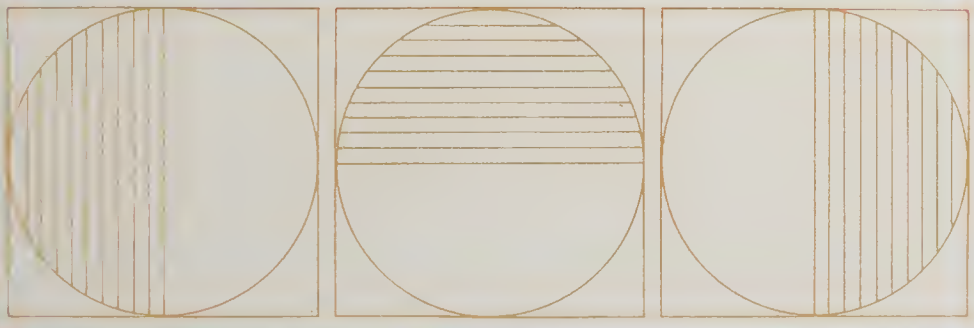
Corporate State Ideologies

Historical Roots and Philosophical Origins

CARL LANDAUER



iis
INSTITUTE
OF INTERNATIONAL
STUDIES
University of California, Berkeley

CORPORATE STATE IDEOLOGIES

RESEARCH SERIES
No. 54

Corporate State Ideologies

Historical Roots and Philosophical Origins

CARL LANDAUER

IIS
INSTITUTE
OF INTERNATIONAL
STUDIES
University of California, Berkeley

In bibliographical research and in other respects, my son Ernest Landauer has helped me greatly in the writing of this book.

C. L.

Library of Congress Cataloging in Publication Data

Landauer, Carl, 1891–
Corporate state ideologies.

(Research Series, ISSN 0068-6093 ; no. 54)
Includes index.
1. Corporate state—History. I. Title.
II. Series: Research series (University of California, Berkeley. Institute of International Studies) ; no. 54.
JC478.L36 1983 321.9 83-12644
ISBN 0-87725-154-1

CONTENTS

FOREWORD

Gregory Grossman

It gives the Institute of International Studies great pleasure to bring out the present work by Carl Landauer, professor emeritus of the University of California, Berkeley. This pleasure is distinctly augmented by the approach of the fiftieth anniversary of Professor Landauer's joining the faculty of Berkeley's Department of Economics. The year was 1934, Landauer—a refugee from Nazi Germany. Fortunately the department had a vacancy occasioned by the retirement of Jessica Peixotto, a leading authority in social economics at the time, and so could offer him the position despite the Great Depression. For the next thirty-six years, until 1970, beyond achieving emeritus status in 1959, Landauer taught the field designated as "social reform movements," as well as several other fields in economics, such as economic history. A talented and captivating teacher, an erudite scholar, a prized colleague, a good citizen of the university, a superb human being—such is the Carl Landauer we know. We congratulate him—and ourselves—on the semi-centennial and extend to him our warmest good wishes.

Born in Munich in 1891, Landauer received his doctorate at Heidelberg, worked for seven years for *Der Deutsche Volkswirt*, the leading economic periodical of Weimar Germany, and served as a professor in Berlin. He was closely associated with the German Social-Democratic Party as one of its leading economic theorists. Much later, when turning eighty, he was to define his lifelong scholarly interests as follows: "First, what are the enduring elements in the transition from one social system to the next, as distinguished from those that can be the object of conscious alteration? . . . and second . . . the history of social reform movements."[1]

[1] *Die Sozialdemokratie: Geschichtsabriss und Standortsbestimmung*, Hamburger Hefte für Wirtschafts- und Gesellschaftspolitik (Hamburg: Verlag Weltarchiv, 1972), pp. 102-4. The same book contains a list of Landauer's publications.

Landauer's publications reflect these lifelong interests. Thus his *European Socialism*,[2] a monumental and definitive work of two volumes and nearly 1,900 pages, is—in the words of its subtitle—a history of ideas and movements from the Industrial Revolution to Hitler's seizure of power. At once encyclopedic and analytical, it has few peers in its field. Much less known but eminently noteworthy is Landauer's *Planwirtschaft und Verkehrswirtschaft* [Planned economy and market economy], a major landmark in the history of socialist—particularly democratic socialist—ideas.[3] Published in 1931, that is, during the Great Depression and close to the end of the Weimar period, it was never translated and thus escaped the attention it deserved. Of particular interest is the part of the book that discusses the conditions for a viable, effective, and (especially) democratic socialism. These conditions, in the author's view, are profit-sharing and participation by employees, and planning in a market context. The need to safeguard political democracy (especially important under socialism, because of the merger of property ownership with political power), the problem of motivating employees for effective participation, and notably the possibility of harnessing the market mechanism for the sake of economic efficiency in a socialist setting were all novel and pioneering ideas at the time. In that book Landauer was anticipating many important pragmatic problems of market socialism decades before they came to be fully appreciated, whether in Eastern Europe or elsewhere. And while the book appeared just as the literature defending the "competitive solution" for socialism (Taylor, Dickinson, Lange, Lerner, and others) was beginning to make its mark, the concerns and approaches of the two were strikingly different. The competitive solution school was concerned almost entirely with proving the abstract, theoretical possibility of efficient resource allocation with state ownership of the means of production; Landauer and his fellow German *Marketsozialisten* were rather searching for

[2] *European Socialism: A History of Ideas and Movements from the Industrial Revolution to Hitler's Seizure of Power* (in collaboration with Elizabeth Kridl Valkenier and Hilde Stein Landauer), 2 vols. (Berkeley: University of California Press, 1959).

[3] *Planwirtschaft und Verkehrswirtschaft* (Munchen u. Leipzig: Duncker & Humbolt, 1931).

feasible and viable ways of transforming actual institutions in order to realize a socialist society while preserving a democratic polity.[4]

The present study is of course very much in line with the author's lifelong scholarly interests. The "corporate state ideologies"—with emphasis on "state"—are those of both the political right and the political left in Europe before the end of World War II, which advocated the basing of political representative institutions on the economic functional principle—that is, where constituencies are not territorial districts but functional economic groups (industries, estates, economic classes, etc.). It is a powerful and, as the author repeatedly stresses, often misguided idea. Landauer tells us from the start that corporatism in this sense pretty much disappeared after World War II—though, one might add, with the unsurprising exception of Titoist Yugoslavia, where one chamber of the federal parliament has been partly structured on this principle.

But it is noteworthy that corporatism in a larger sense has survived and flourishes in many countries. In the social rather than "state" (political representational) sense, corporatism seems to have acquired a new lease on life in the advanced industrial countries of the West, and especially in Western Europe. This kind of corporatism takes the form of quasi-public policy making by the interplay of organized economic interest groups, such as those of workers, employers, small independent businessmen, farmers, pensioners, and the like. And, interestingly, the underlying philosophies of the new corporatism, whether religious or secular, trace their lineage to the ideologies discussed in Landauer's monograph. The interested reader will find a convenient introduction to the literature on the new corporatism in a recent review article by Gabriel A. Almond,[5] as well as in the book he reviews—*Organizing Interests in Western Europe: Pluralism, Corporatism, and the Transformation of Politics*, edited by Suzanne Berger.[6]

Department of Economics
University of California, Berkeley

[4]See the discussion in *European Socialism*, pp. 1643ff.

[5]"Corporatism, Pluralism, and Professional Memory," *World Politics* 35, 2 (January 1983): 245-60.

[6]New York: Cambridge University Press, 1981.

1. THE FORGOTTEN IDEA

Generally ideologies have a greater capacity to survive than have institutions. As a rule, a change in institutions does not completely extirpate the opposite ideologies. In modern times, there has been no monarchy without some republican dissenters, and hardly a republic without a monarchist opposition. A regime with severe restrictions on governmental power usually had a group calling for strong government. The survival of socialist tendencies in antisocialist regimes and of capitalist tendencies (and practices) in socialist or Communist regimes is obvious. The first half of the twentieth century, however, has supplied an exception: In the period immediately following World War I, a large number of writers believed that parliamentary bodies, formed by elections in geographic districts through the competition of political parties, should be replaced by assemblies consisting of delegates from vocational organizations. This idea had strong historical roots and was supported by important interests; at least in outside appearance, it was temporarily victorious in several countries. Yet since 1945, it seems to have disappeared from the face of the earth; almost nobody today advocates a "*Ständestaat*" or a "corporate state" in the old sense.[1] Even historiography seems to have largely forgotten that not so long ago this idea appeared to "ride the waves of the future." The struggle today over constitutional issues is conducted exclusively between the advocates of various types of dictatorship and those of parliamentary democracy, with or without modification by plebiscitary elements.

What concerns us here is the increase in some past decades in the advocacy of political corporatism or functionalism—i.e., the idea that the legislative bodies should be composed of delegates from

[1]The "New Left" has used the term "corporate state" to signify a state in which business corporations have important or decisive influence. If this usage were generally adopted, we would be at a loss to have an English equivalent for the German *Ständestaat*. The French and Italians, of course, speak of *ordre corporatif* or *stato corporativo* in the same sense in which the term is used here.

vocational organizations rather than of representatives of political parties elected in geographic districts. The mere idea that economic interest groups should be organized in private associations, and that laws hindering such organizations should be abolished, needed no emphasis in the large industrial nations after 1918; organizations of workers, industrial entrepreneurs, large and small agriculturalists, wholesale and retail dealers, and independent master craftsmen abounded everywhere in Northern and Central Europe and in North America, and the laws restricting their formation had long disappeared. Only in some less developed countries, such as Portugal, was business largely unorganized.

It had been different in the nineteenth century. The corporatist writers of that period—the intellectual ancestors of those who came after 1918—had still to struggle against laissez-faire individualism and its unfavorable bias toward organization of economic interests. The nineteenth-century corporatists therefore placed much emphasis on unions of those engaged in one of the many industries, crafts, or commercial or agricultural activities; in the works of some of these writers it is not quite clear whether they would not have been satisfied if these organizations had been permitted, promoted, and sanctioned by the state without obtaining a share in the legislative process.[2] Of course, it would hardly have been possible to base political representation on corporate bodies if there had not been a tendency for those bodies to be spontaneously formed; political corporatism therefore presupposes what one may call private corporatism. But in spite of this relationship, it is necessary to draw a clear line of distinction between the two because their political and societal significance is totally different. The agglomeration of economic interests in organized groups is inevitable in modern society; it is at least doubtful whether a modern parliamentary system could function if it had to deal exclusively with individual actors on the economic scene, and workers would be all but helpless without unions. By contradistinction, political corporatism, the replacement of modern parliaments by legislative bodies composed of delegates from organized economic

[2]Many corporatists expected the state to enact laws compelling the master artisans to form unions, and in some places such compulsory organizations were actually formed—e.g., in the German Empire through a law of 1897 under the name of Zwangsinnun gen.

interest groups, would mean the substitution of a loose alliance of vocational organizations for the unified state.

Private corporatism is not always completely private—i.e., totally separated from political power. Not only may the state make membership in some vocational organizations compulsory, but these may also in some instances receive delegated powers from the state. Professional organizations have been entrusted by democratic governments with licensing procedures and similar functions which involve the exercise of public powers; in some instances restricted self-government rights have also been granted to industries. However, as long as democratically elected legislatures can determine the limits of such rights and withdraw them if they have undesirable effects, the character of the state is essentially unchanged.

2. THE HISTORICAL ANTECEDENTS

The idea that citizens can elect somebody to act for them with the effect that these actions are to be regarded as those of the voters themselves goes back to antiquity; consuls and tribunes were elected to "represent" the Roman people, or the plebs. Still, this principle of representation was applied within narrow limits only; in particular, it was not used to overcome geographic differentiation—the provinces could not send representatives to Rome to participate in the legislative process. It was only in the later Middle Ages that the principle of representation by elected deputies was used not merely to have social groups, but also to have various parts of the country act together. The institution of the Estates marks the beginning of a process which formed modern nations. Without the delegation of powers to elected representatives of all regions, excessive localism and separatism could not have been overcome. The system of representation by Estates—elected representatives of the clergy, the aristocracy, the citizenries, and in some countries also of the peasantry who had to give their consent to new taxes and, in some instances at least, to the enactment of new laws—helped to create in the peoples of Europe the will and the capacity to face and handle national issues. To be sure, the beginnings of a national consciousness, which was the precondition of this will and this capacity, are older. From time to time a king, an emperor, or another leader had succeeded in an appeal to the sense of kinship which, though mostly overshadowed by local concerns and interests, existed among Englishmen, Frenchmen, Germans, and even Italians; but this was not sufficient for the sustained effort—military and economic—required, for example, by the Hundred Years' War between England and France.

The representation by Estates, however, fulfilled its unifying function only to a limited extent, even in a territorial sense. Most of the time, the representatives acted more as defenders of regional than of national interests. That was least true of England, where the forces of localism had been weakened by the Norman conquest; but it was

true everywhere on the Continent, even in France, and not only in terms of the great division between *langue d'oc* and *langue d'oïl* areas. Therefore, whereas the Estate system left territorial unity incomplete, it was itself an expression of social disunity. As a rule, each Estate had to give its consent to common measures before they were put into effect; there was not yet in the full sense a common will of the state, but the relationship between the different social groups resembled an alliance among sovereign powers.

It was no accident that the system of Estates came into full bloom in the thirteenth century. This was the period in which great social differentiation took place through the rise of the merchants and craftsmen of the towns. In the simpler economy of previous centuries, in which society was in the main divided into nobility—of which the clergy was often a part—and a subject peasantry, with agriculture the absolutely predominant occupation, the most important common tasks had been to protect the borders from invasions by Norsemen, Hungarians, and Saracens. They were, in most instances, met by local forces; even if a strong central power had existed, it would have found it difficult and often impossible to bring its force to bear on the endangered spots. However, great tasks requiring the efforts of whole nations emerged in the age of the crusades and later, and therefore at least such a modest amount of national integration as provided by the Estate system had become indispensable.

Economic development had made society more complex, and the new power of money had to be fitted into the scheme. But neither the representatives of this new power nor their rivals, the feudal and clerical nobles, were willing to accept majority decisions within a unified representative body; so each Estate deliberated and voted separately and negotiated with the others about the solution of common problems.

The task of creating a unified state, left incomplete by the Estate system, was completed—or all but completed—by the absolute monarchy; it achieved a relatively high degree of social as well as territorial integration. It either abolished the assemblies of the Estates or rendered them impotent; only in England did the crown succeed, after great struggles, in transforming the Estates from an element of social decentralization into an instrument of national unity. Royal absolutism cut the roots of the Estate system by replacing, in the minds of the people, allegiance to a particular social group (*Stand*) with

allegiance to the national king as the primary obligation of the individual. This change was a lengthy process, especially because the kings, themselves often bound by concepts developed in the previous feudal society, did not always consistently work for the transformation; but the tendency of the process was to bring it about that a man, as a member of society, was no longer primarily a nobleman, a burgher, or a peasant but a subject of the crown. This was as great a change as that subsequently effected—by the American and French revolutions and their sequels in the rest of Europe—from subject to citizen (*citoyen*, *Staatsbürger*).

3. THE IMMEDIATE ANCESTORS OF MODERN POLITICAL CORPORATISM

The age of revolutions was indeed a watershed in the development of ideas about representation. The change from *sujet* to *citoyen* led logically to experiments with universal manhood suffrage. In most instances, to be sure, property qualifications were attached to the suffrage laws as safeguards against "mob rule." These restrictions were often also based on the argument that only the possessor of property had a stake in the government—an argument faulty in its core: the poor need good administration as much as the rich. But in an age enthusiastic about the increase in wealth and tremendously interested in the accumulation of material goods, the argument seemed plausible. Even with restrictions, however, the voting for parliaments altered not only the mode of operation but the meaning of representation. Under the Estates' constitutions the representatives of the clergy, the nobility, and the citizenries each represented a rather closely knit group, standing for fairly well-defined material interests and often possessing a homogeneous ideology. Whatever the weaknesses of the assemblies of Estates, they were—most of the time—well organized. Under the new concept of citizenship, the electorate and consequently the representative assemblies seemed to become amorphous. Since an entirely unstructured voting public and an assembly without any kind of structure could not have fulfilled their functions, a system of political parties developed.

Soon, however, some opposition to parliamentarism based on parties originated. This opposition had various causes, but the most powerful was the fear of spoliation on the part of the property owners. A broad suffrage appeared as a menace to all vested interests, and property qualifications of the right to vote often seemed to be an inadequate protection of individual property, especially because some experiences—chiefly American—tended to demonstrate that there was a likelihood for them to be weakened or even abolished. Ever since the American and French revolutions had separated the

right to vote from hereditary status, the fear that cupidity of the masses would violate property rights had frightened those with large possessions, and sometimes even those whose possessions were not large. The spoliation of the Loyalists in the American revolution and some actions by the Jacobins reinforced this fear. The horror of "agrarianism"—as radically egalitarian tendencies were often called in the late eighteenth and early nineteenth centuries in remembrance of the Gracchi and other advocates of land distribution schemes—became and remained one of the major motives for the search of alternatives to modern parliamentarism.

To the fears for the security of property was added in some circles an ideological hostility to the spirit of the revolutions of 1776 and 1789. Although without these fears and this hostility the renascence of political corporatism could not be explained, the end of the revolutionary era did not immediately give the corporate idea a great role in practical politics; only in German literature did it begin to flourish.

In Britain the reform of parliament was on the agenda only in the sense of the necessity to abolish the "rotten boroughs" and to extend the suffrage to localities and population groups not hitherto represented. In France the restauration recreated the Bourbon monarchy but not the old tie between hereditary status and the right to be represented; only in the composition of the Upper Chamber did this tie receive limited realization. As in the French institutions, so in French conservative literature of the first decades of the nineteenth century, the principle of the state of Estates failed to play any important role. The leading antirevolutionary writers like Joseph de Maistre and Louis de Bonald used their pens in combatting republicanism and anticlericalism, and like Edmund Burke they believed that the state was a sort of organism and could change its constitution only slowly, through modification rather than destruction of the past. They were greatly interested in strengthening and enlarging the royal power and may have been unwilling to support a constitutional arrangement which would inevitably have restricted or even endangered the power of the king. After all, the Etats-Généraux had initiated the revolution.

It was somewhat different in Germany. The French and American view of the citizen as a person endowed with rights regardless of his membership in a social group was still strange to many Germans.

Consequently, when in the post-Napoleonic period the need was felt in several German states to give the people through their representatives a share in the government, the Estates, after some reforms, were used as the form of representation; where the monarchs were unwilling to admit such representation for the whole of their territory, at least the provinces possessed their Estates. Modern parliaments emerged in Germany only after 1848.

In German literature, the principle of the state of Estates found even more recognition than in constitutional practice. The German variety of the intellectual movement—for which the name of Romanticism has become customary—concerned itself very much with political philosophy, whereas in other countries Romanticism remained much more confined to trends in literature and art. The German Romanticists saw their principal enemy in individualism and consequently rejected an "atomistic" society in which the individual could claim his part in the formation of the will of the state directly and not as a member of a *Stand*. The seeds of this opposition to an atomistic society can be found in the works of Johann Gottlieb Fichte (1762-1814), especially in his work *Der geschlossene Handelstaat* [The state of closed commerce],[1] although there are probably still earlier roots. Largely under Fichte's influence, corporatist theory was developed by Friedrich Schlegel, Franz von Baader, and Adam Müller.

Schlegel (1772-1829) is a strong monarchist, but he wants some representation of the people in the form of Estates; he ignores the historical antagonism between the Estates and the royal power: "The king shall be one with the Estates—the center, the heart of the union of Estates [*der ständischen Vereinigung*] . . . . The Estates select their most capable members as representatives of their common interests to surround the person of the monarch. . . ."[2] The parliamentary forms of representation Schlegel treats with scorn:

> About the system of representation, strange hypotheses have been proposed recently, e.g., the idea that a whole country should be represented. Thereby the concept of representation loses its whole significance. One must have the character, the spirit and the mentality of the Estate which one wants to represent. . . . Only where

[1]Published in 1800.

[2]Quoted in Jakob Baxa, *Gesellschaft und Staat im Spiegel der deutschen Romantik* (Jena: Gustav Fischer, 1924), pp. 115ff.

representatives of the Estates exist in this sense will the commonweal be well taken care of [*wird gut beraten sein*], because then every Estate will stand for its cause with zeal and energy, whereas the king, in his exalted role, keeps only the general purpose of the state in mind.[3]

Schlegel was a playwright and historian of literature, neither a social scientist nor a political historian (although he wrote a philosophy of history);[4] the further elaboration of the political views of German Romanticism was the work of others, especially Adam Müller (1779-1829).

The foundation of Müller's political beliefs is the opposition to the idea that the state can be constructed or reconstructed by applying pure reason, without regard to the forms which have organically grown.

Do not . . . most political writers take an attitude as if they stood at the beginning of all time and as if the states should be created just now, as if the great works of statesmanship, which we meet in history, were nothing but poor attempts at achievement and history itself nothing but a course in experimental policy, as if only now states were born, only now governments begin? Or, as if they stood at the end of time and as if their predecessors were subject to [*müssen sich gefallen lassen*] what they, the last and wisest progeny, nourished with the wisdom and experience of all previous generations, were to decide about the works, the thousands of rules and opinions, even about the graves of their ancestors; in short, as if they were really the last ones or at least could guarantee that their own progeny were to accept all that they themselves decided, since they knew in advance everything the future generations would need and want.[5]

[3]*Ibid.*

[4]The limitations on his sense of reality are illustrated by his view that the peasants (*Landleute*) "have the same interests as the nobility" and would therefore probably not need a special representation in the system of Estates; only as a sort of afterthought does he add that the need for such representation might after all appear. Thus he ignores the fact that conflicts between nobility and peasantry fill many pages of European history.

[5]Adam Müller, *Die Elemente der Staatskunst* (Berlin, 1809; reed. 1922), vol. 1, first lecture, pp. 26ff. Like some other Romantics, Müller in many of his

If it is futile or even condemnable to try to create new forms of political life from considerations of pure reason, if only the organically grown is viable, then the only possible form of representation is the one inherited from the Middle Ages—i.e., the assembly of the Estates.

> All constitutional law [*Staatsrecht*] has its foundation [*Sitz*] in the Estates: Recent doctrines present the ordering of constitutional forms . . . as a matter of pure reasoning [*Calculs*] . . . . One disregarded entirely the fact that nature has already solved the constitutional problem in advance in every family.[6]

For Müller, the family is the original model of all human organization and consequently also of the Estates. As within the family husband and wife have different functions but form an entity of which the several parts act together, so each of the Estates has a different task to fulfill and ought to be equipped with resources adequate to this task; it then becomes one of the pillars of the common structure, the state.

The most important of the other German Romanticists who advocated a state of Estates were Joseph Görres (1776-1848)—who started his writing career as an enthusiastic supporter of the French revolution but eventually changed his views entirely—and Franz von Baader (1765-1841). There is hardly any argument, however, in their writings that could not be found in those of Adam Müller. What motivates the corporatist proposals is, for the most part, first, the misgivings about an amorphous electorate, or perhaps better an amorphous society, especially because it is thought that a direct confrontation between the monarch and his subjects must lead to absolutism.

> It is necessary that between the supreme power and the simple [*letzten*] subjects there must be the Estates . . . which should mediate and smooth things over. . . . If the actions of the supreme power fall directly upon the individual, they prove inevitably oppressive [*erdrückend*] or despotic, but not so if the individual

writings lays greater emphasis on justifying the existence of separate Estates and their organization in guilds and other bodies than on their role in forming the will of the state. The details of his ideas about fulfillment of this role often remain vague. There is no doubt, however, that he wanted the Estates as the basis of political representation.

[6] *Ibid.*, vol. 1, ninth lecture, pp. 189ff.

is affected by such actions as a member of an Estate or a corporation.[7]

Although the Romanticists wanted a strong monarchy, they were hostile to royal absolutism. Gorres writes:

> During the time of our babylonic captivity [the reference is of course to the domination of Germany by Napoleon and his satellite princes] when . . . despotism renounced all obligations toward a superior power [*nach oben*], it imposed them on the inferiors [*nach unten*], on the peoples and destroyed all their rights. In those days the constitution of estates, the pillars on which our ancestors built the structure of the state, was broken up. Now the throne stands alone . . . in the middle of the crowd [*Volksgetümmels*]; the prince sees only servants around him; nobody tells him the truth, and the whole oppressive burden of responsibility devolves upon his single head. Which ruler would want to bear this burden, to suffer this loneliness [*Verlassenheit*] in the misery and the pressures of these times.[8]

One basic mistake already contained in the writings of these early advocates of corporatism is expressed in Schlegel's statement that "one must in reality be that which one is supposed to represent." It is a dangerous half-truth. Of course a representative must be familiar with the interests of those whom he has to represent. But it is not true that only a landowner can voice the grievances and desiderata of landowners, and not even that only a worker can be an advocate of workers' interests. Why should it be impossible for a voter to take the position that this or that candidate, although he is of a different profession, is likely on the majority of issues—though perhaps not on each single one—to take the same position as the voter himself would have done?[9]

[7] Franz von Baader, *Grundzüge der Sozietätsphilosophie* (reed. 1917), p. 24; quoted in Jakob Baxa, *Einführung in die romantische Staatswissenschaft* (Jena, 1931), p. 253.

[8] Joseph Görres, *Rheinischer Merkur*; herausgegeben und eingeleitet von Arno Duch (Munich: Drei Masken Verlag, 1921), p. 69.

[9] Schlegel's error is found with quite a few of the later corporatists, especially G. D. H. Cole; see below.

Moreover, political corporatism tends to aggravate a fault which has a damaging effect in every political system. Usually every member of an economic interest group likes to think that the interests of all groups, as understood by their members, add up to the interests of the national community. But this is a most doubtful assumption for a variety of reasons. For one thing, businessmen, agriculturists, and workers are, as a rule, guided by their short-run interests; but the effective guardianship of the fortunes of even an individual branch of the economy would require a long view, and the same is true to a still higher degree of the good of the national community. Even in a parliamentary system it is often difficult to safeguard the long-range needs because people have a tendency to concentrate on the interests of the day; in an assembly of Estates, in which the spokesmen for the various vocational groups alone have the say, it would be near impossible. A second reason why the interests of the various groups do not add up to the national interests is the tendency of these groups to secure each other special privileges—"if you protect my monopoly, I will protect yours."

Furthermore, in a system of political corporatism representation would be based on economic group interests; aside from all other objections, such a system could be justified only if in politics the only important thing were economic interests. By contradistinction, the political parties of which modern parliaments are composed are groups of people whose ideas on how the business of the community is to be conducted are similar. These ideas are strongly influenced by economic interests, but—whatever the philosophers of the "end of ideology" say—they are not entirely determined by them; issues of human rights, of war and peace, of environmental protection play a role, sometimes in concurrence and sometimes in conflict with economic interests. It is strange that the German Romanticists who, all of them, were high idealists, supported a system which was based on the assumption that ideas are not very relevant in politics.[10]

[10]This contradiction is to be found with many later corporatists as well. For example, Othmar Spann, one of the foremost advocates of a state of Estates in the 1930s, rejected materialism with the harshest words (see his *Der wahre Staat* [1st ed., 1921; 5th ed. Graz: Akademische Druck & Verlaganstalt, 1972], pp. 186ff.). Among the motives of Spann's aversion to materialism, his hatred of Marx undoubtedly played a role, but there is also no doubt that he considered himself a genuine idealist.

In the first half of the nineteenth century there began a seemingly subtle but actually very significant change in the thinking of political corporatists. In the Middle Ages and in the early Modern Age, voting and representation had been determined by hereditary status, and the latter, with few exceptions, also determined the social function which an individual was supposed to fill; thus the advocacy of a regime of Estates could as well be called political functionalism as political corporatism. The Romanticists, in the main, accepted the significance of hereditary status, but here and there in the Romanticist literature the idea creeps up that hereditary status could have a bearing on representation only because, and insofar as, it is identical with social function. Socioeconomic development, however, reduced or even dissolved the tie between status and function. As hereditary status became less relevant and finally (almost) irrevelant in economic life, the corporatists made function instead of status the criterion of representation. Some vague idea about a continuing connection between status and function remained with some of the corporatist writers,[11] but on the whole the shift was marked.

[11]It is noticeable even in as late a writer as René de La Tour du Pin La Charge; see "La Noblesse en France," first published as an article in 1904, and included in a later collection, *Vers un ordre social chrêtien* (Paris: Beauchesne, 1929), pp. 370ff.

4. CORPORATISM IN SEMI-DORMANCY

German Romanticism had run its course around 1830. In France the issue of monarchy or republic, and if monarchy, what kind of monarchy, dominated the constitutional debates almost to the exclusion of all other questions. Thus in the period from 1830 to about 1850, political corporatism remained nearly dormant. But even in this period there were some writers who, without going all the way to political corporatism, cultivated ideas which later functionalists could use. One of the most important French social scientists in the early nineteenth century was Jean Simonde de Sismondi (1773-1842). Through his criticism of the parliamentary system and the conclusions he draws in regard to constitutional reform he comes close to the corporatist position,[1] but since the emphasis of his work lay elsewhere—in business cycle and population theory—his influence on the development of functionalism was relatively small. Aside from the early advocates of socially progressive Catholicism, about which more will be said later, the most influential of these proto-corporatists was Julius Stahl (1802-61), for a time the intellectual leader of German conservatism. He was primarily interested in strengthening the monarchic and aristocratic influence in the representative bodies and to this end considered the inclusion of some functionalist elements in the electoral system.[2]

Toward the end of the period, the advocates of functionalism became more numerous and more outspoken. In France, Albon de Villeneuve-Bargémont and Félix de La Farelle (1800-72 and 1800-71 respectively) emphasized the importance of guilds without paying

[1]See esp. Heinrich Herrfahrdt, *Das Problem der berüfsständischen vertretung von den französischen revolution bis zur gegenwart* (Stuttgart/Berlin: Deutsche verlags-anstalt, 1921), pp. 43ff.

[2]Another conservative leader, Ernst Ludwig von Gerlach (1795-1877), might have rivaled Stahl's influence if he had shown more flexibility. As it was, his desire to go back to conditions before the revolution, including a medieval system of Estates, was too reactionary even for the German conservative party, and Gerlach became a political outsider.

much attention to the problems of political representation.[3] But the most important of those French writers who came close to being political corporatists in this period was Eugène Buret (1811-42). His major work is *De la Misère des classes laborieuses en Angleterre et en France*.[4] He not only demanded a revival of the guilds, but wanted them to include workers as well as masters with equal rights.[5] He presented an elaborate scheme of local, regional, and national representation on the basis of delegation from guildlike bodies. Although he does not explicitly demand political functions for these vocational organizations, he wants them equipped with such far-reaching powers of economic regulations as to deprive the old legislations of the larger part of their jurisdiction. The importance of the economic functions was enhanced by Buret's belief in the necessity of guiding production in order to prevent errors in judging the market situation. According to him, in the capitalist market economy "the producer is obliged to work haphazardly; he possesses no sure means of knowing the true state of the market, and that is why he so often happens to employ his capital fruitlessly, by making it produce objects for which the market is already saturated."[6] A guildlike body, composed of

[3]See Matthew H. Elbow, *French Corporative Theory, 1789-1948: A Chapter in the History of Ideas* (New York: Columbia University Press, 1953), pp. 32ff. and 36ff.

[4]Paris, 1840.

[5]This is a decisive point. The ideas about reconciliation of classes, so strong in nearly all later corporatist writings, would have been quite hopeless if the corporate bodies had been under the exclusive domination of the employers, as they were to be, for example, under the scheme worked out by La Farelle; see his *Du Progrès social au profit des classes populaires non indigentes* (1839) and *Plan d'une réorganisation disciplinaire des classes industrielles en France* (1842); both writings are contained in a reedition (Paris, 1847). What Buret failed to realize was the need and desire of the workers for organizations of their own; they would hardly have been content with the possibility of sending delegates to the "family council of trade," in which these had to sit and vote with employers' representatives. In this respect, Italian fascism was more realistic since in its corporate system the organizations of workers and employers formed different components of the corporations. Philippe Buchez, the great promoter of cooperatives in France, has in principle endorsed a corporate system but with important details remaining unclear.

[6]Buret, *De la Misère des classes laborieuses en Angleterre et en France*, p. 430; quoted in Elbow, p. 41.

employers and workers of the same industry, might obtain enough knowledge of the market to prevent depressions with their disastrous social effects.

Another writer of the same period was Heinrich Ahrens (1808-74). After having proposed vocational representation only for the Upper Chamber of a bicameral system, whereas the Lower Chamber should be formed by elections on the basis of universal suffrage, in a later work he entirely rejected this method and demanded an Upper Chamber of delegates from local and regional bodies and a Lower Chamber formed by representatives of the various economic, intellectual, and spiritual interests. More than other corporatists, Ahrens bases his reasoning on natural law philosophy.[7]

Robert von Mohl (1799-1875), an outstanding expert on constitutional law who also filled some political posts, advocated a rather complex system of vocational representation. He wanted this system to be divided into representatives of individual interests, those of group interests, and those of interests of the whole community. The representatives of individual and group interests should be consulted by the royal government separately whenever their special concerns are affected by public action; only when matters are to be decided which are of significance for the whole national community should all the representatives be called together to deliberate as one body. Obviously in many instances it might be doubtful whether a particular matter was one of individual, group, or national interest; Mohl suggests that such cases should be decided by a special committee. One can easily imagine what delays and complications would result if, as a preliminary to the deliberations on the matter itself, a procedure would have to take place to decide to which of the three groups a particular case belonged.

Furthermore, the setup recommended by Mohl would give the government ample opportunity to play one group against the other, and it is doubtful whether Mohl, who was not without liberal leanings, really wanted to put the government in that position. But whatever the weaknesses of his scheme, Mohl saw one problem more clearly than many other corporatists: the problem of how the votes in the

[7]See *Organische Staatslehre* (1850). See also Herrfahrdt, p. 49, and Edgar Tatarin-Tarnheyden, *Die berufsstände, ihre stellung im staatsrecht und die deutsche wirtschaftsverfassung* (Berlin: Heymann, 1922), pp. 114ff.

corporate bodies should be distributed. However, the solution which he proposes is not particularly convincing. He wants the votes of each section of society determined by three criteria. The first is the number of people who share the interest concerned; at least this would be an objective criterion, although one based on counting heads and therefore hardly in harmony with some of the principal corporatist arguments against parliamentarism. The second criterion on Mohl's list is the size of capital investment, which is often irrelevant: if at a particular moment agriculture requires less (or more) investment than industry, why should it therefore obtain fewer (or more) votes? The third criterion is the intellectual or spiritual significance of the group—e.g., of a group of scientists as compared with one of manual workers. Obviously this can only be determined by an entirely subjective judgment which would undoubtedly give rise to innumerable disputes.

In the case of two writers, it is unclear whether they belong to this period in which corporatism was semi-dormant or to the following, in which it experienced a flowering. One of these writers is the philosopher Karl Christian Planck (1819-80). He wants a corporate structure for all levels of representation—local, community, district, and state—and is therefore one of the most consistent corporatist thinkers. The other is Karl Levitas, whose principal work, *Die Volksvertretung im repräsentativen Staate der Gegenwart*, appeared in 1852. He was strongly influenced by Sismondi. He believes that if the poor and the rich were to be included in the same corporative bodies, such an arrangement would lead not only to social peace, but also to social justice. He wants the subdivisions of the state to be governed by bodies which in part are composed of representatives of the economic groups and cultural institutions, and in part apparently by those elected on the basis of universal suffrage. Representatives of economic groups and cultural institutions and those delegated from local and regional self-governing bodies are also supposed to form the bodies of national representation.

5. REAWAKENING OF CORPORATISM

The more we approach the second half of the nineteenth century, the stronger appear the corporatist tendencies in literature, and as we pass the borderline of approximately 1850, we find a real flowering of corporatist thought—limited, to be sure, to a section of the intelligentsia. The main reason for the flowering was the general development of society, promoted by industrialization. Industry had grown beyond its first stage of development, and with its growth the accompanying evils, both material and moral, had increased too. Although the vast majority of the peoples of Europe, or at least of their articulate sections, were enthusiastic about the progress of production, a minority became critical and asked whether the quality of life was not declining. The influence of that minority created an undercurrent of antimodernity, and parliamentarism was widely regarded as part and parcel of modern life.[1] Among the problems which industrialism had created was the class struggle between employers and the industrial proletariat—not the first great social conflict, but a more permanent and therefore more menacing feature of societal life than previous struggles among nobility, peasantry, and citizenries. The French revolution of February 1848, in which the working class for the first time played an independent role and which led to street battles in June 1848, and some events of the German revolution of 1848-49—especially the founding of the Arbeiterverbruederung (workers' fraternity) and the uprising in Baden and the Palatinate—aggravated the fear that a class war might disrupt the unity of every nation and perhaps end in destruction of all property rights. On the other hand, the seizure of power by Louis Napoleon and the founding

[1]The antimodernist minority was at least as strong in Britain as on the Continent; one has only to think of John Ruskin (1819-1900) and William Morris (1834-96). Just the same, Britain never had a substantial movement for political corporatism except in guild socialism, which drew its strength from other roots. The question why this was the case is intriguing; surely the firmness of the British parliamentary tradition supplies a partial explanation.

of the German Empire by Bismarck met with some opposition not only by liberals, but also in some conservative circles which were afraid of royal despotism and centralism. The revival of the political role of organized vocational groups as parts of the state machinery—in conjunction with regional autonomy—seemed a preventive against these tendencies.[2]

It is doubtful, however, whether a revival of political corporatism would have been possible if there had not been a spontaneous movement for the formation of organized vocational interest groups which strove for political influence, like trade associations, chambers of commerce, and, of course, labor unions. Unless the vocational groups themselves created bodies for the protection of their interests, political corporatism would have presupposed the creation of such bodies by state action, which seemed neither very realistic nor particularly desirable to many functionalist writers; on the other hand, to equip the spontaneously formed organizations with public power seemed a feasible step.

The postive arguments for a functionalist order were reinforced by a negative one: the impression that parliamentarism had degenerated from a battlefield of ideas to a marketplace for bartering economic advantages of different interests according to the motto *do ut des*—"logrolling." Therefore, nothing worth preserving would be lost if political parties were replaced by organizations which openly professed their commitment to special interests; on the contrary, some corporatists believed, by pushing aside the veil of ideological conflict

[2]Some special factors favoring a corporatist revival were to be found in some countries. In France the great sociologist and founder of the positivist school of social philosophy, Auguste Comte (1798-1857), indicated in his works a good deal of sympathy for political corporatism; the Count of Chambord, the legitimist pretender to the throne, not only advocated a revival of the guilds, but also indicated, though in vague terms, that these may play a political role (see Elbow, pp. 44ff.). The personal influence of these men, though confined to limited circles, gave corporate thinking a new prestige. In addition, the Commune of 1871 reinforced the horror of class war. In Germany the period around 1850 saw a very intense discussion of the problems of German unity, not only about the utility or disutility of unification, but also about the problem of a unitary or a federal state and about the rival claims of Prussia and Austria to a hegemonial position in the future Reich. Generally speaking, the partisans of federation and the opponents of Prussian domination were more favorably inclined toward corporatism than their adversaries.

with which the parties camouflaged their true nature, political life would be freed from hypocrisy.

CATHOLIC INFLUENCES

There had been strong Catholic influences already on the Romanticists, several of whom converted from Protestantism to the Roman Church; the impulses for a revival of corporatist thought in the second half of the nineteenth century came also largely, though by no means entirely, from the Catholic side. This affinity of political corporatism and Roman Catholicism had historical as well as contemporary causes. For a long time the Roman Catholic Church had looked back longingly to the Middle Ages, in which it had held almost undisputed sway over the minds of men and could at times even claim the role of supreme arbiter in worldly affairs. Among the medieval institutions through which the Church could exert influence were the Estates, in which the clergy was represented. Moreover, the Estate system seemed congenial to the medieval Church because, on the one hand, it was the strongest expression of the existing social order which the Church, at least prevailingly, wished to preserve; on the other hand, it put limitations on the power of the princes with whom the Church was often in antagonistic relations. When in the nineteenth century church-minded Catholics were living in an atmosphere which appeared to them as one of disarray, with the position of the Church endangered by the aftereffects of the Enlightenment, by revolutions with secularist tendencies, by monarchies which despoiled Church institutions of their property, and by ominous signs of a beginning class war, a part of the Catholic intelligentsia was groping for a political system that would end the break with traditions and thereby ban the danger of change developing into chaos. It was almost inevitable that some of them hit upon the idea that their problems could be solved by restoring, with necessary modifications, the medieval system of Estates. Thus the strongest force operating for a renewal of the ideology of political corporatism in the second half of the nineteenth century was a section of the Catholic intelligentsia, in Germany as well as in France.

Most open to these ideas and soon their most active promoters were the socially minded Catholics. The secularist tendencies of the

revolutions, the rough treatment of the Pope by Napoleon, and the destruction of the property rights of Catholic institutions by German governments under Bonapartist influence had at first caused an almost complete identification of the Church with the *ancien régime*, and this attitude implied that Catholicism wanted to keep the lower orders, including the nascent industrial working class, in their places. But this tendency did not long remain without an opposition. Writers like the priest Félicité Robert de Lamenais (1782-1854) tried to interest the Church in improving the condition of the lowly; the same did Buchez.

In Germany the most prominent spokesman for this group was Wilhelm von Ketteler (1811-77), bishop of Mainz; in his writings strong elements of corporatism can be found.[3] But Ketteler did not develop a consistent program of political corporatism; his disciple, Franz Hitze (1851-1921), came closer to proposing such a system.[4] Hitze's point of departure was an absolute rejection of individualism. This was the reason why, for a while, he opposed "meliorism"—the belief that even in the capitalist order with a parliamentary system the lot of the workers could be improved through legislation. The point which for him in this period was the most important was the replacement of a form of society in which everybody was trying to gain at somebody else's expense by one in which people would feel and behave as brothers. He thought that a corporate system building on the traditions of the medieval guilds would satisfy this requirement.

Ketteler's influence went beyond the borders of Germany and was particularly strong in France; for example, Count Armand de Melun took up many of Ketteler's ideas and became a strong advocate of protective legislation for workers. Why was it that precisely the socially minded Catholics became precursors and soon advocates of political corporatism? All these writers either wished to eliminate the class struggle or at least reduce its bitterness. They regarded the old

[3]See Ralph H. Bowen, *German Theories of the Corporative State with Special Reference to the Period 1870-1919* (New York: McGraw-Hill, 1947), pp. 79ff. It is remarkable that Herrfahrdt and Tatarin-Tarnheyden fail to mention these tendencies in Ketteler's work.

[4]Hitze's main work was *Kapital und Arbeit und die Reorganisation der Gesellschaft* (1880). See Bowen, pp. 96ff.

guild system, in which masters and journeymen were both represented, as an arrangement assuring social peace. And these writers wanted not only social peace, but also social justice. Most of them were not blind to the fact that medieval society was full of oppressive features, but they thought that on the basis of the guild system it would be possible to erect a corporate structure which would facilitate the improvement of workers' conditions. It was undoubtedly also an important factor in the situation that the leaders and the majorities in the existing legislatures still showed little interest in bettering the workers' lot. The continental states were even late in emulating the British Factory Acts. This, to be sure, changed radically in Germany in the last decades of the nineteenth century and in France a little later. In that later period, modern parliaments proved capable of creating protective laws, on the one hand, and—at least most of the time in the technologically advanced countries—also of establishing necessary limits to the power of labor. These achievements, however, did not always create general contentment or even prevent a rise of corporatist ideology.

Most of the socially progressive Catholics started from interest in guildlike bodies with economic functions. But if the guilds could prove their worth in the economic field, should not the same principle be applied to the political structure? In this way could not party strife be ended and a harmonious society be achieved? Most of the socially minded Catholics were inclined to answer these questions in a positive sense, although not all of them were as firm in their political conclusions as in their economic postulates.

RENÉ DE LA TOUR DU PIN LA CHARGE

In France the most influential of the political corporatists, who also was a leader of social progressivism among Catholics, was the Marquis René de La Tour du Pin La Charge. He was a nobleman and military officer who had lived through the Franco-German war of 1870-71, in which he had been a prisoner, and also through the Commune upheaval and the quarrels between monarchists and republicans during the first phase of the Third Republic. To a conservative like him, so much disorder must have seemed a strong indication that a fundamental reform was needed, and the Boulanger crisis, the Panama

scandal, and the Dreyfus affair can only have strengthened that conviction. Moreover, he was much concerned about the social situation of the workers, for whom the French parliamentary republic had done less than had imperial Germany. Finally, since he was at the same time a strong monarchist and a hater of royal absolutism, it was natural for him to fall back upon the idea of renewing the state of Estates, the limited monarchy of the Middle Ages, in modernized form.[5]

In spite of his conservatism, Tour du Pin was aware that the developments since the late eighteenth century could not simply be undone; the medieval pattern had to be changed—and not only by replacing the hereditary Estates by modern vocational groups. Tour du Pin even subscribed to the rule that "the taxpayers should have to pay only those taxes to which they have consented" through their representatives.[6] Generally consistency is not Tour du Pin's strong point, and in spite of his efforts to give a complete picture of his idea of a corporate political order, many details remain vague. Just the same, he comes closer to describing the characteristics of a corporate political order than almost any of his fellow corporatists in the nineteenth century.

It cannot have been easy for Tour du Pin to reconcile his strong royalism with the important role he attributed to the Estates, which were historically—most of the time during the Middle Ages and the early Modern Age—the principal opponents of the monarchy, nor was it less difficult to adjust the whole scheme to the requirements of modern life. Some of the inconsistencies found in his writings and

[5]In 1881 Tour du Pin even tried to induce the Minister of War to stage a military insurrection in favor of the pretender, the Count of Chambord, and therefore had to leave the army. Pope Leo XIII early in the 1890s exhorted the French Catholics to behave as loyal citizens of the French republic, but Tour du Pin did not accept the papal admonition, and over this issue broke with his friend Albert de Mun, with whom he had shared captivity in Germany and with whom he was in general agreement about corporatism.

[6]*Vers un ordre social chrétien*, p. 254. Of course, the rule that taxes can only be collected after having been approved by representatives of the taxpayers is of medieval origin and therefore seems to fit into corporatism. However, the role which the slogan "No taxation without representation" had played in the American revolution had given the principle an aspect which made its adoption by a corporatist appear as a concession to modernity.

especially the changes he made over the years may have had their roots in these difficulties.[7]

One feature in Tour du Pin's program for the construction of government remained constant through all the successive versions of his scheme: the great role of the king. He is not to have absolute power, but he stands at the head of the whole structure. He is assisted by a Council of State, whose members he appoints, and by a senate, also composed of royal appointees, which is supposed to decide constitutional issues.[8]

To represent the people, Tour du Pin proposes two chambers. The first, called the Chamber of Deputies, is to be elected by indirect voting by all payers of direct taxes,[9] and is, as a rule, to be divided into several sections according to the amount of taxes paid; presumably each of these sections is to have the same representation in the chamber.[10] The Chamber of Deputies has the right to vote on taxes. Tour du Pin seems to prefer that the "electoral colleges" which choose the deputies be one for each region rather than one for the whole country. But he is not dogmatic on this point. The king will appoint some of the deputies to sit with the elected ones, apparently with the same rights. How this can be reconciled with the rule that taxes can be imposed only with the consent of representatives of the taxpayers remains unexplained.

The other chamber, called the Chamber of Estates, is composed of a variety of groups. The constituted bodies, such as churches and

[7]See Elbow, pp. 76ff.

[8]This is stated in a table which Elbow drew up to show the scheme of government proposed by Tour du Pin in 1896 (see Elbow, p. 77.) In a section of *Vers un ordre social chrétien* written in 1900, Tour du Pin does not mention the senate but says that "three sovereign courts" have to be established: aside from the Council of State, a Court of Accounts and a Court of Appeals (p. 485).

[9]"This [the need for consent by representatives] applies only to direct taxes which have at the same time a character of reality because of their purpose and a personal character because of the payer" (Tour du Pin, *Vers un ordre social chrétien*, p. 254). It is unclear why the rule of no taxation without representation should not apply to indirect taxes. The attempt at a distinction which had been made during the antecedents of the American revolution could hardly have given encouragement to a repetition.

[10]Tour du Pin thought of three sections; he may or may not have had in mind the example of the three sections provided for in the Prussian constitution.

universities, will send their chiefs as delegates to the chamber; the liberal professions will form a chamber for each regional unit by delegation from their existing organizations, and these chambers in turn can delegate members to the Chamber of Estates. Labor unions and employers' associations will also form chambers for geographic districts, each chamber being composed of employers' as well as labor representatives with the right of delegation to the national chamber; essentially the same organization and representation will exist for agriculture; in addition, the king can appoint some members of the Chamber of Estates. The functions of the Chamber of Estates are in the main or exclusively—this point remains somewhat unclear—consultative; it has to pass on legislative proposals submitted by the Council of State—which really means the crown—but presumably only to give its opinion, without a power of veto.

Perhaps in no matter of equal importance did Tour du Pin change his opinions so profoundly as in regard to the Chamber of Estates. In the beginning he regarded an assembly of all Estates, formed in part by the leaders of existing organizations and institutions and in part by elected delegates from the regional Estates, as a necessary counterweight to the assemblies of representatives of all taxpaying families. Even the synopsis of Tour du Pin's opinions, compiled by Elbow and written according to the stand of 1896,[11] still puts this "high chamber" into the scheme. But in an article in 1905 he calls "a single chamber for all the professions a tower of Babel . . . which would rapidly degenerate into a closed camp and in which the common interest would find no advocate, and where the particular interests would be in perpetual conflict."[12] It was probably Tour du Pin's idea in this period that individual Estates should negotiate with the crown about each proposed measure. That such a construction would mean the dissolution of the unified will of the state hardly needs an explanation.

Tour du Pin does not seem to have asked himself whether under a constitution like this the social welfare legislation in which he was very much interested would have much of a chance. Clearly the Chamber of Deputies, elected on a plutocratic basis, would not be likely to promote social progress. But even the Chamber of Estates,

[11] Elbow, p. 77.

[12] *Vers un ordre social chrétien*, pp. 393ff.

though partly composed of delegates from units in which labor had its representatives along with employers, would not be an effective instrument to promote an energetic social welfare policy since the labor delegates could form a majority only together with others who were not dependent on any labor vote.

It seems that in the opinion of Tour du Pin the real protector of the workers and generally of the lower classes would be the king. This was in line with his tendency to expect the initiative to all important policies to come from the crown; this tendency, of course, was difficult to reconcile with his hostility to absolutism. But history did not support the assumption that the French kings were prepared to play such a role. If the Hohenzollern had only a questionable right to be called by their adulators *rois des gueux* (kings of the beggars), the French kings since Henry IV—perhaps with the exception of Louis XIV in his early reign—had even less claim to that title. It was Tour du Pin's mistake—shared by many, to some extent by all corporatists—to assume that harmony would reign where historical experience and sober analysis would rather suggest antagonism between the king and the Estates, between workers and employers, among the various Estates. For men like Tour du Pin, the state of society seemed to posit two tasks: first, to build dams to protect authority and property from the socialists; and second, to give the workers assurance of an adequate standard of living and of material and spiritual security. What he and many others failed to recognize was the need for caution in dam-building if the second part of the program was to be carried out. Certainly it was not necessary to adopt the whole socialist program or to let the socialists gain full power in order to promote social progress; but to take all or most power away from the workers, as Tour du Pin's scheme would have done, would have had the inevitable effect of frustrating the force which was essential for the enactment of social reform legislation. As the history of social reform clearly shows, the betterment of the workers' lot, though not necessarily the achievement of the workers alone without outside support, cannot be secured unless the workers are given a share of effective political power.

Tour du Pin was in favor of regional autonomy; he believed that the scheme of territorial reorganization, which his work contains, "guarantees the provinces or at least the great regions consisting of provinces [*régions provinciales*] their natural and historic autono-

my."[13] Tour du Pin shows little understanding of the need of a modern state, which willy-nilly had to play the power game of the late nineteenth century, to provide for a concentration of its economic and social forces as a prerequisite of military strength—a need which is compatible with only a limited geographic and social autonomy of its parts; this seems strange in a man whose mind was largely shaped by military experience. Tour du Pin especially failed to realize that his scheme of corporate representation would tend to dissolve the state into a federation of social groups. Apparently he thought that the king alone would by his power represent enough of an integrating force to make sure that France could marshal its resources in a crisis, although history could have taught him that even strong royalty needed a superstructure of unifying factors to fulfill that task.

Is it justified to regard Tour du Pin as a determined advocate of political corporatism? In his scheme the Chamber of Deputies, elected on an undemocratic suffrage but not formed by delegation from vocational bodies, has important fiscal functions which in a pure corporate system would belong to what Tour du Pin calls the Chamber of Estates; and the great rights of the king infringe on the latter's power. But the emphasis in Tour du Pin's writings, aside from the kingly powers, is almost entirely on vocational representation; this is the idea which distinguishes his goals from those of many other royalist or Catholic writers. One may also raise the inverse question: Why did Tour du Pin not want to hand over all the governmental power to delegates from vocational organizations? Aside from his emotional royalism, which caused him to strengthen the hand of the king even at the expense of the influence of functionalist bodies, there may have been in his mind traces of the knowledge that parliamentary institutions still had considerable prestige, in spite of many events—especially the Panama scandal—which tended to discredit parliamentarism. When the dust had settled after each crisis, the parliamentary institutions were again on firm ground. Tour du Pin may not have dared to uproot entirely the institution which permitted every Frenchman, or at least every taxpayer, to go to the polls and elect representatives because that institution had taken too deep roots in the consciousness of the nation.[14]

[13] *Ibid.*, p. 484.

[14] Tour du Pin had some international contacts. During the years 1877-81 he

CONSTANTIN FRANTZ

Tour du Pin had the support of a substantial section of French Catholicism. He was therefore able to win a limited circle of adherents on the political right during the period of the Third Republic. By contrast, the most important German corporatist thinker during the second half of the nineteenth century, Constantin Frantz (1814-91), remained essentially a lonely figure. He was separated from the ultra-conservatives by his ideas on international affairs and other elements of his thinking; he might have found sympathy for his corporatist ideas with the disciples of Bishop Ketteler, but being a Protestant, he did not find it easy to establish contact with this group.[15]

Tour du Pin and Frantz lived in very different external circumstances, and their general outlook toward political life was also quite different. Tour du Pin wrote in a republic which was supported by the majority of the electorate but which he opposed; Frantz lived in a strong monarchy which as an institution he supported but many of whose policies he condemned. At the time of Tour du Pin's literary activity, France still lived in the shadow of the defeat which had been inflicted upon her by Germany in 1871; she was still in a phase in which her power had to be rebuilt. Prussia, at the time of Frantz's main literary activity, was at or near the apex of her power, and the questions of how this power was to be used, and what guarantees should be established against its misuse, were very much on the agenda. Tour du Pin was a French nationalist who failed to see how difficult it would be to provide the foundations of a national power policy under a corporate system. Frantz was, if not an internationalist,

was a military attaché at the French embassy in Vienna. There he made the acquaintance of some Austro-German social Catholics, especially the Baron Karl von Vogelsang, who was leaning toward political corporatism. These contacts led to the founding of the Union Catholique de Fribourg, which became an international center for socially minded Catholics. The outstanding leader was Prince Loewenstein.

[15] Frantz had contacts with some Catholic political leaders, especially with the outstanding parliamentary leader Ludwig Windthorst. But these practical parliamentarians were not fundamentally interested in a constitutional reform which had no chance of realization in the foreseeable future. See Constantin Frantz, *Der Föderalismus als universale Idee* (Berlin: Oswald Arnold, 1948), p. 20.

at least a foe of all narrow nationalism, and he saw in political corporatism, among other virtues, a safeguard against the excesses of national power policy.[16] In other words, whereas Tour du Pin did not recognize how much he weakened the state by his corporatist scheme, Frantz wanted a state not strong enough to conduct a strong policy in domestic or in foreign relations. In the main line, therefore, though not in all details, there is more consistency in the writings of Frantz than in those of Tour du Pin. The belief in group and regional autonomy, federalism, was for Frantz the center of his creed and the solution to all the fundamental political problems as they presented themselves to him.

Frantz criticized parliamentarism based on universal suffrage most severely. Like Schlegel and later Cole, he denied the validity of the concept of representation underlying the election of modern legislatures.

> Mobs [*Menschenhaufen*] which get together merely for the act of voting are in principle not capable of being represented. That which ought to be represented has to form a living body, within which through personal contact among the members, through common mores and habits as well as through common wants and interests a real common will and striving is created. To say it differently: Only organized bodies are capable of being represented. . . . Furthermore, an organized body can only be represented by someone who belongs to it; for the representative has to be imbued with the spirit of the body whose will and striving he is supposed to express.[17]

In this statement very nearly everything is wrong. To be sure, a case can be made for the proposition that real representation requires a connection between representative and represented not only on election day, but also over a longer period of time; however, can such a tie be established only by vocational organizations? Political parties have often, and sometimes very successfully, established such a tie either through their own organization or through educational associ-

[16] Frantz advocated a Central European Federation. To a nucleus formed by the German territories and the German parts of Austria, Switzerland and the Netherlands should be attached by ties of a loose federation; an "outer ring," consisting of East European states, should be still more loosely connected with the rest (see *ibid.*, pp. 40ff.).

[17] *Ibid.*, p. 290.

ations attached to them. Frantz, it is true, did not live to see in full form the most elaborate and effective example of an apparatus through which the member of the legislature was kept in constant contact with his voters: the organization of the German Social Democratic Party. Nor during his lifetime did the greatest Catholic organization as yet exist which exercised a similar function: the Volksverein für das Katholische Deutschland (People's Association for Catholic Germany, founded in 1890). But in a less developed state there already existed, or had existed, organized groups which tried to keep voters in permanent contact with those whom they had elected or would be asked to elect: the German Nationalverein (1859-67), a liberal political organization—in fact an appendix to the Fortschrittspartei; on the side of the working class, Lassalle's Universal Workingmen's Association; in Britain the Anti-Corn-Law League (founded by the Liberals), which, though directed toward a narrowly defined purpose, set an example for party leaders to maintain continuous contact with the electorate. All this was in an embryonic state but so was parliamentarism on the European continent. A writer of Frantz's gifts might have foreseen that these links would grow and that a party system did not mean that contacts between representatives and represented would necessarily be confined to election day.

Equally without merit is Frantz's assertion that "an organized body can only be represented by someone who belongs to it." Obviously his position on this point is similar to those of Schlegel and Cole, and much that is to be said in criticism of these two authors applies here. Still, in view of the importance of this point, a discussion of Frantz's argument, though in part repetitive, is not superfluous.

In its ultimate consequence, Frantz's argument would mean that only a candlestickmaker can represent the candlestickmakers. This is absurd; but even if we think in terms of broader categories—of master artisans, industrial entrepreneurs, industrial workers, farmers, etc.—the proposition is no less untrue. Of course, any candidate for legislative office must familiarize himself with the economic interests that are of importance in his district, but for this purpose he need not personally belong to any of the interest groups. There is empirical evidence for that: in their free associations, entrepreneurs, farmers, or workers do not always entrust the conduct of the business of these associations to members of their own group; they often choose lawyers, economists, or other intellectuals for this task. And when it

comes to using the influence of these associations for choosing a representative in the legislature, again the choice often falls on an outsider—i.e., a person who specializes not in the vocational activity of the group members but in the technique of representing interests.[18]

All this is pretty obvious. Why is it then that a man of such indubitable intelligence and sincerity, who, moreover—unlike Tour du Pin or the Romanticists—had no strong sentimental ties with the past, advocated a scheme of vocational representation? Even great idealists cannot always free themselves from the influence of personal experience. Two facts of Frantz's life seem to have had a decisive influence on his political philosophy. The first was his inability to get along with Bismarck, who in 1862 had offered him a position in the public service (which Frantz declined). He kept outside the circle of those

[18]Occasionally Frantz went even farther and attacked not only the concept of representation as practiced in present-day parliamentarism, but also the concept of representation in general. He called it a "fiction that through the act of election the voters transfer their will to the elected. . . . But what is more evident than that the will is not transferable at all? For what is the will if not that which belongs most definitely to each person [*das Allereigenste des Menschen*] and is the innermost core of his personality, his ego, his self? To be sure I can appoint another person as executor of my will for this or that definite matter, but not transfer to him my own will" (*ibid.*, p. 296). Frantz continues with a lot of phraseology, none of which refutes a simple consideration: among the candidates for public office, I can usually find one who is sufficiently sympathetic to my interests and ideas to make it likely that on most issues he would act the same way I would act if I were in his place. I cannot be sure, it is true, that on some issues he will not vote against my wishes, but no constitutional arrangement—whether of a corporatist or a parliamentary nature—can give the represented assurance that their representatives will act as they would act in one hundred percent of the cases. As often in politics (and in other areas of life) one cannot have certainty but must be content with probability.

Frantz does not follow his line of argument against the possibility of representation to its logical end. In one passage he even asserts that "representation, whether we want it or not [*schlechterdings*] is indispensable" (*ibid.*, p. 296). Therefore it is necessary to organize representation so as to answer its purpose. Aside from vocational representation, which Frantz in the main supported in spite of doubts about its practicality for his own time (see text) and the belief that any member of the legislature can represent only his district and not the whole country (*ibid.*, p. 299), he proposes only the introduction of the recall (*ibid.*, p. 297). Today any study of the recall where it exists—e.g., in several states and many communities in the United States—would reveal that the political processes are thereby not very deeply affected.

who admired the architect of the new Reich. Bismarck, however, in spite of his passing flirtation with corporatism, was the main author of such limited parliamentarism as existed in pre-1914 Germany. Second, Frantz was one of the large number of middle-class Germans who never found a place in the party system and who therefore could not develop any deep understanding of the functions of political parties.[19]

Like Tour du Pin, Frantz feels constrained to put important limits on the application of political corporatism.

> In our atomistic [*aufgelösten*] society, election through vocational groups [*Wahl nach Berufsarten*] . . . is not generally possible because vocational associations of reasonably strong vitality hardly exist today; for the most part, something like them would have to be created from scratch. Therefore at present vocational representation is possible only as a special body existing side by side with a body based on general elections [*neben der allgemeinen Volksvertretung*].[20]

Thus Frantz wants the corporate principle for the time being applied only to the formation of the Upper Chamber in a bicameral system. He finds rather sharp words in criticizing the traditional composition

[19]Frantz severely criticized all the parties which existed in Germany at the time of his literary activity—in his abrasive manner, which detracted so much from his influence—but he had more sympathy—or less antipathy—for the Social Democratic and Catholic Center Parties than for the rest. He viewed these parties as branches of international movements (the "red" and the "black" International) and thought that they represented a trend toward an alignment of political forces without regard to national boundaries. He approved of this trend and regarded "the rise of these forces as an unmistakable sign that we are on the threshold of a general change, in the beginning of a new development of the world, which will do away with the isolated existence of individual states and nations. Therefore all the issues which gave birth to the old parties . . . will be more and more overshadowed by universal principles and powers" (*ibid.*, p. 336). In an earlier publication—*Kritik aller Parteien* (Berlin: Ferdinand Schneider, 1862)—written before a socialist party existed in Germany, he conceded to political Catholicism still another merit: it recognizes the insoluble connection between religion and politics, in contrast to liberalism, which pursues the idea—unrealistic in Frantz's opinion—of separating church and state. On the other hand, Frantz sharply criticizes the Catholic belief in the divine origin of the Roman Church (see pp. 140ff.).

[20]Frantz, *Der Föderalismus*, p. 311.

of the Upper Chambers which made them assemblies of those privileged in the otherwise dismantled feudal state; because of this composition, he believes, the Upper Chambers were nowhere able to gain permanent influence. Probably the character of the Upper Chambers as relics from the Middle Ages was indeed one reason for their limited role in most countries, but it is doubtful whether this was the only reason. The second chamber, elected on a (more or less) popular suffrage, drew from this fact an amount of prestige which the Upper Chamber could not match. It is therefore by no means sure that an Upper Chamber based on vocational representation would have stood the test any better. A bicameral system often suffers from the fact that if the dominant political tendencies in both chambers are different, it is difficult or impossible for the government to remain on terms of confidence with both, and if both chambers have equal powers, a deadlock will almost inevitably result. To overcome it, the need arises to restrict the responsibility of the government—which may be expressed in the constitution or exist only de facto—to its relation with one chamber, and this can only be the lower one.[21] Frantz's idea to confine vocational representation to the Upper Chamber comes close to an abandonment of the principle of political corporatism.

In the period between approximately 1890 and World War I the circles which up to that time had upheld the idea of political corporatism were for the most part no longer actively interested in such a program. It seems that the primary cause of this decline was the reorientation of many socially minded Catholics. The most important example of how this group changed course was the later career of

[21]The bicameral system, and especially the Upper Chamber, has shown far greater vitality in the United States than in Europe. But the American system is very different. In the first place, since 1913 the members of the federal Senate have been elected by direct popular suffrage just as those of the lower chamber, with a difference existing only in the periods of office and in the size of the electoral districts. It is similar in those states of the union which have two chambers. Second, the Senate is based on geographic, not vocational representation—two federal Senators from each state, one state Senator from each county or group of counties. Third, the federal Senate has some exclusive functions, of which the confirmation of appointees to high office and the approval or disapproval of international treaties are the most important; these privileges tend to maintain the influence of the Senate and the esteem which it enjoys in public opinion.

Franz Hitze. This political leader, who previously had declared the replacement of the parliamentary system by political corporatism a moral necessity, became a parliamentary spokesman for the Catholic Center Party and a cofounder of the Volksverein für das Katholische Deutschland (Popular League for Catholic Germany), which created a strong electoral base for that party. The reasons for Hitze's conversion to what he had earlier rejected were undoubtedly the great successes of parliamentary work in the cause of social progress, and the realization that vocational representation would not find any broad support in the foreseeable future.[22] The non-Catholic supporters of political corporatism on the political right were neither numerous nor influential enough to revive corporatist philosophy, let alone to translate any of it into political practice.[23] To be sure, around the

[22]Bowen's belief that the decline of political corporatism within Catholic circles and especially within the Catholic Center Party "reflected in some measure the growing influence exercised in party councils by Catholic industrialists of Western Germany" (Bowen, p. 107) is unconvincing. It may be taken for granted that these industrialists had objections against some aspects of Hitze's activity, especially his support for Christian labor unions and far-reaching social legislation; but they would probably have strongly supported any corporatist scheme that could have been launched with any chance of success. The great fear of most industrialists (and of other owners of great fortunes) in this period was that universal suffrage would lead to a dominant position of the socialists in the legislatures; corporatism, which would have broken the "tyranny of numbers," would have prevented such a development if it had been realizable.

[23]Most characteristic for this situation is the fate of the Economic Council (Volkswirtschaftsrat) proposed by Bismarck in the 1880s. He created such a body for Prussia based on representation by vocational interests; it had only advisory functions, and the corporate principle was somewhat diluted by the right of the crown to appoint part of the members upon proposals by the royal ministers and to select others from lists presented by vocational organizations. Moreover, although some representation of workers was provided for, the scheme was more plutocratic than would probably have been acceptable to (say) Frantz or even Tour du Pin. But the whole plan did not come to much. The council was constituted for Prussia, but its extension to the Reich foundered on the refusal of the Reichstag to vote the appropriations for the payment of the members; not even the Prussian chambers could be induced to grant the money for this purpose. The Prussian government found ways to finance the scheme for a few years, but already before 1890 Bismarck as well as all parts of public opinion had lost interest in the institution.

There is a controversy about Bismarck's ultimate intentions. Some authors believe that his original plan had been eventually to replace the Reichstag by a

turn of the century, antimodernist tendencies appeared in Germany as they did at approximately the same time in England—for example, in the writings of William Morris; they could be found, though in vague form, in sections of the German youth movement, of which the Wandervogel was the core, and in the writings of Ludwig Klages (1872-1956).[24] But whereas in the past antimodernism had sometimes led to schemes of political corporatism, this was not the case between the turn of the century and World War I. In Germany the functionalist ideas remained for the most part dormant in this period; in France it was nearly the same.

Two characteristics of corporate theory in the last decades of the nineteenth century distinguish it from the corporatism of the post-1918 period. The first is the hesitancy in proclaiming vocational bodies as the sole instruments of representation. After all their criticism of modern parliamentarism, Tour du Pin as well as Frantz leave open the possibility, or even consider it necessary, that chambers composed of deputies regionally elected without regard to vocational status might continue to exist beside the organs of functional representation. The second of these characteristics is that the earlier writers put less emphasis on vertical organization of representative bodies as a preventive of the class struggle. Although with few exceptions the nineteenth-century writers want the workers to be represented in the corporate bodies, the emphasis is mostly elsewhere, and sometimes the hope that social relations would be peaceful in a corporate system appears to be a mere afterthought. In the twentieth century the emphasis on vertical organization is much stronger. In the encyclical

body of vocational representation, and that the creation of the Volkswirtschaftsrat was to be the first step in this direction; others take at face value his assertion that he merely wanted the administration as well as the legislature to have the benefit of advice in economic matters from those whose interests were directly affected by economic policy (see Tatarin-Tarnheyden, pp. 84ff.; Bowen, pp. 152ff.). To the end of his career Bismarck made occasional remarks in favor of corporate institutions and their possible role in replacing regionally elected parliaments with their party systems. It is difficult to know how seriously these utterances were meant. Bismarck almost always had a tactical purpose in his pronouncements. He may have merely intended to frighten the Reichstag parties through hints that he might put something else in the place of the system that formed the basis of party power.

[24]Klages's best known work is *Der Geist als Widersacher der Seele* [The intellect as an enemy of the soul] (1929).

Quadragesimo Anno, for example, the role of corporatism as an antidote to the class struggle appears as the main reason for the Pope's relatively favorable attitude toward the Italian *stato corporativo*.

Although the last decades of the nineteenth century and the first decade of the twentieth were not a period in which corporatism bloomed, they were in some respects a seminal period for corporatist ideology; the seeds began to sprout after 1918. Constantin Frantz's complaint that vigorous private vocational organizations did not yet exist and that therefore building a system of political corporatism was not possible may or may not have been justified for his time; not too long afterwards, however, organizations for the protection and promotion of the interests of individual industries and branches of commerce as well as of larger groupings multiplied; experience in presenting their viewpoints to governments and legislatures was accumulated, and the technique became highly developed. Powers of limited self-government were sometimes granted to representatives of vocational interests. An outstanding example was the constitution of the German sickness and old age insurance bodies. These institutions were and still are administered by representatives of employers and employees under government supervision.[25] After World War I, these developments contributed to the illusions that vocational bodies could be made, with good effects, the basic components of the political system. Among the organizations for the protection of vocational interests, the labor unions played an important role, at first among the skilled workers and later also, to some extent, among the unskilled and semiskilled; before World War I, however, the continental unions never quite reached the level of power which the British had attained.

[25]In contrast to the German form of organization, the American public insurance laws created under the New Deal provided for an administration by government officials, although one would suppose more sympathy for economic self-government to exist in the United States than in Germany. It would be interesting to investigate, in a comparative international study, the instances and forms in which the exercise of public functions has been entrusted to private economic groups. A complete survey of all these cases would undoubtedly be expensive due to their large number and great diversity, but such an investigation would be interesting even if confined to some typical examples.

6. LEFTIST CORPORATISM

Up until almost the end of the nineteenth century, the partial or total replacement of modern parliaments by bodies of functional representation was an idea of people on the political right or without any distinct political color, such as Constantin Frantz. On the left, probably only some anarchists entertained vague thoughts of this kind, but the anarchists were for the most part concerned not with the problem of the ideal society but with the methods of destroying the existing state. They (and others—e.g., Prince Peter Kropotkin) believed that the natural goodness of men would completely assert itself after the destruction of the existing power structure, and it was therefore easy for them to assume that in the society of absolute freedom for which they strove all necessary organizational arrangements would automatically establish themselves without any plan conceived in advance.

It was only toward the end of the nineteenth century that the leftist ideas about functional representation as a substitute for political parliaments became less vague. In the second half of the nineteenth century, the labor movement had formed three types of organization: one for political action—the socialist parties; one for industrial action—the labor unions; and one that marshaled the power of the workers as consumers—the cooperatives. The relationships among these three types were not the same in all countries. In Britain, where modern labor unions were organized before any strong political labor group had emerged, the political party, when it was finally formed in 1906, was for a long time merely the political arm of the unions, integrated into the Trades Union Congress; in Germany the party at first controlled the unions, which only later showed some (not very strong) inclination of throwing off this tutelage; in Belgium, where the unions were at first weak, the party also dominated the scene and used the cooperatives as its main auxiliaries. In all these countries, frictions between unions and party were the exception and close cooperation was the rule.

It was different in France. Political socialism in France was paralyzed for a decade by the defeat of the Commune of 1871; when it had somewhat recuperated in the 1880s, it was almost immediately split into rival sects. In the meantime, the industrial branch of the labor movement developed—not as strongly as in Britain, but sufficiently to be more than a match for any of the socialist sects. Originally the industrial branch had possessed a twofold organization: on the one hand, there were the unions proper (*syndicats*); on the other hand were the labor exchanges (*bourses du travail*), in their beginnings mere hiring halls which had gradually assumed a function in industrial disputes. Anarchist ideas gained strong influence with the bourses and later also in the syndicats. After the turn of the century, the bourses and the syndicats merged, and the new organization, the Confédération Générale du Travail (CGT), endorsed a modified anarchism, for which the name of revolutionary syndicalism became customary.

REVOLUTIONARY SYNDICALISM

The revolutionary syndicalists devoted only slightly more effort than the anarchists to an elaboration of the society which they wanted to create once they had attained full power; like the anarchists, they concerned themselves mostly with the means by which power could be acquired—especially the general strike, in which they had a mythical belief and which in their opinion would finally cause the capitalist establishment to crumble. However, insofar as the revolutionary syndicalists gave any thought to the future structure of society, they believed that a loose alliance of labor unions for the various industries would exercise whatever rudiments of public power were left after the abolition of the state.

Thus revolutionary syndicalism has a place in the history of political functionalism. But due to the vagueness of the syndicalist ideas about the future society, it would be a small place if it were not for the fact that revolutionary syndicalism had an offspring which did much to clarify the concept and the problems of political corporatism: guild socialism.

Why did functionalism receive any support from the left? Parliamentarism in its traditional form seemed to be serving the labor

movement well after 1890. In Germany, in France, in Austria, in Belgium the socialists achieved victories at the polls; in Germany, in France, and in Austria the repressive legislation of the immediate post-Commune period had proved untenable. In part as a result of labor's increased political influence, the unions grew in strength. At first sight it seemed natural for all socialists and laborites to refrain from rocking the boat.

The first reason why a functionalist movement arose on the left has already been touched upon: the continuing influence of anarchism in some European countries. In the last part of the nineteenth century, the anarchists made strong efforts to bring the labor movement under their control. The Second International, at its congresses in Zurich (1893) and London (1896), tried to prevent anarchist infiltration into its ranks, but without complete success. Even earlier, the Social Democratic Party of Germany, at its convention in Wyden (1880), had drawn a clear line between itself and the anarchists; this appeared all the more necessary because at that time the party was still outlawed in Germany, and the severity of the repression seemed to give the anarchists with their attitude of extreme radicalism an advantage in propaganda. Anarchism continued to exist in all countries, but only in Russia and the Latin countries of Europe did it remain a force to be reckoned with. Especially in France the Proudhonian tradition died slowly, but it had been transformed: the mild anti-authoritarianism of Proudhon had been turned into a radical, revolutionary creed by the influence of Michael Bakunin and especially Peter Kropotkin (in the early period of his activity). Many of the French labor unionists considered themselves *libertaires*, which indicated opposition to the coercive power of the state and became essentially a synonym of anarchism or semi-anarchism. The revolutionary syndicalists did not adopt full-fledged anarchism, especially not the "propaganda of the deed" (the strategy of the most radical anarchists), which meant that prominent persons should be assassinated even if they had done nothing evil, merely as a means to give anarchism publicity.[1] The revolutionary syndicalists by no means rejected violence as such, but they wanted to use it only for a concrete purpose—e.g., as sabotage against employers whom they could not otherwise

[1]A clear example of this strategy was the assassination of the Empress Elizabeth of Austria by an anarchist in 1898.

force to yield to union demands. In addition, the revolutionary syndicalists did not share the repugnance of most anarchists against all large-scale organizations; large labor unions especially were acceptable to most if not all revolutionary syndicalists. The contempt of the anarchists for all political action within "bourgeois" society became part of the syndicalist creed. In this respect many syndicalists went much farther than the CGT, which did not condemn the socialists for their participation in politics, although it did not support such actions and emphasized the complete independence of the union movement from all political organizations.

The second reason for the emergence of a functionalist movement on the left had to do with misgivings that arose between the staffs of the unions and those of the socialist parties. Some of these misgivings originated from special conditions in individual countries. In France the rivalry between the sects into which socialism was divided was repugnant to many unionists. Moreover, the Marxist sect, led by Jules Guesde, met with antipathy on the union side because of its dogmatic rigidity and especially because it preached the primacy of political over industrial action and therefore of the party over the unions. On the other hand, the Possibilists under Paul Brousse and later the so-called Independents under Jean Jaurès were too moderate for the temperament of the syndicalists; this became especially clear when one of the Independents, Alexandre Millerand, joined the "bourgeois" cabinet of Waldeck-Rousseau and thereby seemed to have gone over to the class enemy.

But there was also a more general reason for the antagonism of union functionaries toward the socialist parties, and it was not entirely confined to the countries in which revolutionary syndicalism flourished. It emerged in Germany, for example, in 1906, when a faction within the Social Democratic Party tried to force the unions to agree to a general strike for political purposes, and in Great Britain in 1924, when the first MacDonald government had ended in failure.

On a superficial level, the essence of this antagonism was simply the rivalry of two bureaucracies. Some labor union functionaries tended to believe—at least at times—that they could take care of public affairs in the workers' interests as well or better than the party leaders, and that their peculiar weapon, industrial action, was sufficient to force the foes of the working class to satisfy the aspirations of the latter. Many political socialists, on the other hand, tended to

think of unionism as a preoccupation with minor improvements of the workers' lot, an activity necessary for practical reasons but of minor secular importance as compared with political socialism, which ultimately aimed at a fundamental reconstruction of society.

Class played a role in this rivalry: among the functionaries of the parties, and especially among the socialist members of legislatures, there were intellectuals, whereas the union staffs were composed almost exclusively of individuals of proletarian origin.[2] The presence of intellectuals in the political arm of the labor movement remained a cause of friction not only between unions and party, but also within the parties themselves. The socialists of working-class origin often felt that the intellectuals of bourgeois background were trying to take the movement away from them and that the intellectuals could not really feel what the worker needed; the intellectuals often felt that the functionaries who had come up from the workbench had a narrow viewpoint and suspected them of merely striving for a petty bourgeois existence. But in Germany, Great Britain, Belgium, Holland, and Scandinavia these frictions never reached a dangerous intensity.

It would be a great mistake, however, to regard union opposition to party socialism merely as a matter of rivalry between two sets of functionaries. Where political socialism developed into a mass party—as it did in Germany, Austria, and some other countries—the very size and its consequences (such as insistence on discipline and relative intolerance toward dissenters in its own ranks, its hierarchical structure, its relatively low degree of receptiveness for new ideas) caused some opposition. These adverse feelings in the ranks of organized labor and its sympathizers found expression, in the writings and speeches of (for example) Gustav Landauer,[3] but also in the speech by Jean Jaurès at the International Socialist Congress in

[2]It was only during the interwar period that the unions used a substantial number of intellectuals on their staffs—the German unions in a research bureau which they maintained jointly with the Social Democratic Party and which published the booklet *Wirtschaftsdemokratie*, widely read in the whole labor movement. By contrast, the intellectuals sympathetic to revolutionary syndicalism—Georges Sorel, Edouard Berth, and Hubert Lagardelle—remained complete outsiders.

[3]See Eugene Lunn, *Prophet of Community* (Berkeley: University of California Press, 1973).

Amsterdam in 1904, in which he criticized the German Social Democratic Party.[4]

It may seem strange at first sight that vigorous opposition to the kind of political socialism represented in its most perfect form by German social democracy emerged in France, where a similar mass party did not exist at the time. But the German party had enormous prestige among the majority of socialists in all countries, and there was reason to assume that if the French socialists could overcome their sectarian differences, they would strive to emulate the German example. Although the reservations about a mass party on the left had quite different roots from those of the antiparty feeling in the middle class, there were points of contact between the two. This became even clearer when the functionalist heritage passed from revolutionary syndicalism to guild socialism.

Revolutionary syndicalism lost its vitality after the first decade of the twentieth century. Although this development had begun before the outbreak of World War I, it was probably accelerated by the events of the war period. The great majority of the revolutionary syndicalists of France forgot their prewar antimilitarism and antipatriotism at the outbreak of hostilities; their uncritical enthusiasm for the war effort even exceeded that of the party socialists.[5] It was only in the last two years of the war that a definitely leftist trend reappeared in the CGT. The change from antistate ideology to superpatriotism, followed by a groping for the earlier position, weakened the reputation and even the moral fiber of the syndicalist movement.

[4]See Carl Landauer et al., *European Socialism*, vol. 1, p. 353. Before uttering his criticism, Jaurès expressed admiration for much of what the German Social Democratic Party had done and what it stood for. He took the party to task, however, for the discrepancy between its size and its real power. He explained the relative powerlessness of social democracy by the lack of either a revolutionary or a parliamentary tradition of the German party. Jaurès, a political socialist, could not adopt either the anarchist or the revolutionary syndicalist arguments against the German mass party, but behind his words one can feel his resentment against party bureaucracy.

[5]Although every political movement is necessarily a mixture of emotionalism, pure emotions, not filtered through rational considerations, played a greater role in revolutionary syndicalism than in political socialism. Emotionalism, however, makes for instability. The emotions which had impelled the revolutionary syndicalists in their uninhibited antipatriotism changed directions rather easily when the patriotic wave swept France.

It was all the more remarkable that the CGT, at its congress in Lille (1921), found the strength to resist Communist pressure. Deterred primarily by the Communist claim of superiority of the party over the labor unions—although the Communists at first tried to deemphasize this claim—the CGT refused to join Moscow's Red Trade Union International.

GUILD SOCIALISM

Guild socialism, the offspring of revolutionary syndicalism, contributed far more than its parent movement to the theory of a functionalist society. It reached its most developed form after 1918, but its roots go back to the prewar period. Its center was England, with Samuel Hobson as pioneer[6] and G. D. H. Cole its most sophisticated spokesman,[7] but it found some advocates in other countries as well—e.g., in Germany, Karl Polanyi and Jakob Marschak.[8] Even in the writings of authors who did not belong to the school in a proper sense, its influence was felt.[9]

Whereas the revolutionary syndicalists had little use for intellectuals, guild socialism was in the main a movement of academically trained writers, with slight support from labor union circles. Their vision of the future was that of a society representing a federation of workers' organizations, with very considerable rights of self-government for the individual unions, which were also supposed to own the

[6]See his *National Guilds and the State* (London: G. Bell, 1920).

[7]See especially *Guild Socialism Restated* (London: Leonard Parson, 1920), and *Self-Government in Industry* (London: G. Bell, 1920).

[8]Karl Polanyi, "Sozialistische Rechnungslegung," *Archiv fuer Sozialwissenschaft und Sozialpolitik* IL (1922); Jakob Marschak, "Wirtschaftsrechnung und Gemeinwirtschaft," *ibid.* LI (1923-24).

[9]See, for example, Eduard Heimann, "Uber gemeinwirtschaftliche Preisbildung," *Koelner Vierteljahrshefte für Sozialwissenschaft*, Series B, I:2 (1921), pp. 58ff. Niles Carpenter, the historian of guild socialism (*Guild Socialism* [New York: Appleton, 1922], pp. 110ff.), finds in Sidney and Beatrice Webb's famous *Constitution of a Socialist Commonwealth of Great Britain* (New York: Longmans, 1920) some influence of guild socialist ideas; but if such an influence exists, it must be minimal because the Webbs were essentially political scientists.

instruments of production of their industries (except for small businesses).[10] As to the details, the guild socialists differed very much among themselves. For the labor unions, which were supposed to be the pillars of the structure, they used the name of guilds to emphasize the historical connection with the Middle Ages.

The guild socialists assiduously investigated most of the important structural problems of a functionalist society. Some of these problems were economic and originated from the guild socialist idea that the workers' organizations should take over the instruments of production and direct the production processes and the marketing of products. At this point they encountered a serious distribution problem. Many of the means of production are available in limited quantities only; if the proceeds from the sales of their products—e.g., minerals produced in mines—were fully at the disposal of the workers of that industry, these workers would receive not only an income resulting from their labor and proportionate to its amount and intensity and the skill they used in production and marketing, but also an amount due to the relative scarcity of mineral or fossil deposits which in the customary language of economic science would be designated as rent. (A very similar problem would exist in regard to urban and rural land used in production, but to it the guild socialists seem to have paid little attention.) In many guild socialist writings a radical solution of this problem is proposed: "All the surplus profits . . . earned by the guilds and . . . not required for depreciation, capital provision insurance funds and the like" would be taxed away for the use of the whole national community.[11] This was thought to be not only the solution to the rent problem, but also a preventive of any misuse of economic power by the guilds.

> Where would be the motive on the part of a guild for raising prices, adulterating goods, restricting output, falsely stimulating demand or resorting to any of the devices the profit monger of today practices in order to enhance his income, if all its profits in excess of needs for pay, improvements and maintenance were to be auto-

[10] Some guild socialists would reserve formal property rights in machines and buildings to the national community and grant the guilds only the right to their use.

[11] Carpenter, p. 180.

matically absorbed by the guild congress on behalf of the community.[12]

Where indeed? The trouble is that this kind of tax removes not only the incentive to illicit gain, but also that to efficiency of production. The tax which the guild socialists proposed would have confiscated not only the rent and other undesired income, but also all unusual profits, even those due to high quality of work. In all experience, however, it is necessary to reward in material terms those who exert themselves more than others, or who show more than average ingenuity in work, or who acquire and practice useful skills which others do not possess. Such exertion and skill must be compensated not only in manufacturing in the narrow sense and in agriculture and marketing, but also in discovering the usefulness of gifts of nature which heretofore were not utilized, or the development of methods for the utilization of mineral or fossil deposits (or land) which hitherto had been regarded as not exploitable. The rent element in large earnings of enterprises cannot neatly be separated from the part earned by effort or skill. To refuse to pay a premium for the latter would mean to condemn society to unproductiveness. The guild socialists have ignored this fact.

To the extent that the rent problem is one of distributive justice, an approach to a solution close enough for practical purposes might well be possible. When the existent and known gifts of nature are handed over to a guild, the value of these gifts could be estimated and an appropriate percentage of this value could be levied as a tax. The yield from new discoveries or newly invented methods of exploitation of natural wealth would remain to the guild, either in perpetuity or for a limited period, and superprofits due to the quality of work would remain untouched, except that (as in present-day society) those with larger incomes, regardless of their source, would have to contribute proportionately more to the needs of the community than those with low incomes. Obviously, however, such a tax would not remove acquisitiveness and would therefore fail to achieve one of the purposes close to the hearts of most guild socialists.[13] Any tax

[12] *Ibid.*

[13] Whereas in the countries on the European continent the socialists focused their attacks on capitalism mainly on the results it produced (surplus value gained at the expense of labor, "anarchy of production" responsible for depressions and

imposed on the individual guilds would have to be collected by the guild congress, in which all guilds would be represented as well as the consumers through their own spokesman.

It is true that many guild socialists wanted to maintain the state—presumably with a traditional parliamentary system—but they would have stripped it of all important functions, especially the economic ones. This is equally true of Hobson and his disciples, who speak of the state as the holder of "civic sovereignty" but leave to it no important task except that of arbiter in disputes among the guilds, as it is of Cole and his school, which wants to transfer all significant public functions to "communes"—i.e., to local, regional, or national bodies consisting of representatives of guilds and of various councils for specialized tasks. The national commune would probably be identical with the guild congress. But how much power would this highest organ of the guild system possess? The whole tendency of guild socialism is directed toward decentralization and autonomy of functional bodies; unlike a government under a parliamentary system, the leaders of the national commune cannot appeal to a general electorate in an effort to overcome the recalcitrance of one or several guilds, and all coercive methods are abhorred by the guild socialists.[14] It seems that they, or some of them, wanted to rely on the financial powers which they would grant to the guild congress—the right to distribute financial resources for investment and on a limited right of price control

other calamities), British socialists have to a greater extent emphasized the immorality of the capitalist spirit, the striving for personal gain, and regarded it as a major—perhaps *the* major—task of socialism to replace this spirit with devotion to community welfare. The difference is probably due to the strong Christian influence on British socialism; this moralistic approach differed very much from Marxism, which profoundly influenced much of continental socialism, even in its reformist versions. In Marxism the striving for material benefits plays an important role in the analysis and is by no means condemned. It was only when Communist countries discovered that they had little chance to overtake capitalist countries in the near future in the production of goods and services that in the Communist sector of the world the value of more austere living was emphasized and the idea of using material premiums as incentives of production was—by no means consistently—repudiated.

[14]"It is hoped . . . that the elaborate provisions . . . made for consultation and special representation would reduce to a vanishing point the need for any other force but the pressure of argument and communal opinion" (*ibid.*, p. 189).

for keeping the guilds in discipline.[15] But investments cannot often be used for purposes of punishment or reward because they must be made where and when they contribute most to the improvement of production, and prices must be set where they equilibrate supply and demand, not in order to give an advantage to a well-behaved guild and a disadvantage to one which is ill-behaving.[16]

The guild socialists, like other functionalists, failed to see the seriousness of the power problem. The organizations of industry, the guilds, which are granted far-reaching rights of autonomy and presumably are protected by public law from the danger of outsiders, are in fact cartels more powerful than those which under capitalism are formed by private contract. To control these bodies and prevent them from acting against the public good would require an even stronger central power than that of the state under capitalism. Yet not only were the guild socialists determined to keep the coercive powers of the guild congress to a minimum, but also the whole construction precluded an energetic policy of the central body in keeping the guilds in line: a body which itself consists of delegates from the guilds is constitutionally unfit to discipline these same guilds.

Aside from the power problem, there is another question to which the guild socialists failed to give any satisfying solution: the distribution of seats in the guild congress and the local and regional communes. The importance of this distribution is obvious: the more seats a guild has in these bodies, the greater is its influence on their policies. Perhaps even more important than the distribution of seats

[15]"The Commune . . . would . . . through its share in the financial operations of the guilds have an opportunity for wielding this power in such a way as to exercise a very large degree of control over the most important features of guild administration and policy" (*ibid.*).

[16]Much of guild socialist literature is written in disdain of Ricardian economics, and this contempt seems to have stood in the way of realizing that any rational system, socialist or otherwise, must incorporate pricing policies which essentially conform to Ricardian theory. Many guild socialist books and articles, it is true, were written before the great debate about the role of prices in a socialist society was in full swing, but it is strange that not even Cole, who lived to know of this debate and whose knowledge of economics exceeded that of many political writers of his time (although he was primarily a historian), failed to give price theory its proper place. Guild socialist thinking about financial matters was much influenced by the Social Credit scheme proposed by Major C. H. Douglas, though some guild socialists were opposed to it (see *ibid.*, pp. 126ff.).

among the guilds is the distribution between guilds and consumer representatives.

What should determine the number of seats granted to each guild and to consumers' representatives? There is very little (if anything) in guild socialist literature that offers an answer to that question. The criterion cannot be the number of guild members; this would be contrary to the principle of functionalism, which is designed to make representation dependent not on numbers of people but on importance of function; if the number of guild members were regarded as a yardstick, the representative bodies would not be sufficiently different from those constituted under universal suffrage. But how is the relative importance of functions to be determined? Perhaps one can say that the function of diamond cutters is less important than that of transport workers, but is the latter three, four, or ten times more important? And what is the relative importance of transport workers as compared with that of physicians? Some guild socialists may have thought of giving all guilds equal representation, but such a decision would be quite arbitrary and have no advantage except the appearance of a solution of an intrinsically insoluble problem.

THE RUSSIAN SOVIETS

The functionalist movement on the left received a new impulse from the Russian soviet system. Following the example set in the 1905 revolution, the revolutionary forces which overthrew the tsarist regime in the spring of 1917 adopted the organizational form of workers', peasants', and soldiers' councils ("soviets"). They were to be in part instruments of the struggle against the remnants of the old regime, in part entities to administer the country. In the latter function the soviets were in competition with the provisional government, which had been set up as an expression, in the main, of the more progressive elements in the last imperial Duma. In spite of some frictions, the soviets at first supported the policies of the provisional government: seeking a general peace but rejecting a separate peace with Germany, preparatory steps for a land reform, and resistance to the Bolsheviks. But in the late fall of 1917 the Democratic Socialists lost their firm position in the soviets to the Bolsheviks, and the latter staged a second revolution; they adopted the slogan "All power to

the soviets." In fact, however, the soviets were soon reduced to a mere camouflage of the dictatorship of the Communist party; under the regime of the latter, there was no question of electing the councils after free public debate or granting them freedom of action independent of the party line. When in 1921 the mutinous sailors of the Kronstadt naval base demanded freely elected soviets, the answer of the Bolshevik government was the conquest of Kronstadt by military force and the treatment of the Kronstadt leaders as counterrevolutionaries.

For anybody who had kept free from illusions, it was not difficult to foresee this development. A true government of the soviets, freely elected after free debate and free in their decisions, would not have given the Communists the possibility of shaping Russian society according to their program. Only to a limited extent would they have been able to manipulate the composition of the soviets by giving the workers' representatives a numerical superiority over those of the peasants; the fact that in a functionalist society the relative strength of the representation of the different branches of the economy can only be arbitrarily determined would have operated here in favor of the holders of power. Moreover, since the soviet system was built on delegation by the local to the regional and by the regional to the national bodies—in this respect similar to most functionalist schemes—there was some likelihood that spokesmen for dissenting opinions would find it difficult to reach the national level of representation. But any strong wave of anti-Bolshevik sentiment among workers and peasants was likely to sweep away these impediments to an effective opposition. Such a wave could easily have emerged. Even under Lenin, when the atrocities of the first Five-Year Plan period were still a matter of the future, it was clear that the revolutionary government would have to do some things which would bring great hardships to the population and would be deeply resented. A free, genuine soviet system might not have remained under Communist control very long.

Many observers in Western countries failed to see that the Russian reality was the dictatorship of the Communist party and not the soviet form of government. Among those who deceived themselves in this way was the majority of guild socialists. In May 1920 their annual conference proclaimed—though with some reservations—"solidarity with the Russian Soviet Republic." Even to those who were opposed to the repressive policies of the Communists, the soviet form seemed

to be a wholesome innovation worthy of being established in the West. The following words of Cole undoubtedly expressed the opinions of many—probably most—guild socialists. Cole believed that "the soviet form of political structure" was derived from

> the idea that communal organization ought to be based throughout upon the principle of free association. Finding itself in conflict with the capitalist organization of society, it adopts in certain cases the "dictatorship of the proletariat" as a temporary expedient, but such a dictatorship is no part of the soviet organization, though its temporary adoption is part of Bolshevik doctrine. In fact, the soviet idea is the guild idea or at least has very much in common with it. It cannot be too clearly understood that there is no essential connection between the soviet form of organization and Bolshevism. Bolsheviks will favor soviets as a means to the temporary dictatorship of the proletariat, but soviets may also find favor with many people who are by no means Bolsheviks.[17]

Whatever might be said in pure logic for the distinction between the soviet form of organization and Bolshevik political practice has little or no significance in the historical context. The soviet system was the symbol used by the Bolsheviks in their international propaganda. That this symbol was based on an untruth, on the pretense that Moscow had established a government by soviets, did not destroy its propaganda value because too many people wanted to believe, and therefore believed, that the untruth was a reality. It would not have been easy to explain what the purpose of a change from parliamentary democracy to a soviet system would be, aside from the use in Communist propaganda. Stripped of its role as a camouflage of party dictatorship, the soviet system was a rather clumsy form of representation. Its alleged virtues were illusory. The simultaneous exercise of legislative and executive functions by the same body[18] would lead to very undesirable consequences; it would mean that there would be no independent legislature to control the executive. The principle of delegation from the lower to the higher bodies, instead of direct election

[17] *Self-Government in Industry*, p. 22.

[18] Especially emphasized by Ernst Däumig, a strong advocate of the soviet system and a leading member of the left wing of the Independent Socialist Party of Germany, in *Das Rätesystem* (Berlin: Verlag der Arbeiterrat, 1919), p. 5.

of the latter, would mean that minority opinions would probably not be represented, or at least greatly underrepresented, where national issues were to be decided. The recall of elected representatives, which occasionally has been mentioned as one of the good points of the soviet system, is not peculiar to it since it exists for local and regional representatives in the United States, where it sometimes has had good effects, sometimes bad ones, but was without major influence upon the operation of political processes. Finally, the exclusion of capitalists and big landowners, which to radical socializers seemed a prerequisite of the economic order which they wished to establish, would make little difference, for the privileged classes comprise too small a part of the population. To the extent that they exercise important political influence under parliamentarism, this influence is caused by conservative or other nonrevolutionary tendencies among the common people—sometimes, it is true, supported by the money of the upper classes; the mere disenfranchisement of the capitalists and big landowners would not change the situation.

Why did the guild socialists, or at least many of them, try to identify their own movement, with or without reservations, with the soviet system? The Bolshevik revolution, to be sure, had frightened large parts of public opinion in all Western countries; but, on the other hand, it appeared as something of overriding historical importance, and even its adversaries could not entirely escape from the spell of having lived to see a historical watershed. Furthermore, part of Western public opinion—consisting of liberals, socialists, and even pacifists—tried to see in the new Russian regime if not something unconditionally good, at least a phenomenon containing a great promise for the future. Before the victory of the Bolsheviks, a socialist society had existed merely as an idea in the minds of men. A convinced reformist, it is true, could find consolation in the growth of public regulation of industry and public ownership of utilities by interpreting them as "growing into socialism," but others felt that this process was slow and unreliable. Now, since a socialist order—at least one that bore the socialist label—had been established in a large country, a shorter way to the future seemed to have opened up. Most European socialists failed to realize that the Bolsheviks had no clear and realistic plan for the transformation of the old system into a socialist society; those who understood that the Russians would have to go through a period of experimentation underestimated the pains

and human costs of this process.[19] Few (if any) of the guild socialists were willing to adopt the terroristic features of the Bolshevik regime, but to many it seemed that the soviet form, if separated from the party dictatorship, could be used as proof that a society based on political and economic self-government of the workers was viable.

The desire to have a picture of a viable socialist society was intensified by the great social unrest which followed the end of World War I in all European countries because this unrest created the impression that the building of socialism was a task of the immediate future, and if the socialists were to fail in the fulfilling of this task, they would let a historical opportunity slip from their hands.[20] Anti-Soviet intervention also played a role: the British and French governments—with weak American support—had tried in vain, and on the basis of plans which were very unrealistic, to overthrow the Soviet government by military force at a time when their peoples were sick and tired of the bloodletting during the four and one-half years of war with Germany; criticism of the anti-Soviet intervention tended to create a pro-Soviet attitude.

It is difficult to say whether the pro-Soviet attitude of guild socialists was weakened or strengthened as the mid-1920s approached. Two tendencies operated against each other. On the one hand, the knowledge of Soviet methods of government became more widespread and more accurate, and it therefore became more difficult to maintain that what existed under Moscow's rule was self-government of the workers. On the other hand, after the inauguration of the New Economic Policy in 1921, the Soviet Union offered the West a somewhat friendlier image than under War Communism.

[19]The stages of the process of experimentation in Soviet Russia were "workers' control," war communism, New Economic Policy, and five-year plans with forced collectivization of agriculture.

[20]Marxism had laid a ban on describing the details of a socialist society; the Marxists regarded such efforts as utopianism. History, driven by the motor of technological development, would know how to solve the structural problems. But around the turn of the century, even in Marxist circles the ban was broken: Karl Kautsky published his booklet *Am Tage nach der sozialen Revolution* [On the day after the social revolution] (1902); even earlier appeared *Der Zukunftstaat* [The state of the future] (1898), by Karl Ballod, and *L'Organisation socialiste*, (1895), by Jean Jaurès, (1898), who, to be sure, was not really a Marxist.

LABOUR LEADERSHIP IN BRITAIN

Events in Britain seemed to be favorable to guild socialist ideas and at the same time to promote a rapprochement with the soviets, but in both respects the final outcome was very different. The elections in late 1923 brought the Labour Party a considerable success but no majority in the House of Commons; nevertheless, the Labour leaders accepted, probably unwisely, the offer of the other parties to tolerate, for the time being, a minority government of the Labour Party. This government, headed by Ramsay MacDonald, was received with great expectations in labor circles but proved a disappointment; after a few months, it was overturned, and in the subsequent new elections the Conservatives won decisively and formed the government.

The disappointment was commensurate with the high expectations which the union leaders had entertained at the inauguration of the first Labour government. They were now disenchanted not only with the strategy pursued by the party in 1924, but with political action in general. The ties between the Trades Union Congress and the Labour Party were loosened and the former, strengthening its authority toward the individual unions, prepared itself to play an active role in politics, both domestic and international, thus bypassing the leadership of the party. This change of orientation could be interpreted as a partial assimilation of guild socialist tendencies.

In domestic politics, the unions raised fairly radical demands for socialization and workers' rights, which under the circumstances had no chance of being adopted. In the international field, the British unions became the strongest advocates of labor unity, which in concrete terms meant the inclusion of the Russian unions within the Amsterdam International of Trade Unions or the creation of a new, comprehensive world organization of which the Russians would be members. The other members of the Amsterdam International were puzzled by the fact that labor in the British Isles, up to then regarded as prevailingly conservative by labor standards, would now take that position. The continental unions, whose experiences with Communists were for the most part unfavorable, were not particularly enthusiastic about receiving the Russians, whose organizations they regarded as state-controlled and therefore not free. The influence of the British, however, was great enough to cause some efforts to be made to find

a common basis with the Russian labor unions in the international field; but these failed due to Communist intransigence, whereupon the British unions tried their own independent policy of rapprochement by founding the Anglo-Russian Joint Advisory Council.

This tendency in the British trade union world would have had far-reaching significance if it had not been reversed by subsequent events. The attempt of the unions to take policymaking into their own hands was based on the feeling that in domestic politics the Labour Party, which had to win elections and therefore had to have an eye on the sentiment of the floating part of the electorate, could not defend the labor interests vigorously enough, and that in foreign affairs it was too much inhibited by ideological bias to work for world labor unity, which, from the viewpoint of the unions, seemed more important than the differences of political philosophy. These objections went to the heart of parliamentarism based on a party system. If individual policymakers are answerable to particular interest groups only, if belief in ideas is not only influenced by economic interests but superseded by conscious and one-sided advocacy of the latter, and if consequently no effort is made to persuade voters outside one's own interest group to vote one's preferred ticket, the state is turned into an alliance of vocational groups according to the functionalist program. The labor leaders who were responsible for the beginnings of this development were not functionalists, certainly in their great majority not guild socialists; many of them had only a weak belief in any kind of socialism. They wanted nationalization of some industries, but they had no program of dispossessing the capitalists as a class. However, if the labor unions tried to have a domestic and foreign policy of their own, the entrepreneurs would probably use their own organizations as political instruments not merely to protect their interests in a narrow sense, as they were doing in a parliamentary system, but also in regard to other national questions. Thus there would be a drift toward a functionalist organization of society.

It did not come to that because the union policy was based on grave misconceptions and ran into an impasse before it could have a major effect on the structure of political society. In the first place, in spite of the role of narrowly defined economic group interests in modern politics, political philosophy was too much of a real force to be disregarded or eliminated from the decision-making process. If the labor leaders had analyzed the events of 1924 with an unbiased mind,

they could have recognized that fact. Although the position of the first MacDonald government was weak from the beginning, its final defeat was caused mostly by the fear—increased by uninhibited conservative propaganda—that labor in power would make impermissible concessions to Soviet communism. In the main, it was not the fear of the capitalists for the safety of their property, but the fear of the British middle class—including parts of labor—for their freedom that decided MacDonald's overthrow. But for the two subsequent years, the lesson went unheeded.

The second mistake of the labor leaders was the overestimation of their power. Freed in the main from the influence of the Labour Party, the unions thought—though probably with some hidden doubts—that they could force their will upon society by industrial action. It was their bad luck that the conservative government, if not actually eager for a showdown, was not willing to do much to avoid it. Consequently a simmering conflict about employment conditions in coal mining was permitted to result in a lockout, and the miners' appeal to the other unions for solidarity led to a general strike. The government had made effective preparations for the maintenance of essential services, and—as in any general strike that lasts more than a few days—what hardships remained for the population in general fell on the strikers and their families as well. This effect and the antipathy of all population groups outside of union labor forced the union leaders to cancel the strike call after a short time; it was a complete defeat for labor.

This end of the adventure had an aftermath which revealed the third mistake of the union leaders: they had misjudged the Russians. The Soviet government had put great hopes on the British general strike; Moscow contributed considerably to the war chest of the miners' union, which continued the strike after the other unions had returned to work, although in the end it too gave in. The cancellation of the general strike made Moscow furious, and ignorant as it was of the constellation of societal forces in Britain, it accused the union leaders of treason against the working class. The mutual recriminations that followed stopped the striving for world labor unity on the part of the British unions; the Anglo-Russian Joint Advisory Council was permitted to die of inactivity.

Moreover, the government used the conservative mood of the country, caused or at least intensified by the abortive general strike,

to have parliament enact anti-union legislation. To reduce the severity of these laws, parliamentary action was obviously necessary, and the only instrument the unions could use for this purpose was the Labour Party. Therefore, the relations between party and unions were restored, the experiment of an independent union policy was abandoned, and the drift toward functionalism was stopped. The reestablishment of a close party-union relationship bore fruit in the elections of 1929, from which labor returned with a stronger parliamentary representation. The second MacDonald government, which now came to power, had a firmer position than the first; if it had not been hit by the great calamity of the world depression, it might have led to good results. Guild socialism played a declining role in the late 1920s.

If lasting success were the only criterion of historic significance for a school of thought, guild socialism would be a failure. Not only had it little if any share in the shaping of political events, but even as a body of thought its influence all but vanished before the third decade of the twentieth century was at an end. It suffered from the weaknesses of all types of functionalism. The tasks of a modern state cannot be fulfilled by a loose alliance of vocational groups. The guild idea was especially inappropriate as a socialist program. If socialism is to make a major contribution to the material welfare of mankind beyond the social reform laws which have been enacted through socialist influence, this contribution can only be the basing of public policy on systematic economic foresight—the direction of the use of resources through economic planning. Even if a system of planning is kept free from all elements of a command economy, if it is indicative planning—which tends to influence the course of economic life by demonstrating to the economic units where their long-range advantage lies and by making profitable whatever has been found to lie in the interest of the community (for example, through tax advantages)—it requires a role of state agencies, for which there was no room in the schemes of the guild socialists.

But when guild socialism was at the height of its influence as an intellectual movement, it found great support among intelligent and sincere men. Was there nothing but error in their thinking? Guild socialism was a movement of people who wanted a noncapitalist system but were frightened by the specter of a highly centralized state

administering the economy without granting anybody autonomous rights—a state such as Karl Marx may not have wanted but which, as was suspected not without reason, would be the inevitable result of social reorganization according to Marxist theories. And whatever was wrong about the conclusions, the feeling was valid: absolute centralization would be intolerable and would ruin socialism.

7. REVIVAL OF CORPORATISM

Even before 1918 there were indications that World War I would lead to a revival of political corporatism outside the circles of guild socialists and soviet sympathizers. In all belligerent countries, the war had necessitated close cooperation of government with private industry and its organizations. In Germany this cooperation was institutionalized in a particularly high degree through the *Kriegsgesellschaften*—institutions technically in the form of private business corporations (but equipped with coercive powers) for the management and distribution of scarce resources necessary for the conduct of the war or the provisioning of civilian consumers. Their personnel consisted largely of businessmen and of functionaries of trade associations or similar combinations because they alone possessed, or were supposed to possess, the necessary expertise in the branches of the economy with which a Kriegsgesellschaft was concerned. The results of this particular form of organization were not invariably favorable; the conduct of business by the Kriegsgesellschaften showed a considerable amount of corruption and favoritism; the businessmen in these agencies, accustomed to pursuing their own profit, could not easily adjust themselves to the obligation to act as public functionaries in the public interest; the staffs of the government agencies which were supposed to supervise them often lacked the necessary competence. It was difficult, however, to separate the effects of war-produced shortages and other hardships from those of the administrative and moral shortcomings of the Kriegsgesellschaften. In any event, they enjoyed little sympathy in public opinion, which insisted on their abolition not very long after the end of the war.

Just the same, the Kriegsgesellschaften indicated the possibility of government operating in economic affairs through bodies formed of businessmen and empowered to exercise far-reaching public functions. This experience facilitated the adoption of the idea that the peacetime economy could also be based largely on industrial self-government. One change, to be sure, from the wartime scheme seemed

to be indispensable: whereas the Kriegsgesellschaften had come close to being merely entrepreneurs' self-government, it seemed necessary to have a participation of workers if self-government was to be extended into times of peace. On this basis, a number of schemes of industrial self-government were produced, especially in Germany. If the transfer of important powers of an economic nature from the state to organizations of businessmen and workers was to be pushed to extremes, the remaining state apparatus with its parliamentary institutions would be left an empty shell. Not many of the writers of the early postwar period wanted to go that far yet, but a start was made toward a full system of political corporatist theory.

WALTER RATHENAU

The first important author to advocate business self-government was Walter Rathenau. His character was very complex, and his thinking contained contradictory tendencies. On the one hand, Rathenau was a hardheaded realist, as he had shown as an industrial entrepreneur—before the war he had been president of the Allgemeine Elektrizitätsgesellschaft, one of the two largest electrical concerns in Germany—and as an organizer of the German industrial war economy. On the other hand, his postwar idea of organizing the German economy in compulsory cartels disregarded the danger of a misuse of monopoly power, or rather assumed that this danger could be banned by a combination of moral commitment of the industrial organizations to the common good and the state supervision to which they would be subject. He did not want to see that according to all historical experience moral commitments, except in times of war or extreme emergencies, are a fragile safeguard against economic selfishness, and that state supervisors have a hard time in making their control effective even when cartels are mere private agreements and would have a much harder time when such combinations, as public bodies, would have a position of greater strength.

Rathenau saw in the existing political and economic organization a tendency for the unitary state to be divided into *Fachstaaten* (functional states). Not only were trade associations, chambers of commerce, and the like trying to manage the affairs of their industries or branches of commerce as far as possible independently of any

political authority, but also in public administration the staffs of each department were attempting to form a "state within the state." The cabinet ministers and the parliament, lacking expertise,[1] cannot effectively curb the inclination of each *Fachstaat* to act without regard to other interests of the community; by interfering with the actions of interest groups and specialized bureaucracies in an amateurish manner, they make things much worse. The solution which Rathenau proposed was to give the Fachstaaten autonomy, letting them govern their own affairs freely, subject only to the supervision of a general parliament (*Hauptparlament*) which would prevent a deadlock between Fachstaaten—for example, when the Fachstaat for the economy refused to provide the means for an educational program which the Fachstaat for education considered necessary.[2] Every one of the Fachstaaten is to have its own *Fachparlament* and is to be administered by a ministry. Rathenau's observation that economic interest groups and specialized bureaucracies tend to build empires for themselves is correct, but it by no means follows that these tendencies should be legitimized and the national state changed into a federation or confederation of autonomous, near sovereign functional bodies; the necessity of settling important issues through negotiation among the Fachstaaten would be a nightmare and would all but paralyze the apparatus of public decision-making.

Rathenau's ultimate motive in proposing this unworkable scheme was moral repugnance caused by some ugly aspects of modern parliamentary politics; in this respect his attitude was quite similar to that of Tour du Pin and Constantin Frantz. He hated the hypocrisy

[1]Rathenau had great experience in business and some in public administration, but he never had been a member of any parliament. This may have been the reason why he underestimated the amount of expertise which exists in almost any legislature. Although the majority of deputies understands little or nothing of most of the matters on which a stand must be taken, some members become specialists for each area of political or economic life and advise their colleagues about the merits and demerits of every proposal. These specialists will be selected to head the departments in their area of specialization when the parliamentary majority has to set up a cabinet.

[2]Rathenau uses this assumed case as an example by which to illustrate how the system of Fachstaaten would operate (*Der neue Staat* [Berlin: S. Fischer, 1919], pp. 41ff.). Among the most palpable errors in this scheme is the assumption that for its arbitrating and coordinating functions the Hauptparlament would "no longer [need] expertise but merely logic" (p. 42).

of private interests camouflaged as defenders of the common good, the weakness of the feeling of responsibility for the needs of the community, and what he considered the lightheartedness with which politicians act on matters which they do not understand. Like many other functionalists, he was too quick to assume that the political structure he proposed would be more satisfactory to the moral sense. Dividing the state into entities which are each committed to the safeguarding of only one special interest or a group of related special interests is not apt to secure the victory of the common good over selfishness; to hand over decision-making for the community to the representatives of vested interests on the assumption that these have more knowledge of the matter to be decided would mean buying expertise at too high a price, even if the kind of expertise acquired in private pursuits were always the one most serviceable in public policy—which is not the case.

WICHARD VON MOELLENDORFF AND RUDOLF WISSELL

One of Rathenau's collaborators in his wartime activities was Wichard von Moellendorff. Already in 1916 he had published a pamphlet, *Deutsche Gemeinwirtschaft*;[3] after the German revolution of 1918 he became the chief adviser of the Social Democratic minister of economics, Rudolf Wissell, whom he converted to his own ideas. Moellendorff's central concept was economic self-government of the various branches of the economy—fairly similar to Rathenau's proposals. All industries should by law be obliged to form organizations which should be under the direction of entrepreneurs', workers', and consumers' representatives; they should see to it that business is conducted in accordance with the common good. In the immediate postrevolutionary period, when the primary condition of success for any scheme was the winning over of a majority in the higher echelons of the Social Democratic Party, Wissell and Moellendorff put the label of *Planwirtschaft* (planned economy), aside from Gemeinwirtschaft, on their program. Planning was already an idea with much appeal

[3]Berlin: Karl Siegismund, 1916. There is no satisfactory English expression for the German term *Gemeinwirtschaft* because it can mean the socialization of enterprises as well as the comprehensive regulation of the private economy.

to socialists, although few of them knew precisely what this term should mean. But it was not only for tactical reasons that Wissell and Moellendorff claimed their program to be one of planning. Like many other functionalists and even socialists of other persuasions, they seem to have believed that the main conflicts between the common interest and the actions of private entrepreneurs had their roots in intraindustry conditions.[4] Entrepreneurs act against the common good because of greed for profits or because they are forced to do so by undesirable effects of competition. According to Wissell and Moellendorff, self-government bodies for the individual industries would be able to restrain greed and modify competition to the degree necessary, and they should also plan the development of their industry. But one cannot plan for one industry alone. For example, the expansion of the steel industry is limited by the development of the customer industries, on the one hand, and by the supply of coal and other raw materials needed for the production of steel, on the other. In other words, economic planning is for the most part an interindustry problem. Self-governing bodies for individual industries could correct some maladjustments—e.g., technological backwardness or uneconomical fragmentation of ownership (which at the time was found in British coal mining)—but the great reconstruction of the national economy, which Wissell and Moellendorff promised the German people, would have been possible only (if at all) under the guidance of a central agency.

Wissell, Moellendorff, and their disciples did not entirely ignore this necessity. Like the earlier corporatists, including the guild socialists, they provided for an assembly of delegates from the industrial self-government bodies, and to this assembly Moellendorff at least wanted to entrust far-reaching powers, especially the *Kompetenz-Kompetenz*—i.e., the power to decide which decisions should be left to the individual self-governing bodies and which should be reserved for the central council.[5] Aside from wanting the central organ, the

[4]The same mistake can be found in the National Industrial Recovery Act of the American New Deal; in its creation ideas of European corporatism probably played a role.

[5]Wichard von Moellendorff, "Wirtschaftsverfassung," in the collection of his philosophical and political essays *Konservativer Sozialismus* (Hamburg: Hanseatische Verlagsanstalt, 1932), p. 150.

Reichswirtschaftsrat, to be given large powers which could be used for the coordination of the activities of the various self-governing bodies, Moellendorff took the interdependence of industries to some extent into consideration by imposing on the organs of industry a moral obligation to think beyond the narrow interests of their own branch of the economy.[6] This attempt would hardly have been successful even if that obligation had been formulated in a clear manner; with Moellendorff it remains very vague.

The political parties in the Weimar Republic, notwithstanding their rejection of the rest of the Wissell-Moellendorff scheme, came to the conclusion that a central body composed of representatives of economic interest groups might be useful because it would offer the parliament (Reichstag) and the government an opportunity to learn about the desiderata of citizens in various types of occupational status in an orderly fashion. Thus the Reichswirtschaftsrat came into being. The trade organizations and similar organizations had the right to propose appointments to the Reichswirtschaftsrat, but the appointments had to be made by the minister of economics, who thereby acquired a right of veto; for this reason too the Reichswirtschaftsrat was not an organ of pure industrial self-government. Some of its discussions may have served to clarify some problems of economic policy and may thereby have aided the political parliament and the government in making wise decisions, but even without that institution the members of the Reichstag and of the cabinet could have had the advice of industrialists, agriculturists, and others. Originally it had been planned that the Reichswirtschaftsrat would have a substructure in the form of regional organizations composed of representatives of associations of agriculture, industry, commerce, and labor in the different parts of the Reich; the realization of this idea would obviously have been in line with the Wissell-Moellendorff ideas. But these regional organizations were never created, and therefore the Reichswirtschaftsrat was called the *vorläufige* (preliminary). As an advisory body the Reichswirtschaftsrat continued to exist until the end of the Weimar Republic.

The Reichswirtschaftsrat had only advisory functions; for this reason alone it was not an institution of political corporatism, although its creation may have appeared as a concession to corporatist

[6] *Ibid.*, pp. 150ff.

ideas. It is very difficult to form a judgment on the effectiveness of the Reichswirtschaftsrat. In fact, the spokesmen for economic interests were always eager to obtain the ear of legislators and administrators; one may look upon the Reichswirtschaftsrat as upon an institutionalization of lobbying.

Neither Wissell nor Moellendorff planned to replace the political parliament by their industrial self-government structure. In this respect they had the same hesitations as Tour du Pin and Frantz and went less far than Rathenau. If one takes only their proclaimed, conscious intentions into account, they do not appear to be political corporatists. But in their case as in others, the question arises of how much vitality would have remained to a political parliament if economic affairs had been excluded from its jurisdiction. The chances are that its fate would have been that of a little used member in a body: gradual loss of the ability to function. Thus the final result of the Wissell-Moellendorff plans would hardly have been different from that of Rathenau's.

Of the corporate structures which Wissell and Moellendorff wanted to erect, only one became a full reality for more than a historical moment. This was the Kohlenwirtschaftsverband, a compulsory cartel of all the coal and lignite producing companies, with representation of workers and consumers. It was supposed to be supervised by a public authority, the Reichskohlenrat, also composed of representatives of the industry and its employees. The hopes which Wissell had put on this structure were not fulfilled. The Kohlenwirtschaftsverband operated as a cartel, exploiting its monopoly power; the workers' representatives often joined the employers' in approving price increases because they hoped that these would make it easier for them to obtain higher wages. The Reichskohlenrat was apparently not powerful or not resolute enough to protect the consumers. This task was finally given to the minister of economics when price increases for coal were made dependent on his approval. This of course meant a retreat from the principle of industrial self-government.

Wissell and Moellendorff also planned to create a self-governing body for the steel industry—the Eisenwirtschaftsbund. This organization might have attained considerable importance if it had endured; it would also probably have made self-government in the coal industry more efficacious because "captive mines"—those owned by steel

companies—played a great role in Germany. In the production of steel, as in that of coal, strong cartels had existed already before World War I, but self-government according to the Wissell model meant that they would be freed from the menace of outsiders and therefore could pursue their producer interests with less restraint.

Wissell and Moellendorff had wanted the users of steel, especially the machine producers, to be represented in the Eisenwirtschaftsbund as well, but they were supposed to obtain only a realtively weak representation. In this way the prewar situation, when the users of steel did not have nearly the same power as the producers, would have continued. The machine industry had trade associations but never succeeded in developing them into strong cartels. Whether it would have been possible to give the machine industry and the steel processors in general a stronger position in the Eisenwirtschaftsbund is uncertain. The manufacturers of steel products exported a large part of their output, and these exports were of the greatest importance for the German economy. The maintenance of the German export position in steel products required a flexible price policy. Since every compulsory cartel, and certainly a structure like the Eisenwirtschaftsbund, is apt to develop bureaucratic traits, it is very doubtful whether the necessary flexibility could have been achieved under compulsory cartelization, either by giving a firm position to the processing industries in the same cartel with the producers, or by a special compulsory cartel for the steel-using branches.

It seems that the establishment of the Eisenwirtschaftsbund met with little enthusiasm among the managers. Their antipathy may have been partly caused by the fact that industrial self-government was advertised by some of its proponents as preparatory for socialization. Few industrialists realized that there was little chance for the latter to materialize; they also seemed to have overlooked that the self-government scheme offered them prospects for monopolistic superprofits. The most important reason why the industrialists failed to support the Wissell-Moellendorff scheme was probably the fear that entrepreneurial activity would be unduly restricted, that the functionaries of self-government bodies would tell the managers how to conduct their businesses. This did not prevent many entrepreneurs from sympathizing with ideas of corporatism when they were proposed by men of the political right. But a scheme offered by the socialist Wissell appeared to them in an unattractive light.

Moreover, the producers of steel, though not as export-oriented as the users, also had to stand competition on the world markets, and, like the users, they may have wondered whether the Eisenwirtschaftsbund would not handicap them in their struggles in the international field.[7] Public opinion in general may have been impressed by these thoughts; in any event, its reaction was prevailingly unfavorable.

The Wissell-Moellendorff scheme appeared to be a program of the left because Wissell was a good Social Democrat, although Moellendorff was a man of conservative instincts who tried to bridge the gap between the feudal tradition and some tendencies in modern socialism.[8] But the only group on the left of the political spectrum which had any sympathy with functionalism—aside from the few German sympathizers with guild socialism—was found among the editors of the *Sozialistische Monatshefte* under the leadership of Max Cohen and Julius Kaliski. They were Social Democrats but stood on the extreme right wing of the party. The majority of the party rejected the Wissell-Moellendorff scheme because, in the words of Robert Schmidt (Wissell's successor as minister of economics), Wissell and Moellendorff wanted to "organize capitalism."[9] In this phrase Schmidt expresses the truth that industrial self-government would have expanded and strengthened the monopoly power of management and would therefore have made it capable of exploiting the consumers and of offering stronger resistance to all efforts to promote social reform legislation. Aside from these valid objections, however, some illusions may also have been at work. In the early 1920s, it was still widely believed among people on the political left that nationalization of industries had a chance in Germany. Would it not be preferable to pursue these possibilities, bring large-scale industry into public

[7]Wissell and Moellendorff had little understanding of the special requirements of a large export industry; this probably played a role in their attempt to fit the iron and steel industry into their scheme. They were not radical autarkists, as were some later promoters of corporatist ideas, but they wanted to reduce the importance of foreign trade (see Bowen, p. 193; Moellendorff, *Konservativer Sozialismus*, pp. 194ff.).

[8]Significantly he gave his collection of essays the title *Konservativer Sozialismus* [Conservative socialism].

[9]See Sozialdemokratische Partei Deutschlands, *Protokoll*, Kassel Party Kongress (1920), p. 139.

ownership, and only then proceed with such measures of decentralization through limited autonomy of management or of industrial combinations as would be found necessary, rather than start at the other end by creating compulsory cartels and thereby strengthen the opposition to whatever measure of nationalization might otherwise prove possible? The trouble was, however, that the spirit of the time had become wholly unfavorable to nationalization and that therefore all plans of greatly expanding public ownership were doomed to frustration.

An institution which sometimes was regarded as a step in the direction of the Wissell-Moellendorff plans but which in reality had a different origin and another significance was that of the *Betriebsräte* (shop stewards). It was not an entirely new thing in Germany that the workers in a particular enterprise elected representatives for that enterprise to protect their interests in relation to the employers, thus supplementing the work of the unions. Already before the war, workers' representatives in the mining industry had participated in enforcing the safety regulations to prevent explosions; the Auxiliary Service Law, enacted during the war, provided for the election of workers' committees in the larger munitions factories; in earlier decades, a number of enterprises had voluntarily introduced workers' representation. In 1920 the election of workers' representatives was prescribed for industrial enterprises (small craft shops were exempt); their rights—especially the right to be informed about the financial position and the prospects of the enterprise—were clearly defined and expanded.

The establishment of the Betriebsräte was in the main a concession to the left, a substantial part of which, however, remained unappeased because the law was not devised as a preliminary step to socialization or to the construction of a political soviet system.[10] In the preparatory discussions, ideas which would have connected the institution of the Betriebsräte with the Wissell-Moellendorff scheme were brought forth by Max Cohen but remained without influence.

[10]While the Constitutional Assembly deliberated about the law establishing the Betriebsräte, the Communists and Independent Socialists organized a huge demonstration before the parliament building against the enactment of the law. This demonstration got out of control: it seemed that the crowd wanted to storm the building, and the police fired into the crowd. A number of people lost their lives, and the incident contributed to the alienation of the radicalized part of the working class from the government of the Weimar Republic.

It is not impossible—although there is no evidence—that some employers found advantages in the institution of the Betriebsräte. Aside from that enlightened minority among industrialists which welcomed any channel of communication with their workers, there may have been some who thought that they could play the Betriebsräte against the unions. Many of the most conservative German employers had always thought that if organization of labor was unavoidable, it would be preferable to have separate workers' associations for each enterprise (*Werkvereine*) rather than unions for whole industries. This preference was very similar to that of many American employers of the pre-New Deal period for company unions; the Betriebsräte seemed to offer themselves as instruments for the fragmentation of the unions. Whether or not such anti-union intentions were widespread on the right, they played a considerable role on the left. The Communists regarded the relatively conservative leadership of most unions as a hostile power. Their strong demand for maximum power for the Betriebsräte was at least in part motivated by their desire to build up a rival organization to the unions—an organization which they hoped to dominate.

But any hope of using the Betriebsräte against the unions proved futile. The law creating the Betriebsräte had not equipped them with the right to collect fees from the workers or opened up for them any other financial sources. The burden of financing the Betriebsräte fell upon the unions and, assuming this burden, the unions gained decisive influence over them. The Betriebsräte in the Weimar Republic became essentially the representatives of the labor unions in individual shops and enterprises and had to follow the policy prescribed by the central organs of the unions.

Whereas all leftist tendencies of a functionalist nature failed to survive the early 1920s, on the political right there arose a literature which, although it too lost some influence in the years in which parliamentarism succeeded in consolidating itself in Western and Central Europe, built a firm foundation for a corporatist movement that came into bloom and partial fruition after 1930. In the 1920s this literature was mostly German. The countries of Western Europe had won the war under the leadership of men who had careers in parliamentary politics and still represented parliamentary parties; as soon as the tide of leftist radicalism had ebbed, it became clear that these

countries had fared well with their traditional democratic institutions. In Germany, on the other hand, democracy was tainted with the odium of defeat; clearly it would not have been created if Germany had won the war. To many middle-class Germans, the new democratic republic seemed a form of government created in emulation of West European and American models, or even imposed by the victors on Germany, and in any event out of line with the German tradition. These new animosities against democratic parliamentarism combined with the remnants of antidemocratic ideas which had been in the German consciousness at least since the time of the Romantics. Outside the working class, some Catholic circles, and a dwindling group of liberal intellectuals—largely Jewish—the republic was regarded as no genuine state at all, as an *Unstaat* that would exist only until Germany was liberated from the fetters of the Versailles treaty. Significantly one outstanding leader of corporatist ideology, Othmar Spann, gave his main work the title *Der wahre Staat* (The true state), implying that the democratic state was not a true state.[11]

This climate was favorable to the emergence of schemes which were intended to represent alternatives to parliamentary democracy, and where should such alternatives be found except in the corporatist tradition? To be sure, this mood did not continue in the same strength during the whole Weimar period. Between 1924, the end of the German inflation, and 1929, the beginning of the great depression, a

[11]Composed originally of lectures held in 1920. Although not all the opponents of the republic went as far as Spann, they often distinguished between the concept of state, eternally representing the German nation, and the passing form which this state had assumed under the pressure of external circumstances, the democratic republic. This attitude helps to explain, among other phenomena in the history of the Weimar Republic, the peculiar position of the Reichswehr—a position which in the last phase proved to be disastrous. The prevailing mentality of the army was—at least during much of the time—that it served the state, not the republic. The republican authorities themselves had originally been compelled to foster that attitude. In view of the impossibility of winning over the bulk of the old officer corps to the republican cause and the need for their services first for the demobilization and then for defense against the Communists, they had told the officers that it was their duty to serve the fatherland, regardless of its form of government. This attitude implied that the army's obligation of loyalty was not to the democratic republic but to an abstract concept of the nation. This seemed to justify neutrality in the face of counterrevolution, or even support of the counterrevolutionaries when it appeared to the officers that the interest of the nation required the overthrow of democracy.

normalization took place; the alleviation of economic ills, the creation of the imposing welfare system of the republic, and some successes in foreign policy rehabilitated the republic to some modest extent in the eyes of part of the middle class. Whereas in the early 1920s such corporatist writings as the books by Herrfahrdt, Tatarin-Tarnheyden, and the first editions of Spann's *Der wahre Staat* had appeared—not to mention those of Rathenau and Wissell-Moellendorff—little of such literature was forthcoming during the second part of the 1920s. But the opposition to the republic and, with it, the ideology of corporatism were merely dormant. After the collapse of prosperity—which was widely interpreted as proof of the hopelessness of the German situation under the Versailles treaty and under parliamentary democracy—hostility to the republic reawakened on a large scale and with it political corporatism.

One of the reasons for widespread hostility to democracy was of a nationalistic nature: disbelief in the capacity of democratic governments to free Germany from the Versailles treaty. But there was another line of thought which led more directly to corporatism. History seemed to show that in times of mass misery the suffering people might rise against the political and economic leadership. The growth of the Communist movement strengthened these fears. It was not merely that the privileged were afraid of being swept from their position by hordes of proletarians. Many people, privileged and nonprivileged, were afraid of an increasing sharpness of class antagonisms which might tear society apart and might even lead to civil war.

These fears were the main motive of Pius XI in issuing the encyclical *Quadragesimo Anno* on the anniversary of Leo XIII's *Rerum Novarum*. In a previous encyclical—*Ubi Arcano Dei*—Pius had already denounced "the war between the classes, a chronic and mortal disease of present-day society, which like a cancer is eating away the vital forces of the social fabric, labor, industry, the arts, commerce, agriculture—everything in fact which contributes to public and private welfare and to national prosperity."[12] When this encyclical was published in 1922, the destructive effects of the class struggle were overstated, but later, in the Austrian and Spanish civil wars, in the ruin of German democracy engineered with the help of Big Business, there

[12]Anne Fremantle, ed., *The Papal Encyclicals* (New York: Mentor Books, 1956), p. 222.

was something like a delayed confirmation of the Pope's fears. Had he drawn the conclusion that democratic institutions must be strengthened to enable them to resist the disruptive forces of class antagonism, his fears might have proved historically useful. But Pius did the opposite: he strengthened fascism and thereby weakened democracy. In *Quadragesimo Anno*, issued in 1931, the Pope wrote:

> As the situation now stands, hiring and offering for hire in the so-called labor market separate men into two divisions, as into battle lines, and the contest between these divisions turns the labor market itself almost into a battlefield where face to face the opposing lines struggle bitterly. Everyone understands that this grave evil which is plunging all human society to destruction must be remedied as soon as possible. But complete cure will not come until this opposition has been abolished and well-ordered members of the social body—industries and professions—are constituted in which men may have their place, not according to the position each has in the labor market but according to the respective social functions which each performs.[13]

These "self-governing organizations," the Pope said, were "if not essential, at least natural to civil society."[14]

The Pope did not explicitly speak of the political functions which should be conferred upon these guildlike institutions. The so-called corporate state of the Italian fascists, which undoubtedly had encouraged Pius to develop the functionalist scheme for the economic life, was still in an embryonic phase at the time the encyclical was published, and it was not yet clearly visible that the corporations would grow into political corporatism. But even then it seemed likely that bodies which were given such far-reaching economic powers would leave little if any room for traditional parliaments and might supersede them in the end. Although the Pope did not identify the society he wanted with the structure Mussolini tried to build—indeed he implied some reservations about it—the similarity with the fascist plans was sufficiently close for the encyclical to be received as a near endorsement of Mussolini's scheme by the highest authority of the Roman Church.

[13] *Ibid.*, p. 232.

[14] *Ibid.*

When the nineteenth century corporatists had defended their idea of restoring the guild system with the argument that it would be conducive to social peace, they forgot the historical experience of the Middle Ages, when the journeymen and the masters had had their bitter quarrels. In addition, they could have seen in their own age that most governments maintained laws forbidding or impeding the formation of labor unions—a sure sign that in the working class a strong urge existed to organize for negotiations with the employers and for struggles against them—and there was even at that time no practical prospect of changing this situation by forcing workers and employers into one representative body. But if the idea of restoring the guild system was unrealistic in the first part of the nineteenth century, it was much more so in the twentieth. That those who sold their labor and those who bought it had different interests was in the nature of things and not the consequence of a false organization. It is possible to limit the class struggle in order to prevent it from developing into ruthless war by impressing both parties with the disastrous consequences of unlimited social strife, possibly by arbitration--of which an interesting system had been built up in Germany; the fascist regimes in their Italian, German, Portuguese, Spanish, and Austrian versions achieved that limitation by subjecting workers and employers to a party dictatorship. But the remedy which Pius XI had proposed was not suited for the purpose. He entertained the illusion that peaceful relations would prevail between classes when their representatives sat in the same self-governing body; he was strictly opposed to increased influence of the state, and his only critical remarks about the Italian fascist system—expressed in very cautious sentences—referred to the possibility that the corporations would not be free but would prove to be instruments of state policy—which of course was the reality in Italy. It turned out, however, that the suppression or even the limitation of open class struggle was possible only where the state used its police power in one form or the other, mildly or ruthlessly. To anybody who looked at the real situation with open eyes, the doctrine of the encyclical was revealed as utopian.

OTHMAR SPANN

Among the writers in the German language who developed ideas of political corporatism, the aforementioned Othmar Spann gained

considerable influence in the late 1920s and 1930s. He was the most consistent political corporatist in recent literature, and one does not find with him concessions such as Tour du Pin or Frantz were willing to make. It seems likely that Spann's influence had originally been acquired through his writings in the pre-1914 period, especially through *Die Haupttheorien der Volkswirtschaft auf lehrgeschichtlicher Grundlage*, which is a solid work. The same cannot be said of *Der wahre Staat*, in which he developed and defended a system of political corporatism. Like other corporatists, Spann wants guildlike bodies to be formed for the various industries, equipped with far-reaching rights of self-government. For the common tasks, representatives of the individual guilds shall send delegates into a "*wirtschaftliches Ständehaus.*" But Spann failed to explain the principle that in his opinion should decide what numerical representation each guild should have in the assembly.[15] Aside from the structure of industrial self-government with the wirtschaftliche Ständehaus as its supreme organ, there exists in Spann's scheme the state, which has to keep all the guilds under surveillance. But of the structure of the state we hear nothing, except that obviously the state is not to be based on a parliamentary system, on which Spann cannot heap enough scorn; also, Spann tells us that the state itself is an Estate, a guild, but this remains essentially unexplained. Without any supporting arguments Spann expects idealistic thinking to prevail in his society of Estates. Spann's presentation is poor in sober analysis and rich in slogans without tangible content (e.g., universalism). Spann's archenemies are individualism, on the one hand, and Marxism, on the other. The

[15]Spann himself seems to have had an inkling of this gap in his system, wherefore he tried to minimize the importance of voting and therefore of the numerical strength of each group in the Ständehaus. He suggests that this body should act more like a state agency (*Behörde*). "In this way the difficult question of voting according to numbers [of representatives] loses its significance. The more matters are decided . . . through negotiations among the immediately interested groups [*durch sachliche Verhandlungen der unmittelbar beteiligten Fachgruppen*] on the basis of objectivity, the more will the matter itself . . . be decisive, and the smaller will be the role of voting and of speaking out of the window" (*Der wahre Staat*, p. 313). It is, of course, a superstition to believe that voting strength can be made unimportant by "objectivity." There is as a rule no objective solution to conflicts of interest between various economic groups, although there may be compromises; it is not likely that the latter will be achieved more easily in Spann's Ständehaus than in a democratic parliament.

effort to steer between the two, to picture society as composed of collective entities without using socialist concepts, may be responsible for many of the inadequacies in Spann's system.

Whereas most of the ideas in Spann's books can be found with other corporatists, one point he made, though not entirely original, belongs more to him than to any other:

> Whether the eye is focused on the present or on the past, state and society in truth always appear organized [*gegliedert*] in estates; the capitalist incursions which often recurred in the course of economic history could not change this situation. And why in estates? Because intellectual [*geistige*] differences exist in society, because from the ultimate intellectual differences follow different tasks and directions of human life and from these originate different positions within the free intellectual community. These different intellectual positions form the basis for the organization, the hierarchical order [*Abstufung*] and organic integration which characterize the "estates."[16]

As evidence of these tendencies, he refers to the "cartels, concerns and groupings similar to cartels; on the labor side, the labor unions and similar organizations."[17] In fact, cartels and labor unions are created by economic interests which find their bases in the positions which people occupy in vocational life; and who holds what position depends not only on his intellectual inclinations and abilities, as Spann in his forced—but ultimately empty—idealism would have it, but on an amalgam of his inclinations and abilities, on the one hand, and accidents of birth and good or bad luck, on the other.[18] Still, it

[16] *Ibid.*, p. 281.

[17] *Ibid.*

[18] As an example of Spann's idealization of corporatism, in which illusions play the role which factual analysis should fill, one may read the following passage: "Only in the corporate order do energy and intimate sense [*Innerlichkeit*] dominate at the same time, and only in such an order fidelity, strength, and honor. Only the corporate order, due to its tradition and constancy, knows a life style [*ist auf einen Lebensstil angelegt*], whereas in the individualistic society, in which everybody is reduced to himself [*sich auf sich selbst zurückgeworfen sieht*], at first there originates a style of voluptuousness which consumes the old capital (Renaissance, Baroque) until at last there arrives chaos and Barbarism—Americanism" (*ibid.*, p. 266).

remains true that people form organizations or at least try to do so even in periods dominated by individualism. It is equally true that without this tendency to form collectives, a state of Estates could never have existed. But to speak of Estates when the organizations have private character or very limited public functions is to blur a most important dividing line: only where vocational organizations take over major political functions, at least in the field of state economic policy, do we have a situation similar to that of the late Middle Ages and the early Modern Age.

CONSERVATIVE CORPORATISM IN FRANCE

In France the corporatist message of Tour du Pin was taken up around the turn of the century by Charles Maurras in his newspaper *L'Action Française*. Maurras was a royalist and in cultural as well as in political matters adhered to the traditional tenets of French conservatism. This close connection between the extreme right and corporatism did the latter at that time little good, for French extreme conservatism was under a severe handicap: whereas in most other countries the conservatives had almost a monopoly for the use of nationalistic emotions as a weapon, in France the conservatives had to compete with the Jacobin tendencies in devotion to the power and prestige of France. To this inherent limitation on the power of the political right there came, around the turn of the century, the outcome of the Dreyfus affair which compromised conservatism. The damage to corporatist ideology would probably have been even greater if it had not been for the influence of that great sociologist Emile Durkheim.

In the center of Durkheim's ideas was the principle of solidarity, in which he recognized the civilizing force holding society together. He succumbed to the error committed by many corporatists in believing that solidarity among the different classes of society could be secured by putting their representatives into the same bodies of industrial self-government, which would take the place of political parties antagonistic to each other and of the labor unions and employers' associations which regarded mutual contest as justification of their existence. Underlying this error was the belief that it is the form of organization which creates class antagonism, whereas in reality it is

the class antagonism, resulting from a difference of interests partly reflected in different ideology, that creates organizations which take a stand against each other.

From another side too, ideas were thrown into the debate which contributed to corporatist thinking. The so-called pluralist school, whose most effective spokesman was the law professor Léon Duguit, attacked the concept of a unitary state equipped with absolute sovereignty. In the pluralist opinion the state is only one of a series of collective entities which should have autonomous rights. This, in Duguit's opinion, is especially true of workers' and employers' associations. In some respects, his views are similar to Rathenau's concept of Fachstaaten. Although he opposed "the sovereignty of the numerical majority of individuals,"[19] he did not wish to abolish parliament but merely demanded that beside a chamber of parliament there be established one composed of representatives of vocational interests.

On the whole, however, political corporatism remained a weak plant in France between 1900 and 1930. Whereas in Germany the defeat in World War I and the subsequent mistrust against parliamentary democracy within the bourgeoisie had been favorable to the reemergence of a corporatist ideology, in France the third decade of the twentieth century was an even less fruitful period for corporatism than the immediately preceding years. The victory over Germany did much to assuage the bitter feelings which the defeat of 1871 had left. It had been the democratic states which had been victorious and the semiabsolutist regimes in Germany and Austria which had been defeated; this lesson did not support corporatism or any other antidemocratic tendencies, but their great rival, Jacobinism, with its combination of fervent patriotism and belief in popular sovereignty.[20] In this period, among the leading men of the Third Republic only Joseph Paul-Boncour, originally a socialist and later an independent, showed in his thinking traces of corporatism.

But subsequent events showed that the seeds which Tour du Pin and other nineteenth-century writers had sown were not dead. Nor was the antidemocratic trend in French public opinion—a trend which

[19]Elbow, p. 117.

[20]About this rivalry, see Armin Mohler, "Im Schatten des Jakobinismus," in *Rekonstruktion des Konservatismus*, ed. Gerd Klaus Kaltenbrunner (Freiburg: Verlag Rombact, 1972).

had existed ever since the French revolution (at times underground)—completely eliminated: both were only dormant. The political right in France had suffered an ignominious defeat around the turn of the century in the Dreyfus affair; the wound thus inflicted had not healed, but had only been crusted over; there were circles in France which wanted a conservative triumph.

One of the forces that kept conservatism alive below the surface was the fear of communism. Although immediately after the war the CGT had recognized the differences between party communism and its own syndicalist tradition and therefore had refused to join Moscow's Red Trade Union International, in the whole interwar period the Communists held strong positions within the French working class. What made the Communist menace especially frightening to the French middle class was the absence of a strong anti-Communist front. The French socialists, unlike their German brethren, still felt under the ban against participating in a government together with middle-class liberals until the middle of the 1930s. The ban had originated from the dissatisfaction with Alexandre Millerand's participation in the cabinet of Pierre Waldeck-Rousseau in the aftermath of the Dreyfus affair; it had been endorsed by the socialist International at its congress at Amsterdam in 1904. Even the forming of a parliamentary bloc together with the liberals was considered illegitimate for French socialists in the early 1930s. In the French middle class, on the other hand, antisocialist sentiment was strong. Only a minority on both sides seemed to remember the lesson from the Dreyfus crisis that the defense of the republic required cooperation between sincere liberals and democratic socialists. Under these circumstances, the nightmare of a socialist-Communist alliance, which became a near reality in 1936 in the form of the Popular Front,[21] haunted the French bourgeoisie. Nothing of this led to widespread political corporatism in the 1920s, but a large part of the forces which eventually were to create the Vichy regime were already in existence.

Two factors helped those forces eventually to achieve a breakthrough: the economic depression and France's defeat at the hands

[21]The Popular Front was no pure example of a socialist-Communist alliance. On the one hand, the Radical Party—despite its name (*radical-socialiste*), a left-liberal group—participated in the Popular Front government; on the other hand, the Communists refused to send a representative into the cabinet, although they promised support of the latter.

of Hitler. The depression hit France less hard than several European and non-European countries but hard enough to shake the feeling of security which is one of the great needs of the French middle class. The anxieties of the bourgeoisie were increased by the signs of social unrest which appeared in the whole of Europe. The most spectacular of these was the Spanish civil war. Although French national interest would have required the preservation of the Spanish republic in order that France might not have to face a dictatorship on its southern as well as on its eastern frontier, where Hitler had already established his ruthless rule, a substantial part of the French bourgeoisie sympathized with Franco. The 1930s produced quite a crop of corporatist literature in France, although there seems to be no outstanding work among those books.[22]

MUSSOLINI AND CORPORATISM IN ITALY

The great success of corporatism occurred only when practical needs of autocratic rules, at a time of general confusion and helplessness (and not merely ideological predilections), seemed to require a new order. The first country in which conditions gave the supporters of corporatism their opportunity was Italy.

After the "March on Rome" of 1922 which made him prime minister, Benito Mussolini already knew that he wanted to be more than a chief of a cabinet that depended on parliamentary majorities. At first he tried to create a firmer power base for himself by the electoral reform of 1923. This constitutional change provided that a party which attained a plurality in the elections would be given an absolute majority of seats in the parliament. Apparently Mussolini felt sure that the fascists would always be able to win at least a relative majority among the voters. This expectation, however, was for a historical moment put in question by a great emotional wave, adverse to the fascists, which swept the country as a consequence of the murder of Giacomo Matteotti. This man, a moderate socialist, had bitterly attacked the fascist regime in parliament; when he was found assassinated a few days later, public opinion blamed fascism and even Mussolini personally for the deed. For a short time, the fascists were

[22]See the bibliography in Elbow.

most unpopular, and if elections had been held right away, there is little doubt that the power base of Mussolini's party would have been destroyed. But there were no elections; moreover, blunders of the opposition, disunity in its ranks, and a superb crisis management by Mussolini prevented a collapse of fascism and gave it time to recover. By the beginning of 1925, Mussolini was again as firmly in the saddle as he had been before the crisis.

There is no conclusive evidence linking Mussolini's decision to create a corporatist political order with the experience of the Matteotti affair, but it stands to reason that the experience had shown him the fragility of his political base, in spite of the electoral reform, and induced him to consider a reconstruction. Between 1925 and 1929 he introduced various constitutional changes which all had the purpose of concentrating power in his own hands and making the parliament incapable of offering serious opposition; he also took measures to assure the control of local administrations and vocational organizations by the government. The identity of state and fascist party—meaning in reality the domination of the state by the party—was made clear in a law of 1928 which gave the Grand Council of Fascism the character of a state organ. But Mussolini did not entrust even this group (which consisted of his old comrades in arms and loyal followers) with the power to make final decisions; the council received only advisory functions.[23]

The Italian example illustrates a dilemma which all builders of dictatorships, especially in the West, have to face. On the one hand, good government—or rather government which is not entirely bad—requires machinery through which the citizens can make their desires and grievances known to the rulers and in which people who have the confidence of the citizens can deliberate about solutions. Even if political discussions are prohibited, there always exists a number of issues of a technical character (in a broad sense) which affect the lives of individuals: questions of city planning, construction of traffic facilities and traffic regulation, energy supply, and many others. To charge government appointees exclusively with the solution of such problems means the establishment of an unwieldy bureaucracy whose

[23]That all institutional safeguards may be made ineffective under the influence of adverse events was shown by the experience of 1943. It was precisely a vote of the Grand Council that initiated the fall of Mussolini after defeat had destroyed his authority.

judgment, based on the assumption that bureaucrats have a monopoly of wisdom, will often fail to meet the needs of the people.

On the other hand, every form of representation may become a rallying point of forces challenging the dictatorship. Mussolini must have been aware of this danger. He could not have forgotten the Matteotti crisis, which he could hardly have overcome except for the blunders of the opposition. In changing the Italian constitution, his principal purpose was undoubtedly to create a firm basis for his regime. Obviously he considered the outer form of a corporate state suited for this purpose.

In trying to analyze his motives in turning toward corporatism, we do not receive much guidance from him; we can show only why the constitutional provisions he created were apt to serve his ends. This is true of the replacement of the traditional party system by a corporate organization. In this way the representation became disconnected from the ideologies of the past which had been the root of the Communist and socialist opposition to fascism. But the possibility remained that—especially in the event of a crisis—opposition to the regime might emerge from within the corporations. To forestall any such danger as far as possible, the corporations and their subdivisions were hedged in with a great many provisions limiting their autonomy.[24]

The corporations consisted of workers' and employers' syndicates which were supposed to have equal rights within the corporations. Mussolini therefore did not commit the mistake of believing that class antagonisms could be ignored; nor does it seem that he assumed they could be defused merely by putting representatives of both sides into the same body. Strikes and lockouts were forbidden; the syndicates for both sides were supposed to negotiate the conditions of employment; in the event that they could not agree, compulsory arbitration was to take place. Only individuals who "had always shown good character in moral and political matters from the national

[24]For details, see G. Lowell Field, *The Syndical and Corporative Institutions of Italian Fascism* (New York: Columbia University Press, 1938), passim. The book was published before the corporations received their final form, but the tendencies of fascist policy were already clearly recognizable. Mussolini himself proclaimed: "Everything in the state, nothing against the state, nothing outside the state" (quoted in *ibid.*, p. 15). Clearly this precluded true autonomy of corporations.

points of view"—in other words, those who were not under suspicion of anti-fascism—could become members of the syndicates;[25] this was the first barrier to the infiltration of oppositional tendencies into the corporate structure.

Other provisions served the same purpose. Each corporation was to be created by government decree; its chairman had to be a minister, an undersecretary of state, or the chief of the fascist party.[26] The regulations which the corporations could issue—and which bound the syndicates and through them the workers and employers—became valid only through the approval of the head of government. Price ceilings, which the corporations could impose to prevent the syndicates or large entrepreneurs from exploiting the consumers, also needed the consent of the government. When a national council of corporations was finally founded, it consisted not merely of delegates from the corporations, but also of leading members of the fascist party and of government representatives.

This great influence of the state was the only point at which the Holy See, under Pope Pius XI in *Quadragesimo Anno*, criticized the fascist system. The Pope praised the corporate organization as a remedy against the class struggle, but he expressed some misgivings: "It is feared," he wrote, "that the new syndical and corporate institution . . . possesses an excessive bureaucratic and political character and that . . . it risks serving particular political aims rather than contributing to the initiation of a better social order."[27] The very cautious formulation of this criticism can be easily understood from two facts. First, the continued existence of the Church government depended on at least tolerably good relations with the fascist government, which would at any time have been capable of physically destroying the Vatican state; second, the Pope still thought of fascism as a useful countervailing power to communism.

The process of constitutional change covered a number of years. In 1927 a "Labor Charter" regulated industrial relations, giving em-

[25]Louis Baudin, *Le Corporatisme* (Paris: Librairie du Droit, 1941), p. 68.

[26]*Ibid.*, p. 74.

[27]Oswald von Nell-Breuning, *Reorganization of the Social Order, 1936-37*, pp. 426ff. This edition of the encyclical is edited by the German Jesuit priest who was regarded by some contemporaries as the author of the draft which the Pope adopted.

ployers' and workers' associations a firm place in the societal structure even before the corporate organization was completed. In 1928 followed a law which gave these associations the right to propose to the fascist Grand Council a list of eight hundred candidates for seats in a legislative chamber of four hundred members; the council then made the selection.[28] In 1934 a law was enacted which finished the framework of the corporate structure, although much detail remained to be supplied. This law, aside from other provisions, created a Council of Corporations and thus gave the vocational organizations a common organ. However, the council was composed not only of delegates from the corporations; fascist party representatives were also among the members.

That Italian fascism created a dictatorship rather than a true corporate state was in part certainly a result of Mussolini's desire for absolute power, but in part also the result of the conditions under which the fascist regime originated. In 1922 Italy was very nearly in a state of civil war. Not only the Communists, but also the majority of the socialists—then under the control of their "maximalist" faction—were imbued with a spirit of unrestrained class struggle. It was this spirit which prevented their cooperation with moderate elements in the other parties and in the army—a cooperation which might have frustrated the fascist drive for power. On the other hand, the employers and most of the middle class were deeply frightened and ready to use all means to protect their position and their property. Innumerable clashes between socialists and fascists resulted in many deaths. The fascist combat groups had become so accustomed to the use of violence that it was not always clear whether even an order by Mussolini as party chief could have stopped it. Under these circumstances, a strong government was necessary to assure a return to internal peace. Corporations possessing autonomy would hardly have offered a solution: the labor organizations, even if paying lip service to fascism, might well have continued the class-war policy of prefascist labor. This probably precluded a true corporate state, at least for a transitional period, as well as a continuation of a democratic regime.

[28]Aside from the eight hundred candidates proposed by the vocational associations, there were two hundred proposed by other associations; the Grand Council therefore had to select four hundred chamber members from a total of one thousand candidates; it could add other names to assure representation of all interests. As a final step, the list had to be submitted to the chief of state.

Thus fascism could plead extenuating circumstances for the original assumption of unrestrained power, though not for many individual acts in the earlier as well as the later phase of its regime.

There is no clear evidence to judge whether Mussolini intended to develop the Council of Corporations into a body making political decisions in noneconomic matters. On the one hand, he was probably not entirely without the feeling that he needed a substructure for his regime in political as well as economic matters. On the other hand, he may have wished to keep political matters entirely in his own hands, without even a body which he could control as much as he could the Council of Corporations having anything to say in this field.

In Italy the *étatisme* was intentionally created by the dictatorship. In some other countries which adopted corporatist constitutions it was not what the authors of those constitutions originally wanted. Just the same, the actual system everywhere became similar to the Italian because objective conditions prevented the emergence of a regime of truly autonomous corporations.

FRANCE: HENRI PÉTAIN

A striking example of such a development can be found in France in the years 1940-45. When Henri Pétain took over the French government in 1940, he was an enemy of parliamentary democracy and a believer in a strong executive but not an advocate of a totalitarian state. In particular, he wanted the state to keep as much as possible from intervening in the economy: within the framework of their affairs, the producers should govern themselves.

Consequently he tried to establish a sort of dual regime. He himself, as chief of state, received almost dictatorial powers, which covered all political matters, but for the economy he wanted a corporate system. This dichotomy would hardly have been tenable even in normal times because economic decisions too often have very serious political implications. In the particular situation of the early 1940s in defeated France, which was being plundered by the victorious enemy and therefore suffered from the most serious shortages of the necessities of life, the government could not leave either the

distribution of food or the procurement of raw materials for industry to bodies of economic self-government. Thus even in the economic sphere corporatism in France remained for the most part an ideological construct.

This result, however, was brought about not only by the necessity to adjust to the shortages and to mitigate their effects. Although Pétain had been very popular when he took power, the growing hatred of the population against the occupiers gradually turned against the French functionaries, who were regarded as German puppets—not without reason. Under these circumstances the popular mood was not favorable to the realization of Pétain's corporate program.[29] Yet corporations could hardly be built and could certainly not function without the willing participation of the people. Moreover, the Pétain administration may well have felt that given the public mood, autonomous corporations might become hotbeds of opposition and that the only safe course was to keep economic as well as political power in the hands of the government. Finally, even if the other obstacles to a government by autonomous corporations had not existed, the Vichy government simply did not have enough time to carry out a complete reconstruction of the system. In Italy—assuming that the Matteotti crisis gave the decisive impulse to the corporate plans—it took a decade to build the corporate structure. In France Vichy's control of the national territory and its resources was restricted from the beginning through the partial occupation by the German army.

[29]"The workers and peasants of France did not respond with enthusiasm to the Vichy corporative system. By December, 1941, only nine of the eighty departmental labor unions had rallied to the Labor Charter. The Catholic syndicalists and twenty-one of the supposedly defunct CGT opposed it. The peasants of France were most uncooperative toward the 'new order' and they found myriad of ways to break the Vichy regulations" (Elbow, p. 195). The Labor Charter, issued in October 1941, was probably created in imitation of the Italian example; its content was similar to the Italian document. The CGT consisted of the non-Catholic unions and was in the 1930s controlled by the Communists. In November 1940 the CGT, along with other workers' and employers' organizations, was officially dissolved but continued to exist de facto. In contrast to the industrial sphere, the agricultural organizations existing in 1940 were permitted to continue their existence (see Robert Aron, *Histoire de Vichy* [Paris: Aethème Fayard, 1954], p. 347). Presumably these organizations were intended to be used as building blocks for the agricultural corporation, whereas in industry a totally new construction was deemed necessary.

In 1942, when the Germans marched into the hitherto unoccupied zone, the Vichy government became nearly powerless. From the summer of 1944, after the Normandy landing of the Allies, the territory over which Vichy had jurisdiction shrank progressively until the end of the war. Thus Pétain did not have even four years to carry out his corporate program.

In Italy, as in France, the development of the war brought an end to the corporate system. But in the interwar period other states had adopted a corporate system, or at least a system with a corporate label.

AUSTRIA: KURT VON SCHUSCHNIGG

Between 1934 and 1938 Austria regarded itself and was regarded by the rest of the world as a corporate state. Since March 1933, when the government, consisting of Christian Socialists, had used a technicality to prevent the parliament (Nationalrat) from convening, the small state had been in a constitutional crisis. Within the ruling Christian Social Party there was a strong desire to solve the impasse by introducing corporate political institutions. Intensive discussions took place within the party itself, as well as within the Social Democratic opposition over this plan; even among the Christian Socialists there were many differences of opinion, especially about the question of whether the Nationalrat should in the future be permitted to exist beside the corporate organs.

But all these hesitations and dissensions were swept away in February 1934, when a civil war broke out between the government forces, supported by the fascist organization Heimwehr and the socialist Schutzbund. The latter was beaten, the socialist party and subsequently all parties were dissolved, many socialists were incarcerated and some executed. The way was free now for Chancellor Dollfus and his successor Kurt von Schuschnigg to introduce the corporate system according to their ideas.

What was created, however, was by no means a system of pure corporatism but rather a mixture of territorial decentralization and government absolutism with some elements of vocational autonomy. Several councils with advisory functions were set up: a Federal State Council, composed of members appointed by the federal president

(with the countersignature of the chancellor); another state council composed of the governors of the several states and their financial officers (the governors themselves were appointed by the federal president with the approval of the chancellor, by selection from a list of three persons in each case; the list was submitted by the state diets); a cultural council, consisting of representatives of the churches and from education, science, and art; furthermore, an economic council was eventually to be formed by delegation from vocational organizations. The members of the two latter councils were for the time being also appointed by the federal president with the approval of the chancellor. All the members had to be "loyal citizens." The only organ empowered to make decisions was the Bundestag, consisting of delegates from the councils.

The far-reaching powers of the government to determine the composition of the most important state organs made it clear that the étatisme of the so-called corporate state in Austria was hardly less pronounced than that of the Italian model. Whether the intentions were different cannot be determined with certainty, but it is probable. Chancellor Schuschnigg, who presumably was the main author of the new constitution, was a pious Catholic and most likely much impressed by the traditional Catholic doctrine about the subsidiary role of the state; it was this doctrine which had induced the Pope to express some reservations about Mussolini's corporate state, in which he otherwise found much good. But Schuschnigg was in a position somewhat similar to that of the Vichy government after 1940. He was threatened from two sides: by the Nazis, who had murdered his predecessor Dollfus and who in 1938, with the help of German military power, made an end of his own regime; and by the socialists, who had been defeated in the civil war but continued to enjoy the sympathies of a large part of the population. Autonomous corporations might have been infiltrated by the socialists, who were very skillful in using every weak spot in the political structure. It was certainly in large part as a protection against this danger that the Schuschnigg government found it necessary to strengthen the influence of the state upon and within the corporations as much as possible. Whether a true corporate state might have become popular in Austria and thus given the Schuschnigg government the roots in the population which it lacked remains a matter of conjecture; given the climate of opinion of the 1930s, it does not seem impossible. For the

bureaucratic Schuschnigg government no group could develop any strong enthusiasm; it might well have collapsed from inner weakness if Hitler had not made an end of it by military force.

PORTUGAL: ANTONIO SALAZAR

Immediately following the end of World War I, Portugal went through a period of political turmoil and financial confusion. The latter was remedied through the wise measures and energy of Antonio Oliveira Salazar, who was appointed minister of finance by General Cormona, who had made himself president through a military coup. The great reputation and popularity which Salazar acquired through his financial policy made him the outstanding personality in Portugal until after World War II, and he became practically a dictator.

Salazar was a pious Catholic whose mind was steeped in the tradition of social Catholicism; most probably, he was greatly influenced by the ideas underlying *Quadragesimo Anno*. He was inclined toward corporatism and wanted to give Portugal a corporate constitution. In this endeavor, however, he succeeded only to a limited extent. He let the National Assembly, which was a parliament like other West European legislatures, continue its existence, although a law of 1930 prohibited all parties except Salazar's own National Union.

The center of the corporate system which Salazar attempted to build was the Corporative Chamber. This body was created in 1938—six years after Salazar had become prime minister. The chamber consisted of the presidents of the existing occupational organizations, "syndicates" or "guilds." Salazar's intention was undoubtedly to form corporations for each branch of the economy, consisting of separate syndicates for workers and employers, and then let these send their functionaries or other delegates to the Corporative Chamber. But by far not all the branches of industry were organized, and Salazar did not want to speed up the process of organization by compulsion except where specific national interests of great importance required the formation of organizations.[30] As late as 1937, Salazar

[30]National interests were at issue primarily where quality control seemed necessary to maintain the reputation of Portuguese products abroad in the interest of exports, as in the case of port wine and sardines (see Freppel Cotta, *Economic Planning in Corporative Portugal* [London: P. S. King & Son, 1937], pp. 55ff. and 108ff.).

declared that not a single true corporation existed as yet.[31] The Corporative Chamber had only advisory functions.

It is not impossible that Salazar intended eventually to replace the National Assembly by a corporate structure—presumably by the Corporative Chamber—but this is a matter of speculation. The only statement into which such an intention could be read is a rather enigmatic passage in a speech Salazar gave in 1934: "I am convinced that within twenty years . . . there will be no legislative assembly left in Europe. I am not speaking of purely political assemblies."[32]

Thus Portugal under Salazar was far from being a corporate state in the political sense, such as desired by the Romanticists and more recently by Othmar Spann. The reason is not primarily the continued existence of a traditional parliamentary body (the National Assembly); in the models drafted by Tour du Pin and Frantz similar concessions had been made. Nor is the reason why Portugal in the 1930s was not in the corporative but a precorporative period[33] the invasion of corporate rights by the state as in Italy and Vichy France. Rather, the main reason is the reluctance of large population groups to have their freedom of action limited by organization.[34]

GERMANY: ADOLF HITLER

In Germany many writers on the political right, including quite a few National Socialists, had expected that a victory of National Socialism would be followed by the creation of a corporate order. This was especially the hope of the artisans and small shopkeepers whose support was to a considerable extent responsible for Hitler's coming to power. These people were primarily interested in economic

[31] See Baudin, p. 108.

[32] Quoted in Émile Servan-Schreiber, *Le Portugal de Salazar* (Paris: Denoël, 1938), p. 28.

[33] See Baudin, p. 105.

[34] "The Portuguese [are] Latin, very particularistic, more inclined to feelings [*sentiment*] than to reasonable argument [*raison*], mild, rather unconcerned or even fatalistic. . . . The people in general understand and recognize [*admets*] the ties of family and of neighborhood more than those of the profession" (*ibid.*, p. 106).

corporatism—i.e., in a resurrection of the guild system. If all artisans and small dealers had to join a trade organization, it was expected that price competition would be blunted and that in addition these organizations would offer the little entrepreneur some protection from the giant concerns; here and there, interest extended to the creation of a political system of corporatism.

But shortly after Hitler came to power, he stopped the discussion about the building of the corporate state. This did not prevent him from creating many compulsory organizations—from the Association of Farmers to the handicraft chambers and the Labor Front; they were nearly all endowed with public functions. Moreover, industry was organized into bodies—including many compulsory cartels—which all firms had to join.

The question of to what extent these organizations had any autonomy is not easy to answer. Industry made efforts to keep the state and the Nazi party from interfering too much with the right of businessmen to make their own decisions. There was some measure of success in this respect because the Nazis, having rearmament in mind from the beginning, could not refuse to grant the entrepreneurs of the munition industries and their suppliers the amount of autonomy which was regarded as necessary for the efficient conduct of business. However, it was not merely the retention of some specific rights of control and interference by the state or the Nazi party that restricted the freedom of the entrepreneurs, but even more the general climate of the dictatorship: where individual rights are not recognized as inviolate and protected by an independent judiciary, the functionaries of any organization of citizens cannot stand up against the powerholders in the executive or the party (which in the case of Nazism was identical with the executive).

Why did Hitler not create a corporate state? Why did he not even go as far as Mussolini in building up a corporate structure as a camouflage of his dictatorship? We cannot answer these questions with any certainty. The best guess seems to be that he did not want to create any potential power centers which an opposition might use. Hitler's position was in some respects stronger than that of Mussolini: he had come to power as the head of a very strong popular movement, whereas Mussolini's "March on Rome" was largely a theatrical affair; furthermore, there had been nothing in Germany like the Matteotti case—the alleged "Röhm *putsch*" of June 1934 played a

very different role. However, there was one respect in which he had to face greater hazards: the position of the Reichswehr was different from that of the Italian army. The feeling of the high officer corps that they were the true trustees of the nation had contributed much to the undermining of the Weimar Republic and thereby to the origin of the Hitler regime. But after Hitler's seizure of power, the tendency of the military to play an independent role became a latent danger for the regime.

At first, Hitler succeeded in stifling any misgivings about his regime in the armed forces by his rearmament program and by the liquidation of the SA, which the army regarded as a potential rival, in the Röhm putsch. But the officer corps had traditional relations with the class of big landowners, and the rearmament program created new ties between army and industry. These circumstances tend to explain why Hitler may have been apprehensive about the attitude of representatives of economic interests in a corporate system. Would they not ally themselves with the army to impose their will upon the dictator? To be sure, army and industry were both enthusiastic about rearmament, but this did not mean that they agreed with Hitler's war plans.[35] The majority of industrialists would undoubtedly have preferred a continuation of peace since in the later 1930s they were doing very well indeed. Many of the generals were skeptical about Germany's prospects in a war against Britain and France, with the Soviet Union at best an unreliable neutral. When in the fall of 1938 Hitler seemed about to start hostilities over the Czechoslovakian question, one military group was apparently prepared to unseat him by force and became discouraged only when the West European powers left Czechoslovakia to its fate through the agreement of Munich. It took the great successes of Hitler's aggressive policy in annexing

[35]The relationship between the army and industry, especially in the first half of the 1930s, is well presented in Arthur Schweitzer, *Big Business in the Third Reich* (Bloomington: Indiana University Press, 1966), passim. The value of Schweitzer's analysis is only somewhat impaired by his inclination to see the hand of Big Business in the rise of Nazism. In this way he obscures the fact that Nazism was essentially a movement of the lower middle class, and the role of Big Business was in the main that of a supporting force. Of course, this did not prevent the big industrialists from exploiting the situation after 1933 for the benefit of their own interests, and, as Schweitzer well explains, their influence prevailed in many matters over that of the middle class, undoubtedly because of the importance of industry for rearmament.

Austria and bringing the whole of Czechoslovakia under German control to create an enthusiasm that smothered the sparks of military opposition—a process that was more or less completed by the conquest of Poland. Still, while Hitler may not have been aware of preparations for a military coup in the fall of 1938, he cannot have been ignorant of the existence of disaffection in the armed forces, and this may have been a motive for his decision to avoid the building of a corporate structure even for purposes of camouflage. The considerable role which members of the officer corps and of the landed aristocracy played in the conspiracy which in the summer of 1944 staged an attempt on Hitler's life demonstrated that the potential danger from these groups was serious indeed. If the fear lest their discontent might find leverage in a corporate system was indeed Hitler's motive in not building up a corporate structure, he was well advised.

From this survey it must be concluded that nowhere in twentieth-century Europe did a true corporate state exist. Even where the intentions of the rulers were directed toward a genuine corporate order, circumstances forced them—at least in their own opinion—to arrogate to themselves so much power as to make the corporate institutions a mere cloak over a dictatorship. The extensive literature which in the 1930s—especially in France and Germany—favored a corporate system completely missed its goal.

But at first it seemed that the failure of corporatism to become the constitutional principle in the leading countries had not benefited parliamentary democracy. In Italy, Germany, Austria, France, Portugal, and Spain democratic institutions were abolished. It was only through the final defeat of the two leading dictatorships, Nazi Germany and fascist Italy, that democracy again became the principle upon which the advanced countries of Western Europe built their constitutions. The complete defeat of Hitler's Germany and Mussolini's Italy ended the trend toward autocratic government in Western Europe—but unfortunately not in the Communist-dominated East, nor in many countries of Asia, Africa, and Latin America.

8. THE COLLAPSE OF CORPORATISM

The year 1945 brought not only the elimination of corporate structures serving as camouflage for dictatorships, but also the collapse of corporate doctrine. This collapse, however, reflected mainly the discredit which was visited upon the fascist governments; it was not the result of an insight into the weaknesses of political corporatism. There was no significant discussion of the illusions which had played so great a role in corporatist literature, especially of the idea that corporate bodies assure social peace or the belief that under corporatism decisions touching the economy would be made with an amount of expertise otherwise not procurable—not to mention the phraseology by which corporatism was praised as a reign of idealism.

Contributing to the demise of political corporatism was the experience that in the majority of Western countries the party system did not endanger political stability as it had done here and there in the interwar period. France had seen frequent changes of government in the 1920s and 1930s, and this instability had helped to create the mood which favored the search for alternative political forms, a search which led many writers to the advocacy of corporatism. The instability continued after 1945 and finally in 1958 induced de Gaulle, through a kind of coup, to establish a government with a very strong executive—so strong that there was fear in rather wide circles that this was an entering wedge for a new development toward fascism.[1]

[1]This suspicion arose particularly from the highly irregular way in which de Gaulle obtained power. The preceding governments had lost much prestige through their inability to maintain French rule in the colonies. In 1954 the war against the Vietminh in Vietnam was lost after heavy French sacrifices in lives; in the same year Tunisia had to be given up; in 1956 French rule ended in Morocco. But the severest crisis occurred in Algeria. Ever since the war a part of the Algerian Arabs had engaged in more or less open resistance to French rule, a resistance which became stronger in 1956. Yet not only was Algeria legally part of metropolitan France, but also a large number of French settlers had lived there for generations. Moreover, a substantial sector of the Mohammedan population—

But subsequent developments showed that de Gaulle respected the rights of the individual, that he left important functions to parliament, and that the ultimate right of decision about the person of the chief executive and the composition of parliament remained with the voters.

On the whole the reform of 1958 strengthened French democracy. In West Germany, Austria, the Low Countries, and Scandinavia a high degree of political stability was maintained. Although the same cannot be said of Italy, the fact that the large Italian Communist party has turned away from Moscow's leadership and no longer seems to aim at a proletarian dictatorship perhaps justifies the hope that in the near future the country in which democracy collapsed earlier than in other advanced nations will again find its way to a firmly established democratic system. Spain and Portugal have so recently abandoned dictatorial rule that their difficulties with democratic institutions are probably in the nature of birth pangs.

especially of the educated classes—had accepted French culture and felt loyalty for France; not a few served as officers in the French army. These people and large parts of the troops stationed in Algeria, especially the officer corps of the foreign legion, came to believe that only de Gaulle could and would save Algeria for France. They decided to force a transfer of power to him. Parachute detachments were so deployed as to threaten metropolitan France. This menace was a major factor in inducing the parliament and the people of France to accept the Fifth Republic, as de Gaulle's regime was called. But de Gaulle disappointed his Algerian supporters. When he found that the nationalistic Arab groups continued the civil war in spite of military defeats, he finally gave in and agreed to the creation of an independent Algeria. Whether he already had this in mind as a possible option when he took power or whether he became impatient with the necessity of keeping a large part of the available French resources in manpower and money committed to a struggle in a non-European country—a feeling that would be understandable in view of his ambition to have France play a dominant role on the European continent—is uncertain.

It remains an open question whether the decision to have France move out of Algeria was the best possible one. Militarily the French had finally gained the upper hand, although resistance would under all circumstances have continued for some time. If Algeria had remained French, an example would have been supplied for a synthesis of European and Arab cultures and of a peaceful symbiosis of erstwhile colonizers with the native population. Undoubtedly reforms in favor of the Arab population would have been necessary, and resistance of part of the French settlers against these reforms would have been probable; but there is little reason to doubt that a wise policy could have achieved a viable compromise.

Democracy, to be sure, has failed in almost all countries of the so-called Third World. Of course, there was no possibility of establishing a corporate system in these countries; their economies were not differentiated enough, and the populations, largely illiterate, would have had at least the same difficulties in handling vocational representation as they had with democracy. Therefore, what emerged in these countries was mostly open or slightly camouflaged dictatorship, with or without leaning toward Soviet communism. Although some reasons why democracy failed in the developing countries are very difficult to overcome—untamed personal ambitions of leaders, passive attitude of populations without even the elements of learning, tribal jealousies—the last word about the future of parliamentary democracy in Asia and Africa has perhaps not yet been spoken. After all, even in Europe political systems based on elective assemblies to which the executive was responsible took a long time to develop, and their growth suffered many setbacks, of which the temporary turn toward political corporatism was one of the most important.

INDEX OF NAMES

INSTITUTE OF INTERNATIONAL STUDIES
UNIVERSITY OF CALIFORNIA, BERKELEY

215 Moses Hall · Berkeley, California 94720

CARL G. ROSBERG, *Director*

Monographs published by the Institute include:

RESEARCH SERIES

1. *The Chinese Anarchist Movement.* R.A. Scalapino and G.T. Yu. ($1.00)
7. *Birth Rates in Latin America.* O. Andrew Collver. ($2.50)
15. *Central American Economic Integration.* Stuart I. Fagan. ($2.00)
16. *The International Imperatives of Technology.* Eugene B. Skolnikoff. ($2.95)
17. *Autonomy or Dependence in Regional Integration.* P.C. Schmitter. ($1.75)
19. *Entry of New Competitors in Yugoslav Market Socialism.* S.R. Sacks. ($2.50)
20. *Political Integration in French-Speaking Africa.* Abdul A. Jalloh. ($3.50)
21. *The Desert & the Sown: Nomads in Wider Society.* Ed. C. Nelson. ($5.50)
22. *U.S.-Japanese Competition in International Markets.* J.E. Roemer. ($3.95)
23. *Political Disaffection Among British University Students.* J. Citrin and D.J. Elkins. ($2.00)
24. *Urban Inequality and Housing Policy in Tanzania.* Richard E. Stren. ($2.95)
25. *The Obsolescence of Regional Integration Theory.* Ernst B. Haas. ($4.95)
26. *The Voluntary Service Agency in Israel.* Ralph M. Kramer. ($2.00)
27. *The SOCSIM Microsimulation Program.* E. A. Hammel et al. ($4.50)
28. *Authoritarian Politics in Communist Europe.* Ed. Andrew C. Janos. ($3.95)
29. *The Anglo-Icelandic Cod War of 1972-1973.* Jeffrey A. Hart. ($2.00)
30. *Plural Societies and New States.* Robert Jackson. ($2.00)
31. *Politics of Oil Pricing in the Middle East, 1970-75.* R.C. Weisberg. ($4.95)
32. *Agricultural Policy and Performance in Zambia.* Doris J. Dodge. ($4.95)
33. *Five Classy Computer Programs.* E.A. Hammel & R.Z. Deuel. ($3.75)
34. *Housing the Urban Poor in Africa.* Richard E. Stren. ($5.95)
35. *The Russian New Right: Right-Wing Ideologies in USSR.* A. Yanov. ($5.95)
36. *Social Change in Romania, 1860-1940.* Ed. Kenneth Jowitt. ($4.50)
37. *The Leninist Response to National Dependency.* Kenneth Jowitt. ($4.95)
38. *Socialism in Sub-Saharan Africa.* Eds. C. Rosberg & T. Callaghy. ($12.95)
39. *Tanzania's Ujamaa Villages: Rural Development Strategy.* D. McHenry. ($5.95)
40. *Who Gains from Deep Ocean Mining?* I.G. Bulkley. ($3.50)
41. *Industrialization & the Nation-State in Peru.* Frits Wils. ($5.95)
42. *Ideology, Public Opinion, & Welfare Policy: Taxes and Spending in Indus-dustrialized Societies.* R.M. Coughlin. ($6.50)
43. *The Apartheid Regime: Political Power and Racial Domination.* Eds. R.M. Price and C. G. Rosberg. ($12.50)
44. *Yugoslav Economic System in the 1970s.* L.D. Tyson. ($5.50)
45. *Conflict in Chad.* Virginia Thompson & Richard Adloff. ($7.50)
46. *Conflict and Coexistence in Belgium.* Ed. Arend Lijphart. ($7.50)

47. *Changing Realities in Southern Africa.* Ed. Michael Clough. ($12.50)
48. *Nigerian Women Mobilized: Women's Political Activity in Southern Nigeria, 1900-1965.* Nina Emma Mba. ($12.95)
49. *Institutions of Rural Development for the Poor.* Ed. D. Leonard & D. Marshall. ($11.50)
50. *Politics of Women & Work in USSR & U.S.* J.C. Moses. ($9.50)
51. *Zionism and Territory.* Baruch Kimmerling. ($12.50)
52. *Soviet Subsidization of Trade with Eastern Europe.* M. Marrese & J. Vanous. ($14.50)
53. *Voluntary Efforts in Decentralized Management.* L. Ralston et al. ($9.00)

POLITICS OF MODERNIZATION SERIES

1. *Spanish Bureaucratic-Patrimonialism in America.* M. Sarfatti. ($2.00)
2. *Civil-Military Relations in Argentina, Chile, & Peru.* L. North. ($2.00)
9. *Modernization & Bureaucratic-Authoritarianism: Studies in South American Politics.* Guillermo O'Donnell. ($8.95)

POLICY PAPERS IN INTERNATIONAL AFFAIRS

1. *Images of Detente & the Soviet Political Order.* K. Jowitt. ($1.25)
2. *Detente After Brezhnev: Domestic Roots of Soviet Policy.* A. Yanov. ($4.50)
3. *Mature Neighbor Policy: A New Policy for Latin America.* A. Fishlow. ($3.95)
4. *Five Images of Soviet Future: Review & Synthesis.* G.W. Breslauer. ($4.50)
5. *Global Evangelism Rides Again: How to Protect Human Rights Without Really Trying.* E.B. Haas. ($2.95)
6. *Israel & Jordan: An Adversarial Partnership.* Ian Lustick. ($2.00)
7. *Political Syncretism in Italy.* Giuseppe Di Palma. ($3.95)
8. *U.S. Foreign Policy in Sub-Saharan Africa.* R.M. Price. ($4.50)
9. *East-West Technology Transfer in Perspective.* R.J. Carrick. ($5.50)
10. *NATO's Unremarked Demise.* Earl C. Ravenal. ($3.50)
11. *Toward Africanized Policy for Southern Africa.* R. Libby. ($5.50)
12. *Taiwan Relations Act & Defense of ROC.* E. Snyder et al. ($7.50)
13. *Cuba's Policy in Africa, 1959-1980.* William M. LeoGrande. ($4.50)
14. *Norway, NATO, & Forgotten Soviet Challenge.* K. Amundsen. ($2.95)
15. *Japanese Industrial Policy.* Ira Magaziner and Thomas Hout. ($6.50)
16. *Containment, Soviet Behavior, & Grand Strategy.* Robert Osgood. ($5.50)
17. *U.S.-Japanese Competition in Semiconductor Industry.* M. Borrus et al. ($7.50)

ISBN 0-87725-154-1