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**SIR OSWALD MOSLEY'S CONTRIBUTION TO THE
INTERWAR POLICY DEBATE AND FASCIST ECONOMICS**

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Sir Oswald Mosley's contribution to the Interwar Policy Debate and Fascist Economics

Emilio Ocampo

After being dormant for decades, in the last two decades, right-wing populism resurfaced strongly in Europe and the US channeling a reaction against globalization. This resurgence has prompted economists to pay increasing attention to populist economics. Current versions of right wing populism share many elements with early fascism, particularly the type that developed by the British Union of Fascists (BUF) in the UK under the leadership of Sir Oswald Mosley. Less aggressive and racist than its continental counterparts, one of its pillars was isolationism, which figures prominently in the platforms of modern populist parties in Europe and North America. Although more sophisticated in his economic thinking than Hitler and Mussolini, Mosley's was less successful politically. His stubborn obnoxiousness and inability to acknowledge his mistakes cemented his status as a political pariah and contributed to the academic neglect of his 1930 program of radical economic reform which he later incorporated into the BUF's platform. The study of Mosleynomics also has historical value. Mosley's proposals not only contributed to the interwar policy debate but also anticipated many key elements of the economic policies of fascist and non-fascist regimes on both sides of the Atlantic, not only in the US, Germany and Italy in the 1930s but also in the UK under the Labor Party and Argentina under Perón in the immediate postwar. This essay seeks to contribute to fill a gap in the literature, by tracing the intellectual roots and evolution of Mosley's economic policy proposals.

Keywords: Fascism, Economic Policy, Fascist Economics, Keynesianism, Interwar Policy Debate.

JEL Codes: B00, B20, B31, E60, E65, N13, P11, P40.

Sir Oswald Mosley's contribution to the Interwar Policy Debates and Fascist Economics

He is a rake, a seducer of both crowds and women.

John M. Keynes

*When I speak of Fascism in England, I am not necessarily
thinking of Mosley and his pimpled followers.*

George Orwell, *The Road to Wigan Pier*

1. Introduction

After being dormant for several decades, in the early 21st century populism resurfaced in Europe and erupted in the US. Europe's populist parties have tripled their vote in the past two decades and were able to put their leaders into government posts in eleven countries, which has increased thirteen fold the population living under populist regimes (Lewis et al, 2018). The populist virus even contaminated Anglo-Saxon countries, which were considered immune. This new strain of populism is different from the one that infected Latin America for most of the second half of the 20th century. Instead of class-warfare, its rhetoric appeals to racism, xenophobia and anti-globalization. In this regard, it more closely resembles early 20th century European populist strains but without its darker undertones.

Eatwell (2017) argued that while populism and fascism differ ideologically “in practice the latter has borrowed aspects of populist discourse and style, and populism can degenerate into leader-oriented authoritarian and exclusionary politics”.¹ The statement is partially true. In reality, populism is not an ideology but a way of doing politics. Therefore it can be left or right wing but is always temporally and culturally idiosyncratic. Fascism on the other hand has a clear ideological content and can originate either via elections or coup d'état. In the first case it usually adopts a populist format. Whether right wing or left wing, populism has a tendency to degenerate into authoritarianism. The speed with which this evolution takes place

¹ As argued earlier, populism is not an ideology. It can adopt the ideology the best suits its electoral strategy given the *zeitgeist*.

depends on cultural and institutional antibodies. It took Mussolini two years to destroy democracy in Italy and only three months for Hitler to do so in Germany.²

England also had its version of fascism, most visibly after 1932, when Sir Oswald Mosley (1896-1970) founded the British Union of Fascists (BUF). Mosley developed a distinctly British version of fascism that borrowed some elements of the continental versions. Even though he failed as a fascist, for a brief period of time between 1925 and 1931, Mosley was one of the brightest stars of the Labor Party. His fall was almost as abrupt as his rise. Although he had no university education and no formal training in economics, during the 1920s and 1930s as a leading member of the Labor Party he elaborated and proposed a program of radical economic reform based which combined the ideas of economists John A. Hobson (1858-1940) and John Maynard Keynes (1883-1946) with those of Clifford H. Douglas (1879-1952). During his time as a Labor Party member and MP, Mosley was a pioneer in advocating counter cyclical policies to reduce unemployment. Richard Crossman, an influential leader of the postwar Labor government (and no fan of Mosley's), recognized decades later that, in the early 1930s, except for Mosley, "no prominent Labor leader proposed any cure for the crisis" (1958, p.66). Some historians consider that Mosley's 1930 program was the "New Deal" that Great Britain never had (Skidelsky, 1975). In many respects, it not only foreshadowed some elements of the economic policies adopted in the US, Germany and Italy in the 1930s and in the immediate postwar in the UK and Argentina. In retrospect, Peronist policies between 1946-1949 look like an ill-timed and poorly executed implementation of Mosley's 1930 Manifesto.

The decision of the Labor party leadership to reject his proposals prompted Mosley's resignation from the cabinet in May 1930.³ He then initiated a brief journey that ended up in the founding of the BUF. During the rest of the 1930s he advocated without success the creation of a "Corporate State" in the UK while cheerleading for Hitler and Mussolini. The latter plus his anti-Semitic rants and his followers' violent antics turned him into political pariah. "Born with unusual gifts, showered with exceptional advantages, he could, by common consent, have become either a Conservative or Labor Prime Minister. Instead he ended up leading a rump of ruffians

² It took Chávez much longer to destroy Venezuela's flagging democracy and replace it with an authoritarian regime.

³ Months later he was expelled from the Labor Party.

from the political underworld,” wrote Anthony Howard in his review of Skidelski’s biography of Mosley (Howard, 1975).

Most of those who had been associated with Mosley in the early part of his career, such as John Strachey (1901-1963), Harold Laski (1893-1950) and Keynes, distanced themselves when he became an avowed fascist and tried to downplay the relevance of their earlier connection. Interestingly, Strachey, who had also been Mosley’s close friend, Parliamentary secretary and co-author of his 1925 and 1930 economic proposals, followed an opposite intellectual trajectory. After 1933 he became a passionate advocate of Soviet style communism and an enthusiastic admirer of Stalin (Strachey, 1936, pp.161-162). By then, he regarded his earlier collaboration with Mosley as “utterly bereft of that indispensable instrument of social analysis, the Marxist and Leninist critique of capitalism; soaked on the contrary in the most specious sophistries of the capitalist economists” (Thompson, 1993, p.26).

When the war started Mosley was imprisoned and after 1943 he was put under house arrest. In the postwar era, his stubborn obnoxiousness, continued involvement with prominent Nazis who had avoided execution at Nuremberg and inability to acknowledge his mistakes cemented his status as an outcast and contributed to a neglect of his 1930 program. With few exceptions, economists and historians have not given much consideration to Mosley’s contribution to the policy debates on unemployment before and after the Great Depression (an exception is Skidelsky, 1975). The study of his 1930 economic program is interesting on two counts. The first is historical. In many important respects, Mosley’s economic proposals prefigured in many important aspects the policies of fascist and non-fascist regimes on both sides of the Atlantic in the aftermath of the Great Depression and also in the immediate postwar. The second is its current relevance. The BUF’s “Britain First” slogan and its isolationist economic program resonate today. Isolationism figures prominently in the platforms of modern populist parties in Europe and North America.

This essay paper seeks to contribute to fill a gap in the literature by tracing the intellectual roots and evolution of Mosley’s economic thinking and main policy proposals. Section 2 analyzes his 1925 Birmingham Proposals, which positioned him as a rising star in the Labor Party. Section 3 focuses on the proposals he elaborated between 1929 and 1931, first as member of Ramsay Mac Donald’s cabinet, then as a

Labor MP and finally, after being expelled from the Labor Party, as leader of the New Party. Section 4 analyzes Mosley's fascist phase and compares his economic policy proposals with those of Hitler and Mussolini. The final section includes some concluding remarks.

2. The Road to The Birmingham Proposals (1925)

Mosley started his career in 1918 as Conservative MP for Harrow. However, in the elections of 1922 he ran as an independent. He quickly acquired fame as one of the ablest debaters in the House of Commons. In the elections of December 1923, the *Sunday Express* noted that Mosley was almost alone in pointing out "that the insanely exaggerated deflationist policy of the Cunliffe Committee is one of the principal causes of unemployment." According to Skidelsky, by that time Mosley had already started to read Keynes, who was highly critical of those policies. Keynes' influence would later manifest itself in Mosley's advocacy of a program of public works and credit expansion. The elaboration of these themes was to occupy Mosley for the rest of the decade (Skidelsky, 1975, p.125). Another of his supporters in academia was Harold Laski, a professor at the London School of Economics.

In the Parliamentary sessions of 1924, Mosley already showed a particular inclination to debate economic matters. In February, Mosley asked the Chancellor of the Exchequer whether, "in view of the recent researches by leading economists and bankers into the possible effect of a reform in monetary policy upon employment, an authoritative committee to inquire into this subject will be constituted by His Majesty's Government?" (Hansard, 1924, c. 706). Keynes thoughts and ideas started to figure prominently in his speeches.

In an article published in *The Nation and Athenaeum*, Lloyd George argued that the country needed not only a credit expansion but also a fiscal stimulus (1924). A lively debate followed which prompted Keynes to offer his own proposal to reduce unemployment in two articles (1924a, 1924b). It was his first "presentation and defense of public investment as the key policy tool to be used to restore and sustain full employment in a current economic system otherwise incapable of attaining this objective" (Crotty, 2019, p.48).

The battle between Mosley and Lloyd George to become the prophets of government economic activism posed a dilemma for Keynes, whose main ambition was to find a politician powerful enough to implement a “sublimated capitalism” in the UK. The former was a rising star in the governing Labor Party whereas the latter one of the historical leaders of the Liberal Party. Mosley seemed the face of the future whereas Lloyd George the face of the past. The solution to the dilemma was to continue to encourage Mosley while officially supporting and advising Lloyd George.

In June Mosley launched an impassioned defense of free trade against Lloyd George’s suggestion, probably instigated by Keynes, that a protectionist policy was needed to solve the UK’s unemployment problem in the face of the supposed recovery of the Germany (which was emerging from a severe hyperinflation). The debate also centered on the most effective way of reducing unemployment and the national debt and whether it was convenient to return to the gold standard. In his speech, Mosley quoted “that eminent Liberal authority, Mr. Keynes”, advocated an independent monetary policy and anticipated some of the ideas that would later become the basis of his economic program:

Surely it is now beginning to be recognised that if only a restricted amount of credit is available, then you cannot relieve unemployment by any constructional relief work without diverting some of that restricted amount of credit from other productive sources. It is impossible... to deal with unemployment on a large scale without more scientific and conscious control of credit facilities, and if necessary a slight expansion of credit to meet an expended demand. If you have not that possibility of expansion, then you have for ever a drag upon the wheel of progress, always operating just as you are beginning to get ahead and struggle uphill (Hansard, 1924, Vol.174, p.2424-2425).

In April 1925, Mosley presented a policy statement at the ILP conference at Birmingham, which became known as the *Birmingham Proposals*. Its main ideas were summarized in a pamphlet written by Mosley and expanded in a book authored by Strachey with the same title: *Revolution by Reason*. In the latter, Strachey explained that

... no particular originality need be claimed for our economics. One aspect of the considerations on which our proposals are based has been emphasized by one group of thinkers, another aspect by a different group. Thus we owe the very best account of the Socialist conception of the rational planning and organisation of our productive resources... Again it is Mr. Keynes, and his Cambridge economist, who have brilliantly developed the purely monetary aspect. Again, the conception of working-class purchasing power, and its vital importance to the successful working of the modern industrial system, has of recent years has been pressed with characteristic vigour by the Scottish Labour movement. The contribution that the Birmingham movement has sought to make is rather to weave these various aspects of modern thought into a comprehensive whole. And on this whole we have essayed to build a structure of drastic socialist proposals (1925, p.x-xi).

The “purely monetary aspects” he was referring to were the ideas that Keynes had developed on *A Tract on Monetary Reform* (1923), in which he had argued against rejoining the Gold Standard and advocated an activist monetary policy. Both recommendations already made him a heretic among mainstream economists. The *Birmingham Proposals* fully endorsed them. Skidelsky (1992) argued that Mosley’s pamphlet was the “first political attempt to apply Keynes’ ideas to economic policy” (p.246). Keynes in fact wrote encouraging words to Strachey after the publication of *Revolution by Reason*: “I think you are walking down a route which we shall all have to pursue but I don't think you have yet found the path” (Thompson, 1993, p.10).

Mosley had combined the crude version of monetarism he learned from leafing through *A Tract on Monetary Reform* (most likely talking to both Keynes and Strachey) with Hobson’s theory of under-consumption and Major Douglas’ theory of “social credit”. According to Hobson, unemployment resulted from declining effective demand. His cure to this problem was to redistribute income to the working class via higher taxes. This would increase worker’s purchasing power and lead, first, to an increase in effective demand, then, to an increase the production of consumer goods and finally to increases in employment and manufacturing capacity. But Mosley’s reading of Keynes’ restatement of the quantity theory led him to conclude that such cure would actually exacerbate the problem by creating deflationary pressures. What Mosley proposed to avoid this scenario was a preemptive credit

injection (England had not yet returned to the Gold Standard) that would finance “a fixed minimum wage level... which would work by means of government subsidies to industry” (Pimlott, 1977, p.59). However, Mosley argued that “nothing can be more absurd than the suggestion of our opponents that we propose to make everybody rich by printing an unlimited mass of paper money. It is true that we develop modern monetary theory to a further stage where it unites with Socialist theory and can be made the instrument of transferring economic power and effective demand to the workers.” (cited in Bullock, 2017, p.110). In essence, the Birmingham Proposals argued that “the creation of purchasing power to increase production was a feasible proposition” and that the means to accomplish this goal was credit creation and national economic planning (Pimlott, 1977, p.59).

Control over money and credit was crucial to the success of this strategy, which required the nationalization of the Bank of England and the entire banking system. This was probably the most radical aspect of the *Birmingham Proposals*. Mosley also proposed creating a “National Economic Council” whose main role would be “to estimate the difference between the actual and potential production of the country and to plan the stages by which that potential production can be evoked through the instrument of working-class demand. The constant care of the Economic Council must be to ensure that demand does not outstrip supply and thus cause a rise in price” (Mosley, 1972, p.151).

One important element of the Birmingham Proposals, and probably one of its most glaring inconsistencies, was its strict adherence to the principles of free trade. Following a line of reasoning that Hume would have been proud of Strachey explained that the increase in English workers’ purchasing power advocated by Mosley even if directed mostly to the purchase of imported goods, would eventually benefit UK exports through a depreciation of the pound. Also inconsistent with Keynes 1924 proposals was the absence of any public works scheme. It appears that at this time Mosley believed such schemes would crowd out private investment.

According to Mosley, the three major policy contributions included in the *Birmingham Proposals* were: 1) the requirement of consumer credits in addition to producer credits and their combination with national planning, 2) the recognition that banking and credit were the key points of the economy and that their command was

necessary to make such planning effective, and 3) the possibility of maintaining an expanding economy with an independent monetary policy and a floating exchange rate (p.150). In his view, these three measures anticipated Labor Party policy by several decades. This is partially true. In the early 1970s, one of Strachey's biographers observed that *Revolution by Reason* read "like a generously presented amalgamation between Labour 'pragmatism' of the 1960s and fascism" (Thomas, 1975, p.51). Be it as it may, it was a remarkable accomplishment for a 29-year old politician with no university education and no formal training in economics (and for his 24-year old co-author).

However, within the Labor Party, one wing dismissed Mosley's proposals for being too radical, and the other for not being radical enough. In any event, Churchill's decision on 28 April to reestablish the pre-war gold parity of the pound had rendered them unworkable. "My speech on the *Birmingham Proposals* in August 1925 concluded with an analysis of Mr. Churchill's policy of returning to the gold standard, which added something to Keynesian theory", wrote Mosley decades later. "Foreseeing the disastrous effect that the policy would have on the mining industry, which led nine months later to the General Strike, the speech included a stringent attack on Mr. Churchill's effort to base this gold standard upon pre-war parity with the dollar. This effort has involved the policy of drastic deflation which since the war has immensely increased the burden of the National Debt, and has proportionately benefited every idle rentier at the expense of the worker by hand or brain in productive industry" (1972, p.153).

3. The Great Depression and Mosley's Manifesto (1930)

In part thanks to Churchill's decision to return to the gold standard at the pre war parity, economic growth between 1925 and 1929 while the rest of Europe and the US thrived. The unemployment rate remained above 7%, almost 1.5 million workers, which not only generated a high fiscal cost due to unemployment insurance, but also a misallocation of the economy's productive resources. As the 1929 election approached, unemployment again came to the fore. With Keynes' advice, Lloyd George proposed an £100 million annual public work expansion program to reduce unemployment. It was practically the same proposal that Keynes had made in May 1924. In the following year's parliamentary elections he included this proposal as a

central element of the Liberal Party platform. Keynes publicly defended Lloyd George's proposal (Keynes and Henderson, 1929). The Labor Party platform contained no specific policies to reduce unemployment but "an unqualified pledge" to deal with it "immediately and practically."

In May 1929, the Labor Party returned to government in a minority position under the leadership of Ramsay MacDonald. Mosley joined the cabinet and became a junior member of the Unemployment Committee responsible for devising proposals to alleviate unemployment, which at the time stood at almost 10% of the workforce (Crafts, 1987). Wall Street's crash on October 29 pushed the UK economy led to a rapid increase in the ranks of the unemployed.

By the beginning of 1930 the unemployment rate had reached 8.4% compared to 6.9% just before the election. "In the emergency of 1929 I was able to combine immediate action with long-term plan, tactics with strategy in military terms," remembered Mosley decades later (Mosley, 1972, p.14). In mid January, Mosley and Strachey prepared a short memorandum with a set of proposals to reduce unemployment and restart the economy. Before making it public he sent a copy to Keynes. The document, which became known as the "*Mosley Memorandum*", included four sections. The first dealt with the machinery of government; the second with long-term economic reconstruction; the third with short-term public work plans and the fourth with finance and credit policy (Skidelsky, 1975, p.200). Mosley's objective was to offer "an assertive response to the worsening economic problems of the day; to challenge the basic presumptions upon which the government's economic policy was based" (Morley, 2010, p.33).

As in 1925, his main recommendation had been to increase workers' purchasing power with directed credit in order to increase effective demand all under the umbrella of a nationalized banking system and socialist economic planning. The main difference was the outright rejection of foreign trade and an outright advocacy of economic autarchy. Mosley argued that given the situation of the global economy, a necessary condition to carry out of this policy successfully required "insulating" the UK economy against "electric shocks" coming from abroad via a "scientific" control of imports, bulk purchases of food from the Dominions and Colonies, an active development of home agriculture in order to reduce dependence on food imports. The

Memorandum also proposed “a development of the social services and a more generous policy of pensions on retirement and of benefits and allowances, and a rationalisation of industry under public control in order both to increase exports and to make more goods available in the home market” (Cole, 1943, p.237). The final section of the document consisted of three pages on monetary policy in which Mosley reverted to some of the ideas of the *Birmingham Proposals* and for the first time linked his short-term measures to a long-term policy for developing the domestic market at the expense of exports (Skidelsky, 1975a, p.204). The final recommendation of this section was to use discretionary and expansionary credit policies to stimulate the economy, which in turn required the nationalization of the Bank of England and public control of the entire banking system. Mosley believed that the City was the main obstacle to a program of national reconstruction. London bankers preferred to loan money abroad because they could charge a higher interest rates. “Is the policy of governments still to be dominated by the belief that employment in the steel trade to build a railway in Iraq or the Argentine is of necessity better for the people of this country than employment for the building of a road in Britain?” he asked (Skidelsky, 1975a, p. 201).

In several addenda added in the following weeks, Mosley argued that even if, through rationalization and the development of newer industries, Britain succeeded in recapturing its pre-war percentage of the world’s export trade there would still be a substantial “labor surplus” which could find employment only in an enlarged home market. He also proposed the creation of a state finance corporation charged with financing the rationalization of industry with long-term credit. This idea foreshadowed the *Istituto per la Ricostruzione Industriale* (I.R.I.) set up by Mussolini in 1933 (Skidelsky, 1975a, p.201). As with other elements of Fascist economics, Mosley seems to have been ahead, at least intellectually.

Mosley’s visit to America in the late 1920s had greatly influenced his economic ideas. He was convinced that by the implementation of his policies he could replicate the American model in the UK:

An easy credit policy in this country, combined with a development policy which gave employment on a large scale might well reproduce here conditions on which prolonged American prosperity has rested. By natural

and gradual progress we might pass from a lower wage basis of production to a higher wage basis of production, the greater rate of which in response to a larger demand more than offsets the increase in labour costs. Once that awkward transition is achieved our future employment can rest increasingly on the growing home market (ibid., p.204).

Mosley threatened to resign from the government if the cabinet did not consider his proposals. Under pressure from Philip Snowden, his orthodox Chancellor of the Exchequer, MacDonald again turned him down. In late May, Mosley resigned and started rallying support among disaffected Labor MPs as well as Liberals and Conservatives. But his chances of forging a multiparty alliance were dealt a serious blow when after Mosley gave a speech in the House to justify his resignation in which he argued in favor of the provision of pensions at the age of sixty, raising of the school-leaving age and launching a national road building program. His attempt to forge a multi-party coalition behind his proposal was dealt a blow when in a follow up speech Lloyd George derisively described Mosley's proposals as "an injudicious mixture of Karl Marx and Lord Rothermere" (George, 1930, p.1373). Laski, who no longer befriended Mosley due to "the latter's "luxurious and fast life", advised him to stay "out of the limelight to consolidate and build up a position in the party" (Mandle, 1967, 46). He thought at the time that Mosley could succeed MacDonald as Prime Minister (Krammnick and Sheerman, 1993, p.279).

Mosley did not give up. At the annual Labor Party conference held in October 1930 he presented an updated and longer version of the *Memorandum* in the form of a *Manifesto*, which carried the signatures of seventeen Labor MPs, among them W.J. Brown and Aneurin Bevan. The *Manifesto* proposed "extensions of pension schemes, combined with proposals for a large programme of public works financed by loans," remembered Strachey (1933, p.154). The document also argued for a "drastic revision" of the "Parliamentary and Governmental machine" and proposed the creation of an "Emergency Cabinet" (Mosley, 1930, p.45). Mosley's speech was received with a great ovation but failed to obtain the support of the party's leadership. His nemesis, and also Keynes', was Sir Philip Snowden, Chancellor of the Exchequer, who believed that "an expenditure which may be easy and tolerable in prosperous times, becomes intolerable in a time of grave industrial depression" (Hansard, 1931,

c.448). Mosley's program of radical economic reform was the "New Deal" that Britain never had.

Keynes reacted favorably to Mosley's *Manifesto*. In an article published by *The Nation* he said that he "liked the spirit" that informed the document and argued that it deserved attention even though in "many matters" it could be criticized on academic grounds. He summarized it as:

A scheme of national economic planning to achieve a right, or at least a better, balance of our industries between the old and the new, between agriculture and manufacture, between output for export and output for home consumption, between home development and foreign investment; and wide executive powers to carry out the details of such a scheme. That is what it amounts to (Keynes, 1930, p.474).

One of the weaknesses of Mosley's program according to Keynes was that it stood "insecurely between promises of advantage to the producer and of cheapness to the consumer". In his view: "the mere payment by an industry of higher wages than are paid by its foreign competitors is a very bad criterion for imposing a tariff, and quite incompatible with promises to the consumer not to raise prices against him". According to Keynes, England had to choose between three alternatives: "trust the operation of natural forces", hasten these forces "by accentuating what appear to be their tendencies" (i.e., reducing nominal wages) or to establish a system of collective economic planning, which was what Mosley advocated:

The Liberal programme of the last General Election [Lloyd George's] approached this problem from one angle, namely, the planning of capital development at home. Mr Lloyd George's more recent agricultural programme approaches it from another angle, namely, the planning of output as between the home and the foreign market. So, in a sense, though by a crude and dubious technique, does the protectionism of Mr [Stanley] Baldwin. The signatories of the Mosley *Manifesto*, dismayed by the difficulties of carrying through anything by existing methods, seek to free us from the us from the limitations which stand at present in the way of any drastic action, in the hope that this will allow us to employ improved techniques. It will shock — it must do so — the many good citizens of this country, including, I expect, some readers of *The Nation*, who have laissez-

faire in their craniums, their consciences, and their bones. These will continue to do service by criticising honestly and acidly the projects of the planners. But how anyone professing and calling a himself a socialist can keep away from the Manifesto is a more obscure matter. Whether or not anything comes of it in the near future will almost entirely depend on the pressure of events — on the natural forces themselves. (Keynes, [1930], p.475].

In the following months, while trying to stir a rebellion within the Labor Party, Mosley expanded the *Manifesto* with the aid of Strachey, Bevan and others. The result of their efforts was a much longer pamphlet titled *A National Policy*, which was published in February 1931. In this document, Mosley advocated a “comprehensive scheme of National Planning through a National Economic Planning Council which would recruit the assistance and advice of the best brains in industry” as well as a “National Investment Board” and a “National Industrial Bank” (pp.32, 33). Public investment in housing, agriculture and infrastructure (transport, electricity and telephones). It also proposed a tax reduction to help private enterprise. Mosley also proposed the creation of an “Import Control Board, which would effect considerable economies by the purchase in bulk of many of our necessary food imports” (p.52). Mosley also mentioned the need to economically integrate the Commonwealth and to reach “trading arrangements” with countries such as Argentina, a major supplier of beef and wheat (Mosley et al, 1931, p.28).

Right from the very first pages, the pamphlet warned that “the very machinery of Parliament and of Government” needed “a revision to permit of effective action” (1931, pp. 4-5). Mosley had convinced himself by then that a new left-wing party under his leadership “would sweep the country, or at the least would secure the allegiance of the main body of rank-and-file workers” (Cole, 1948, 242). He had also convinced himself that in order for his program of “national reconstruction” to have any chance of being put into effect, he had to secure the support of “both Capital and Labour” (Strachey, 1933, p.156). This in turn, required an independent party organization. According to Strachey, by this time Mosley was “working on far more ambitious lines” (*ibid.*, p.156).

At the end of March Mosley publicly launched the “New Party”, bringing Strachey and a few other Labor MPs along with him. Bevan refused to defect from the Labor Party and supposedly warned Mosley that he would end up creating “a fascist party” (Foot, 1966, p.114). Mosley was confident of his success. He had secured the financial support of the industrialist Sir William Morris and hoped to enlist Keynes’ support as well as that of Bernard Shaw and Harold Nicolson. Only the latter accepted the invitation. However, Nicolson’s diaries indicate that Keynes was “very helpful about the economics of the New Party”, openly said that “he would, without question, vote for it” and felt that “our Party may really do an immense amount of good and that our programme is more sound and certainly more daring than that which any other party can advance” (1966, p.72). In his memoirs, Mosley also remembered that Keynes “supported me throughout this period” (1972, p.198).

Mosley also supported Keynes. According to Skidelsky, he was the only member of Parliament “who understood and supported Keynes” (Skidelsky, 1992, p.396). In his view budgetary considerations were of secondary importance in light of the recession. On early September Mosley gave a speech in which he argued that “we should then adopt the method of balancing our Budget advocated by Mr. Keynes and other economists which is simply to continue to borrow... or I would prefer to say, borrow to provide constructive works to give employment in place of it, to suspend the Sinking Fund, and to raise the remainder by a... protective tariff” (ibid., p.396).

However, Keynes’ support for Mosley gradually started to vanish after the New Party’s resounding defeat in the general election of October 1931 and Mosley’s increasingly visible fascist sympathies. In fact, by the time of the election, Mosley had already alienated many of his earliest and closest supporters, including Strachey and Allan Young, both of whom had resigned from the party.⁴ Young would later become an economic advisor to Harold Macmillan, the future Prime Minister, who during the rest of the decade advocated an economic program aped from Mosley’s *Manifesto*. Nicolson defected a few months later when he saw in which direction Mosley was headed. He believed “fascism for England and I cannot consent to be identified with anything of the sort” (Nicolson, 1966, p.114).

⁴ Months later Young became the economic advisor of Harold Macmillan, the future Conservative Prime Minister, who in 1933 and 1938 would develop his own economic proposals, which in many respects resembled Mosley’s (Horne, [1988], 95).

But even as late as December 1931, while addressing a socialist group on the dilemmas facing socialism Keynes explained that the Labor Party lacked a viable strategy. In practice, the leadership ‘agree at heart with their opponents’ on economic matters. “They have been totally out of sympathy with those who have had new notions of what is economically sound... such as Mr. Lloyd George or Sir Oswald Mosley or Mr [Ernest] Bevin or myself”, he explained (Skidelsky, 1975b, p.95).

By 1933 Strachey, already at Mosley’s antipodes, wrote that his erstwhile friend believed that the “Corporate State” was the solution to capitalism’s problems. It was “the marvellous discovery which will cure unemployment, bring security and plenty for all, and reconcile the interests of Capital and Labour. Moreover, it will do so without disturbing either the financiers or the Trade Unionists.” (p.89). Mosley had realized “that his programme could only be carried out after the crushing of the workers and their organizations” (p.159). He had turned into a fascist program.

4. The Greater Britain and Fascist Economics (1932-1939)

A visit to Italy in early 1932, which included meetings with Mussolini, completed Mosley’s conversion to fascism. By April he dissolved the New Party and a few months later he launched the BUF and outlined its platform in a pamphlet titled *The Greater Britain* (1932). Unlike Hitler or Mussolini, Mosley arrived at fascism logically: he concluded it was the ideal political system in which he could apply his economic program. He appealed to reason and not to emotion. He envisioned himself leading a technocratic and efficient corporate state with low taxes. This may partly explain why he failed. Despite his eloquence and “oratorical gifts”, which Laski regarded as being of a “high order” (Sacks, 1938, p.244), being a wealthy aristocrat with a narcissistic and autocratic personality with a knack for political opportunism also conspired against his political career (McIntire, 1983). Mosley himself explained his failure due to the less severe economic crisis suffered by the UK compared to Germany (1972, p.277-279, Newsinger, 2001, p.836).

Be it as it may, Mosley’s economic program –which was not original but based on a synthesis of several ideas that had been “floating in the air” for decades– gradually became acceptable after the Great Depression. By 1933 Keynes advocated autarky as way to solve the world’s problem. The economic program proposed by conservative

politician Harold Macmillan in 1933, 1935 and 1938 had many important elements in common with Mosley's Manifesto (if not directly borrowed from it). In 1934 Mosley also claimed that his proposals were "now very widely accepted" and that even president Roosevelt was applying "some" of his ideas to revive "American industry" (Mosley, 1934, p.4). In fact, some elements of Mosley's proposals resurfaced in Roosevelt's New Deal. His suggestion to employ a government-funded "Mobile labor corps" to clear slum clearance and land drainage prefigured FDR's Civilian Conservation Corps "except that the focus was on the development and conservation of natural resources instead of urban renewal (Mandel, 1970, p.92, Rubin, 2010, p.333). However, by the end of the 1930s Mosley distanced himself from Roosevelt, who he claimed, followed a policy that rested on "the simple disaster of unbalanced budgets and inflation" (Mosley, 1938, p.78). Still a monetarist at heart, Mosley viewed inflation as the enemy of the worker and ally of the City and speculators. "Any fool can inflate" (*ibid.*, p.79).

In the second edition of *The Greater Britain* Mosley claimed that the economic proposals he had advanced in his speech of May 1930, when he resigned from the Labor Party government (1934, p.4). "No new departures were to be found in the 'new economics' of fascism. A planned, insulated home market, joined with the empire" was again Mosley's answer to England's problems (Ritschel, 1997, p.91). The main difference with *A National Policy* (1931) was the inclusion of a proposal for a radical change of the English political system and the creation a "national movement" to establish a "Corporate State". Mosley claimed fascism's mission was "to create a revival in the spirit of man which is prerequisite to a revival in material environment". He proposed a British version of fascism, completely adapted to the country's history and traditions. Mosley summarized BUF's platform in two words: "Britain First" (p.19). As to its ideology, Mosley explained fascism was "led by men who came from the Left and the rank and file has combined the Conservative and patriotic elements of the nation with ex-Socialists, ex-Communists and revolutionaries who have forsaken their various illusions of progress for the new and orderly reality of progress" (p.21). He rejected the notion that he proposed a dictatorship. On the contrary, he proposed a "government armed by the people with power to solve problems which the people are determined to overcome" (p.26). He spoke contemptuously of democracy and described it as "old" and "timorous". To

allay fears that he favored the type of violent measures taken by Hitler and Mussolini, he explained that the “rigour of Fascist Government is in very exact proportion to the degree of chaos which precedes it” (p.27). Since England was in a much better position than Italy and Germany had been fascism reached power there was no need for such tactics. Basically, Mosley adapted Mussolini’s doctrines so that they could be digestible to an English audience combined with Mosley’s own apocalyptic analysis of the world’s economy and his conviction of the inevitable demise of capitalism. Interestingly, Paul Einzig, a respected financial journalist and early enthusiastic supporter of Italian fascism, dismissed Mosley’s *Greater Britain* for disregarding “the valuable experience gained during the ten years of Fascist rule in Italy” (1932, p.3).

As the thirties advanced, Mosley gradually started to ape the style and garb of Hitler and Mussolini, even wearing a black uniform and boots. Today it looks clownish but at the time seemed menacing and in fact worked against him. His anti-Semitic rants, incitement to violence and his fascist harangues put him beyond the pale of English politics. In June 1933 when Keynes (1933) published an article in *The Nation* arguing that “a greater measure of national self-sufficiency and economic isolation”, Mosley promptly wrote to congratulate him for having converted to “fascist economics”. Keynes replied that he wrote as he did “not to embrace you, but to save the country from you” (Skidelsky, 1992, p.478). Given that they had been on friendly terms for several years and until very recently, Keynes’ reply seems harsh. However, by that time, the Nazi regime had already shown its uglier side. Bertrand Russell, one of England’s most respected intellectuals, had already blasted Hitler and warned that British Fascists although “not as yet a large party” were growing rapidly “and if at any future time there should be danger of a Labor Government that meant business, they would win the support of most of the governing classes” (1933, p.28). Orwell instead took a dim view of Mosley’s version of fascism:

English Fascism, when it arrives, is likely to be of a sedate and subtle kind (presumably, at any rate at first, it won’t be called Fascism), and it is doubtful whether a Gilbert and Sullivan heavy dragoon of Mosley’s stamp would ever be much more than a joke to the majority of English people; though even Mosley will bear watching, for experience shows (*vide* the careers of Hitler, Napoleon III) that to a political climber it is sometimes an advantage not to be taken too seriously at the beginning of his career (1937, p.244).

By the late 1930s, Mosley was still advocating public works program but not as a permanent feature of economic policy, only as an intermediate step. “Public works, undertaken in perpetuity, without any serious intention of building a new economic system, can have only one result. They pile up the burden of public debt, which has to be supported from the declining revenue of a decaying system”. Such, policy would make disaster worse. Public works were “only justified to bridge the gulf between the old and the new system” (Mosley, 1938, p.79). The latter being, of course, “the Corporate State”. Ironically by that time Keynes proposed creating a National Investment Board which was very similar to the one advocated by Mosley (Keynes, 1937).

It is unclear to what extent Mosley’s proposals influenced the economic policies of Italy and Germany during the 1930s. Later in life, Mosley rejected any similarity (1972, p.301). However, at least at a superficial level there some obvious common denominators: autarchy, national planning, extensive state intervention, control over credit and public works schemes. However, there were also significant differences. On the other hand, Mosley never advocated an aggressive program of rearmament or made it the keystone of his “national policy”. In fact, he supported worldwide coordinated disarmament (1934, p. 155).

In his biography of Mosley, Skidelski (1975) argued that in terms “of economic understanding, the programme expounded by Mosley in *Greater Britain* (1932) was far in advance of anything produced by Continental fascism. In both Germany and Italy state control over the economy derived not from an economic, but from a political logic, and was geared not to managing demand but to preparing for war. By contrast, Mosley’s demand for a strong state (though not completely) built on his economic proposals” (p. 302). According to Cullen (1987), the BUF was the “most programmatic fascist organization in Europe” and Mosley’s blackshirts prided themselves on the fact that their vision of the Corporate State was “even more complete than that of fascist Italy” (p.120). Payne has argued that Mosley’s BUF was one of the fascist parties that “most emphasized economic theory and development” and one of the “most sophisticated” (1995, p.474).

Understanding the economics of fascism and any of its variants poses several problems. As Samuelson (1973) noted, it is “easier to characterize politically than

economically” (p.870). Woolf (1968) argued that in the economic field, fascism could not lay claim “to any serious theoretical basis or to any outstanding economic theoreticians”. Fascist economics was nothing more “than a series of improvisations, of responses to particular and immediate problems” and fascist economic policies were “so contradictory as to make it difficult to speak of a coherent and consistent economic policy in one country, let alone of a more general system” (p.119). Fascist leaders viewed the “the assumptions underlying most economic theory were therefore seen as incorrect, vicious, and corrupting” (Milward, 1976, p.408). In reality they subordinated any economic consideration to their political objectives. Fascist economics was simply an *ex-post* justification of fascist politics. The rejection of *homo economicus* and the principle of comparative advantage in international trade did not lead to authoritarianism and economic autarky. It was the other way around. In that sense, Maier was right when he wrote: “fascist economics was not really economics at all” (Maier, 1987, p.87). In 1934, progressive writer Roger Shaw provided one of the best definitions of what fascist economics was all about:

Fascist economic organization has been called the “corporative state” and under it strikes and lockouts are generally forbidden, with compulsory arbitration as the state-directed alternative. Capital and labor are represented by occupational guilds or confederations. In theory, capital and labor are hitched side by side to the Fascist chariot of state, while the dictator lashes both beasts impartially in his role of national charioteer. The private employer is retained, but he is stringently regulated by the state –to such a degree, indeed, that capitalistic *laissez-faire* of the old, familiar type practically disappears under state planning. Big business and modern monopoly capitalism, reinforced by sympathetic state subsidies, appear to be best adapted to economic Fascism in practice... [Fascism] is a compromise, a mid-step, or perhaps a half-way station between the opposing poles of individualism and collectivism (Shaw, 1934, p. 560-561).

Mussolini had superficial notions of finance although he claimed that in his youth he had studied social science with “passion” and that none other than Pareto himself had taught him the “economics of the future” (1928, p.14). As Schumpeter (1954) pointed out, by the early 20th century Italian economics “was second to none” and the “most conspicuous component in this truly astounding achievement was no doubt the work

of Pareto and his school” (p.822). In part due to Mussolini’s comments and his own initial support, Pareto has been wrongly regarded as an apostle of Fascism. Popper identified him as one of the “theoreticians of totalitarianism” (Popper, 1948, p.2). However, Fascism entailed a complete rejection of the classical economic theory of which Pareto was a distinguished representative. Pareto initially sympathized with Mussolini because he believed that he would end the corrupt plutocratic pseudo democracy that arose in Italy after WWI. This early support and Mussolini’s praise earned him the unjust accusation of being a fascist or a precursor of fascism. In reality, Fascist theorists rejected both his sociological and economic theories. There are strong reasons to believe that, had he lived long enough, Pareto “would have revolted against fascism” (Schumpeter, 1952, p. 117; Cirillo, 1983).

Among other internationally recognized living Italian economists, those who openly supported Fascism in its early stages were Maffeo Pantaleoni and Enrico Barone. Just like Pareto, both were initially supportive of Mussolini but both died in 1924 and therefore it is unclear they would have supported Matteoti’s murder and the imposition of a dictatorship in 1925 (Bradley and Mosca, 2010). Be it as it may, their economic thinking was anchored in classical economics.

Filippo Carli (1876-1938) and Gino Arias (1879-1940) were strong and enthusiastic advocates of Fascism. Carli was in fact one of the earliest theorists of corporatist economics and the “third way”. In 1914, he wrote a paper jointly with Alfredo Rocco, who would become Mussolini’s Minister of Justice, which outlined the elements of a national economic system “almost identical, in its essential aspects” with those of the Fascist regime (Welk, p.31). Of Jewish origin, Arias was a converted Catholic and adhered to the social doctrine of the Church. During the 1920s he was very influential in the Fascist regime and participated in the drafting of the *Carta del Lavoro*. His vision of the corporatist economy was based “on the idealisation of the Italian medieval society and on Scholastic philosophy” and had to “be the result of a moral revolution taking place in the conscience of individuals” (Guidi, 2000). According to Arias, the individual had to adhere “to the ethical, political and economic ends guaranteed by the corporate state” and replace “selfish, antisocial and therefore uneconomic” attitude (Arias, 1937, p.220). He emigrated to Argentina in 1938 when, under pressure from Hitler, Mussolini promulgated the *Manifesto della razza*

(Capristo, 2004, p.85). Arias had significant influence over a group of Argentine economists that helped draft Peron's first economic plan (Belini, 2006).

Franco Modigliani, who before emigrating from Italy for the same reason as Arias, wrote several articles in praise of Fascism and even received an award from *Il Duce* (Klein and Daza, 2013, p.472). In one of his articles he explained that the goal of the Fascist regime was to prevent "the exploitation of the weak by the strong" –which he considered the inevitable result of the operating of an unfettered free market economy– and to promote "higher social justice" (Klein and Daza, 2013, p.477). In another, he argued that autarchy was "a higher-order political necessity to which economic necessities must be subordinated" (Modigliani, 1938, p. 573).

It is unclear to what extent, if any, Mosley's ideas influenced Fascism's embrace of autarchy in the 1930s. In the aftermath of Wall Street's collapse, Mosley was by no means the only politician advocating "insulation" as an economic strategy to deal with unemployment. He certainly was one of the most vocal in England and given his relationship with Mussolini one can safely assume that Italy's Fascist economists were aware of Mosleynomics.

Be it as it may, during the 1920 the Italian economy was far from autarchic. In fact during the period 1920-1929, Italy had lower *ad-valorem* tariffs than both the US and the largest European economies. Even after the Great Depression, protectionism was relatively milder.

Average Ad Valorem Equivalent Tariffs

Country	1920-1929	1930-1940
Italy	4.5	16.8
United States	13.0	16.6
Canada	13.4	15.2
France	7.1	21.0
Germany	7.2	26.1
United Kingdom	9.8	23.2

Source: Crucini and Kahn (2003).

The evolution of Italy's ratio of exports to GDP also confirms the move to a insulated economy started only after the Great Depression. But even during the thirties it was much less abrupt than in Germany or France and in line with the UK in relative terms.

Exports as % of GDP (1925-1939)

Period	Italy	Germany	UK	France	USA	World
1925-1929	11.2%	14.1%	15.8%	17.1%	5.0%	11.1%
1930-1934	7.3%	11.9%	9.5%	9.1%	3.2%	7.1%
1935-1939	6.0%	5.5%	8.7%	7.0%	3.2%	6.2%

Source: Our World in Data.

As a reviewer of Mosley's biography by Skidelsky pointed out, Nazi economic policies in some respects resembled those advocated by Mosley in his 1930 *Memorandum* (Kirkus Reviews, 1975) particularly between 1933 and 1935. During that time the Nazi regime implemented the so-called "Reinhardt Program", which sought to reduce unemployment through public works, particularly the repair of public buildings and the construction of *autobahns* (Silverman, 1993). This program was fully financed by the *Reichsbank* led by Hjalmar Schacht.⁵

There is a widespread misconception that Hitler applied Keynesianism *avant la lettre*. Joan Robinson once quipped that the Nazi leader had "found how to cure unemployment before Keynes had finished explaining why it occurred" (1972, p. 8). The truth is a bit more complicated. First, there were many German economists in Germany that advocated activist policies in the late 1920s and after the Great Depression (Garvy, 1975). Second, although Hjalmar Schacht, who directed economic policy between 1934 and 1937, believed "in a creative role for monetary policy" he was "no friend of public works schemes" (Tooze, 2006, p.41). In fact he not only accepted the key tenets of the quantity theory of money but was also a consistent advocate of fiscal restraint.⁶ According to Schacht, the creation of money was harmless only if it was accompanied by a simultaneous increase in the quantity of services and goods (1966, p.355). Mosley also believed this to be the case (1938, pp.78-79). Third, according to official statistics the biggest drop in unemployment in

⁵ Although the Reichsbank was Germany's independent monetary authority its Chairman was appointed by the Executive.. Schacht was also appointed Minister of Economy in 1934.

⁶ After the war Schacht became advisor to several developing countries and in all cases he preached the virtues of fiscal and monetary restraint. See for example the advice he gave to Indonesia (Schacht, 1955, pp.541-542).

Germany occurred before the Nazi regime launched the “Reinhardt Plan”. By September 1933 total unemployment was at 4 million, one third less than in January (Tooze, p.47). This was partly cyclical and partly the result of credit financed work-creation programs launched at the end of 1932 by the previous government. The much touted *autobahn* construction scheme had minimal impact on employment. In 1933 no more than 1,000 workers were employed on the first project and only 38,000 twelve months later (Tooze, p.47).

It is unclear if Reinhardt or Schacht were aware of Mosley’s economic proposals and if so whether they thought they were applicable to Germany. In his memoirs Schacht never even mentioned Mosley. However, it is likely that they met when Schacht visited London in early 1933, before Hitler appointed him president of the *Reichsbank*. From other sources we know that Schacht had “high regard” for Mosley and that before the war was “supportive” of the BUF (Dorril, 2006, p.337-338). Hitler also thought highly of Mosley. He believed Great Britain was at the verge of revolution and only a fascist leader could save it. In Hitler’s view Mosley could be a new Cromwell and could avoid a revolution “by finding a compromise between Conservatism and Socialism, by opening the road to the masses but without depriving the élite of their rights” (Hitler, [1944], p.245).

One of the most authoritative studies on the subject (Ritschl, 2000) concluded that Germany’s recovery from the Great Depression was “mainly driven by a rebound effect that was visible in the data already by late 1932”. Far from being a “textbook exercise in Keynesian demand stimulation” the German miracle exemplified “the paradox case of public demand expansion without Keynesian demand creation” (ibid., p.17).

With respect to the economic recovery after the Great Depression under Fascist economic policies, it is interesting to compare Germany with Italy. In the early aftermath of the crisis some observers argued that despite “pessimistic forecasts, stability and relative prosperity continues to exist in Italy, thanks to the iron hand of *Signor* Mussolini, and to the efficiency of the economic system of Fascism” (Einzig,

1934, p.v).⁷ However, as can be seen below, the Italian economy stagnated during the 1930s.

Recovery After the Great Depression
(GDP per capita 1932-33=100)

Year	Germany	Italy	UK	US	Argentina
1928	118	103	103	136	120
1929	117	107	106	143	122
1930	115	102	104	128	114
1931	106	100	99	120	104
1932	97	101	99	102	99
1933	103	99	101	98	101
1934	112	98	108	106	108
1935	119	102	111	120	111
1936	129	98	116	131	110

Source: The Maddison Project (2018).

The most original aspect of Schacht’s monetary policies was the issuance of “Mefo-bills”. However, its primary objective was not to fund public works or stimulate the economy but to finance Germany’s growing military expenditures in a surreptitious way. Schacht (1955) recognized it was a “daring” scheme that “rejected the trading methods which classic British economic theories had bequeathed to us” (p.548). In his view, the issuance of the Mefo-bills proved empirically an idea that had been developed “theoretically” by Keynes: that it was “possible to make up for a lack of capital by means of credit without any risk of engendering an inflation” (1967, p.115-116). In reality, this creative financial engineering facilitated Germany’s rearmament in violation of the terms of the Treaty of Versailles without calling the attention of England and France.

However, it is important to point out, however, that work creation policies did not become a key part of the Nazi platform until the late spring of 1932 and that “it retained that status for only eighteen months, until December 1933.” (Tooze, 2006, p.24). In fact, the plan to fight unemployment with public works –the “Reinhardt Plan”– was publicly announced in June, 1933, almost simultaneously with the publication of the article that triggered the exchange between Keynes and Mosley. Keynes may have later changed his mind about fascism. In the preface to the German

⁷ Einzig’s enthusiasm for fascism faded rapidly in the following years.

edition of *The General Theory* he wrote that his ideas were “much more easily adapted to the conditions of a totalitarian state” (1936, p.xix). Strachey probably felt vindicated, since in 1932 he had predicted that at some point down the road would admit that he was a fascist (1932, p.205).

The early intellectual affinity between some of Roosevelt’s New Deal and Mussolini’s Fascism is well known, although sometimes conveniently forgotten (see Vaudagna, 1977; Whitman, 1991; White, 2012 and Migone, 2015). Rexford Tugwell, one of the members of FDR’s “brain trust”, visited Italy at the end of 1934 and concluded that the US had to emulate many of Mussolini’s policies (Migone, 2015, 304).⁸ In 1938, when an American politician visiting Rome asked *Il Duce* what was the definition of fascism, he replied: “It is like your New Deal!” (Whalen, 1955, p. 188). Even Hitler and the Nazi regime were initially supportive of Roosevelt and the New Deal which seemed to them “essentially like their own and the role of Roosevelt not very different from the Fuhrer’s” (Garraty, 1973, p.933). But all of these comments have to be taken with a grain of salt to avoid confusion. Roger Shaw, a strong supporter of Roosevelt, acknowledged as early as 1934 that the New Deal had copied “the mechanics of Italian Fascism to combat the spirit of Fascism in American Business” (Shaw, 1934).

In Shaw’s view, the mechanics of Fascism were embodied in the “Corporate State” and its intervention as an arbiter between labor and capital, whereas its “spirit” was represented by a one-party dictatorship under a “great man”, an aggressive foreign policy, strong nationalism, “philosophical traditionalism and a glorification of force, not as a means, but as an end in itself” (*ibid.*, p.561). Ironically, New Dealers were “employing Fascist means to gain liberal ends; while their Old Guard opponents are strongly in favor of liberal and constitutional means to gain Fascist ends”. This helped explain, according to Shaw, “the confusion of the average anti-Roosevelt American who admires Mussolini”. However, he had no doubts that the Fascist mechanics were present in the New Deal.

The NRA, with its code system, its regulatory economic clauses and some of its features of social amelioration, was plainly an American adaptation of the

⁸ In his published memoirs Tugwell distanced himself from Mussolini and Fascism and made no mention of his visit to Italy.

Italian corporative state in its mechanics. It was recognized as such by both Mussolini and Hitler... Occupational cooperation by industries, under government supervision or, if need be, dictation, was certainly Fascist; and as in Italy, the capitalistic framework and the profit-motive were retained. The working mechanics of economic Fascism were present in the NRA, but the economic application of the NRA was contrary to the spirit of Fascism. American Fascists elements, many of them unwittingly Fascist in their ideology, were paradoxically opposed to the corporative state as applied to the United States. Therein lies the American contradiction, and it is a strange one. The conservative spirit of Fascism is in instinctive sympathy with vested interests, and the American New Deal has very definite ties with the masses. It has been using Fascist apparatus to combat those very interests which in Europe uphold Fascism. The corporative state, in Europe the shield of big business, has in America become a sword of Damocles which dangles in horrific style above the skyscrapers of Wall Street and the mills of Pittsburgh... The New Deal philosophy resembles closely that of the British Labor Party, while its mechanism is borrowed from the BLP's Italian antithesis (*ibid.*, p. 562).

There were also many parallels between Roosevelt's New Deal and the economic policies of the Nazi regime during 1933-1937. According to Garraty (1973):

New Dealers and Nazis insisted that economic recovery could not be achieved without a certain amount of social restructuring and, furthermore, that society could be changed without exacerbating class conflicts... Of the two the Nazis were the more successful in curing the economic ills of the 1930s. They reduced unemployment and stimulated industrial production faster than the Americans did and, considering their resources, handled their monetary and trade problems more successfully, certainly more imaginatively. This was partly because the Nazis employed deficit financing on a larger scale and partly because their totalitarian system better lent itself to the mobilization of society, both by force and by persuasion. By 1936 the depression was substantially over in Germany, far from finished in the United States. However, neither regime solved the problem of maintaining prosperity without war" (pp.943-944).

Interestingly, many elements of Mosley's 1930 economic program resurfaced in Argentina during the early years of the Peronist regime. Except for their attachment to fascism there is only a very tenuous connection between Mosley and Perón. They met secretly in Buenos Aires in 1950 but that would have been five years too late. Mosley's intellectual influence seems to have been indirect. By 1945 his policy proposals had seeped into the mainstream and the fascist economic thought.

5. Conclusion

For a brief period between 1925 and 1932, Sir Oswald Mosley was one of the rising stars of British politics. At the time, very few politicians had a better understanding of the problems that the British economy faced. Mosley was not an original or a profound thinker. Being an autodidact without university education, he based his economic proposals on a mishmash of ideas he had cherry picked haphazardly and which he understood at an intuitive but superficial level. Keynes was his mentor on economics and for a while also his supporter. However, Keynes' support and encouragement was always accompanied by a profound intellectual snobbery.

Mosley's greatest strength was his ability to synthesize ideas developed by others and to incorporate them into a concrete policy program. He was the first prominent politician in the UK to advocate national planning, economic autarchy and the nationalization of the Bank of England and the control of credit and the banking system. Lack of originality in conception and growing political irrelevance relegated Mosley's proposals to the attics of academia. However, their influence survived. Other Labor and Conservative politicians followed in his footsteps during the 1930s and the immediate postwar. More research is needed to assess the degree to which Mosley influenced economic policy in Germany and Italy. Surprisingly, the closest implementation of Mosley's proposal was in Argentina during the first years of the Perón regime. However, the intellectual influence seems to have been indirect.

Rejection of global trade and finance is a key tenet of Mosleynomics that has resurfaced in the current platforms of European right wing populist platforms.

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