

The

FREEMarket

PUBLISHED QUARTERLY BY THE LUDWIG VON MISES INSTITUTE

What is Fascism?

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Fascism is the system of government that cartelizes the private sector, centrally plans the economy to subsidize producers, exalts the police state as the source of order, denies fundamental rights and liberties to individuals, and makes the executive state the unlimited master of society.

This describes mainstream politics in America today. And not just in America. It's true in Europe, too. It is so much part of the mainstream that it is hardly noticed any more.

If fascism is invisible to us, it is truly the silent killer. It fastens a huge, violent, lumbering state on the free market that drains its capital and productivity like a deadly parasite on a host. This is why the fascist state has been called the vampire economy. It sucks the economic life out of a nation and brings about a slow death of a once-thriving economy.

Let me just provide a recent example.

The first sets of data from the 2010 US Census are in. The headline story concerned largest increase in poverty in 20 years, and now up to 15 percent. Buried in the report is another fact that has much more profound significance for most people. It concerns median household income in real terms.

What the data have revealed is devastating. Since 1999, median household income has fallen 7.1 percent. Since 1989, median family income is largely flat. And since 1973 and the end of the gold standard, it has hardly risen at all. The great wealth-generating machine that was once America is failing—and falling more since the statistical recession is said to be ended than during it.

No longer can one generation expect to live a better life than the previous one. The fascist economic model has killed what was once called the American dream. And the truth is, of course, even worse than the statistic reveals. You have to consider how many incomes exist within a single household to make up the total income. After World War II, the single-income family became the norm. Then the money was destroyed and American savings were wiped out and the capital base of the economy was devastated.

It was at this point that households began to struggle to stay above water. The year 1985 was the turning point. This was the year that it became more common →

than not for a household to have two incomes rather than one. Mothers entered the workforce to keep family income floating.

The intellectuals cheered this trend, as if it represented liberation, shouting hosannas that all women everywhere are now added to the tax rolls as valuable contributors to the state's coffers. The real cause is the rise of fiat money that depreciated the currency, robbed savings, and shoved people into the workforce as taxpayers.

This huge demographic shift essentially bought the American household another 20 years of seeming prosperity, though it is hard to call it that since there was no longer any choice about the matter. If you wanted to keep living the dream, the household could no longer get by on a single income.

Today median family income is only slightly above where it was when Nixon wrecked the dollar, put on price and wage controls, created the EPA, and the whole apparatus of the parasitic welfare-warfare state came to be entrenched and made universal.

The talk in Washington about reform, whether from Democrats or Republicans, is like a bad joke. They talk of small changes, small cuts, commissions they will establish, curbs they will make in ten years. It is all white noise. None of this will fix the problem. Not even close.

The problem is more fundamental. It is the quality of the money. It is the very existence of 10,000 regulatory agencies. It is the whole assumption that you have to pay the state for the

privilege to work. It is the presumption that the government must manage every aspect of the capitalist economic order. In short, it is the total state that is the problem, and the suffering and decline will continue so long as the total state exists.

The Origins of Fascism

To be sure, the last time people worried about fascism was during the Second World War. There can be no question of its origins. It is tied up with the history of post-World War I Italian politics. In 1922, Benito Mussolini won a democratic election and established fascism as his philosophy. Mussolini had been a member of the Italian Socialist Party.

All the biggest and most important players within the fascist movement came from the socialists. It was a threat to the socialists because it was the most appealing political vehicle for the real-world application of the socialist impulse. Socialists crossed over to join the fascists *en masse*.

This is also why Mussolini himself enjoyed such good press for more than ten years after his rule began. He was celebrated by the *New York Times* in article after article. He was heralded in scholarly collections as an exemplar of the type of leader we needed in the age of the planned society. Puff pieces on this blowhard were very common in US journalism all through the late 1920s and the mid-1930s.

In Italy, the Left realized that their anticapitalistic agenda could best be

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Editor: Jeffrey A. Tucker

Contributing editors: Thomas J. DiLorenzo, Jeffrey M. Herbener, Robert Higgs, Mark Thornton

Publisher: Douglas E. French

The Free Market is published quarterly.

Note: the views expressed in the Free Market are not necessarily those of the Ludwig von Mises Institute.

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achieved within the framework of the authoritarian, planning state. Of course our friend John Maynard Keynes played a critical role in providing a pseudoscientific rationale for joining opposition to old-world *laissez faire* to a new appreciation of the planned society. Recall that Keynes was not a socialist of the old school. As he himself said in his introduction to the Nazi edition of his *General Theory*, National Socialism was far more hospitable to his ideas than a market economy.

Flynn Tells the Truth

The most definitive study on fascism written in these years was *As We Go Marching* by John T. Flynn. Flynn was a journalist and scholar of a liberal spirit who had written a number of best-selling books in the 1920s. It was the New Deal that changed him. His colleagues all followed FDR into fascism, while Flynn himself kept the old faith. That meant that he fought FDR every step of the way, and not only his domestic plans. Flynn was a leader of the America First movement that saw FDR's drive to war as nothing but an extension of the New Deal, which it certainly was.

As We Go Marching came out in 1944, just at the tail end of the war, and right in the midst of wartime economic controls the world over. It is a wonder that it ever got past the censors. It is a full-scale study of fascist theory and practice, and Flynn saw precisely where fascism ends: in militarism and war as the fulfillment of the stimulus-spending agenda. When you run out of everything else to spend money on, you can always depend on nationalist fervor to back more military spending.

The Eight Marks of Fascist Policy

Flynn, like other members of the Old Right, was disgusted by the irony

that what he saw, almost everyone else chose to ignore. After reviewing this long history, Flynn proceeds to sum up with a list of eight points he considers to be the main marks of the fascist state.

As I present them, I will also offer comments on the modern American central state.

Point 1. The government is totalitarian because it acknowledges no restraint on its powers.

If you become directly ensnared in the state's web, you will quickly discover that there are indeed no limits to what the state can do. This can happen boarding a flight, driving around in your hometown, or having your business run afoul of some government agency. In the end, you must obey or be caged like an animal or killed. In this way, no matter how much you may believe that you are free, all of us today are but one step away from Guantanamo.

No aspect of life is untouched by government intervention, and often it takes forms we do not readily see. All of healthcare is regulated, but so is every bit of our food, transportation, clothing, household products, and even private relationships. Mussolini himself put his principle this way: "All within the State, nothing outside the State, nothing against the State." I submit to you that this is the prevailing ideology in the United States today. This nation, conceived in liberty, has been kidnapped by the fascist state.

Point 2. Government is a de facto dictatorship based on the leadership principle.

I wouldn't say that we truly have a dictatorship of one man in this country, but we do have a form of dictatorship of one sector of government over the entire country. The executive branch has spread so dramatically over the

last century that it has become a joke to speak of checks and balances.

The executive state is the state as we know it, all flowing from the White House down. The role of the courts is to enforce the will of the executive. The role of the legislature is to ratify the policy of the executive. This executive is not really about the person who seems to be in charge. The president is only the veneer, and the elections are only the tribal rituals we undergo to confer some legitimacy on the institution. In reality, the nation-state lives and thrives outside any “democratic mandate.” Here we find the power to regulate all aspects of life and the wicked power to create the money necessary to fund this executive rule.

Point 3. Government administers a capitalist system with an immense bureaucracy.

The reality of bureaucratic administration has been with us at least since the New Deal, which was modeled on the planning bureaucracy that lived in World War I. The planned economy—whether in Mussolini’s time or ours—requires bureaucracy. Bureaucracy is the heart, lungs, and veins of the planning state. And yet to regulate an economy as thoroughly as this one is today is to kill prosperity with a billion tiny cuts.

So where is our growth? Where is the peace dividend that was supposed to come after the end of the Cold War? Where are the fruits of the amazing gains in efficiency that technology has afforded? It has been eaten by the bureaucracy that manages our every move on this earth. The voracious and insatiable monster here is called the Federal Code that calls on thousands of agencies to exercise the police power to prevent us from living free lives.

It is as Bastiat said: the real cost of the state is the prosperity we do not

see, the jobs that don’t exist, the technologies to which we do not have access, the businesses that do not come into existence, and the bright future that is stolen from us. The state has looted us just as surely as a robber who enters our home at night and steals all that we love.

Point 4. Producers are organized into cartels in the way of syndicalism.

Syndicalist is not usually how we think of our current economic structure. But remember that syndicalism means economic control by the producers. Capitalism is different. It places by virtue of market structures all control in the hands of the consumers. The only question for syndicalists, then, is which producers are going to enjoy political privilege. It might be the workers, but it can also be the largest corporations.

In the case of the United States, in the last three years, we’ve seen giant banks, pharmaceutical firms, insurers, car companies, Wall Street banks and brokerage houses, and quasi-private mortgage companies enjoying vast privileges at our expense. They have all joined with the state in living a parasitical existence at our expense.

Point 5. Economic planning is based on the principle of autarky.

Autarky is the name given to the idea of economic self-sufficiency. Mostly this refers to the economic self-determination of the nation-state. The nation-state must be geographically huge in order to support rapid economic growth for a large and growing population.

Look at the wars in Iraq, Afghanistan, and Libya. We would be supremely naive to believe that these wars were not motivated in part by the producer interests of the oil industry. It is true of the American empire generally, which supports dollar hegemony.

It is the reason for the North American Union.

Point 6. Government sustains economic life through spending and borrowing.

This point requires no elaboration because it is no longer hidden. In the latest round, and with a prime-time speech, Obama mused about how is it that people are unemployed at a time when schools, bridges, and infrastructure need repairing. He ordered that supply and demand come together to match up needed work with jobs.

Hello? The schools, bridges, and infrastructure that Obama refers to are all built and maintained by the state. That's why they are falling apart. And the reason that people don't have jobs is because the state has made it too expensive to hire them. It's not complicated. To sit around and dream of other scenarios is no different from wishing that water flowed uphill or that rocks would float in the air. It amounts to a denial of reality.

As for the rest of this speech, Obama promised yet another long list of spending projects. But no government in the history of the world has spent as much, borrowed as much, and created as much fake money as the United States, all thanks to the power of the Fed to create money at will. If the United States doesn't qualify as a fascist state in this sense, no government ever has.

Point 7. Militarism is a mainstay of government spending.

Have you ever noticed that the military budget is never seriously discussed in policy debates? The United States spends more than most of the rest of the world combined. And yet to hear our leaders talk, the United States is just a tiny commercial republic that wants peace but is constantly under threat from the world. Where is the debate about this policy? Where is the discussion? It is not going on. It is just

assumed by both parties that it is essential for the US way of life that the United States be the most deadly country on the planet, threatening everyone with nuclear extinction unless they obey.

Point 8. Military spending has imperialist aims.

We've had one war after another, wars waged by the United States against noncompliant countries, and the creation of even more client states and colonies. US military strength has led not to peace but the opposite. It has caused most people in the world to regard the United States as a threat, and it has led to unconscionable wars on many countries. Wars of aggression were defined at Nuremberg as crimes against humanity.

Obama was supposed to end this. He never promised to do so, but his supporters all believed that he would. Instead, he has done the opposite. He has increased troop levels, entrenched wars, and started new ones. In reality, he has presided over a warfare state just as vicious as any in history. The difference this time is that the Left is no longer criticizing the US role in the world. In that sense, Obama is the best thing ever to happen to the warmongers and the military-industrial complex.

The Future

I can think of no greater priority today than a serious and effective anti-fascist alliance. In many ways, one is already forming. It is not a formal alliance. It is made up of those who protest the Fed, those who refuse to go along with mainstream fascist politics, those who seek decentralization, those who demand lower taxes and free trade, those who seek the right to associate with anyone they want and buy and sell on terms of their own choosing, those who insist they can educate their children on their own, the investors and

savers who make economic growth possible, those who do not want to be felt up at airports, and those who have become expatriates.

It is also made of the millions of independent entrepreneurs who are discovering that the number one threat to their ability to serve others through the commercial marketplace is the institution that claims to be our biggest benefactor: the government.

How many people fall into this category? It is more than we know. The movement is intellectual. It is political. It is cultural. It is technological. They come from all classes, races, countries, and professions. This is no longer a national movement. It is truly global.

And what does this movement want? Nothing more or less than sweet liberty. It does not ask that the liberty be granted or given. It only asks for the liberty that is promised by life itself and would otherwise exist were it not for the Leviathan state that robs us, badgers us, jails us, kills us.

This movement is not departing. We are daily surrounded by evidence that it is right and true. Every day, it is more and more obvious that the state contributes absolutely nothing to our well-being; it massively subtracts from it.

Back in the 1930s, and even up through the 1980s, the partisans of the state were overflowing with ideas. This is no longer true. Fascism has no new ideas, no big projects—and not even its partisans really believe it can accomplish what it sets out to do. The world created by the private sector is so much more useful and beautiful than anything the state has done that the fascists have themselves become demoralized

and aware that their agenda has no real intellectual foundation.

It is ever more widely known that statism does not and cannot work. Statism is the great lie. Statism gives us the exact opposite of its promise. It promised security, prosperity, and peace; it has given us fear, poverty, war, and death. If we want a future, it is one that we have to build ourselves. The fascist state will not give it to us. On the contrary, it stands in the way.

In the end, this is the choice we face: the total state or total freedom. Which will we choose? If we choose the state, we will continue to sink further and further and eventually lose all that we treasure as a civilization. If we choose freedom, we can harness that remarkable power of human cooperation that will enable us to continue to make a better world.

In the fight against fascism, there is no reason to be despairing. We must continue to fight with every bit of confidence that the future belongs to us and not them.

Their world is falling apart. Ours is just being built. Their world is based on bankrupt ideologies. Ours is rooted in the truth about freedom and reality. Their world can only look back to the glory days. Ours looks forward to the future we are building for ourselves.

Their world is rooted in the corpse of the nation-state. Our world draws on the energies and creativity of all peoples in the world, united in the great and noble project of creating a prospering civilization through peaceful human cooperation. We possess the only weapon that is truly immortal: the right idea. It is this that will lead to victory. ■ FM

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