, Socialism, and Democracy*, that socialism would emerge victorious because capitalist society was culturally self-undermining. Socialism was believed to represent the will and interests of the vast majority of people in modern societies.

Yet even as the great ideological conflicts of the twentieth century played themselves out on a political and military level, critical changes were happening on a social level that undermined the Marxist scenario. First, the real living standards of the industrial working class kept rising, to the point where many workers or their children were able to join the middle class. Second, the relative size of the working class stopped growing and actually began to decline, particularly in the second half of the twentieth century, when services began to displace manufacturing in what were labeled “postindustrial” economies. Finally, a new group of poor or disadvantaged people emerged below the industrial working class—a heterogeneous mixture of racial and ethnic minorities, recent immigrants, and socially excluded groups, such as women, gays, and the disabled. As a result of these changes, in most industrialized societies, the old working class has become just another domestic interest group, one using the political power of trade unions to protect the hard-won gains of an earlier era.

Economic class, moreover, turned out not to be a great banner under which to mobilize populations in advanced industrial countries for political action. The Second International got a rude wake-up call in 1914, when the working classes of Europe abandoned calls for class warfare and lined up behind conservative leaders preaching nationalist slogans, a pattern that persists to the present day. Many Marxists tried to explain this, according to the scholar Ernest Gellner, by what he dubbed the “wrong address theory”: “Just as extreme Shi’ite Muslims hold that Archangel Gabriel made a mistake, delivering the Message to Mohamed when it was intended for Ali, so Marxists basically like to think
that the spirit of history or human consciousness made a terrible boob. The awakening message was intended for classes, but by some terrible postal error was delivered to nations.” Gellner went on to argue that religion serves a function similar to nationalism in the contemporary Middle East: it mobilizes people effectively because it has a spiritual and emotional content that class consciousness does not. Just as European nationalism was driven by the shift of Europeans from the countryside to cities in the late nineteenth century, so, too, Islamism is a reaction to the urbanization and displacement taking place in contemporary Middle Eastern societies. Marx’s letter will never be delivered to the address marked “class.”

Marx believed that the middle class, or at least the capital-owning slice of it that he called the bourgeoisie, would always remain a small and privileged minority in modern societies. What happened instead was that the bourgeoisie and the middle class more generally ended up constituting the vast majority of the populations of most advanced countries, posing problems for socialism. From the days of Aristotle, thinkers have believed that stable democracy rests on a broad middle class and that societies with extremes of wealth and poverty are susceptible either to oligarchic domination or populist revolution. When much of the developed world succeeded in creating middle-class societies, the appeal of Marxism vanished. The only places where leftist radicalism persists as a powerful force are in highly unequal areas of the world, such as parts of Latin America, Nepal, and the impoverished regions of eastern India.

What the political scientist Samuel Huntington labeled the “third wave” of global democratization, which began in southern Europe in the 1970s and culminated in the fall of communism in Eastern Europe in 1989, increased the number of electoral democracies around the world from around 45 in 1970 to more than 120 by the late 1990s. Economic growth has led to the emergence of new middle classes in countries such as Brazil, India, Indonesia, South Africa, and Turkey. As the economist Moisés Naím has pointed out, these middle classes are relatively well educated, own property, and are technologically connected to the outside world.
They are demanding of their governments and mobilize easily as a result of their access to technology. It should not be surprising that the chief instigators of the Arab Spring uprisings were well-educated Tunisians and Egyptians whose expectations for jobs and political participation were stymied by the dictatorships under which they lived.

Middle-class people do not necessarily support democracy in principle: like everyone else, they are self-interested actors who want to protect their property and position. In countries such as China and Thailand, many middle-class people feel threatened by the redistributive demands of the poor and hence have lined up in support of authoritarian governments that protect their class interests. Nor is it the case that democracies necessarily meet the expectations of their own middle classes, and when they do not, the middle classes can become restive.

**THE LEAST BAD ALTERNATIVE?**

There is today a broad global consensus about the legitimacy, at least in principle, of liberal democracy. In the words of the economist Amartya Sen, “While democracy is not yet universally practiced, nor indeed uniformly accepted, in the general climate of world opinion, democratic governance has now achieved the status of being taken to be generally right.” It is most broadly accepted in countries that have reached a level of material prosperity sufficient to allow a majority of their citizens to think of themselves as middle class, which is why there tends to be a correlation between high levels of development and stable democracy.

Some societies, such as Iran and Saudi Arabia, reject liberal democracy in favor of a form of Islamic theocracy. Yet these regimes are developmental dead ends, kept alive only because they sit atop vast pools of oil. There was at one time a large Arab exception to the third wave, but the Arab Spring has shown that Arab publics can be mobilized against dictatorship just as readily as those in Eastern Europe and Latin America were. This does not of course mean that the path to a well-functioning democracy will be easy
The Future of History

or straightforward in Tunisia, Egypt, or Libya, but it does suggest that the desire for political freedom and participation is not a cultural peculiarity of Europeans and Americans.

The single most serious challenge to liberal democracy in the world today comes from China, which has combined authoritarian government with a partially marketized economy. China is heir to a long and proud tradition of high-quality bureaucratic government, one that stretches back over two millennia. Its leaders have managed a hugely complex transition from a centralized, Soviet-style planned economy to a dynamic open one and have done so with remarkable competence—more competence, frankly, than U.S. leaders have shown in the management of their own macroeconomic policy recently. Many people currently admire the Chinese system not just for its economic record but also because it can make large, complex decisions quickly, compared with the agonizing policy paralysis that has struck both the United States and Europe in the past few years. Especially since the recent financial crisis, the Chinese themselves have begun touting the “China model” as an alternative to liberal democracy.

This model is unlikely to ever become a serious alternative to liberal democracy in regions outside East Asia, however. In the first place, the model is culturally specific: the Chinese government is built around a long tradition of meritocratic recruitment, civil service examinations, a high emphasis on education, and deference to technocratic authority. Few developing countries can hope to emulate this model; those that have, such as Singapore and South Korea (at least in an earlier period), were already within the Chinese cultural zone. The Chinese themselves are skeptical about whether their model can be exported; the so-called Beijing consensus is a Western invention, not a Chinese one.

It is also unclear whether the model can be sustained. Neither export-driven growth nor the top-down approach to decision-making will continue to yield good results forever. The fact that the Chinese government would not permit open discussion of the disastrous high-speed rail accident last summer and could not bring the Railway Ministry responsible for it to heel suggests that
there are other time bombs hidden behind the façade of efficient decision-making.

Finally, China faces a great moral vulnerability down the road. The Chinese government does not force its officials to respect the basic dignity of its citizens. Every week, there are new protests about land seizures or environmental violations or revelations of gross corruption on the part of some official. While the country is growing rapidly, these abuses can be swept under the carpet. But rapid growth will not continue forever, and the government will have to pay a price in pent-up anger. The regime no longer has any guiding ideal around which it is organized; it is run by a Communist Party supposedly committed to equality that presides over a society marked by dramatic and growing inequality.

So the stability of the Chinese system can in no way be taken for granted. The Chinese government argues that its citizens are culturally different and will always prefer benevolent, growth-promoting dictatorship to a messy democracy that threatens social stability. But it is unlikely that a spreading middle class will behave all that differently in China from the way it has behaved in other parts of the world. Other authoritarian regimes may be trying to emulate China’s success, but there is little chance that much of the world will look like today’s China 50 years down the road.

**Democracy’s Future**

There is a broad correlation among economic growth, social change, and the hegemony of liberal democratic ideology in the world today. And at the moment, no plausible rival ideology looms. But some very troubling economic and social trends, if they continue, will both threaten the stability of contemporary liberal democracies and dethrone democratic ideology as it is now understood.

The sociologist Barrington Moore once flatly asserted, “No bourgeois, no democracy.” The Marxists didn’t get their communist utopia because mature capitalism generated middle-class societies, not working-class ones. But what if the further development of technology and globalization undermines the middle class and makes

[316]
it impossible for more than a minority of citizens in an advanced society to achieve middle-class status?

There are already abundant signs that such a phase of development has begun. Median incomes in the United States have been stagnating in real terms since the 1970s. The economic impact of this stagnation has been softened to some extent by the fact that most U.S. households have shifted to two income earners in the past generation. Moreover, as the economist Raghuram Rajan has persuasively argued, since Americans are reluctant to engage in straightforward redistribution, the United States has instead attempted a highly dangerous and inefficient form of redistribution over the past generation by subsidizing mortgages for low-income households. This trend, facilitated by a flood of liquidity pouring in from China and other countries, gave many ordinary Americans the illusion that their standards of living were rising steadily during the past decade. In this respect, the bursting of the housing bubble in 2008–9 was nothing more than a cruel reversion to the mean. Americans may today benefit from cheap cell phones, inexpensive clothing, and Facebook, but they increasingly cannot afford their own homes, or health insurance, or comfortable pensions when they retire.

A more troubling phenomenon, identified by the venture capitalist Peter Thiel and the economist Tyler Cowen, is that the benefits of the most recent waves of technological innovation have accrued disproportionately to the most talented and well-educated members of society. This phenomenon helped cause the massive growth of inequality in the United States over the past generation. In 1974, the top one percent of families took home nine percent of GDP; by 2007, that share had increased to 23.5 percent. Trade and tax policies may have accelerated this trend, but the real villain here is technology. In earlier phases of industrialization—the ages of textiles, coal, steel, and the internal combustion engine—the benefits of technological changes almost always flowed down in significant ways to the rest of society in terms of employment. But this is not a law of nature. We are today living in what the scholar Shoshana Zuboff has labeled “the age of the
smart machine,” in which technology is increasingly able to sub-
stitute for more and higher human functions. Every great advance
for Silicon Valley likely means a loss of low-skill jobs elsewhere in
the economy, a trend that is unlikely to end anytime soon.

Inequality has always existed, as a result of natural differ-
ences in talent and character. But today’s technological world
vastly magnifies those differences. In a nineteenth-century agrarian
society, people with strong math skills did not have that many
opportunities to capitalize on their talent. Today, they can become
financial wizards or software engineers and take home ever-larger
proportions of the national wealth.

The other factor undermining middle-class incomes in devel-
oped countries is globalization. With the lowering of transporta-
tion and communications costs and the entry into the global
work force of hundreds of millions of new workers in develop-
ing countries, the kind of work done by the old middle class in
the developed world can now be performed much more cheaply
elsewhere. Under an economic model that prioritizes the max-
imization of aggregate income, it is inevitable that jobs will be
outsourced.

Smarter ideas and policies could have contained the damage.
Germany has succeeded in protecting a significant part of its
manufacturing base and industrial labor force even as its compa-
ies have remained globally competitive. The United States and
the United Kingdom, on the other hand, happily embraced the
transition to the postindustrial service economy. Free trade be-
came less a theory than an ideology: when members of the U.S.
Congress tried to retaliate with trade sanctions against China for
keeping its currency undervalued, they were indignant charged
with protectionism, as if the playing field were already level.
There was a lot of happy talk about the wonders of the knowledge
economy, and how dirty, dangerous manufacturing jobs would
inevitably be replaced by highly educated workers doing creative
and interesting things. This was a gauzy veil placed over the hard
facts of deindustrialization. It overlooked the fact that the benefits
of the new order accrued disproportionately to a very small number
of people in finance and high technology, interests that dominated the media and the general political conversation.

**THE ABSENT LEFT**

One of the most puzzling features of the world in the aftermath of the financial crisis is that so far, populism has taken primarily a right-wing form, not a left-wing one.

In the United States, for example, although the Tea Party is anti-elitist in its rhetoric, its members vote for conservative politicians who serve the interests of precisely those financiers and corporate elites they claim to despise. There are many explanations for this phenomenon. They include a deeply embedded belief in equality of opportunity rather than equality of outcome and the fact that cultural issues, such as abortion and gun rights, crosscut economic ones.

But the deeper reason a broad-based populist left has failed to materialize is an intellectual one. It has been several decades since anyone on the left has been able to articulate, first, a coherent analysis of what happens to the structure of advanced societies as they undergo economic change and, second, a realistic agenda that has any hope of protecting a middle-class society.

The main trends in left-wing thought in the last two generations have been, frankly, disastrous as either conceptual frameworks or tools for mobilization. Marxism died many years ago, and the few old believers still around are ready for nursing homes. The academic left replaced it with postmodernism, multiculturalism, feminism, critical theory, and a host of other fragmented intellectual trends that are more cultural than economic in focus. Postmodernism begins with a denial of the possibility of any master narrative of history or society, undercutting its own authority as a voice for the majority of citizens who feel betrayed by their elites. Multiculturalism validates the victimhood of virtually every out-group. It is impossible to generate a mass progressive movement on the basis of such a motley coalition: most of the working- and lower-middle-class citizens victimized by the system
The Clash of Ideas

are culturally conservative and would be embarrassed to be seen in the presence of allies like this.

Whatever the theoretical justifications underlying the left’s agenda, its biggest problem is a lack of credibility. Over the past two generations, the mainstream left has followed a social democratic program that centers on the state provision of a variety of services, such as pensions, health care, and education. That model is now exhausted: welfare states have become big, bureaucratic, and inflexible; they are often captured by the very organizations that administer them, through public-sector unions; and, most important, they are fiscally unsustainable given the aging of populations virtually everywhere in the developed world. Thus, when existing social democratic parties come to power, they no longer aspire to be more than custodians of a welfare state that was created decades ago; none has a new, exciting agenda around which to rally the masses.

AN IDEOLOGY OF THE FUTURE

Imagine, for a moment, an obscure scribbler today in a garret somewhere trying to outline an ideology of the future that could provide a realistic path toward a world with healthy middle-class societies and robust democracies. What would that ideology look like?

It would have to have at least two components, political and economic. Politically, the new ideology would need to reassert the supremacy of democratic politics over economics and legitimate anew government as an expression of the public interest. But the agenda it put forward to protect middle-class life could not simply rely on the existing mechanisms of the welfare state. The ideology would need to somehow redesign the public sector, freeing it from its dependence on existing stakeholders and using new, technology-empowered approaches to delivering services. It would have to argue forthrightly for more redistribution and present a realistic route to ending interest groups’ domination of politics.
Economically, the ideology could not begin with a denunciation of capitalism as such, as if old-fashioned socialism were still a viable alternative. It is more the variety of capitalism that is at stake and the degree to which governments should help societies adjust to change. Globalization need be seen not as an inexorable fact of life but rather as a challenge and an opportunity that must be carefully controlled politically. The new ideology would not see markets as an end in themselves; instead, it would value global trade and investment to the extent that they contributed to a flourishing middle class, not just to greater aggregate national wealth.

It is not possible to get to that point, however, without providing a serious and sustained critique of much of the edifice of modern neoclassical economics, beginning with fundamental assumptions such as the sovereignty of individual preferences and that aggregate income is an accurate measure of national well-being. This critique would have to note that people’s incomes do not necessarily represent their true contributions to society. It would have to go further, however, and recognize that even if labor markets were efficient, the natural distribution of talents is not necessarily fair and that individuals are not sovereign entities but beings heavily shaped by their surrounding societies.

Most of these ideas have been around in bits and pieces for some time; the scribbler would have to put them into a coherent package. He or she would also have to avoid the “wrong address” problem. The critique of globalization, that is, would have to be tied to nationalism as a strategy for mobilization in a way that defined national interest in a more sophisticated way than, for example, the “Buy American” campaigns of unions in the United States. The product would be a synthesis of ideas from both the left and the right, detached from the agenda of the marginalized groups that constitute the existing progressive movement. The ideology would be populist; the message would begin with a critique of the elites that allowed the benefit of the many to be sacrificed to that of the few and a critique of the money politics, especially in Washington, that overwhelmingly benefits the wealthy.
The dangers inherent in such a movement are obvious: a pullback by the United States, in particular, from its advocacy of a more open global system could set off protectionist responses elsewhere. In many respects, the Reagan-Thatcher revolution succeeded just as its proponents hoped, bringing about an increasingly competitive, globalized, friction-free world. Along the way, it generated tremendous wealth and created rising middle classes all over the developing world, and the spread of democracy in their wake. It is possible that the developed world is on the cusp of a series of technological breakthroughs that will not only increase productivity but also provide meaningful employment to large numbers of middle-class people.

But that is more a matter of faith than a reflection of the empirical reality of the last 30 years, which points in the opposite direction. Indeed, there are a lot of reasons to think that inequality will continue to worsen. The current concentration of wealth in the United States has already become self-reinforcing: as the economist Simon Johnson has argued, the financial sector has used its lobbying clout to avoid more onerous forms of regulation. Schools for the well-off are better than ever; those for everyone else continue to deteriorate. Elites in all societies use their superior access to the political system to protect their interests, absent a countervailing democratic mobilization to rectify the situation. American elites are no exception to the rule.

That mobilization will not happen, however, as long as the middle classes of the developed world remain enthralled by the narrative of the past generation: that their interests will be best served by ever-freer markets and smaller states. The alternative narrative is out there, waiting to be born.
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