

## PREFACE

The articles in this issue deal with some problems implied in the transition from liberalism to authoritarianism in continental Europe. During the nineteenth century private industry consisted of numerous independent entrepreneurs who in each country competed with likewise independent traders and bankers for social power. The outcome of this struggle expressed itself in the relative size of the capital controlled by each of them. Dominion over men and things was distributed among the members of this diversified social group according to the rules of exchange. Power had become decentralized; it has been transferred from relatively well-organized privileged bodies to the multitude of proprietors who possessed no other title than their wealth and their resolve to use it. The course of social production was the resultant of their respective business policies. Seignorial ordinances were replaced by anonymous laws and autonomous institutions, by economic, legal, and political mechanisms which reflected the size and composition of the nation's industry.

Competition among independent entrepreneurs eventually culminated in the giant concerns of monopolist industry. Under their hegemony competition assumed a different form. Their urge to compete with equals within the nation declined, and with it the motive for increased investment and full employment. The great leaders of business and other avenues of social life found their peers only across the various national borders. Rivalry among equal powers shifted more and more to the international scene alone. The transition affected culture as a whole.

With the advent of fascism, dualisms typical of the liberalistic era, such as individual and society, private and public life, law and morals, economy and politics, have not been transcended but obscured. Individuals have become less and less independent of society, while society has fallen to the mercy of mere individual interests. With the decline of the individual, moral feelings that stood against authoritarian law have lost their force, while authoritarian law has been entrusted to a perverted moral sense. Rigid discipline such as ruled inside the factory has now spread throughout the hinterland, borne forward by élites who in their composition and function have combined economy and politics. The leaders of

industry, administration, propaganda, and the military have become identical with the state in that they lay down the plan of the national economy as the entrepreneur before them had laid down policy for his factory. At the same time the state manifests its private character in that the enormous power wielded by the élites inevitably segregates them from the whole as bearers of very special interests. Theirs is an extraordinary standard of living, a unique technical and political experience, and a streamlined unconcern for material and ideal barriers, distinguishing them from the mass of the governed. These common traits, however, do not endow the ruling group with a real solidarity. The big industrialists attack the fuehrers for their expensive political apparatus; the fuehrers blood purge the under-fuehrers because of their radical claims; the generals would like to get rid of all of them. To counterbalance their antagonisms, no common faith exists, as among the medieval clergy, no belief in chivalry and princely blood, as among the seigneurs of absolutism,—ideals which had combined with their material interests to hold these groups together. The unity of fascist leaders is cemented merely by their common fear of the people they tyrannize, by their dread of ultimate doom. This clique does not become the dupe of its own ideologies; it shuffles them about freely and cynically according to the changing situation, thus finally translating into open action what modern political theory from Machiavelli and Hobbes to Pareto has professed.

These are the basic features of authoritarian society as it took shape after the debacle of European liberalism, and most typically in Germany. Under National Socialism the distribution of goods is carried on by private means, though competition has become even more one-sided than in the era of the 200 families. Intra-national competition turns into oppression. Only those on top may prosper; the amassing of new fortunes is precluded by taxation. The victors of the competition have their free play.

As long as its power had been decentralized, industry, propelled by its self-interest, had to cater to the needs of the population and, willy-nilly, promoted technical, political, and social progress, at least to a certain degree. But under its totalitarian set-up big industry is in a position not only to impose its plan upon its former competitors, but to order the masses to work instead of having to deal with them as free parties to a contract. Popular needs determine production far less than they did through the market, and industry converges on the production of instruments of destruction. Planned waste of intelligence, happiness, and life succeeds the plan-

less waste caused by the frictions and crises of the market system. The more efficiently authoritarian planning functions and the more smoothly nature and men are exploited,—the more are subjects and objects of the plan dominated by dead matter and the more senseless, exorbitant, and destructive becomes the whole social apparatus which is maintained for the perpetuation of power exclusively.

Nowhere under fascism can the planful organization of social life follow out its own inner logic, for it can nowhere shape society according to human needs and potentialities. The plan, conceived and executed in the interest of private economic groups, is constantly obstructed by the changing necessities of power politics within and without, while the popular needs it pretends to satisfy are frustrated—notwithstanding the vaunted accomplishments in *Wehrpsychologie*, dive-bombing, intelligence service, pincer movements, underground factories, and so on. The blind calculative rationality of business life, so bitterly denounced by fascism, has carried over to the authoritarian society. Formerly, the cleverness of businessmen had not been able to prevent the results of their clever calculations, made in the privacy of their production offices, from developing into the pernicious laws of the business cycle, crisis, and depression. Now, in authoritarian society, this selfsame irrational rationality becomes madness with method. Under this so-called socialism it is not mankind conscious of its common good and solidarity that guides its own destiny; the natural conditions, the pressures of the masses, the rivalries of cliques play themselves off against each other in the sinister hearts of the *fuehrers* and emerge as the blind laws of fascist economy. During the earlier periods of private industry the achievements of men turned increasingly against them; no masterpiece of engineering, no gigantic factory, no ladies paradise arose without enhancing the power of society as well as its misery. In authoritarian society, technical, social, military advances are the handmaids of doom and disaster. Every frontier torn down by fascism only strengthens the walls separating men from each other, every means of communication it improves only places them farther apart, every scientific invention only blinds them the more to nature.

Progress in the abstract triumphs. The world belongs to the clever, and the devil take the hindmost,—this is true more than it ever was. The principle of letting nothing lie still, of stirring everyone to action, of tolerating nothing that has no utility, in a word, dynamism, is the soul of fascism. Moral taboos and ideals are abolished; true is that which has proved serviceable. Can any-

one dare question the serviceability of the secret police, of concentration camps, blood purges against the insane, anti-Semitism, relentless activization of the people? Fascists have learned something from pragmatism. Even their sentences no longer have meaning, only a purpose.

Fascism feels itself the son, nay the savior, of the world that bore it. That world collapsed, as Marx had prophesied, because after it had reached a certain point in its development, it was unable to fulfill human needs. Technological unemployment has evidenced the crisis which cannot be alleviated by returning to the market system. National Socialism attempts to maintain and strengthen the hegemony of privileged groups by abolishing economic liberties for the rest of society. In tolerating Hitler, the German people went along with the facts; given the prevailing inequality and injustice, it was politic to profit from the weakness of the old world powers and to supplant them. With the world as it was, Hitler seemed more practical than Stresemann. National Socialism became the die-hard competitor on an international scale. And now the question is whether the long established houses can remodel their enterprises fast enough to get rid of it.

The opening article of this issue draws a picture of an authoritarian society that might embrace the earth, or one that is at least autarchic. Its challenging thesis is that such a society can endure for a long and terrifying period. Basing itself on the most recent economic experience, it comes to the conclusion that all technical economic problems that worried the business world can be handled through authoritarian devices. The article attempts to destroy the wishful idea that fascism must eventually disintegrate through disharmonies of supply and demand, budget deficiencies, or unemployment. The study is not confined to authoritarian society alone but conceives the latter as a sub-species of state capitalism, thus raising the question whether state capitalism might not be workable within the framework of democracy rather than terror. For more than eight years the government of this country has attempted to overcome the difficulties of the prevailing economy by incorporating into it the elements of planning, in the industrial as well as the agricultural sector. The alarming predicament of agriculture in Germany under the Weimar Republic was an important factor in the rise of fascism. In this the government of the United States has recognized the danger and has attempted to bring agriculture under its control. The same holds true for other sectors of economic life.

The transition from the old society, however, to conditions under which a real accord among men—and not merely understandings among functionaries—should permeate the whole, will not be achieved without protracted and increasingly bitter struggles. The unprecedented governmental power necessarily associated with state capitalism is now in the hands of a democratic and humanitarian administration. It will be the goal of fascist groups within and without to wrest it away, and it is not too much to expect that the coming years will be marked by such attempts. However the present war may end, men will have to choose between a new world era of consummate democracy or the hell of an authoritarian world order.

While the opening article outlines the economic structure of state capitalism, the articles that follow it study the links between authoritarian society and the past, as well as the disharmonies that dominate its existing forms.

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