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## How We Got Here

The Rise of the Modern Order

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# How We Got Here

## The Rise of the Modern Order

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*What follows are selections from our archives that tell the story of the ideological battles of the past century and the emergence of the modern order. To make the package as a whole coherent and accessible, we have included only the most relevant parts of articles directly related to this theme and presented the articles in substantive, rather than strictly chronological, order. The contents of each article have not been rearranged, however, and all elisions have been clearly marked. The full text of all the articles in the package, and more, can be found in the accompanying e-book, *The Clash of Ideas*, available at [ForeignAffairs.com](http://ForeignAffairs.com).*

THE EDITORS

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## Lenin and Mussolini

*Harold J. Laski*

September 1923

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HAROLD J. LASKI, *Professor in the London School of Economics and Political Science.*

. . . The mass of men has now been entrusted with political power; and the governments of the modern state must discover ways and means of translating the will of an electorate . . . into terms of statutes. It is possible that so long as the process of legislation can offer . . . solid benefit the transition to a new social order will be accomplished in peace. But . . .

the benefits must affect those who feel that they have now too small a stake in the present order to make its preservation a matter of urgency to themselves.

Such an attitude is the more important because the desirability of social peace has recently been attacked from what, at first sight, might seem two opposite directions. In Russia, a revolution made in the

name of the workers has enthroned in authority men whose boast it is that they hold power without regard to the will of their subjects. In Italy, there developed alongside the constitutional government an extra-legal organization to which, at the first definite challenge, the former was compelled to yield. . . . It is common to both movements that their power is built upon the force they can command. It is common to them, also, that they have rigorously suppressed all opposition to themselves and dismissed as unimportant the forms of constitutionalism. Each has exalted the end it has in view as superior to all problems implied in the means that have been used. Each has declared its own will so clearly identical with the good of the community as to make invalid, on *a priori* grounds, the notion of its critical analysis. . . .

A revolution in Russia was doubtless implied in the logic of events. No government which is vicious in principle and corrupt in practice can hope, particularly in the atmosphere of military defeat, to retain the allegiance of those who do not share in the benefits of its dishonesty. But the Russian Revolution differs from all its predecessors in that it came in the name of a consistent system of doctrine; and it was largely made by men to whom that system contained the quintessence of social truth. . . . Lenin and his disciples came to do battle in the name of a social philosophy each item of which was built upon historic interpretation. Accident might have defeated their effort, Kerensky might have been a strong man; the Allies might have had a definite policy; the nation might not have been welded into unity by external invasion. But granted that the opportunity was given, Lenin was the first author

of an attempt to translate the Marxian creed into the institutions of a state. His was a root-and-branch challenge to western civilization. It was not merely a rejection of social reform; it was not merely an insistence on the over-whelming superiority of communism. It was pre-eminently the argument that communism is so obviously desirable that the cost of its establishment must not be counted; and the methods to that end were drawn from the system inherited by Lenin from Marx.

The theses upon which Lenin has proceeded have at any rate the merit of comparative simplicity. The political institutions of society, he argues, are merely a facade to conceal the real nature of the state's organization. The state is in fact a method of protecting the owners of property; and the true division of men is into those who own and those who do not own possessions other than their power to labor. The life of the state is an eternal struggle between them. They have no interests in common. The class which owns property moulds the civilization of society in the service of its own interests. It controls the government, it makes the laws, it builds the institutions of the commonwealth in accordance with its own desires. It divides the society into free men and slaves; and with the advent of capitalism the last stage of that historic antithesis is reached. Just as the social order of the past has secreted within its womb the germ of its successor, as, for example, feudalism produced capitalism, so does the latter contain within itself the germ of its communist successor. Capitalism, as Marx said, produces its own gravedigger. The conflict between owner and proletariat is an inevitable one, and it is bound to result in the victory of the pro-

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letariat. The process is predetermined; and there is nothing in Lenin's writings to suggest that a doubt of ultimate success has ever crossed his mind.

The method he advocates is, of course, the method of Marx. The workers are to assume the reins of power by a revolutionary act; and a dictatorship of iron rigor is to consolidate the new system until the period of transition has been effectively bridged. . . .

The Italian movement is different in origin, but its ultimate spirit is in no-wise dissimilar. Leninism has been the dictatorship of a party, Fascism is the dictatorship of a man. Its rise is in part due to the endeavor to escape from the disillusion which seized Italy after the Treaty of Versailles, and in part to the ill-considered effort of the left-wing Italian socialists not merely to link themselves to the Third International but also to seize control of industry in some of the great towns. Violence assumed the character of a habit in post-war Italy. . . . The older politicians were thoroughly discredited. . . . Italian parties . . . were in the control of machines bankrupt of ideas and—the clericals apart—little different from each other. A revivification of political life was essential if Italy was to realize the new possibilities opened by her part in the victory.

It was as the symbol of that revivification that Mussolini came to do battle with the old order. In part he represented the passionate optimism of youth, eager to control what seemed a great destiny, and in part the desire of the small property-owner for security against the advance of socialism. Fascist ideas found a ready acceptance wherever men were ambitious of power or apprehensive of novelty. As a soldier in the late war, Mussolini could

claim a part in the victory. As a former member of the Socialist Party, he had the credit which always attaches to those who abandon unpopular views. The small bands of his supporters grew rapidly until they were the one organized and disciplined party in the state. They were able by direct action to drive out the socialists from their municipal strongholds. They met criticism and dissent not by words but by deeds. They destroyed the printing-presses of their opponents. They broke up public meetings. They beat strikers into submission. Where they encountered resistance, they did not hesitate even at assassination to enforce their will. The district authorities were cowed into submission to their local leaders. They infected the army and navy with their spirit; and the government did not dare to challenge their power. Mussolini, as chairman of the central council, exacted and received an iron obedience from his followers. They were organized like an army; they wore a uniform. By the summer of 1922 Mussolini had half a million soldiers under his command. The time had come to move from the atmosphere of influence to the realm of government. He marched to Rome. The cabinet resigned its authority into the King's hands; and the latter had no alternative save to make Mussolini Prime Minister.

He was not even within sight of a parliamentary majority; but the Chambers abdicated before his avowed contempt for them. Either, he asserted, they must accept his will, or he would act without regard to their constitutional power. The ethos of Italy was incarnate in himself; and to oppose him was to invite disaster. The result was a remarkable triumph of dominant personality. The deputies did not hesitate to surrender their authority;

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if they criticized, they were beaten in the street or subjected to humiliating personal attack. Foreign policy and domestic policy alike were simply the will of Mussolini. His followers became the national militia. . . .

He has openly thrown overboard all pretense of majority-rule. He will obtain power not because the mass of the electorate supports his views, but because his followers will not allow opposition to make itself heard. Government, for him, exists to fulfil needs, not to give effect to wills; and its first requirement is an overwhelming strength incompatible with liberty. For liberty, indeed, Mussolini professes no affection. He has called it a nineteenth-century concept which has exhausted its utility. Liberty, for him, is the parent of anarchy if it implies hostility from opponents, and the proof of disloyalty, involving expulsion from the party, if it comes from his declared supporters. . . .

The historian of the next generation cannot fail to be impressed by the different reception accorded to the changes of which Lenin and Mussolini have been the chief authors. Where Lenin's system has won for itself international ostracism and armed intervention, that of Mussolini has been the subject of widespread enthusiasm. He himself has been decorated by the governments of foreign powers; ambassadors have exhausted the language of eulogy at official banquets; and great men of business have not hesitated to say that only the emulation of his methods can reduce the working classes to a proper state of mind. Yet, save in intensity, there has been no difference in the method pursued by the two men; and it is difficult to avoid the conclusion that the different reception of their effort is the outcome of their anti-thetic attitudes to property.

Yet the danger implicit in each philosophy is a similar one. . . .

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# Lenin

*Victor Chernov*

March 1924

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VICTOR CHERNOV, *Russian Social-Revolutionary writer; Minister of Agriculture in the Kerensky Government.*

. . . 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



BRUNO BARBEY/MAGNUM PHOTOS

*Modern man: Arbat Square, Moscow, 1967*

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 zeal; heartlessness towards one’s victims is laudable self-command; pitilessness

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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. . . .

. . . 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 hypnotized the audience. . . . Besides, Lenin always *felt* his audience. He never rose too high above its level, nor did he ever omit to descend 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. . . .

Yes, Lenin was good-natured. But good-natured does not mean good-hearted. . . . So far as we can guess, real good-heartedness most probably was considered by him one of the pettiest of human weaknesses. . . . 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. . . .

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## Stalin's Power

*Paul Scheffer*

July 1930

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PAUL SCHEFFER, *for some years correspondent of the Berliner Tageblatt in Moscow, now stationed in Washington.*

. . . Stalin is not a man who appeals to the sympathies of crowds or stirs their imaginations. He is not an electric person.

Let us be more blunt: he is frankly unattractive, and all the more so since he knows he is, and shows by his demeanor that

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he does not care! Even his voice, a voice as hard and brittle as glass, lacks the undertones, the rhythm, that work so powerfully upon the music-loving populace of Russia. . . . You feel at once that he is “dangerous.” . . .

Stalin never belonged to the brilliant group which gathered in Russia from all lands after the February Revolution and to which history has ascribed the triumph of the Revolution of October 1917. . . . He saw himself as the one to whom the “dirty work” had been left. He liked to refer to himself as the “hall sweeper” of the Revolution. And now, in the hour of victory, he was being admitted to the inner councils of the leaders grudgingly if at all. The eyes of the aroused populace stubbornly looked past him to men who had the knack of holding the immense followings who came trooping to “the Cause” that year, men who knew how to make ringing speeches, mouth big ideas, rattle off fine theories—the Lenins and the Trotskys, the Zinovievs, the Radeks, and the Bukharins. For Stalin, all such were “Europeans,” “émigrés.” He had been the one, after the grievous failure of 1905, to keep the fires of revolution glimmering in Russia. In the first year of the new régime, he felt that they regarded him as necessary but did not take him at full value. In their eyes, he was still the “savage from the Caucasus,” the man with more fist than brain, more nerve than intelligence—a fanatic. All the more keenly, therefore, did he feel the slight that was never uttered. . . .

It is evident, now, that all along he felt that his hour would come. He had at his disposal, in a way no one else could have, an immense acquaintance with the 150 million inhabitants of Old Russia. In those

swarming masses he knew just which individuals were the men to realize and sustain a proletarian revolution such as he conceived in that still barbaric country. The hypnosis of crowds and the frenzy of words of the first year, then the inspired and inspiring civil crusade against the remnants of Tsardom and its allies, must some day come to an end. It would then be a question of governing people no longer hypnotized, of using ways and means for forcing the masses together independently of such ephemeral throngs. No one knew Russia as Stalin did. No one realized as he realized what it meant to set up a single class of people, the proletariat—3 millions of human beings in a land far from being industrialized—as the only class entitled to live, the only class entitled to rule, and then to drag 135 millions of peasants along in the same direction. Stalin also knew, as no one else knew, where to find the people who could be used in such a project: people of his mind and of his hardness, who were willing to look at the world only from below up; people of his origins, with undying animosities against everything “bourgeois” and against the arrogance and pretentiousness of the “intellectuals” who now claimed they had “made the Revolution!” . . .

Some four months before his death, Lenin broke with Stalin. . . .

What worried Lenin in Stalin’s case was the latter’s secret, slinking, anonymous expansion of his personal power in the party and his preference for the backstairs to more conspicuous routes. The tactics which Stalin was later to use with such success against Trotsky, first to silence him and then to reduce him to complete helplessness, he used against Lenin, the moment the latter fell sick. . . .



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. . . Looking back over these past years, one can remark only with astonishment how every one of Lenin's close associates, and later of Stalin's own associates, was shortly treated as a rival and a climber. . . .

. . . Stalin . . . is the dictator of dictators. Only, he prefers not to look the part. He is not Mussolini. Yet he has one trait in common with Mussolini—an extraordinary suppleness and pliancy—and he demonstrates it under a more difficult test. He has acted in full cognizance of the danger that lies in the usurpation of power by a small minority over a vast majority whose interests do not coincide. . . . He has not taken much stock in the myth of unity between workers and peasants, however much he may have supported the notion for propaganda purposes so long as it worked. He realized, with courageous insight, the futility of Lenin's conception of the NEP. He understood, without

shirking any responsibilities, that active socialism and private initiative were incompatible in the same economic area, and he acted resolutely on the perception that the only salvation for the Soviet power lay in the ruthless socialization of the entire country, irrespective of the immediate consequences. These became very evident at once through the crisis in agriculture and through hunger in the towns. . . . The fact that he reckoned with all these factors more accurately, more resolutely, with less disposition to compromise than his opponents and even than his some-time associates, has enabled him to achieve what he has achieved. His success is closely bound up with his perception of these factors. At the same time his success seems to be inseparably bound up with Lenin's characterization of him: "crude and narrowminded." . . .

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# Making the Collective Man in Soviet Russia

*William Henry Chamberlin*

January 1932

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WILLIAM HENRY CHAMBERLIN, *for some years correspondent of the Christian Science Monitor in Soviet Russia; author of "Soviet Russia."*

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. . . .



ESTATE OF ALEXANDER RODCHENKO/RAO, MOSCOW/VAGA NEW YORK

*On parade: Soviet sailors in Red Square, 1936*

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. . . .

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. . . . 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. . . .

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. . . . 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.

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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. . . . 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. . . .

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. . . .

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. . . .

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 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. . . .

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. . . .

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# The Philosophic Basis of Fascism

*Giovanni Gentile*

January 1928

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GIOVANNI GENTILE, *philosopher and member of the Italian Senate; Minister of Public Instruction in the first Cabinet of Premier Mussolini, during which time he put into effect the so-called "Gentile Reform" of Italian education.*

. . . In the definition of Fascism, the first point to grasp is the comprehensive, or as Fascists say, the "totalitarian" scope of its doctrine, which concerns itself not only with political organization and political tendency, but with the whole will and thought and feeling of the nation.

. . . Fascism is not a philosophy. Much less is it a religion. It is not even a political theory which may be stated in a series of formulæ. The significance of Fascism is not to be grasped in the special theses which it from time to time assumes. When on occasion it has announced a program, a goal, a concept to be realized in action, Fascism has not hesitated to abandon them when in practice these were found to be inadequate or inconsistent with the principle of Fascism. Fascism has never been willing to compromise its future. Mussolini has boasted that he is a *tempista*, that his real pride is in "good timing." He makes decisions and acts on them at the precise moment when all the conditions and considerations which make them feasible and opportune are properly matured. . . .

Is Fascism therefore "anti-intellectual," as has been so often charged? It is eminently

anti-intellectual . . . if by intellectualism we mean the divorce of thought from action, of knowledge from life, of brain from heart, of theory from practice. Fascism is hostile to all Utopian systems which are destined never to face the test of reality. It is hostile to all science and all philosophy which remain matters of mere fancy or intelligence. . . . Fascist anti-intellectualism holds in scorn . . . the man who plays with knowledge and with thought without any sense of responsibility for the practical world. It is hostile not so much to culture as to bad culture, the culture which does not educate, which does not make men, but rather creates pedants and aesthetes, egotists in a word, men morally and politically indifferent. . . .

For Fascism, . . . the State is a wholly spiritual creation. It is a national State, because, from the Fascist point of view, the nation itself is a creation of the mind and is not a material presupposition, is not a datum of nature. The nation, says the Fascist, is never really made; neither, therefore, can the State attain an absolute form, since it is merely the nation in the latter's concrete, political manifestation. For the Fascist, the State is always *in fieri*.

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It is in our hands, wholly; whence our very serious responsibility towards it. . . .

The Fascist State . . . is a people's state, and, as such, the democratic State *par excellence*. The relationship between State and citizen (not this or that citizen, but all citizens) is accordingly so intimate that the State exists only as, and in so far as, the citizen causes it to exist. Its formation therefore is the formation of a consciousness of it in individuals, in the masses. Hence the need of the Party, and of all the instruments of propaganda and education which Fascism uses to make the thought and will of the *Duce* the thought and will of the masses. Hence the enormous task which Fascism sets itself in trying to bring the whole mass of the people, beginning with the little children, inside the fold of the Party. . . .

The Fascist conception of liberty merits passing notice. The *Duce* of Fascism once chose to discuss the theme of "Force or Consent?;" and he concluded that the two terms are inseparable, that the one implies the other and cannot exist apart from the

other; that, in other words, the authority of the State and the freedom of the citizen constitute a continuous circle wherein authority presupposes liberty and liberty authority. For freedom can exist only within the State, and the State means authority. . . .

Liberalism broke the circle above referred to, setting the individual against the State and liberty against authority. What the liberal desired was liberty as against the State, a liberty which was a limitation of the State. . . . Fascism has its own solution of the paradox of liberty and authority. The authority of the State is absolute. It does not compromise, it does not bargain, it does not surrender any portion of its field to other moral or religious principles which may interfere with the individual conscience. But on the other hand, the State becomes a reality only in the consciousness of its individuals. And the Fascist corporative State supplies a representative system more sincere and more in touch with realities than any other previously devised and is therefore freer than the old liberal State.

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# Radical Forces in Germany

*Erich Koch-Weser*

April 1931

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ERICH KOCH-WESER, *former Minister of Justice of the German Republic, recently leader of the Democratic Party.*

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.

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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 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. . . .

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.

. . . For the time being, . . . 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. . . .

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 watch-word 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. . . . 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.

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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. . . .

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# Hitler: Phenomenon and Portent

*Paul Scheffer*

April 1932

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PAUL SCHEFFER, *Washington correspondent of the Berliner Tageblatt, formerly correspondent in Soviet Russia, author of "Sieben Jahre Sowjet Union."*

. . . Hitler is the most successful orator that Germany has ever possessed. . . . 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 bustle 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 necessities 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



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have been pushed aside, people who have not been admitted to German life under present-day conditions. . . .

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 disproportionately 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. . . .

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 workmen, 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.

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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. . . .

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 himself is a self-educated person, a thorough-going “autodidact,” 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. . . . 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. . . .

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# Hitler's Reich: The First Phase

*Hamilton Fish Armstrong*

July 1933

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HAMILTON FISH ARMSTRONG, *Editor of Foreign Affairs.*

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. . . .

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?" 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. . . . It applies to the series of Chancellors furnished by the once-powerful Center Party. . . . The generals who were talked about as embryo dictators—von Seeckt, Groener,

even the powerful von Schleicher—are no more heard of or seen. . . . 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. . . .

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. . . .

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. . . . 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 reestablish 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



ASSOCIATED PRESS

*Fighting words: Adolf Hitler in Berlin, May 1, 1938*

have been named *Statthalter*, with power from Berlin to dismiss State governments should they not prove fully amenable. Eminent Lutheran and Reformist 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 kindness. The Socialist trade unions . . . 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 organizing all labor as an instrument of party will. . . .

The judiciary has been weeded over with minute care, and as a result many judges . . . 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

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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. . . .

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. . . . 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." . . . The press has also been "assimilated," unfriendly or lukewarm or liberal or pacifist or "internationalist" 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. . . .

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 preponderance 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. . . . 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." . . .

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# Political Ideas in the Twentieth Century

*Isaiah Berlin*

April 1950

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ISAIAH BERLIN, *Fellow of New College and University Lecturer in Philosophy at Oxford; attached to the British Embassy in Washington, 1942–45, and in Moscow, 1945–46, with rank of First Secretary; visiting professor at Harvard, 1949; author of "Karl Marx" and other works.*

. . . The practice of Communist states and, more logically of Fascist states (since they openly deny and denounce the value of the rational question-and-answer

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method), is not at all the training of the critical, or solution-finding, powers of their citizens, nor yet the development in them of any capacity for special insights or intuitions regarded as likely to reveal the truth. It consists in something which any nineteenth century thinker with respect for the sciences would have regarded with genuine horror—the training of individuals incapable of being troubled by questions which, when raised and discussed, endanger the stability of the system; the building and elaboration of a strong framework of institutions, “myths,” habits of life and thought intended to preserve it from sudden shocks or slow decay. This is the intellectual outlook which attends the rise of totalitarian ideologies—the substance of the hair-raising satires of George Orwell and Aldous Huxley—the state of mind in which troublesome questions appear as a form of mental perturbation, noxious to the mental health of individuals and, when too widely discussed, to the health of societies. This is an attitude which looks on all inner conflict as an evil, or at best as a form of futile self-frustration; which considers the kind of friction, the moral or emotional or intellectual collisions, the particular kind of acute spiritual discomfort which rises to a condition of agony from which great works of the human intellect and imagination, inventions, philosophies, works of art, have sprung, as being no better than purely destructive diseases—neuroses, psychoses, mental derangements, genuinely requiring psychiatric aid; above all as being dangerous deviations from that line to which individuals and societies must adhere if they are

to continue in a state of well-ordered, painless, contented, self-perpetuating equilibrium.

This is a truly far-reaching conception, and something far more powerful than the pessimism or cynicism of thinkers like Plato or Machiavelli, Swift or Carlyle, who looked on the majority of mankind as unalterably stupid or incurably vicious, and therefore concerned themselves with how the world might be made safe for the exceptional, enlightened or otherwise superior minority or individual. For their view did at least concede the reality of the painful problems, and merely denied the capacity of the majority to solve them; whereas the more radical attitude looks upon intellectual perplexity as being caused either by a technical problem to be settled in terms of practical policy, or else as a neurosis to be cured, that is made to disappear, if possible without a trace. This leads to a novel conception of the truth and of disinterested ideals in general, which would hardly have been intelligible to previous centuries. To adopt it is to hold that outside the purely technical sphere (where one asks only what are the most efficient means towards this or that practical end) words like “true,” or “right,” or “free,” and the concepts which they denote, are to be defined in terms of the only activity recognized as valuable, namely, the organization of society as a smoothly-working machine providing for the needs of such of its members as are permitted to survive. . . .

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# Of Liberty

*Benedetto Croce*

October 1932

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BENEDETTO CROCE, *Italian Senator, former Minister for Public Instruction, and author of "Filosofia dello Spirito," a philosophic system translated into many languages.*

... Communism, it is the fashion to claim, has passed from theory to practice and is being applied in Russia. But it is being practised not as communism but—in keeping with its inner contradiction—as a form of autocracy, as its critics had always predicted would be the case. . . .

... The Russian Communists have not solved, nor will their violent and repressive methods ever enable them to solve, the fundamental problem of human society, the problem of freedom. For in freedom only can human society flourish and bear fruit. Freedom alone gives meaning to life: without it life is unbearable. Here is an inescapable problem. It cannot be eliminated. It springs from the very vitals of things and stirs in the souls of all those countless human beings whom the Communists are trying to control and reshape in accordance with their arbitrary concepts. And on the day that this problem is faced, the materialistic foundations of the Soviet structure will crumble and new and very different supports will have to be found for it. Then, even as now, pure communism will not be practised in Russia.

... Even if such experiments should develop in other parts of Europe, the fact that other countries differ so from Russia in religion, civilization, education, customs,

traditions—in historical background, in short—would produce something quite new, whatever its name and appearance; or else, after an indeterminate period of blind groping and struggle, there would sooner or later emerge that liberty which is only another name for humanity.

For liberty is the only ideal which unites the stability that Catholicism once possessed with the flexibility which it could never attain, the only ideal which faces the future without proposing to mould it to some particular form, the only ideal that can survive criticism and give human society a fixed point by which from time to time to reestablish its balance. There are those who question the future of the ideal of freedom. To them we answer that it has more than a future: it has eternity. And today, despite the contempt and ridicule heaped upon it, liberty still endures in many of our institutions and customs and still exercises a beneficent influence upon them. More significant still, it abides in the hearts and minds of many noble men all over the world, men who though scattered and isolated, reduced to a small but aristocratic *res publica literaria*, still keep faith with it, reverently hallow its name, and love it more truly than ever they did in the days when no one denied or questioned

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its absolute sovereignty, when the mob proclaimed its glory and contaminated it with a vulgarity of which it is now purged. . . .

. . . In all parts of Europe we are witnessing the birth of a new consciousness, a new nationality—for nations are not, as has been imagined, data of nature but results of conscious acts, historical formations. Just as seventy years ago the Neapolitans and the Piedmontese decided to become Italians, not by abjuring their original nationality but by exalting and merging it in the new one, so Frenchmen and Germans and Italians and all the others will rise to becoming Europeans; they will think as Europeans, their hearts will beat for Europe as they now do for their smaller countries, not forgetting them but loving them the better.

This process of amalgamation is directly opposed to competitive nationalism and will in time destroy it entirely; meanwhile it tends to free Europe from the psychology of nationalism and its attendant habits of thought and action. If and when this happens, the liberal ideal will again prevail in the European mind and resume its

sway over European hearts. But we must not see in this rebirth of liberalism merely a way to bring back the “old times” for which the Romantics idly yearn. Present events, those still to take place, will have their due effect; certain institutions of the old liberalism will have to be modified and replaced by ones better adapted to their tasks; new governing classes, made up of different elements, will arise; and experience will bring forth new concepts and give a new direction to the popular will.

In this new mental and moral atmosphere it will be imperative to take up again the so-called “social” problems. . . . This is primarily a question for technical experts and statesmen, who will have to devise solutions suitable to the times and favorable to an increase of wealth and its more equitable distribution. It is a question for experts and statesmen; but they will be unable to fulfill their function or attain their ends unless liberty be there to prepare and maintain the intellectual and moral atmosphere indispensable to labors so arduous, and to quicken the legal systems within which their duties must be performed.

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# The Position and Prospects of Communism

*Harold J. Laski*

October 1932

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HAROLD J. LASKI, *Professor of Political Science in the University of London; author of “The Dangers of Obedience” and other works.*

. . . The pre-war state-system emerged from the great conflict far more shattered than was apparent in the mood of vindic-

tive triumph embodied in the Peace of Versailles. . . . The necessities of war had given an enhanced status to the working-



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classes of the belligerent countries; and it was necessary to satisfy their new claims. . . .

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. . . . 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.

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

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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 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 a fatal way the expansion of world trade. . . .

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, "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. . . .

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. . . . 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. . . .

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.

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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 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. . . . 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. . . .

Capitalist society . . . 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. . . . 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. . . .

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# Nationalism and Economic Life

*Leon Trotsky*

April 1934

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LEON TROTSKY, *leader in the October Revolution in 1917; Commissar for Foreign Affairs, 1917–1918; Commissar for War, 1919–1923.*

. . . 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 century is the growing



NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

*America on line: at a soup kitchen, June 1936*

contradiction between the nation and economic life. In Europe this contradiction has become intolerably acute. . . .

. . . 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

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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 coordinated 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. . . .

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.

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# The Reconstruction of Liberalism

*C. H. McIlwain*

October 1937

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C. H. McILWAIN, *Eaton Professor of the Science of Government in Harvard University; former President of the American Historical Association; author of "The American Revolution," "The Growth of Political Thought in the West" and other works.*

The present generation is rightly concerned, and concerned far more deeply than its

immediate forbears ever were, in the ending or mending of the monstrous economic

and social inequalities and iniquities which permit and even foster the distress we see about us in the midst of plenty. In sharp contrast with the older notions of an inevitable progressive development that had best be let alone, or even with the recent naïve belief that depressions were a thing of the past, there is a determination among men of the present day, particularly the younger ones, to do something about this; and some would even go so far as to threaten the very existence of plenty itself, in their hatred of the glaring unevenness of its distribution. . . .

One thing is clear enough: the world in its present mood will never put up with a mere “muddling through” as an answer. The preservation of the *status quo* is a solution that can satisfy none but the contented; and just now most men are not contented. . . .

. . . Liberalism means a common welfare with a constitutional guarantee. . . . So-called liberals have ignored the first part of the definition and have fouled the nest by invoking the guarantee for privileges of their own, conducive only to the destruction of any true common weal. None have ever prated more of guarantees than these so-called liberals; but they have forgotten, if they ever believed, that these guarantees must secure the rights of all, not the selfish interests of a few. They are the traitors within the gates who have probably done more than all others to betray liberalism to its enemies and put it to its defense. . . .

It is unlikely, however, that this exploitation could ever have reached the proportions it did without more protest, had really liberally minded men not been beguiled by the extreme doctrine of *laissez-faire*, surely one of the strangest fantasies

that ever discredited human reason. Thus the self-seekers and the doctrinaires were drawn together into an alliance to maintain the *status quo*, and all its abuses and inequalities were made sacrosanct. This pseudo-liberalism usually exhibited itself in the ineffectiveness of legal guarantees for almost every human right except the right of property, and the acceptance of an unhistorical definition of contract under which the sanction of the law could be obtained for almost any enormity to which men could be induced to agree. . . .

Under *laissez-faire* and our distorted notions of contract, a lunatic may be protected against the results of his agreement, but of economic inequalities the law can never take notice—*De minimis non curat lex*; there is little or no safeguard for the weak against the strong; protection of the public against an adulterated product would be unthinkable—*Caveat emptor*.

Now this is a return toward Hobbes’s “war of every man against every man,” without the equality that Hobbes premised. Yet, we are told, the state cannot and should not do anything about it. State interference in such matters would be a violation of a sacred right. What a caricature of liberalism! . . .

. . . The question before us now, the decision we shall have to make before long, is whether we shall renounce these errors and remove these abuses that liberals have allowed to grow up, or whether, once and for all, we shall level with the ground all the bulwarks of our liberty, because some traitors have crept in behind them. . . .

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# The Economic Tasks of the Postwar World

*Alvin H. Hansen and C. P. Kindleberger*

April 1942

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ALVIN H. HANSEN, *Littauer Professor of Political Economy at Harvard University; special economic adviser, Board of Governors of the Federal Reserve System; American chairman of the Joint Economic Committee of Canada and the United States; author of "Economic Stabilization in an Unbalanced World," "Fiscal Policy and Business Cycles" and other works.* C. P. KINDLEBERGER, *Associate Economist, Board of Governors of the Federal Reserve System; author of "International Short-Term Capital Movement."*

... There are still a good many people deeply concerned with problems of international security who think exclusively in terms of political arrangements and economic mechanisms such as tariffs and currencies. We would call that the passive approach. The arrangements and mechanisms which they favor are important, and appropriate means must be found to give them effect. But many economists are coming to think that action along these traditional lines would by itself be wholly inadequate. It is increasingly understood that the essential foundation upon which the international security of the future must be built is an economic order so managed and controlled that it will be capable of sustaining full employment and developing a rising standard of living as rapidly as technical progress and world productivity will permit. The very survival of our present institutions, including political democ-

racy and private enterprise, depends upon our taking a bolder attitude toward public developmental projects in terms both of human and physical resources, and both in our own country and throughout the world.

Many questions at once arise. What will be the rôle of government in postwar economic life? Will business enterprise outside of government be organized predominantly along cartel lines, with increasing restraints on competition? Will international trade be based on principles of non-discrimination or will each country make the best bargains it can obtain on a bilateral and separate basis with each of its trading partners? Will the world break up into autarchic countries, pairs of countries, or regions, including empires, continents and hemispheres? Or will each country tend to specialize in the production of those particular commodities which it can produce most efficiently



NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

*Out of the rubble: rebuilding West Berlin, 1950*

and trade on the widest possible basis?

These questions are practical ones, and like most practical questions it is impossible to answer them categorically either as a forecast of the future or as a guide to desirable policy under the unforeseeable conditions of the future. It can merely be said that in time of war governments must and do assume more direction of economic life; that after

this war they will probably be given increased responsibility for trying to get rid of unemployment in their respective nations and to establish higher minimum standards for the low-income groups; and that while the degree of control exercised in the postwar period will be less than that exercised during the war, it nevertheless will be greater than it used to be before the war. . . .



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# Freedom and Control

*Geoffrey Crowther*

January 1944

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GEOFFREY CROWTHER, *Editor of The Economist, London; author of "The Outline of Money."*

... 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. ...

My quarrel with Mr. Carr is not ... 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 international 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 towards totalitarian dictatorship. The trend away from indi-

vidualist 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

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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. . . . The plain truth is that Hitler has an answer to the problems of the twentieth century and we, as yet, have not. It follows 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 alternatives 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. . . . 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. . . .

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.

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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. . . .

. . . I remain . . . 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. . . . 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. . . .

But if the wholly free economy is an impossibility, the wholly controlled econ-

omy 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. . . .

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. . . . 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 pre-

sent, 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. . . .

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## The Split Between Asian and Western Socialism

*David J. Saposs*

July 1954

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DAVID J. SAPOSS, *Special Assistant to the Commissioner of Labor Statistics, Department of Labor; formerly Special Advisor in the European Labor Division, E.C.A., Paris.*

The dominating ideology in the international labor movement in the West is still Socialist, but a Socialism with a new look. Marxism has been discarded, although more by force of circumstances than conscious design, and the movement is still influenced by some Marxian reasoning; but, in general, Western Socialism has ceased to be class conscious and become reformist. It seeks the welfare state, but not revolution. The growing Christian (predominantly Catholic) labor movement in Western Europe has also arrived at maturity, and its social philosophy is likewise oriented toward the welfare state.

The old controversy over the interpretation of Marx was not revived in the

labor movements in continental Europe after this war, as it was after World War I. This tacit abandonment of Marxism became fully apparent when the Socialist International was revived as a permanent organization in Frankfurt during the summer of 1951. The program and pronouncements of the convention used none of the Marxian terminology so characteristic of prewar Socialist literature, and this momentous omission was not challenged in the discussions there. The 1952 Milan Conference of the Socialist International followed the precedent established at Frankfurt, and at the 1953 Stockholm Conference it was repeated. Such clichés as the materialistic or economic conception

of history, exploitation of the workers, expropriating the expropriators, the class struggle, are no longer mentioned. The former sacred tenet that the workers are the class chosen to fulfill the holy mission of bringing about the inevitable capitulation of capitalism has fallen into limbo. The central theme of the new official

pronouncements revolves about problems of social justice, economic planning, full employment, democracy and human rights. Emphasis is placed on the need to avoid deflation with its consequent depression and unemployment, and, of course, on the rôle of the trade union movement in promoting social justice. . . .

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## The Myth of Post–Cold War Chaos

*G. John Ikenberry*

May/June 1996

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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. . . .

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. . . .

. . . The liberal democratic agenda was less obviously a grand strategy designed to advance American security interests [than was containment], 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. . . .

The most basic conviction underlying the postwar liberal agenda was that the closed autarkic regions that had contributed to the worldwide 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. 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 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. . . . 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. . . .

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.” . . .

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

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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. . . .

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. . . .

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. . . .

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## The Return of Authoritarian Great Powers

*Azar Gat*

July/August 2007

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Today's global liberal democratic order faces two challenges. The first is radical Islam—and it is the lesser of the two challenges. Although the proponents of radical Islam find liberal democracy repugnant, and the movement is often described as the new fascist threat, the societies from which it arises are generally poor and stagnant. They represent no viable alternative to modernity and pose no significant military threat to the developed world. It is mainly the potential use of weapons of mass destruction—particularly by nonstate actors—that makes militant Islam a menace.

The second, and more significant, challenge emanates from the rise of non-democratic great powers: the West's old Cold War rivals China and Russia, now operating under authoritarian capitalist, rather than communist, regimes. Authoritarian capitalist great powers played a leading role in the international system up until 1945. They have been absent since then. But today, they seem poised for a comeback.

Capitalism's ascendancy appears to be deeply entrenched, but the current

predominance of democracy could be far less secure. Capitalism has expanded relentlessly since early modernity, its lower-priced goods and superior economic power eroding and transforming all other socioeconomic regimes, a process most memorably described by Karl Marx in *The Communist Manifesto*. Contrary to Marx's expectations, capitalism had the same effect on communism, eventually "burying" it without the proverbial shot being fired. The triumph of the market, precipitating and reinforced by the industrial-technological revolution, led to the rise of the middle class, intensive urbanization, the spread of education, the emergence of mass society, and ever greater affluence. In the post-Cold War era (just as in the nineteenth century and the 1950s and 1960s), it is widely believed that liberal democracy naturally emerged from these developments, a view famously espoused by Francis Fukuyama. Today, more than half of the world's states have elected governments, and close to half have sufficiently entrenched liberal rights to be considered fully free.

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But the reasons for the triumph of democracy, especially over its nondemocratic capitalist rivals of the two world wars, Germany and Japan, were more contingent than is usually assumed. Authoritarian capitalist states, today exemplified by China and Russia, may represent a viable alternative path to modernity, which in turn suggests that there is nothing inevitable about liberal democracy's ultimate victory—or future dominance. . . .

Liberal democracy's supposedly inherent economic advantage is . . . far less clear than is often assumed. All of the belligerents in the twentieth century's great struggles proved highly effective in producing for war. . . . Only during the Cold War did the Soviet command economy exhibit deepening structural weaknesses—weaknesses that were directly responsible for the Soviet Union's downfall. The Soviet system had successfully generated the early and intermediate stages of industrialization (albeit at a frightful human cost) and excelled at the regimentalized techniques of mass production during World War II. It also kept abreast militarily during the Cold War. But because of the system's rigidity and lack of incentives, it proved ill equipped to cope with the advanced stages of development and the demands of the information age and globalization.

There is no reason, however, to suppose that the totalitarian capitalist regimes of Nazi Germany and imperial Japan would have proved inferior economically to the democracies had they survived. The inefficiencies that favoritism and unaccountability typically create in such regimes might have been offset by higher levels of social discipline. Because of their more efficient capitalist economies, the right-wing totalitarian powers could have

constituted a more viable challenge to the liberal democracies than the Soviet Union did; Nazi Germany was judged to be such a challenge by the Allied powers before and during World War II. The liberal democracies did not possess an inherent advantage over Germany in terms of economic and technological development, as they did in relation to their other great-power rivals.

So why did the democracies win the great struggles of the twentieth century? The reasons are different for each type of adversary. They defeated their nondemocratic capitalist adversaries, Germany and Japan, in war because Germany and Japan were medium-sized countries with limited resource bases and they came up against the far superior—but hardly preordained—economic and military coalition of the democratic powers and Russia or the Soviet Union. The defeat of communism, however, had much more to do with structural factors. The capitalist camp—which after 1945 expanded to include most of the developed world—possessed much greater economic power than the communist bloc, and the inherent inefficiency of the communist economies prevented them from fully exploiting their vast resources and catching up to the West. Together, the Soviet Union and China were larger and thus had the potential to be more powerful than the democratic capitalist camp. Ultimately, they failed because their economic systems limited them, whereas the nondemocratic capitalist powers, Germany and Japan, were defeated because they were too small. Contingency played a decisive role in tipping the balance against the nondemocratic capitalist powers and in favor of the democracies. . . .

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It is widely contended that economic and social development creates pressures for democratization that an authoritarian state structure cannot contain. There is also the view that “closed societies” may be able to excel in mass manufacturing but not in the advanced stages of the information economy. The jury on these issues is still out, because the data set is incomplete. Imperial and Nazi Germany stood at the forefront of the advanced scientific and manufacturing economies of their times, but some would argue that their success no longer applies because the information economy is much more diversified. Non-democratic Singapore has a highly successful information economy, but Singapore is a city-state, not a big country. It will take a long time before China reaches the stage when the possibility of an authoritarian state with an advanced capitalist economy can be tested. All that can be said at the moment is that there is nothing in the historical record to suggest that a transition to

democracy by today’s authoritarian capitalist powers is inevitable, whereas there is a great deal to suggest that such powers have far greater economic and military potential than their communist predecessors did.

China and Russia represent a return of economically successful authoritarian capitalist powers, which have been absent since the defeat of Germany and Japan in 1945, but they are much larger than the latter two countries ever were. . . . Ultimately, . . . both Germany and Japan were too small—in terms of population, resources, and potential—to take on the United States. Present-day China, on the other hand, is the largest player in the international system in terms of population and is experiencing spectacular economic growth. By shifting from communism to capitalism, China has switched to a far more efficient brand of authoritarianism. As China rapidly narrows the economic gap with the developed world, the possibility looms that it will become a true authoritarian superpower. . . .

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# How Development Leads to Democracy

*Ronald Inglehart and Christian Welzel*

March/April 2009

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In the last several years, a democratic boom has given way to a democratic recession. Between 1985 and 1995, scores of countries made the transition to democracy, bringing

widespread euphoria about democracy’s future. But more recently, democracy has retreated. . . . These developments, along with the growing power of China and

Russia, have led many observers to argue that democracy has reached its high-water mark and is no longer on the rise.

That conclusion is mistaken. The underlying conditions of societies around the world point to a more complicated reality. The bad news is that it is unrealistic to assume that democratic institutions can be set up easily, almost anywhere, at any time. Although the outlook is never hopeless, democracy is most likely to emerge and survive when certain social and cultural conditions are in place. . . .

The good news, however, is that the conditions conducive to democracy can and do emerge—and the process of “modernization,” according to abundant empirical evidence, advances them. Modernization is a syndrome of social changes linked to industrialization. Once set in motion, it tends to penetrate all aspects of life, bringing occupational specialization, urbanization, rising educational levels, rising life expectancy, and rapid economic growth. These create a self-reinforcing process that transforms social life and political institutions, bringing rising mass participation in politics and—in the long run—making the establishment of democratic political institutions increasingly likely. Today, we have a clearer idea than ever before of why and how this process of democratization happens. . . .

In retrospect, it is obvious that . . . early versions of modernization theory were wrong on several points. Today, virtually nobody expects a revolution of the proletariat that will abolish private property, ushering in a new era free from exploitation and conflict. Nor does anyone expect that industrialization will automatically lead to democratic institutions; communism and fascism also emerged from industrialization. Nonetheless, a massive body of evidence

suggests that modernization theory's central premise was correct: economic development does tend to bring about important, roughly predictable changes in society, culture, and politics. But the earlier versions of modernization theory need to be corrected in several respects.

First, modernization is not linear. It does not move indefinitely in the same direction; instead, the process reaches inflection points. Empirical evidence indicates that each phase of modernization is associated with distinctive changes in people's worldviews. Industrialization leads to one major process of change, resulting in bureaucratization, hierarchy, centralization of authority, secularization, and a shift from traditional to secular-rational values. The rise of postindustrial society brings another set of cultural changes that move in a different direction: instead of bureaucratization and centralization, the new trend is toward an increasing emphasis on individual autonomy and self-expression values, which lead to a growing emancipation from authority. . . .

Second, social and cultural change is path dependent: history matters. Although economic development tends to bring predictable changes in people's worldviews, a society's heritage—whether shaped by Protestantism, Catholicism, Islam, Confucianism, or communism—leaves a lasting imprint on its worldview. . . . Although the classic modernization theorists in both the East and the West thought that religion and ethnic traditions would die out, they have proved to be highly resilient. . . . Cultural heritages are remarkably enduring.

Third, modernization is not westernization. . . . The process of industrialization began in the West, but during the past few decades, East Asia has had the world's highest economic growth rates, and Japan

leads the world in life expectancy and some other aspects of modernization. The United States is not the model for global cultural change, and industrializing societies in general are not becoming like the United States. . . .

Fourth, modernization does not automatically lead to democracy. Rather, it, in the long run, brings social and cultural changes that make democratization increasingly probable. Simply attaining a high level of per capita GDP does not produce democracy. . . . But the emergence of postindustrial society brings certain social and cultural changes that are specifically conducive to democratization. Knowledge societies cannot function effectively without highly educated publics that have become increasingly accustomed to thinking for themselves. Furthermore, rising levels of economic security bring a growing emphasis on a syndrome of self-expression values—one that gives high priority to free choice and motivates political action. Beyond a certain point, accordingly, it becomes difficult to avoid democratization, because repressing mass demands for more open societies becomes increasingly costly and detrimental to economic effectiveness. . . .

Fifty years ago, the sociologist Seymour Martin Lipset pointed out that rich countries are much more likely than poor countries to be democracies. Although this claim was contested for many years, it has held up against repeated tests. The causal direction of the relationship has also been questioned: Are rich countries more likely to be democratic because democracy makes countries rich, or is development conducive to democracy? Today, it seems clear that the causality runs mainly from economic development to democratization. During early industrialization, authoritarian states

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are just as likely to attain high rates of growth as are democracies. But beyond a certain level of economic development, democracy becomes increasingly likely to emerge and survive. Thus, among the scores of countries that democratized around 1990, most were middle-income countries: almost all the high-income countries already were democracies, and few low-income countries made the transition. Moreover, among the countries that democratized between 1970 and 1990, democracy has survived in every country that made the transition when it was at the economic level of Argentina today or higher; among the countries that made the transition when they were below this level, democracy had an average life expectancy of only eight years. . . .

. . . Although many observers have been alarmed by the economic resurgence of China, this growth has positive implica-

tions for the long term. Beneath China's seemingly monolithic political structure, the social infrastructure of democratization is emerging, and it has progressed further than most observers realize. China is now approaching the level of mass emphasis on self-expression values at which Chile, Poland, South Korea, and Taiwan made their transitions to democracy. And, surprising as it may seem to observers who focus only on elite-level politics, Iran is also near this threshold. As long as the Chinese Communist Party and Iran's theocratic leaders control their countries' military and security forces, democratic institutions will not emerge at the national level. But growing mass pressures for liberalization are beginning to appear, and repressing them will bring growing costs in terms of economic inefficiency and low public morale. . . .

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# The Post-Washington Consensus

*Nancy Birdsall and Francis Fukuyama*

March/April 2011

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The last time a global depression originated in the United States, the impact was devastating not only for the world economy but for world politics as well. The Great Depression set the stage for a shift away from strict monetarism and *laissez-faire*

policies toward Keynesian demand management. More important, for many it delegitimized the capitalist system itself, paving the way for the rise of radical and antiliberal movements around the world.

This time around, there has been no

violent rejection of capitalism, even in the developing world. In early 2009, at the height of the global financial panic, China and Russia, two formerly noncapitalist states, made it clear to their domestic and foreign investors that they had no intention of abandoning the capitalist model. No leader of a major developing country has backed away from his or her commitment to free trade or the global capitalist system. Instead, the established Western democracies are the ones that have highlighted the risks of relying too much on market-led globalization and called for greater regulation of global finance.

Why has the reaction in developing countries been so much less extreme after this crisis than it was after the Great Depression? For one, they blame the United States for it. Many in the developing world agreed with Brazilian President Luiz Inácio Lula da Silva when he said, “This is a crisis caused by people, white with blue eyes.” If the global financial crisis put any development model on trial, it was the free-market or neoliberal model, which emphasizes a small state, deregulation, private ownership, and low taxes. Few developing countries consider themselves to have fully adopted that model.

Indeed, for years before the crisis, they had been distancing themselves from it. The financial crises of the late 1990s in East Asia and Latin America discredited many of the ideas associated with the so-called Washington consensus, particularly that of unalloyed reliance on foreign capital. By 2008, most emerging-market countries had reduced their exposure to the foreign financial markets by accumulating large foreign currency reserves and maintaining regulatory control of their banking systems. These policies provided insulation from

global economic volatility and were vindicated by the impressive rebounds in the wake of the recent crisis: the emerging markets have posted much better economic growth numbers than their counterparts in the developed world.

Thus, the American version of capitalism is, if not in full disrepute, then at least no longer dominant. In the next decade, emerging-market and low-income countries are likely to modify their approach to economic policy further, trading the flexibility and efficiency associated with the free-market model for domestic policies meant to ensure greater resilience in the face of competitive pressures and global economic trauma. They will become less focused on the free flow of capital, more concerned with minimizing social disruption through social safety net programs, and more active in supporting domestic industries. And they will be even less inclined than before to defer to the supposed expertise of the more developed countries, believing—correctly—that not only economic but also intellectual power are becoming increasingly evenly distributed. . . .

What the crisis did . . . was to underscore the instability inherent in capitalist systems—even ones as developed and sophisticated as the United States. Capitalism is a dynamic process that regularly produces faultless victims who lose their jobs or see their livelihoods threatened. Throughout the crisis and its aftermath, citizens have expected their governments to provide some level of stability in the face of economic uncertainty. This is a lesson that politicians in developing-country democracies are not likely to forget; the consolidation and legitimacy of their fragile democratic systems will depend on their ability to deliver a greater measure of social protection. . . . 🌐