

# Capitalism and the Corporate State

by Benito Mussolini  
(November, 1933)

Is this crisis which has afflicted us for four years a crisis in the system or of the system? This is a serious question. I answer: The crisis has so deeply penetrated the system that it has become a crisis of the system. It is no longer an ailment; it is a constitutional disease.

Today we are able to say that the method of capitalistic production is vanquished, and with it the theory of economic liberalism which has illustrated and excused it. I want to outline in a general way the history of capitalism in the last century, which may be called the capitalistic century. But first of all, what is capitalism?

Capitalism is . . . a method of industrial production. To employ the most comprehensive definition: Capitalism is a method of mass production for mass consumption, financed en masse by the emission of private, national and international capital. Capitalism is therefore industrial and has not had in the field of agriculture any manifestation of great bearing.

I would mark in the history of capitalism three periods: the dynamic period, the static period and the period of decline.

The dynamic period was that from 1830 to 1870. It coincided with the introduction of weaving by machinery and with the appearance of the locomotive. Manufacturing, the typical manifestation of industrial capitalism, expanded. This was the epoch of great expansion and hence of the law of free competition ; the struggle of all against all had full play.

In this period there were crises, but they were cyclical crises, neither long nor universal. Capitalism still had such vitality and such power of recovery that it could brilliantly prevail.

There were also wars. They cannot be compared with the World War. They were brief. Even the War of 1870, with its tragic days at Sedan, took no more than a couple of seasons.

During the forty years of the dynamic period the State was watching; it was remote, and the theorists of liberalism could say: "You, the State, have a single duty. It is to see to it that your administration does not in the least turn toward the economic sector. The better you govern the less you will occupy yourself with the problems of the economic realm." We find, therefore, that economy in all its forms was limited only by the penal and commercial codes.

But after 1870, this epoch underwent a change. There was no

longer the struggle for life, free competition, the selection of the strongest. There became manifest the first symptoms of the fatigue and the devolution of the capitalistic method. There began to be agreements, syndicates, corporations, trusts. One may say that there was not a sector of economic life in the countries of Europe and America where these forces which characterize capitalism did not appear.

What was the result? The end of free competition. Restricted as to its borders, capitalistic enterprise found that, rather than fight, it was better to concede, to ally, to unite by dividing the markets and sharing the profits. The very law of demand and supply was now no longer a dogma, because through the combines and the trusts it was possible to control demand and supply.

Finally, this capitalistic economy, unified, "trustified," turned toward the State. What inspired it to do so? Tariff protection.

Liberalism, which is nothing but a wider form of the doctrine of economic liberalism, received a death blow. The nation which, from the first, raised almost insurmountable trade barriers was the United States, but today even England has renounced all that seemed traditional in her political, economic and moral life, and has surrendered herself to a constantly increasing protectionism.

After the World War, and because of it, capitalistic enterprise became inflated. Enterprises grew in size from millions to billions. Seen from a distance, this vertical sweep of things appeared as something monstrous, babel-like. Once, the spirit had dominated the material; now it was the material which bent and joined the spirit. Whatever had been physiological was now pathological; all became abnormal.

At this stage, super-capitalism draws its inspiration and its justification from this Utopian theory: the theory of unlimited consumers. The ideal of super-capitalism would be the standardization of the human race from the cradle to the coffin. Super-capitalism would have all men born of the same length, so that all cradles could be standardized; it would have babies divert themselves with the same playthings, men clothed according to the same pattern, all reading the same book and having the same taste for the movies—in other words, it would have everybody desiring a single utilitarian machine. This is in the logic of things, because only in this way can super-capitalism do what it wishes.

When does capitalistic enterprise cease to be an economic factor? When its size compels it to be a social factor. And that, precisely, is the moment when capitalistic enterprise, finding itself in difficulty, throws

itself into the very arms of the State; It is the moment when the intervention of the State begins, rendering itself ever more necessary.

We are at this point: that, if in all the nations of Europe the State were to go to sleep for twenty-four hours, such an interval would be sufficient to cause a disaster. Now, there is no economic field in which the State is not called upon to intervene. Were we to surrender—just as a matter of hypothesis—to this capitalism of the eleventh hour, we should arrive at State capitalism, which is nothing but State socialism inverted.

This is the crisis of the capitalist system, taken in its universal significance. . . .

Last evening I presented an order in which I defined the new corporation system as we understand it and wish to make it.

I should like to fix your attention on what was called the object: the well-being of the Italian people. It is necessary that, at a certain time, these institutions, which we have created, be judged and measured directly by the masses as instruments through which these masses may improve their standard of living. Some day the worker, the tiller of the soil, will say to himself and to others: "If today I am better off practically, I owe it to the institutions which the Fascist revolution has created."

We want the Italian workers, those who are interested in their status as Italians, as workers, as Fascists, to feel that we have not created institutions solely to give form to our doctrinal schemes, but in order, at a certain moment, to give positive, concrete, practical and tangible results.

Our State is not an absolute State. Still less is it an absolutory State, remote from men and armed only with inflexible laws, as laws ought to be. Our State is one organic, human State which wishes to adhere to the realities of life. . . .

Today we bury economic liberalism. The corporation plays on the economic terrain just as the Grand Council and the militia play on the political terrain. Corporationism is disciplined economy, and from that comes control, because one cannot imagine a discipline without a director.

Corporationism is above socialism and above liberalism. A new synthesis is created. It is a symptomatic fact that the decadence of capitalism coincides with the decadence of socialism. All the Socialist parties of Europe are in fragments.

Evidently the two phenomena—I will not say conditions—present a point of view which is strictly logical: there is between them a historical parallel. Corporative economy arises at the historic moment

when both the militant phenomena, capitalism and socialism, have already given all that they could give. From one and from the other we inherit what they have of vitality.

We have rejected the theory of the economic man, the Liberal theory, and we are, at the same time, emancipated from what we have heard said about work being a business. The economic man does not exist; the integral man, who is political, who is economic, who is religious, who is holy, who is combative, does exist.

Today we take again a decisive step on the road of the revolution.

Let us ask a final question: Can corporatism be applied to other countries? We are obliged to ask this question because it will be asked in all countries where people are studying and trying to understand us. There is no doubt that, given the general crisis of capitalism, corporative solutions can be applied anywhere. But in order to make corporatism full and complete, integral, revolutionary, certain conditions are required.

There must be a single party through which, aside from economic discipline, enters into action also political discipline, which shall serve as a chain to bind the opposing factions together, and a common faith.

But this is not enough. There must be the supremacy of the State, so that the State may absorb, transform and embody all the energy, all the interests, all the hopes of a people.

Still, not enough. The third and last and the most important condition is that there must be lived a period of the highest ideal tension.

We are now living in this period of high, ideal tension. It is because step by step we give force and consistency to all our acts; we translate in part all our doctrine. How can we deny that this, our Fascista, is a period of exalted, ideal tension?

No one can deny it. This is the time in which arms are crowned with victory. Institutions are remade, the land is redeemed, cities are founded.