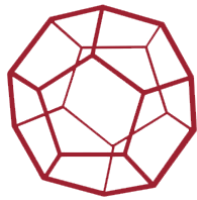


# Renewal of the Social Organism

GA 24



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by

*Rudolf Steiner*

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## Notes

## Foreword

History often provides insight into the present. Consider the American South one hundred and fifty years ago, for example. There human rights and economic servitude were compressed into a single domain for black Americans. They became a means of production that could be bought and sold as a commodity. In many parts of the South it was forbidden to teach blacks to read. Control by law of education, part of culture, was found necessary to subordinate human rights to economics. The domain of rights and economics thus also engulfed culture.

Today we recognize rights which are independent from economic power, at least in principle. Modern workers must accept the authority of their superiors but only in matters directly related to their employment. Human beings no longer can be treated as mere means of production. We have separated economic power from civil rights at least to the extent of making slavery illegal.

If we can perceive how law, economics, and culture grew independent of one another relative to their nearly complete interdependence one hundred and fifty years ago in the South, then we can imagine the possibility of their even greater separation. This greater separation of the three domains - economics, law, and culture-forms the core of Steiner's social thought. Written in 1919, the essays contained in this volume address the reconstruction of a shattered Germany. They call for a proper separation of these three spheres of activity arguing that only this would allow each to express its essential nature and thereby enable human society to revitalize itself.

To understand this separation we must understand the component activities. For law the essential characteristic is human equality. Law both guarantees and limits rights, and it does this equally for each person. It governs the democratic political process in which each person's vote carries equal weight. Inasmuch as rights must be protected and the law enforced, it encompasses both the police and the military. The state is its administrative body. The modern national state, however, oversteps its essential boundaries, creating a kind of social indigestion in its attempts to

legislate both in the domains of economics and of culture. Economic interests, in turn, influence legal judgments, often making a sham of human equality.

In the United States an important barrier to this overstepping is the constitutional doctrine of the separation of Church and State. The reasoning behind this doctrine has received considerable interpretation by legal experts and by the Supreme Court. Part of the discussion revolves around the ways in which people are considered equal. Thomas Emerson <sup>[1]</sup> argues that we are equal in one way through our need for self-fulfillment or self-development, a fundamental aspect of which is belief formation. Consequently each individual has the right to form his or her beliefs without government interference. From this follows the separation of Church and State.

Religion is one part of cultural life; another part is education. The separation of the three activities of society implies that education should be as independent of the state as is religion. In "The Separation of School and State" Stephen Arons presents a legal argument for this separation in the context of U.S. Constitutional law. He states that the case would have "for its central principle the preservation of individual conscience from government coercion. The specific application of this principle to education is that any state-constructed school system must maintain a neutral position toward parents' educational choices whenever values or beliefs are at stake. If schools generally are value-inculcating agencies, that fact raises serious constitutional questions about how a state can maintain a sufficiently neutral posture toward values while supporting a system of public education:" <sup>[2]</sup> In other words public schools as a matter of course tend to transmit those values deemed appropriate by the majority of the public. This implies choices among such conflicting values as competitiveness and cooperation, intellect and wisdom, and the status of manual work *vis-a-vis* intellectual work. Parents not accepting the majority view have the right to alternatives.

Current rulings protect the existence of private schools and their right to determine their own curricula with minimal state interference. These rulings exclude "any general power of the state to standardize its children by forcing them to accept instruction from public teachers only." <sup>[3]</sup> Arons feels that their implications go further than is generally accepted. First, they can be interpreted as prohibiting state financing systems from favoring those who are in agreement with public school values. In effect every child has the right to the same educational support at the school of

his or her parents' choice, whether public or private. Otherwise constitutional rights are reserved for the rich. Second, state regulation of private schools cannot effect value transmission unless there is legally compelling justification given by the state. Putting these implications into effect would increase the separation of school and state.

Steiner argues for separation of culture and state in order that the essential nature of each can find a healthy form. To understand the essential nature of the state we must recognize that people may differ among themselves with respect to musical and other talents, but that the same people are equal with respect to voting rights. The state will be healthy when it concerns itself strictly with those matters wherein people are equal. This human equality is fundamental to the state.

Freedom is the quality fundamental to the life of culture. It is interesting that freedom is often thought to be the characteristic of the political system. On reflection, however, it becomes clear that what is usually meant by freedom is equality under the law. Indeed, by majority consensus absolute freedom is limited. For example, a person is not free to murder or steal. A little reflection also reveals that people are not equal culturally. Few would deny the cultural superiority of Mozart, Hilbert, Schweitzer, or Emerson. Thus superiority does not effect the essential equality of all before the law. It does suggest that the highly gifted ought to be given more space and time than the merely moderately gifted to unfold their capacities for the benefit of society.

To understand Steiner's thinking consider briefly what is involved in a cultural creation, be it Kekule discovering the benzene ring, Saul Bellow writing a novel, or Joan of Arc planning a battle. Each of these activities originated in the creative depths of a unique individual. It issued forth from soul and spirit under the guidance of his or her own volition and intentionality. No external compulsion can bring forth inner creative activity. The individual does it freely or not at all.

Steiner's thinking about cultural life was directed more toward this inner activity than to its result or product. For him culture is that realm of society in which people acquire inner activity and mobility through interaction with others who have developed this mobility. In the essay "Cultivation of the Spirit and Economic Life" he says that cultural life

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*"aims at a form of cooperation among men to be based entirely on the free intercourse and free association of individuality with individuality. Here human individuality will not be forced into an institutional mold. How one person assists another, how one helps another advance will simply arise from what one, through his own abilities and accomplishments, is able to be for the other. It is no great wonder that presently many people are still able to imagine nothing but a state of anarchy as a result of such a free form of human relations in the social order's spiritual-cultural branch. Those who think so simply do not know what powers of man's innermost nature are hindered from expanding when man is forced to develop in the pattern into which the state and economic system mold him. Such powers, deep within human nature, cannot be developed by institutions, but only through what one being calls forth in perfect freedom from another being."*

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As Steiner mentions above, real freedom in culture need not result in chaos. He provided an example of this in the Waldorf School, which he founded in Stuttgart in 1919. Based on that impulse the Waldorf Schools have grown in number to a worldwide confederation of over 350 independent private primary and secondary schools. The teachers in these schools retain complete control of the activities within their own classrooms, as well as of the operation of the school as a whole through a collegial administrative body. The heart of the pedagogy is a developmental picture of the child compatible with that of Piaget, whom Steiner predated. The developmental phases that are outlined in the essay "The Pedagogical Basis of the Waldorf School" provide a context for the Waldorf teacher's interaction with children of different ages. This interaction follows a structured curriculum, where subjects are chosen to assist the developmental process of each child. The curriculum and the concept of the developmental phases can be compared to an instrument that the teacher creatively plays in order to help the students actualize their potentials. In this way the schools provide an example of free creative activity within a structure. It is not chaos. Being personally acquainted with a number of Waldorf students, I can say that they come closer to realizing their own potentials than practically anyone I know.



This is in striking contrast to what one finds in the public primary and secondary schools in the United States. A recent study points to a catastrophic situation. The report titled *A Nation at Risk* <sup>[4]</sup> literally states that if a foreign power had imposed our current educational system on us, we would have taken it as an act of war. Just how bad conditions are can be deduced from the results of an English proficiency exam, given this September to incoming freshmen at the Massachusetts Institute of Technology (MIT), with a standard of passing which was embarrassingly low. Of 1131 students who took the exam, about 800 failed. Considering that MIT is among the highest quality institutions in the country, receiving applications only from top students and accepting only the best of them, it is clear that standards of mastery of their native language among average students in our secondary school system must be very low indeed.

The report goes on to urge that something must be done to improve this situation, giving two compelling reasons. The first is that without a better educated public the United States will be unable to compete with foreign economies in the struggle for markets. This is an economic reason. The second is a political one. Lacking an educated public America will not be able to keep up its military strength. In Steiner's terms the report suggests that we nurture the germ which is the underlying cause of the problem. It should be clear that if these two are the primary reasons for improving the educational system, then they will influence how it is "improved." In reality it is exactly such influences from the state and from economics that have caused the current catastrophe.

Unhealthy connections and influences among the several activities of society have caused catastrophes in economic life as well. Two cases which illustrate this are developments in the American rail and steel industries since the second world war. At the beginning of the war the U.S. railroad system was quite superb. It covered the entire country and was fast and comfortable. But then companies like New York Central started examining themselves and decided the business they were really in was making money and providing dividends for their shareholders. On this basis they took their surplus funds and bought companies which were unrelated to railroading but which were judged more profitable than rail. Today we call this diversification. The deterioration of the railroads' infrastructure was the consequence. Within a decade the system was in disarray. Similar events took place in the U. S. steel industry. American steel became uncompetitive. Those foreign steel manufacturers who had decided that making steel was their business, and who consequently invested in renewal and improvement of their plant, became even more efficient while the

American steel-making plant deteriorated.

The decline of American rail and steel can be traced to neglecting the essential nature of economic life: meeting human needs. They turned, instead, to the rights of owners, myopically pursuing shareholder profit and probably management compensation. This is the "pig principle." The net impact on society can be found by adding the shareholder's gain to the external effects, such as the cost of finding and using alternatives to rail transportation, which are costs to society. The net, a big negative, is the logical outcome of economic activity losing its primary focus of meeting needs.

To be healthy economics must start from and keep this primary focus. Those at work in economic life concern themselves primarily with the production and circulation of commodities. What is produced is usually not consumed by those who produce it. The product serves the needs of others. For this reason Steiner used the term "brotherliness" (and we should add sisterliness) to characterize economic activity. He stressed that this applies only to economies in which the division of labor is the norm.

But to characterize actual economic life with the term "brotherliness" is to contradict much of modern economic thinking. Human economic activity is more usually characterized by terms like selfishness, personal gain, and survival. Steiner insists, however, that these ideas are inconsistent with fundamental economic realities. Since the division of labor, few individuals have really provided for themselves. We all rely on the efforts of thousands, indeed millions of others to produce the car we drive, the food we eat, and the clothes we wear. The reality of modern economic life is that we take care of one another, i.e., true brotherliness. Thinking that overlooks this fundamental reality is likely to misguide economic decisions, as in the two examples cited.

The proper separation of the three activities of society-economics, law, and culture-would make it possible for economic life to keep its focus on human needs and maintain its true brotherly character. Steiner envisioned this coming about through the working of motivational forces different from those to which we are accustomed. Self interest, profit, and personal gain could be replaced by the satisfaction of knowing one is working for the community good. Steiner argued that this is not a utopian dream; rather it is a motivation suitable to true human dignity. He also described new ways

of working with wages, capital, and credit that would aid the advent of this new motivation. The key to its possibility and practicality is again the proper separation of the three activities.

He explains in the essay "Ability to Work, Will to Work, and the Threefold Social Order" that this socially responsible motivation would not arise from the economic life at all, because purely economic work has become inherently uninteresting since the division of labor became the norm. This was not the case for the medieval craftsman who produced his product in its entirety and then, taking pride in it, received thanks from his customer. The modern worker is confined to a task that, taken by itself, i.e., out of the macroeconomic context into which it fits, is meaningless. The existing economic motivation, money, leads people to do whatever is necessary to get paid. But it does not activate their interest in a task that is inherently uninteresting, with the consequence that absenteeism, alienation, and poor performance have reached alarming levels. Steiner recognized that socially responsible motivation could arise only from an independent cultural and political life. In the above mentioned essay he says that within the cultural life the individual

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*"learns in a living way to understand this human society for which one is called upon to work; a realm where one learns to see what each single piece of work means for the combined fabric of the social order, to see it in such a light that one will learn to love it because of its value for the whole. It aims at creating in this free life of spirit the profounder principles that can replace the motive of personal gain. Only in a free spiritual life can a love for the human social order spring up that is comparable to the love an artist has for the creation of his works."*

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From a separate democratically ordered life of law there would also arise motives to work for society.

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*"Real relationships will grow up between people united in a social organism where each adult has a voice in government and is co-equal with every other adult: it is relationships such as these that are able to enkindle the will to work 'for*

*community.' One must reflect that a truly communal feeling can grow only from such relationships, and that from this feeling the will to work can grow. For in actual practice the consequence of such a state founded on democratic rights will be that each human being will take his place with vitality and full consciousness in the common field of work. Each will know what he is working for; and each will want to work within the working community, of which he knows himself a member through his will."*

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If we attempt to find examples of this type of motivation operative in contemporary society, we often find negative instances. This is nowhere better exemplified than at the highest levels of computer research at MIT. This research is paid for almost entirely by the military. While it is possible to view it, if one wears just the right kind of glasses, as a pure science and as "value free," it is, in fact, in the service of the military. Scientific results are swiftly converted to the improvement of implements of mass destruction and of death. Young men and women work in these fields trying to maintain the illusion that they are doing abstract science, a "value free" science. They ultimately have to come to believe that they are *not* in any way responsible for the end use of their labor. It is often said that the computer is a tool having no moral dimension. Clearly this position can be maintained only if one thinks of human society in abstract terms, i.e. if one denies the concrete historical and social circumstances in which one lives and works."

The effect of this situation on the researcher needs emphasis. It takes enormous energy to shield one's eyes from seeing what one is actually doing. The expenditure of this energy on the part of individuals is expensive in emotional terms. Ultimately this is the real tragedy, for it reduces the person to a machine.

There is a sort of irony involved, a chilling irony. A fear is often expressed about computers, namely that we will create a machine that is very nearly like a human being. The irony is that we are making human beings, men and women, become more and more like machines. For it is human to find the motive for work, consciously and with conscience and compassion, in the concrete historical and social context in which one lives. When this is not possible human beings are robbed of essential humanity.

The quest for a motive to work befitting human dignity extends from research scientist to factory worker. One might think, for example, that the steel worker, if he were educated to picture the use of the product of his work, would find in the pictures the motivation to work for social good instead of merely for a living. This presumably could be measured in higher quality work and reduced absenteeism. On closer inspection, however, it is doubtful that a look at the actual American context could bring about such motivation. A large percentage of steel manufactured in America is used for nothing but trivia. For example, there are on the order of ten million new automobiles produced in this country every year. If we restricted ourselves to a replacement market without model changes and alterations that are purely cosmetic, then we might easily get by, building, say, half a million cars a year. It is difficult to believe that the steel worker could be proud of his contribution to society if underneath he knew that the car his neighbor bought was unnecessary and that it might have been better to put the resources it required into feeding the 600 million people on the planet who are malnourished.

In a volume to be published subsequently to this one Steiner's concept of "unnecessary production," i.e., trivia, planned obsolescence, etc., is introduced. With that discussion and much of what is presented in this volume it should be evident that Steiner's ideas will be of interest to those who concern themselves with issues of ecology and stewardship of the earth. In the broader context ecology must also encompass a social dimension, making it a social ecology that considers questions such as right motivation to work. In this sense Steiner's work also relates to the efforts of E.F. Schumacher, who read Steiner, and who tried to introduce us to ideas of appropriate scale and healthy approaches to post industrial society. These connections should help dispel any thought that this volume is dated. Rather, Steiner was far ahead of his time.

Joseph Weizenbaum  
Cambridge, Massachusetts, 1984



## Preface to the First Edition

In the beginning of March 1919, my *Appeal to the German Nation and to the Civilized World* (See appendix) was published. Its purpose was to state briefly what is necessary in order to bring healing forces into our declining life situation, one that revealed its symptoms of decay in the worldwide catastrophe of the war. Many Germans and Austrians, and a number of Swiss, signed their names to the *Appeal*. Thereby, they testified that the proposals it puts forward point to vital necessities for the present and the immediate future.

These proposals were further elaborated in my book, *Toward Social Renewal*. To give them permanent representation and carry the movement into practical life, a League for *The Threefold Order* was founded in Stuttgart and in Switzerland. Among other steps taken to bring about this practical realization was the founding of a weekly paper, *The Threefold Order*, which was published in Stuttgart. The following studies formed the lead articles I wrote for that paper during the summer and winter of 1919–1920. They can be treated as supplementary expositions of the principles established in *Toward Social Renewal*, or may serve equally well as an introduction to these principles.

Everything I published both in *Toward Social Renewal* and in these studies is *not* merely the elaboration of theoretical premises. For over thirty years I have followed the most varied ramifications of European spiritual, political and economic life. In so doing, I believe I have gained insight into the tendencies this life has itself brought forth in trying to effect its own cure. I believe the thoughts expressed here are not merely the private thoughts of one individual: they voice the unconscious will of Europe as a whole. Owing to the special conditions of present-day life that I frequently mentioned both in *Toward Social Renewal* and in these studies, there have not been enough people who have manifested this will clearly, consciously, and with a desire to make it a reality. One could say the tragedy of the present is that countless people obstruct their insight into actual necessities with illusions as to what is worthy of this striving. Thoroughly outdated party lines shed a dense mental fog over these vital necessities. These views result in all manner of unrealistic and impracticable tendencies. What they actually undertake is hopelessly utopian, while they

dismiss as utopian suggestions that come from actual life experience. This is what we have to contend with; in what follows, we will meet it with a fully conscious stance.

Such impulses still govern foreign relations throughout the world today. Versailles and Spa are further steps in the same direction. Few recognize that such steps are leading more and more to the downfall of our civilization, which has already demonstrated through the catastrophe of the Great War its incapacity for further progress. To be sure there are individuals, among both the victors and the vanquished, who recognize this today. However, their number is not large enough; moreover, the majority of even these people view what is really necessary as utopian.

If the League for the Threefold Order is regarded by many as an association of impractical people, it is, in my opinion, just because "the many" have lost touch with all reality and mistake their daily routines and party illusions for that reality. However, we shall never succeed in healing our civilization until the actual will of the age, so deeply hidden beneath the underbrush of impractical and illusory party schemes, is raised to full consciousness.

For one who knows only too well that he is not suffering from foolish delusions it is hard to write what, among many today, will earn him the reputation: "He thinks himself wiser than all those actually engaged in practical life, who have therefore won the right to a voice in such matters." Nevertheless, the author believes that the false reproach contained in such words should not prevent him from expressing what he holds to be necessary. This is especially so if one believes that one's inner vision has been guided to this necessity through more than three decades by a special relationship of one's life situation to present-day life.

At any rate, it is my conviction (acquired through an observation of life that shuns all theory and keeps only the practical in view) that the will of the times is pressing toward this "threefold division of the social organism"; and that all the signs of decline and degeneracy now making themselves felt have arisen because public opinion in Europe has attempted to pursue old way of thinking that are no longer viable instead of turning to this new impulse.

One group of people (from which the leaders came before the war, and from which many of them still come) continue to hold the same views that have led to the downfall; they do not want to see the connection between

this downfall and their views. They attempt to fashion new life from the same forces that have led to death.

The other group pursues a mode of thought born of negative criticism. They refuse to see that all this can do is cobble together an illusion of a social order out of the ruins of the past. Its existence can be only transitory, and is thus necessarily destructive. This group keeps to the old by contraries, but has no seeds of a new.

Midway between these two groups lie the forces that are striving to bring forth this "threefold order of the social organism," buried under the rubble of the past, out of the real and present will of this age. The bearers of this impulse feel they possess what the present hour needs.

Rudolf Steiner  
Mid-July, 1920





Four Articles from the Newspaper  
*The Social Future*



# 1

## The Threefold Social Organism Democracy and Socialism

One of the significant issues that has been transformed by the catastrophe of the Great War is that of democracy. Anybody with an open mind for historical change ought to see that inevitably democracy must permeate the various nationalities completely. The worldwide catastrophe has also shown that the factions opposing democracy have no future. Everything anti-democratic has brought on its own destruction. Advocates of anti-democratic institutions should not forget what reality has demonstrated with torrents of blood.

The question of how to make democracy a reality requires that adherents take a stand not previously possible in the same way. Before the social movement entered its present historical stage, it could still be considered in a different way. But now we must ask, "How can the social movement be incorporated into democratic life?"

It is not just a matter of promoting vague political ideals or demands, nor of shaping political ideals as a result of that which one-sided interest groups understandably raise as demands. A true understanding of the social organism becomes more necessary with every passing day.

The servants of capitalism were not alone in their apprehension when they considered the consequences of the social wave threatening to inundate contemporary life. In addition to a majority of self-centered individuals, a few honest persons recognized in the precise shape assumed by this wave a danger to true democracy. When spiritual life, even in practical affairs, comes to be seen as an ideological superstructure of economic life, how will a genuine unfolding of human individuality be possible? For it has become such a superstructure in the thinking of those who want to make a social form of life dependent upon humanity's adopting a materialistic view of history. If it does not make possible the free unfolding of human individuality, socialism will not be able to liberate culture from its capitalistic prison, but rather it will bring death with no hope of revival.

If one judges the demands made by the social movement not in accordance with the interests that have resulted from its earlier stages, but rather as a historical necessity that is not to be avoided, a very grave question emerges: How can these demands of the movement be accomplished without suppressing human talent or creativity, the free unfolding of which determines the extent and future of human development? In a social order founded upon a capitalist economy, democratization was something entirely different from what it must be in an order imbued with social impulses.

Ever more urgent is the need to seek possibilities of developing the life of the human spirit together with social impulses. One should not allow oneself to be hypnotized by the dogma: Socialism in the economy will generate, on its own, a healthy spiritual-cultural life as a superstructure. An economy standing alone without constant fertilization by a cultural life founded on free human individuality cannot continue to develop and becomes rigid. Only those immersed in such a dogma can fail to understand this. That quality of human individuality which must creatively influence and direct the social life has to be wrought from the very essence of human nature through impulses that economic life cannot produce. Economics are the foundation of human existence; but human spirit rises above it. Economic forces are confined within much narrower boundaries than human nature as a whole. As obvious as this may seem for the comprehension of the individual, it has not been assimilated by contemporary thinking. More and more, public opinion and, above all, public action reveal a trend of thought that resists this self-evident truth. Men become accustomed to certain conditions, and come to demand modes of existence that would seem impossible to them if they truly wanted to think about it. By deadening their sensibilities to this contradiction, they conceal it from themselves and are thus able to live with it.

A significant fact of life reveals itself in this contradiction. Our innate powers of judgment and feeling, which should be developed through a healthy nurturing of cultural life, do not find their way into our modern social institutions. These institutions then smother the free development of the individual.

This suppression makes itself felt from two sides: from that of the state, and from that of the economy. Consciously or unconsciously we fight against the oppression. Here lies the real cause underlying the social

demands being raised. What lives in these demands is like a wave driven along the surface, hiding what really is at work in the depths.

The rebellion against state oppression manifests itself in the aspiration of the people to true democracy; their revolt against an oppressive economy finds expression in their endeavor to structure economic life in a truly social way.

For that which has developed over the last three to four centuries, humanity demands democracy. If democracy is to become a reality, then it must be built upon those forces in human nature that actually unfold themselves democratically. If nations would become democracies, then they must become institutions that permit human beings to bring into play that which governs relationships among all who have come of age. Every adult citizen must share equally in the regulatory process. Administration and representation must provide a climate in which a healthy consciousness of rights and responsibilities is allowed to unfold.

Can such administration and representation also regulate the cultural life — life that must bring about the full development of individual human potential — if this development is not to wither and be thwarted to the detriment of social life? The premise for such a development is that it be tended in a milieu encouraging only such actions as have their source in the cultural life itself. Specific talent can be truly recognized and properly nurtured only by someone endowed with the same abilities. Emerging talent can be properly channeled only if a knowing guide acts from experience gained precisely in that realm of life into which he is to show the way. The proper nurture of a socially sound community requires individuals who, through their own experience, have acquired intimate knowledge of the various branches of life, and who have cultivated within themselves the ability to explain their experience to those who need to know. Think for a moment about the socially most significant branch of cultural life—schools on every level! Is it not true that development of individual human capacities and their preparation for life in a particular field can best be guided by that teacher who has personal experience in the field? Or can social renewal ever take place if the criterion for hiring such teachers is something other than their own individual capabilities? Democratic sentiments can relate only to that which each adult has in common with every other adult. It is impossible to find within democratic processes a regulatory function for matters that lie entirely within the domain of the individual. If true democracy is to become a reality, then one must exclude from its province everything that belongs in the domain of

the individual. Within the province of democracy and the administrative establishments growing out of it, no impulse directing the free flow of individual human talent can arise. Democracy has to declare its impotence to provide such an impulse if it wants to be a true democracy. If a true democracy is to be formed out of the state that has existed heretofore, then one must remove from it and deliver to full self-regulation all those matters for which only the individual development of each particular person can manifest the right impulses. Such matters cannot be regulated just because a person is of age and is a citizen.

The social relationships that every adult is competent to judge are the legal relationships between one person and another. At the same time, they represent conditions of life that can maintain their social character only because in democratic institutions they manifest the collective will — a composite of equal individual human wills working together. By contrast, the collective will cannot express what is to arise from individual human abilities; here institutions must function so as to allow the individual to achieve full expression. In away, the human being might be compared to a natural landscape. One cannot cultivate and manage an expanse of land without considering its different aspects. The nature of each part must be studied so that one can learn what it might produce. Thus, in the realm of culture, individual initiative based on individual capabilities must become socially effective; cultural life may not be determined through the will of all. Within the realm of culture this universal will becomes antisocial because it deprives the community of the fruits that individual human capabilities can provide.

Thus self-administration of the cultural life is the only way to promote individual abilities. Only through self-administration will conditions exist that give rise not to a universal will that suppresses the fruitfulness of the individual for social life, but rather a condition in which individual human accomplishments can be taken up into the life of the whole for its benefit.

Certain criteria will be established from within such a self-governing spiritual-cultural life whereby the right people may be put into the right positions, and immediate, vital trust can take the place of laws and regulations. Educators will not look to laws and regulations for their educational aims; instead, they will become observers of life and seek to learn, by listening to life, what it is they have to inculcate. It will be possible within the cultural sphere to avail oneself of persons who, through years of experience in practical life, are well versed in the ways of law and economics. In the cultural sphere, they will in turn encounter people with

whom they can, through lively intercourse, exchange and reshape, their practical experience and bring it to educational fruition. On the other hand, administrators in the cultural sphere may occasionally feel the need to enter the arena of practical life in order to utilize and revitalize their own knowledge.

If the structuring of the social organism is done in such a way that a self-governing cultural life can unfold within it, this will not destroy the vital unity of the organism; on the contrary, it will support and enhance it. Only the administration is articulated: in the life of the people, unity will be allowed to develop. One will no longer need to isolate oneself from life by encapsulating oneself within a rigid condition. A lively exchange can take place between the cultural organism and other branches of society. When tradition and public opinion is reshaped in the cultural life, the potential for vitality is far greater than in an inflexible system. The structuring of the social organism should, in the future, be based on real social facts, and these concrete forces should develop, through self-regulation, into something that is a source of a power that can leave us free.

There should be no doubt that the economic and legal spheres can develop only when people are allowed to think and feel socially. Unbiased experience of present conditions should convince one that cultural life fused with the legal system cannot accomplish this. Anyone who has sound judgment and comprehends life in its fullness has difficulty being understood at present. He finds himself dealing with people whose souls do not resound with life experience in thinking and feeling; people whose educations in state-run schools have given them an abstract disposition, divorced from life. Those who believe they are the most practical, show the least practicality. They have achieved a certain routine in the narrow channel in which they function. They call this their practical sense and regard with arrogance anyone who has not tied himself to their routine, calling *him* impractical. But all the rest of their thinking, feeling, and willing is permeated with and ruled by abstractions inimical to life. Such personalities are made to flourish by state-governed education, which remains impervious to life-experience. All that can enter into this kind of education, allowed to act exclusively, is the abstract thinking and feeling that is accessible to every adult apart from any special experience. This is the reason why in so many quarters social needs meet with so little understanding. Even the origins of social sensibilities show themselves to be inadequate to the demands of the social organism. One thinks: many people are calling for a restructuring of society! Let one come to meet them, and create laws and ordinances. But the restructuring of society

cannot be accomplished that way. Today's needs are such that their fulfillment cannot be found in a temporary transfer of power. The "social question" has reached the surface of humanity's historical evolution, and will remain there now forever. It will demand new ways of thinking and feeling that presuppose a living intercourse between the cultural sphere and life as a whole. To socialize only to be done with it, once and for all, will not be possible. The effort has to be renewed constantly; or rather, social life will have to be subject to a constant process of socialization.

The unsocial, often even antisocial, feelings of those who claim to be today's socialist thinkers, stem from the cultural life of an earlier era, especially as it is manifested in the educational system. This spiritual-cultural sphere alienated from life itself has called forth a twisted notion of spiritual life. Broad segments of the populace believe that the genuine human impulses reside within economic forms. According to them, cultural life is nothing but a "superstructure" with its foundations in the economy, an ideology arising from a particular mode of economic activity. This view has been adopted (consciously or unconsciously) by almost the entire working class, the bearers of the social demands of the age. This working class developed during an age in which spiritual culture has foregone the attempt to find a direction and a goal of itself; an age in which the outward social form this spiritual culture has adopted is the result of political and economic life. Only self-administration can rescue the spiritual-cultural life from its present condition. Yoked firmly to the economy by the capitalistic system and technology, the proletariat now believes that mere organization of economic life will necessarily bring about "by itself" the needed reforms in the legal and cultural domain as well. The working class was obliged to experience how modern cultural life had become a mere adjunct to political and economic life, and so they formed the opinion that all cultural life must be such an appendage.

If, in truth, they could see this dismal concept embodied within a social organism, it would be a bitter disappointment actually to discover that a cultural life arising from a social reform based on economic principles alone would lead to even more dire and pitiful conditions than the present ones. The proletariat will have to struggle through to the insight that the present situation cannot be improved through a mere reorganization of the economy, but only through separation of the cultural and legal spheres from the economic, thus creating a healthy threefold social organism. The proletarian movement will find the right track only when its members cease to reiterate, "Modern economic life created a cultural and a legal sphere which have an asocial effect; it is time for an economic change which, in

turn, will generate from within itself brand new cultural and legal forms." The proletarian movement will succeed only when its members can say, "Modern culture has led to an economic system that can be transformed only when both the cultural and legal spheres are separated from it and are released to their own administration." For this modern cultural life has led to a situation in which everything non-economic is dependent on the economy: the healing processes can start only with the elimination of this dependency, and not with an even greater subjection. The fact that today's working class has been harnessed into the economic system has led to the notion that only economic reconstruction can cure the ailment. The day that sets the working class free from this superstition; the day that allows people to become aware of their own instincts and to recognize that cultural and legal life cannot function as an ideology born from the economic environment; the day the proletariat perceives that the calamity of the modern age lies precisely in the fact that such an ideology has emerged; that will be the day that brings the dawn awaited by many.

An economy in which the state does not participate will be able to proceed from independent economic experience on the one hand and the support of particular individuals and economic groups on the other. Economic experience cannot play itself out in the sphere where the rights due every adult should come to the fore, but rather only in the sphere of the self-governing economic body. Recognition given a person because of work in a special field of the economy cannot be expressed in the structure of the state, where only that which is valid for all persons equally prevails, but rather only in the effect this person exerts upon other branches of the economy. Persons who belong to the same branch of the economy will have to unite with each other; they will have to form associations with those from other economic sectors. Through a lively intercourse between such associations and cooperatives the interests of producers and consumers will be able to organize themselves. In this way, economic impulses alone will be able to work within the economy.

When blue collar and white collar workers meet with each other, they need only consider economic issues because legal matters will be dealt with separately under the state's jurisdiction. The blue collar worker can associate freely with the manager of the business, because only the division, on economic principles, of that which they have earned together will be allowed; there will be no economic compulsion resulting from the greater economic resources of the manager. The associative structuring of the economic body will place the blue collar worker's contractual relationship to the business manager in a totally different light. Up to now,



he has been forced to fight against the interests of the business manager, but in his new associative role he will share in the fruits of production. Through the heightened awareness he has gained as a consumer, he will cultivate and profit by — rather than oppose — the same interest in production as the manager. This can never happen in an economy the aim of which is the profitability of capital assets; it can happen only in an economy that regulates the value of products on the basis of self-equilibrating processes of production and consumption within the social structure as a whole. A social partnership such as this is possible only if the interests of special professionals, consumers and producers can find expression in various self-subsisting associations and can come to agreements within the economic body as a whole. The special interests of the individual branches of industry give rise to the individual associations; determinations of economic value will arise out of the coalition of these associations, and in the central administrative body that will emerge from these economic interests.

An individual business cannot be socialized; socialization happens only when the production of economic value that a separate business contributes to the total economic life has no antisocial effect. As a result of such genuine socialization, the capitalist system will lose its harmful tendencies. (In my book, *Toward Social Renewal*, I have described how capital must function within a healthy three-fold organism.) It should be clear by now that one cannot "do away" with capital, since capital is nothing other than the means of production working for the community. It is not capital itself that is harmful, but rather capital in private hands, especially if this private ownership is able to control the social structure of the economic body. But if society can be structured in the manner previously described, then capital can no longer have any antisocial influence. The beneficial social structure will always prevent the capital assets from being isolated from the management of the means of production. It will also put a stop to the attempts of those who strive only for capital assets, but shirk participation in the economic process. One could readily object that others who do participate would gain nothing, should the earning of nonparticipants be "divided up." The objection has some validity, and yet it disguises the truth, for its validity has no significance for the structuring of the social organism. The harmfulness of the nonworking recipient of dividends is not that to a small degree they diminish the working man's earnings, but that the sheer possibility of someone being able to have income without working for it lends an antisocial aspect to the whole economic body. The economic body that

blocks the possibility to derive income from dividends differs from the one that cannot block it just as human organisms, too, differ — the one is healthy and impervious in all areas to the invasion of a tumor; the other, through the accumulation of unhealthy elements, is beset by a tumorous growth.

A healthy social organism requires, however, that certain measures unacceptable to contemporary economic prejudices growing out of the aforementioned associations be instituted. In a healthy social organism, capital goods and other means of production will have a one-time cost at the time of delivery. The producer will then be able to manage them, but only for as long as he can contribute to production by his management. The business will then have to be transferred to another not by sale nor by inheritance, but rather as a free gift to the one best able to manage it. It will have no sale value, and thus no value in the hands of an heir who does not work. Capital with independent economic power will work in the establishment of the means of production; it will dissolve itself instantly when the creation of the means of production is finished. Now, however, capital consists mostly of such "already established means of production."

The socially correct value of a piece of goods can only be determined by comparison with other goods. Its value must equal the value of all other goods needed by the producer to fulfill his own requirements, until the time when he can again produce a similar piece of goods. This he must do while considering all those requirements necessary in the interest of other people. (Herein must be included, for instance, the needs of his children and what he must contribute for the support of persons incapable of working, etc.) The institutions and provisions of a healthy economy must act in an intermediary capacity to guarantee the value of such goods. These institutions can only be created through a network of corporations that regulate production by considering consumption. The justification for these requirements is not the issue. The issue is the mediation between consumption and production based on economic experience and real economic relationships. If felt needs arise that cannot be borne by the economy as a whole, these needs will find no counter or reciprocal value in the goods produced by the person who feels those needs.

An economy can be regulated in this way only when its development is based on mutually supporting measures taken by individual corporations. These measures must stem from expertise and concrete facts. Any incursion of democratic principles would necessarily have a detrimental

effect upon the development of expert knowledge. Similarly, economic interests would have a detrimental effect upon everything that should emerge under the influence of democracy.

The health of the social organism depends upon its articulation into three independent spheres: a spiritual-cultural sphere, a legal or rights-sphere, and an economic sphere. Far from dividing people into three social strata, the articulation will allow them to participate in all three spheres according to their interests as whole human beings. The separation will be such that in the cultural or legal spheres, for instance, no decision can be made concerning problems arising within the economy. In the unitary state, where the three systems are intertwined, an economic group will have the power to legalize its interests and declare them public rights. In the threefold organism this can never happen, because economic interests can play themselves out only within the economic cycle, and there will be no possibility of overflow into the legal sphere.

The greatest possible guarantee that one sphere of the threefold organism cannot be violated by another lies in their union, effected by the total corporate body consisting of the delegates of the three central administrations and agencies. For these central administrative committees will have to deal with actual developments within their own spheres. They will not arrive at a situation where, for instance, the rights sphere or the cultural sphere would be impinged upon by the economic, because this would place them in opposition to the developments taking place in their several spheres. Should, however, the influence of one department over another become necessary, the factual basis for such influence can lie only in the sphere of corporate interest and not in the individual group's interest.

No one should cherish the illusion that any social institution could ever create an "ideal situation." What can be attained, however, is a viable, healthy social organism. Anything beyond that must be found through something other than social development. It is not the task of this articulation to guarantee "happiness," but rather to find the living conditions needed by a healthy social organism. Within it, however, men must be able to seek what they need to lead a dignified human existence. Nor does the healthy physical organism create from within itself that culture which the soul alone can unfold from its own depths; but a diseased organism prevents the soul from doing so. Thus a healthy social organism can only provide the prerequisites necessary for all that human beings must nurture and develop through their own capabilities and needs.

Anyone who describes as utopian or as mere ideology what reveals itself to be a guideline for social development, and wants to leave everything to evolution, resembles a person who becomes indisposed because he sits in an unventilated room and refuses to open a window while waiting for the stale air to renew itself.

The merger of cultural life and economics with the state would rob democracy of its real foundations. Anyone desiring genuine democracy will insist on granting the cultural and the economic spheres self-determination.



## 2

# The International Economy and The Threefold Social Order

The contradiction that has gradually developed between the self-imposed tasks of nation-states and the tendencies of economic life is one of the most significant facts of recent history. The nation-states have sought to draw the regulation of economic life within their boundaries into the sphere of their responsibilities. Persons, or groups of persons, who administer economic life seek support for their activities in the power of the state. One state confronts the other not only as a separate cultural and political realm, but also as a bearer of the economic interests at work within the region.

Marxist ideology would like not only to continue these national efforts, but to develop them to the extreme. Using the present national framework, it would like to change private capitalism into a cooperative through socialization of the means of production. Industries within the national framework would be combined into economic organisms wherein methodical production would be organized according to existing needs and wherein the distribution of the products among the people living in the nation would be managed.

Recent developments in economics conflict with this endeavor, however. Economic life tends to evolve into a uniform world economy without considering the given national boundaries. Humanity as a whole is striving to become one single economic community. The nations' positions are such that those living within them are bound together through interests that conflict to a large degree with the economic relationships ready to unfold. Economic life is striving to grow beyond the national structures that evolved under historical conditions that definitely did not conform to the economic interests in all cases.

The catastrophe of World War I has revealed the disparity between national structures and the interests of world economy. A large part of the war's causes must be sought in the fact that the nations exploited the economy to augment their power, or in the fact that people involved in economic pursuits sought to promote their own economic interests by

means of politics. Individual economies served to disrupt a world economy striving for unity. The various nations sought to turn the economic gains that should have remained within the economy to political advantage.

Within the national states, cultural and political interests become entangled with those of the economy. Within the national boundaries that have arisen historically, cultural, political and economic interests will not necessarily coincide. If humanity is to take serious steps toward realizing its justified demands for spiritual freedom, political democracy and a social economy, one must not think for a minute that the administrations of the cultural and political spheres would be able to regulate economic life as well. For all cultural and political relationships on an international level would have to adapt themselves slavishly to the conditions of an economy whose coercive nature would influence their development.

In theory, Marxist socialism easily avoids such criticisms. Its exponents argue that cultural attainments and political provisions are ideological constructs founded upon economic realities. Marxists believe, therefore, that they need not worry for now about the organization of the cultural and political domains. They want to create closed economic systems on a grand scale, and believe that within these systems cultural and political conditions will arise that will permit international relations to start up on their own once the economic systems begin doing business with each other. This socialist approach recognizes a truth, yet it is a one-sided truth. In the existing states—so the Marxist discovered — branches of production are administered, products are managed, and both administration and management are combined with a form of government that denies cultural freedom and is politically far from ideal. He concludes from this that henceforth the social organism need only produce more and administer more production lines. Because he believes that out of all this the cultural and legal-political spheres originate "by themselves," the Marxist overlooks one thing: to the extent that one takes the government of people out of economic administration, precisely to that extent must another form of government be found.

The idea of a threefold articulation of the social organism makes provision for that which Marxist socialism ignores. It takes seriously the ideal of an administration of economic life that is based solely upon economic perspectives. Yet it also allows one to recognize that the spiritual needs and political demands of humanity have to be articulated into separate

administrations. This permits cultural and legal relationships on an international level to become independent of economic life, which must pursue its own path.

Conflicts that stem from one sphere of life will thus be balanced through another sphere. Nations or alliances that are in economic conflict drag the cultural and legal interests into the conflict if they are unitary states whose governments combine the administrations of cultural, legal and economic concerns. However, in a social organism where each of these three spheres has a separate administration, economic interests will, for example, have a balancing effect on opposing cultural interests.

In the southeastern corner of Europe, where the catastrophe of the World War started, one could observe the effect of the merger imposed by the unitary nation-states on the three areas of life. In general, the cultural contrast between Germanicism and Slavism was at the root of the conflict. This was aggravated by a political element in the sphere of rights. In Turkey, the democratically-minded Young Turks replaced the old reactionary government. As a result of this political realignment, Bosnia and Herzegovina were annexed by Austria, which did not want merely to stand by while the Turkish democracy drew the inhabitants of these lands to its parliamentary system (even though legally both areas belonged to Turkey — despite Austria's occupation going back to the Congress of Berlin). The third element in the conflict related to Austria's economic ambitions. Austria intended to build a railroad from Sarajevo to Mitrovitza in order to establish a profitable trade connection with the Aegean Sea. These three elements, then, were important factors leading to war. If railroads were constructed only on economic grounds, they could not contribute to the conflicts that exist between nations.

One can see in the negotiations over the Baghdad problem also how cultural and political interests prevailed against economic factors. The economic advantages of such a railroad could have been viewed entirely from the perspective of world economy if the negotiations would have involved only economic administrations whose decisions could not be influenced by other, national interests.

The objection can be made, of course, that in earlier times conflicts also arose between nations through such conflation of economic interests with cultural and political ones. However, this objection should not be raised against the idea of the threefold social order. For this idea is an expression of modern consciousness, for which such catastrophes are unbearable,

whereas in earlier ages humanity reacted to them differently. The people of those times who, unlike today's men and women, did not aspire to cultural freedom, democracy, political and social economy, could not even consider such a social organism that alone takes these aspirations seriously. Just as they instinctively regarded their own social organism as adequate, so they also accepted the international conflicts arising from them as a natural necessity.

The expansion of national economies into a unified world economy cannot become a reality unless the economy is separated from cultural life on the one hand and from political and legal life on the other. There are some who are generally sympathetic to the idea of a threefold social order because they understand its justification in the light of present and future needs. Nevertheless, these same people are keeping their distance because they feel that one single state could not even begin to set the wheels in motion toward its realization. They believe the other nations, which have kept their unitary character, would take drastic economic measures to make life impossible for the threefold organism. Such an objection is justified against the development of a state in the Marxist sense, but it is not valid where it concerns the idea of a threefold social order. An economic super-cooperative forced into the framework of a present-day national government could not develop economically profitable relations with the private capitalist economies of foreign countries. When centrally administered, economic operations are hampered in their free unfolding, which is required in relationships with foreign countries. Free initiative and speed, so important for decision-making within such relationships, can only be attained when commerce between industry and foreign markets (as well as commerce between foreign industry and domestic markets) is direct and handled solely by those immediately involved. Emphasizing these points, the opponents of centrally controlled economic super-cooperatives are always in the right, even if advocates of the super-systems are willing to grant far-reaching independence to their manager. In practice, for instance, the procurement of raw materials (a process that should involve many managing authorities) would result in business procedures that might not fit with the way in which the demands of foreign countries must be satisfied. Similar difficulties would arise when ordering raw materials from abroad.

The threefold social organism would place economic life on its own foundation. Marxist socialism designates the state as the economic organization. The threefold social order frees economic life from the bonds of the state. Therefore, it can consider only those measures that evolve



naturally from within the economy itself. However, the economy withers if it is built upon a centrally-oriented administration because regulations and tasks necessary for production must be based on free initiative. This free initiative does not preclude production within the social organism corresponding to consumer needs through socially justified prices, as I have indicated in my previous article. The preservation of free initiative in management is possible only if the leadership is not yoked to a central administration, but rather is permitted to combine into associations. The result of this is that a central administration does not control management operations; management retains full freedom, and the social orientation of the economic body is based upon agreements between independent management operations. A management responsible for export will be able to act completely out of its own free initiative in its commercial dealings with foreign countries; and domestically it will maintain relations with those associations that will help the most with the supply of raw materials and the like, to satisfy foreign demands. The same will be possible for import management.

It will be necessary, however, that in trade with foreign countries no products will be imported whose production costs or purchase price will impair the population's life style. Nor should relationships with foreign countries cause domestic production branches to be destroyed because the lower cost of foreign products makes continuation of domestic production unprofitable. Yet all this can be effectively prevented through a system of associations. Should a firm or a trading corporation conduct its business to the detriment of domestic production, they could be prevented from doing so by those respective associations from which they cannot exclude themselves without making their working situation impossible.

The necessity can arise, however, that the cost is too high for certain products that must be purchased from abroad for various reasons. Faced with such a necessity, one will need to consider what I wrote in my book, *Toward Social Renewal*: "An administration that occupies itself solely with economic processes will be able to bring about adjustments that show themselves within these economic processes to be necessary. Suppose, for instance, a business concern were not in a position to pay its investors the interest on the savings of their labor, then — if it is a business that is nevertheless recognized as meeting a need — it will be possible to arrange for other industrial concerns to make up the deficiency by the voluntary agreement of everyone concerned." In the same way, the excessive cost of a foreign good can be offset through subsidies from concerns whose earnings surpass the need of its workers.

In addition to all such preventative steps that a threefold social organism can take to counteract the damage it sustains through commerce with states averse to the threefold idea, it may become necessary to resort to additional measures that are similar to the principle of tariff. It is easy to see that autonomy of economic life dictates different premises for such measures than those needed when treatment of import and export depends upon majority rule within groups of people united by common political and cultural interests. Economic organizations that combine their efforts for practical reasons have as their goal a price structuring that has a social effect; such endeavors could never arise out of individual groups' desire for profit. That is why the economic life of threefold social organisms strives toward the ideal of free trade. Within a unified world economy, free trade offers the best way of guaranteeing that production in separate parts of the world is neither too expensive nor too cheap. A social body with independent economic management that is not surrounded by threefold organisms will, of course, be forced to protect certain branches of production from economically unfeasible price reduction by raising tariffs. The management of these tariffs will then be entrusted to associations for the public's benefit.

If disadvantages can be overcome in the manner indicated, an isolated threefold social organism will present itself to foreign countries as a comprehensive economic structure whose internal organization will be of no consequence for commerce with non-articulated states, since this commerce is not based on the internal structure, but rather on the free initiative of those engaged. On the other hand, the individual nation's progress toward establishing a threefold order will be highly exemplary for other states. The effect will make itself felt not only morally, through the social character of the way of life the inhabitants of the threefold organism enjoy, but also through the awakening of purely economic interests. These will arise because the threefold social order will prove to be markedly less profitable for the non-articulated states when they retain their unitary character than it would were they to adopt the threefold order themselves. In this way, then, a threefold social order could be instrumental in clearing away obstacles to a unified world economy. Through its structure, based on free associations, the threefold organism can prevent damage to itself as a single economic body. Through organizing its labor force rationally to make certain products attractive to foreign countries, the threefold organism can assure that the disturbances it causes among unitary states will not lead to boycott of its economy. An oasis within the area it shares

with the national economies, the threefold nation will prove that the changeover to threefolding indeed represents economic progress and, in general, a step forward for humanity.

Today it is stressed on many sides, and rightly so, that the salvation of the world economy has to come from a heightened will to work, a will that has been diminished by the war. Anyone who understands human nature knows that this commitment to work can only come when people are convinced that in the future their work will be done under social conditions that guarantee them a dignified human existence.

The belief that the old social system can lead to an even better way of life is crumbling on all sides. And, within certain areas, the disaster of the World War has shattered this belief completely. The idea of the threefold social order will exert a compelling influence in the direction indicated here. It will create an impetus toward work through the vistas it opens up into humanity's social future. To disseminate this idea in a way that can be received with understanding, and that will put to rest the misgivings of its opponents, seems to be an essential part of the task confronting contemporary social thinking.



### 3

## Culture, Law and Economics

In the present social movement there is a great deal of talk about social institutions, but very little talk about social and antisocial human beings. Very little regard is paid to the "social question" that arises when one considers that institutions in a community take their social or antisocial stamp from the people who run them. Socialist thinkers expect to see in the community's control of the means of production something that will satisfy the demands of a wide range of people. They take for granted that, under communal control of the economy, human relations will necessarily assume a social form as well. They have seen that the economic system along the lines of private capitalism has led to antisocial conditions. They believe that when this industrial system has disappeared, the antisocial tendencies at work within it will also necessarily come to an end.

Undoubtedly, along with the modern private capitalist form of industrial economy there have arisen social evils — evils that embrace the widest range of social life; but is this in any way a proof that they are a necessary consequence of this industrial system? An industrial system can, in and of itself, do nothing beyond putting men into life situations that enable them to produce goods for themselves or for others in a more or less efficient manner. The modern industrial system has brought the means of production under the power of individual persons or groups. The achievements of technology were such that the best use could be made of them by a concentration of industrial and economic power. So long as this power is employed in the one field — the production of goods alone — its social effect is essentially different from what it is when this power oversteps its bounds and trespasses into the fields of law or culture. It is this trespassing into the other fields that, in the course of the last few centuries, has led to the social evils that the modern social movement is striving to abolish. He who possesses the means of production acquires economic power over others. This economic power has resulted in the capitalist allying himself with the powers of government, whereby he is able to procure other advantages in society, opposing those who were economically dependent on him — advantages which, even in a democratically constituted state, are in practice of a legal nature. This economic domination has led to a similar monopolization of the cultural life by those who held economic power.

The simplest thing would seem to be to get rid of this economic predominance of individuals, and thereby do away with their dominance in the spheres of rights and spiritual culture as well. One arrives at this "simplicity" of social thought when one fails to remember that the combination of technological and economic activity afforded by modern life necessitates allowing the most fruitful possible development of individual initiative and personal talent within the business community. The form production must take under modern conditions makes this a necessity. The individual cannot bring his abilities to bear in business if in his work and decision-making he is tied down to the will of the community. However dazzling is the thought of the individual producing not for himself but collectively for society, its justice within certain bounds should not hinder one from also recognizing the other truth — collectively, society is incapable of giving birth to economic schemes that can be realized through individuals in the most desirable way. Really practical thought, therefore, will not look to find the cure for social ills in a reshaping of economic life that would substitute communal production for private management of the means of production. Rather, the endeavor should be to forestall evils that may spring up along with management by individual initiative and personal talent, without impairing this management itself. This is possible only if neither the legal relationship among those engaged in industry, nor that which the spiritual-cultural sphere must contribute, are influenced by the interests of industrial and economic life.

It cannot be said that those who manage the business of economic life can, while occupied by economic interests, preserve sound judgment on legal affairs and that, because their experience and work have made them well acquainted with the requirements of economic life, they will therefore be best able to settle legal matters that may arise within the workings of the economy. To hold such an opinion is to overlook the fact that a sphere of life calls forth interests arising only within that sphere. Out of the economic sphere one can develop only economic interests. If one is called out of this sphere to produce legal judgments as well, then these will merely be economic interests in disguise. Genuine political interests can only grow upon the field of political life, where the only consideration will be what are the rights of a matter. And if people proceed from such considerations to frame legal regulations, then the law thus made will have an effect upon economic life. It will then be unnecessary to place restrictions on the individual in respect to acquiring economic power; for

such economic power will only result in his rendering economic services proportionate to his abilities — not in his using it to obtain special rights and privileges in social life.

An obvious objection is that political and legal questions do after all arise in people's dealing with one another in business, so it is quite impossible to conceive of them as something distinct from economic life. Theoretically this is right enough, but it does not necessarily follow that in practice economic interests should be paramount in determining these legal relations. The manager who directs a business must necessarily have a legal relationship to manual workers in the same business; but this does not mean that he, as a business manager, is to have a say in determining what that relationship is to be. Yet he will have a say in it, and he will throw his economic predominance into the scales if economic cooperation and legal administration are conjoined. Only when laws are made in a field where business considerations cannot in any way come into question, and where business cannot gain any power over this legal system, will the two be able to work together in such a way that our sense of justice will not be violated, nor business acumen be turned into a curse instead of a blessing for the whole community.

When the economically powerful are in a position to use that power to wrest legal privileges for themselves, among the economically weak will grow a corresponding opposition to these privileges. As soon as it has become strong enough, such opposition will lead to revolutionary disturbances. If the existence of a separate political and legal province makes it impossible for such privileges to arise, then disturbances of this sort cannot occur. What this special legal province does is to give constant orderly scope to those forces which, in its absence, accumulate until at last they vent themselves violently. Whoever wants to avoid revolutions should learn to establish a social order that shall accomplish in the steady flow of time what will otherwise try to realize itself in one historical moment.

It will be said that the immediate concern of the modern social movement is not legal relations, but rather the removal of economic inequalities. One must reply to such an objection that our conscious thoughts are not always the true expression of the real demands stirring within us. Our conscious thoughts are the outcome of immediate experience; but the demands themselves originate in far deeper strata that are not experienced immediately. And if one aims at bringing about conditions that can satisfy these demands, one must attempt to penetrate to these deeper strata. A consideration of the relations that have come

about in modern times between industrial economy and law shows that the legal sphere has become dependent upon the economic. If one were to try superficially, by means of a one-sided alteration in the forms of economic life, to abolish those economic inequalities that the law's dependence on the economy has brought about, then in a very short while similar inequalities would inevitably result as long as the new economic order were again allowed to build up the system of rights out of itself. One will never really touch what is working its way up through the social movement to the surface of modern life until one brings about social conditions in which, alongside the claims and interests of the economic life, those of politics and law can be realized and satisfied upon their own independent basis.

It is in a similar manner, again, that one must approach the question of the cultural life and its bearings on that of law and the economy. In the last few centuries the cultural life has been cultivated under conditions that allowed it to exercise only the smallest independent influence upon politics or the economy. One of the most important aspects of culture, education, was shaped by governmental interests. People were trained and taught according to the requirements of the state. And the power of the state was reinforced by economic power. If anyone were to develop his or her human capacities within the existing educational institutions, this depended directly on his or her economic station in life. Accordingly, the spiritual forces that were able to find scope within the political or economic spheres bore the stamp of these economic factors. Free cultural life had to forego any attempt to make itself useful within the political state. And it could influence the economic sphere only to the extent that economics had remained independent of state control. For a vibrant economy demands that competent people be given full scope; economic matters cannot be left to just anyone whom circumstances may have left in control. If, however, the typical socialist program were to be carried out, and economic life were to be administered on the model of politics and the law, the cultivation of the free spiritual life would be forced to withdraw from the public sector altogether. However, a cultural life that has to develop apart from civil and economic realities loses touch with real life. It is forced to draw its substance from sources not vitally linked to those realities. Over the course of time the cultural life makes of this substance a sort of animated abstraction that runs alongside real events without having any concrete effect upon them. In this way, two different currents arise within cultural life. One of them draws its waters from political rights and economics, and is occupied with their daily requirements, trying to devise systems to meet these requirements — without, however, penetrating to

the needs of our spiritual nature. All it does is devise external systems and harness men into them, ignoring what their inner nature has to say about it. The other current of cultural life proceeds from the inner striving for knowledge and from ideals of the will. These it shapes to suit our inner nature. However, such knowledge is derived from contemplation: it is not the precipitate of practical experience. These ideals have arisen from concepts of what is true and good and beautiful, but they do not have the strength to shape the conduct of life. Consider what concepts, what religious ideals, what artistic interests, form the inner life of the shopkeeper, the manufacturer, or the government official, outside and apart from his daily practical life; and then consider what ideas are contained in those activities that find expression in his bookkeeping, or for which he is trained by the education that prepared him for his profession. A gulf lies between these two currents of cultural life. The gulf has grown all the wider in recent years because the kind of thinking that is quite justified in natural science has become the measure of our relationship to reality as a whole. This way of thinking seeks to understand the lawfulness of phenomena that lie beyond human activity and human influence, so that the human being is a mere spectator of what he comprehends in a scheme of natural law. And although he sets these laws of nature into motion in technology, he himself does no more than allow the forces that lie outside his own being and nature to be active. The knowledge he employs in this kind of activity has a character that is quite different from his own nature. It reveals to him nothing of what lies in cosmic processes with which human nature is interwoven. For such knowledge as this he needs a world view that unites both the human world and the world outside him.

Anthroposophy strives for such knowledge. While fully recognizing all that scientific thinking means for the progress of modern humanity, anthroposophy sees that the scientific method framed for the study of nature is able to convey only that which comprehends the outer human being. It also recognizes the essential nature of the religious world views, but is aware that in the modern age these concepts of the world have become an internal concern of the soul, and not something applied in any way to the transformation of external life, which runs on separately alongside.

In order to arrive at its insights, spiritual science makes demands to which people are still little inclined, because in the last few centuries they have become used to carrying on their outer and inner lives as two separate and distinct existences. Thus the incredulity that meets every endeavor to bring spiritual insight to bear upon social questions. People



remember past attempts that were born of a spirit estranged from life. When there is any talk of such things, they recall St. Simon, Fourier and others. The opinion is justified insofar as such ideas stem not from living experience, but rather from an artificial thought-construct. Thus they conclude that spiritual thinking is generally unable to produce ideas that can be realized in practical life. From this general theory come the various views that in their modern form are all more or less attributable to Marx. Those who hold them have no use for ideas as active agents in bringing about satisfactory social conditions. Rather, they maintain that the evolution of economic realities is tending inevitably toward a goal from which such conditions will result. They are inclined to let practical life more or less take its own course because in actual practice ideas are powerless. They have lost faith in the strength of spiritual life. They do not believe that there can be any kind of spiritual life able to overcome the remoteness and unreality that has characterized it during the last few centuries.

It is a kind of spiritual life such as this, nevertheless, that is the goal of anthroposophy. The sources it would draw from are the sources of reality itself. Those forces that hold sway in our innermost being are the same forces that are at work in external reality. Scientific thinking cannot penetrate down to these forces when it merely elaborates natural law intellectually out of external experience. Yet the world views that are founded on a more religious basis are no longer in touch with these forces either. They accept the traditions that have been handed down without penetrating to their fountainhead in the depths of human nature. The spiritual science of anthroposophy, however, seeks to penetrate to this fountainhead. It develops epistemological methods that lead down into those regions of our inner nature where the processes external to us find their continuation within human nature itself. The insights of spiritual science represent a reality actually experienced within our inmost self. These insights shape themselves into ideas that are not mere mental constructs, but rather something saturated with the forces of reality. Hence such ideas are able to carry within them the force of reality when they offer themselves as guides to social action. One can well understand that, at first, a spiritual science such as this should meet with mistrust. Such mistrust will not last when people come to recognize the essential difference that exists between this spiritual science and modern natural science, which is assumed today to be the only kind of science possible. If one can struggle through to a recognition of the difference, then one will cease to believe that one must avoid social ideas when one is intent upon the practical work of shaping social reality. One will begin to see, instead,

that practical social ideas can be had only from a spiritual life that can find its way to the roots of human nature. One will see clearly that in modern times social events have fallen into disorder because people have tried to master them with thoughts from which reality constantly struggled free.

Spiritual insight that penetrates to the essence of human-nature finds there motives for action that are immediately good in the ethical sense as well. The impulse toward evil arises in us only because in our thoughts and feelings we silence the depths of our own nature. Accordingly, social ideas that are arrived at through the sort of spiritual concepts indicated here must, by their very nature, be ethical ideas as well. Since they are drawn not from thought alone, but from life, they possess the strength to take hold of the will and to live on in action. In true spiritual insight, social thought and ethical thought become one. And the life that grows out of such spiritual insight is intimately linked with every form of activity in human life — even in our practical dealings with the most insignificant matters. Thus as a consequence of social awareness, ethical impulse and practical conduct become so closely interwoven that they form a unity.

This kind of spirituality can thrive, however, only when its growth is completely independent of all authority except that derived directly from cultural life itself. Political and legal measures for the nurturance of the spirit sap the strength of cultural life, while a cultural life that is left entirely to its own inherent interests and impulses will strengthen every aspect of social life. It is frequently objected that humanity would need to be completely transformed before one could found social behavior upon ethical impulses. Such an objection does not take into account that human ethical impulses wither away if they are not allowed to arise within a free cultural life, but are instead forced to take the particular turn that the political-legal structure of society finds necessary for carrying on work in the spheres it has previously mapped out. A person brought up and educated within a free cultural life will certainly, through his very initiative, bring along into his calling much of the stamp of his or her own personality. Such a person will not allow himself to be fitted into the social works like a cog into a machine. In the end, however, what he brings into it will not disturb the harmony of the whole, but rather increase it. What goes on in each particular part of the communal life will be the outcome of what lives in the spirits of the people at work there.

People whose souls breathe the atmosphere created by a spirit such as this will vitalize the institutions needed for practical economic purposes in such a way that social needs, too, will be satisfied. Institutions devised to

satisfy these social needs will never work so long as people feel their inner nature to be out of harmony with their outward occupation. For institutions of themselves cannot work socially. To work socially requires socially attuned human beings working within an ordered legal system created by a living interest in this legal system, and with an economic life that produces in the most efficient fashion the goods required for actual needs.

If the life of culture is a free one, evolved only from those impulses that reside within itself, then legal institutions will thrive to the degree that people are educated intelligently in the ordering of their legal relations and rights; the basis of this intelligence must be a living experience of the spirit. Then economic life will be fruitful as well to the degree that cultivation of the spirit has developed new capacities within us.

Every institution that has arisen within communal life had its origin in the will that shaped it; the life of the spirit has contributed to its growth. Only when life becomes complicated, as it has under modern technical methods of production, does the will that dwells in thought lose touch with social reality. The latter then pursues its own course mechanically. We withdraw in spirit, and seek in some remote corner the spiritual substance needed to satisfy our souls.

It is this mechanical course of events, over which the individual will had no control, that gave rise to conditions which the modern social movement aims at changing. It is because the spirit that is at work within the legal sphere and the economy is no longer one through which the individual spiritual life can flow, that the individual sees himself in a social order which gives him, as an individual, no legal or economic scope for self-development.

People who do not see through this will always object to viewing the social organism as consisting of three systems, each requiring its own distinct basis — cultural life, political institutions, and the economy. They will protest that such a differentiation will destroy the necessary unity of communal life. To this one must reply that right now this unity is destroying itself in the effort to maintain itself intact. Legal institutions based upon economic power actually work to undermine that economic power, because it is felt by those economically inferior to be a foreign body within the social organism. And when the spirit that reigns within legal and economic life tries to regulate the activity of the organism as a whole, it condemns the living spirit (which works its way up from the depths of each individual soul) to powerlessness in the face of practical life. If, however,

the legal system grows up on independent ground out of the consciousness of rights, and if the will of the individual dwelling in the spirit is developed in a free cultural life, then the legal system, strength of spirit and economic activity work together as a unity. They will be able to do so when they can develop, each according to its own proper nature, in distinct fields of life. It is just in separation that they will turn to unity; when an artificial unity is imposed, they become estranged.

Many socialist thinkers will thus dismiss such a view: "It is impossible to bring about satisfactory conditions through this organic formation of society. It can be done only through a suitable economic organization." They overlook the fact that those who work in their economic organization are endowed with wills. If one tells them this, they will smile, for they regard it as self-evident. Yet their thoughts are busy constructing a social edifice in which this "self-evident fact" is ignored. Their economic organization is to be controlled by a communal will. However, this must after all be the result of the individual wills of the people united in the organization. These individual wills can never take effect if the communal will is derived entirely from the idea of economic organization. Individual wills can expand unfettered if, alongside the economic sphere, there is a legal sphere where the standard is set, not by any economic point of view, but only by the consciousness of rights, and if, alongside both the economic and legal spheres, a free cultural life can find place, following only the impulses of the spirit. Then we shall not have a social order running like clockwork, in which individual wills could never find a lasting place. Then human beings will find it possible to give their wills a social bent and to bring them constantly to bear on the shaping of social circumstances. Under the free cultural life the individual will shall become social. When legal institutions are self-subsisting, these socially attuned individual wills shall yield a communal will that works justly. The individual wills, socially oriented and organized by the independent legal system, will exert themselves within the economic system, producing and distributing goods as social needs demand.

Most people today still lack faith in the possibility of establishing a social order based on individual wills. They have no faith in it because such a faith cannot come from a cultural life that has developed in dependence on the state and the economy. The kind of spirit that does not develop in freedom out of the life of the spirit itself but rather out of an external organization simply does not know what are the spirit's potentials. It looks about for something to guide and manage it, not knowing how the spirit guides and manages itself if it can but draw its strength from its own

sources. It would like to have a board of management for the spirit — a branch of the economic and legal organizations — totally disregarding the fact that the economy and the legal system can thrive only when permeated with the spirit that is self-subsistent.

It is not good will that is needed in order to transform the social order; what is needed is a courage to oppose this lack of faith in the spirit's power. A truly spiritual view can inspire this courage, for such a spiritual view feels able to bring forth ideas that serve not only the inner needs of the soul, but also the needs of outer, practical life. The will to enter the depths of the spirit can become a will so strong as to suffuse every deed that one performs.

When one speaks of a spiritual view having its roots in life itself, many people take one to mean the sum total of those instincts that become a refuge when one travels along the familiar paths of life and holds every intervention from, spiritual spheres to be a piece of eccentric idealism. The spiritual view intended here, however, must not be confused with that abstract spirituality incapable of extending its interests to practical life, nor with that spiritual tendency which actually denies the spirit flatly when it considers the guidelines of practical life. Both these views ignore the way in which the spirit rules in the facts of external life, and therefore feel no urgent need to penetrate to its foundations. Yet only such a sense of urgency brings forth that knowledge which sees the "social question" in its true light. The experiments now being made to resolve this issue yield such unsatisfactory results because many people have not yet become able to see the true nature of the question. They see this question arise in economic spheres, and they look to economic institutions to provide the answer. They think they will find the solution in economic transformation. They fail to recognize that these transformations can only come about through forces that are released from within human nature itself in the revival of independent cultural and legal life.



## 4

# The Threefold Order and Social Trust: Capital and Credit

Various people <sup>[5]</sup> have expressed the opinion that all questions concerning money are so complicated that they are almost impossible to grasp in clear, precise thought.

A similar view can be taken regarding many questions of modern social life. At the same time, we should consider the consequences that must follow if we allow our social dealings to be guided by impulses rooted in imprecise thoughts, or at any rate in thoughts that are very hard to define. Such thoughts do not merely signify a lack of insight and a confusion in theory; they are potent forces in actual life. Their vagueness lives on in the institutions they inspire; these, in turn, result in impossible social conditions.

The conditions under which we live in modern civilization arise from just such chaotic thinking. This will have to be acknowledged if a healthy insight into the social question is to be attained. We first become aware of the social question when our eyes are opened to the straits in which we find ourselves. But there is far too little inclination to follow objectively the path that leads from a mere perception of these troubles to the human thoughts that underlie them. It is too easy to dismiss as impractical idealism any attempt to proceed from bread-and-butter issues to ideas. People do not see how impractical their accustomed way of life is, how it is based on unviable thoughts. Such thoughts are deeply rooted within present-day social life. If we try to get at the root of the "social question," we are bound to see that at present even the most material demands of life can be mastered only by proceeding to the thoughts that underlie the cooperation of people in a community.

To be sure, many such thoughts have been pointed out within specific contexts. For example, people whose activity is closely connected with the land have indicated how, under the influence of modern economic forces, the buying and selling of land has reduced it to a mere commodity. They believe this is harmful to society. Yet opinions such as these do not lead to practical results, for because of their own interests, those in other spheres of life do not admit that these opinions are justified.

It is from an unflinching perception of such facts that the impetus should come to guide and direct any attempt to solve "the social question." For such a perception can show that one who opposes justified social demands because they require a way of thinking opposed to his own particular interests, is in the long run undermining the very foundations on which his own interests are built.

Such an observation can be made when considering the social significance of land. First we must take into account how the purely capitalist tendency in economic life affects the valuation of land. As a result of this purely capitalist tendency, capital creates the laws of its own increase; and in certain spheres of life these laws are no longer consistent with the principles that determine the increase of capital along sound lines.

This is especially evident in the case of land. Certain conditions may very well make it necessary for a district to be cultivated in a particular way. Such conditions may be of a moral nature; they may be founded on spiritual and cultural peculiarities. However, it is entirely possible that the fulfillment of these conditions would result in a smaller interest on capital than would investment in some other undertaking. As a consequence of the purely capitalist tendency, the land will then be exploited, not in accordance with these spiritual or cultural viewpoints (which are not purely capitalist in character), but in such a way that the resulting interest on capital will equal the interest resulting from other undertakings. Thus values that may be very necessary to a real civilization are left undeveloped. Under the influence of this purely capitalist orientation, the estimation of economic values becomes one-sided; it is no longer rooted in the living connection we must have with nature and with cultural life, if nature and spiritual life are to give us satisfaction in body and in soul.

It is easy to jump to the conclusion that for this reason capitalism must be abandoned. The question is whether in so doing we would not also be abandoning the very foundations of modern civilization. Anyone who thinks the capitalist orientation a mere intruder into modern economic life will demand its removal. However, he who sees that division of labor and social function are the essence of modern life, will only consider how best to exclude from social life the disadvantages that arise as a byproduct of this capitalist tendency. He will clearly perceive that the capitalist method of production is a consequence of modern life, and that its disadvantages can make themselves felt only as long as increase of capital is made the sole criterion of economic value.

The ideal is to work towards a social structure in which the criterion of capital increase will no longer be the only power to which production is subjected. In an appropriate social structure, increase of capital should rather serve as an indicator that the economic life, by taking into account all the requirements of our bodily and spiritual nature, is correctly formed and organized.

Anyone who allows his thought to be determined by the one-sided point of view of capital increase or of a rise in wages will fail to gain clear and direct insight into the effects of the various specific branches of production in the economy. If the object is to gain an increase in capital or a rise in wages, it is immaterial through what branch of production the result is achieved. The natural and sensible relation of people to what they produce is thereby undermined. For the mere quantity of a capital sum, it is of no account whether it is used to acquire one kind of commodity or another. Nor does it matter if one considers only the amount of a wage whether it is earned through one kind of work or another.

Now it is precisely insofar as they can be bought and sold for sums of capital in which their specific nature cannot find expression, that economic values become "commodities." Their commodity-nature is suited, however, only to those goods or values meant for immediate human consumption; for the valuation of these, we have an immediate standard in our physical and spiritual needs. There is no such standard in the case of land or artificially created means of production. The valuation of these things depends on many factors that become apparent only when one takes into account the entire social structure of human life.

If cultural interests demand that a certain district be put to economic uses that, from the viewpoint of capital, seem to yield a lower return than other industries, the lower return will not in the long run harm the community. In time the lower return of the one branch of production will affect other branches such that the prices of their products will also be lowered. Only a viewpoint that deals with momentary gain of the most narrow and egotistical kind can fail to see this connection. Where there is simply a market relationship — where supply and demand are the determining factors—only the egotistic type of value can be considered. The "market" relationship must be superseded by associations that regulate the exchange and production of goods through an intelligent consideration of human needs. Such associations can replace mere supply and demand by contracts and negotiations between groups of producers and consumers, and between different groups of producers. Excluding on



principle one person's making himself a judge of another's legitimate needs, these negotiations will be based solely on the possibilities afforded by natural resources and by human abilities.

Life on this basis is impossible so long as the economic cycle is governed by the consideration of capital and wages alone. As a result of this orientation, land, means of production and commodities for human use — things for which there is in reality no common standard of comparison— are exchanged for one another. Even human labor power and the use of our spiritual and intellectual faculties are made dependent on the abstract standard of capital and wages — a standard that eliminates, both in human judgment and in our practical activity, our natural, sensible relationship to our work.

In modern life, there is no possibility of preserving the relationship to economic values that was still possible under the old system of barter, nor even the relationship still possible under a simpler monetary system. The division of labor and of social function that has become necessary in modern times separates the laborer from the recipient of the product of his work. There is no changing this fact without undermining the conditions of modern civilization; nor is there any way of escaping its consequence — the weakening of one's immediate interest in one's work. The loss of this interest must be accepted as a result of modern life. Yet we must not allow this interest to disappear without finding other kinds to take its place, for human beings cannot live and work indifferently in the community.

It is from the cultural and the political spheres, as they are made independent, that the necessary new interests will arise. From these two independent spheres will come impulses involving viewpoints other than those of mere increase of capital or wages. A free spiritual-cultural life creates interests that dwell in the depths of the human being, and imbue one's work and all one's action with a living aim and meaning for social life. Developing and nurturing human faculties for the sake of their own inherent value, such a cultural life will call forth a consciousness that our talents and our place in life have real meaning. Molded by individuals whose faculties have been developed in this spirit, society will continually adapt itself to the free expression of human abilities. The legal life and economic life will take on a form in keeping with the human abilities that have been allowed to develop.

The deep inner interests of individuals cannot unfold fully and freely within a cultural life that is regulated by politics, or that develops and uses human faculties merely according to their economic utility. This sort of cultural life may provide people with artistic and scientific movements as "idealistic" adjuncts to life, or it may offer them comfort and consolation in religion or philosophy. Yet all these things only lead out of the sphere of social realities into regions more or less remote from everyday affairs. Only a free cultural life can permeate the everyday affairs of the community, for it is only a free cultural life that can set its own stamp on them as they take shape.

In my book, *Toward Social Renewal*, I tried to show how a free cultural life will, among other things, provide the motives and impulses for a healthy social administration of capital. The fruitful administration of a certain amount of capital is possible only through a person or a group that has the abilities to perform the particular work or social service for which the capital is used. Therefore, it is necessary for such a person or group to administer the capital only as long as they are able to carry on the work of management themselves by virtue of their own abilities. As soon as this ceases to be true, the capital must be transferred to others who have the requisite abilities. Since under a free cultural life faculties are developed purely out of the impulses of the cultural life itself, the administration of capital in the economic sphere will be a result of the unfolding of spiritual powers; the latter will carry into the economic life all those interests that are born within its own sphere.

An independent legal life will create mutual relationships between people living in a community. Through these relationships, they will have an incentive to work for one another, even when the individual is unable to have an immediate, creative interest in the product of his work. This interest becomes transformed into the interest that he can have in working for the human community whose legal life he helps build. Thus the part one plays in the independent legal life can become the basis for a special impulse to live and work apart from economic and cultural interests. One can look away from one's work and the product of one's work to the human community, where one stands in relation to his fellows purely and simply as an adult human being, without regard to one's particular mental abilities, and without this relation being affected by one's particular station in economic life. When one considers how it serves the community with which one has this direct and intimate human relationship, the product of one's work will appear valuable, and this value will extend to the work itself.

Nothing but an independent legal and political life can bring about this intimate human relationship because it is only in this sphere that each human being can meet every other with equal and undivided interest. All the other spheres of social life must, by their very nature, create distinctions and divisions according to individual talents or kinds of work. This sphere bridges all differences.

Once the cultural life has been made self-subsistent, mere increase of capital will no longer be an immediate and driving motive. Increase of capital will result only as a natural consequence of other motives; these other motives will proceed from the proper connection of human faculties with the several spheres of economic activity.

It is only from such viewpoints — viewpoints that lie outside the purely capitalist orientation — that society can be constructed in a way that will bring about a satisfactory balance between human work and its return. And so it is with other matters where modern life has alienated us from the natural basis of life.

Through the independence of the cultural and legal-political spheres, the means of production, land and human labor power will be divested of their present commodity character. (The reader will find a more exact description of the way this will come about in my book, *Toward Social Renewal*.) The motives and impulses that shall determine the transference of land and of the means of production when these are no longer treated as marketable commodities shall be rooted in the independent spheres of rights and cultural life, as shall the motives that will inspire human labor.

In this way, forms of social cooperation suited to the conditions of modern life will be created. It is only from these forms that the greatest possible satisfaction of human needs can come. In a community organized purely on a basis of capital and wages, the individual can apply his powers and talents only insofar as they find an equivalent in monetary gain. Consider, moreover, the confidence with which one individual will place his forces at the disposal of another in order to enable the latter to accomplish certain work. In a capitalist community, this confidence must be based on a purely capitalist point of view.

Work done in confidence of the achievements of others is the social basis of credit. In older civilizations there was a transition from barter to the monetary system; similarly, as a result of the complications of modern life, a transformation has recently occurred from the simpler monetary system

to working on a credit basis. In our age, life makes it necessary for one man to work with the means that are entrusted to him by another, or by a community, in confidence of his power to achieve a result. Under capitalism, however, the credit system involves a complete loss of any real and satisfying human relationship to the conditions of one's life and work. Credit is given when there is a prospect of an increase of capital that seems to justify it; one's work is constantly overshadowed by the need to justify it in capitalist terms. These are the motives underlying the giving and taking of credit. And what is the result of all this? Human beings are subjected to the power of a financial sphere remote from life. The moment people become fully conscious of this fact, they feel it to be unworthy of their human dignity.

Take the case of credit on land. In a healthy social life, an individual or a group possessing the necessary abilities may be given credit on land, enabling them to develop it by establishing some kind of production. It must be a development that seems justified on that land in light of all the cultural conditions involved. If credit is given on land from the purely capitalist viewpoint, in the effort to give it a commodity value corresponding to the credit provided, use of the land which would otherwise be the most desirable is possibly prevented.

A healthy system of giving credit presupposes a social structure that enables economic values to be estimated by their relation to the satisfaction of people's bodily and spiritual needs. Independent cultural and legal-political spheres will lead to a vital recognition of this relation and make it a guiding force. People's economic dealings will be shaped by it. Production will be considered from the viewpoint of human needs; it will no longer be governed by processes that obscure concrete needs through an abstract scale of capital and wages.

The economic life in a threefold social order is built up by the cooperation of associations arising out of the needs of producers and the interests of consumers. These associations will have to decide on the giving and taking of credit. In their mutual dealings the impulses and perspectives that enter economic life from the cultural and legal spheres will play a decisive part. These associations will not be bound to a purely capitalist point of view. One association will deal directly with another; thus the one-sided interests of one branch of production will be regulated and balanced by those of the other.

Responsibility for the giving and taking of credit will thus be left to the associations. This will not impair the scope and activity of individuals with special faculties; on the contrary, only this method will give individual faculties full scope. The individual is responsible to his or her association for achieving the best possible results. The association is responsible to other associations for making good use of these individual abilities. Such a division of responsibility will ensure that the whole activity of production is guided by complementary and mutually corrective points of view. The individual's desire for profit will no longer impose production on the life of the community; production will be regulated by the community's needs, which will make themselves felt in a real and objective way. The need one association establishes will be the occasion for the granting of credit by another.

People who depend on their accustomed lines of thought will say, "These are very fine ideas, but how are we to make the transition from present conditions to the threefold system?" It is important to see that what has been proposed here can be put into practice without delay. One need only begin by forming such associations. Surely no one who has a healthy sense of reality can deny this is immediately possible. Associations based on the idea of the threefold social order can be formed just as readily as companies and consortia were formed along the old lines. Moreover, all kinds of dealings and transactions are possible between the new associations and the old forms of business. There is no question of the old having to be destroyed and replaced artificially by the new. The new simply takes its place beside the old; the new will then have to justify itself and prove its inherent power, while the old will gradually crumble away.

The threefold idea is not a program or system for society as a whole, requiring the old system to cease suddenly and everything to be "set up" anew. The threefold idea can make a start with individual undertakings in society. The transformation of the whole will then follow through the ever-widening life of these individual institutions. Because it is able to work this way, the threefold idea is not utopian. It is a force adequate to the realities of modern life.

The essential thing is that the idea of a threefold order shall stimulate a real social intelligence in the people of the community. The economic viewpoint shall be properly fructified by the impulses that come from the independent cultural and political spheres. The individual shall contribute in a very definite sense to the achievements of the community as a whole. Through the role the individual plays in the independent cultural life,

through the interests that arise in the political and legal sphere, and through the mutual relations of the economic associations, his or her contribution shall be realized.

Under the influence of the threefold idea, the operation of social life will in a certain sense be reversed. Presently, one must look to the increase of one's capital or wages as a sign that one is playing a satisfactory part in the life of the community. In the threefold social order, the greatest possible efficiency of common work will result because individual faculties work in harmony with the human relationships founded in the legal sphere, and with the production, circulation and consumption regulated by the economic associations. Increase of capital, and a proper adjustment of work and the return upon work, shall appear as a final consequence of these social institutions and their activities.

The threefold idea would guide our transforming and constructive power from mere attempts at reform of social effects into the sphere of social causes. Whether one rejects this idea or makes it one's own will depend on summoning the will and energy to work one's way through to the realm of causes. If one does this, one will cease considering only external institutions; instead, one's attention will be guided to the human beings who make the institutions. Modern life has brought about a division of labor in many spheres, for outer methods and institutions demand it. The effects of division of labor must be balanced by vital mutual relations among people in the community. Division of labor separates people; the forces that come to them from the three spheres of social life, once these are made independent, will draw them together again. This division of society has reached its zenith. This is a fact of experience, and it gives our modern social life its stamp. Once we recognize it, we realize the imperative demand of the age: to find and follow the path that leads to reunion.

This inevitable demand of the times is vividly illustrated by such concrete facts of economic life as the continued intensification of the credit system. The stronger the tendency toward a capitalist point of view, the more highly organized the financial system and the more intense the spirit of enterprise becomes the more the credit system develops.

However, to a healthy way of thinking the growth of the credit system must drive home the urgent need to permeate it with a vital sense of the economic realities — the production of commodities and the people's needs for particular commodities. In the long run, credit cannot work in a healthy

way unless the giver of credit feels himself responsible for all that is brought about thereby. The recipient of credit, through his connection with the whole economic sphere (that is, through the associations), must give grounds to justify his taking this responsibility. For a healthy national economy, it is important not merely that credit should further the spirit of enterprise as such, but that the right methods and institutions should exist to enable the spirit of enterprise to work in a socially useful way.

Theoretically, no one will want to deny that a larger sense of responsibility is necessary in the present-day world of business and economic affairs. To this end, associations must be created that will work to confront individuals with the wider social effects of all their actions.

Persons whose task it is to be farmers and who have experience in agriculture, very rightly declare that those administering land must not regard it as an ordinary commodity, and that land credit must be considered differently from commodity credit. Yet it is impossible for such insight to come into practical effect in the modern economy until the individual is backed up by the associations. Guided by the real connections between the several spheres of economic life, the associations will set a different stamp on agricultural economy and on the other branches of production.

We can easily understand that some reply to these arguments: "What is the point of it all? When all is said and done, it is human need that rules over production, and no one can give or receive credit unless there is a demand somewhere or other to justify it." Someone might even say, "After all, these social institutions and methods you have in mind amount to nothing more than a conscious arrangement of the very things that 'supply and demand' will surely regulate automatically." It will be clear to one who looks more closely that this is not the point. The social thoughts that originate in the threefold idea do not aim at replacing the free business dealings governed by supply and demand with a command economy. Their aim is to realize the true relative values of commodities, with the underlying idea that the product of an individual's labor should be of a value equal to all the other commodities consumed in the time spent producing it.

Under the capitalist system, demand may determine whether someone will undertake the production of a certain commodity. Yet demand alone can never determine whether it will be possible to produce it at a price corresponding to its value in the sense defined above. This can be

determined only through methods and institutions whereby society, in all its aspects, will bring about a sensible valuation of the different commodities. Anyone who doubts that such methods and institutions are worth striving for lacks vision; he does not see that, under the exclusive rule of supply and demand, needs whose satisfaction would upgrade the life of the community are being starved. He has no feeling for the necessity of trying to include the satisfaction of such needs among the practical incentives of an organized community. The essential aim of the threefold social order is to create a just balance between human needs and the value of the products of human work.





Twenty Articles from the Newspaper  
*The Threefold Social Order*



## The Threefold Division of the Social Organism: A Necessity of the Age

It is time to recognize that party programs, which have been passed down from the remote or more recent past, are inevitably bound to fail when confronted with the events that have arisen from the catastrophe of the Great War. The programs, whose representatives were allowed to share in the ordering of social conditions, should be regarded as sufficiently refuted by the catastrophe itself. Their proponents should recognize that such thoughts were inadequate to master the actual course of events. Events outpaced their thinking, wreaking confusion and havoc. The result of this realization should be a striving to find thoughts more adequate to the actual course of real events.

"Pragmatism" was the name given to what was only narrow-minded routine. The so-called pragmatists had become used to one narrow sphere of life. They mastered the routine of this one sphere, but were neither inclined nor interested to see its connection with wider spheres around it. Within his own narrow sphere, each prided himself on being "practical." Each did what the practice of his routine demanded, and allowed what he had done to mesh with the overall social mechanism. How it worked there was not a matter of concern. So at last everything became one great tangle; out of this tangled skein of events emerged the world catastrophe. People gave themselves over to routine without developing the thoughts to master it—such was the fate of the ruling circles. Now, faced with confusion, people cannot shake off old habits of thought. It has been their habit to regard one thing or another as "a practical necessity"; they have no eyes left to see that what they held to be a "practical necessity" had a crumbling foundation.

The modern economic system has demonstrated graphically the inability of our thinking to keep pace with events. It was the socialist workers' movement that revealed the crumbling foundation of this edifice. A different kind of party program arose within the workers' movement — programs that sprang from immediate experience of this decay, and either called for a change of course or expected salvation from the "unfolding" of the events that had been unleashed. These programs arose theoretically, out of universal human needs, without dealing practically with the facts.

This praxis, which was merely routine and which despised thinking, was opposed by socialist praxis, which is pure theory. And now, when events demand that we engage productive, living thoughts—thoughts that have their roots in the real world — these theoretical "thoughts without praxis" reveal themselves to be insufficient. And this insufficiency will become more and more apparent as we are called upon to untangle the knot of modern social life by engaging our thinking.

Instead of mindless routine and theoretical programs without praxis, good will of a definite sort is necessary for those today who want to think with genuine practicality. The routinized pragmatists, who are actually so very impractical, should try to see that the old way of carrying on business — without plan and without thoughts — will lead not out of the catastrophe, but ever deeper into it. Even now people try to blind themselves to the insight that thoughtlessness, which they mistook for practicality, has led to confusion. They despised those who demanded thoughts as being impractical idealists; now they are unwilling to admit that in so doing they did the most impractical thing of all. Indeed, in so doing they showed themselves to be idealists in the very worst sense of the word.

On the other side, where theoretical "demand-without-practice" rules, they struggle to obtain a human existence for the class that feels it has not yet enjoyed one. They do not see that they are struggling to obtain it without real insight into the vital needs of society. They believe that if they can grab the power necessary for their theoretically noble but impractical demands, then they will be able, again as if by a miracle, to bring about the things for which they are striving. And those who mean well for humanity within that class as well, and raise demands out of the desperation of the proletariat, and want to achieve their goal in the above mentioned way, must face the question: What will happen if one side insists on programs that are refuted by the actual course of events, while the other side seeks power to enforce demands while never asking what life itself requires of any possible social order?

One may perhaps have good intentions toward the proletariat today, yet one is not dealing with them objectively and honestly if one does not make it clear to them that the programs to which their faith is pinned are leading them not to the welfare they desire but to the downfall of European civilization, which seals their own downfall. One is honest with the

proletariat today only by awakening them to an understanding that what they are unconsciously striving for can never be achieved by the programs they have embraced.

The proletariat labors under a terrible illusion. They saw how gradually over the last few centuries human interests have come to be totally absorbed by economics. They could not fail to observe that the legal institutions of society were determined by the forms assumed by economic power and economic requirements. They could see how the whole life of the spirit, particularly the educational system, had grown out of the conditions prescribed by the underlying economic basis and by a state dependent on industry. Thus a disastrous superstition took root among the proletariat: the superstition that all legal and spiritual life arises with the necessity of natural law from the forms of the economic system. Wide circles today outside the working classes are prey to the same superstition. A feature characteristic of the last few centuries—the dependence of the spiritual and legal realms upon economic life — has come to be regarded as a law of nature. People fail to see the real truth: it is just this dependence of spiritual and legal life upon economics that drove humanity into the disaster — they yield to the superstition that one needs only a different variety of economic system, one that shall produce a different system of legal and spiritual life. They want simply to change the economic system, instead of recognizing that it is necessary to end the dependence of the spiritual and legal spheres upon economic forms.

At this moment in historical evolution the aim cannot be to establish another way of making the legal and spiritual spheres dependent on the economic. The aim should be to create an economy in which only the production and circulation of commodities are managed, on strictly businesslike lines, and in which a person's position in the economic cycle does not affect his or her rights in relation to others or the possibility of fully developing his or her inborn talents through education.

In the recent past, legal and spiritual culture have been "superstructures" erected upon economics. In the future, they must become independent organs within the social organism that exist apart from the economic cycle. Measures to be adopted within the latter must be the outcome of actual experience of economic life and of people's connection with different branches of industry. Associations must arise within the various professions and trades out of the mutual interests of producers and consumers; each is to be represented within a central economic administration. The same people who participate in this economic system also constitute a legal

community that, regarding its administration and representation, works quite independently of the others, and where everything is settled that rightly concerns all those who have reached the age of majority. All those things that make every person the equal of every other will be arranged here, on a democratic basis. For instance, all labor regulations (the manner, amount and length of work) will fall within this community's jurisdiction. In this way such regulations are withdrawn from the economic process. The worker takes his place in economic life as a free contractor in respect to those with whom he has to carry on the common work of production. His economic contribution to some branch of production is a matter to be decided by expert knowledge in that industrial branch; but with regard to everything that affects the exploitation of his labor he, too, can decide as an adult on democratic legal grounds apart from the economic process.

Just as the legal sphere (the administration of the state) is regulated within the autonomous legal system of the social organism independently from the economy, so shall the life of spirit (the educational system) guide itself in perfect freedom within its independent spiritual organ of the social community. For just as a healthy economic life in the social organism cannot be fused with its legal system (where everything must be based upon the decisions of all co-equal adults), it is impossible for the spiritual life to be administered according to laws, regulations and controls that proceed from the opinions of all people who have merely come of age. The spiritual life requires a self-administration guided only by the best educational insights available. Only under such self-administration is it possible for the individual abilities latent in a community of people to be nurtured truly for the benefit of social life.

Anyone who examines impartially the real factors at work in present-day society can only conclude that the health of the organism requires its division into three independent systems: a spiritual, a legal and an economic. The unity of the organism will not thereby be endangered in any way, for this unity is securely grounded in reality by the fact that each human being has interests within all three parts of the system, and that (notwithstanding their mutual independence) the central authorities at the head of each will be able to harmonize their various measures.

That international relations will form no obstacle, even though initially only one state were to organize as a threefold system, will be discussed in the next essay.





## 2

# International Aspects of the Threefold Social Order

An objection often made to the idea of a threefold organization of society is that any state that organizes itself on the threefold system must necessarily disturb its international relations with other states. Whether this objection makes sense can only be determined by examining the actual character of present-day international relations. In looking at the situation, what strikes one most is that in recent years the actual economic facts have developed along lines that are no longer congruent with national boundaries. Historical circumstances that determined these national boundaries have very little to do with the interests of the economic life led by the people living in those states. As a result, the national governments determine international relations in areas where it would be more natural for the economic groups directly concerned to do so. An industrial concern that needs the raw materials of a foreign nation ought to be able to obtain them by negotiating directly with the owners; everything pertaining to this arrangement should remain entirely within the economic cycle. It is plain to see that recently economic life has assumed forms tending towards this kind of self-contained functioning, and in this self-contained cycle of economic life (which is gradually tending to become a worldwide unity) the intervention of national interests represents a disturbing element. What have the historical circumstances that gave England dominion over India to do with the economic circumstances that make a German manufacturer go to India for his goods?

The catastrophe of World War I plainly shows that the life of modern humanity, as it strives toward the unity of worldwide economy, will not bear disturbance through national territorial interests. This disturbance lies at bottom of the conflicts Germany became involved in with Western nations. It also plays a part in the conflicts with Eastern countries. Economic interests required a railway running from the Austro-Hungarian territory toward the southeast. The national interests of Austria and of the Balkan countries asserted claims, and the question arose whether that which the economy required ran counter to these national interests. Capital, which is supposed to serve the economy, thus becomes involved with national interests. The states want the capitalists to be at their

service; the capitalists want the concentrated power of the state to serve their economic interests. Thus the economy is imprisoned by national territories; while in the latest phase of its own development, it is striving to spread beyond all national borders into a unified economic life.

This internationalism of the economy indicates that in the future the various regions of the world economy will need to enter into relations independent of the relations that various people may have through life interests outside the economic sphere. The states will need to leave the establishment of economic relations to those persons or groups engaged in economic activity.

If the cultural relations of the civilized world are not to fall into total dependence on economic interests, these relations will need to develop an international life of their own that is subject to their own special conditions. It is certainly not intended here to dispute the fact that economic relations may also supply a basis for cultural intercourse. However, it must be recognized that the cultural intercourse brought about in this way can be fruitful only if, at the same time, other relations are formed between the various peoples that arise solely from the needs of cultural life itself. In each of the various peoples, the cultural life of individuals emancipates itself from the economic conditions on which it rests, and takes all manner of forms that have nothing to do with the forms of economic life. The forms it takes must be free to enter into relations with corresponding forms of cultural life among other peoples — relations growing out of cultural life itself. There is no denying that at the present moment of human evolution, the international structure which culture is striving to assume is opposed by the egotistical impulse of the various peoples to shut themselves within their own nationalities. People endeavor to construct political entities whose boundaries are those of their nationalities. And then this endeavor is carried further—namely, an attempt is made to turn the closed national state into a closed economic domain as well.

The aforementioned tendency towards a world economy will in the future work against these national egotisms. If these countertendencies are not to give rise to incessant conflict, the spiritual and cultural interests arising within these peoples must administer themselves in accordance with their own cultural identity, independent of economic conditions. International contacts should then arise out of these independent administrations. This can be done only if a region, governed by a common cultural life, marks its own boundaries that will be relatively independent of the boundaries that arise from the given conditions of economic life.



Now, of course, the question immediately presents itself: How is the cultural life to draw necessary support from the economic life if the administrative boundaries of their two spheres do not coincide? To find the answer, one need only reflect that a self-governing cultural life confronts the independent economic life as an economic corporation. As an economic corporation, it can enter into agreements for its economic support with the economic administrative bodies of its regions, regardless of any larger economic region to which these administrative regions may belong. Anyone whose concepts of what is possible in practice is limited to what he has already seen, will look upon these proposals as "gray theory." He will think, too, that the necessary arrangements will prove too complicated to work. Whether the arrangements prove complicated or not will depend entirely on the skill of the particular people who arrange them. However, no one should oppose measures demanded by the present-day necessities of the world for fear of supposed complications. (Compare this to what is said on the subject in Chapter 4 of my book *Toward Social Renewal*.)

The international life of humanity is struggling to shape the cultural relations of the various peoples and the economic relations of the various parts of the world independently of each other. The threefold organization of the social organism takes this necessity of human evolution into account. In this threefold order, the legal sphere, founded on a democratic basis, constitutes the link between economics (where international relations are directed by economic necessities) and the life of spirit, which shapes international relations out of its own forces.

Habits of thought engrained by the prevailing political and social forms might lead one to believe that a transformation of these forms is "pragmatically impossible." But historical evolution will march on, destroying everything — even new measures — that arises from these old habits of thought. The vital necessities of modern humanity dictate that any further amalgamation of the spiritual, legal and economic spheres is an impossibility. That it is impossible was shown by the catastrophe of World War I: economic and cultural conflicts became conflicts between states that were then obliged to resolve themselves in a way that is impossible when cultural life opposes only cultural life, and economic interest opposes only economic interest.

That it is possible to put the threefold system into practice in any single nation without damaging international relations (even though this nation will at first stand alone in the attempt) may be shown as follows. Suppose a certain economic region wanted to fashion itself into a massive

association within the framework of a national state. It would be unable to maintain profitable relations with foreign countries that remained capitalist. Institutions like those of a government and subject to central boards of economic control, do not give management the power to supply foreign countries with products that fulfill their needs. However a free hand may be given to the managers with respect to the taking of orders, they must adhere to the association's rules regarding procurement of raw materials. To be hemmed in between requirements from abroad and red tape at home would lead in practice to an impossible state of affairs. The same kind of difficulties would beset both the import and the export trades. Anyone who wants to prove that no fruitful economic intercourse is possible between a country that wishes to work on abstract socialist principles and capitalistic countries abroad, has only to point to such things. Every unprejudiced person will be obliged to admit that he is right.

The idea of the threefold social order cannot be touched by such objections. It does not impose a state-like structure upon relations that are determined by economic interests themselves. According to the threefold idea, the managements of allied economic concerns will join together in associations; such associations will then link up with others that will distribute them according to the needs of consumers within that particular economic sphere. The management of an export business can act on its own perfectly free initiative in its foreign trade; and at home it will be in a position to make the most advantageous agreements with other associations for the procurement of requisite raw materials, and so on. The same will hold true for an import business. The only guiding rule in creating such an economic order will be that dealings with foreign countries should not lead to the producing or importing of goods whose production cost or selling price might injure the standard of living of the native population. Workers producing goods for export must receive what is required to maintain their standard of living as compensation for what they produce. Products that come from abroad must, generally speaking, be available at prices that allow the native worker who needs them to purchase them. It might happen (no doubt owing to the difference in economic conditions at home and abroad) that certain products, which must be obtained from abroad, may have too high a price. However, on careful examination one will find that situations such as these are taken into account in the ideas underlying the threefold social order. If the reader turns to Chapter 3 of my *Toward Social Renewal* he will find it said of a similar economic problem: "Moreover, an administration that occupies itself solely with economic processes will be able to bring about adjustments that

show themselves within these economic processes to be necessary. Suppose, for instance, a business concern were not in a position to pay its investors the interest on the savings of their labor, then — if it is a business that is nevertheless recognized as meeting a need — it will be possible to arrange for other industrial concerns to make up the deficiency by the voluntary agreement of everyone concerned." In the same way, the excessively high price of an imported product can be balanced by contributions from businesses that are able to yield returns higher than the requirements of those they employ.

Anyone who strives for new ideas about the main aspects of economics will not — especially if these ideas are to be practical — be able to give indications for every special instance because in economic life, such special instances are innumerable. However, he will have to frame his thoughts such that anyone who applies them in the right way to a special case will find that they work in practice. One will find that the proposals put forward in my *Toward Social Renewal* work better the more one is mindful of their particular context of application. In particular, it will be found that the proposed form of an economic body belonging to the threefold social order permits unhampered economic intercourse with foreign countries, even though these countries do not have the threefold system.

Only someone who failed to perceive that self-administration must be a necessary consequence of the inherent movement of economic life toward world unity could raise doubts as to the possibility of such commerce. In actual fact, a world economy that has been forced into the straight-jacket of separate political entities is striving of itself to break free. Any economic region that is the first to act in accordance with this striving cannot possibly be at a disadvantage compared to others that resist the universal trend of economic evolution. On the contrary, the only result will be that in the threefold social order the profits of foreign trade raise the standard of living of the entire population, while in the capitalist community the profits will benefit only a few. That the threefold social organism apportions it differently among the populace will not affect the balance of trade itself.

Thus it may be seen that the threefold social order does not represent a reclusive utopia, but rather a number of practical impulses that one can begin to realize anywhere in life. That is what distinguishes this "idea" from the abstract "demands" of the various socialist parties. The socialists look for scapegoats for all the things that have become unbearable in social life. Having discovered a scapegoat, they declare it must be eliminated. The threefold social order speaks of the ways in which the existing order must

be altered if that which is unbearable is to disappear. The threefold order is intent upon building up, in contrast to other ideas that can indeed criticize and destroy, but offer nothing constructive whatsoever. This becomes especially clear to any open-minded person who reflects on the foreign trade policy that would have to be implemented by any country adopting such destructive political principles alone. Besides destructive tendencies at home, disastrous foreign relations would result.

There is no doubt that the economic conditions of any single country under the threefold social order cannot fail to act as a model for foreign countries. The circles concerned about a socially just distribution of wealth will strive to bring about the threefold system in their own country when they see how expediently it works for others. As the idea of the threefold commonwealth gains ground, the end that modern economic life strives for, through its own inherent tendencies, will be realized more and more. And although national interests unfavorable to these tendencies are still powerful in many parts of the world, the people in any field of economic life who have an understanding of the threefold social order need not for that reason be deterred from introducing it. The foregoing has shown that difficulties in international economic trade will not result from the threefold social order.



### 3

## Marxism and the Threefold Social Order

It will be impossible to free ourselves from the snares of social confusion in which Europe is caught if particular social demands continue to be advocated with the lack of clarity that currently distorts them. Such a demand, one that exists in wide circles, is expressed by Friedrich Engels in his book *The Evolution of Socialism from Utopia to Science*: "The management of goods and control of the means of production takes the place of the governing of persons." The view in which this sentence originates forms the creed of many leaders of the proletariat and the mass of the working classes themselves. From a certain perspective, this is correct. The human relationships that gave rise to the modern national state have formed administrative bodies that regulated not only things and modes of production, but also the human beings engaged in them. The management of things and modes of production constitutes economics. In modern times, the economic life has assumed forms such that it has become imperative that its administration no longer govern persons. Marx and Engels perceived this. They directed their attention to the way in which capital and labor power work within the economic cycle. They felt that modern humanity was striving to outgrow the form these workings had assumed, for it is a form in which capital has become a means of exerting power over human labor. Capital not only serves as a means for the management of things and the control of production; it lays down the guidelines for the governing of human beings. Thus Marx and Engels concluded that this governance of persons must be removed from the cycle of economic processes. They were right: modern life does not permit people to be regarded merely as appendages of things and processes of production, or to be managed as part of their management.

However, Marx and Engels believed that the matter could be settled simply by eliminating governance of persons from the economic process and allowing the new, purified economic management, having disentangled itself from the state, to carry on. They did not see that in the old governing there resided something that regulated human relations — relations that cannot remain unregulated and that also do not regulate themselves when they no longer are regulated by the demands of economic life in the old fashion. Neither did they see that within capital was the source of the forces that managed goods and controlled branches of production. It is by

way of capital that the human spirit directs economic life. Yet in managing goods and controlling branches of production one still does nothing to nurture the human spirit, which is created ever anew, and must continually bring new impulses to the economy if economic life is not to dry up and degenerate completely.

What Marx and Engels saw was right — the control of the economy must contain nothing that implies rule over persons themselves, and that the capital that serves the economy must never rule the human spirit directing its course. However, the fatal flaw was that Marx and Engels believed both the human relations previously governed and the direction of the economy by the human spirit would still be able to go on of themselves when they no longer proceeded from the administration of the economy.

The purification of economic life — its restriction to the management of goods and control of the processes of production — is possible only if there exists besides this economic life something that replaces the previous form of administration and something else again that makes the human spirit the actual controller of the economy. This demand is met by the idea of the threefold social order. The administration of the spiritual and cultural life, placed on its own footing, will supply the economic life with the human spiritual impulses that can fructify it ever and again, so long as this administration keeps within its own province and controls only goods and lines of production. The sphere of rights, separated from the cultural and economic systems of the social organism, will govern human relations to the extent that democracy allows one mature human being to govern another, while the power that one man gets over another through force of greater individual abilities or through economic means will have no say whatever in this governance.

Marx and Engels were right to demand a new economic order — right, but one-sided. They did not perceive that economic life can only become free when a free sphere of rights and free cultivation of the spirit are allowed to arise along-side it. The forms future economic life must assume can be seen only by those who are clear in their minds that the capitalist-economic orientation must give way to a distinctly spiritual one, and that the governance of human relations through economic power gives way to one that is distinctly human. The demand for an economic life that controls only goods and production can never be fulfilled if advocated only by itself. Anyone who persists in such advocacy is claiming to be able to create an economic life that has cast off what was until now a necessity of its existence, yet is nevertheless supposed to continue to exist.

Living in quite different circumstances (but out of a profound experience of life) Goethe wrote two thoughts that are fully applicable to many modern social demands. The first is: "An inadequate truth works for some time; then, instead of complete enlightenment, suddenly a dazzling falsity steps in. The world is satisfied and centuries are duped." The second is: "Generalizations and enormous arrogance are ever paving the way to horrible disasters." Indeed, Marxism untutored by recent events is an "inadequate truth" that nevertheless works on in the proletarian world view. Since the catastrophe of the Great War, in the face of the true demands of the times, it has become a "dazzling falsity" that must be prevented from "duping centuries." The attempt to prevent it will find favor with anyone who perceives what disaster the proletarian classes are rushing into with their "inadequate truth." This "inadequate truth" has indeed yielded "generalizations" whose supporters show no small amount of arrogance in rejecting as utopian everything that attempts to replace their utopian generalizations with realities of life.



## 4

# The Threefold Social Order and Educational Freedom

The public nurturing of spiritual and cultural life in education has in recent years become more and more a matter for the state. That the schools are the state's business is presently a notion so deeply rooted in people's minds that anyone who tries to dislodge it is regarded as an unworldly "ideologue." Yet this is a sphere of life that presents matter for the most serious consideration. People who complain in this way of "unworldliness" have no idea of how far what they uphold is removed from the world. Our school system is marked especially by features that reflect the tendencies toward decline in modern cultural life. The social structures of modern governments have not followed the requirements of actual life. For instance, they have taken on a form that does not satisfy the economic demands of modern humanity. They have also set this same backward stamp upon the school system, which, having liberated it from the religious confessions, they have now brought into complete dependence on themselves. At every level, schools mold human beings into the form the state requires for doing what the state deems necessary. Arrangements in the schools reflect the government's requirements. There is much talk, certainly, of striving to achieve an all-around development of the person, and so on; but the modern person unconsciously feels so completely a part of the whole order of the state that he does not even notice, when talking about the all-around development of the human being, that what is meant is molding the human being into a useful servant of the state.

In this regard, no good may be expected from the way of thinking of those today who hold socialist views. They are bent on transforming the old state into a huge economic organization. State schools are supposed to project themselves on into this economic organization. This would magnify all the faults of present-day schools in the most dubious way imaginable. Up until now, much that originated before the state took control of the educational system still has remained in the schools. One cannot, of course, wish a return to the old form of spirituality that has come down from those earlier times; rather, one should endeavor to bring the new spirit of evolving humanity into the schools. This spirit shall not be in the schools if the state is transformed into an economic organization and the



schools are redesigned to turn out people meant to be the most serviceable labor machines for this economic organization. People today talk much about the comprehensive school ["Einheitsschule"]. It is beside the point that this imagined comprehensive school is in theory a very fine thing, for if they make it an organic part of an economic organization it cannot really be such a fine thing.

The real need of the present is that the schools be totally grounded in a free spiritual and cultural life. What should be taught and cultivated in these schools must be drawn solely from a knowledge of the growing human being and of individual capacities. A genuine anthropology must form the basis of education and instruction. The question should not be: What does a human being need to know and be able to do for the social order that now exists?, but rather: What capacities are latent in this human being, and what lies within that can be developed? Then it will be possible to bring ever new forces into the social order from the rising generations. The life of the social order will be what is made of it by a succession of fully developed human beings who take their places in the social order. The rising generation should not be molded into what the existing social order chooses to make of it.

A healthy relation exists between school and society only when society is kept constantly supplied with the new and individual potentials of persons whose educations have allowed them to develop unhampered. This can be realized only if the schools and the whole educational system are placed on a footing of self-administration within the social organism. The government and the economy must receive people educated by the independent spiritual-cultural life; they must not, however, have the power to prescribe according to their own wants how these human beings are to be educated. What a person ought to know and be able to do at any particular stage of life must be decided by human nature itself. Both the state and economic life will have to conform to the demands of human nature. It is neither for the state nor the economic life to say: We need someone of this sort for a particular post; therefore test the people that we need and pay heed above all that they know and can do what we want. Rather, the spiritual-cultural organ of the social organism should, following the dictates of its own independent administration, bring those who are suitably gifted to a certain level of cultivation, and the state and economic life should organize themselves in accordance with the results of work in the spiritual-cultural sphere.

Since political and economic life are not something apart from human nature, but rather the outcome of human nature itself, there need never be any fear that a really free cultural life, placed on its own footing, will produce people who are unworldly. On the contrary, unworldliness results precisely when the existing governmental and economic institutions are allowed to shape educational matters according to their own dictates. For in the state and in economic life attitudes must necessarily be adopted in accordance with the existing order. The development of the growing human being requires entirely different kinds of thought and feeling as its guide. One can only do one's work as an educator when one stands in a free, individual relationship to the pupil one teaches. One must know that, for the guidelines of one's work, one is dependent only on *knowledge* of human nature, the principles of social life and such things; but not upon *regulations* or *laws* prescribed from outside. If one seriously desires to transform the present order of society into one in which social attitudes prevail, then one must not be afraid to place the spiritual-cultural life (including the school and educational system) under its own independent control because from such a free, independent system within the social organism men and women will go forth with joy and zeal to take an active part in all its life. After all, only people who lack this joy and zeal can come out of schools ruled by the state and the economic system; these people feel as deadly blight the after-effects of a domination to which they should not have been subjected before they had become fully conscious citizens and co-workers in the state and the economic system. The growing human being should mature with the aid of educators and teachers independent of the state and the economic system, educators who can allow individual faculties to develop freely because their own have been given free rein.

In my book, *Toward Social Renewal*, I have taken pains to show that the world view adopted by the leaders among party socialists is in all essentials simply a continuance (carried to a certain extreme) of the bourgeois world view of the last three or four centuries. The socialists cherish the illusion that their ideas represent a complete break with this world view. They do not represent a break, but rather only a peculiar coloring of the bourgeois world view with working-class feelings and sentiments. This is shown very markedly by the attitude these socialist leaders adopt toward cultural life and its place in the social organism. Owing to the predominance of economics in bourgeois society during the last few centuries, the spiritual and cultural life has fallen into great dependence on economic life. The consciousness of a self-sustaining spiritual-cultural life, in which the human soul partakes, has been lost. Industrialism and our view of nature have

collaborated to bring about this loss. Linked to this loss is the particular way the schools were incorporated into the social organism in recent times. To make the human being serviceable for external life in state and industry — that became the main thing. That man is above all a being with a soul who therefore should be filled with the consciousness of his connection with a spiritual order of things, and that it is through *his consciousness* that he imparts sense to the state and economic system in which he lives — all this was considered less and less. Minds were directed ever less toward the spiritual order of the world, and ever more toward the conditions of economic production. In the middle class this became a manner of feeling, an instinctive psychological tendency. Working class leaders made it into a philosophy of life — or rather, into a dogma.

This dogma would have disastrous consequences if it were to remain the foundation of the school system into the future. For in reality, since even at its best an economically-determined social organism cannot make suitable provision for any genuine cultural life (and, in particular, not for a productive educational system), this educational system would have to owe its existence first of all to a continuation of the old world of thought. The parties that claim to represent a new order would be obliged to leave the cultural life of the schools in the hands of the representatives of the old world views. However, since under such conditions there could be no question of any internal link between the newly rising generation and the old, artificially prolonged culture, cultural life would necessarily become more and more stagnant. The souls of this generation would wither away after being sown on the rocky ground of a world view that can give them no inner source of strength. Men would grow up soulless beings within a social order arising out of industrialism.

In order that this may not take place, the movement for the threefold social order strives for the complete disassociation of the educational system from government and industry. The place and function of educators within society should depend solely upon the authority of those engaged in this activity. The administration of the educational institutions, the organization of courses of instruction and their goals should be entirely in the hands of persons who themselves are *simultaneously* either teaching or otherwise productively engaged in cultural life. In each case, such persons would divide their time between actual teaching (or some other form of cultural productivity) and the administrative control of the educational system. It will be evident to anyone who can bring himself to an unbiased examination of cultural life that the peculiar vitality and energy of soul

required for organizing and directing educational institutions will be called forth only in someone actively engaged in teaching or in some sort of cultural creativity.

Today few will concede this fully — only those who are unbiased enough to see that a new source of cultural life must spring forth if our devastated social order is to be renewed. In the essay "Marxism and the Threefold Social Order," I pointed out both the correctness and also the one-sidedness of Engels' notion: "The management of goods and control of the means of production takes the place of governing of people." Correct though this is, it is nonetheless equally true that in the old order social life was possible only because along with the economic processes of production, people themselves were guided and governed. If this joint governance of people and economic processes ends, then people must receive their motivating impulses (which hitherto came from those governing them) from a free and independent cultural life.

Moreover, there is something else: The life of the spirit prospers only when able to unfold as a unity. The same exercise of the soul's powers that leads to a humanly satisfying and sustaining world view must also supply the productive power that makes one a good co-worker in economic life. Men and women with a practical sense for outer life will emerge only from an educational system that is able to develop in a healthy way our innate longings for a loftier world view. A social order that only manages goods and controls processes of production must in the end go completely awry if it is not kept supplied with persons whose souls are healthily developed.

If, then, there is to be any renewal of our social life, we must find the strength to introduce an independent, self-sustaining educational system. If men are no longer to "govern" their fellows in the old way, then it must be made possible for the free spirit in every human soul, with all the strength possible for the human individualities of any one age, to make itself the guide of life. This spirit will not allow itself to be suppressed. Institutions that tried to rule educational life from the point of view of the economic system alone would constitute an attempt at suppression. This would lead the free spirit to revolt constantly out of the depths of its own natural foundations. Incessant shocks to the whole social edifice would be the inevitable consequence of any system that tried to organize education in the same way it controlled the processes of production.

For anyone who perceives these things clearly, one of the most urgent demands of the times shall be the founding of a human community that will strive with utmost energy to realize the freedom and self-determination of the educational system. Other necessary demands of the times cannot find satisfaction as long as what is proper for this sphere remains unrecognized. It really requires only an unbiased observation of our spiritual life in its present form — in its distraction and disunity, its lack of strength to sustain the human soul — in order to recognize that just this is proper.



## 5 What is Needed

The sense for reality that lives in the idea of the threefold social organism will not be found by comparing it with that which traditional education and habits have taught people to think possible. The very reason for our present confusions in government and society is that these traditions have led to habits of thought and feeling that life itself has outgrown. Therefore anyone who objects that the idea of a threefold social order takes no account of the impulses that have formed until now the basis of all human institutions, are under the delusion that the overcoming of these old impulses is a sin against any possible social order. Rather, the threefold order is founded upon the recognition that a belief in the sustaining power of the old impulses is the worst obstacle to healthy and progressive steps which take into account our present stage of evolution.

The impossibility of continuing to cultivate the old impulses should be clear from the fact that they have lost their power as an incentive to productive labor. The old economic motives of capital returns and wage earnings could maintain their power as incentives only as long as enough of the old treasured objects remained that could arouse people's inclination and love. These treasures have plainly become exhausted in the age that has just ended. Ever more numerous were the people who, as capitalists, no longer knew why they were amassing capital; ever more numerous, too, were wage earners who did not know why they were working.

The exhaustion of the impulses that had kept together the nexus of the state was shown by the fact that in recent times many people have come almost as a matter of course to regard the state as an end in itself, and to forget that the state exists for the sake of human beings. To regard the state as an end in itself is possible only when one has so much lost the ability to assert one's inner, human individuality that one no longer expects from the state the kind of institutions this self-assertion would demand. Then one is indeed obliged to look for the essence of the state in all sorts of institutions that are quite contrary to its proper task. One will become determined to put *more* into the institutions of the state than is needed for the self-assertion of the human beings who compose it. However, every such *more* in the state evidences a less in the human beings who bear the burden of the state.

In cultural life, the sterility of the old impulses is displayed in the mistrust with which people look on the spirit. What proceeds from life's unspiritual concerns arouses people's interest; they form views and concepts of it. What originates in spiritual productivity, people choose to regard as a private affair of the particular producer; they are inclined to hinder rather than help if it tries to find a place in public life. One of the most widespread characteristics of our contemporaries is that they remain closed to the individual spiritual achievements of their fellows.

The present age needs to see clearly that it has exhausted its economic, political and cultural impulses. Such insight must kindle energetic will and social purpose. Until people recognize that our economic, political and cultural troubles are not due merely to external life circumstances, but also to the state of our souls, the necessary renewal has not yet been given its proper foundation.

A split has come about in the constitution of the human soul. In the instinctive, unconscious impulses of human nature, something new is stirring. In conscious thought, the old ideas refuse to follow the instinctive stirrings. However, when the best instinctive promptings are not illuminated by corresponding thoughts, they become barbaric, animalistic. Modern humanity is rushing into a dangerous situation through this animalization of the instincts. Salvation can be found only in striving for new thoughts to meet a new world situation.

Any cry for socialization that disregards this fact can lead to nothing salutary. Our disinclination to recognize ourselves as beings of soul and of spirit must be overcome. A one-sided transformation of the economic life, a one-sided reconstruction of political institutions without nurturing a socially healthy and productive state of soul, is more likely to lull humanity with deceptive dreams than to fill it with a sense for reality. It is because there are so few who can bring themselves to look on the problems of today and tomorrow as questions comprehending both external arrangements and inner renewal that we move so slowly along the road to a new social order. When many people say: Inner renewal takes a long time; it is a process that must not be hurried, behind such words lurks a fear of such renewal. For the right mood can only be *this*: to examine energetically everything that might lead to renewal, and then watch and see how slowly or quickly life's voyage proceeds.

The events of recent years have cast a certain weariness about the souls of our contemporaries. For the sake of the coming generations, for the sake of the civilization of the near future, this weariness must be combatted. These are the feelings that have brought the idea of the threefold order before the public. Say that this idea is imperfect, say that it is all wrong; its supporters will understand if it is opposed from the standpoint of other new ideas. That it should so often be found to be "incomprehensible" because it contradicts the old and customary — this they cannot regard as a sign that such opponents can hear the present call of human evolution. One would think this call is sounding plainly enough for all to hear.





## 6

# Ability to Work, Will to Work, and the Threefold Social Order

Socialists tend to look upon the profit motive, which has functioned heretofore as the primary incentive to work, as something that must be eliminated if healthier conditions are to be brought about in society. For such people this becomes an urgent question: What will induce us to use our abilities with sufficient energy in the service of economic production, when egotism (which finds its satisfaction in profit) is no longer able to exert itself? This question cannot be said to receive adequate attention from those who are planning to institute socialism. The demand that in the future one shall not work for oneself but for the community, remains quite empty as long as one has no concrete idea how human souls can be induced to work as willingly "for the community" as they do for themselves. One may no doubt indulge in the notion that some central managing body will place each of us at his or her place of work, and that this organization of labor will also enable the central management to make a fair distribution of the products of the labor. Any such notion is, however, based on a delusion. While it takes into account that human beings have need of consumer goods, and that these needs must be satisfied, it does not take into account that mere awareness of the existence of these needs will not engender devotion to the work of production, if they are expected to produce not for themselves, but for the community. The mere awareness that one is working for society will not give any sensible satisfaction; accordingly it cannot provide an incentive to work.

It should be obvious that a new incentive to work must be created the moment there is any thought of eliminating the old incentive of egotistical gain. An economic management that does not include this profit motive among the forces at work within the economy cannot of itself exert any effect whatever upon the human will to work. And precisely because it *cannot* do so, it meets a social demand that a large part of humanity has begun to raise in the present stage of development. This part of humanity no longer wants to be led to work by economic compulsion. They want to work from motives more befitting human dignity. Undoubtedly, for many of those who come to mind when this demand is raised, it is somewhat unconscious; but in social life such unconscious, instinctive impulses are of

much more significance than the ideas people consciously express. Conscious ideas often owe their origin merely to the fact that people do not have the spiritual energy to see into what really goes on within them. If one deals with such ideas, one is moving within an insubstantial element. Therefore it is necessary to see through the deceptive ideas on the surface into the real demands (such as the one just mentioned), and to turn one's attention to these real demands. On the other hand, it cannot be denied that in times like the present, when social life tosses about like wild waves, that the lower human instincts, too, run riot. However, the above mentioned demand for a dignified human existence is *justified*; one cannot dismiss it by arguing the turbulence of our lower instincts.

If the economic system is to be organized in a way that can have no effect on our will to work, then our will to work must be stimulated in some other way. The threefold social order recognizes that at the present stage of human evolution, the economic sphere must limit itself exclusively to economic processes. The administration of such an economic order will be able, through its various organs, to determine the extent of consumers' needs, how the produce may best be brought to the consumers and the extent to which various articles should be produced. However, it will have no way of calling forth the will to produce; neither will it be in a position to cultivate the individual abilities that are the vital source of the entire economic process. Under the old economic system that still survives, people cultivated these abilities hoping they would bring personal profit. It would be a dire mistake to believe that the mere command of an administrative body overseeing *only* the economy could arouse a desire to develop men's individual abilities, or to believe that such a command would have power enough to induce them to put their will into their work. The threefold social order seeks to prevent people from making this mistake. It aims at establishing within an independent, self-sustaining cultural life a realm where one learns in a living way to understand this human society for which one is called upon to work; a realm where one learns to see what each single piece of work means for the combined fabric of the social order, to see it in such a light that one will learn to love it because of its value for the whole. It aims at creating in this free life of spirit the profounder principles that can replace the motive of personal gain. Only in a free spiritual life can a love for the human social order spring up that is comparable to the love an artist has for the creation of his works. If one is not prepared to consider fostering this kind of love within a free spiritual-cultural life, then one may as well renounce all striving for a new social order. Anyone who doubts that men and women are capable of being

brought to this kind of love *must* also renounce all hope of eliminating personal profit from economic life. Anyone who fails to believe that a free spiritual life generates this kind of love is unaware that it is the dependence of spiritual and cultural life upon the state and the economy that creates desire for personal profit—this desire for profit is not a fundamental aspect of human nature. It is this mistake that makes people say constantly, "to realize the threefold order, human beings must be different than they are now." No! Through the threefold order, people will be educated in such a way that they will grow up to be different than they were previously under the economic state.

And just as the free spiritual life will create the impulses for developing individual ability, the democratically ordered life of the legal sphere will provide the impulses for the will to work. Real relationships will grow up between people united in a social organism where each adult has a voice in government and is co-equal with every other adult: it is relationships such as these that are able to enkindle the will to work "for the community." One must reflect that a truly communal feeling can grow only from such relationships, and that from this feeling, the will to work can grow. For in actual practice the consequence of such a state founded on democratic rights will be that each human being will take his place with vitality and full consciousness in the common field of work. Each will know what he or she is working for; and each will want to work within the working community of which he knows himself a member *through his will*.

It will be plain to anyone who understands the threefold social order that the vast syndicate with its state-like structure (such as the Marxist model) can supply impulses neither for the ability nor for the will to work. Anyone who understands will take care that the essence of human nature not be forgotten for the sake of the exigencies of outer life. For social thinking cannot reckon with external institutions alone; it must take into account *what man is and what he may become*.



## 7

# What Socialists Do Not See

It appears that many people are kept from the idea of a threefold social order by the fear that it entails sundering things that in reality must work together as an undivided unity within society. Now it is true that a person engaged in economic activity is brought thereby into relationships with his fellow men that involve laws. It is also true that one's spiritual life is dependent on these legal relationships, and is also conditioned by one's economic position. In the human being, these three functions are united; in the course of life, one becomes involved in all three.

Is this, however, a reason why these three life-functions should be governed from a *single* center? Does it necessitate all three being governed according to the same principles? In the human being and in his activities, many currents run together that have flowed from a great variety of sources. We are dependent on the qualities inherited from our fore-fathers. We think and act according to what our education has made of us, education we received from persons to whom we are not related. How strange it would be if anyone tried to assert that our unity were destroyed because we are influenced from different quarters by heredity and education. Should it not be said, rather, that we remain incomplete if heredity and education work from a single source to shape our lives?

That such things from various sources must converge within us in order (through this very variety) to satisfy the many requirements of our nature — people can *understand* this, for to not understand it would be absurd. However, they will not see that the development of spiritual abilities, the regulation of legal affairs and the shaping of economic life afford us our proper place within the social order only when each is governed from its separate center and from its special viewpoint. An economy that governs the rights of human beings, and educates them according to its own interests, reduces the person to a mere cog in the economic machinery. It stunts the human spirit, which can develop freely only when it unfolds according to its own innate im-pulses. It stunts, too, those relations with our fellows that stem from the feelings, and refuse to be influenced by economic considerations — relations that are striving rather to be governed in accordance with the equality of all regarding what is purely human.

When the political sphere or the sphere of rights controls the development of our individual abilities, it weighs on this development like a crushing burden. For the interests that arise out of these spheres must naturally produce a tendency to develop such abilities according to the government's needs and not according to their own proper nature, however good may be the original intentions to allow for individual characteristics. Such a legal or political sphere also imposes an alien character upon economic matters. Those subject to this kind of political system become through constant tutelage spiritually cramped and economically hampered in the pursuit of interests inappropriate to their own nature.

A spiritual life that attempted to determine legal relations on its own terms would inevitably be led from the in-equality of human abilities to inequality in the law. It would be false to its own nature if it were to allow itself to be determined by economic interests. Under such a spiritual culture, people would never come to a true consciousness of what, in reality, the spirit may be for human life, for they would watch the spirit degrade itself through injustice and falsify itself through economic aims.

What has brought humanity to the present state of affairs in the civilized world is that during the last few centuries these three spheres have in many respects grown together into a single, unified state. And the cause of the present unrest is that an enormous number of people are struggling (while unconscious of the real nature of their striving) toward a delimitation of these three spheres of life into separate systems of the social organism, so that the spiritual-cultural life may be *free* to shape itself according to its own spiritual impulses; that the sphere of rights may be built up democratically through the interaction (direct or representational) of people on equal terms; and that the economic life may extend solely to the production, circulation and consumption of commodities.

Starting from any number of standpoints one can come to see the necessity of a threefold organization of society. One of these standpoints is an understanding of present-day human nature. From the standpoint of some particular social theory or party dogma, it may appear very unscientific or impractical to say that when arranging institutions for communal life, one should consult psychology to learn (so far as it can tell us) what is suited to human nature. Yet it would be a great misfortune if everyone who tried to give this "social psychology" its due in the shaping of social life were to be silenced. There are colorblind people who see the world as gray on gray; so, too, there are social reformers and social

revolutionaries blind to psychology who would like to mold the social organism into an economic syndicate in which people would live and move like mechanical beings. These agitators have no idea of their blindness. They know only that there has always existed a legal and a spiritual life beside the economic life; and they imagine that if they fashion the economic life after their own ideas, all the rest will come "of itself." It will not come; it will come to ruin. Thus it is very hard to arrive at any understanding with those blind to psychology; and thus it is, unfortunately, also necessary to take up against them — a battle begun not by those who can see, but by those who are blind.



## 8

# Socialist Stumbling-Blocks

Ideas which take account of the realities that gave rise to the demands now agitating humanity, and are in harmony with the conditions under which it is possible for men to live together culturally, politically and economically — such ideas are drowned out by the clamor of others that are remote from life in both regards. People who long for something other than the traditional forms of life, or who have in fact already been torn out of these older forms by events, are people who until now have stood at such a remove from the forces that brought these circumstances to the surface of history that they lack any insight whatever into how they act and what they signify. Within the mass of the working classes, there is a dull consciousness that demands a change in their form of life, which they see as a result of capitalist forces dominating the economy. Yet the manner of their participation in economic life hitherto has not made them aware of the way these forces operate. Thus they are unable to conceive any fruitful way of transforming these forces. The intellectual leaders and agitators of the proletarian masses are blinded by utopian ideas and theories which derive from a social science still based on the old economic concepts that so urgently need changing. These agitators have not even the faintest idea that their notions about politics, economics and cultural life are in no way different from the "bourgeois notions" they are fighting, and that at bottom all they are striving for is to see the old notions realized by a new group. However, nothing really new ever comes about when different people do the same old thing in a slightly different way.

One of these "old ideas" is the attempt to control economics by political and legal means. It is an "old idea" because it has brought a large part of humanity into an untenable position, as the catastrophe of World War I has shown. The new idea that must replace this old one is to liberate the administration of the economy from any kind of interference by political or national power, and to conduct the management of the economy along lines that are based entirely on economic principles and economic interests.

But surely it is impossible to imagine a form of economic life that is not managed by businessmen using political and legal means! Such is the objection raised by those who believe the proponents of the threefold social order have no insight into what is socially self-evident. But actually

those who make this objection refuse to see what a far-reaching transformation it would bring about in economic life if the political and legal views and institutions at work within the economy were not ruled from within the economic system itself according to its interests, but rather guided by something external to the economy, and subject only to considerations that lie within the competence of every adult. Why do so many people, even those of a socialist turn of mind, refuse to see this? The reason is that through their participation in political life they have learned to think about the way a political state governs, but not about the peculiar nature of the forces inherent in economic life. Thus they are able to conceive an economic process managed according to the principles on which a political state is governed; but they are unable to conceive of one structured according to its own economic principles and needs, one that takes its legal regulations from a different quarter altogether. This is true for most of the agitators and leaders of the proletariat. If the mass of workers themselves, from the circumstances previously discussed, have insufficient insight into ways that economic life might possibly be transformed, their leaders are no better off. *They* exclude themselves from all such insight by confining their thinking wholly within the political arena.

A consequence of this one-sided confinement to politics are the attempts being made in various quarters to establish Workers' Councils [Betriebsräte]. The current attempt to create such institutions must be consistent with the afore-mentioned "new idea," if all labor expended on it is not to be wasted. This "new idea" requires, however, that Workers' Councils should be the first institutions with which the state has no concern, but which are free to form according to the purely economic considerations of those engaged in economic life. It should be left to the emerging corporation to promote associations that will create through economic cooperation what has been brought about hitherto by the egotistical competition of individuals. It is a question of free social coordination between the various complexes of production and consumption, and not one of centralized control according to political policies. The point is to promote the economic initiatives of the workers through such an association, not to submit them to the tutelage of a bureaucratic hierarchy. Whether economic life has a political administration imposed on it by state law, or whether a "system of industrial council boards" [Rätesystem] is planned by people who are able to think and organize only along political lines, the outcome is the same. Among these people there may perhaps be some who, in theory, demand a certain independence of the economic life; in practice, however, their demands can



only result in an economy straight-jacketed by a political system because their scheme is the result of political thinking. Before one can conceive such institutions in a way required by the actual conditions of present-day life, one must have a clear idea of the way in which both the governmental and legal system and the spiritual-cultural sphere of the threefold social order should develop in their own manner apart from the economic system. It is possible to form a clear picture of an independent economic life only when one sees other things in their proper place within the whole structure of the social organism—those things that should not fall within the orbit of the economy. If one does not see clearly the proper place for the unfolding of cultural and legal impulses, one will always be tempted to fuse them somehow with economics.



## What the “New Spirit” Demands

Judging from the fruitless discussions now going on in many circles over the Works Councils [Betriebsräte], it is plain to see how very little understanding there is of the demands that the historical evolution of humanity has created for the present age and the near future. That democracy and a social form of life represent two impulses struggling to realize themselves within present-day human nature is an insight that has escaped entirely the vast majority of participants in such discussions. Both impulses will continue to cause unrest and destruction in public life until institutions are provided within which they can unfold themselves; but the social impulse that must live in the economic process cannot, because of its essential nature, manifest itself democratically. The aim of this social impulse is that people engaged in economic production should pay attention to the legitimate needs of their fellows. The kind of management that this impulse demands is one that regulates the economic process on the basis of what individuals engaged in it actually do for one another. What they do, however, must be based upon *contractual agreements* that arise from the economic positions of the individuals concerned. If these contractual agreements are to have a social effect, two things are necessary. First, these agreements must originate as a free initiative of those concerned — an initiative that is based on insight. Second, these individuals must live in an economic body that enables one through such agreements to convey in the best possible way the services of each to the community. The first demand can be fulfilled only when there is no sort of political influence intervening between those working within the economy and their personal relationship to the sources and interests of economic life itself. The second demand will be satisfied when agreements are made not according to the demands of an unregulated market, but rather according to the conditions that result when branches of industry associate with each other and with associations of consumers as dictated by real needs, so that the circulation of goods is managed as these associations see fit. Such associations represent a model for determining how, in each particular case, economic activity should be governed *contractually*.

There can be no politicking when the economy is run in this way. There is only the competence and skill of each person in some special branch of industry, and the structuring of these to the best possible social advantage.

What is done in an economic body of this kind is decided not by counting votes, but by the voice of real needs: it will necessarily concern itself with finding those most competent to perform certain tasks, and then conveying products to the consumers deemed appropriate by the cooperating associations.

However, just as in a natural organism one single organic system would destroy itself through its specific activity if there were no other systems to keep it in balance, so does one function of the social organism need to be kept in balance by another. Work within the economic sphere would, over time, inevitably lead to comparable damage, unless it were counteracted by the political system of laws — that *must* rest on a democratic basis, just as the economic life *cannot*. In the sphere of democratic law-making, politicking is appropriate. What is done there works within economic activity to counteract its innate tendency to cause damage. If one were to harness economic life to the administration of the state, one would deprive it of its efficiency and freedom of movement. Those engaged in economic work must *receive* the law from somewhere outside of economic life, and only *apply* it in the economic life itself.

It is matters such as this that should be taken up by those who are busy planning Works Councils. Instead, there is a great deal of oration on viewpoints consistent with the old principle of shaping political legislation according to economic interests. That presently there happen to be different groups pursuing this same principle does not change the fact that a *new spirit* is still lacking today in places where it is already so urgently needed.

Today's circumstances are such that there can be no return to health in public life until a sufficiently large number of people recognize the real social, political and spiritual demands of the times, and have the good will and energy to pass on this vital understanding to others. To the extent that this understanding is spread, the remaining obstacles to social health would disappear. For it is merely a political superstition that these obstacles have any objective existence beyond the reach of human insight; it is an assertion made only by people who can never understand the actual relationship between theory and praxis. They are the people who say, "These idealists have quite excellent, well-meant ideas. However, as matters now stand, these ideas cannot be put in practice." This is not at all the case; the only obstacle to the practical realization of certain ideas at present are those who hold this belief and have the power to use it as an obstacle. And such power is possessed also by those who have gathered

around them the masses of the people from former party groups; the masses obediently follow them, their "leaders." Therefore, one of the fundamental conditions for a return to social health is the disbanding of these old party groupings, and a heightened understanding for the kinds of ideas that grow out of real practical insight in-dependent of any connection with old parties and groups. An immediate and burning question is how to find ways and means to replace the old party creeds with this independent judgement so that they can become a nucleus around which people of all party affiliations can gather — people who are able to see that the existing parties have had their day and that the present social conditions are sufficient proof that their day is over.

It is understandable that those who need to recognize this do not find it easy. The rank and file do not find it easy because they do not have the time or the leisure (and very often not the training) this recognition requires. It is not easy for the leaders because both their prejudices and their power are bound up with all they have stood for until now. This situation obliges us all the more urgently to look beyond the party traditions of the day and seek the real progress of humanity *outside, not within* them. Today it is not enough merely to know what should take the place of existing institutions. What is necessary is to elaborate this new way of thinking in a way that will lead as quickly as possible to the disbanding of the old party system and will guide people's efforts toward new goals. Whoever lacks the courage to do this can contribute nothing toward a new and healthy social order. Whoever is deluded by the belief that such efforts are utopian, builds on sinking ground.



## Economic Profit and the Spirit of the Age

There are conflicting views on the profits made by economic entrepreneurs. Its defenders say that human nature is such that we will engage our talents for the good of the whole only when induced to do so by the expectation of profit. It is true, they say, that profit is the offspring of egotism; yet profit performs a service to the community — a service the community would have to do without were it to eliminate profit from the economic process. The opponents of this viewpoint say that production should not be pursued with a view to profit, but rather with a view to consumption. One must devise institutions that will motivate men to continue to employ their powers for the benefit of the community even when not enticed to do so by the expectation of profit.

When there are such conflicting opinions in public life, usually people do not think them out to the end, but rather let power decide. If one is democratically-minded, one thinks it quite right that institutions should be established (or allowed to remain) that correspond to the interests and wishes of the majority. If one is single-mindedly convinced of the legitimacy of one's own interests, then one's aim is an authoritarian central power that shall develop institutions to conform to these particular wishes and interests. One then desires only to obtain sufficient influence over this central power to ensure its accomplishing what one wants. What is today called "the dictatorship of the proletariat" stems from this attitude. People who demand this "dictatorship" are motivated by their wishes and interests; they make no attempt to think correctly so as to discover whether their demand entails institutions that are in themselves really possible.

Humanity is presently at a point in its evolution when it is no longer possible to conduct human affairs simply by insisting upon what is wished. Quite apart from what this or that person, this or that group may want, from now on in the sphere of public life only efforts proceeding from ideas that have been thought through to the end will promote social health. However strongly human passions may resist it, in the end people will be obliged to introduce into social life these thoroughly considered ideas demanded by the spirit of humanity, because people will see the pathological consequences that result from their opposite.

The view that a threefold structuring of the social organism is a necessity is one such idea thought through to its logical conclusion. In light of this intent, it is certainly odd that many of its opponents think the idea an unclear one. The reason for this is that these opponents are interested not in clear thinking, but merely in agreement with their interests, wishes and prejudices. When faced with ideas that have been fully and concretely considered, they can see nothing in them but opposition to their preconceived opinions; they justify themselves unclearly in their own eyes, by saying that the opposition is unclear.

In estimating the economic significance of profits, im-pertinent opinions often intrude. Certainly profit-making is an egotistical aim. However, it is unjustified to use this egotism as an argument for eliminating profit from economic activity. For there must be something in the economy that can serve to indicate whether there is a need for a manufactured article. In the modern form of economics, the only indicator of this need is the fact that the article yields profits. An article can be manufactured if it yields profits that, in the economic context, are sufficiently large. An article that yields no profits must not be produced because it will upset the price balance of articles in actual circulation. Profits may represent what they will in ethical terms; in conventional economic terms, they represent an indicator for the need to produce an article.

The further evolution of economics does require the elimination of profits, but for the following reason: because they make the production of articles dependent on accidents of the market, which the spirit of the age demands be abolished. One clouds one's judgement if one argues against profit because of its egotistical nature. Real life demands that within any field one must mount arguments appropriate to the particular situation. Arguments drawn from another field of life may be perfectly true in themselves, but they cannot guide one's judgement toward the real facts.

What is necessary for economic life is that profits as indicators should be replaced by groups tasked with establishing a rational correspondence between production and consumption that will abolish accidents of the market. The change from profits-indicator to a rational coordination of production and consumption, if correctly understood, will result in the elimination of the motives that have hitherto clouded judgment on this issue by removing them to the legal and cultural spheres.

Only when people recognize that the idea of the threefold social order has been shaped by an effort to create sound bases for realistic and practical conduct in each of life's different spheres, will they begin to do this idea justice and to have a proper estimation of its practical value. So long as motives proper to the legal and spiritual-cultural spheres are expected to proceed indiscriminately from the administration of economic life (which can be practical only when ruled solely by businesslike considerations and transactions) — so long will social life remain unhealthy. Today's party groupings are still quite removed from what the spirit of the age is shown here to demand. Thus it is inevitable that the idea of the threefold social order should meet with much prejudice stemming from opinions prevalent in these party groupings. However, it is time to put an end to the belief that any change can be effected in today's unsound social conditions through further activity along the old party lines. The very first thing to be considered is rather a change in these party opinions themselves. The way to do this, however, is not by splitting off sections of existing parties and establishing ourselves as representatives of "true" party opinion, while reproaching others for deserting "the true party views." This only leads from fighting over ideology to a much worse struggle for the power of specific groups of people. What is needed now is not this, but rather an unprejudiced insight into the demands of the "spirit of the age."



## Cultivation of the Spirit and Economic Life

Many people today speak of "socialization" as though it could imply a number of external institutions in the state or in the social community, through which certain requirements of modern humanity might be satisfied. To them, the right institutions do not yet exist; that is why there is general social discontent and confusion. Once these institutions are in existence, orderly social life and social cooperation among men must follow. That so many people harbor this belief more or less consciously is the reason for the development of so many harmful notions about "the social question." There is no form one can give to external institutions by which these institutions can, of themselves, enable us to lead a socially satisfying life. Such institutions will be good in a technical sense if they enable commodities to be produced and conveyed to human use in the most efficient manner possible. However, they will be good in a social sense only if socially-minded people administer the commodities produced in the service of the community. No matter what the institutions may be, there is always some conceivable way human individuals or groups can operate them antisocially.

One should not give oneself over to the illusion that any kind of satisfying social life can be created without "socially-minded" human beings; such illusions are a hindrance to really practical social ideas. The idea of the threefold social order aims at complete freedom from such illusions; therefore it is not surprising that it is vehemently opposed by everyone still living within these illusory mists. The first of the three spheres of the threefold social order aims at a form of cooperation among men to be based entirely on free intercourse and free association between individuals. Here human individuality will not be forced into an institutional mold. How one person assists another, how one helps another advance will simply arise from what one, through his own abilities and accomplishments, is able to be for the other. It is no great wonder that presently many people are still able to imagine nothing but a state of anarchy as a result of such free human relations in the spiritual-cultural branch. Those who think so simply do not know what powers of our inmost nature are stunted when we are forced to develop according to patterns imposed by the state and the economic system. *Such* powers, deep within human nature, cannot be developed by institutions, but only through what one being calls forth in



perfect freedom from another being. The effect of what arises in this way is not antisocial, but rather deeply social. The socially active inner person is stunted only when instincts originating in the prerogatives of the state or in economic advantage are engrained or handed down.

Through its cultural branch, the threefold social order will uncover perpetual springs of social initiative. These springs will imbue the legal relations that are regulated by the democratic state with a social spirit, and they will spread the same spirit into the conduct of economic life.

Within the economy, the forms of modern life afford no means of counteracting the antisocial tendency. For the whole community is best served when the individual is left unchecked to apply his abilities to the common good. To do this, however, it is necessary that individuals should accumulate capital, and be free to combine with others in utilizing it. The socialists have been deluded in thinking that these masses of ever-accumulating capital could in the end simply be transferred from their private owners to the community, and that thereby a socialist society would necessarily be realized. In reality, the economic productivity of capital would inevitably be lost in such a transference, for this productivity rests upon the private abilities of the individual. One must admit to oneself quite frankly that the economy will have the greatest vitality not when it is deprived of the antisocial element within its own domain, but instead when it is kept supplied from another domain — the cultural branch of the social order — with forces that will constantly correct antisocial tendencies as they arise and convert them back into social ones.

In my *Toward Social Renewal* I have tried to show that a truly social way of thinking will not aim at a transference of capital from the control of private persons (or groups) to the community as a whole; on the contrary, it is essential that the private individual should have means, by the use of capital, of placing his abilities, unopposed, at the service of the community. When this individual is no longer willing or able to direct his abilities to the use of capital, this use must be transferred to another person of similar abilities. It will not be transferred by state prerogative or by economic power, but by finding out, on strength of the training acquired under the free spiritual life, which person will make the most suitable successor from the social point of view.

Whoever speaks in this manner about the remedy for our social malaise sees in his mind's eye the scorn of all those today who consider themselves experts in the practicalities of life. For the moment he must endure this

scorn, knowing well that the other's way of thinking is what brought about the dreadful human catastrophe of recent years. The scorn may continue awhile; then, however, even the most obstinate of such people will no longer be able to resist the hard lessons of social realities. The phrase: "Schemes such as the threefold order may be all very fine, but the people to carry them out aren't there," will be silenced. The coiners of this phrase are certainly not "the people to do so." Therefore, it is to be hoped they will retire and will not, with their brute force, block the way of those who are doing fruitful work and who would gladly provide a free spiritual life for the development of social impulses in men.



## 12 Law and Economics

Among the various objections that can be made to the threefold social order is one that can be phrased somewhat as follows: The efforts of political thinkers in recent years have been directed in part towards creating legal provisions appropriate to the existing conditions of economic production. It might be said that the idea of the threefold order totally disregards all the work done in this direction and wants merely to detach the legal sphere from the economic altogether.

Those who raise this objection imagine that thereby they can dismiss the idea of the threefold order as something that throws practical experience to the winds and claims a role in the reconstruction of society without this experience. However, the reverse is true. The opponents of the threefold social order say: "One should reflect on the difficulties that have attended every attempt to arrive at a legal system adapted to modern conditions of production. One should consider the obstacles met by all who have made such attempts." However, the adherents of the threefold order must answer: These very difficulties are proof that people were taking the wrong road. They persisted in trying to contrive a social form in which certain demands of modern times were to be satisfied through a single combined economic and legal system. They ought, however, to recognize that economic life, when conducted expediently, promotes conditions that necessarily tend to counter the sense of right and justice, unless this tendency is deliberately counteracted from *outside* the economy. It is to the advantage of economic life that individuals or groups who have special qualifications for a particular business of production are able to accumulate capital for their business. Presently, the best services can be rendered to the community as a whole only by qualified persons through the control of large sums of capital. However, the nature of economics dictates that such services can only consist of the most efficient production of the goods that the community needs. A certain amount of economic power flows into the hands of the people who produce such goods. *It cannot be otherwise*, and the threefold social order recognizes this. Accordingly, it aims to bring about a society in which this economic power will still arise, but out of which no social evils can grow. The threefold idea does not propose to hinder the accumulation of large sums of capital in individual hands; it recognizes that to do so would be to lose the possibility of employing

socially the abilities of these private individuals in the service of the general public. It proposes, however, that the moment an individual can no longer attend to the management of the means of production within his sphere of power, these means of production should be transferred to another capable person. The latter will not be able to obtain these means of production through any economic power he may possess, but solely because he is the most capable person. In practice, however, this can only be realized when the transfer is directed according to principles that have nothing to do with the means of economic power; such principles become possible only when the people themselves, with their interests, are engaged in spheres of life other than the economic. If men are joined together on a legal foundation which produces interests other than economic ones, these other interests will then be able to assert themselves. If the human being is absorbed by economic interests *alone*, those other interests never develop. If the person who possesses the means of production is to have any feeling whatever that the best and most efficient person in any economic position is one who obtains it by ability and not by economic power, such a feeling must grow in a sphere established apart from the economic. In and of itself, the economic life can call forth a sense for economic power but not, simultaneously, a sense for social justice. Therefore, all attempts to conjure out of economic thought itself a code of social justice were *bound* to fail.

Such matters are based upon the actual realities of life; these are the things taken into account by the idea of the threefold social order. It is guided by the practical experiences met by those who attempted to create legal structures for the modern economic forms; but it will not be led by these experiences to add a new attempt that resembles the many that have already failed. Its aim is not to try to produce social laws in a field of life where they cannot grow, but to bring about that *life itself* from which such laws can grow. In modern times this life has been absorbed into the economy; the first step is to restore its independence. To perceive clearly the idea of the threefold order, one must be willing to understand that the economic life needs to have its own forces continually corrected from outside, if it is not to call forth out of itself obstacles to its own growth. This necessary corrective will be supplied when there is an independent cultural life and corresponding independent legal sphere to make provision for it. The *unity* of social life is not thereby destroyed; in reality, it arises thereby for the first time in its true sense. This unity cannot be brought about by the ordinances of a central authority; it must be allowed to arise out of the interaction of those forces that each need to exist separately in order to live as a whole. Experiences met with in attempting to create for

modern economic life legal relations that are drawn from the economy itself, should not therefore be regarded as arguments against the threefold social order. On the contrary, these experiences should be seen to lead directly to the recognition that the threefold organism is the idea modern life demands.



## Social Spirit and Socialist Superstition

In discussing the causes of the modern social movement, people commonly refer to the fact that neither the owner of the means of production nor the worker is in a position to give the product anything based on a direct personal interest in it. The owner has goods produced because they bring him profits; the worker produces them because he is obliged to earn a living. A personal satisfaction in the finished product itself is felt by neither. In fact, one touches a very essential part of the social question when pointing to the lack of any personal relationship between the producers and the goods produced in the modern industrial system. However, one must also be clear that this lack of a personal relationship is a necessary consequence of modern technology and the attendant mechanization of labor. It cannot be removed from the economic life itself. Goods produced by extensive division of labor in large industries cannot possibly be as closely associated with the producer as were the products of the medieval craftsman. One will have to accept the fact that, regarding a large part of human labor, the kind of interest that previously existed is past and gone. However, one should also be clear that without interest, a man cannot work; if life compels him to do so, he feels his whole existence to be dreary and unsatisfying.

Whoever is honestly disposed toward the social movement must think of finding some other interest to replace the one that is gone. He will not be in a position to do so, however, if he insists on making the economic process the single main substance of the social organism, and on making the legal system and the cultural life a sort of appendage of the economy. An enormous economic conglomerate regulated according to the Marxist plan with the political and cultural orders as "ideological superstructure," would make human life a torment because of the ensuing lack of interest in any sort of work. Those who want to introduce an enormous conglomerate of this kind do not reflect on the fact that, while one can arouse a certain amount of enthusiasm for such an aim through the excitement of the struggle to attain it, the excitement ends as soon as this aim is realized, and people thus fitted into the wheels of an impersonal social machine are inevitably drained of everything resembling a will to live.

That such an aim is able to arouse enthusiasm in wide masses of the populace is merely a result of the waning interest in the products of labor that has not been replaced by the growth of any other interest.

To arouse such an interest should be the special business of those who presently, through their inherited share in spiritual culture, remain in a position to think beyond merely economic interests to those things that constitute the social good. These people must teach themselves to see that there are two spheres of interest that must take the place of the old interest in the actual work. In a social order based on division of labor, the work one performs, while affording no satisfaction for its own sake, may nevertheless satisfy through the interest one takes in those for whom one performs it. Such an interest must, however, be developed in living community. A legal system in which every individual stands as an equal among equals arouses one's interest in one's fellows. One works in such a system for the others because one gives to this relationship between oneself and others a living foundation. From the economic order one learns only what others demand of one. Within a vital legal and political life, the value one man has for the other springs from the depths of human nature itself, and goes beyond our merely needing each other in order to produce commodities meeting various needs.

This is one sphere of interest that arises from a legal system independent of economic life. To this must be added a second. A human existence that must derive the substance of its cultural life from the economic system will prove unsatisfying when there is insufficient interest in the products of the work — even though people's interest in one another is suitably fostered within the sphere of rights. For in the end it must dawn upon people that they commerce with one another only for the sake of commerce. Commerce acquires a meaning only when it is seen to serve something in human life that extends beyond economics, something quite independent of all commerce. Work that gives no intrinsic satisfaction will acquire worth if performed by one of whom it can be said, when viewed from a higher spiritual standpoint, that he is striving toward ends of which his economic activity is only the means. This view of life from a spiritual stand-point can be acquired only within a self-subsistent spiritual-cultural branch of the social organism. A spiritual-cultural life that is a "superstructure" erected upon the economy, manifests itself merely as a means to economic ends.

The complicated form of modern industry, with its mechanization of human labor, requires a free, self-subsistent spiritual-cultural life as a necessary counterbalance. Earlier epochs in human history could bear the

fusion of economic interests and cultural impulses because industry had not yet fallen prey to mechanization. If human nature is not to succumb to this mechanization, whenever human beings stand within the mechanized system of labor, their souls must always be able to rise *freely* into communion with the higher worlds into which they feel themselves transported by a *free* spiritual-cultural life.

It would be short-sighted to reply to the proposal of a free spiritual-cultural life and the independent sphere of rights demanded by human equality that neither would over-come economic inequalities, which are the most oppressive of all. For the modern economic system has led to these in-equalities because it has never, as yet, allowed to develop apart from it the legal system and the cultivation of the spirit that it requires. The Marxist mind believes that each form of economic production prepares the way for the next and higher one, and that when this preparatory process is concluded, then through "evolution" the higher form must necessarily replace the lower one. Actually, the modern form of production did not evolve from old economic methods, but rather from the legal forms and the cultural perspectives of an earlier age. However, while giving a new form to economic life, these latter have themselves grown old and need to be rejuvenated. Of all forms of superstition the worst is to declare that rights and culture can be conjured out of the forms of economic production. Such a superstition darkens not only the human mind, but life itself. It diverts our spirit from its *own* source by offering an illusory source in the nonspiritual. We are all too ready to be deluded by those who tell us that spirit arises of itself out of nonspirit; for we fancy by this delusion to save ourselves the exertions we must acknowledge to be necessary when we perceive that the spirit is only to be won by toil of spirit.





## The Pedagogical Basis of the Waldorf School

The aims Emil Molt is trying to realize through the Waldorf School are connected with quite definite views on the social tasks of the present day and the near future. The spirit in which the school should be conducted must proceed from these views. It is a school attached to an industrial undertaking. The peculiar place modern industry has taken in the evolution of social life in actual practice sets its stamp upon the modern social movement. Parents who entrust their children to this school are bound to expect that the children shall be educated and prepared for the practical work of life in a way that takes due account of this movement. This makes it necessary, in founding the school, to begin from educational principles that have their roots in the requirements of modern life. Children must be educated and instructed in such a way that their lives fulfill demands everyone can support, no matter from which of the inherited social classes one might come. What is demanded of people by the actualities of modern life must find its reflection in the organization of this school. What is to be the ruling spirit in this life must be aroused in the children by education and instruction.

It would be fatal if the educational views upon which the Waldorf School is founded were dominated by a spirit out of touch with life. Today, such a spirit may all too easily arise because people have come to feel the full part played in the recent destruction of civilization by our absorption in a materialistic mode of life and thought during the last few decades. This feeling makes them desire to introduce an idealistic way of thinking into the management of public affairs. Anyone who turns his attention to developing educational life and the system of instruction will desire to see such a way of thinking realized there especially. It is an attitude of mind that reveals much good will. It goes without saying that this good will should be fully appreciated. If used properly, it can provide valuable service when gathering manpower for a social undertaking requiring new foundations. Yet it is necessary in this case to point out how the best intentions must fail if they set to work without fully regarding those first conditions that are based on practical insight.

This, then, is one of the requirements to be considered when the founding of any institution- such as the Waldorf School is intended. Idealism must work in the spirit of its curriculum and methodology; but it must be an idealism that has the power to awaken in young, growing human beings the forces and faculties they will need in later life to be equipped for work in modern society and to obtain for themselves an adequate living.

The pedagogy and instructional methodology will be able to fulfill this requirement only through a genuine knowledge of the developing human being. Insightful people are today calling for some form of education and instruction directed not merely to the cultivation of one-sided knowledge, but also to abilities; education directed not merely to the cultivation of intellectual faculties, but also to the strengthening of the will. The soundness of this idea is unquestionable; but it is impossible to develop the will (and that healthiness of feeling on which it rests) unless one develops the insights that awaken the energetic impulses of will and feeling. A mistake often made presently in this respect is not that people instill too many concepts into young minds, but that the kind of concepts they cultivate are devoid of all driving life force. Anyone who believes one can cultivate the will without cultivating the concepts that give it life is suffering from a delusion. It is the business of contemporary educators to see this point clearly; but this clear vision can only proceed from a living understanding of the *whole* human being.

It is now planned that the Waldorf School will be a primary school in which the educational goals and curriculum are founded upon each teacher's living insight into the nature of the *whole* human being, so far as this is possible under present conditions. Children will, of course, have to be advanced far enough in the different school grades to satisfy the standards imposed by the current views. Within this framework, however, the pedagogical ideals and curriculum will assume a form that arises out of this knowledge of the human being and of actual life.

The primary school is entrusted with the child at a period of its life when the soul is undergoing a very important transformation. From birth to about the sixth or seventh year, the human being naturally gives himself up to everything immediately surrounding him in the human environment, and thus, through the imitative instinct, gives form to his own nascent powers. From this period on, the child's soul becomes open to take in consciously what the educator and teacher gives, which affects the child as a result of the teacher's natural authority. The authority is taken for granted by the

child from a dim feeling that in the teacher there is something that should exist in himself, too. One cannot be an educator or teacher unless one adopts *out of full insight* a stance toward the child that takes account in the most comprehensive sense of this metamorphosis of the urge to imitate into an ability to assimilate upon the basis of a natural relationship of authority. The modern world view, based as it is upon natural law, does not approach these fact of human development in full consciousness. To observe them with the necessary attention, one must have a sense of life's subtlest manifestations in the human being. This kind of sense must run through the whole art of education; it must shape the curriculum; it must live in the spirit uniting teacher and pupil. In educating, what the teacher does can depend only slightly on anything he gets from a general, abstract pedagogy: it must rather be newly born every moment from a live understanding of the young human being he or she is teaching. One may, of course, object that this lively kind of education and instruction breaks down in large classes. This objection is no doubt justified in a limited sense. Taken beyond those limits, however, the objection merely shows that the person who makes it proceeds from abstract educational norms, for a really living art of education based on a genuine knowledge of the human being carries with it a power that rouses the interest of every single pupil so that there is no need for direct "individual" work in order to keep his attention on the subject. One can put forth the essence of one's teaching in such a form that each pupil assimilates it in his own individual way. This requires simply that whatever the teacher does should be sufficiently alive. If anyone has a genuine sense for human nature, the developing human being becomes for him such an intense, living riddle that the very attempt to solve it awakens the pupil's living interest empathetically. Such empathy is more valuable than individual work, which may all too easily cripple the child's own initiative. It might indeed be asserted — again, within limitations — that large classes led by teachers who are imbued with the life that comes from genuine knowledge of the human being, will achieve better results than small classes led by teachers who proceed from standard educational theories and have no chance to put this life into their work.

Not so outwardly marked as the transformation the soul undergoes in the sixth or seventh year, but no less important for the art of educating, is a change that a penetrating study of the human being shows to take place around the end of the ninth year. At this time, the sense of self assumes a form that awakens in the child a relationship to nature and to the world about him such that one can now talk to him more about the connections

between things and processes themselves, whereas previously he was interested almost exclusively in things and processes only in relationship to man. Facts of this kind in a human being's development ought to be most carefully observed by the educator. For if one introduces into the child's world of concepts and feelings what coincides just at that period of life with the direction taken by his own developing powers, one then gives such added vigor to the growth of the whole person that it remains a source of strength throughout life. If in any period of life one works against the grain of these developing powers, one weakens the individual.

Knowledge of the special needs of each life period provides a basis for drawing up a suitable curriculum. This knowledge also can be a basis for dealing with instructional subjects in successive periods. By the end of the ninth year, one must have brought the child to a certain level in all that has come into human life through the growth of civilization. Thus while the first school years are properly spent on teaching the child to write and read, the teaching must be done in a manner that permits the essential character of this phase of development to be served. If one teaches things in a way that makes a one-sided claim on the child's intellect and the merely abstract acquisition of skills, then the development of the native will and sensibilities is checked; while if the child learns in a manner that calls upon its whole being, he or she develops all around. Drawing in a childish fashion, or even a primitive kind of painting, brings out the whole human being's interest in what he is doing. Therefore one should let writing grow out of drawing. One can begin with figures in which the pupil's own childish artistic sense comes into play; from these evolve the letters of the alphabet. Beginning with an activity that, being artistic, draws out the whole human being, one should develop writing, which tends toward the intellectual. And one must let reading, which concentrates the attention strongly within the realm of the intellect, arise out of writing.

When people recognize how much is to be gained for the intellect from this early artistic education of the child, they will be willing to allow art its proper place in the primary school education. The arts of music, painting and sculpting will be given a proper place in the scheme of instruction. This artistic element and physical exercise will be brought into a suitable combination. Gymnastics and action games will be developed as expressions of sentiments called forth by something in the nature of music or recitation. Eurythmic movement—movement with a meaning — will replace those motions based merely on the anatomy and physiology of the physical body. People will discover how great a power resides in an artistic manner of instruction for the development of will and feeling. However, to

teach or instruct in this way and obtain valuable results can be done only by teachers who have an insight into the human being sufficiently keen to perceive clearly the connection between the methods they are employing and the developmental forces that manifest themselves in any particular period of life. The real teacher, the real educator, is not one who has studied educational theory as a science of the management of children, but one in whom the pedagogue has been *awakened* by awareness of human nature.

Of prime importance for the cultivation of the child's feeling-life is that the child develops its relationship to the world in a way such as that which develops when we incline toward fantasy. If the educator is not himself a fantasist, then the child is not in danger of becoming one when the teacher conjures forth the realms of plants and animals, of the sky and the stars in the soul of the child in fairy-tale fashion.

Visual aids are undoubtedly justified within certain limits; but when a materialistic conviction leads people to try to extend this form of teaching to every conceivable thing, they forget there are other powers in the human being which must be developed, and which cannot be addressed through the medium of visual observation. For instance, there is the acquisition of certain things purely through memory that is connected to the developmental forces at work between the sixth or seventh and the fourteenth year of life. It is this property of human nature upon which the teaching of arithmetic should be based. Indeed, arithmetic can be used to cultivate the faculty of memory. If one dis-regards this fact, one may perhaps be tempted (especially when teaching arithmetic) to commit the educational blunder of teaching with visual aids what should be taught as a memory exercise.

One may fall into the same mistake by trying all too anxiously to make the child *understand* everything one tells him. The will that prompts one to do so is undoubtedly good, but does not duly estimate what it means when, later in life, we revive within our soul something that we acquired simply through memory when younger and now find, in our mature years, that we have come to understand it on our own. Here, no doubt, any fear of the pupil's not taking an active interest in a lesson learned by memory alone will have to be relieved by the teacher's lively way of giving it. If the teacher engages his or her whole being in teaching, then he may safely bring the child things for which the full understanding will come when joyfully remembered in later life. There is something that constantly refreshes and strengthens the inner substance of life in this recollection. If

the teacher assists such a strengthening, he will give the child a priceless treasure to take along on life's road. In this way, too, the teacher will avoid the visual aid's degenerating into the banality that occurs when a lesson is overly adapted to the child's understanding. Banalities may be calculated to arouse the child's own activity, but such fruits lose their flavor with the end of childhood. The flame enkindled in the child from the living fire of the teacher in matters that still lie, in a way, beyond his "understanding," remains an active, awakening force throughout the child's life.

If, at the end of the ninth year, one begins to choose descriptions of natural history from the plant and animal world, treating them in a way that the natural forms and processes lead to an understanding of the human form and the phenomena of human life, then one can help release the forces that at this age are struggling to be born out of the depths of human nature. It is consistent with the character of the child's sense of self at this age to see the qualities that nature divides among manifold species of the plant and animal kingdoms as united into one harmonious whole at the summit of the natural world in the human being.

Around the twelfth year, another turning point in the child's development occurs. He becomes ripe for the development of the faculties that lead him in a wholesome way to the comprehension of things that must be considered without any reference to the human being: the mineral kingdom, the physical world, meteorological phenomena, and so on.

The best way to lead then from such exercises, which are based entirely on the natural human instinct of activity without reference to practical ends, to others that shall be a sort of education for actual work, will follow from knowledge of the character of the successive periods of life. What has been said here with reference to particular parts of the curriculum may be extended to everything that should be taught to the pupil up to his fifteenth year.

There need be no fear of the elementary schools releasing pupils in a state of soul and body unfit for practical life if their principles of education and instructions are allowed to proceed, as described, from the *inner* development of the human being. For human life itself is shaped by this inner development; and one can enter upon life in no better way than when, through the development of our own inner capacities, we can join with what others before us, from similar inner human capacities, have embodied in the evolution of the civilized world. It is true that to bring the two into harmony — the development of the pupil and the development of

the civilized world — will require a body of teachers who do not shut themselves up in an educational routine with strictly professional interests, but rather take an active interest in the whole range of life. Such a body of teachers will discover how to awaken in the upcoming generation a sense of the inner, spiritual substance of life and also an understanding of life's practicalities. If instruction is carried on this way, the young human being at the age of fourteen or fifteen will not lack comprehension of important things in agriculture and industry, commerce and travel, which help to make up the collective life of mankind. He will have acquired a knowledge of things and a practical skill that will enable him to feel at home in the life which receives him into its stream.

If the Waldorf School is to achieve the aims its founder has in view, it must be built on educational principles and methods of the kind here described. It will then be able to give the kind of education that allows the pupil's body to develop healthily and according to its needs, because the soul (of which this body is the expression) is allowed to grow in a way consistent with the forces of its development. Before its opening, some preparatory work was attempted with the teachers so that the school might be able to work toward the proposed aim. Those concerned with the management of the school believe that in pursuing this aim they bring something into educational life in accordance with modern social thinking. They feel the responsibility inevitably connected with any such attempt; but they think that, in contemporary social demands, it is a duty to undertake this when the opportunity is afforded.



## The Fundamental Fallacy in Social Thought

An idea such as the threefold social organism is constantly met with the following objection: "What the social movement is striving for is the elimination of economic inequalities. How will this end be attained through changes in the cultural life and the legal system when these are governed quite independently of the economic process?"

This kind of objection is made by people who can see the existence of the economic inequalities, but do not see that these inequalities are produced by the human beings living together in the social body. They see that society's economic order finds expression in people's life conditions. They aim at making it possible for large numbers of people to enjoy what seems to them to be better life conditions. They believe that when the changes in the social order that they have in mind come about, this possibility will exist.

For anyone who looks more deeply into the state of human affairs, the principal cause of today's social evils is seen in the very fact that such a way of thinking has become the prevalent one. In the eyes of many people, the economic system lies too far removed from any of their concepts of the cultural and the legal spheres for them possibly to perceive how the one can be connected with the others in the whole chain of human existence. People's economic conditions are an outcome of the positions they assume toward each other through their spiritual faculties and through the legal code that prevails among them. Anyone who perceives this will not imagine he could devise any system of economics that could, of itself, place people living under it in life conditions that will seem suitable to them. In any economic system, whether one's own services meet with the reciprocal services needed for a suitable life situation will depend on how the people in this economic system are spiritually attuned in their minds, and on how their sense of right and justice leads them to regulate their mutual affairs.

During the last three or four centuries, the civilized portion of humanity has owed its evolution to impulses that make it exceedingly difficult for them to have any perception of the real relation existing between economics and culture. We have become entwined in a complex network of



interrelationships; the achievements of industrial technology have made a mark upon it that no longer corresponds to the cultural and legal concepts we have developed historically. People have become accustomed to viewing the cultural progress of recent years with unalloyed appreciation; but in doing so they overlook one thing: this cultural progress has been achieved mainly in fields directly connected with industry. Science undoubtedly has tremendous achievements to record; but its achievements are greatest where they have been called forth in the economic field by the demands of industrial life.

Under the influence of this particular kind of cultural progress the leading circles have developed a mental habit of basing their opinions in all life's affairs upon economic grounds. In most cases, they are not aware of forming their opinions this way. They employ this mode of judgement unconsciously. They believe that they act out of all sorts of ethical and aesthetic motives; but, unconsciously, they act upon opinions originating within the technical-industrial economy. They *think* in economic terms, but *believe* that their principles are ethical, religious, and aesthetic.

This mental habit of the ruling classes has been made into a dogma in recent years by the socialists. They believe that all life is conditioned by economics because those from whom their notions are inherited had acquired, more or less unconsciously, this economic way of thinking. Thus these socialist thinkers want to change the system of economics according to the same viewpoint that led to what they believe so urgently needs changing. They fail to notice that they would call forth even more strongly the very thing they do not want if their actions were guided by ideas that have led to the very thing they wish to change. The reason for this is that men cling much more tenaciously to their ideas and their habits of mind than they do to external institutions.

Today, however, a point has been reached in human evolution when the very character of this evolution demands progress not only in our institutions, but also in our thoughts and habits of mind. This is a demand of human history; and the fate of the social movement depends on whether this demand is heeded. Strange as it still may sound to many people, it is nevertheless true that modern life has assumed a shape which can no longer be mastered by the old kinds of ideas.

Many say, correctly, that the social problem must be approached in a way different from that, for example, of St. Simon or Owen or Fourier; that spiritual impulses like theirs are of no use in effecting a change in

economic life. Thus they conclude that spiritual impulses are *entirely incapable* of exerting a transforming effect on social life. The truth of the matter is that these thinkers drew their mental concepts from a form of spiritual life that, of its very nature, was no longer adequate to the economic life of modern times. Instead of then coming to the sound conclusion, "In that case, what is needed is a new form of spiritual and legal life," people form the opinion that desired social conditions to rise up of themselves out of the economic sphere. But economic chaos will result unless the further progress of evolution is effected by a step forward in the spiritual-cultural and legal spheres such as the new age demands.

All that must come about in the social sphere now and in the near future, depends on the courage to take this step forward in the cultivation of the spirit and the establishment of law. Whatever does not spring from this courage may be very well meant, but will not lead to a sustainable state of affairs. Therefore the greatest social need is to arouse far and wide a clear perception that the only basis upon which humanity can evolve in a healthy way is the cultivation of a new spiritual life. The fruits of this cultivation will be borne in the structuring of the economy. If economic life tries of itself to evolve a new form, it will only propagate — and intensify— its old evils. As long as economic life is expected to make of us what we may become, new evils will be added to the old. Not until humanity comes to understand that the human being — out of his own spirit — must give to the economic life what it needs, will men be able to pursue as a conscious aim what they are demanding unconsciously.



## 16

# The Roots of Social Life

In my book *Toward Social Renewal*, the comparison between the social organism and the natural human organism is used as an analogy; at the same time it is pointed out how misleading it is to suppose that concepts acquired from the one can simply be transferred to the other. Anyone who forms a picture of the function of the cells or of an organ of the human body, as natural science represents them, and who then proceeds to look for the social cell or the social organs in order to learn the construction and conditions of life in the social body will very soon fall into an empty game of analogies.

It is a different matter to point out, as in *Toward Social Renewal*, that by an intelligent study of the human organism one can train oneself in the kind of thinking required for a real understanding of the working of social life. Through such a training, one acquires the ability to judge social facts not according to preconceived opinions, but to judge them according to their own laws of existence. This above all is necessary in our present times. People today are tied up tightly in their party opinions regarding social judgment; and party opinions are not formed on grounds that lie in the conditions of life and organic requirements of the entire social organism, but by the blind feelings of particular people or of particular groups. If the methods of judgment employed in party programs were transferred to the study of the human body, it would soon be seen that instead of assisting an understanding of it, these methods are only a hindrance.

In an organic body, the air that is inhaled must constantly be converted into an unusable substance; oxygen must be converted into carbon dioxide. Accordingly, there must be arrangements by which the changed and no longer usable substance is replaced by a usable one. Anyone who now brings to bear a judgment schooled by study of the human organism, and applies it with common sense and without preconceptions to the study of the social organism, will find that there is one system within this social organism, the economic system, which, if functioning properly, is constantly bound to produce conditions that must be counteracted by other functions. Just as the organ system in the human body that is designed to consume inhaled oxygen cannot be expected to make the oxygen usable

again, it should not be supposed that the economic circulation itself can give rise to the functions needed for making good what it is the business of this system to convert, out of life, into a *life-restricting* product.

The necessary counteraction can be supplied only by the separate working of two other systems alongside the economy: a body of laws that determines its own form out of its own proper nature, and a spiritual-cultural life growing freely from its own roots, completely independent of the economic system and the legal system. Only a superficial critic will say, "What, then! Is the cultural life not to be bound in its pursuits by existing legal relations?" Certainly it must be bound by them. However, it is one matter if the people, who pursue the cultural life, are dependent on the legal life; and quite another matter if the pursuit of the cultural life rises on its own from the institutions of this legal sphere. The idea of the threefold social order will be found to be one that makes it very easy for objections that abide by preconceived notions; but also that these objections fall to pieces when one thinks them through to the end.

The life of the economy has a lawfulness of its own. In following this lawfulness, it creates conditions that destroy the social organism, if only this law is at work. If, however, one tries to abolish these conditions by means of economic measures, one then destroys the economic process itself. In the modern economic process, evils have arisen through control of the means of production by private capital. If one tries to exterminate these evils by an *economic* measure, such as the communal control of the means of production, one undermines modern industry. One can, however, work against these evils, by creating alongside the economy an independent legal system and a free life of the spirit. In this way, the evils that result — and result *continually* — from the economic life will be removed as they arise. It will not be a case of the evils arising first and people having to suffer under them before they disappear; rather, the other organic systems that exist alongside the economic institutions will, in each instance, turn aside the mischief.

The party opinions of recent times have distracted men's judgment from the laws of life in the social organism and have diverted it into the currents of sectarian passion. It is urgently necessary that these party opinions should undergo correction from a quarter in which one can learn to be impartial. One can learn this through the study of conditions which of their own nature elicit impartial judgment, and in which thinking therefore becomes its own corrective. The human organism affords such conditions.

Of course, if *only* the conventional scientific concepts are applied as correctives, they will not go far. In many respects, these concepts lack the kind of force necessary to strike deep into the facts of nature. Yet if one tries to keep to nature herself, and not merely to these *concepts* of nature, one will be in a better position to learn impartiality than one would be amid party views. Despite the good will of many natural scientists, who have endeavored to overcome materialist convictions, the usual concepts of natural science are today still strongly imbued with materialism. A spiritual contemplation of nature will shed this materialism; and *spiritual contemplation* of nature will provide means for the kind of training in thought which, among other things, makes it possible to comprehend the social organisms.

The idea of the threefold social order does not simply borrow facts from natural science and transplant them into the field of social life. It uses the study of nature only as a way of gaining the ability to observe social facts impartially. This should be kept in mind by those who learn about the idea in a superficial fashion — the threefold idea talks of a threefold division of social life in much the same way as one might talk of a threefold division of the natural human organism. Anyone who studies seriously the characteristics of the human organism will be made aware that the one can-not be simply transferred to the other. However, the method of study one is obliged to use on the human organism will awaken the kind of thinking that will enable one to find his way among the social facts.

Such a method will be thought to remove all social ideas to the far-off region of "gray theory." It may perhaps be said that such an opinion can only be maintained as long as one regards this "removal" from outside. Then, certainly, everything that is seen indistinctly at a distance seems gray. On the other hand, those things that are born of more immediate passions will have color. Yet go nearer what seems gray and one will find that something begins to stir which is not unlike a sort of passion — but it speaks to all that is truly human, that of which one loses sight when looking from the standpoint of parties and group opinions.

There is today a burning need to draw nearer to what is truly human. The polemical postures of rival camps have done enough. It is time that one comes to see that the damage cannot be undone with new rival camps, but rather only by observing what history itself demands at this present moment of humanity's evolution. It is easy to see evils and demand

programs for their abolition, but what is *necessary* is to penetrate to the roots of social life. By healing these roots, healthy blossoms and fruits can be brought forth as well.



## The Basis of the Threefold Social Order

The essence of the threefold social order is that it looks at social relations without party or class prejudice and poses the question: what must be done at this juncture of human evolution in order to create viable social forms? Anyone who strives earnestly and honestly to answer this question shall confront one fact he or she *cannot possibly* disregard: namely, that in modern times the economic and political spheres have come into devastating conflict with one another.

The class strata that are the basis of contemporary social life arose out of economic circumstances. In the course of economic evolution (*and as a result of that evolution*) one person became a worker and another an industrialist, while a third became engaged in some cultural activity. Socialist thinkers never tire of putting this fact in the forefront of their programs, thinking it will lend them an aura of necessity. However, they do not realize that the important point is to see why economics was able to exert such a tremendous influence upon the stratification of society. They do not see that this stratification came about because the industrial system was not opposed by a political and legal system that could have counteracted its influence. Each person was swept by the forces of the economy to a point where he stood alone. It was possible to live only within the conditions that economic life afforded. One person ceased to understand the other; he could only hope to outvote or overpower him with the help of those who stood upon the same ground. There has yet to arise from the depths of human evolution a political or legal form capable of bringing together the isolated groups of humanity. People did not see that the *old* currents of politics and law run counter to the *new* economic forces.

One cannot carry on economic life in the way made necessary by the circumstances of the last two centuries, and at the same time put people into social positions evolved from political theories belonging to bygone times. Nor should one hope that the class structure, which arose apart from any new political aspirations, can represent a point of departure for the reconstruction of the social organism. Obviously, the classes who feel themselves oppressed will not acknowledge the justice of this statement. They say, "We have had new political aspirations for more than half a

century." In my *Toward Social Renewal*, I demonstrated that this is not the case as a first premise for all further consideration of social renewal. Karl Marx and his adherents have certainly summoned one class to battle; yet they have merely set forth the same thoughts learned from the adherents of those classes they are to oppose. Therefore, even if the battle could bring about what many desire, nothing new would come of it. It would lead to the same old end; there would merely be a different group at the helm.

This realization does not, of course, lead directly to the idea of the threefold order; but it is a necessary step in that direction. Until this realization has dawned upon a sufficiently large number of people, they will go on trying to extract from old ideas of politics and law the impulses that are supposed to be equal to present economic conditions. Until they see this, they will be afraid of a threefold articulation of the social organism because it clashes with their accustomed thinking.

It is understandable that, in times that have brought so many disasters, people should shrink from any call for original thinking — thinking born of the depths of human life. Many feel themselves crushed by the weight of the times, and despair of the power of ideas as creative forces. They are "waiting" until "circumstances" produce a more favorable state of affairs. However, circumstances will *never* produce anything but what has been implanted in them by human ideas.

"Yet, after all," many say, "the very best ideas are powerless in actual practice if the circumstances of life reject them!" This is precisely the point of the threefold social order. The threefold idea begins with a recognition that neither praxis without theory nor impractical ideas can ever lead to a viable social organism. Accordingly, it does not promote an old-fashioned program. There are enough of such programs to teach one that they may be very "excellent" or "high-minded" or "inspiring" in the abstract, but that reality rejects them. In the field of economics, the threefold idea works with the natural and social realities of modern life; it works with the sense of right and justice that has evolved over the last few centuries; it works with a cultural life that provides the social organism with men and women who understand its organic laws and promote them to the benefit of society. It believes that, within a threefold order of the social organism, *human beings* will find it possible to work together in such a way that *out of this cooperation*, they shall create what cannot be brought about by any programmatic theory.



Anyone who is unwilling to see the distinction in principle between the threefold idea and the usual programs will refuse to be convinced that it could bear fruit. The idea is one attuned to reality; it does not try to tyrannize life with a program, but aims at creating a basis that allows the life from which social impulses spring to develop freely. The questions of the present and the near future are not of the kind that can be solved by the intellect; they must be solved in a life-process, and that life-process must first be created. Modern humanity has only a *first inkling* of the real nature of the social question. It will assume its real form when the structure of the social organism is such that the three life forces underlying all human existence can rise in their true form from a vague instinct into conscious thought. Much that is said today about the social question, when measured against a real understanding of life, gives the impression of immaturity. It is said that people are too immature to shape their lives by ideas. That is not the case: people will be mature enough for *answers* as soon as they are presented with questions that are divested of ancient prejudices.

Such is the present situation perceived by one who, out of a living experience of the full reality, has struggled through to the idea of the threefold order. He would like to see this perception translated into *action*. However, words enough will have been exchanged only when *deeds* are born of them.



## 18

# Real Enlightenment as the Basis of Social Thought

An ever-increasing number of people are beginning to declare that no way out of the social chaos of our time will be found unless our minds and hearts take a new turn toward the spirit. It is a confession to which many are led by disappointment with the results of a political economy that tried to base its ideas merely on the production and distribution of material wealth.

It is also quite clear how few are the fruits of this profession of the spirit in our times. If expected to produce ideas for political economy, this profession is a failure; more is wanted than mere reference to the spirit. This does no more than give expression to a need; when it comes to the satisfaction of the need, it is helpless. One should recognize in this fact one of the problems of the present day and ask oneself, "How is it that even those who today regard this turning toward the spirit as necessary for social life do not get beyond talking about the necessity of it? Why do they never quite manage actually to suffuse our political-economic thought with spirituality?"

The answer to this question will be found by observing the form the evolution of thought has taken in modern times among the civilized portion of humanity. Those representatives of modern civilization who have found their way to a world-conception, consider it a mark of their superior "cultivation" to speak of "the unknowable" behind all things. It has gradually become a widespread belief that only a very unenlightened person still talks about the inherent "essence of things" or "the invisible causes of the visible." Now this thinking can be maintained for a time regarding the study of nature. The phenomena of nature lie before our eyes, and even those who will not hear of inquiring into their causes can describe them, and so arrive at a certain substantiality of thought.

In matters of political economy, however, such a mode of thinking is bound to break down. For here the phenomena proceed ultimately from human beings; demands arise from human wants and preferences. Within us there lives as substance that to which people shut their eyes when they accustom themselves to talk about "the unknowable" (as do many disciples

of the newer schools of thought). So it has come about that the age just passed has continued to evolve its habits of thought into the present — habits of thought which break down completely in matters of political economy. One can observe the freezing of water or the development of the embryo, and talk in a very "distinguished" manner of "the unknowable" in the world, cautioning one's contemporaries not to be led into fantastic speculations about this unknowable realm. But one cannot master economic matters with a way of thinking based on such a disposition, for economic affairs require that one should enter into the fullness of human life. Here one finds spirit and soul at work, even though they are revealed only in the demand for the satisfaction of material needs.

We shall not develop the science of political economy that modern times require until people cease to be content with merely "referring" to the spirit and the soul, and cease to stigmatize all endeavors to arrive at an actual knowledge of the spirit as "unscientific" and unworthy of any enlightened person. The human soul will remain beyond their understanding until they recognize its connection with what they desire to avoid in their study of nature.

If one speaks today from one's own perception of the supersensible, and argues that the only way to overcome the prevailing materialism is through research into the supersensible, one is met with the reply that materialism has been overcome "scientifically." There have, it is claimed, been ample discussions on the subject which prove, on "genuinely" scientific grounds, that materialism is insufficient to explain the processes of nature. To this assertion it must be replied that such discussions may be very interesting theoretically, but they cannot overcome materialism. Materialism will be overcome only when it is not merely proven theoretically that there are more facts in the world than are perceived by our senses, but when living spirit inspires our study of the world and its processes. Only *this* spirit, directing human vision, can survey the many mingling currents at work in the material life of human communities. One can go on forever proving that "life" is not merely a chemical process; materialism will in no way suffer. One will combat materialism effectively only when one has the courage not only to say, "Our views of the world must be suffused with spirit," but really to make this spirit the focus of their consciousness.

The idea of the threefold social order addresses itself to people who have this courage. Courage of this kind does not stop short at the externalities of life, but seeks to penetrate its inner being. It grasps the necessity of the cultivation of a free, independent spiritual-cultural life because it perceives

that a spiritual-cultural life in bondage can, at most, "refer" to the spirit, but it cannot live in the spirit. It also grasps the necessity of a self-subsistent legal life, because it has learned that our sense of right and justice has its roots in regions of the human soul that must remain independent of both the spiritual-cultural and the economic spheres. One perceives this only by recognizing the human soul. World-views inculcated by the theory of the unknowable (this is the line of much modern thought) will always tend to the fallacy that one can devise a social framework determined solely by the material facts of economic life.

This courage will not be daunted by the theory that men are not mature enough for such a radical change of thought and feeling. Their "immaturity" will last only as long as science expounds to them that recognition of the spirit is an unwarranted assumption. Immaturity is not causing the present chaos; the chaos is caused by the belief that recognition of the spirit is a mark of unenlightenment. All attempts at shaping social life that proceed from this spiritless enlightenment are doomed to failure because they exclude the spirit. The moment one banishes the spirit from one's conscious mind, it asserts its claims in the unconscious regions. The spiritual forces can further human aims only when we do not work against the spirit. Only those who take the spirit into their conscious mind work with the spirit. There must be an overcoming of the false enlightenment that has arisen from a mistaken view of nature, and has become a sort of lay-gospel among widespread masses of people. Only then will the ground be prepared for a genuine social science that can have a fruitful influence upon real life.



## 19

# Longing for New Thoughts

"Well meant thoughts don't make bread." Such is the wisdom heard today the moment one speaks of ideas like those underlying the threefold social order. In view of the gravity of the times, this piece of wisdom may rank with another frequently heard today: "The social question will look different only when people return to work."

Whoever does not hear these two truths constantly repeated has no ears for the language of public discourse in widespread circles. And even if they are not expressly spoken, one hears these words behind much that is said publicly.

It is hard for the ideas that the age requires to compete against such founts of wisdom because these objections are so incomparably "insightful." A person need only say, "Show that they are wrong!" for the keenest thinker to recognize his powerlessness. Of course they cannot be refuted; they are obviously perfectly true.

Is this *all* that is important in life — to say something that is perfectly true? Is not the all-important task to find thoughts that can set the facts of the matter into motion? It is a feature of modern public life (and one which does it great harm) that people will not combine their thinking with a *sense of reality*.

It is only this lack of a sense of reality that stands in the way when one tries to bring fruitful ideas to bear upon modern social troubles. People have long been accustomed to such deficient thinking; however, now it is truly time for a radical change of habits, especially in this aspect of human life.

First, one must perceive how people came to slip into this kind of thinking. One must look at the kind of thought valued by our age.

One such cherished train of social thought goes back to the life and customs of primitive times. People burrow into "primeval ages" to find communistic customs and such things, and draw from this certain conclusions about what should be done today. This train of thought has

become very fashionable in pamphlets on the social question, and has thus spread throughout large circles. It may be found today in a great many ideas about "the social question," especially among the masses.

People might actually have arrived at this particular train of thought with far less effort than has been devoted to it in many quarters. They might have compared human social life with the lives and habits of various wild animals. They would have found that the animals have instinctive functions which lead them to satisfy their needs, and that these instinctive functions are adapted to acquiring in the best way the things nature provides.

The essential point is that in the human being this instinctive functioning must be replaced by conscious, intentional thought. We must build upon the foundation of nature, just like every other creature that must eat to survive. The "bread question" touches the natural foundation of our very existence. But this question exists for every creature that needs food; one cannot possibly talk of "social thinking" in this regard. Social thinking begins only when the human being works upon nature by means of his intellect. Through thinking he makes himself master of the forces of nature; through thinking he brings himself into association with other human beings in a labor process through which the "bread" won from nature becomes a part of general social life. For *this* life, the "bread question" is an intellectual one. It can mean only, "Which are the fruitful thoughts that can, when realized, guide human labor to the satisfaction of our needs?"

One can readily agree with anyone who, after hearing such an argument, replies, "Really, that is a very primitive piece of wisdom! What is the use of expounding anything that is so self-evident?" Indeed, one would very gladly stop expounding it, if only those who believe it is so superfluous were not the very people who cast it to the winds and destroy all sound social thinking with these words of wisdom: "Bread is not made by thoughts."

It is the same with that other wise saying, through which people seek to evade the gravity of the social question: "First of all, people should get back to work." We work when a thought stirs in our soul and sets us working. If one is to work as a member of society as a whole, and at the same time feel one's existence to be one worthy of a human being, social life must be shaped by thoughts that reveal our contribution in the light of

human dignity. Certain circles, it is true (socialist ones, moreover), would like to replace this incentive to work with compulsory labor. That is *their* particular way of avoiding recognition of the need for fruitful social ideas.

The world has been brought to its present pass by those who make it impossible for ideas to effect anything because they run away from them. Salvation is possible only if a strong body of people, who are still able to rouse themselves to sufficient consciousness of the true state of affairs, join together. *These* people must not grow faint-hearted at this critical time, for they will be buffeted with the scornful words: "Impractical idealist! Utopian dreamer!" These people will do their duty and build, while the scoffers tear down. For everything that the others, with their "magnificent accomplishments," have built or still wish to build, will fall into ruin because with their dread of ideas and their "practical life" they have built upon a quagmire of false "realities." Such people are merely weaving delusions around their own routines, and procuring themselves a cheap complacency by scoffing at life's real work. To the open-minded, it is as clear as day; to look at such things clearly is the urgent duty of all who are unafraid to change their way of thinking. The age longs for creative thoughts. This longing will not be silenced, however noisily the foes of thinking may try to drown it out by thoughtlessness and grandiose gestures.



## 20

### Wanted: Insight!

A complex of ideas such as that of the threefold social order is often accused of having no "practical recommendations" on this or that specific issue. "Now there is the collapse of the currency! What does the proponent of the threefold order suggest as a remedy?" The only reply he can give is, "The whole recent course of world economy has been one that meant competition between the different nations, and thus it led to the depreciation of money in one particular case. Improvement can begin only when, instead of instituting specific measures with a view to remedying this or that, the whole course of economic life is transformed by means of the threefold system. Specific measures may of course improve particular aspects for a while; but so long as the character of economic methods remains essentially the same, isolated 'improvements' can do no good. In fact, an 'improvement' in one quarter is bound to make matters worse in another."

The only really practical means to rebuild what has been destroyed is the threefold social order itself. For example, if people would make comprehensive changes consistent with the threefold order within a part of the economy suffering under depreciation, the actual course of events would remedy the evil. Only someone who is for one reason or another afraid of practical work in the sense of the threefold social order could ask the question mentioned above. Such a person wants the proponents of the threefold idea to tell him how to cure particular symptoms without applying the three-fold cure to the disease itself.

In this point lies the variance between the representatives of the threefold idea and all those who fancy it possible to retain the old form of social life with its unified state, and to succeed in building up a new structure within it. The whole idea of the threefold social organism rests on a perception that the old social orientation of the unified state is what has brought the world into its present catastrophic situation; and that one must therefore decide to rebuild from the ground up in keeping with the threefold idea.



Until the courage for such a thoroughgoing measure is aroused in a sufficiently large number of people, our diseased social life will never be restored to health. Without this thoroughgoing change, the only thing that can possibly take place is a hoarding of economic and political power by the victorious nations and the oppression of the vanquished. The victors can, *for a while*, continue with the old system; the evils that result from it at home can be balanced through their domination of the vanquished. However, the vanquished are at this very moment in a plight that necessitates the instant, thoroughgoing action proposed here. It would, of course, be better if the victors, too, acquired insight. The conditions they are bringing about at home must, as time goes on, lead to a recognition of the intolerable situation in the vanquished country — and thus to new catastrophes. The vanquished, however, cannot afford to wait, for each delay makes their life situation more and more impossible.

The threefold idea is certainly one that runs counter to the habits of thought and feeling of those who favor a unified national state. To admit to themselves candidly that the evils they now see around them are the result of this idea is, for many today, like being asked to stand with no ground beneath their feet. The ground these people want to stand on is the unified state. They want to take it as given, and build upon it institutions they hope will lead to an improved state of affairs. However, what is necessary is to create new ground; for this, the courage is lacking.

The main thing that is necessary in order for the three-fold idea to take effect is to see that as many people as possible realize nothing but a radical change can do any good. Far too many people have already allowed the narrowest range of life to shape their judgment in public affairs. This is especially true of the very people who are active in the large industrial concerns. They credit themselves with an all-embracing faculty of judgment in large affairs; actually, they are capable only of what their own narrow range of life has taught them.

What must be done is to promote a clear understanding (of which there is so little today) of the circumstances of public life. The more people there are who know how the forces of public life have operated until now, and how they have inevitably led to the present catastrophe, the fewer will be the obstacles to the threefold social order. Everything that can help to spread such clear perceptions prepares the soil on which the threefold idea can take practical effect.

Accordingly, one must not expect much to come of discussions with members of one or another party; for in the end, as long as they choose to remain within their party, they will still tend to interpret every thought put forward by supporters of the threefold idea according to the party's convenience. Once one has recognized the value of this impulse, one should make it understood far and wide. One can do nothing with people who do not want the threefold social organism, but only with those who are filled with the idea. Only with these people is it possible to discuss the details of public affairs. One really ought to see that one simply cannot speak with Mr. Erzberger about public affairs as long as Mr. Erzberger is Mr. Erzberger!

I write this because I see that, in this respect, not all those who have embarked upon the threefold idea are sailing on the right tack. The threefold social order is an idea one must serve unreservedly if one wants to serve it at all. It affords a basis for mutual discussions with each and every *one*; but the idea must lose nothing of its radicality in discussion. People *will* take this course of action once they perceive the real causes of the downfall. Such a perception will give the needed courage for thoroughgoing measures. For the prevailing helplessness is, after all, simply the consequence of a lack of insight.



# Appendix



## An Appeal to the German Nation and to the Civilized World

Germany believed herself secure for time without end in her empire, which was founded half a century ago. In August 1914 she thought the war she was faced with would prove her invincible. Today all she can do is look upon its ruins. Such an experience calls for self-reflection. For such an experience proved that an opinion held for fifty years, and especially the ideas that had prevailed during the war, had been a tragic error. Where can the reasons for this fateful error be found? This question must now call forth a process of self-evaluation within the soul of every German. Will there be enough strength left for such introspection? Germany's very existence depends upon it. Germany's future also hinges upon the sincerity of the questioning mind — how did we fall prey to such fatal misconceptions? If reflection upon this inquiry starts immediately, then it will come in a flash of understanding: yes, we did found an empire half a century ago, but we neglected to give it a task springing from within the very essence of its national spirit.

The empire was founded. During the first years of its existence care was taken to shape its inner possibilities according to demands posed, year after year, by old traditions and new endeavors. Later, progress was made to safeguard and enlarge the outer positions of power that were based on material resources. Linked to it were policies regulating the social demands of the new era, policies that did take into account the requirements of the day, to some extent, but lacked a greater vision.

A goal could have been defined had there been enough sensitivity to the growing needs of the new generation. Thus the empire found itself in the larger world arena without an essential direction or goal to justify its existence. The debacle of the war revealed this truth in an unfortunate way. Until the war, other nations saw nothing to suggest that Germany had a historic world mission that ought not to be swept away. Her failure to manifest such a mission, according to those with real insight, was the underlying cause of Germany's ultimate breakdown.

Immeasurably much depends now on the ability of the German people to assess this state of affairs objectively. Disaster should call forth an insight that never appeared during the previous fifty years. Instead of petty thoughts about the immediate concerns of the day, the grand sweep of an en-lightened philosophy of life should surge through the present, endeavoring to recognize the evolutionary forces within the new generation, and dedicating itself to them with a courageous will. There really must be an end to all the petty attempts to dismiss as impractical idealists everyone who has his eye on these evolutionary forces. A stop must be put to the arrogance and presumption of those who consider themselves to be practical, yet who are the very ones whose narrow-mindedness, masked as practicality, has led to disaster. Consideration must be given to the evolutionary demands of the new age as enunciated by those who, although labeled impractical idealists, are actually the real practical thinkers.

For a long time, "pragmatists" of all kinds have fore-seen the emergence of new human needs. However, they wanted to meet them with traditional modes of thought and institutions. The economic life of modern times gave rise to these needs. It seemed impossible to satisfy them following avenues of private initiative. It seemed imperative to one class that, in a few areas, private labor should be changed over into social labor; and where this class's own philosophy deemed it profitable, the change became effective. Another class wanted radically to turn all individual labor into social labor. This group, influenced by recent economic developments, had no interest in the preservation of private goals.

All efforts regarding humanity's new demands hereto-fore have one thing in common: they all aim at the socialization of the private sector in the expectation that it will be taken over by communal bodies (the state or commune); however, these have their origins in preconceptions that have nothing to do with these new demands. Nor is any consideration given to the fact that the newer cooperatives, which are also expected to play a role in the takeover, have not been formed fully in accordance with the new requirements, but are still imbued with old thought patterns and habits.

The truth is that none of the communal institutions influenced in any way by these old patterns can be a proper vehicle for the new ideas. The forces at work in modern times urge recognition of a social structure for all humanity that comprehends something entirely different from prevailing

views. Heretofore, social communities have been largely shaped by human social instincts. The task of the times must be to permeate these forces with full consciousness.

The social organism is articulated like a natural organism. Just as the natural organism must take care of the process of thinking through its head and not through its lungs, so the social organism must be organized into systems. No one system can assume the work of the other; each must work harmoniously with the others while preserving its own integrity.

Economic life can prosper only if it develops according to its own laws and energies as an independent system within the social organism, and if it does not let confusion upset its structure by permitting another part of the social order—that which is at work in politics — to invade it. On the contrary, the political system must function independently alongside the economic system, just as in the natural organism breathing and thinking function side by side. Their wholesome collaboration can be attained only if each member has its own vitally interacting regulations and administration. However, beneficial interaction falters if both members have one and the same administrative and regulatory organ. If it is allowed to take over, the political system is bound to destroy the economy, and the economic system loses its vitality if it becomes political.

These two spheres of the social organism must now be joined by a third that is shaped quite independently, from within its own life-possibilities — the cultural sphere, with its own legitimate order and administration. The cultural portions of the other two spheres belong in this sphere and must be submitted to it; yet the cultural sphere has no administrative power over the other two spheres and can influence them only as the organ systems coexisting within a complete natural organism influence each other.

Today it is already possible to elaborate at length upon the necessity of the social organism and to establish a scientific basis for it in every detail. Here, however, only guidelines can be offered for those who want to pursue the important task.

The foundation of the German Empire came at a time when the younger generation was already confronted with these necessities. However, its administration did not understand how to give the Empire a mission with a view to these needs. Understanding it would not only have helped provide

the right inner structure; it would have guided Germany in a justified direction in world politics. Given such an impetus, the German people could have lived together with other nations.

Disaster ought to give rise now to introspection. The will to make the social organism possible must be strengthened. A new spirit—not the Germany of the past—should now confront the external world. A new Germany with cultural, economic and political systems, each with its own administrations, should now begin the work of rebuilding relationships with the victor. Germany failed to recognize in time that, unlike other nations, she needed to become strong through the threefold articulation of the social order; therefore, she must do so now.

One can imagine the so-called pragmatists saying how these new concepts are too complicated, and how uncomfortable they are merely thinking about a collaboration of three spheres. Shying away from the real demands of life, they want to pursue complacently their own habits of thought. They must awaken to the fact: either one must deign to submit one's thinking to the demands of reality, or nothing will have been learned from the debacle, and this self-inflicted misery will be endlessly perpetuated and compounded.

## 2

# The Way to Save the German Nation

In the year 1858, Hermann Grimm wrote an essay entitled "Schiller and Goethe." It begins with these words: "The true history of Germany is the history of the spiritual movements among her people. Only when enthusiasm for some great thought has inspired the nation and set its frozen forces flowing, do deeds of great and shining fame occur." And further on we read: "... the names of the German emperors and kings are not milestones of the nation's progress."

Only a revival of the attitude underlying such words can shed light upon the troubled time that has come upon the German people. That something else from this attitude may yet awaken amid the commotion and labor of present times is the one hope to be cherished by he who holds it necessary above all for the German people to turn for help to the saving power of thoughts. Those who say today that one must first wait to see what shall come of the general situation and what relations with the people of the West and East shall result from new world conditions, have no concept of the age's necessities.

This view has led to everything said in these pages about the idea of the threefold social order. I believe that in the previous essays I have sufficiently answered the constant objection that our first thought must be the outcome of our relations with foreign nations before we can turn our attention to social ideas, like that of the threefold system. This objection rests on a fallacy that may prove bitterly fatal to the German people. Germany has come out of the world catastrophe in such a way that she must first create a basis for future relations with the nations around her. Her economic life (if its development were detached from the political life of laws and from the cultural field) would take on a form that could give it a place in the whole system of world economy. As I have tried to show in these essays, it would be in the interest of other nations to give an economic life of this kind its place in the system of world economy. An independent cultural life can be regarded by no other nation as a ground for hostility; a political-legal life among the German people based on the equality of all adults could not be viewed as a hostile element by non-Germans without their deriding themselves.



However, an idea like the threefold order must come before the world with the driving force of a definite will in public affairs. The moment this idea is observed *on the way toward becoming fact*, it can become such a revelation of the innermost German being as will give the rest of the world something firm with which to reckon. Facing modern circumstances, facing the lack of faith in the practical efficacy of living ideas, one might well ask what has become of the German spirit. In ideas such as those written by Hermann Grimm sixty years ago, the voice of the greatest spirits of their own history speaks to the German people. In such ideas, these great spirits intended to utter the deepest will and purpose of their people. Shall the descendants of these spirits be deaf to them?

These descendants are in a situation where truly it is not enough merely to remember the ideas of their forefathers, but where they must carry forward these ideas in a new form suited to modern times. Would the German deny his own being through lack of faith in ideas, and thus lose his very self? Surely the best part of the German spirit lies in this faith in the potency of ideas. And a revelation of the German spirit, once displayed in its genuine truth, would be one with which the world must reckon.






A large enough number of Germans who share the heritage of faith in the intellectual world, and bring to it all the forces of their souls, must be the saving of their people. No negotiations with the world abroad will be of any good to the German people if carried on with indications of disbelief in ideas and their practical utility, for in all such negotiations the very core of the German spirit is absent.

All objections stemming from the view that now is not the time to indulge in ideas should be silenced. There can be no question of any time that will bear in it the seeds of any real possibility of life for the German people, until the power of ideas has been recognized by a sufficiently large number of people. Not a faith that trims its ideas according to outer events, but a faith in ideas—that shall be the force that moves the German nation. What results may be confidently awaited in the same faith; to thrust it aside and to wait idly in a round of false activity while destiny pursues its course — this, for every German, is a sin against his own being, a sin against the spirit of this world hour, a sin against the demand of true self-awareness.

Is not the influence of this sin plain enough to see? Are not the grievous effects of this sin already with us? Do not distress and want proclaim the sin in language comprehensible enough? Have the German people lost the power to recognize the sin they have committed against their own true

spirit? These are questions that may well tear at the souls of all who study the public life of the German people. The pain should rightly lead to an awakening. Were the great spirits of the German past, with their faith in ideas, mere dreamers? Such questions find answers only in real life. What kind of solution can be found? Yes, they were dreamers if their descendants dream away their ideas; but they were radiant spirits of reality if these descendants receive their ideas as a force for living, awakened will and purpose.

## Notes

1.  *Toward a General Theory of the First Amendment* (New York: Random House, 1966).
2.  "The Separation of School and State: Pierce Reconsidered," *Harvard Educational Review*, 46 (February 1976):1, pp. 96–97.
3.  United States Supreme Court, *Pierce v. Society of Sisters*, 268 U.S. at 535 (1925).
4.  National Commission on Excellence in Education, *A Nation at Risk: The Imperative for Educational Reform; A Report to the Nation* (U.S. Government Printing Office, 1983).
5.  E.g. the English finance theorist Hartley Withers in his treatise on *Money and Credit*.

Withers was a prolific writer about this topic and for many years editor of the *Economist*:

"In old times, when a customer went to a banker for a loan, the banker, if he agreed, handed him out so many of his own notes; now when a customer goes to a banker for a loan, the banker gives him a credit in his books, i.e. adds to the deposits on the liability side of the balance sheet."

According to the *credit creation theory* then, banks create credit in the form of what bankers call 'deposits', and this credit is money.



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