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Economically, You Are Already Living in Nazi Germany

How a 1937 Nazi shareholder law became ESG, the Sustainable Development Goals, and the machine running your economy right now.

Sep 01, 2026

I have written about stakeholder capitalism until my fingers bled. Klaus Schwab, the World Economic Forum, environmental, social, and governance scoring, the Great Reset, the whole traveling carnival. But I kept leaving out the one thing that would have made sense of the rest, which is that stakeholder capitalism is a subsidiary. It is not the beast. It is one room inside the beast. Above it sits a political, social, and above all economic philosophy called stakeholderism, and stakeholder capitalism is a single apartment on one floor of that building. Give a man the right word and suddenly a great many rooms he thought were separate houses turn out to share a wall. That is what a word is for.

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Stakeholderism has a rival, and the rival is called shareholderism. Two answers to one narrow, technical, deadly little question about corporate law, and it is worth noticing how boring the question sounds, because the boredom is the camouflage. Where does a corporation's fiduciary duty lie? The dullness is the design, and out of that dull little question crawls the entire machine, because it becomes a question about how far the state gets to slide its hand inside a corporation's pants.

Shareholderism answers in a sentence you could fit on a napkin. Shareholder primacy. The corporation owes its duty to its shareholders and that is the end of the catechism. Responsibility lives with the people who bought the shares, collect the dividends, and watch the stock climb or fall as the company gains or sheds value. Crude, maybe. Honest about being crude, which is more than I can say for what comes next.

Stakeholderism answers the long way around, and the long way around is where the bodies are buried. Corporations owe duties beyond their shareholders. The shareholders still count, they hold a share, they take a dividend, they carry a stake, so they qualify as one class of stakeholder among others. And that little phrase, among others, is the whole con, because the others multiply the moment you touch them. A company sells a product, so it has customers, and a customer arguably holds a stake in how the product gets made. A company sits in a supply chain, so it has suppliers, and the suppliers hold a stake for the dreariest reason imaginable, which is that if the company folds they lose an account. And the umbrella opens outward, one reasonable inch at a time, and I want to be fair here, every inch is reasonable. Nobody tells you that. Every single step is a step a decent person would take.

Now, you can build a critical theory out of anything on earth, given an afternoon and a grievance. The trick is to flip the frame over to systemic responsibility, and once you do, blame stops sitting on the actor and streams out into a web of everybody and everything connected to whatever it is you have decided to hate. Take an example. No child should die because a car hits an elk on a dark road. Terrible thing, agreed. But without a driving culture, and without forests, and without free-roaming elk, that child is alive, so the driving culture is complicit, and the forest is complicit, and the elk, poor dumb animal, the elk is complicit too, and so is everything that props any of it up. That took me four sentences. It's dumb, it's over-simplified, it makes absolutely no sense - yet it is a textbook critical theory.

This is important because stakeholderism and critical theory slide together like they were cut from the same bolt

of cloth, and they fit because underneath they run the identical maneuver. The corporation's duty stops belonging to the people who own the thing and starts belonging to the whole system the thing happens to sit inside.

A company emits pollution, and everybody breathes, so now everybody holds a stake in how the company behaves. Everybody lives in the social weather the products create. Nike makes shoes, the shoes carry a strange cultural charge for certain groups of people, and somewhere kids in a rough stretch of the Bronx put bullets in each other over a pair of Air Jordans, so on this reasoning Nike now owes a duty to the stakeholders in that neighborhood. The model does not just permit that conclusion. It sprints toward it, arms out, delighted.

Here is the part they leave off the brochure. Make everybody a stakeholder and you have quietly made nobody a stakeholder, because every voice sinks back to the same level and that level is a rounding error. You have watered the franchise down until there is no franchise left in the glass. And yet the corporation still needs running. Somebody has to sit in the chair. So the pitch shifts under your feet while you are looking the other way, and now you answer to your shareholders, who have dividends waiting, and you also answer to a fresh caste of political officers, certified experts in the various fields of impact, who would like a word about whether your air pollution is bad for the climate, or for breathability, or for whatever landed in the officer's portfolio between last quarter and this one.

I need to draw a line right here, because if I do not the whole argument goes to mush, and I have watched too many good arguments die in the mush.

A regulatory environment is useful, probably necessary. We cannot tell in advance which companies are the poisoners, and by the time the evidence arrives it usually arrives at the funeral. So, rules, fine. I am not one of these people who stands on a chair and shouts that there should be no rules at all.

Now look at a thing called the Council for Inclusive Capitalism. Lynn Forester de Rothschild runs it, in partnership with the Vatican and, while he lived, Pope Francis, alongside more than seven hundred of the largest corporate leaders alive. Seven hundred of the thousand biggest corporations on the planet hold a membership card. This council proposes to decide how capitalists and industry leaders ought to behave, inside their own companies, in order to qualify for a policy of inclusion, with its ever-lengthening list of stakeholders and marginalized groups and whatever else happens to be fashionable on the morning they hold the meeting. That is a wolf in the same coat a shepherd wears. A regulatory environment with reasonable regulations is one animal. A control mechanism dressed in the language of broader responsibility to a longer list of stakeholders is a very different animal, and stakeholderism is the second one, every time you lift the coat.

Stakeholder capitalism got its fame through the World Economic Forum. Klaus Schwab ran the WEF for something on the order of fifty-four years before he finally stepped down, which is longer than most marriages and most dictatorships, and he was one of the architects of the Forum's mission to install a new model for global business under that flag. Did Schwab squeeze this idea out of his own turtle head? I have my doubts. He took a master's at Harvard, business and management of some flavor, and his advisor there answered to the name Henry Kissinger. Kissinger may well have handed him the whole thing gift-wrapped with a card.

The WEF landed on a tool and called it ESG, environmental, social, and governance scoring. Corporations get graded like schoolchildren, and the grade decides whether a company's stock qualifies for the indices the passive investment firms track. BlackRock, run by Lawrence Fink, Larry if you want to be personal with his sodden face. State Street. Vanguard. These enormous firms read the grades and decide which stocks make the cut, which means they sit there with a scoring sheet and decide how capital moves across the whole of the world economy. That is ESG in a single paragraph, and it should frighten you more than it does.

Larry Fink inherited Schwab's chair at the World Economic Forum, so the scoring half of the machine and the Forum half were never introduced at a party. They grew up together. And both halves stare at the same target, which is the United Nations Sustainable Development Goals, sold at retail as Agenda 2030.

The stakeholders, when you go looking for them in the flesh, turn out to be people with names. John Kerry. Bill Gates. Jeff Bezos. Peter Thiel. Klaus Schwab, obviously. Heads of state by the handful: Justin Trudeau, famously; Jacinda Ardern of New Zealand, famously; Chrystia Freeland, deputy prime minister of Canada, in past the elbows; and Mark Carney, who runs Canada now, and whom you should hold onto, because he walks back onstage in the third act. These are the parasites crawling all over the World Economic Forum, and these are the people we have agreed to call experts. The G7 experts. The Paris Climate Accord experts. The vaccine experts, a category that somehow includes Bill Gates. They decide how all business shall run, and ESG becomes the enforcement arm that reaches down through the investment firms and squeezes.

So what you have is a governing council speaking for all the varied stakeholders, meaning everybody, though never in equal portions, and I would ask you to underline never. The council rules on social governance and economic governance and business governance and environmental governance, and it dictates the terms on which businesses may operate. The words in fashion this season are transition and resilience, both lovely, both meaningless in the right hands.

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They keep cookbook mechanisms for deciding when a corporation is behaving well over the long term, for the benefit of all its stakeholders, up to and including the planet Earth, according to whatever tortured Club of Rome neo-Malthusian too-many-people arithmetic they happen to be running that year. And the Russian word for a governing council that decides how everything shall run, I feel obliged to mention, is *soviet*.

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I have to be surgical here, because the entire case balances on one narrow distinction, and if I fumble it you will close the tab.

In the Soviet Union the state was the only corporation there was. Every enterprise, every business entity, belonged to the state and answered to the state, in accordance with socialist theory, and socialism at its most stripped-down economic definition is simply this: the state owns and controls the means of production. There is nothing else in the box.

Stakeholder capitalism, by contrast, lets Peter Thiel and Bill Gates and Jeff Bezos own their businesses. They run them, they make money, they do as they please within the walls. Sounds like liberty, does it not, right up until you read the fine print, because they are bound to stakeholder agreements, and the capital their companies can reach, and their listing in the indices that steer the great rivers of investment money on earth, all of it hangs on one small condition, which is whether they are on board with the program.

And there is the party. Every January, in Davos. On board and you go, you ski, you shake the hands. Off board and the invitation never comes, and there is no party, and no networking, and no hookers and no coke. I am not going to pretend these evenings are seminars.

So it is a tyrannical system administered through corporate leaders, and it stays tolerable for those leaders exactly as long as they stay on the page. None of this is new, which is the thing I most want to land on you. It is much older than the Forum and it has worn several names. Stakeholder socialism has been run. Stakeholder fascism has been run. Stakeholder corporatism has been run, and it works best of the three, because the arrangement is corporatist in the precise sense Benito Mussolini meant, the fusion of the corporation and the state. That was the fascist economic model, corporate interests and everything else in the country lashed together, which is what the word fascism actually says, the binding of the sticks, lashed together in the interest of the state. The state becomes the stakeholder group. The stakeholder group decides what the corporations do. And so long as they do it, the owners take home a fortune.

The Chinese Communist Party runs this model today, right now, while you read.

Inside China its formal name is Deng Xiaoping Theory, after Mao's successor. Deng gave us the phrase one country, two systems. The one country is the People's Republic of China. The two systems are a political system that stays communist right down to the marrow and lives inside the CCP, on which point they will look you in the eye and say so, and an economic system that runs on an entirely different set of rules.

The economic system exists to solve one problem: unleashing the productive forces. No communist country before China ever pulled it off. Cuba is dirt poor because it never could. The Soviet Union collapsed into its own destitution because it never could. China under Mao Zedong starved somewhere between one and two hundred million human beings because it never could. Socialist theory cannot unleash the forces of production. It turns out the thing is not hard, it is impossible, and the men in Beijing know it is impossible. Which is why Deng does what he does.

Deng, the pragmatist, wheels a fake market onto the stage. A Potemkin market, a painted storefront. Not a proper capitalist market, no, nothing so vulgar. The state owns the land. The state owns the raw materials. The state owns the heaviest capital. You may run a company on those borrowed terms, and if you displease the state, the state repossesses the whole thing. Cross communism on the political half of the model and it repossesses. Cross the CCP and it repossesses. Say the wrong sentence at the wrong banquet and it repossesses. But play ball with the primary stakeholder group, which markets itself under the name Chinese Communist Party, and you may ascend to the ranks of what the movie called filthy rich Asians, and you get to stay filthy rich for precisely as long as you keep playing ball, and not one hour past that. The primary stakeholder is the CCP, and it never forgets which of you it made.

Twenty-first century communism, then, is a splice, fascism grafted onto communism. It runs a fascist economic system to unleash the productive forces the socialists never could, and at the same time it holds onto the transformative dream of the communist program, which today it pursues through the social credit system, a machine whose job is to file down human beings into more and more thoroughly socialist creatures, so that one distant day the model can be carried the last mile into pure socialism. As Lenin said: “Socialism exists to get us to communism.” Socialism is the on-ramp. That is its entire reason for being.

Where Deng picked up the design is a good question, and I do not have a clean answer, only suspects. Possibly Henry Kissinger, here he is again, who along with David Rockefeller and Zbigniew Brzezinski carried a briefcase of interesting business ideas to Deng after he took power in the late seventies and early eighties, when the man’s whole problem was dragging China up out of the crater Mao had left. So, the system China runs today is not purely communist. It is a hybrid, and it borrowed selectively from national socialism, which is the clever bit, taking the parts that worked and quietly leaving the parts that turned out to be suicidal. It carries no plan to conquer territory by war and build an empire, because that particular ambition is exactly what put Nazi Germany in the ground. What it kept was the economic program, and the economic program is the fascist model, and the fascist model, read with the lights on, is the stakeholder model. Stakeholderism is what China runs. The CCP, now under Xi Jinping, occupies the same chair the fascist governments of the twentieth century occupied for their own countries, and it has upholstered it nicely.

And here comes the whole point of my evening: the same model is sailing west. The World Economic Forum, Klaus Schwab, ESG, the UN Sustainable Development Goals, all of it is the freight truck hauling it over here. The stated goal is to put the entire species on the model. The route it takes to get there, and the precise contents of the program on any given Christmas dinner, matter a great deal less than the fact of universal adoption, which is the real objective, and we adopt universally because, well, how dare you not adore the noble goals of this program, what kind of person are you.

The part that should keep you up is the part that resists a tidy sentence. It is the relationship to totalitarianism, and that relationship is not even coy about itself. Once you are seated on the stakeholder model, the stakeholder groups decide how business is done, and once you bolt on a social credit system they also decide how individuals order their own affairs. Governing councils of unelected, unaccountable, self-appointed rulers, selected for a blend of ideological compliance and demonstrated loyalty and, since we are being grown-ups, blackmail, get to decide for everybody how to arrange their lives in service of a thing they call the common good. Those councils run the economy, and everything hanging off the economy, which is to say your social behavior and your ability to buy a sandwich. They make full use of private property while compelling corporate persons to do with that property whatever the councils require. They post political officers inside corporate governance to keep the spine straight. They tilt the incentives until corporations become the mules hauling the totalitarian agenda up the mountain, the whole thing organized as an oligarchy with a few gargantuan corporate winners whose representatives sit on the governing council beside other partners, some of them heads of state, who then press the program downhill onto the rest of us. No individual keeps a shred of control. Total oligarchy.

Which explains, incidentally, why nobody bothers to run ESG through a country like China. They already have the real thing, so why mail them the counterfeit. Nobody runs it through Russia either, because Russia is already an oligarchy, the Putin model up and humming, and so the arrangement needs no Western scoring rubric to reach the identical destination, and the Russians get no exit door out of it in the bargain. The West, though, the West is still free — at least on paper —, and freedom is precisely what makes it the target. The West is tilting toward totalitarianism without yet living under a totalitarian government, even though its corporations already do. Council for Inclusive Capitalism, ESG, sustainable development, transition investing, and on down the vocabulary list, which never runs dry, because they hire people whose entire job is to keep it stocked.

Milton Friedman puts forward shareholderism in the 1970s and beats stakeholderism for a good long while, and

his critics slap the label neoliberalism on his forehead. Stakeholderism is the thing standing across from him. One question, two answers. Does a corporate entity owe its fiduciary duty to shareholders, or does the duty run further out? And if it runs further, can it run all the way out to a governing council, a soviet, perched on top of the whole apparatus? Shareholder primacy walks out one door. Stakeholder governance comes in the other.

My real objection to the stakeholder model is that it is too diffuse to function, and because it cannot function it collapses into tyrannical councils, above all once a corporation gets large. Grow a company big enough and everyone is somehow a stakeholder, which means no one is, which means expert stakeholders have to be appointed, and appointed means unaccountable, unelected people with a mandate they gave themselves. The rhyme with communism is close enough to make your scalp prickle. Under communism everything is done in the name of the people. Under stakeholderism everything will be done in the name of the stakeholders.

Somebody still has to actually run the thing in both cases, and in both cases that somebody is a commissar, a soviet, a [European] commission, a stakeholder group, choose your costume. Under communism everything is for the people and yet not one person in it is treated as a person. The commissars and the soviets decide how the world turns, and they decide by communist theory and the Bolshevik playbook, in which the greater good and the common good and the common welfare and the far-off arrival of communism in a communist state stand in for any concern about one living, breathing, hungry human being. And a scheme like that always, without exception, needs specialists. Lenin's specialists were expert in Marxist theory and socialist praxis, credentialed to determine what serves the abstraction called the people and to impose it on the people's behalf, which was awfully generous of them. The same playbook applies today.

The man who builds the dinosaur park more or less admits to your face that the experts on his own payroll believe something very dangerous is loose on the island. His own people. And the park says otherwise, and we listen to the park, because of course we do. There is a control room. There is a fence schedule. There is a confident assurance that the animals cannot get out. The worried ones are inside the building, the game warden, the mathematician, the vet, and they are told there will be no insubordination, because the systems are proprietary and the information is restricted, since a nervous investor might pull his money and a nervous guest might file suit, and it is to the guests, after all, that the whole enterprise swears its responsibility ultimately belongs. There is your stakeholder model in one frame: a group in a control room, in the rain, speaking warmly about the very people the fences are thirty minutes from failing to protect.

We all know what the island became. One of the more memorable disaster zones in the history of cinema, and every sequel files a fresh confirmation. That is the country stakeholderism leads you to. The park is never once run by the people whose names it keeps in its mouth. It is run by whoever owns the control room, and that group keeps the gates locked and the incident reports quiet and the language about the guests warm and rounded, right up until the moment the fences come down and there is a great deal of running and screaming. And how I hate being right all the time.

The Nazis ran the identical program at the scale of a whole state, and their name for it was the Führerprinzip, the leader principle, in which everything travels up the chain. I will come back to that at length, because it holds up the roof of the entire house, so do not let me wander off and forget it, which I am fully capable of doing.

Hold the Western version up to the light for a second. Stakeholder capitalism, as the brochure calls it, ends with people like John Kerry and Bill Gates and Larry Fink and Klaus Schwab deciding what is good for the rest of us. Throw in Tedros Ghebreyesus at the World Health Organization. Throw in someone like Annalena Baerbock, run out of Germany after a catastrophic turn in office, parked at the UN to make a fool out of herself, and then handed a lanyard at Columbia, at which point she is magically a stakeholder teaching global leadership, of all things. These groups and the faces in them never seem to leave the stage, because nothing waiting in the wings can hold them to account. They decide what the common good looks like and what the rest of us owe to bring it about. Two weeks to slow the spread. Flatten the curve. Wear a mask. Hand over your assets. From there it is a short and well-lit walk to the Soviet model, and the only real difference is that the Soviets followed Bolshevik ideology out in the open, with the state as the sole corporation. The model itself will burn any fuel you pour into it, through corporations that already exist, pushing whatever ideology its operators feel like making work this decade.

Everyone gets the danger of ESG wrong. The danger is not that it is environmental, social, and governance policy. The danger is that the council decides what counts as good environmental, social, and governance policy.

There is the hinge the whole thing swings on. They can rule one way on Monday and the opposite way on Thursday, and you have no move except to jump. Point out, reasonably, that this is not what they said last quarter, and their faces go smooth as a pond. They can pull your license. They can brand you insubordinate. They can announce that you have failed to understand the assignment. They can strike your listing from their index. Their toolbox is deep. So when they say jump, the only intelligent question is how high, and you ask it on the way up, mid-air, cap in hand.

The point, and I keep returning to it because it is the master key, is to install the model everywhere first, and not fret at the outset about which specific things it will one day force people to do. Own the model and the contents become editable at leisure, swapped out like a window display. Install the stakeholder model and you are holding the machinery to exercise arbitrary power over corporations and over individuals, and arbitrary power of that shape is a definition of tyranny that needs no tailoring, it fits straight off the rack.

They decide what the greater good is. And in every human experiment ever conducted with this arrangement, the greater good turned out, on inspection, to be whatever fattened the leaders, whatever the cost landed on everyone below them. Then things start to go wrong, as things do, and the leaders blame outsiders and pull more power toward themselves to fix the mess they made. That is the assembly line that manufactures totalitarianism, and it has never once produced anything else.

And the history turns out to explain the present, including that question I get asked at every gathering, by people from one end of the spectrum to the other, who expected the world to snap into focus the moment their favorite puppet took the wheel and instead watched it go stranger by the month. The answer is stakeholderism. Two layers are worth reaching, and I will name them before setting out, since the route between them wanders.

First, the way the left and the right each build the thing. Second, how their two builds resemble and differ from each other. The overarching model holds steady across both. Whatever ideology it is hauling this particular month is the least interesting cargo on the truck.

A History of Corporate Governance Around the World came out in 2005, a collection of papers by various authors on various regions and their histories of corporate governance, gathered and edited and published by Randall Morck of the University of Calgary. Stakeholderism keeps surfacing all through the volume, the way a body keeps surfacing in a lake, because it is a model of corporate governance and it has been a recurring headache across the twentieth century and into ours. My own hunch is that it has always been sitting on the shelf, waiting. Back in the days of kings, the king held stakeholder control over the corporations, and the pattern returns like a bad tenant. Chapter four covers its first major legal implementation in the modern era.

> *Legitimized by an overriding principle of acting for the good of the whole, known as the Führerprinzip, the 1937 shareholder law weakened the position of the shareholders, in particular the General Assembly, in favor of the management board, the Vorstand. The management was no longer responsible specifically for shareholder interests, but for all groups having a stake, figuratively, in the company, including the Reich.*

There is your common good, doing the legitimizing work up front, before the reader has even got his coat off. And there is the German Nazi state, walking into the corporation as an intrinsic and major stakeholder. Corporate governance drifts away from the shareholders and out toward everybody holding a figurative stake, and figurative, in practice, is a synonym for everybody who breathes. Hitler ran three categories of person. Citizens. Aliens. And a third category he called subjects of the state, who held the same rights as aliens, which is to say precious few, and not a favorable place to find yourself standing when the music stops. After 1937, the Volk and the Reich became the major stakeholders in German corporate law.

In 1938 the American Economic Review summarized the law. They summarized it and dropped a couple of remarks, the way economists do, from a polite distance. The law, they wrote, boils down to four points:

> *One, restriction of the privileges of incorporation to medium and large-sized firms, in order to force businesses into more personal partnership forms. Two, an attempt to make the corporation itself less impersonal in nature by means of publicity. Three, introduction of the leader principle, Führerprinzip. And four, protection of the interests of the public, employees, and company by granting to the state broad powers of intervention.*

Point four is the one that carries the poison. The stakeholder becomes the German Reich, and the mechanism

that executes its will is the hierarchical leadership structure called the leader principle. Keep four in your pocket.

> *A study of the law and its background reveals the National Socialists' desire to force all forms of economic activity to observe its rule of public welfare before individual gain.*

The common good before self-interest. Stay on that phrase, because everything downstream hangs off it. The common good comes before individual gain. You are allowed to get rich, absolutely, you get rich the moment your corporation has satisfied, in the sight of the Reich speaking on behalf of the Volk, its common good objectives, whatever the Reich has decided those objectives are on that particular morning. Then you are free to go off and get rich doing whatever else amuses you, and if you can manage to get rich while serving the common good, so much the better, they will pin a ribbon on you. The sequence is the entire argument. Individual gain rides in the back seat. You do not build a company to make your way in the world. You build a company to improve the society, and improving the society has to be the reason you got up in the morning.

> *The National Socialist government is now able to extend its philosophy of government into another field of economic activity, which was previously more or less dominated by the principles of liberalism.*

The Nazis take power in January 1933. This law arrives in January 1937. So for four full years under the Nazis, German economics remained more or less capitalist, and this is the precise moment they override it, when shareholder capitalism gives way to a stakeholder corporate model and a philosophy of government reaches into ground it could not touch the day before.

> *The two important Nazi concepts of the general welfare above individual interests and the leader principle have now penetrated into corporate law.*

That, in its own clothes, standing in its own light, is a stakeholder model.

The Führerprinzip is the hierarchical structure National Socialism used, and it was their theory of government as such, not just of companies. In the second volume of Mein Kampf, Hitler argues that parliaments squander time and grind along inefficiently, and he offers a different model of state organization to replace them. There is a leader, the Führer. Everyone obeys the leader. Below him sit subordinates, and each subordinate is himself a Führer over his own patch, obeyed by everyone beneath him, and below that tier sits another tier of little Führers, each obeyed by everyone under him, and so on down. A pyramid, with Adolf Hitler at the point of it. His word is law. More than that, his word rides above the law, above all written law, and he may rewrite it whenever the mood takes him.

This is the unbound executive, and I should tell you that Carl Schmitt sits high on the right's shelf of favorite philosophers, with the unbound executive one of the handful of his ideas back in open circulation. The Führerprinzip is that idea poured into an institution: the leader can step outside the law, or he is not truly sovereign. That is Schmitt, and Schmitt, the crown jurist of the Third Reich, defended the Führerprinzip by name and defended its value and its importance in ink.

Now watch the right try to launder him, because the laundering runs on a calendar. Schmitt wrote his work on the unbound executive and the state of exception in the early twenties, 1921, 1922, 1923, while urging von Hindenburg to box out the Marxists and, by extension, to head off the Nazis down the road. In 1932 he wrote *The Concept of the Political*, which reduces politics to a single distinction, friend and enemy. Then Hitler took power in January 1933, and within a breath the anti-Nazi was a Nazi, a full-throated one, the crown jurist of the Third Reich.

The whitewash goes like this: he was not a Nazi when he wrote all that early material. Fine. But in 1933, hard on the heels of the Nazi seizure of power, he wrote another book, *The Legal Basis of the Total State*, built expressly to defend and lay out the political utility and importance of the Führerprinzip. The political architecture of Nazism became the subject of a book he wrote the very instant Nazism arrived, and he was a Nazi about it into the bargain. Get over it.

Hitler used the leader principle to the hilt, because he regarded parliaments as a waste of daylight and a place where government could never get decisive enough to do what he wanted done, so he reduced the Reichstag to a stage set. The men still sitting in it fell under the Führerprinzip themselves, which left them precisely one function, which was to cheer on cue. The cleanest description of the whole structure comes from the deputy Führer, Rudolf Hess, who called the Führerprinzip unconditional authority downwards and total responsibility

upwards.

Picture the pyramid of political power, each tier of leadership holding a set of direct subordinates. The Unterführer, the under-leaders, owed total responsibility to the man above them. Everything that happened beneath an Unterführer belonged to him and reported up to his immediate Führer, who could punish or reward him for every triumph and every failure, and so the machine produced ferocious accountability from each Unterführer to his Überführer, all the way up the spine to Hitler, who had no one above him and stood as the last word and the highest law. Authority pressing down, responsibility flowing up. That is the whole engine, and one can sanely argue that it is a beautiful engine, if your taste runs to that kind of ugliness.

After the 1937 law, businesses slid under that same structure. Appointed leaders ran business leadership and civil institutions, at least in part, answering directly to the leader principle and standing in for the idea of the Reich. Shareholder interests took a savage haircut, and the power shaved off them went straight to those appointed men.

> *Besides the Führerprinzip, the 1937 law injected other elements of Nazi thought into corporate law. The new law allowed to dissolve a corporation against the shareholders' will if the corporation endangered the common good. Even worse, it obliged the Vorstand to lead the corporation according to the needs of the well-being of the business, its retinue, and the common good of the Volk and the Reich.* ***- Thilo Kuntz "German Corporate Law in the 20th Century"***

Notice what is missing. Shareholder interests never appear in the text of the law. They turn up only in the official explanation. The statute itself runs sixty-six pages of German and does not mention the interests of shareholders a single time; shareholders make their one cameo in the interpretation issued alongside it, off in a side room. Kuntz continues, quoting a leading treatise on corporate law written by one of the men who was actually in the room when the thing was drafted:

> *The corporation has to economico-politically integrate itself into the German economy. All the corporation's matters are subordinate to those of the Volk and the Reich.*

The Vorstand became the Führer to the company, and the company came under the leader principle, and the Vorstand as Führer had to steer the corporation by the common good as Nazi principles defined it. Skipping some material about how the clause played back in Weimar, Kuntz sets the whole thing down here:

> *For the Nazis, however, this clause was the means of transport of ideology into corporate law, enforcement of Nazi principles through state interference.*

There is the stakeholder model with its receipt attached. That is what a government builds when it decides to install the thing on purpose. The governing council eventually fuses with the state, as it did in the German case, which was the first genuine implementation of the model, unless you count the Soviet Union, and the only reason the Soviet Union sits in a footnote is that it contained exactly one corporation: itself.

Turn over the stakeholder model anywhere on the map and you find state interference, or governing council interference, in the running of every company, with the state ideology dictating how the corporations behave in the name of the stakeholders, who in this case wore the name the Volk and the Reich.

Randall Morck compresses it into a single line:

> *The law freed corporate managers and directors of their specific fiduciary duty to shareholders and substituted a general duty to all stakeholders.*

All stakeholders, meaning the Volk and the Reich, organized and administered through the Führerprinzip, which meant the corporate governing board, the Vorstand, which in Russian I suppose we would have to call a corporate soviet, had to obey the leader principle and bend to the common good as the Nazi state understood it on behalf of the Volk and the Reich. On paper the Volk and the Reich are merely key stakeholders in every corporation. Through the leader principle they become the primary stakeholders in fact, whatever the theory pretends, and that gap between fact and theory is the exact spot where, historically, everyone tends to die.

All of this is explained in detail in Mein Kampf as well. Maybe that is why you are not allowed to own or read that book. The thing the World Economic Forum is trying to install, the thing the United Nations is pushing, the economic system people mistook for capitalism when it opened up in China, is Nazi corporate law, outlined in

Mein Kampf, whitewashed for the common good (again) and built on the stakeholder model. It looks familiar to us because we are living inside working examples of it, in communist China, in twenty-first century Dengist China, and in our own countries, on our own screens, in ESG and in the Sustainable Development Goals. All the corporate theater that stamps Dylan Mulvaney's face on a beer can, that makes drilling too expensive to bother with, that installs DEI and ESG and sustainability officers at ruinous cost into companies that never once asked for them, is this same model in a party dress.

Nazi Germany did not invent the model. Nazi Germany was the first to write it into corporate law, in 1937, under this specific statute, and that act marked a hard break from the principles of economic liberalism, which most of us call free enterprise or capitalism, and a turn toward a post-liberal, post-capitalist philosophy of structured management for the common good. Common good is the load-bearing phrase; do not lose sight of it. Representative leaders, chosen for their capacity to embody the ideology, were to shepherd the common good into being. Nazi, Soviet, same animal in different fur. The boards that ran the corporations came under the leader principle and under the priority of common good over individual gain, enforced by state law in the German case, by absolute power and direct state ownership in the Soviet case, and in our own case by the manipulation of markets and stock values through ESG.

I have deliberately described our arrangement in Nazi vocabulary, because the vocabulary fits without a single alteration, not one seam let out. The German law handed the state broad powers of interference and intervention, up to and including dissolving a company outright, whenever a corporation failed to meet the needs of the stakeholders in the sight of the Nazi government. The primary stakeholders were the Reich, which is to say the Nazi government itself, and the Volk, the people on whose behalf it claimed to speak and toil, so what you really had was the Reich, and then the Reich a second time, wearing the people as a costume, which is what it always turns out to be under the costume.

The single reason this model is not a carbon copy of the Soviet model, and I confess I do not know where Hitler picked it up, is the pretense of private ownership. Stakeholderism was in the air, and Hitler knew the Bolshevik machine intimately, so he understood the Soviet setup. Soviet means governing council. The distinction is that the Soviet system contained no independent corporations at all, because the state owned everything outright in the name of the people, while the Reich owned everything in the name of the Volk. In the Soviet Union there was no pretense of private ownership. In the National Socialist model after 1937 there was a pretense of it, a stage-flat, which is the costume again in a different scene.

And for anyone lining up to tell me the Nazis were not socialists, that this is a completely different thing, please shut up. The whole arrangement ran in the name of the stakeholders of the Volk, meaning the little guy, the people, and the governing principle was common good over individual gain, which is the core socialist idea. The word socialist is sitting right there inside National Socialism, in case it slipped past. Hitler may have borrowed the pretense of private ownership from the Soviet Union. He may have borrowed it from Mussolini, who was running the same arrangement in his corporatist fascist model and describing it in exactly those terms. He may have taken a little from each, why not, magpies are not fussy.

Hitler admits in Mein Kampf, at least while he was writing it and organizing the program, to admiring Mussolini, whom he called the great man in Italy, an affection Mussolini declined to return, though the two of them found each other useful enough to ally in the Second World War. A technicality, a digression, and I am prone to both. Argue if you like about whether the Nazis or the Soviets first legislated the stakeholder system in the modern era. It changes nothing. It is the same machine. The only real question is whether you are willing to count corporations that are separate from the state in a pretentious, cosmetic way as separate corporations at all.

Keep that line handy, the one about the German law freeing corporate managers and directors of their specific fiduciary duty to shareholders and substituting a general duty to all stakeholders, because there is an article from the Financial Post that runs on the same rails. The headline is "**The murky rise of Klaus Schwab's stakeholder capitalism and the WEF's Davos corporate plan**," and the subhead asks whether the long battle against turning shareholder corporations into tools of public purpose is now lost, which is to say, whether we have already surrendered shareholder primacy to the stakeholder model. Terence Corcoran did the reporting, so let me use what he found.

For years now, he writes, the World Economic Forum, host of the annual celebrity bootlicking festival known as the Davos Summit, has been the great global engine behind a project to overthrow market capitalism and profit-seeking corporations and put stakeholder capitalism in their place. The Forum would be at it again the following week, in the words of Klaus Schwab, the eighty-two-year-old German economist who founded it in 1973. The

existing shareholder model, the one that has driven most of the world's economic progress for a century, needs to go, and Schwab wants a change of mindset in its place, a move from short-term to long-term thinking, from shareholder capitalism to stakeholder responsibility, with ESG measured and folded into corporate and governmental accountability.

The timing is not subtle either. With Washington back under Democratic control, Corcoran notes, a reformation of capitalism is plainly underway, because it was Joe Biden who declared it was way past time to put an end to the era of shareholder capitalism, and killing the Keystone Pipeline was of a piece with that anti-capitalist vision. An army of academics and consultants and executives and politicians was already aboard the stakeholder movement, and big change was coming, even though the whole concept is riddled with black holes and dubious methods.

Schwab claims he invented the stakeholder idea as the replacement for the shareholder version most people pin on Milton Friedman, but his stakeholderism, laid out in a book he published that very week, has a long and messy history. His real trick was the branding: he attached the word capitalism to stakeholder and announced a new model called stakeholder capitalism. It is not capitalism, and there is nothing new in the concept. Stakeholderism has risen and collapsed over and over across the last century, never quite overcoming the plain principle the U.S. Business Roundtable still stated as recently as 1997, that the paramount duty of directors is to serve the interests of the shareholders. That principle is capitalism. And the same Roundtable, by then headed by Walmart's Doug McMillon, reversed itself in 2019 in a statement everyone read as the abandonment of the shareholder model for the stakeholder one.

The Forum's campaign to swap markets and shareholders for stakeholders had been front and center at Davos for years, Corcoran goes on, and it would be again the next week, when the WEF, unable to meet in person for its fifty-first gathering because of COVID, staged a run of virtual sessions starring CEOs and politicians and NGOs and youth leaders to sell the Great Reset for a post-COVID planet.

A fun fact while we are passing through, because I cannot help myself: Klaus Schwab did not announce the start of the Great Reset. Prince Charles did, the tampon who is king now, and it was not really Klaus Schwab, though of course he wrote the most boring book ever written about it.

Over the week of the twenty-fifth, the Davos Dialogues meant to seize the COVID moment to remake the world economy, because it is essential, you see, for leaders from all walks of life to work together virtually toward a more inclusive, cohesive, and sustainable future.

The stakeholder movement, Corcoran notes, does not deny the success of the shareholder model, often called part of the triumph of neoliberalism. Marxism does not deny the success of capitalism either, and the parallel is worth a beat. Marxism means to carry the fruits of capitalism forward into a socialist era, which is Marx's whole point in separating champagne communism from what he calls crude communism. Crude communism is low and mean, shares everything out flat, and delivers universal squalor to a round of applause. Champagne communism, the thing he actually describes, carries all the benefits of capitalism forward into an age where we act not out of the individual interest that built capitalism but as socialists. The stakeholder movement is running the same play, in the same order, for the same reason, dressed for a warmer climate.

Over the past half century shareholder capitalism with profit as its purpose boosted the world economy, moved billions out of poverty, and raised living standards past what most imagined possible fifty years ago, and even the WEF concedes the unprecedented strides in poverty reduction and growth and trade. So if neoliberal shareholderism has been such a roaring success, why tear it out? Cue Herbert Marcuse's "One-Dimensional Man" and the criticism of capitalism from the 1960s onward. The complaint was never that capitalism does not work. The complaint is that it is not sustainable, which is the plank the degrowth movement still stands on today: yes, it works, and it is all going to collapse anyway, so what is the point.

There is your Club of Rome. There is your World Economic Forum, standing on the same plank in a better suit. Corcoran's own answer to his own question is that corporations are supposedly not doing enough to fix social and other problems, climate change and inequality and poverty and diversity and obesity and culture gaps, on and on. That is part of it. The deeper answer is sustainability, and running alongside it, inclusivity, the promise that everybody has access and everything works forever.

The real core of the Great Reset, Corcoran writes, is to seize control of the corporations and place the world's business enterprises under outside control, including heavier manipulation by governments and NGOs. Write that in 2021 and they call you a lunatic. (I did.) Read it in 2026 and it is not a theory, it is a weather report. The object

is to take private, profit-making producers of goods and services and convert them into public institutions that will serve various other public purposes in the public interest. The labels are old friends: corporate social responsibility, ESG, impact investing, sustainability. The freshly minted ones are resilience and transition investing, the same machine idling under a new hood.

None of it is new, and it comes with a mixed heritage. Ending shareholder capitalism by merging private enterprise with government power is old, anti-corporate populism is centuries old, and the American version peaked in the 1970s with Ralph Nader, consumer activist and patron saint of the corporate-bashers, who published “Taming the Giant Corporation” and wanted a federal charter for the big firms, the government granting the corporation its existence in exchange for a promise to serve the public.

One of Nader’s early enemies was the Hoover Institution’s Robert Hessen, who in 1978 wrote “In Defense of the Corporation” and set out the first principles of the capitalist model: people have a natural right to form a corporation by contract for their own benefit and mutual self-interest, the only theory of the corporation faithful to the facts and consistent with the moral and legal principles of a free society. The heaviest blow to Nader came from Friedman, whose famous 1970 essay, “The Social Responsibility of Business is to Increase Profits,” overshadowed the whole push for a federal charter, on the ground that an executive who taxes his shareholders and consumers to spend on social causes has quietly made himself a public employee, a civil servant, while still drawing a private salary. Friedman’s defense of the shareholders finished Nader’s call for national stakeholderism.

And now the newest push goes further than Nader ever managed, which is where it gets interesting, so lean in. Nader’s federal charter was revived in 2018 by Senator Elizabeth Warren, everybody’s favorite Pocahontas, under the actual, straight-faced name of the Accountable Capitalism Act, a phrase that does its own quiet damage if you read it slowly enough. It would force every American corporation over a billion dollars in revenue to take a federal charter from a brand-new Office of United States Corporations at the Department of Commerce, and it would bind the directors to weigh the interests of all corporate stakeholders, employees and customers and shareholders and the communities where the company operates. Which is the ESG model, wearing a senator’s pantsuit.

Biden, in his platform speech that July, sounded like Schwab reading off the same card: the idea that a corporation’s only responsibility is to its shareholders, he said, is simply not true, an absolute farce, because they answer to their workers and their community and their country, which is not a new or radical notion but a basic value that helped build the nation in the first instance. Biden was a big player at the WEF, praised from the stage in 2017, an enthusiastic backer of the Great Reset and of Build Back Better and its plan to future-proof capitalism, as if it were possible to future-proof anything. So if Biden and Schwab were reading off the same page, the only interesting question is what the page says.

When he founded the Forum Schwab produced the original Davos Manifesto urging managers to reject the shareholders and take up a larger role as promoters of societal priorities, and the Forum now claims stakeholder capitalism was born there. The point is that the Forum’s origin story is a fabrication, because the University of Calgary’s Randall Morck, editor of that history of corporate governance, sets the origin of legalized stakeholderism in Germany and the National Socialist government’s Shareholders’ Law of 1937, the law that, in Morck’s words, freed corporate managers and directors of their specific fiduciary duty to shareholders and substituted a general duty to all stakeholders.

A 1938 paper in the American Economic Review described the new German model as an application of the leading ideas of the German government of the day, its objectives including the protection of the public, the employee, and the company by granting the state broad powers of intervention, all economic activity made to observe public welfare before private gain. And beyond Germany, in the early twentieth century, plenty of theorists and executives embraced the idea, among them Robert E. Wood, CEO of Sears in the thirties, who ranked the four parties to any business in order of importance and put the stockholders dead last, behind customers and employees and community, and Merrick Dodd, whose 1932 Harvard Law Review paper, “For Whom Are Corporate Managers Trustees?”, argued for exactly this broadening of managerial responsibility and failed to catch on. The current effort to end the era of shareholder capitalism, in Biden’s phrase, aims to undo the free-market foundations of the thing.

Shareholders are already in the back seat. Corporate managers fund the arts, bankroll political parties, give to charities, announce their climate activism, and stand up multimillion-dollar foundations to sponsor radical environmentalism. The movement’s backers are most of the major institutional investors, the accounting bodies,

the agencies, and the giant consultancies angling to bill for the advice, McKinsey among them with a paper titled, without a flicker of shame, “The case for stakeholder capitalism,” advising companies to start doing exactly what we already know they were told to start doing. Canada’s biggest government pension funds, the CPP Investment Board and the Ontario Teachers’, the country’s largest shareholders, are behind the movement too, wanting to know how companies handle diversity and inclusion, human capital, climate change, social inequality, “systemic racism”, and environmental threats. And then Mark Carney walks back on, global stakeholder advocate and climate watchdog, very much the man of the hour, described as one of the leaders trying to rope the whole international investment community into imposing non-profit objectives on the companies it funds. Carney has called on central bankers to hand institutional shareholders the ammunition they need to force their moral sentiments onto the managers of everyone’s assets, until the corporations are conveyors of the moral sentiments of government pension managers and central bankers.

Morck gives Corcoran the line that explains the whole ending: present a decision-maker with a multitude of objectives and he ends up focusing on none, so with no way to keep score, stakeholder theory leaves the top managers unaccountable for what they do. There is the vacancy, the empty chair a Führerprinzip walks in and settles into, because once there is no way to keep score, somebody has to be appointed to keep it, and to decide, and to rule. Scholarship on the purpose of corporations goes back centuries, but the current dominance of stakeholder theory in law and economics and politics is an affront to fundamental principles, because how can they call it capitalism when the result would be the destruction of capitalism as we know it. Call it by its right name. Stakeholderism.

I want to double back to that sentence about Elizabeth Warren. Nader’s call for a federal charter was revived in 2018 by Senator Elizabeth Warren and her Accountable Capitalism Act would drag every American corporation over a billion dollars onto the stakeholder plan, employees and customers and shareholders and the communities where they operate.

The next stretch is uncomfortable, and there is no gentle way to walk into it. A little-known fact about Tucker Carlson is that in February 2019 he set off a firestorm with a fifteen-minute monologue on the failures of American free enterprise, and in it he said he very much liked an economic plan Elizabeth Warren had put forward, and that he was intrigued enough, excited enough, that he might consider voting for her if she ran for president.

This landed right before Warren began the primary campaign that went nowhere, and it is the same populist anti-America theory he trades in to this day. And I sat with that and wondered: could the plan he meant be the same law? Did Tucker Carlson tell his audience he might consider voting for Elizabeth Warren over Donald Trump, with the fair caveat that she drop some of the identity politics, on account of the Accountable Capitalism Act, a nakedly stakeholderist proposal? Carlson’s version of the stakeholder model would not be Warren’s, but it would aim at the same target, the American economic wreckage manufactured by the giant multinationals. The same crosshairs, mounted on a different rifle.

The left-wing press had a field day, February through the end of the year, an enormous controversy, and none of us remember it, because COVID came along and wiped our memories the way that little pen wipes them in Men in Black. So I am going to reach for one of those left-wing sources. It is the Guardian’s Michael Massing, on Tucker Carlson’s moderate endorsement of Elizabeth Warren, under the headline ”**Inequality is so bad, even Fox News anchors decry capitalism**,” with the line beneath it that in a recent monologue Carlson had sounded like Bernie Sanders, and was not the only one, over a pleasant photograph of Carlson filling the frame.

Massing lays it out. The month before, Carlson had delivered a bombshell fifteen minutes denouncing market capitalism, Wall Street exploitation, private equity, the payday-loan racket, and America’s ruling class, and in a follow-up interview he had said he would consider voting for Warren, and the piece links both the monologue and the interview so nobody can wave it off as invention. Ever since, Carlson had been pounded from left and right: Slate ran a piece on the limits of his anti-free-market vision, faulting him for not going far enough; the Atlantic said the monologue insulted his own viewers; in National Review, David French told the right to reject his victimhood populism; and Bret Stephens in the New York Times mocked him for questioning elite rule while benefiting from it so handsomely. A proper who’s who.

And notice that everyone who came sprinting to respond sailed clean past the point. Not one of them touched the stakeholderism he was endorsing. They fought over side issues, which is how our media does its work, arguing in a ring around the thing and never landing a punch on the thing, while the thing collects a mountain of attention in entirely the wrong currency. Even Massing concedes that the uproar reflects the messenger as much as the message.

Then he lets Carlson talk. A fixture of Fox primetime, a gleeful scourge of liberals, a tireless disparager of social programs, a fierce critic of immigration, the man who in December 2018 said immigrants had made America poorer and dirtier and lost two dozen advertisers for it, now sounded like Bernie Sanders.

For generations, Carlson said, Republicans had considered it their duty to make the world safe for banking while prosecuting ever more foreign wars, and Americans were ruled by mercenaries who felt no long-term obligation to the people they ruled. That does sound like Tucker Carlson. In a rousing peroration he noted that Americans want to live in a country whose leaders do not accelerate the forces of change purely for their own profit and amusement. Market capitalism, he said, at the expense of the family, the foundation of a healthy society, is not a religion but a tool, like a toaster or a staple gun, that it would be foolish to worship. Republicans had to unlearn decades of bumper-sticker talking points and corporate propaganda, and while the libertarians would brand any deviation from market fundamentalism a form of socialism, socialism, he warned, is exactly what America will get unless a group of responsible leaders reforms the economy in a way that protects normal people.

Massing then puts Carlson in some telling company. Larry Fink of BlackRock had already written to his CEOs that while the owners of capital had reaped enormous benefits, plenty of people faced low wages and inadequate retirement plans, feeding the anxiety and polarization loose in the world today, and had urged a new model of shareholder engagement, less about quarterly earnings and more about long-term value for employees and communities. Henry Blodget, the former Wall Street analyst who runs Business Insider, had said in a talk on better capitalism that shareholder capitalism had turned America into a nation of overlords and serfs, and that executives had forgotten one of the reasons companies exist is for the people who work for them.

Against all of it stood Ben Shapiro, insisting that the system in question had powered most of humanity out of extreme poverty and built the richest society in history, longer lives and bigger houses and more comfort, fewer dead children and more living parents. Shapiro fires all of that off at his usual gallop, as though velocity were a substitute for being right. So Carlson comes out for the stakeholder model and floats a vote for Warren, and Shapiro plants his flag on shareholders. And then Shapiro got upbraided by J. D. Vance, the author of “Hillbilly Elegy”, who for those keeping score at home is presently the vice president of the United States. The economy, Vance said, has not produced fewer dead children and more living parents where he lives, and he pointed at the opioid epidemic that has gutted so many communities, at Ohio and West Virginia and Kentucky where countless children grow up with parents in jail, incapacitated, or underground, a country with a higher GDP than a generation ago but few who would call themselves better off, and he warned that if conservatives cannot talk about people’s real problems for fear of promoting victimhood, then they are fighting a battle they both deserve to lose and will. The man who spent a whole book expressing deep skepticism of government programs, Massing notes, seems to be shifting. Shifting is a polite word for it.

Then Massing turns to the harder question, whether Carlson means a syllable of it, given his long record of demagoguery on immigration and race and social programs. To find out, he watched two of that week’s shows, and the answer surfaced fast. On the FBI raid of Roger Stone’s home, Carlson raged at Robert Mueller as a threat to democracy and an authoritarian nutcase even worse than Vladimir Putin, an interesting thing to say in 2019 given where the wind was blowing. He mocked the press for panicking over Howard Schultz’s flirtation with a centrist independent run, sneered at Gavin Newsom for trading the California governor’s mansion for a home in a mostly white neighborhood, and needled wealthy Democrats for opposing Trump’s wall while living behind high ones of their own.

In his second January monologue he left immigration alone, but the show kept circling back to it, footage of a new caravan out of Central America, a conservative radio host back from the border describing migrants arriving with a litany of serious communicable diseases treated on the taxpayer’s dime, Carlson accusing the Democrats of a policy of open borders and calling Kamala Harris’s support for health care as a right an invitation for half the planet to move to the United States for free MRIs. And it runs on in that vein. Massing lands here: in running down both immigrants and universal health care, Carlson had hosted a spokesman from a very conservative group that subscribes to the same free-market ideology he had denounced in the monologue, his show keeps transmitting Fox’s blend of race-baiting and reality distortion through which it has done so much to poison the American mind, and Carlson himself is best described as a charter member of the same ruling class he indicted in the monologue for working so hard to divide and confuse the American people. That is the Guardian for you. You can find the same story in Slate and a dozen other places, and it repays the reading.

So a brawl broke out. Carlson does his January monologue and tells an interviewer he might vote for Elizabeth Warren over her Accountable Capitalism Act. Ben Shapiro comes off the top rope: absolutely not, that is un-American, that is not what we do, we are not walking into the stakeholder model, we hold the line on shareholder

primacy. And J. D. Vance arrives waving “Hillbilly Elegy” and his own hard road to argue that shareholder primacy will not do the job either, that Shapiro is wrong, and that we might need to think about something in the neighborhood of the stakeholder model, though, and this is the tell of the whole genre, he never once says the words. He just tears at the model we have.

Quite the argument, and it smoldered through most of 2019, because Carlson kept the subject alive with another guest. He was hardly going to book Elizabeth Warren onto Fox to talk economics, so he booked a different senator, over and over, a Republican, out of Florida rather than Massachusetts, a man named Marco Rubio, who for those keeping notes at home is currently the Secretary of State under Trump.

In the fall of 2019 Rubio gave a speech, and **National Review reprinted it whole** on November 13, 2019, at half past six in the morning. The editor’s note at the foot records that the essay is adapted from a speech Rubio delivered on November 5 at the Catholic University of America, and I would ask you to hold onto the word Catholic, it pays off. The title is “The case for common good capitalism,” and I am going to keep translating it for you as the case for common good stakeholderism, because enforcing the common good part, out in the real world, requires a stakeholderist model to do the enforcing. The subhead promises that dignified work and strong families and strong communities are the key to civic and economic well-being.

He opens on the popes. In 1891, amid the disruption of the Industrial Revolution and the rise of socialism, Pope Leo XIII wrote that the ultimate goal of any society should be to make men better by giving them the chance at the dignity that comes from hard work, ownership, and raising a family. Leo held that the labor of the working class, its skill and its strength in the workshops of trade, is indispensable, and that justice demands the administration watch over the interests of the working classes so that the men who contribute so much to the community may share in the benefits they create. Worker and consumer protection laws, and the agencies that run them, are how we watch over those interests by the administration, and I will note that we managed it without upending the economy.

Rubio’s thesis is that what makes society possible is the rights of both workers and businesses, and also their obligations to each other, so that a business has the right to a profit and the obligation to reinvest that profit productively for the benefit of its workers and the greater society, while workers have the right to share in the profits they helped create. Let me stop him there, because the true test of any system of governance is its answer to the man who says no. A business has the right to a profit, fine, and it also carries an obligation to reinvest it according to whatever Marco Rubio holds the common good to require, so picture the owner who declines.

The distributism of Pope Leo is only an ideal, we keep being told, and then along comes a man who will not reinvest productively for the benefit of the workers and the greater society, he simply will not, and now what. Now you reach for state power. You stand up a federal charter system, and when the company grows large enough you fold it into a scheme that distributes its resources and its means of production. In the economy Leo described, Rubio says, workers and businesses are not competitors over their share of limited resources but partners in an effort that strengthens the entire nation, and once you have installed government force to run that distribution you have to decide how to pick winners and losers, and so you pick them, chosen by the view of the common good held by some governing council or committee, a stakeholder group running stakeholderism, deciding who gets the distributions, how, when, from whom, and on what terms.

The whole apparatus arrives on the back of that gentle line about cooperating rather than competing. You could almost say a national socialism program ran on that exact sentence, and for God’s sake do not put those words in my mouth, I am not calling Marco Rubio a national socialist, but the Nazi argument was that the stakeholder model existed for the sake of the Reich and the Volk, and the melody is the same.

The economy we actually have, Rubio says, is not that one. The big corporations have become vehicles for shareholders and banks to press claims on cash flow rather than engines of productive innovation, and over the past forty years the financial sector’s share of corporate profit rose from about a tenth to nearly a third, the share paid out to shareholders climbed three hundred percent, and investment of those profits back into the company’s workers and future dropped by a fifth, while last year the corporations on the S&P 500 spent more than a trillion dollars buying back their own shares, the largest corporations in the world collectively announcing they have nothing worth investing in.

This, he says, is what it looks like when, as Pope Francis warned, finance overwhelms the real economy. Pope Francis invoked, and remember that he was a, well, never mind what he was. We are not permitted to say he was a communist, or a liberation theologian. Rubio piles Benedict on top too, on the dominance of speculative financial flows detached from real production, so there is a third pope on the stack now, and all of it rests on

Catholic distributist scaffolding, and it sounds like Tucker Carlson, and it sounds like J. D. Vance.

The wreckage he describes is real: a collapse in churchgoing and community institutions, a decline in marriage and childbirth and life expectancy, a rise in drug dependency and suicide and the other deaths of despair, a generation of Americans set to be the first to enter adulthood worse off than their parents. Diagnosing that, he says, should be possible across the spectrum, deciding what the government should do about it is the core question of our politics, and we must start by rejecting the false choice our politics has offered for three decades, because the financialized economy is the product of past policy choices and restoring the balance between the obligations and the rights of the private sector and working Americans will take the attention of today's lawmakers.

What we need, he says, is to restore common good capitalism, a system of free enterprise in which workers meet their obligation to work and enjoy the benefits, and businesses enjoy their right to a profit and reinvest enough to create high-productivity jobs, which is what he means by dignified work for Americans. So the state walks in and forces the corporations to reinvest by hiring Americans specifically, into high-productivity, high-cost jobs. There is the word we keep arriving at, no matter which road we take. Forces. Common good capitalism, he says, also means recognizing that what the market decides is most efficient may not be best for America. Did you catch that one, DOGE.

As an example he offers our near-total dependence on China for rare earth minerals and the fact that we have done nothing to supply them ourselves, which is why he filed legislation to support investment in the sector. Which has not worked, because the problem he is aiming at is not the problem. The problem is ESG, which is a stakeholder model, so his fix is a stakeholder model that forces businesses to behave a certain way in order to counter a stakeholder model that is stopping them from behaving that way in the first place. A stakeholder model to cure a stakeholder model. Bring me leeches for the leeches.

He would also reform the Small Business Administration to revive the innovation that put Americans on the moon fifty years ago, and he would have common good capitalism recognize the shifts in our culture, because the market may not account for the benefits the economy gets from parental engagement but common good capitalism does. So we are going to put a number on the economic value of parenting your own children at home, in the manner of the well-being economy the woke keep sketching, which is why he has worked to expand the federal per-child tax credit and to create an option for paid parental leave, on the principle that our nation does not exist to serve the market, the market exists to serve our nation. I do not believe either half of that.

The most effective benefit the market can provide, Rubio says, is the creation of dignified work, which lets people give their time and talent and treasure to their churches and charities and community groups, makes it easier to form strong families and stable communities, and reinvigorates the institutions that bind us as a people, because when you live and worship and serve alongside someone you know him as a whole person and can disagree about his politics while still holding other things in common. Warm, all of it. But let me back up, because a splinter has lodged in me.

The most effective benefit the market can provide is dignified work, we are told, and the market is not providing it, so the government will step in to make the market provide it, and I cannot for the life of me tell that apart from raising the minimum wage. Dignified versus better-paid, I suppose, and either way you have the state standing over the businesses telling them exactly what to do, and I promise you the dignified work turns out to be well-compensated work, especially the kind that supposedly knits communities back together.

When your neighbors are strangers, he says, and all you know about your countrymen is who they voted for, it is easier to see them as the other, and I do not see how dignified work mends that, and I do not see how forcing corporations to hire Americans mends it either. He reaches back to Robert Kennedy in 1968, who decried the cultural sickness that discourages initiative, paralyzes will and action, and divides Americans from one another by their age, their views, and the color of their skin, and 1968 was the year of the cultural-Marxist run at a Marxist overthrow of the United States and of enormous cultural subversion.

As Kennedy did, Rubio says, we must accept the indivisible tie between culture and economics so that we can reclaim the motto on our seal, *e pluribus unum*, out of many one, and how we resolve this will define not just twenty-first-century America but the century itself, because our future is not ours alone to decide, since China is a near-peer competitor patiently reorganizing the global order to reflect its own values and interests at the expense of ours. Its values and interests being a stakeholder model set against a shareholder one.

That is the whole contest, stripped of the flags. He warns of a global order in which the key industries and the

good jobs sit in China and under its control, in which freedom of religion and speech give way to what the Chinese call societal harmony, and the right to elect your leaders and voice dissent gives way to a totalitarian system that criminalizes protests and imprisons minorities.

Societal harmony, note the phrase, standing in the slot where the common good usually stands. A different label glued to the same jar. An America in which no one is held back by sex or skin or ethnic origin is, he finishes, no longer just morally right but a national imperative, because, in the words of the late sociologist Robert Bellah, the transcendent goal of our politics renders sacred our obligation to carry out God's will on earth, the task each generation before us accepted, and now we must decide whether to accept the challenge of our time and write the next chapter in the story of the nation that changed the world.

So if you are going to have common good capitalism, the only questions worth asking are how you get it and who sits watch over the common good and decides what is happening to it. Or maybe the real question is the one put to me at every gathering, always in a lowered voice: what the hell is going on. Marco Rubio pushes the common good. J. D. Vance pushes the common good. Joe Biden pushed the common good. Klaus Schwab pushes the common good. And Tucker Carlson, which may explain a great deal about the man, pushes the stakeholderist model, in alignment, as he told us years ago, with Elizabeth Warren, who is buried to the collarbone in the ESG left stakeholder model.

Here is my conclusion, and I am trying hard not to oversell it, so weigh it yourself. The left and the right are both post-liberal movements. I am not sure the term on the right is the right one; woke right, natcon, national conservatism, some formation on the right running in parallel to the woke left, take your pick of names. Whatever we settle on, it backs stakeholderism as a reinvention, a great reset, of the economy.

The entire post-liberal project is post-capitalist, on the left and on the right. Post-capitalist economies, meaning economies that have thrown out shareholder primacy, are stakeholderist economies, whether they arrive dressed as a common good economy or a well-being economy or any other outfit that has to be managed by somebody and made to run in the name of something like the Volk.

The left builds it through ESG and the Sustainable Development Goals. The CCP builds it through its own in-house totalitarian government, half communist, half national socialist. Nazi Germany built it under the corporate shareholder act of 1937. And the right today, the men we have just heard from, Tucker Carlson and J. D. Vance and Marco Rubio, are building toward it too. Not all of the right, mind you; most of the right would be honestly alarmed to hear this said out loud. But major players, and certainly the shitfluencer right online, are pushing it through some virtue-centered distributist model, Christian nationalist or otherwise.

And it does not matter, this is the whole hinge of the thing, whether the driver is the left or China or the right or the World Economic Forum or the United Nations. It is the same economic superstructure aimed at somewhat different targets. It does not matter whether the values being poured in belong to the People's Republic and its global ambitions, the Belt and Road and the rest of the catalog. It does not matter whether the hands on the wheel belong to the left or to stakeholder capitalism at Davos, or to a virtue-driven, sometimes Christian nationalist on the right. The paint is not the car.

Let me put it plainer, because superstructure is a fancy word to hide behind and I do not want to hide. The way we organize how corporations are supposed to work, and where their fiduciary duty lies, runs on a model, and the model is identical across every case on my list: the CCP, Nazi Germany, the World Economic Forum, the United Nations, the woke left, and whatever this thing on the right turns out to be. Same model, same program, same superstructure, same theory of corporate governance, same relationship between the corporation and the state, give or take a few furnishings. The thing people have been calling the China model is stakeholderism wearing a Mao suit. Different values, different winners, different losers, one machine humming underneath all of them.

And every one of these people shares a single rationale. They believe they hold the correct model for long-term greater-good success, or well-being, or whatever the word is this season, and they conclude from that belief that they ought to control how everyone else lives and operates in the economy with their own private property, which under the model is no longer fully private. In each case the stakeholders choose from among themselves a set of unaccountable, unelected people, following the Führerprinzip in one costume or another.

The real threat is an unaccountable group that may or may not *be* married to a state. But it *will* marry a state, because there is too much power in the state for it to abstain forever. Some unaccountable group is going to dictate how all business is done and how all life is lived, and it will hand out winners and losers by the lights of its ideology. The first practically implemented version, in my view, was the Bolshevik model in the Soviet Union,

which is a technical no because the Soviet Union held no corporations besides the state. The first fully visible stakeholder model was Nazi Germany in 1937, engineered to obliterate shareholder primacy and liberal economic principle and to move into a post-liberal, Reich-centered power structure in which the state could mobilize all the corporations, in the name of the people, the Volk, to do whatever it required, and could reach into companies that failed to comply, whether Bayer or anyone else, up to and including dissolving them, with a wide assortment of lesser controls besides.

Since then it has come and gone with the tide. We watched the Democrats bring it in through ESG and the sustainable development movement, and bring it in nakedly through Elizabeth Warren's Accountable Capitalism Act. Then Tucker Carlson lent it his support, and J. D. Vance rode in to defend him, and Marco Rubio, after sitting on Tucker's set a good many times to chew over these very questions, stood up and gave a speech announcing that common good capitalism is the answer.

Common good this, common good that, common good capitalism, common good conservatism, which is more or less the house motto of NatCon, the national conservatism movement, which platforms and elevates a great many of these people and sits close to the vice president. NatCon is run by an Israeli Jew named Yoram Hazony, whose endorsement rides on the front cover of "The Case for Christian Nationalism" by Stephen Wolfe, the very book that says out loud that Jews like Yoram Hazony would not be welcome to live here without civil penalty under the author's own model. It does not appear to trouble anyone, because Hazony is an Israeli who lives most of the year in Israel. There is a bleak in the plumbing somewhere when a Jew helps run part of the right, and I confess I find it hilarious, and I do wonder why the same movement keeps pushing the conspiracy theory that the world is secretly run by Jews.

NatCon warms to the common good conservatism line and has described itself as a workers' party. So on the one hand we have the National German Workers' Party, which is what the Nazis called themselves, and on the other we have the National Conservative American Workers' party, which is of course a completely different animal, I am sure, in its idea of a stakeholderist model operated through a government that holds a fixed view of the common good and intends to enforce that view on corporations by way of something very like a leader principle, through one legal mechanism or another.

All I am putting to you is that stakeholderism is bigger than you had it filed. The left and the right want the same thing where it counts, in the material world: the same model, the same corporate structure, the same superstructure, and neither of them cares much what ideology gets loaded inside it. So watch stakeholderism, and study all its specimens, whether that is Mark Carney in Canada, or the World Economic Forum, or Joe Biden and the Democratic Party, or Tucker Carlson. Recognize that stakeholderism is the road to tyranny. And if we hang the word woke on that road, the way the Nazis hung it on their own slogan, Deutschland erwache, Germany awake, Germany woke, then we have one more reason to think the woke movements have earned every letter of its name.

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