

The Rulers of Tomorrow

THE MANAGERIAL REVOLUTION.

By James Burnham. New York: John Day Company. 1941. 285 pp. \$2.50.

Reviewed by PETER DRUCKER

MR. BURNHAM, in this highly provocative and worthwhile book, sees the central fact of our present social and political situation in the divorce of management-control and legal ownership in the modern big business corporation. This divorce has given economic and social control to a small group of professional managers who owe their power to professional acumen, administrative ability, and promotion from inside rather than to stock ownership and legal control. It is, moreover, creating a new ruling class and is disenfranchising the old ruling class of capitalists.

Mr. Burnham shows how far this divorce has already gone; he is convinced that it represents an irresistible trend and that the managers will be tomorrow the real rulers—if they are not the rulers already now. It is a change in the basic techno-economic structure of society which will enforce a complete change of the social and political system upon all industrial countries of the world. Hitler, Stalin—and also the New Deal—are wittingly or unwittingly only the “front” for this new ruling class and its power. The present world war, the new systems in Europe, are only the external signs of this “Managerial Revolution” which will proceed inescapably to the expropriation of all private industrial property by a state acting as the executive organ of the new managerial rulers. Mr. Burnham is convinced that at least in its first stages this new society must be totalitarian, just as the new society of bourgeois capitalism was in its inception in the seventeenth and eighteenth centuries. This does not rule out the possibility that later on, when the new society has become sufficiently stabilized, it will be able to introduce some features of popular government and individual freedom which apparently seem to Mr. Burnham to be luxuries affordable only by the rich and the strong.

It is certainly true that the divorce of management and legal ownership is one of the basic and most important facts in modern industrial society. It is also true that it poses a great many vital political problems. After all, the justification of control, *i.e.*, of political and social power over the productive machinery, by the legal title of ownership, has been one of the great principles of modern society since Locke and Hume. The separation of the two—even though by no

means complete—necessarily compels a revaluation of inherited traditional concepts—those of capitalism as well as those of socialism—and a reconsideration of the relationship between society and the rights of private property.

Mr. Burnham is not the first writer to draw attention to this development. Yet he has done a real service by showing the fundamental importance of this development. And it would be hardly possible to dismiss this book except after a careful examination of its basic premises. Even less permissible would it be to shrug it off as another “Wave of the Future” contribution. It is far too serious for that; and it is far too obvious that Mr. Burnham sincerely disapproves of a trend which nevertheless he considers inevitable.

In Mr. Burnham's argument there is one contradiction which weakens his conclusions. Mr. Burnham believes it to be inevitable that private ownership of the means of industrial production will disappear. On his own argument there is no reason why this should happen as consequence of the development he expects. Since private property, according to his very well documented thesis, has become unimportant compared to the direct power of control of the management, even the technological society of the future which he envisages, can well afford to keep private property alive as a mere title. Anyhow, that is precisely what the “managerial” societies of the last ten years have done.

Even more important is the question whether the facts support Mr. Burnham's contention that “Hitler, Stalin or the New Deal are only fronts for the new economic rulers.” To this reviewer, at least, it seems that the essence of the modern totalitarian government is that it uses economic power as an auxiliary to political power, and that it uses the managers as a “front” for the new political ruling class of a party bureaucracy. That this is not true of the New Deal in any respect seems to this reviewer sufficient reason to repudiate Mr. Burnham's identification of the New Deal with the totalitarian dictatorships.

The real attack against Mr. Burnham's position must, however, be made against his basic assumptions. Mr. Burnham considers his book to be a repudiation of Marxism in all its forms. Yet his basic assumptions are those of the Marxists, namely:

- (1) that political power is always the tool of economic power:
- (2) that political ideologies are al-



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ways fabrications to cover the class distribution of economic power, and

- (3) that social, political, and economic developments inescapably follow the trend of technological production.

For those who share these assumptions, Mr. Burnham's thesis is indeed irrefutable. And it should be realized that these assumptions are shared today not only by the professed Marxists but by a large body of economic, social, and political thinkers, including those of the extreme Right.

Yet if society is to continue free, it must be asserted that ideas are not economically determined, that they are not “myths” invented to cover economic power; and above all, it must be re-asserted that power must be legitimate and that legitimacy is not a function of economic reality but one of the basic beliefs of society. If Mr. Burnham thinks that the totalitarian power wielded by the managers will be “legitimate” simply because it mirrors the existing structure of industrial production, he denies all possibility of right or wrong in politics. But those who refuse to accept his conclusions should realize that they can only do so if they also refuse to accept his basic premise of the economic determination of political developments, and of the inescapability and inevitability of political and social developments.

The fact that it is impossible to discuss this book without also discussing the fundamentals of political and social beliefs, shows that it is an extraordinary book. All in all, it is one of the best recent books on political and social trends; it will probably become the Bible of the next generation of neo-Marxists.

America's Ramparts

AMERICA AND TOTAL WAR. By Fletcher Pratt. New York: Smith & Durrell. 1941. 318 pp., with index. \$3.

Reviewed by OSWALD GARRISON VILLARD

FLETCHER PRATT, the military critic of the *New York Post* and of *Time*, sets forth ably and efficiently the views of those who feel that from now on we must go "all out" in supplying England and also in defending Canada and every other place from which we could possibly be attacked—even to Uruguay and Brazil. This is a strange new doctrine for Americans who, until the rise of Hitler, never planned to defend more than their own soil plus Hawaii and Panama. Yet Mr. Pratt is by no means as militaristic as many, and he is never without the consciousness that overdevelopment of defence produces a militarism which will destroy the institutions we seek to preserve.

Thus, he disposes of the idea that it is possible to protect American cities from air-attacks by providing sufficient anti-aircraft guns. He explains that American cities cover more ground per unit of population than do the European and are built of such flimsy materials that attacks upon them similar to those being made upon English cities would destroy from half to two-thirds of their population. He points out that just to give to our northeastern industrial cities the same relative protection with which the British seek to defend London, "would run us into a figure of something like 120,000 guns and 4,200,000 men which, in the phrase of Euclid, is absurd." But more than that, he declares that if we *could* supply adequate anti-aircraft defence "it would plunge us into a peculiar and special kind of anti-aircraft militarism even to attempt it."

Mr. Pratt also refuses to yield to the panic which has beset some of our Cabinet officers over the possibility of an invasion of this country.

Thus, while Secretary Knox has told a Congressional committee that Hitler will invade the United States within "two or three months" if he defeats England, Mr. Pratt joins Senator Wheeler in declaring that "a single convoy carrying an army big enough to conquer the United States, to force upon us a peace in spite of an unbroken navy, is almost inconceivable. There are not merchant ships enough in the world to carry such an expedition and its supplies. If the supply-line stretches back it must be fought for." Mr. Pratt could have added that we were never able to come within 15,000 tons of landing on a single day in France in 1917-1918 the 40,000 tons of supplies and

ammunition we were supposed to deliver each day and never landed a single cannon or fighting airplane. Even under the most favorable conditions of a free ocean and having two harbors never in danger of being bombed at our disposal, our army would have starved and could not have fought in full numbers in France had the Allies not supplied us with the equipment and supplies we lacked. Mr. Pratt well points out that the United States has "no means of pressing an attack against an Axis completely victorious in Europe. . . . Even our sea-power is incompetent against a monolithic Europe. It is doubtful whether we could maintain a blockade of the whole Continent, and if we could, doubtful whether it would be of any military import." Against such a Europe, he says, we can only sit still and wait for them to attack us and then fight a long, defensive war, aiming at exhaustion of resources.

But Mr. Pratt believes that war between the totalitarian governments and the United States is inevitable and so he favors the two-ocean navy, and the recently leased outlying bases, which, he thinks, place us in a strong defensive position. He is not for a four-million army because he believes that one of a million and a half will more than suffice. As to that army, he admirably depicts the essential difficulty of a democracy in training an army to fight totalitarians. He sees that the four-year plus period of training which the dictators demand of their individual pawns, cannot be given in a democracy and that it invariably produces robots, whereas the soldier of a free state always will be a "thinking bayonet" and therefore superior. This advantage the dictators try to offset by training their men so completely that they will have automatic reflexes and reactions when face to face with the multitude of sudden-battle situations calling for individual leadership and initiative. Mr. Pratt's wise thesis is that we cannot have "both our democracy, our way of

life, and an army of the totalitarian type, with its infantry trained to handle any weapon by reflex action." What then, he asks, can we do?

Well, he rejects the dictator's plan of training warriors from childhood up. His plan is to train one in every eleven American men and to choose them if possible so carefully that they will all be of the "commissioned officer type" (which was what Germany did when restricted to a Reichswehr of 100,000 men by Versailles) and have them taught with the greatest care to use their brains. This means, he sees, the abandonment of the snappy salute (already considerably discarded) and of "squads right," and of tent-pegs all in line at inspection. It means a better training system for the officers and much closer relations between them and the men in the ranks. Mr. Pratt especially stresses that the day of sending men blindly forward "regardless of loss" must end. It is the individual cyclist, or parachutist, or tank-driver, or infantry-engineer who will decide battles as the Germans discovered and planned. He warns, however, that democracy is bound to disappear from the earth unless it can find means of unifying and coördinating its defense efforts to meet all the techniques of the totalitarians.

With that conclusion one does not have to agree, any more than with his belief that a war with Hitler is inevitable, in order to appreciate that Mr. Pratt has given a remarkable picture of the development of modern war. His description of the training and especially of the planning end of the German army is masterly—so clear and crisp that any layman can well understand it and will find it extremely interesting reading. It far surpasses anything else that I have seen on this subject. His restraint and lack of hysteria in dealing with the fifth column, and other new and alarming phases of the new techniques of breaking down internal resistance in the countries to be attacked, also merit praise. At only one point have I found that this Homer has nodded. It was not the "blunder of a junior staff member of the German service that led to defeat at the Marne through opening the gap between the armies of Von Kluck and Von Buelow." The gap was there when the blundering officer, Lieut-Col. Hentsch, arrived and gave the order to retire. Although he did not have even a scrap of paper to prove his authority, he was obeyed, by Von Kluck, despite bitter protests, because of the fact that he wore the General Staff uniform, and therefore had a power that has been remedied under Hitler. But Mr. Pratt's description of how the new German army has been trained and developed, deserves, I repeat, high praise and wide reading.

