

CRITICAL
THEORY
AND
SOCIETY
A READER

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ROUTLEDGE

NEW YORK

1989

LONDON

6

The Jews and Europe

Max Horkheimer

Whoever wants to explain anti-Semitism must speak of National Socialism. Without a conception of what has happened in Germany, speaking about anti-Semitism in Siam or Africa remains senseless. The new anti-Semitism is the emissary of the totalitarian order, which has developed from the liberal one. One must thus go back to consider the tendencies within capitalism. But it is as if the refugee intellectuals have been robbed not only of their citizenship, but also of their minds. Thinking, the only mode of behavior that would be appropriate for them, has fallen into discredit. The "Jewish-Hegelian jargon," which once carried all the way from London to the German Left and even then had to be translated into the ringing tones of the union functionaries, now seems completely eccentric. With a sigh of relief they throw away the troublesome weapon and turn to neohumanism, to Goethe's personality, to the true Germany and other cultural assets. International solidarity is said to have failed. Because the worldwide revolution did not come to pass, the theoretical conceptions in which it appeared as the salvation from barbarism are now considered worthless. At present, we have really reached the point where the harmony of capitalist society along with the opportunities to reform it have been exposed as the very illusions always denounced by the critique of the free market economy; now, as predicted, the contradictions of technical progress have created a permanent economic crisis, and the descendants of the free entrepreneurs can maintain their positions only by the abolition of bourgeois freedoms; now the literary opponents of totalitarian society praise the very conditions to which they owe their

Translated by Mark Ritter

present existence, and deny the theory which, when there was still time, revealed its secrets.

No one can demand that, in the very countries that have granted them asylum, the emigres put a mirror to the world that has created fascism. But whoever is not willing to talk about capitalism should also keep quiet about fascism. The English hosts today fare better than Frederick the Great did with the acid-tongued Voltaire. No matter if the hymn the intellectuals intone to liberalism often comes too late, because the countries turn totalitarian faster than the books can find publishers; the intellectuals have not abandoned hope that somewhere the reformation of Western capitalism will proceed more mildly than in Germany and that well-recommended foreigners will have a future after all. But the totalitarian order differs from its bourgeois predecessor only in that it has lost its inhibitions. Just as old people sometimes become as evil as they basically always were, at the end of the epoch class rule has taken the form of the "folk community" [*Volksgemeinschaft*]. The theory has destroyed the myth of the harmony of interests [between capital and labor]; it has presented the liberal economic process as the reproduction of power relations by means of free contracts, which are compelled by the inequality of the property. Mediation has now been abolished. Fascism is that truth of modern society which has been realized by the theory from the beginning. Fascism solidifies the extreme class differences which the law of surplus value ultimately produced.

No revision of economic theory is required to understand fascism. Equal and just exchange has driven itself to the point of absurdity, and the totalitarian order is this absurdity. The transition from liberalism has occurred logically enough, and less brutally than from the mercantile system into that of the nineteenth century. The same economic tendencies that create an ever higher productivity of labor through the mechanism of competition have suddenly turned into forces of social disorganization. The pride of liberalism, industry developed technically to the utmost, ruins its own principle because great parts of the population can no longer sell their labor. The reproduction of what exists by the labor market becomes inefficient. Previously the bourgeoisie was decentralized, a many-headed ruler; the expansion of the plant was the condition for every entrepreneur to increase his portion of the social surplus. He needed workers in order to prevail in the competition of the market. In the age of monopolies the investment of more and more new capital no longer promises any great increase in profits. The mass of workers, from whom surplus value flows, diminishes in comparison to the apparatus which it serves. In recent times, industrial production has existed only as a condition for profit, for the expansion of the power of groups and individuals over human labor. Hunger itself provides no reason for the production of consumer goods. To produce for the insolvent demand, for the unem-

ployed masses, would run counter to the laws of economy and religion that hold the order together; no bread without work.

Even the facade betrays the obsolescence of the market economy. The advertising signs in all countries are its monuments. Their expression is ridiculous. They speak to the passers-by as shallow adults do to children or animals, in a falsely familiar slang. The masses, like children, are deluded: they believe that as independent subjects they have the freedom to choose the goods for themselves. But the choice has already largely been dictated. For decades there have been entire spheres of consumption in which only the labels change. The panoply of different qualities in which consumers revel exists only on paper. If advertising was always characteristic of the *faux frais* of the bourgeois commodity economy, still, it formerly performed a positive function as a means of increasing demand. Today the buyer is still paid an ideological reverence which he is not even supposed to believe entirely. He already knows enough to interpret the advertising for the great brand-name products as national slogans that one is not allowed to contradict. The discipline to which advertising appeals comes into its own in the fascist countries. In the posters the people find out what they really are: soldiers. Advertising becomes correct. The strict governmental command which threatens from every wall during totalitarian elections corresponds more exactly to the modern organization of the economy than the monotonously colorful lighting effects in the shopping centers and amusement quarters of the world.

The economic programs of the good European statesmen are illusory. In the final phase of liberalism they want to compensate with government orders for the disintegrating market economy's inability to support the populace. Along with the economically powerful they seek to stimulate the economy so that it will provide everyone with a living, but they forget that the aversion to new investments is no whim. The industrialists have no desire to get their factories going via the indirect means of taxes they must pay to an all-too-impartial government simply to help the bankrupt farmers and other draft animals out of a jam. For their class such a procedure does not pay. No matter how much progovernmental economists may lecture the entrepreneurs that it is for their own benefit, the powerful have a better sense of their interests and have greater goals than a makeshift boomlet with strikes and whatever else belongs to the proletarian class struggle: The statesmen who, after all this, still wish to run liberalism humanely, misunderstand its character. They may represent education and be surrounded by experts, but their efforts are nonetheless absurd: they wish to subordinate to the general populace that class whose particular interests by nature run contrary to the general ones. A government that would make the objects of welfare into subjects of free contracts by garnering the taxes of employers, must fail in the end: otherwise it would

involuntarily degenerate from the proxy of the employers into the executive agency of the unemployed, indeed, of the dependent classes in general. Nearly confiscatory taxes, such as the inheritance tax, which are forced not only by the layoffs in industry, but also by the insoluble agriculture crisis, already threaten to make the weak into the "exploiters" of the capitalists. Such a reversal of circumstances will not be permitted in the long run by the employers in any empire. In the parliaments and all of public life, the employers sabotage neoliberal welfare policies. Even if these would help the economy, the employers would remain unreconciled: economic cycles are no longer enough for them. The relations of production prevail against the humanitarian governments. The pioneers from the employers' associations create a new apparatus and their advocates take the social order into their hands; in place of fragmented command over particular factories, there arises the totalitarian rule of particular interests over the entire people. Individuals are subjected to a new discipline which threatens the foundations of the social order. The transformation of the downtrodden jobseeker from the nineteenth century into the solicitous member of a fascist organization recalls in its historical significance the transformation of the medieval master craftsman into the protestant burgher of the Reformation, or of the English village pauper into the modern industrial worker. Considering the fundamental nature of this change, the statesmen pursuing moderate progress appear reactionary.

The labor market is replaced by coerced labor. If over the past decades people went from exchange partners to beggars, objects of welfare, now they become direct objects of domination. In the prefascist stage the unemployed threatened the order. The transition to an economy which would unite the separated elements, which would give the people ownership of the idle machines and the useless grain, seemed unavoidable in Germany, and the world-wide danger of socialism seemed serious. With socialism's enemies stood everyone who had anything to say in the Republic. Governing was carried out by welfare payments, by former imperial civil servants, and by reactionary officers. The trade unions wished to transform themselves from organs of class struggle into state institutions which distribute governmental largesse, inculcate a loyal attitude in the recipients, and participate in social control. Such help, however, was suspect to the powerful. Once German capital had resumed imperialist policies, it dropped the labor bureaucrats, political and trade unions, who had helped it into power. Despite their most honest intentions, the bureaucrats could not measure up to the new conditions. The masses were not activated for the improvement of their own lives, not to eat, but to obey—such is the task of the fascist apparatus. Governing has acquired a new meaning there. Instead of practiced functionaries, imaginative organizers and overseers are needed; they must be well removed from the

influence of ideologies of freedom and human dignity. In late capitalism, peoples metamorphose first into welfare recipients and then into followers [*Gefolgschaften*].

Long before the fascist revolution, the unemployed constituted an irresistible temptation for industrialists and agrarians, who wished to organize them for their purposes. As at the beginning of the epoch, uprooted masses are again available, but one cannot force them into manufacturing as one did then; the time of private enterprise is past. The fascist agitator unites his people for the battle against democratic governments. If during the transformation it becomes less and less attractive to invest capital in useful production, then the money is put into the organization of the masses one wishes to wrest away from the prefascist governments. Once that has been accomplished at home, then it is tried internationally. Even in foreign countries the fascist states appear as organizers of power against obstinate governments. Their emissaries prepare the ground for fascist conquests; they are the descendants of the Christian missionaries who preceded the merchants. Today it is not English but German imperialism which strives for expansion.

If fascism in fact follows from the capitalist principle, it is not adapted only to the poor, the "have-not" countries, in contrast to the rich ones. The fact that fascism was initially supported by bankrupt industries concerns its specific development, not its suitability as a universal principle. Already during the time of greatest profitability, heavy industry extorted its share of the class profit by means of its position of economic power. The average profit rate, which applied to it as well, always exceeded the surplus value produced in its own area. Krupp and Thyssen obeyed the principle of competition less than others. Thus, the bankruptcy that the balance eventually revealed showed nothing of the harmony between heavy industry and the needs of the status quo. The fact that the chemical industry was superior in the market to heavy industry in terms of profitability was not socially decisive. In late capitalism the task assigned is to remodel the populace into a combat-ready collective for civil and military purposes, so that it will function in the hands of the newly formed ruling class. Poor profitability thus merely stimulated certain parts of German industry before others to force the development.

The ruling class has changed. Its members are not identical with the owners of capitalist property. The fragmented majority of the shareholders have long since fallen under the leadership of the directors. With the progression of the enterprise from one among many competing economic units to the impregnable position of social power of the modern conglomerate, management gained absolute power. The scope and differentiation of the factories has created a bureaucracy, whose apex pursues its own goals with the capital of the shareholders and, if need be, against them. The

same degree of organic conglomeration of capital that limits the economic incentive for further investment allows the directors to put the brakes on production in the course of political machinations, and even to halt it, without being affected much themselves. Directors' salaries at times free themselves from the balance sheets. The high industrial bureaucracy takes the place of the legal owners. It turns out that actual disposition, physical possession, and not nominal ownership are socially decisive.

Juridical form, which actually determined the happiness of individuals, has always been considered a product of ideology. The dispossessed groups in the bourgeoisie cling now to the hypostatized form of private property and denounce fascism as a new Bolshevism, while the latter theoretically hypostatizes a given form of socializing property and in practice cannot stop the monopolization of the production apparatus. It ultimately matters little whether the state takes care of its own by regulating private profits or the salaries of civil servants. The fascist ideology conceals the same relationship as the old harmonizing ideology: domination by a minority on the basis of actual possession of the tools of production. The aspiration for profit today ends in what it always was: striving for social power. The true self of the juridical owner of the means of production confronts him as the fascist commander of battalions of workers. Social dominance, which could not be maintained by economic means, because private property has outlived itself, is continued by directly political means. In the face of this situation, liberalism, even in its decadent form, represents the greatest good for the greatest number, since the amount of misfortune suffered by the majority in the capitalist mother countries is less than that concentrated today upon the persecuted minorities [in totalitarian countries].

Liberalism cannot be re-established. It leaves behind a demoralized proletariat betrayed by its leaders, in which the unemployed form a sort of amorphous class that fairly screams for organization from above, along with farmers, whose methods of production and forms of consciousness have lagged far behind technological development, and finally the generals of industry, the army, and the administration, who agree with each other and embrace the new order.

After the century-long interlude of liberalism, the upper class in the fascist countries has returned to its basic insights. In the twentieth century, the existence of individuals is once again being controlled in all its details. Whether totalitarian repression can persist after the unleashing of productive forces within industrial society cannot be deduced. The economic collapse was predictable, not the revolution. Theory and practice are not directly identical. After the war the question was posed in practical terms.

The German workers possessed the qualifications to rearrange the world. They were defeated. How far fascism reaches its goal will depend on the struggles of the present epoch. The adaptation of individuals to fascism, however, also expresses a certain rationality. After their betrayal by their own bureaucracy since 1914, after the development of the parties into world-spanning machineries for the destruction of spontaneity, after the murder of revolutionaries, the neutrality of workers with respect to the totalitarian order is no sign of idiocy. Remembering the fourteen years [of the Weimar Republic] has more attraction for the intellectuals than for the proletariat. Fascism may have no less to offer them than the Weimar Republic, which brought up fascism.

Totalitarian society may survive economically in the long run. Collapses are not a short-term prospect. Crises were rational signs, the alienated critiques of the market economy, which, though blind, was oriented to needs. In the totalitarian economy, hunger in war and peacetime appears less as a disruption than as a patriotic duty. For fascism as a world system, no economic end is visible. Exploitation no longer reproduces itself aimlessly via the market, but rather in the conscious exercise of power. The categories of political economy—exchange of equivalents, concentration, centralization, falling rate of profit, and so on—still have a tangible validity, except that their consequence, the end of political economy, has been attained. In the fascist countries, economic concentration proceeds rapidly. It has entered, however, into the practice of methodical violence, which seeks to master social antagonisms directly. The economy no longer has any independent dynamism. It loses its power to the economically powerful. The failure of the free market reveals the inability of further progress in the forms of antagonistic society of any kind. Despite the war, fascism can survive, unless the peoples of the world understand that the knowledge and machines they possess must serve their own happiness, rather than the perpetuation of power and injustice. Fascism is retrograde not in comparison to the bankrupt principle of *laissez-faire*, but in terms of what could be attained.

Even if it had been possible to limit armaments and divide the world, by following the example of the conglomerates (one should recall the efforts at a British-German, and beyond that, a European coal cartel),¹ even then fascism would not have needed to fear for its survival. There are innumerable tasks to be done which would provide food and work and yet not allow individuals to become arrogant. Mandeville, who knew what was needed, already designated the distant goal of fascism at the beginning of capitalism: "We have work for a hundred thousand more paupers than we actually have, work for three or four hundred years to come. In order to make our land useful and well populated everywhere, many rivers would need to be made navigable and many canals built. Many regions

would need to be drained and protected for the future against floods. Large expanses of dry soil would have to be made fertile, many square miles of land more accessible and thus more profitable. *Dei laboribus omni vendunt*. There are no difficulties in this area that work and perseverance cannot overcome. The highest mountains can be toppled into the valleys that stand ready to receive them, and bridges can be built in places where we would not dare think of it. . . . It is the state's business to correct social ills, and take on those things first which are most neglected by private persons. Antagonisms are best cured by antagonisms; and since in the case of national failure an example accomplishes more than an order, the government should decide on some great undertaking that would require an immense amount of work for a long period, and thus convince the world that it does nothing without anxious concern for the most distant posterity. This will have a solidifying effect on the wavering spirit and the flighty mind of the people; it will remind us we do not live only for ourselves and will ultimately make people less distrustful, and thus will instill in them greater patriotism and loyal affection for their home soil, which, more than anything else, is necessary for the higher development of a nation.²

The terror in which the ruling class now takes refuge has been recommended by authorities ever since Machiavelli. "The wild animal called the people necessarily requires iron leadership: you will be lost immediately if you allow it to become aware of its strength. . . . The ruled individual needs no other virtue than patience and subordination; mind, talents, sciences belong on the side of the government. The greatest misfortune results from the overthrow of these principles. The real authority of the government will cease to exist, if everyone feels called to share in it; the horror of anarchy comes from such extravagance. The only means to avoid these dangers is to tighten the chain as much as possible, to pass the strictest laws, to avoid the enlightenment of the people, above all to resist the fatal freedom of the press, which is the source of all the knowledge that emancipates the people, and finally to terrify them by means of severe and frequent punishments. . . . Do not delude yourself that I understand by 'people' the class one designates as the third estate; certainly not. I call 'people' the venal and corrupt class that, thrown upon our earth like the scum of Nature, is only able to exist in the sweat of its brow."³ What the National Socialists know was already known a hundred years ago. "One should only assemble people in church or in arms; then they don't think, they only listen and obey."⁴ The place of St. Peter's is taken by the Berlin Sport Palace [where Nazi rallies were staged].

Not merely the dark, pessimistic [*dunklen*] philosophers, who are considered inhumane by their ideological descendants, have declared the subordination of the people the precondition for stable conditions; they

have only designated the circumstances more clearly than the idealists. The later Kant is not much more convinced of the lower classes' right to freedom than Sade and de Bonald. According to practical reason, the people must obey as if in prison, only with the difference that it also should have its own conscience as warden and overseer, alongside the agents of the regime in power. "The origin of the highest power is for practical purposes inscrutable for the people which is subject to it, i.e., the subject should not practically reason . . . about its origin; for if the subject who had pondered out the ultimate origin were to resist that now prevailing authority, then by the laws of the latter, i.e., with complete justification, he would be punished, destroyed, or (outlawed, *extlex*) expelled."⁵ Kant embraces the theory "that whoever is in possession of the supreme ruling and legislating power over a people, must be obeyed, and so juridically-absolutely, that even to research the title to this acquisition in public, that is, to doubt it, in order to resist it in case of some failing, is itself punishable; that it is a categorical imperative: Obey authority that has power over you (in everything which does not contradict the inwardly moral)."⁶ But the scholar of Kant knows: the inwardly moral can never protest against an onerous task ordered by the respective authority.

Fascist nationalization, the installation of a terroristic party apparatus alongside the administration, is the opposite of socialization. As usual, the whole functions in the interests of a set group. The command of outside labor by the bureaucracy is now formally the last resort; the command of competing firms is delegated, but the contrasts blur: the owners become bureaucrats and the bureaucrats owners. The concept of the state completely loses its contradiction to the concept of a dominant particularity, it is the apparatus of the ruling clique, a tool of private power, and this is more true the more it is idolized. In Italy as well as in Germany, large public enterprises are being reprivatized. In Italy, electric factories, the monopolies on telephones and life insurance, and other governmental and municipal operations, and in Germany the banks above all, have gone into private hands.⁷ Of course, only the powerful profit from that. In the long run the protection of the small businessman proves to be a pure propaganda hoax. The number of corporations which dominate the entire industry grows steadily smaller. Under the surface of the Führer-state a furious battle takes place among interested parties for the spoils. The German and other elites in Europe, which share the intention of keeping the populace in check, would long ago have started an internal and external war without this binding tie. Inside the totalitarian states, this tension is so great that Germany could dissolve overnight into a chaos of gangster battles. From the beginning, the tragic gestures as well as the incessant assurances of a multi-millennial permanence in National Socialist propaganda reflect the intimation of such a frailty. Only because the justified fear of the masses

constantly brings them together do the subordinate leaders allow themselves to be integrated and if necessary massacred by the mightiest one. More than was ever the case under capitalism, anarchy is hidden behind the unity and harmony, atomistic private interest behind the planned economy. An equalization occurs which is no less coincidental to human needs than the previous price range of free markets. Despite all the directives, the forces which bring about the distribution of social energies to the various branches of production are as irrational as the mechanisms of the profit economy, which were formerly removed from human power. Freedom is no less a delusion for the leaders than for the businessman; as he depends on the market, they now depend on blind constellations of power. Arms build-ups are dictated to them by the interplay among the groups, by fear of one's own and foreign peoples, by dependence on certain parts of the world of business, just as the expansion of factories is dictated to entrepreneurs in industrial society by social antagonisms, not by the contest of people against nature, which is the only criterion for determining a rational society. The stability of fascism rests on an alliance against the revolution and on the elimination of the economic remedy. The atomistic principle, according to which the success of one person is tied to the misery of the other, has even been intensified today. In the fascist organizations, equality and brotherliness prevail only on the surface. The struggle to rise in the barbarian hierarchy makes one's comrades presumptive opponents. The fact that in a war economy more jobs are available than workers does not abolish the struggle of all against all. Wage differentials in the individual factories, for men and women, for blue-collar and white-collar workers, for various categories of proletarians are crasser than ever. With the abolition of unemployment the isolation of human beings has not been broken. Fear of unemployment is supplanted by fear of the state. Fear atomizes.

The common interest of the exploited is harder than ever to recognize today, when it is stronger than ever. Despite all the crises, at the height of liberalism, the proletariat remained tied to the process of commodity production, the unemployment of the individual passed. The proletarians' labor in industry formed the basis of solidarity, as it was still understood by social democracy. In the time immediately preceding fascism, a great part of the population became permanently unemployed and lost its backbone. The goons from the Technicians' Emergency League [*Technische Nothilfe*, an organization devoted to strike-breaking in the interest of "national security"] showed even the employed German workers their own weakness. In addition, the further the destruction of all spontaneity, conditioned by economic impotence, was driven by the old mass parties, the easier it was for the victims to be captured by the new one. In the new party, as in the old one, collectivism is the ideology of the atomized mass,

which is completely the object of dominance. Like work under the dictates of the state, the belief in Führer and community propagated by the state appears to be an escape from a bleak existence. Everyone knows what he has to do and more or less what tomorrow will be like. One is no longer a beggar, and if there is war, one won't die alone. The "folk community" continues the ideology of 1914. National outbursts are the approved substitute for the revolution. Unconsciously, the workers realize the horror of their existence, which they are nevertheless unable to change. Salvation must come from above. Insincere as may be the belief in the insignificance of the individual, the survival of the "folk," or the leaders as personalities, it at least expresses an experience, in contrast to apathetic Christianity. The society is abandoned by the idolized leaders, but not quite as abandoned as it always was by the True God.

Fascism surpasses the conditions before its advent not just negatively, but positively as well. If the life forms of liberal capitalism had an inhibiting function, if idealistic culture had already become a laughing-stock, then their demolition by fascism must also set forces free. The individual is robbed of false securities; the fascist rescue of property, family, and religion scarcely leaves them intact. The masses become powerful instruments and the power of the totalitarian organization, suffused by another's will, is superior to the sluggishness of the Reichstag, which was led by the will of the people. The centralization of administration carried out by National Socialism in Germany meets an old bourgeois demand, which was fulfilled elsewhere in the seventeenth century. The democratic trait of the new Germany, the formal abolition of the classes, is rational for the bourgeois. Of course, Richelieu dealt with the feudal lords more energetically than Hitler with the so-called reactionaries. Large landholders still enjoy the well-camouflaged protection of the so-called settlement policy. The successes of fascist foreign policy correspond to its domestic striking power. They authenticate the promises of the regime. The most important reason for the indolence with which fascism is tolerated by the masses is the sober expectation that it might bully something out of the fragile states all around, something that would benefit even the little man. After the phase of conquests, which to be sure has only begun, National Socialism hopes to give as much as possible to the masses as long as there is no subversion of discipline or the will to sacrifice. In fascism, the number of accidents in factories rises at the same time as the turnover of champagne factories increases, but the certainty that there will continue to be jobs ultimately seems better than democracy. The people are not respected any less under Hitler than under Wilhelm. They will hardly permit a long war.

True, the productive forces are more strongly repressed in fascism than ever before. The invention of artificial materials offers no excuse for the

mutilation of human talents, which leads to the annihilation of the humane. But this only continues a process that had already assumed a catastrophic dimension. In the latest phase, the fascist one, the countertendencies also grow stronger. The ideas of nationalism and race are overturned. At bottom, the Germans no longer believe in them. The conflict between liberalism and the totalitarian state no longer runs along national boundaries. Fascism conquers from abroad and from within at the same time. For the first time, the whole world has been pulled into the same political development. India and China are no longer mere peripheral areas, historical entities of a secondary order; now they manifest the same tensions as the advanced capitalist countries.

The lie of justice within modern society, the lie of the reward for achievement, the lie of success as a divine judgment, all the cultural lies that poisoned life, have either become transparent or been abolished. Bureaucracy decides on life and death. It does not shift the responsibility for the failure of individuals to God, as did the old capitalists, but rather to the necessity of the state. The inhumane people who now dispose over lives probably are no more unjust than the market, which was moved only by the will to profit, in selecting who will live and who will die. Fascism has rescued disposition over the means of production for that minority which emerged from the competition as the most determined. It is the up-to-date form. Even where fascism is not in power in Europe, strong social tendencies are at work, which wish to prepare the administrative, legal, and political apparatus for authoritarianism. For reasons of competition alone, the real liberal motive, the capitalists and their supporters are driven to that view. "If the British Government," the Whaley-Eaton Service writes, "is forced to choose between active inflation and totalitarian control of finance and industry, it will take the latter course."⁸ Whether people will be content to stay with half-measures and compromises is still undecided.

That is how it is with the Jews. They shed many a tear for the past. That they fared better under liberalism does not guarantee the justice of the latter. Even the French Revolution, which helped the bourgeois economy to victory and gave the Jews equality, was more ambivalent than they dare imagine today. Not ideas but utility are decisive for the bourgeoisie: "It was only decided to bring about the revolutionary changes because people had thought it over. Such thinking was not the province of a few advanced minds; it was a very numerous elite, throughout France, which discussed the causes of the evils and the nature of the remedy."⁹ Here, thinking over means calculating. So far as the Revolution overshot the economically desirable goals, things were set right later. People were less concerned with philosophy than with the administration's sluggishness,

with provincial and governmental reforms. The bourgeois were always pragmatists; they always kept an eye on their property. For its sake the privileges fell. Even the more radical development, interrupted by the fall of the terrorists, did not point only in the direction of greater freedom. Even then, people were faced with choosing between various forms of dictatorship. Robespierre's and Saint Just's plans envisioned statist elements, a strengthening of the bureaucratic apparatus, similar to the authoritarian systems of the present. The order which set out as the progressive one in 1789 carried the germs of National Socialism from the beginning.

Despite all the fundamental differences between the Committee of Public Safety and the leaders of the Third Reich, which can be confronted with surprising parallels, the practice of both springs from the same political necessity: to preserve control of the means of production for those groups which already own them, so that the others are subject to their direction at work. Political freedom for everyone, equality for the Jews, and all the humane institutions were accepted as means to utilize wealth productively. The democratic institutions fostered the supply of cheap labor, the possibility of planning with assurance, and the spread of free trade. With the changing of circumstances the institutions lost the utilitarian character to which they owed their existence. Rationality which ran counter to the specific commercial conditions at any given stage was also considered eccentric or subversive by the Jewish entrepreneur. This kind of rationality now turns against him. A national morality was immanent to the reality in which the Jews lived their lives, according to which they are now found wanting, the morality of economic power. The same rationality of economic expediency, according to which the defeated competitors have always sunk into the proletariat and been cheated of their lives, has now pronounced judgment on the Jews. Once again a large elite, this time not only throughout France, is discussing "the cause of the evils and the nature of their remedy." The result is bad for the Jews. They are being run over. Others are the most capable today: the leaders of the new order in the economy and the state. The same economic necessity that irrationally created the army of the unemployed has now turned, in the form of carefully considered regulations, against entire minority groups.

The sphere of circulation, which was decisive for the fate of the Jews in a dual fashion, as the site of their livelihood and the foundation of bourgeois democracy, is losing its economic importance. The famous power of money is on the wane today. In liberalism it connected the power of capital to the fulfillment of useful functions. From the growth or loss of finance capital, which accrued to the entrepreneur as the result of every venture, he could see whether and to what extent that venture was useful to the existing society. The judgment of the market on the salability of

goods attested to their effect on the progress of general economic life. With the increasing elimination of the market, the importance of money, as the material in which such evidence was given, also diminishes. Needs are not satisfied any more appropriately or justly than they were by the mechanical balancing of variously equipped capital interests. Only now, the verdict of the market on how everyone may live, the verdict over prosperity and misery, hunger and power, is made directly by the ruling economic groups themselves. The anonymity of the market has turned into planning, but instead of the free planning of united humanity, it is the crafty planning of the archenemies of humanity. Previously, the economic fate was not only anonymous, it also took aim at the sinners and the elect without regard to their human particularities; it did people the honor of ignoring them. To that extent it was humane in its inhumanity. In the Führer-state, those who are to live and those who are to die are deliberately designated. The Jews are stripped of power as agents of circulation, because the modern structure of the economy largely puts that whole sphere out of action. They are the first victims of the ruling group that has taken over the canceled function. The governmental manipulation of money, which already has robbery as its necessary function, turns into the brutal manipulation of money's representatives.

The Jews become aware of their despair, at least those who have been victimized. Whoever in England or France is still permitted to curse taxes with the Aryans does not like to see his coreligionists coming across the border; the fascists reckon in advance with that type of embarrassment. The newcomers often have a bad accent or uncouth manners in their new country. This is tolerated in the prominent persons. The others are like Eastern Jews or worse yet—political undesirables. They compromise the established Jews, who feel at home there and in turn get on the nerves of the resident Christians. As if the very concept "at home" in a horrible reality were not a sign of lies and scorn for every single member of Jewry, which has experienced it for millennia; as if the Jews who fancy themselves established anywhere did not know inwardly that the tidy housekeeping from which they now profit could turn against them tomorrow. The newcomers are discomforting in any case. The ideological practice in which people tend to demean the objects of social injustice all over again in their own minds, so as to give the injustice a veneer of rationality—this practice of the ruling classes that has been classical ever since Aristotle, and from which anti-Semitism also lives, is neither Jewish nor gentile; it belongs to every antagonistic society. Whoever fails in this economy may as a rule expect nothing more from those who worship it than the recognition of the economic verdict which has ruined him, anonymously or by name. Probably those affected are not so innocent after all. How should nouveau riche Jews and Aryans abroad, who have

always acquiesced in the impoverishment of other social and national groups, in mass poverty in mother countries and colonies, and in the conditions in prisons and insane asylums, how should they come to their senses in the presence of German Jews?

The National Socialist plan to force what remains of the Jews down into the Lumpenproletariat testifies once again how well its authors know the environment. Once the Jews have become shabby, they will no longer even benefit from the fleeting sentiment of bourgeois class solidarity: the outrage that even rich people are no longer safe. Poor Jews are less pitiable. There have to be poor people; they can't change the world. Between the unfulfilled needs of the powerless and the unfulfillable needs of the powerful there exists a preordained harmony. The lower classes must not become too happy, or else they cease to be objects. The rage produced by misery, however, the deep, fervent, secret rage of those dependent in body and soul, becomes active where opportunity presents itself, that is, against the weak and dependent itself. The workers in Germany, schooled in revolutionary teachings, watched the pogroms with disgust; how the populace of other countries would behave is not precisely known. Wherever the emigrating Jews end up, the novelty soon subsides and daily routine takes over. Then the emigres find, despite all the well-wishes of enlightened souls, the callousness of competition and the vague, aimless hate of the crowd, nourished by the sight of them, for more than one reason.

To appeal today to the liberal mentality of the nineteenth century against fascism means appealing to what brought fascism to power. The phrase "make way for the achiever" can be claimed by the victor. He has withstood the national economic competition so well that he can abolish it. Laissez-faire, laissez-aller, he can ask, why shouldn't I do what I want? I am the employer and source of sustenance for no fewer people than any economic champion of the free market countries. I am also ahead in the chemical industry. Proletarians, colonial peoples, and malcontents complain. My God, haven't they always done that?

The hope of the Jews, which attaches itself to the Second World War, is miserable. However it comes out, a seamless militarization will lead the world further into authoritarian-collectivistic ways of life. The German war economy in the First World War was a precursor of modern multiyear plans; the compulsory conscription employed during that war is now a main part of the totalitarian technique. Mobilization brings little that is new, except perhaps the mass grave, to the work battalions assigned to the arms industry, to the construction of more and more new motor highways, subways, and community buildings. The incessant excavation of the earth in peacetime was already a type of trench war. Whether there is a war on remains unclear today, even to the combatants themselves.

The concepts are no longer clearly distinguishable as in the nineteenth century. The resettlement of whole peoples into the bomb shelter is Hitler's triumph, even if he is defeated. Perhaps in the initial fright the Jews will not be noticed, but in the long run they must tremble, along with everyone else, at what is now coming over the Earth.

A large portion of the masses being led against the totalitarian order does not, at bottom, fear fascism. Preserving the status quo is no more sensible a goal for war than for peace. Perhaps after a long war the old economic conditions will be re-established in individual territories for a short time. Then the economic development will repeat itself—fascism did not arise by chance. Since the failure of the market economy, people have faced, once and for all, the choice between freedom and fascist dictatorship. As agents of circulation, the Jews have no future. They will not be able to live as human beings until human beings finally put an end to prehistory.

Anti-Semitism will come to a natural end in the totalitarian order when nothing humane remains, although a few Jews might. The hatred of Jews belongs to the ascendant phase of fascism. At most, anti-Semitism in Germany is a safety valve for the younger members of the SA. It serves to intimidate the populace by showing that the system will stop at nothing. The pogroms are aimed politically more at the spectators than the Jews. Will anyone react? There is nothing more to be gained. The great anti-Semitic propaganda is addressed to foreign countries. Prominent Aryans in business and other areas may express all the outrage they wish, especially if their countries are far from the action; their prospectively fascist masses do not take it very seriously. People can secretly appreciate the cruelty by which they are so outraged. In continents from whose produce all of humanity could live, every beggar fears that the Jewish emigre might deprive him of his living. Reserve armies of the unemployed and the petty bourgeoisie love Hitler all over the world for his anti-Semitism, and the core of the ruling class agrees with that love. By increasing cruelty to the level of absurdity, its horror is mollified. That the offended divine power leaves the evildoers unpunished proves once again that it does not exist at all. In the reproduction of inhumanity, people confirm to themselves that the old humanity and religion along with the entire liberal ideology no longer have any value. Pity is really the last sin.

Even an unnatural end is foreseeable: the leap into freedom. Liberalism contained the elements of a better society. The law still possessed a generality that also applied to the rulers. The state was not directly their instrument. Someone who spoke up independently has not necessarily lost. Of course, such protection existed only in a small part of the world, in those countries to which the others were handed over. Even this fragile justice was limited to a few geographical areas. Anyone who participates

in a limited human order must not be surprised if he occasionally falls victim to the limitations himself. One of the greatest bourgeois philosophers stated approvingly: "That some evil or other be done to an innocent man who is not a subject, if it occurs for the common good and without violating any previous agreements, is no violation of the natural law. For all people who are not subjects are either enemies or have ceased through prior agreements to be such. Against enemies, however, who in the view of the state are dangerous to it, one may wage war according to the original natural law; in this case the sword reaches no judgment, nor does the victor distinguish between innocent and guilty with respect to the past, nor does he give any particular consideration to mercy, unless that happens in the interest of his people."¹⁰ Someone who does not belong, who is not protected by treaties, who is not backed up by any power, a stranger, a mere human being, is completely abandoned.

Even in the upright language of the classical economist, the limitation of the bourgeois concept of the human being constantly shows through. "Our goodwill has no limits, it can embrace the endless universe. The administration of the universe, however, the care for the general happiness of all reasonable and intelligent beings, concerns God and not man. . . . The part allotted to man is smaller . . . the care for his own well-being, the happiness of his family, his friends and his country; having the higher in mind never excuses his neglecting his more modest part."¹¹ The concern for family, country, and nation was a reality in bourgeois society—regard for humanity an ideology. As long as a person is miserable by virtue of the mere organization of this society, however, the identification with it in the name of humanity contains an absurdity. Practical adaptation may be necessary for the individual, but the concealment of the antagonism between the concept of the human being and the capitalist reality deprives thinking of any truth. If the Jews, in an understandable homesickness, glorify the prehistory of the totalitarian state, monopoly capitalism and the Weimar Republic, then the fascists, who always had an open eye for the decrepitude of those conditions, will be vindicated. Even before 1933, today's refugees could be reproached for gentleness with respect to the flaws of bourgeois democracy, flirtation with the forces of reaction, so long as they were not too openly anti-Semitic, arranging themselves in the status quo. The German people, which spasmodically displays its faith in the Führer, has already seen through him better than those who call Hitler a madman and Bismarck a genius.

Nothing can be hoped for from the alliance between the great powers. There can be no relying on the collapse of the totalitarian economy. Fascism sets in place the results of the collapse of capitalism. It is utterly naive to encourage the German workers from abroad to revolution. Someone who can only play at politics should keep away from it. The confusion

has become so general that the truth receives more practical dignity the less it eyes self-styled praxis. Theoretical insight is needed and its transmission to those who eventually will lead the way. The optimism of the political appeal arises today from dejection. The fact that the progressive forces have been defeated and fascism can last indefinitely takes away the intellectuals' ability to think. They believe everything that works must also be good, and thus they prove that fascism cannot function. But there are periods in which the status quo in its strength and competence has become evil. The Jews were once proud of abstract monotheism, their rejection of idolatry, their refusal to make something finite an absolute. Their distress today points them back. Disrespect for anything mortal that puffs itself up as a god is the religion of those who cannot resist devoting their life to the preparation of something better, even in the Europe of the Iron Heel.

Notes

1. *Frankfurter Zeitung*, February 2 and March 9, 1939.
2. "Eine Abhandlung über Barmherzigkeit, Armenpflege und Armenschule," in Otto Bobertag and Georg Müller, ed., *Mandevilles Bienensfabel* (Munich, 1914), pp. 283f. and 286f.
3. De Sade, *Histoire de Justine* (Holland, 1797), vol. IV, pp. 275-278.
4. De Bonald, "Pensées sur divers sujets et discours politiques," *Oeuvres* (Paris, 1817), p. 147.
5. Kant, *Die Metaphysik der Sitten*, part I; *Metaphysische Anfangsgründe der Rechtslehre*, part II, section 1 (Akademieausgabe), vol. VI, pp. 318f.
6. Kant, op. cit., p. 371.
7. For Italy, see Perroux, "Economic corporative et système capitaliste." *Revue d'économie politique*, Sept.-Oct. 1933; for Germany, *Frankfurter Zeitung*, July 21, 1936 and Feb. 26, 1937.
8. *Whaley-Eaton Foreign Service*, Letter 1046, May 2, 1939.
9. D. Momet, *Les origines intellectuelles de la Révolution Française* (Paris, 1933), p. 3.
10. "The Second Part of Commonwealth," *The English Works of Thomas Hobbes* (John Bohn: London, 1839), vol. III, p. 305. See also *The Latin Works of Thomas Hobbes*, p. 228.
11. Adam Smith, *The Theory of Moral Sentiments* (Basel, 1793), pp. 79, 83.

7

State Capitalism: Its Possibilities and Limitations

Frederick Pollock

Nothing essentially new is intended in this article. Every thought formulated here has found its expression elsewhere. Our aim is to bring widely scattered and often conflicting ideas into a somewhat consistent summary which may form the starting point for a discussion of the workability of state capitalism.

In regard to the method of this study, the following points ought to be emphasized. Whether such a thing as state capitalism exists or can exist is open to serious doubt. It refers here to a model¹ that can be constructed from elements long visible in Europe and, to a certain degree, even in America. Social and economic developments in Europe since the end of the First World War are interpreted as transitional processes transforming private capitalism into state capitalism. The closest approach to the totalitarian form of the latter has been made in National Socialist Germany. Theoretically, the totalitarian form of state capitalism is not the only possible result of the present process of transformation. It is easier, however, to construct a model for it than for the democratic form of state capitalism to which our experience gives us few clues. One of our basic assumptions is that nineteenth-century free trade and free enterprise are on the way out. Their restoration is doomed for similar reasons as was the attempt to restore feudalism in post-Napoleonic France. The totalitarian form of state capitalism is a deadly menace to all values of Western civilization. Those who want to maintain these values must fully understand the possibilities and limitations of the aggressor if their resistance is to meet with success. Furthermore, they must be able to show in what way the democratic values can be maintained under the changing conditions. If our assumption of the approaching end of the era of private