

**FASCISM**

by Sheldon Richman

1 As an economic system, fascism is socialism with a capitalist **veneer**. The word derives from *fasces*, the Roman  
2 symbol of **collectivism** and power: a tied bundle of rods with a protruding ax. In its day (the 1920s and  
3 1930s), fascism was seen as the happy medium between **boom-and-bust-prone** liberal capitalism, with its  
4 alleged class conflict, wasteful competition, and profit-oriented **egoism**, and revolutionary [socialism], with its  
5 violent and socially divisive persecution of the bourgeoisie...

6 Where socialism sought totalitarian control of a society's economic processes through direct state operation  
7 of the means of production, fascism sought that control indirectly, through domination of **nominally** private  
8 owners. Where socialism **nationalized** property **explicitly**, fascism did so **implicitly**, by requiring owners to  
9 use their property in the "national interest"—that is, as the autocratic authority conceived it... Where  
10 socialism abolished all market relations outright, fascism left the appearance of market relations while  
11 planning all economic activities. Where socialism abolished money and prices, fascism controlled the  
12 monetary system and set all prices and wages politically. In doing all this, fascism **denatured** the marketplace.  
13 **Entrepreneurship** was abolished. State ministries, rather than consumers, determined what was produced  
14 and under what conditions...

15 Under fascism, the state, through official **cartels**, controlled all aspects of manufacturing, commerce, finance,  
16 and agriculture. Planning boards set product lines, production levels, prices, wages, working conditions, and  
17 the size of firms. Licensing was **ubiquitous**; no economic activity could be undertaken without government  
18 permission. Levels of **consumption** were dictated by the state, and "excess" incomes had to be surrendered  
19 as taxes or "loans"...

20 Fascism **embodied corporatism**, in which political representation was based on trade and industry... The  
21 government **cartelized** firms of the same industry, with representatives of labor and management serving on  
22 myriad local, regional, and national boards—subject always to the final authority of the dictator's economic  
23 plan. Corporatism was intended to **avert** unsettling divisions within the nation, such as lockouts and union  
24 strikes. The price of such forced "harmony" was the loss of the ability to bargain and move about freely.

25 To maintain high employment and minimize popular discontent, fascist governments also undertook massive  
26 public-works projects financed by steep taxes, borrowing, and [state-directed] money creation. While many of  
27 these projects were domestic—roads, buildings, stadiums—the largest project of all was **militarism**, with  
28 huge armies and arms production.