

**Friendly Fascism: The new face of power in America
by Bertram Gross**

(New York: M. Evans & Co., 1980)

410 pp., \$18.50 (from Alternative Publishing Co-op. Ltd, Sydney).

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**Everybody's Business, An Almanac: The irreverent
guide to Corporate America,
edited by Milton Moskowitz, Michael Katz, and Robert Levering**

(New York: Harper and Row, 1980)

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To suggest that some form of fascism might be emerging in the United States of America seems outlandish. For those who see America as a model of democracy and leader of the "Free World", any mention of fascism may be dismissed as the hysterical ravings of misguided radicals who too readily seize on emotion-laden terms of abuse. Even those who condemn the United States as the source of world reaction may think twice about drawing parallels between modern America and the classical fascism of Germany, Italy and Japan.

But when an author with impeccable "Establishment" credentials suggests that fascism is not only possible in America but "perhaps . . . even highly probable" before the end of this century, his argument is worth serious consideration. Bertram Gross is Professor of Political Science at City University New York. During the Roosevelt and Truman administrations, he served as an adviser in public housing, war-time price controls, small business, and post-war planning. From 1946 to 1951, he was Executive Secretary on the President's Council of Economic Advisers. He was also the main architect behind the Full Employment Acts of 1946 and 1978. When it comes to describing the inner dynamics of the American political system, he speaks from first-hand experience.

Gross is a frightened man. He fears that America is in danger of slipping into a new form of despotism which is an outgrowth of “the hidden logic of capitalist society’s transnational growth and the groping responses to mounting crises in a dwindling capitalist world” (p6). He calls it “friendly fascism” and it emerges gradually but inexorably as a by-product of a consolidation of the common interests of Big Government and Big Business.

Of course, the term “friendly fascism” is meant ironically. There is nothing friendly about fascism, either in its classical form or in the new face that it wears in contemporary America. Gross adopts the term in an effort to overcome the common misconception that fascism means overt brutality, overnight coups and marching storm troopers. His concern is with a process which is much more subtle but no less effective.

He is also careful to point out that friendly fascism is not merely a synonym for “the new Right”. While the neoconservatives often support neofascist goals (restoring capital punishment, killing anti-gun legislation, weakening unions, *etc.*), they consider themselves defenders of the nation’s authentic “liberal” tradition. As Peter Steinfels (1979: 1) writes in his excellent analysis of the sources of New Right thought, neoconservatism is primarily an “outlook forged in reaction to sixties turbulence, an outlook fierce in its attachment to political and cultural moderation, committed to stability as the prerequisite for justice . . . pessimistic about the possibilities of long-range, or even short-range change in America, and imbued with a foreboding sense of our civilization’s decline”. Neoconservative intellectuals like Irving Kristol, Daniel Patrick Moynihan, and Daniel Bell consistently ignore the realities and injustices of corporate power in America. As Gross points out, they promote a new ideology of reaction which emphasizes “the excellence of hierarchy, the wonders of technology, and the goodness of hard times” (p 200). It is an ideology well suited to neofascist goals.

Gross identifies concrete evidence of friendly fascism in the “unfolding logic” of contemporary political developments in the United States: “. . . more concentrated, unscrupulous, repressive, and militaristic control by a Big Business-Big Government partnership to preserve the privileges of the ultra-rich, the corporate overseers, and the brass in the military and civilian order” (p 161). The effect is to squelch “the rights and liberties of other people both at home and abroad. That is friendly fascism” (p 161). It is *not* a product of a master plan or any co-ordinated conspiracy. Nor does it require one-party rule, dissolution of legislatures, or denial of reason. Indeed, it is eminently “reasonable”. It is part of the logic of the international capitalist system.

Although Gross is primarily concerned about the threat of friendly fascism in America, the danger is global because the system is global in its outreach. It is rooted in the political economy of transnational corporations, or what Gross calls “the Golden International”. The flexibility of the transnationals — their mobility, wealth, and power — enables them to evade restrictions imposed by national policies on such things as currency, credit, trade, taxes, *etc.* With gross income greater than that of many medium-sized countries, the transnationals can even pit nation against nation. Their business is to get money and power, their primary allegiance is to the capitalist system of production and the values that system inculcates.

The role of the United States, therefore, is not so much one of world policeman as it is "Free World Manager". David Rockefeller realized this when he and other "prominent world citizens" organised the Trilateral Commission in 1973. Embracing the "trilateral world" (North America, Japan, Western Europe), the commission's membership is mainly high-level bankers, industrialists, politicians, and intellectuals who share a commitment to the preservation and expansion of the trilateral empire based on the political economy of capitalism.

Thus, integration of the international capitalist system is as much a part of friendly fascism as consolidation of economic and political control in America itself. The effects are devastating — what Gross calls "the cat feet of tyranny" (pp 167-168). As friendly fascism succeeds, the Big Business-Big Government power structure develops new techniques for ruling and fooling the people. It controls and manipulates democratic machinery, the media, and political parties. Technology is harnessed not to advance human welfare but rather the profits of the Golden International. System-strengthening "reforms" are used to achieve multilevel co-option and mass apathy. Co-operative elites are rewarded for "good behaviour" with power, money, and professional advancement. When necessary, direct terror is applied through threats, low-level violence and "precision purging". The military establishment is "revitalized" to enhance the profits of major corporations and protect the frontiers of the Golden International.

Gross wrote his book before Ronald Reagan came to power, but to read his description of neofascist techniques is to be constantly enlightened on the "unfolding logic" of the Reagan Administration. Ronald Reagan's America has already proven Bertram Gross to be an amazingly astute prophet. The evidence for this is stunning.

In the first place, the Reagan Administration represents the quintessential marriage of Big Business and Big Government. More than half of Reagan's cabinet are corporate multi-millionaires. Secretary of Defence Casper Weinberger comes to the Reagan Administration from the Bechtel Corporation, the nation's secretive master builder. Bechtel has not disclosed its profits since 1976, but its revenues in 1979 were at least U.S. \$6.8 thousand million. The company also understands the importance of Government-Business integration. In the past, it has hired Nixon's Secretary of the Treasury, two CIA directors, and former ambassadors to Saudi Arabia and Iran.

The links in the chain that constitutes America's military-industrial-political complex are even more graphically illustrated in the person of the Secretary of State. Alexander Haig is a perfect example of what C. Wright Mills described in *The Power Elite* when he warned against the integration of the military, business and political establishments in America. A former commander of NATO forces in Europe and White House chief of staff during the dying days of the Nixon Administration, Haig also served as the \$1 million-a-year president of United Technologies, the nation's third largest defence contractor (after General Dynamics and McDonnell Douglas) with U.S. \$2.4 thousand million in Pentagon orders. If the United States of America is all about corporate profits, military muscle, and political intrigue, then Haig is the perfect man for Secretary of State. If, however, the nation represents democratic and human values, one can question the suitability for leadership roles of Haig, most of the rest of the Cabinet, and the President himself.

The mutually supportive ties between the giant corporations and America's ruling elite are not always so easy to identify. There are thousands of large corporations and the mobility of the top men in the military-industrial-political complex is amazing. Indeed, it is the very complexity of the complex that protects it from scrutiny. But there is a way out of the maze. At the bargain price of A\$9.95, Moskowitz, Katz and Levering offer their 916-page *Everybody's Business, An Almanac: The Irreverent Guide to Corporate America*. The *Sydney Morning Herald* (15/8/81) reviewer who called this book, "a bit of everything, not much about anything" missed the whole point. *Everybody's Business* is "an almanac" — a guide intended for reference purposes, just as I have used it to track down the specific acts related above about the Bechtel Corporation and United Technologies. For readers interested in the history, function, ownership and income of specific American corporations, it is an up-to-date and invaluable reference book.

Both *Everybody's Business* and *Friendly Fascism* remind us that the stamp of corporate America is all over the U.S. presidency, none more so than that of Ronald Reagan. The Reagan Administration's first budget (1981-82), *A Program for Economic Recovery*, provides for government of Big Business, for Big Business, and by Big Business. Masquerading under the name of "supply-side" economics, the Reagan economic package is frankly designed to re-invigorate American capitalism by further lining the pockets of the super-rich. Gross anticipated it in *Friendly Fascism*: "I foresee an equally powerful extractive process that would siphon income, wealth, and power upward". The Reagan budget cuts more than U.S. \$35 thousand million in federal services to the people. Programs being cut or destroyed include federal aid to the poor, food stamps, child nutrition, education, health, employment, rehabilitation, etc. While more than 80 federal service programs are being cut, the Administration proposes to *increase* the military budget by U.S.\$181 thousand million over the next five years. Before Reagan leaves office, the U.S. will spend \$1.5 trillion on the military. The military build-up currently underway in the United States will be three times as large as the one that took place during the Vietnam War. And the chief beneficiaries of this state of perpetual mobilization are the America-based transnationals who exploit the military-industrial-political complex to secure huge defence contracts.

To make such a system work, dissent must be controlled. Reagan knows this. The challenge appeals to his John Wayne instincts. In August, 1981, when U.S. air traffic controllers struck for better pay and working conditions, Reagan used not-so-friendly fascism to abolish the union and fire the controllers. In a single stroke, he destroyed the careers of more than 12,000 workers and struck terror in the hearts of other federal employees. *That* is friendly fascism. Gross saw it coming. He predicted that, just as classical fascism crushed the labour movement, so the weakening of organized labour was one of the main factors in America's drift toward neofascism.

The air traffic controllers' strike was a particularly interesting sign of things to come because the major airlines seized upon it as an excuse to "rationalize" their own operations. In short, they either laid off personnel or "convinced" their employees to accept pay cuts despite the nation's continuing high rate of inflation. The alternative to being convinced was loss of job. Under friendly fascism, one of

the "trade-offs" for continued employment is the pleasure of voting a "give-back" to the corporation.

Friendly fascism gets away with this sort of thing by appealing to a false patriotism, stressing the dangers of an external enemy (the Soviet Union), and emphasizing law and order at home. Ignoring massive corporate crime (after Watergate, 150 U.S. corporations admitted making illegal political contributions from secret slush funds), the friendly fascists promise to control "the criminal element". Nothing is said about the *causes* of crime and the ways in which the nation's economic structure promotes criminal activity at all levels. Instead, you promise to clear the streets.

In August, 1981, the U.S. Attorney-General released a task force report which could have been dictated from Gross's description of the friendly fascist techniques of "forceful confrontation". The report explicitly avoids the causes of crime, sidesteps the issue of gun control, and focuses instead on punishment. It recommends U.S. \$2,000 million for building new prisons. It also suggests the abolition of parole, reduction in time off for good behaviour, and the admission in trials of evidence secured illegally if that evidence is obtained "in good faith". When the national director of the American Civil Liberties Union objected that the recommendations infringed the constitutional rights of all citizens, presidential adviser Edwin Meese dismissed the ACLU as "part of a criminal's lobby" because of its concern for the rights of defendants and prisoners. *That* is friendly fascism.

The main problem with all of the books reviewed here is that they lack theoretical structure and a convincing explanation of what is to be done. Steinfels is more concerned with intellectual analysis than action. Moskowitz, *et al*, thrive on "irreverent" description. Only Gross offers a concluding call to action and it is the weakest part of his book. As Gregory Shank (1981: 78) has written in a review of *Friendly Fascism*, Gross cannot explain "how it will be practically possible to make capitalists agree not to act like capitalists while remaining capitalists".

Gross would have us resist friendly fascism by struggling to "humanize" capitalism bit by bit. He longs for "a new wave of a democratic future," but admits that those who work for it will quite likely be submerged by official repression. He appeals for optimism of the will, but betrays a pessimism of the intelligence. In short, there seems no obvious way out, at least not until things become much worse and the people take action to assure change. Until then, as Gross himself says, "Buddy you ain't seen nothing yet".

Dennis Phillips

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