INDUSTRIALISTS AND THEIR SUPPORT OF THE EARLY FASCIST MOVEMENTS IN GERMANY AND ITALY: A QUESTION OF AMBIVALENCE

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In June 1923 the Comintern defined fascism as a movement acting in the interests of ‘Big Capital’. By 1935 the Third International had established that far from being a revolutionary movement, fascism was in fact the final stage of the imperialism of monopoly capital. Ever since, generations of Marxist historians have argued that fascism — and particularly the two regimes in Italy and Germany — was the product, either directly or indirectly, of capitalist interests. The major industrialists of Italy and Germany in particular have been indicted for their support of fascism in its earliest, pre-regime form. Yet a careful analysis of the reactions of large industrialists to fascism — in Italy between 1919 and 1922 and Germany until 1933 — reveals that there was widespread variation in the attitudes of ‘Big Business’ towards the fledgling fascist movements. While in both countries some support was forthcoming, industrialists in general displayed a somewhat equivocal attitude toward the fascist parties and leadership. This paper will challenge the Marxist notion that fascism was the product of capitalist interests and specifically that industrialists were the prime supporters and paymasters of fascism. While industrialists may have failed to rally an alternative political bourgeois bloc against the fascists, it is dubious that as a sectional interest group they were instrumental in bringing Mussolini or Hitler to power.

The relationship between industrialists and fascists in both Italy and Germany cannot be fully understood without an appreciation of the political and economic climate of both countries in the post-war period. In both countries the 1920s saw increasingly hostile relations between business interests and labour. In Italy this culminated in the September 1920 factory occupations by socialist and communist workers. Although, as historian Franklin Adler stresses, the industrialists had defeated the working–class revolt by spring of 1921 without the assistance of the squadristi, and the biennio rosso was over before Mussolini came to power, the end result was a disillusionment with the liberal system of government. Italian industrialists had hoped to pressure Giovanni Giolitti's government into moving against the agitators, but Giolitti refused to use force against them and thus turned some leading industrialists away from the liberal system.

In Germany too, class tension was rife within the industrial sector. Particularly in heavy industry, the 1920s witnessed low profitability and numerous industrial disputes. In the coal–mining sector labour constituted fifty percent of costs, thereby diminishing profits, and industrial tension in the iron and steel sector stemming from wage disputes led to the 1928 Ruhr
lockout in which 250,000 workers were affected. This was the culmination of a policy by Ruhr entrepreneurs to attack labour, the social welfare state and labour’s representatives in the parliamentary system. As in Italy, German industrialists were disaffected with the existing liberal democratic system, and the political fragmentation of the Weimar Republic in particular, led to despair amongst industrialists. Nevertheless, political instability and class–based economic tension did not necessarily translate into automatic support for the fascist parties.

The relationship between industrialists and Italian fascists or the Nazi party (NSDAP) might best be summed up as somewhat ambivalent. As economic historian Alan Milward notes, the evidence that major capital interest gave financial and political support to fascist parties more than to other non–socialist parties is weak. In Germany industrialists had access to all the bourgeois parties in Weimar through influential contacts and organised groups such as the National Federation of German Industry and the Confederation of German Employers Associations. While it is true that some German industrialists supported the Nazis, many others gave support elsewhere. From 1918 electrical engineering company Siemens supported the German Democratic Party (DDP), while Carl Duisberg of chemicals giant IG Farben, executive director of the association of electro–technical industries Hans von Raumer and the Siemens corporation supported the Reichsverband der Deutschen Industrie (RDI — the League of German Industry) in its efforts of 1926 to collaborate with the Social Democrats. These industrialists supported the existing political system as their sectors remained relatively prosperous until 1931; they relied primarily on export markets; and wages were less of a concern than within heavy industry. The division within industrial circles can be seen in the withdrawal of the Mining Association from the RDI in mid–1931 prompted by the lack of intervention on wage agreements by the RDI, and the Association’s subsequent funding of the NSDAP. Elsewhere, industrialists such as Friedrich Flick of United Steel Works supported the Nazis financially yet gave even more money to other non–socialist parties. The extent of the split in support of the NSDAP amongst industrialists is underscored by the sympathy given by United Steel Works Chairman Fritz Thyssen and coal mining magnate Emil Kirdorf; the hostility of Carl Bosch and Carl Duisberg of IG Farben even though the company financed the Nazis; and the reservation of Managing Director of the heavy industry conglomerate Gatehoffnungshütte Paul Reusch and United Steel Works’ Ernst Poensgen. Early efforts by the Nazis to attract the support of ‘Big Business’ probably faltered owing to their anti–business propaganda, which in 1922 included nationalisation of industries and certainly alienated industrialists such as Paul Reusch, coal, steel and arms magnate Gustav Krupp, Peter Klockner of steel firm Klockner Werke AG and iron and steel baron Otto Wolff. Hitler privately pilloried businessmen as cold–blooded money–grubbers but in public was forced to tailor his words to suit business audiences. In his 1927 pamphlet The Road to Resurgence, Hitler deliberately downplayed anti–Semitism and ignored mentioning the party’s twenty–five points and the foreign policy of Lebensraum in order to attract business funding. Until 1930, however, he had little success. The few exceptions included

16 Ibid.
22 Turner, Big Business, 75.
23 Ibid., 92.
Kirdorf, Thyssen and the Daimler Motor Company. As a bloc, however, ‘Big Business’ in Germany did not operate as paymasters of the NSDAP as claimed by some Marxist writers. In contrast, twenty–one leading industrialists would later fund the parties in support of Franz von Papen: the true preferred candidate of German ‘Big Business’.

In Italy a similar situation prevailed. The industrial establishment remained committed to a gradual return to what historian Adrian Lyttleton has called pre–war ‘normalisation’. ‘Big Business’ was cautious, with auto giant FIAT and steel, shipbuilding and munitions conglomerates Ansaldo and Ilva all making contributions to the fascists but none of their owners becoming party members. Contributions were generally from individual industrialists prior to May 1921, but during the election of that month industrial associations made their first contributions. Judging by the amounts contributed in Turin — a mere 23,500 lire went to fascist candidates of 1,098,419 lire to all candidates on Giolitti’s electoral list — the tendency to contribute to a variety of non–socialist parties prevailed in Italy as in Germany. In fact, in the city of Turin tension between the fascists and leading industrialists, particularly FIAT’s Giovanni Agnelli, was so intense that leading fascist Raoul Ghezzi was forced to defend Agnelli. The situation precipitated in the dispatch of Turin fascio boss Cesare Maria De Vecchi to Somalia in 1923 in order to defuse the tension.

As in Germany, Mussolini received financial support from some industrialists, chiefly in Milan, as early as 1919, and his newspaper Il Popolo d’Italia was financed by capital interests, principally Ilva by 1920 but prior to this date fascist radicalism deterred much industrial support. In certain provincial centres, however, this resistance did not exist. The armaments sector in Tuscany, for example, gave massive contributions to the Florence fascio, while leading representatives of the AIT (the Tuscan Industrial Association) enrolled in the movement, supplied the fasci with funds and shielded the squadristi from the authorities. In return the fasci provided intimidation against union activists, recruited an apolitical workforce and created a network of ‘company unions’ which enforced discipline and obedience inside the factories. In contrast, in Brescia ‘Big Business’ preferred to fight socialists and organised labour without the support of the fasci. Again, as in Germany, ‘Big Business’ was divided over its support of the fascists. Yet on one issue the industrialists of both countries were united: the belief that the fascists could be manipulated as an anti–Bolshevik bulwark, while being integrated into a wider coalition.

Historian Reinhard Kuhnl argues that capital interests would help the fascists into power in both Germany and Italy if other possible political outcomes threatened their own interests, and no greater threat existed in the minds of industrialists than the possibility of leftist domination. In Italy evidence arises from as early as 1914, when FIAT’s Giovanni Agnelli, Carlo Esterle of the electrical industry and Mario and Pio Perrone of Ansaldo began financing Mussolini’s Il Popolo d’Italia in the hope of undermining the Italian Socialist Party by sponsoring

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24 Ibid., 96; ibid., 53.
26 Ibid.
29 Ibid., 275–6.
30 Ibid., 309.
31 Ibid., 389.
32 Snowden, Tuscany, 134.
33 Sarti, Fascism, 23.
34 Snowden, Tuscany, 133.
35 Ibid., 151.
37 Ibid., 152.
its most vocal heretic. Giuseppe Mazzini, president of the Lega Industriale di Torino, epitomised the attitude of business leaders in evaluating the fascists as a beneficial movement in combating the communist threat, yet nevertheless extreme and dangerous. Therefore the difficulty became how to mobilise this new anti-Bolshevik ally without unleashing its revolutionary potential. The solution was identified by men such as Antonio Benni of the mechanical industry, the electrical industry’s Ettore Conti, the General Secretary of the Lega Industriale di Torino Gino Olivetti, the rubber industry’s Alberto Pirelli and textile manufacturer Raimondo Targetti who believed that the fascists could be ‘channelled’ into an alliance with Giolitti and thus fascism’s revolutionary overtones could be diluted. Prior to the ‘March on Rome’, therefore, industrialists attempted collaboration with the fascists on three occasions. First with the Comitato di Organizzazione Civile, then the Bloco Nazionale and finally with the Parliamentary Economic Alliance. On all three occasions a mixed coalition existed, the fascists were never the predominant group and the industrialists maintained an autonomous position. Industry’s opposition to extra-parliamentary violence was underscored by Giuseppe Mazzini’s speech condemning the April 1921 burning of the Camera del Lavoro of Turin by squadristi: industrialists hoped by such manoeuvres to ‘normalise’ the fascist movement. Mussolini, however, manufactured an extra-parliamentary crisis with the ‘March on Rome’ which initially undermined the industrialists’ desire to keep him subdued in a power-sharing role. Mussolini’s lieutenant Cesare Rossi, commenting on the reaction to the ‘March on Rome’ stated ‘the two leaders of Confindustria [the national employers’ association] were not at all…enthusiastic about what was happening’. The fear and uncertainty within Confindustria evaporated, however, with the establishment of the coalition cabinet following the ‘March on Rome’ and industrialists believed that Mussolini had in fact been ‘channelled’ and the revolutionary spirit of fascism diluted.

In Germany similar hopes existed amongst industrialists. Primarily the NSDAP was seen as a potential ally in the fight against the Left. In February 1931 magnates from the potash industry August Diehn, Gunther Quandt and August Rosterg pledged twenty-five million marks to Hitler in the advent of a socialist- led civil uprising. ‘Big Business’ was ready to use Nazi stormtroopers as a shield against the Left. While most industrialists favoured an anti-liberal coalition of the centre-right, with few wanting an NSDAP-dominated government, by 1932 most envisaged that the only possible alternative remaining in order to remove welfare legislation and pro-labour industrial laws was a bourgeois political bloc including the Nazis. This appeared even more attractive after the November 1932 elections as Hitler had lost two million votes and many industrialists believed this would make him more malleable. Disaffection with the economic and political climate was particularly strong amongst coal, iron and steel industrialists and Saxon industrial interests in general. In 1932 Fritz Springorum of Hoesch Iron and Steel argued that a rightist government was impossible without the Nazis and their mass support and therefore funding of the NSDAP was essential. The NSDAP, however, was to play the role of junior partners in a rightist coalition. The Ruhr group around United Steel Works head Albert Vögler also wanted the Nazis in a coalition government although their preferred candidate for chancellor was Franz von Papen. The final step was embodied in the economic policies of the Schleicher cabinet. The reflationary program of job creation, accommodation of the Free Trade

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40 Sarti, Fascism, 20.
41 Adler, Industrialists, 269.
42 Sarti, Fascism, 35.
43 Adler, Industrialists, 267.
44 Ibid., 245.
45 Melograni, Gli Industriali e Mussolini as quoted in Adler, Industrialists, 281.
46 Adler, Industrialists, 282.
47 Turner, Big Business, 150.
48 Abraham, Weimar, 172.
50 Ibid., 105.
Unions and Keynesian, public-sector, consumption-oriented policies was rejected by almost all industrialists and pushed many to an accommodation with Hitler. In Germany, however, as in Italy, industrialists hoped to include the fascists as a minority in a wider centre-right coalition and thus neutralise their revolutionary potential.

One clear tactic in both Germany and Italy in order to enhance further a moderating effect on the fascist movements was in the method of financing the fascist parties. In both countries industrialists tended to fund individual moderates within the party. In Italy this was particularly the case. Industrialists generally contributed without Confindustria involvement and tended to support Mussolini rather than the local fasci. In Germany, however, as in Italy, industrialists hoped to include the fascists as a minority in a wider centre-right coalition and thus neutralise their revolutionary potential.

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In Germany a similar pattern emerged. All the contributions made to the NSDAP after 1930 by ‘Big Business’ went to individual Nazis rather than to the party and generally to moderates who opposed the anti-capitalist rhetoric of the party’s left wing. In 1931 Hermann Bucher of electrical company AEG financed the opponents of Goebbels, while Göring in particular was a great recipient of ‘Big Business’ funding. By 1930 Göring was in close collaboration with Director of the Deutchesbank and DVP Reichstag member Emil Georg von Stauss, as well as with Fritz Thyssen who sponsored Deutschnationale Volkspartei (DNVP) links with the NSDAP and sponsored Göring as a balance against Nazi radicals. IG Farben supported the moderate Walther Funk — notably an economic adviser to Hitler — also hoping to undermine the radical anti-capitalist voice in the NSDAP. Similarly Ludwig Grauert, Managing Director of the employers’ association of the Ruhr iron and steel industry, Arbeinaordnungsamt arranged a loan for the Nazi newspaper National-Zeitung arguing it would dampen the anti-capitalist agitation of the NSDAP. As in Italy, German industrialists attempted to moderate the Nazi party from within by sponsoring pro-capital elements within the party.

A further element to consider when evaluating the relationship of ‘Big Business’ and fascism is the timing of the support given to the fascist parties. In Germany and Italy industrialists saw the fascist solution as the last alternative when all other political solutions had

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54 Snowden, Tuscany, 123.
56 Ibid., 156.
57 Sarti, Fascism, 29–30.
58 Ibid., 29.
59 Adler, Industrialists, 308.
60 Sarti, Fascism, 67–80.
61 Turner, Big Business, 156.
63 Turner, Big Business, 143; 145; 148.
64 Milward, ‘Fascism and the Economy’, 389.
65 Turner, Big Business, 147.
evaporated. In Germany industrialists endorsed an open dictatorship with complete suppression of democratic and socialist forces but support for a model of dictatorship with Hitler at the fore was accepted only after the failure of other models, notably the governments of Franz von Papen and Kurt von Schleicher.\textsuperscript{66} Schleicher's co-operation with the trade unions and his reliance on public works expenditure pushed 'Big Business' towards Hitler, whom they still mistrusted.\textsuperscript{67} It was only in December of 1932 that industrialists finally turned to the last resort of an NSDAP-led regime, which was seen as a viable alternative for restoring profitability and political stability.\textsuperscript{68} 'Big Business' support for the Nazis had been rare prior to 1930 and it was not until fully 1932 that the NSDAP began to attract growing financial support. In the hope of 'taming' the Nazis in a bourgeois coalition, industrialists began cutting funds to bourgeois parties which refused co-operation with the Nazis.\textsuperscript{69} The Nazis too began to co-ordinate funding drives with greater success. After a speech to the Dusseldorf Industry Club in 1932, Hitler and the NSDAP began to receive increasing financial support in the Ruhr\textsuperscript{70} and throughout 1932 Hitler used ex-President of the \textit{Reichsbank} Hjalmar Schacht as an intermediary with the business class.\textsuperscript{71} Importantly, however, nearly all this activity occurred within the twelve months directly before the 1933 'seizure' of power by Hitler. German industrialists had left support for Hitler until the latest possible moment.

In Italy too, business support for Mussolini came later rather than sooner. Although support had commenced as early as 1914 with financing of \textit{Il Popolo d'Italia}, a clear 4,125,750 lire of 5,919,975 lire of business contributions to the PNF were made after the 'March on Rome'.\textsuperscript{72} Only twenty percent of total business funding for the fascists was therefore given before the party came into office. On the contrary, in Italy it was primarily the agrarian class which made the major contributions to fascism in its formative years.\textsuperscript{73} In fact, according to historian Franklin Adler, most Italian industrialists resisted fascism as long as was feasible to do so. Many remained in the Liberal Party until the 1926 syndical legislation compelled membership in the PNF and Alberto Pirelli of Pirelli Rubber and Giuseppe Mazzini managed to remain outside the party until as late as 1932.\textsuperscript{74} Italian businessmen remained reticent towards the fascists even after the seizure of power. \textit{Confindustria} opposed Minister of Justice Alfredo Rocco's syndical law of 1926; there was also opposition to the National Council of Corporations in 1930; and there was constant friction between Giuseppe Bottai at the Ministry of Corporations and the business community.\textsuperscript{75} In Italy, as was the case in Germany, business support for the fascists arrived late when all other potential alternatives had been exhausted and that support was never unconditional.

The response of the NSDAP and the PNF to business overtures was somewhat mixed, at least publicly. While it is true, as historian Alan Milward has stressed, that fascism in Germany and Italy contained an anti-capitalist element with the call for radical changes in taxation, landholding and controls on the use of capital,\textsuperscript{76} it is also true that fascist ideology contained pro-business elements. The Nazis in fact utilised a very clever, ambiguous economic policy which contained elements of conservative capitalism and populist anti-capitalism.\textsuperscript{77} Yet this Nazi anti-capitalism tended to produce a hatred of the 'unproductive' elements of capitalism such as banking, finance and commerce rather than a disdain for productive capacity and technology and was indirectly linked to the Nazi's anti-Semitic ideology.\textsuperscript{78} German historian Oswald Spengler
and economist Werner Sombart in fact praised the productive capacity of the ‘German’ entrepreneur as distinct from the exploitative ‘non–German’.

According to historian Eric Dorn Brose, Hitler himself was not opposed to industrialisation but rather a supporter of ‘fanatical postindustrialisation’ which led him to advocate the directed use of industry on technical matters. He was not per se an anti–capitalist. Once in power this pro–capital element in Nazi ideology came to the fore with the first Four Year Plan for determining strategic priorities for investment, which inadvertently led to the dominant role of ‘Big Business’ in the German economic sphere. The demand for synthetic fuels, aluminium, synthetic rubber, explosives, basic chemicals, steel and non–ferrous metals guaranteed large corporations such as aluminium producer Vereinigte Aluminiumwerke direct access to government finance and planning and IG Farben literally dictated policy and investment in its own industrial sector. In effect, the Nazi drive to rearm excluded small businesses from government contracts and guaranteed a restricted group of large businesses exclusive access to government finance. According to historian Arthur Schweitzer, by 1936 and the second Four Year Plan the regime abandoned all pretences to their earlier ideological positions in favour of capital interests.

The situation was little different in Italy. As in Germany there were elements of pro–business ideology within Italian fascism. Giuseppe Bottai, Enrico Corradini and Alfredo Rocco of the Nationalist Association, as well as Futurist leader Filippo Marinetti all advocated a form of ‘technocratic’ totalitarianism. Prior to the ‘March on Rome’ Mussolini himself had assured industrialists that ‘the impending Fascist move [the “March on Rome”] was to re-establish discipline particularly within the factories and that no outlandish experiments…would be carried out’. After coming to power the fascists were quick to underscore their pro–business credentials. Following the ‘March on Rome’ two–thirds of the seats in the Superior Council of Labour and Welfare went to industrial interests and by 1929 the industrialists held 7.8 percent of the Fascist chamber. Mussolini claimed that Alberto De Stefani’s fiscal policies in the Ministry of Finance had saved industry 1,260,000,000 lire by 1928. And as in Germany, the creation of the Istituto per la Ricostruzione Industriale guaranteed access to government investment resources to ‘Big Business’ at the expense of smaller businesses. This was especially so in steel, shipping, armaments, engineering and shipbuilding. The Pact of Palazzo Chigi in December 1923 between Confindustria and Rossoni’s Corporazioni confirmed the superiority of industry over organised labour and following corporatism in September 1926, Confindustria emerged as the most powerful business pressure group, operating in practice, relatively autonomously, while instead party–appointed officials ran labour syndicates. As in Germany, inherent pro–business ideological elements emerged dominant after the fascist seizure of power.

A Marxist analysis of fascism as the final stage of capitalism and specifically of ‘Big Business’ as the paymasters of fascism does not hold up under careful scrutiny. Industrialists in Italy and Germany did finance the fascist movements of their respective countries to a limited degree but within a context of financial support for all non–socialist parties, amongst whom the fascists rated least important. Industrialists also attempted to manipulate the NSDAP and PNF as an anti–Bolshevik bulwark, while at the same time moderating fascist revolutionary potential by subjecting them to partnership in a wider bourgeois coalition. Furthermore, both Italian and German industrialists tended to finance moderates within the parties rather than the party itself

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80 Ibid., 288; 287.
81 Milward, ‘Fascism and the Economy’, 396.
82 Milward, ‘Political Economy’, 60.
84 Cesare Rossi, Mussolini Com’era as quoted in Sarti, Fascism, 37.
85 Sarti, Fascism, 48.
87 Sarti, Fascism, 51.
88 Milward, ‘Fascism and the Economy’, 396.
89 Kelikian, Town and Country, 182.
90 Sarti, Fascism, 80.
in the hope of diluting anti-capitalist sentiment and policy. Moreover, the timing of capital support was crucial. Industrialists saw a coalition with fascist parties as the last political alternative. Consequently most business support came in Germany in 1932 — only a year prior to the Nazi capture of power — and in Italy primarily after the ‘March on Rome’. Finally, pro-business policies during the fascist regimes reflected not a payback for services rendered by industrialists during the pre-regime period, but a dominance of pre-existing, pro-capitalist sentiment within fascist ideology. Therefore, the Marxist claim that industrialists unequivocally supported fascism cannot be sustained. ‘Big Business’ may have failed in opposing fascism but it is certainly incorrect to claim that industrialists were instrumental in bringing fascism to power.

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