

Since the ^{great} increase we started
to the 1st Greater Room of
the 3rd Standard and

4

no longer regarded as avoidable. The balance of power system, ~~to the~~
restore these two institutions ~~was~~ became the main aim of the ~~Treaties~~.
Even free markets and political democracy were sacrificed, temporarily at
least, ~~in the name of~~, although in the long run, the crisis was only
aggravated by this way, (if this seemed necessary).

~~The~~ Germany ~~in~~ the Twenties, ^a

Post-War Germany was the victim of the blindness of the victors to the ~~problems~~
~~problems~~ of the ~~people~~. On the question of ~~peace~~ pacifism was a fatal
force, whether it was active in its German ~~or~~ British form. The
gold standard craze was equally disastrous. Germany remained the centre
of political and of economic ~~life~~. It thus
fell to the forces of Satan to find a solution to the ~~vital~~ needs
of the country.

inches

Pm

by the saser force of evil, also an anti-Christian one. Socialism,
rejected [the working class], was perverted into a device of the ruling
classes, and the idea of a united Europe took on the form of the ~~dominant~~
~~nation's domination over all other nations~~ ^{of a "master race."} The national
craving for a true commonwealth was ~~reduced to zero~~ turned into the
idolatry of the Leader, and the need for an international order was
~~made to serve criminal ambitions.~~

the service

designated road to
Geneva ~~and~~ on
[REDACTED] (b)

General ~~The Danubian~~ peace through gold. The Danubian ~~experiment~~. Racial minorities, frontiers, economic co-operation, The ~~League~~ for security denounced as chauvinism, the need for regionalism denied in the name of ~~rationalist~~ enlightenment.

~~XXXXXXXXXXXX~~
conversational

its best
off
(she) ~~best~~

ny're

~~ALL SHOW~~
showed

Protest against balance of power
in Europe

American myth that there
is such a thing.

{ 1914-1918 First world war }
1929 - same " " }

America the US is essential of
the balance of Power in Europe.
This is immediately affected
by the position of Japan.

The elimination of either
Russia or Britain will bring in the
US alone, (even China was
essential to the US!)

BoP in Europe

as an instrument of class war by the capitalists, and even national security was subordinated to the requirements of class warfare. In the competition of social systems, the deadlocked country succumbed. Even its military strategy--Magneot line--was determined by the lack of true national unity. In the person of Laval, the forces of pure evil repeatedly takes the lead, yet but ~~unhappy~~ his supposed realism merely precipitated the catastrophe.

on to

Ch.VII. Russia forced ~~human~~ socialism.

1917-1920 ~~absolutism, feudalism and human national oppression~~
Russia's first revolution induced by ~~the~~ *which she shared*
~~human power~~ with the Western countries of the seventeenth, eighteenth and nineteenth centuries. Her second revolution was prophetic, and was forced upon her by the failure of Western market society. Russia, the only country that was able to establish itself as an autarch empire, was ~~forced~~ *able* to do so. Trotzkyism, the primitive, ~~and~~ universalist ~~form~~ of ~~humanism~~ socialism was overcome by the more highly developed, ~~human~~ *regional* regional solution of the Five Year Plans.

and capitalist universalism.

Ch.VIII. The United States, ~~unhappy~~ *foreign policy*

today In the presence of a free supply of land, coarse labour and money, market economy worked successfully. This explains why the United States ~~was~~ tied to the pre-1914 system. At home, the New Deal might mean the beginning of an independent solution of the problem of an industrial society; abroad, however, ~~from a long time to come~~ America ~~will~~ *must* insist on the economics of the gold standard and free trade, these Trotzkyist forms of capitalism, ~~and~~. The contradiction between ~~primitive~~ her domestic and her external economics may for a considerable time be overcome by virtue of her great political and economic strength. *the universalist temptation.*

America thus represents the

Ch.IX. Satans due.

benefited
The Hitlerian crime wave ~~benefited~~ from the latent tensions which were rending the world. Some of the most obstructive features of the old world perished in the process, such as nuisance sovereignties, the gold standard fetish as well as chaotic markets. Hitlerian barbarism could pretend to offer a solution ~~of~~ autarchy and domination, even though it was only that of slavery for all under the heel of the Nordics of the Munich beer garden.

Ch.Xe *through* Tame empires.

today
The greatest single step towards the achievement of a more effective division of labour and enlargement of the peace area lies in the establishment of, essentially, autarch and, essentially, peaceful empires the close cooperation of which is institutionally safeguarded. Such empires *economic* might come into being out of the USA, Latin America, the British Commonwealth, German Central Europe, Smuts's colonial zones, India, China and other regions. All but the predatory empires are eligible under the new dispensation. The tame empire need not be anymore an utopia.

DEFINITIONS underlying

"TAME EMPIRES"

institutional system of the 19th century =

the four institutions: 1. govt, 2. balance of power, 3. market economy, 4. liberal state

- 1. govt
- 2. balance of power
- 3. market economy
- 4. liberal state

shape of the "inst. system" =

the breakdown of the 19th
the end of the 100% Rule
the passing of the self-regulating market
End of the liberal state

for shaping the course

the present trans formation

1) ensure permanent employment

2) see to it that the "solvent" is not a factor in production (except as above)

3) avoid futile wars & build up security

4) remove unnecessary want

new problem appearing on the horizon:

freedom & tolerance

domesticating the machine

by what means

unresolved problems" supposed

to "shape the course of the present transformation"

unnecessary want

redistribution of income

Beveridge Plan

New Deal

Free market solutions: high wages, self insurance, savings, free trade

increase of production & costs

emergence of new solutions:

(1) planned employment

(a) functional finance

(b) planned production

(2) social security

New Deal

Reveridge Plan

Corporative solution

Charta del Lavoro

(3) "futile wars":

(a) Empires

(b) mediation of small states

TAME EMPIRES.

Governing view -points:

nineteenth century

collapse of ~~the~~ institutional system of the ~~ambitious~~

Part I: Origins of the Crisis. 1. The ~~unhappily~~ was not caused by the conflict of ~~ambitious~~ empires, warring ideologies or a single ~~unhappy~~ event like the World War I, but by an underlying process of vast scope ~~unhappily~~ the origins of which reach far back into the social history of the period.

this

Part II: World dislocation. 2. The unsolved problems which forced ~~the~~ great transformation will imperatively demand their solution in and after this war: the survival of democracy depends upon the measure of its success in tackling this ~~unhappy~~ global task. itself

Part III: Freedom on trial. 3. ~~This~~/task/ lies mainly in the field of the organization of international life; yet the internal ~~problems of the nations~~ life of the peoples will to some extent conform to the requirements of ~~(have)~~ ~~to~~ such a total ~~transformation~~ readjustment. It is especially in the domestic sphere that ~~an~~ ~~unhappy~~ an all-round effort to reformulate the philosophy of the common man ~~within~~ is imperative.

Part I. : End of an Age: Origins of the Crisis.

TAME EMPIRES.

INTROUDCTION.

- Chapter 1. ~~After~~ The Paris Treaties.
- Chapter 2. ~~Vain~~ ^Victorious impotence. *German Crime War*
- Chapter 3. ~~Victorious impotence.~~ *Defeat and Delinquency*
- Chapter 4. ~~The road to Hitler.~~ *From Geneva*
- Chapter 5. England's wasted decades.
- Chapter 6. Paralyzled France. *world*
- Chapter 7. ~~The~~ USA and capitalist universalism.
- Chapter 8. ~~Russia forced into~~ socialism. *more countries*
- Chapter 9. Satan's due.
- Chapter 10. Tame empires.
- Chapter 11. Freedom and federation.
- Chapter 12. Regionalism versus universalism.
- Chapter 13. Land, labour, and money ~~no more~~ *no more* commodities.
- Chapter 14. Freedom lost - freedom won.
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TAME EMPIRES.

Chapter I. ~~After the Paris Treaties.~~

It was only ^{dimly} very gradually realized ^{in the vague and enthusiastic} ~~that the Paris Treaties meant~~ ^{the end of the Nineteenth Century world.} ~~This was even true of poli-~~ ^{tics than in economics.} ~~John Maynard Keynes at least had warned of the~~ ^{unexpected type of financial problem} ~~involved in the transfer of~~ ^{reparations.} ~~Though his warnings were thrown to the wind,~~ ^{there was} ~~something to remember when things began to look ill in economics.~~ ^{where,} ~~In politics not even the public was ever more ignorant than~~ ^{There was no} ~~one to denounce the~~ ^{futility of the so-called peace system.} ~~(those) and who did so warn, adduced~~ ^{various and pacifist arguments} ~~sentimental reasons which merely con-~~ ^{fused the issue.} ~~When things~~ ^{went} ~~from bad to worse,~~ ^{people} ~~not why.~~

Yet the reason was simple ^{enough} even though it was not apparent at the time. Europe had enjoyed a hundred years peace under the balance of power system. ~~That system had been now destroyed by the permanent~~ ^{disarmament of the defeated countries.} Taken literally ^{such a measure} ~~that they were expected to remain disarmed for ever--~~ ^{a patent} ~~absurdity~~ ^{which} ~~would have involved the end of all history.~~ Inevitably, a deep seated uncertainty was created which in spite of all appearances to the contrary precluded the resumption of normal state life in the ~~defeated~~ ^{in the} countries, notably in Germany. ~~No~~ ^{Internationally, the effects were even more far-reaching.} ~~The traditional system of force was gone, but no other system~~ ^{had taken its place.} The impossible had become the actual: ^{a power} ~~a political~~ ^{vacuum} ~~had been created~~ ^{in Germany} which continued to persist, despite all laws of politics. Neither war nor the threat of war had been made illegal, nor were the defeated guaranteed their security in any other way. ~~The~~

^{Italy} ~~These are conditions to suppose that the world has lasted since~~ ^{the world economy which started around 1900, but however that}

In the League of Nations the
/balance of power ~~system~~ was merely ^{organized} in a technically more rati-
onal manner, ~~than before~~. Provision was made for regular meetings, and
forms of normal consultation were laid down which would ^{greatly} facilitate the
working of the balance of power, ^{mechanism} thus helping to avoid avoidable wars
and increasing the aggressor's risk in making any sudden ~~move~~ ^{move} against
it was hoped to ~~achieve what the old~~
the status quo. In this way ~~unenlightened humanity~~ ^{improve on the old}
balance of power system, ~~did not achieve effectively~~ ^{refused to}. However, the machine
~~did not work~~, for the system had been deprived of its precondition,
namely the possession of power on the part of the units belonging to it.
~~And the~~ ^{the} ~~League had~~ ^{accepted} this state of disequilibrium by
recognizing the permanent unilateral disarmament of the defeated ^{(part of the} ~~as~~ ^{Countries)}
legal constitution of Europe.

This state of affairs ~~should~~ ^{should} have become apparent ~~at once~~ ^{much sooner}, but for
the economicist ~~prejudice~~ ^{illusions} which implied that the time of politics
~~was past~~ ^{had gone} and that the true constitution of the world was economic. This
^{very different} brought two ~~unreconcilable~~ ^{liberal} groups to the fore: the pacifist Left and the
^{international} banker. While the political Left embodied the peaceful and angelic
side of economics, ~~the men of big business~~ ^{high finance} represented ~~the~~ its satanic
and cynical aspect. Morally the Left was 'above' politics, ~~the Big~~ ^{Wall}
~~Business~~ ^{Street} was 'below' it. ^{But} they were at one in their belief in the pre-
valence of economic forces in society and in their discounting of the
political factors in history. ^{Admittedly} ~~the~~ the pacifist idealism of the Left was
as removed from the ^{given} ~~actual facts of the situation~~ ^{was} as the materialistic
realism of the bankers. ^{But while the} Left was convinced that only madmen ~~started~~
~~started~~ wars, ~~while~~ the princes of finance reserved this ~~role~~
role to the ~~hungry and~~ ^{intellectual} needy. That peace might be threatened from ~~other~~
other sources than those of physical starvation of ~~mental~~ ^{intellectual} deficiency

would have been denied ⁻³⁻ by them)
~~was beyond their range~~

Though pacifists and bankers indulged
in different forms of the harmonistic illusion, they were ^{equally} united in
~~their~~ belief in the
economic man, ^{whom they} ~~but~~ identified with national man.

It would ^{be difficult} ~~not be easy~~ to say which of the two groups wrought more
harm in practice. While the pacifist ~~disregarded~~ ^{ignored} the necessities of
the state, ~~yet~~ power and ~~efficiency~~ ^{simply blank paper}, then and wished to substitute
for them the smooth working of a mythical free trade which would
resolve everything in harmony, the banker insisted ^{upon} on the restoratio
tion at all cost of a set of definite economic institutions ~~than~~
~~in~~ ^{dangerous} disregard of their ~~own~~ ^{obsolescence} obsolescence. Neither
of them showed any grasp of the realities of politics and history,
~~which they~~ ^{but} vied in denouncing, the one as evil the other as ^{unreasonable} silly.

According to their ~~adherence~~ ^{adherence} to an idealistic
or a
utilitarian creed, ^{respectively}. In actual fact, the banker pr
proved even more harmful than the pacifist, perhaps only because
he had more direct influence on events and certainly exercised ^{it} ~~more~~

^{with less public control}. Although he was supposed to ~~have~~
~~modestly in the background~~ ^{shun publicity and to keep modestly to the background} and to leave the scene to the strutting pol
litician, ~~his~~ ^{yet} wealth spotlighted his figure ~~banishing~~ ^{relegating} every
thing ~~else~~ ^{others} to the background. ~~At the same time~~ ^{yet} he did not cease to
be featured as ~~a kind of~~ ^(recluse) ~~silent and~~ ^{and} industrious, ~~but~~ ^{impervious}
to the vanities of the world. General Dawes, ~~than~~ ^{figure} a ~~public figure~~ ^{there} of humdrum ~~public figure~~ ^{figure} if ever was, ~~rose to the stature~~ ^{became}
of the silent strong man whose practical common sense ^{was} ~~the hope~~
of the world, while ^{J.P.} Morgan's ~~person~~ ^{personality} was ~~made~~ ^{was} ~~surrounded~~ ^{surrounded} with a ~~veritable~~ ^{halo} of puritan privacy,

P supposed withdrawing

as a rule,
 While moral eminence, ~~which compensated for the~~ lack of realism of the
~~was compensated~~ ^{they} ~~was compensated~~ ^{often} ~~was compensated~~ ^{often}
 Left the materialistic illusionism of the banker was/aggravated by
 intellectual inferiority. The impression of inadequacy might at first
 glance have resulted from an unfair comparison between the measure of
 their abilities and the immensity of the responsibilities that fell to
 them under our economic system. There is however reason to believe that
 bankers as a class were habitually below average since the highly speci-
 fic abilities required by their profession bore but little relation to
 qualities of
 the ~~maintained~~ the trained mind. The faculty which makes the great
 banker is as accidental and as ~~humanity~~ ^{human} perpheric from the human point
 of view as that which makes the blind folded chess player, an other type
 of genius showing no correlation with general ability. ^{faucous} Chess matadores
 have known to have been rather dumb. The chances that the banker of all
 persons would understand the ~~entirely~~ new and complex problems of economi-
 cism was slight. Though some international bankers were known ^{to} have ha-
 possessed a high I.Q., ^{some} ~~many~~ idols of the financially minded 'Twenties
 were but poor representatives of the species outside the narrow ~~field~~
 field of directing credit operations.

Chapter 2. ~~Weimar and the Victorious Allies~~ ^{Germany's Reeducation No 1}

Post-War Germany paid bitterly for the imperviousness of the victors to the
~~its~~ needs of the time. Her re-education proceeded along the lines of
 pacifism plus gold standard, ~~the~~ ignoring the ^{true} ~~real~~ issues facing the
 country. This ^{naturally} ~~made~~ ~~automatic~~ ~~ally~~ the liberal Left and the foreign
 bankers ^{the} ~~only~~ ^{the} spokesmen of the nation, ^{positions of the} ~~thus driving the~~ ^{and drove} ~~country~~ ^{an} ~~even deeper into the~~ ^{more hopeless} deadlock.

Weimar was pacifist. ~~The Weimar coalition rejected the demand for Germ-~~

many's equality of status as a ~~reactionary~~ slogan. The three internationalisms- red, black and yellow- produced a thoroughly pragmatic and thoroughly unsound approach to the problem of peace. Socialism, Catholicism and High Finance ~~joined~~ pooled their resources to produce an internationalist ^{outlook} ~~point of view~~ ^{to} ~~unsuitable for~~ a permanently disarmed country.

The British Left ~~did all in its power~~ ^{of such an} reinforced ~~this~~ attitude ^{to permit} of an irresponsible sentimentalism. They proclaimed that German rearmament even on the most modest scale was a ^{set by an account of moral indignation} ~~veritable~~ crime against the Holy Ghost, ^{This laid them} ~~and demonstrated~~ open to the charge of a blatant hypocrisy since they appeared to ~~assumed~~ envisage a voluntary disarmament of

on the part of the victors, a development which was outside the pale of practical politics, ^{ought} as they ~~should~~ ^{have} known. *Analyze the L.N. des. changes.*

^{Gold Standard} ~~Sound currency~~ policy also was reinforced by all the progressive and enlightened forces in the camp of the victors. ^{Yet} ~~perhaps that~~ but for the gold standard craze which prevented Brüning from alleviating unemployment ~~at the height of the crisis~~, Germany would never have suffered the fate of Nazi domination. ^{maybe} ~~But~~ the fear of inflation natural to ~~the~~ a country which has undergone the horrors of this scourge ~~at its worst~~, was made to serve the ~~noted~~ ^{liberal} different aim of opposing the management of currency and deficit finance. Famous economists mounted the scented soap box and ~~expounded~~ ^{dispensed} their sophisticated theories as a vehicle of ~~political demagoguery~~ political demagoguery.

~~From~~ Germany was the victim both of her foes and ^{of} her friends. The nearer she appeared to have come to the Versailles ideals of ~~peace~~ ^{peace} ~~and sound currency~~, the farther from normalcy she ~~actually~~ was.

The solutions of her ~~many~~ problems was left to the ~~care of the~~ Devil.

Victims of an antiquated outlook, the Germans were quickest to grasp its weaknesses.

^{They had} Their basic experience ^{that of} the inadequacy of the nineteenth century order. Primarily, ^{the order} suited ^{British interests} other countries only as long as the ~~unfavourable~~ conditions ~~unfavourable~~ lasted out of which it arose. Disarmed Germany gradually learnt to understand the role

of force in the establishment of power. They noted the earlier attainment of national and social unity in England as well as the fact that it was not achieved through methods of parliamentary democracy.

Intellectually, this was a time of debunking. German idealism was working in the reverse. The results ^{was} ~~was~~, as usually, ~~unusually~~ the ~~complete~~ loss of orientation on the part of the radical debunkers.

The discovery that Western European ideals had not benefited all ~~equally~~, led to the mistaken conclusion that these ideals ~~was~~ ^{were} instruments of power in the hands of definite nations as, for instance, the ~~English~~ British.

Socialism and universalism were reduced to instruments of bourgeois nationalism. They were made to serve the totalitarian cause, ~~and its~~ ^{the} ~~politics~~ ^{assertion} ~~was based on universalist assumptions of the unreality of the individual, while its economics were to be unhampered planned~~ ~~as an instrument of~~ ~~national aggrandisement.~~

Socialism was ~~reduced to an~~ ^{its class outlook} ~~instrument of bourgeois nationalism,~~ ^{on the part of the} by perverting it into ~~an~~ ^{an} ~~acquiescence~~ ^{of} ~~the~~ ^{the} ~~common people, in~~ ^{their own inferiority} while the European outlook was ~~turned~~ ^{turned} into ~~an~~ a vehicle of ~~master race policies.~~ ^{the} ~~Thus~~ ^{the} ~~Satanistic assumptions were~~ introduced into ~~the~~ ^{the} fabric of Western idealism, and the ~~necessary~~ ^{the} post-Christian outlook of ~~man~~ ^{the} ~~inhabiting~~ ^{the} a complex society turned into an anti-Christian outlook.

Ch.4.: ~~The road to Hitler paved with good intentions.~~

The good intentions were those of the League, ~~summing up~~ ^{high flying} ~~the~~ ^{was} slogan ~~was~~ ^{have been} 'Peace through gold'. To the idealism of the pacifist was superadded the idealism of the high-pressure salesman. To Wilson and Shotwell ~~and~~ ^{and} ~~Wilson and Ford.~~ ^{were formed by} The supposedly supra-national

position of the League encouraged the disregard of the facts of national politics to which economists tend. The free traders among them saw in the defeated countries a ~~new~~ ^{by then they hoped should be} field for laissez-faire experiments which ~~would ruthlessly~~ ^{made humanism in vivo}. What the wealthy and powerful enlightened Westerner had been unable to create for himself, should now be made to benefit the poor, backward ^{Eastern} European who had to submit helplessly to the treatment dealt out ^{to him} for ~~him~~ his own ~~humanitarian~~ good by the Geneva experts. Through the irony of fate, the lethal blow to world credit came from the Danube which had been for ten years the object of incessant medication. Austria, the birth place of the League's glory, became also its grave.

The League overlooked the intimate causal connection between the chauvinism it feared and the laissez-faire it preached. For laissez-faire in world economy raised fears in the single nations ~~and humanism~~ which were the real source of economic nationalism. Thus the League unconsciously ~~for~~ fostered the nationalism of which it complained and at the same time blocked the road to the true solution. Instead it denounced the demand for ^{economic and political} security as chauvinism and the need for ^{regionalism} was discounted in the name of universalist ethics (The Nazi made the opposite mistake of extending regionalism, justified only in the ~~human~~ ^{economic} political and economic sphere, to that of ~~human~~ ^{ethics} and religion.)

The three problems of the Danubian region--racial minorities, frontiers and economic non-cooperation--were ~~not~~ ^{no} brought ^{then} nearer to ~~their~~ solution ~~by the League~~. The road to Hitler ~~was paved~~ ^{was paved} with good intentions.

Ch.V. England's wasted decades.

Great Britain was the classical country of post-War unemployment and the vicissitudes of the gold standard. Her physical and moral effort in winning World War I was ~~very~~ ^{great}; her subsequent ~~inability~~ ^{effort} to ~~maintain~~ ^{maintain} the peace, was ~~almost~~ ^{almost} nil. ~~The~~ ^{the} nineteenth century system ~~of~~ ^{of} British system, and, on the whole, national interest would have been served by its restoration. ~~But for the~~ ^{But for the} ~~reason~~ ^{reason} British statesmen ~~would~~ ^{would} ~~be~~ ^{be} expected to understand the implications of that system better than others, and to know the reasons for its down fall. ~~However,~~ ^{However,} this was ~~not~~ ^{not} the case.

6th Actually, of all Western countries, Britain experienced the most severe and persistent unemployment, and more than ~~anywhere else~~ ^{anywhere else} it was here that the gold standard developed its negative qualities on a large scale. The return to gold and the so-called disarmament policy were in ~~these~~ ^{these} conditions frivolous and futile. England, in spite of Keynes's warning, restored the value of the pound sterling, though all parties were determined not to allow a fall of nominal wages. Also England continued to lend to Central and Eastern European countries as before, thus bearing the burden of the restoration of their currencies. The short term lendings to Germany which eventually endangered the pound should not have been permitted. And after all the talk of 'currency first' and admonitions to lesser peoples, ultimately England went off gold simply to save ~~her~~ ^{her} the banks from insolvency. Though this was ~~not~~ ^{not} ~~certainly~~ ^{certainly} a valid reason, first, it was mistakenly denied, second, Britain never gave really account of herself of what had happened. Incidentally, this would have involved the clearing up of the issue of the general strike, which was, so to speak fought and lost in the dark.

Ch. VI. France's paralysis.

The deadlock of classes, the most ominous feature of a market-society, was represented in the France of the 'Thirties in its perfect purity. World War II was primarily a struggle for social systems. Germany and Russia regarded their social organizations as ~~their~~ primary assets both militarily and in the realm of international politics. As late as Munich, in September 1938, Germany was banking on her anti-Bolshevik credentials, and, in March 1939, Russia was still officially stating her world-revolutionary connections. The U.S. made her social and industrial system the crucial issue of the War; it was on the strength of her 'way of life' that she claimed leadership. ~~Only~~ To a lesser extent the same was true of Italy and Japan. Even a number of smaller countries showed tremendous powers of resistance, their patriotism being to a large extent represented by themselves as loyalty to their way of life. It is in this light that the spectacular failure of France in 1940 is to be understood. ~~regarded~~

Everything was subordinated to ~~the~~ class war. The gold standard was used by the capitalists ~~consciously~~ as a weapon of political constraint. Even

military

strategy, --Maginot line-- was determined by the lack of ~~international~~ unity. French appeasement policy was the outcome of capitalist sympathies with Germany's regime, and, for the rest, to the inherent weakness of a country divided against itself. In the person of Laval the principle of evil took the lead and made a last bid to solve the country's problems with the help of the methods of out and out cynicism, but in vain. His supposed realism merely ~~perpetuated~~ consumed the catastrophe.

Ch. VIII. The USA and capitalist universalism.

Given a free supply of labour, land and money, market-economy worked successfully in America. ~~Consequently, her~~ foreign policy ~~was~~ still tied to the pre-1914 system. Even though at home the New Deal might mean the beginning of an independent solution of the problem of an industrial society, abroad America must insist on the economics of the gold standard and free trade, these primitive 'Trotzkyist' forms of capitalism. The contradiction between her domestic and her external economics may for a considerable time be ~~overcome~~ bridged by virtue of her great political and economic strength. The USA represents ~~in the world~~ the temptations of a universalist line of policy.

Ch. VIII. Russia forced on to socialism.

Russia's first revolution (1917-1924) was induced by the evils of absolutism, feudalism and national oppression, which she shared with the Western countries of the 18th and 19th centuries. Her second revolution (1929-1939) was not backward looking but prophetic, and was forced upon her by the failure of Western market society. Russia, the only country able to establish herself as an autarch empire, was actually compelled to take this course. Trotzkyism, the primitive universalist form of socialism was overcome by the more highly developed regional solution of the Five Year Plans.

Ch. IX. Satan's due.

The effect of the Hitlerian crime wave benefited ~~the~~ the latent tensions which were bursting the world wide open. Some of the most obstructive features of the old world perished in the process, such as nuisance sovereignties, the gold standard fetish as well as ~~chaotic~~ chaotic markets.

(explosion)

- 8 -

Ch.X. Tame Empires.

The greatest single step towards the achievement of a more effective division of labour and enlargement of the peace area lies today in the establishment of essentially autarchic essentially peaceful empires, the close economic cooperation of which is institutionally safeguarded. Such empires might come into being out of the USA, Latin America, the British Commonwealth, German Central Europe, Smuts's colonial zones, India, China and other regions. All but the predatory empires are eligible under the new dispensation.. The tame empire need not be ~~an~~ ^{is not an} utopia. ^{only}

Such empires must be regarded as essentially indestructible, and their wars ~~are~~ ^{are} merely peripheric and lead to minor adjustments. Even the wars of the Roman empire were comparatively small professional affairs; so were ~~the~~ ^{the} Chinese of the classic period, ~~and the~~ ^{and the} It seems doubtful whether total war will continue to be a feature of warfare as it certainly is with warring tribes and was the case in the recent past.

Ch.XI. Freedom and federation.

Nineteenth century Powers could not refrain from spreading their constitutional and business pattern to all other countries ~~for apart from these~~ ^{since otherwise} trade ~~was hardly possible~~ ^{was hardly possible} and capital transactions ~~hardly possible~~ ^{hardly possible} were hardly possible. Autarchic empires are under no such compulsion ~~to~~ ^{and} institutional and cultural uniformity, and ~~can yet~~ ^{can yet} cooperate effectively. Only the similarity of the organs of external economic ^{relations} is necessary, not also that of domestic economics.

Ch.XII. Regionalism vs. universalism.

Both capitalism and socialism start from primitive universalist conceptions the truth of which lies in the moral and spiritual sphere, the translation of which into political and economic institutions may be however premature. Confer the premature ~~universalism~~ ^{universalism} of the Christian Commonwealth of the early Middle Ages, which had to be superseded by the national states in order to ensure economic and political ~~progress~~ ^{progress}. The fascist rightly insisted on the negation of universalism in the political and economic sphere while ~~unnecessarily~~ ^{unnecessarily} degrading it into the ~~spiritual~~ ^{spiritual} sphere of ethics and rationality. The helpless methods of free trade to be replaced by the neigor form of political responsibility. (Confer the fallacy of the automatism of the gold standard as opposed to ~~managed~~ ^{managed} the alleged inferiority of managed currencies). The organs of external economics developed in the ~~ties~~ ^{ties} in order to save the old system, can be used to day in order to launch the new.

Ch.XIII. Land, labour and money ~~are no~~ ^{are not ceasing to be} commodities.

We must retain the institutions of money and markets, but master ~~them~~ ^{them} through regulation. Labour's price should not be formed on the market; land and other natural resources should be determined by the ~~the use of~~ ^{the use of} market; money, ~~as it is largely already today~~ ^{as it is largely already today} should be ~~regulated~~ ^{regulated} in the hands ~~the supply of~~ ^{the supply of} of public bodies. The increase in centralization involved must be counteracted by a positive will to freedom, and such institutions ~~as~~ ^{as} are able to safeguard a Bill of Rights.

Ch.XIV.

Freedom lost: freedom won.

^{but}
Now God alone knows what the course ~~must~~ of history was meant to be
~~writing history in a reasoned way~~
before man spoiled it. In ~~trying to write history~~ we are in
~~trying to write history~~
~~truth trying to write history~~ unconsciously comparing
the actual events with what they ought to have been. In this sense
~~all writing of history~~ ~~man can be no more than a guess.~~

However, we can try to guess that meaning, and I for one never ceased
during my whole life ~~time~~ to follow ~~the~~ events ~~consequently~~ with
that one idea in mind.

I started life as a socialist, and referred all my hopes and
fears to this ideal. ~~However, even~~ before the First World War I became
convinced that our civilization ~~was~~ moving towards a great transforma-
tion in which the role of socialism itself ~~will~~ change radically.
I put down my ideas in a short article called 'The Crisis

of our Ideologies', ~~which appeared in Hungarian~~ ^{and} I argued in the
^{Conventional} ~~Marxian~~ ^{paraphrase} ~~paraphrase~~ that we were moving towards an age of
monopoly capitalism ~~in which~~ in which the capitalist class itself
would elevate the socialist ideal into a state religion, ~~without~~
completely divesting it of its humanitarian and democratic
content. In other words, I was forecasting the national-socialist
development. Inevitable though I ~~believed~~ ^{thought} ~~that~~ develop-
ment to be, ~~I thought~~ ^{on economic grounds,} ~~that it should be~~ ^{opposed} ~~opposed~~ ^{and} ~~opposed~~
and fought. The contradiction ~~between~~ ^{involved} ~~in~~ ^{such} ~~position~~ ^{soon} turned me
~~against~~ ^{the} ~~materialism~~ ^{period} and made me ~~reject the crude~~
positivism of the ~~period~~. I embraced the idea of ethical activism
and was presently ~~converted to~~ ^{taught} ~~the teaching~~ ^{of Jesus.}

Christianity. ~~My next twenty years of my~~ The next twenty years of my
life were devoted to the attempt of reconciling the social gospel
to ~~man's condition~~ ^{man's condition} in an industrial society.

It was from his
standpoint that I followed the rise of
Bolshevism, & fascism, the perils of the
and economic crisis, and of the war.

TAME EMPIRES

Introduction

Many
~~Not a few people still appear to be clinging to the~~ *dangerous*
belief that the right treatment of Germany is the problem the Allies will have to face after ^{the} victory. We are not referring here to this or that ^{special} school of thought ^{on Germany} whether ~~it be liberal~~ mild or harsh, but to ~~understand~~ *broad* ~~the delimiting delusion~~ *illusion* that any conditions imposed upon the defeated could resolve the problems raised by the war. Should such a conceit prevail with the peace-makers, the ~~the~~ comic tangle in ^{this} our affairs *got* ~~enmeshed~~ after the First World War would be as nothing to their tragic collapse after the Second.

Not as if the future in Germany were not of the highest importance to Europe. To give way in regard to that country to a brainless sentimentalism would be ~~as~~ *inexplicable* as to indulge ^{at its cost} in blind vindictive sadism, ~~at its cost~~. But assuming, as one ~~reasonably~~ should, that the right course in this case lies somewhere in the middle, it would still be ~~a~~ *fatal mistake* ~~to imagine that~~ any treatment of Germany ~~whatsoever~~ could in some miraculous fashion prove an antidote to the ~~devastating~~ *devastating* ills of our civilization. ~~as revealed by the fact and figures~~ *as revealed by the fact and figures* ~~that the ailments of our present society do not date from the German War~~ *that the ailments of our present society do not date from the German War* and ~~they~~ will not vanish whatever ~~will~~ be the fate of Germany. So much, *regarded* ~~I believe~~, I believe, should be ~~accepted~~ as axiomatic. Since the turn of ^{highly integrated} the century our societies had become ~~highly~~ unstable, ~~hosts of industrious persons were left from time to time without incomes~~, *competing* the Powers were ~~in~~ *in* ~~trigging~~ for markets ^{in order} ~~and colonies~~ to keep employment and profits on an even keel, and their all but mobilized ~~armies~~ *armies* were waiting only ^{conscript} while ^{interfered with} for the word to cross the frontiers, / uncontrollable Liliputian states ^{plans} ~~denied~~ concerted peace ~~action~~. Such was the picture, of our world before:

Germany's first war of aggression; ^{and} ~~while~~ a dozen years after her utter ^{in 1948 the same} ~~defeat~~ these troubles, far from disappearing, ^{heavy} ~~had~~ ^{ed} ~~become~~ many times worse. Unemployment which had been reckoned by the hundred thousand in the 1910s was ~~now~~ counted by the million ^{in 1930,} international anarchy which ~~until 1914~~ had been ~~precariously~~ held in bounds by the balance of power was ^{now} rampant; and internal tensions, both national and social, which had been held in check, ~~before 1914~~, burst forth at all ends. How could Germany - or for that matter any other single nation - be credited with having created a state of affairs which antedated its aggressive acts, and which became even more calamitous after ~~the~~ ^{for its all} ~~all~~ but complete elimination of ~~the~~ from the scene? And how could one expect that any conceivable behaviour towards Germany, however forgiving or vindictive ~~it be~~, would free our society from ills clearly not caused by the doings of any one country?

And yet of all the crude superstitions that thrived in the credulous atmosphere of the time, belief in the panacea of Vansittartism was ^{perhaps} not even the most incongruous. ^{After all} The Nazis heaped up a record of misdeeds that no modern nation ever equalled. ^{And} Even when their acts were morally no worse than those of other power-loving governments in the past, they put themselves out of court by their ~~insistence on acting in an almost~~ exultant defiance of the fact that ~~some of~~ their actions which were formerly merely reprehended as an unnecessarily harsh use of force had been in the meantime ^{branded} ~~recognized as~~ inhuman crimes. Vansittartist Wodoo had ~~therefore~~ its psychological source in the ghastliness of Nazi practices which confounded the judgment even of such who would have otherwise shied at the strange notion that if we ^{could} only discovered the ~~precisely~~ correct manner of settling the German question, Western society would be well on ^{the} way towards the solution of its problems, including ^{notably} ~~mass~~ unemployment, ~~fluctuating currencies~~, revolting because unnecessary want,

and criminal because futile wars. There was, for instance, ^{the supposition} ~~the opinion~~ that the disintegration of our institutional system in the Twenties and Thirties was due to a clash of ^{extreme opinions} ~~fascist and bolshevik ideologies~~, ^{this view} ~~in~~ ^{was held} in disregard of the circumstance that the crowning institution of international capitalism, ~~namely~~ the gold standard, was destroyed not by a Bolshevik, but by Neville Chamberlain, a representative of ~~the power of~~ ^{in this suicidal course} the City of London, and that he was followed ~~in this suicidal course~~ a couple of years later not by a fascist, but by Franklin Roosevelt, head of the American democracy. The Carnegie Foundation, again, ^{preconized} ~~popularized~~ the view that the First World War was responsible for the fatal dislocation. **As** if our institutional system had been hale and sound before that bloody event, incidentally, itself only a symptom of the failure of those institutions which, ~~together~~ had made possible the Hundred Years' Peace of 1815-1914. An even more superficial view tried to fix the blame for the failure of the League, the International Labour Office, the Disarmament Conference and the other unfunded trusts of the Nineteen Twenties on the alleged greed of the businessmen and the shortsightedness of the politician who supposedly blocked the working of these otherwise ~~as~~ perfect institutions. ^{Actually, the testimony of the facts showed that} ~~as the testimony of the facts did not show that~~ ^{in all history} ~~in all history~~ was a more sustained effort made to restore peace and prosperity by methods directly deduced from conceptions about the nature of the society. ^{indeed, not} ~~of their time~~ Had often had there been seen a more public spirited generation of international statesmen than ^{that of} the Stresemanns and Briands, the Herriots and Hendersons, or indeed even that of the doctrinaires of the gold standard. ^{yet} ~~yet~~ all their attempts to restore peace and prosperity at whatever price merely hastened general ruin.

The ^{simple} ~~simple~~ truth of it is that the whole institutional system of the nineteenth century has broken down and that we will have to replace it by a new one, if we want to save the lives of hundreds of millions of people who have become dependent for their ~~very~~ ^{here} existence on the services

of an industrial civilization. And this gigantic transformation was as little the result of the violent imperialism of single peoples such as the Teuton or the Nipponese, as it was the outcome of a clash of creeds, such as fascism or bolshevism. Its true causes ^{were} ~~are~~ not far to seek. ^Q Already by the turn of the century it was widely held that a great change in the economic system was inevitable; somewhat crudely ~~perhaps~~ this was put in the terms that capitalism had had its run, and that the not too distant future belonged to socialism. Today we may be inclined to avoid ~~general~~ ^{such} formulae and to put the ^{issues} ~~unsolved problems~~ of our time in more pragmatic terms such as unemployment, monetary fluctuations, social insecurity, international anarchy, and so on, while discounting purely economic slogans. ^Q But far from weakening ~~the public conviction of the instability of our institutions~~ ^{the belief in the transitional character of capitalism}, such a pragmatic attitude tended ^{rather} to reinforce that ^{belief} ~~conviction~~ enormously, and to make it practically general. A quarter century ago hardly anybody but a socialist would have argued that the business cycle, individual ^{wage} ~~labour~~ contracts, or trade wars ought to be abolished. Today capitalists would emphatically ^{urge the same} ~~agree with them~~. Over and over again in the ^{that were found more than the} ~~course of human history~~ the complaints of the powerless ^{thus} ~~have been~~ advanced to the status of "unsolved problems," an ^{change} ~~extremely significant~~ ^{improvement}, due to the ^{mainly} ~~simple~~ fact that circumstances made a solution or, rather, solutions possible where formerly none were in sight. ^{For} ~~these~~ ^{a formerly} ~~ineffectual~~ oppositions ^{first themselves} ~~reinforced~~ by the superior strength of the powers that be (though not, ^{perhaps} ~~perhaps~~, by all) of them. ^A A more decisive turn in social development ^{that} ~~than such a change~~ ^{has} is conceivable. Almost over night the existing state of affairs comes to be felt as insufferable and as from nowhere irresistible forces make their appearance pressing for change.

^Q However, of the rival solutions not necessarily that one will prevail which was advanced by the critics; sometimes, in effect, the solution favoured by the criticised will take precedence over the one preconised by the critics themselves. It might then, indeed, seem as if their criticism

had been ill founded, while actually it may have been borne out by the event only in a form unexpected to themselves. Their demand for socialism, for instance, may have merely bred fascism for the time being. In spite of this apparent refutation of their thesis it would still be true that a well-defined problem, ^{very} the failure of market-economy, had forced the course of events. In such periods historical analysis is almost reduced to a record of the ~~various~~ ^{have brought} circumstances which ~~brought~~ the unsolved issue to the fore and the ^(dramatic) ~~peripeties~~ ^{appear} of history ~~appear~~ ^{merely decide} ~~as a result of competing solutions.~~

^{which of the} The First World War offered ^{several} ~~some~~ examples. It was to be expected,

^{e.g.,} that, whichever side won, the end of feudal conditions in Russia would be the result - in the case of Russia's victory, because ^{this} ~~it~~ could not have been achieved without giving ^{modern} capitalism a chance, in the case of Russia's defeat, because the revolutionary peasantry and proletariat ^{then} would ~~destroy~~ ^{even more} ~~as surely as the ascendancy of the capitalists~~ ^{than the} would. Actually, ^{both solutions were applied} victory and defeat combined to fulfill the task, Bolshevik defeatism finishing the job which the Kerenski's and Milyukov's ^(chauvinism) began. Similarly, the long standing issue of racial minorities was due for solution, whether the Austro-Hungarian Monarchy won or lost; with the only difference that in the first case racial minorities would secure their freedom ^{within} ~~inside~~ the Dual monarchy, in the latter case, ^{without} ~~outside~~. In respect to ~~this~~ ^{again,} the Yugoslavs events brought both solutions to the test: in 1917, when the successful offensive of the Germans brought Serbia under the occupation of the Dual Monarchy, plans were set afoot in Vienna to offer to the Yugoslavs freedom inside the Monarchy; when, ^{eventually} ~~ultimately~~, the Monarchy lost the war the Yugoslav parts seceded and gained their freedom outside the Monarchy. This does in no way imply that the alternative solutions are ~~in all respects~~ equivalent; usually the one fits into an entirely different pattern than the other. The liquidation of Russian feudal remnants on the hand of Milyukov and Kerenski would have been

much less ^{complete but} ~~radical though~~ also less costly than that indicated by the Bolsheviks. Similarly, the destruction of German and Magyar ascendancy over Southern Slav peoples would have been less complete and ^{also} less costly, if ~~it~~ achieved within the confines of the monarchy than by the way of its fragmentation, as it actually happened. To the historian, however, in his quest for the roots of that variegated development which comprises the antecedents of the War, as well as its consequences, ~~summarized~~ issues such as feudal ^{survivals} ~~survivals~~ in backward Russia or racial minorities in the Dual Monarchy may well offer a clue.

~~Precisely~~ The same is the case ^{to} ~~on~~ an even ^{greater extent} ~~much larger scale~~ to-day. ^{For after all the} First World War was progressive and constructive only in the backward regions of Europe and the Near East where it acted as a vehicle of constitutional, national and economic emancipation. ^{Otherwise,} ~~for the rest,~~ notably in the West, it was merely one of those clashes of the vital forces of communities which seem to serve no other purpose than to measure their relative ~~strength~~ strength for the benefit of the gods. In the Second World War the unsolved problems of a whole period of civilization provided the background. Germany, Japan, Italy merely tried to clutch as large chunks as they could out of the body of a disintegrating ~~monarchy~~ system. Their own contributions to the solutions of these problems ~~far from being utterly valueless~~ were rather in the nature of tentacles with the help of which ^{the} ~~degradation~~ degradation was to be carried into effect. Russia, England and America contributed their share ~~in the shaping of a new world~~ ~~less~~ in the spirit of acquisition (seeing that they were in possession) as in that of a reluctant participation in constructive efforts. - Indeed, the very fact that they were ^{actually shaping a new order} ~~supposedly~~ was not ~~admitted~~ ~~by the Allies~~ ^{alleged} by the Allies, while the Axis paraded its ~~supposedly~~ new order even where this phrase covered up merely an utter lack of plan and principle. While the Axis was thus dramatizing its missionary role the Allies denied, at least by implication, that such a mission was called for. However, neither

^{we believe}
party should be judged simply on its own testimony which, paradoxically
enough, often tended to be unfair to ^{him} ~~themselves~~.

^{Thus the} ~~The~~ Atlantic Charter, ^{itself} contained no recognition of the causes of the
present world crisis. On the contrary. It definitely implied that absolute
sovereignty and self-determination are not amongst these causes, the
opposite of which is a patent fact. It implied also that the equal status
of great and small nations in international life is not amongst them,
despite the fact that the whole history of the League proved the contrary.
It did not even mention the dangers which derive from a market economy
and unregulated world trade; it was silent about the mass unemployment
resulting from the gold standard and the insecurity of income inherent
in the wage system. And these are only the major points on which a docu-
ment was necessarily misleading which failed ~~even~~ to refer to the economic
and social earthquake that shook the world after 1929 and thus falsely
implied that the chaos in international life was the result of the aggress-
ive or criminal action of one Power or another. ~~The~~ Vansittartism ~~wedge~~
can justly claim as its origin the Atlantic Charter. Scapegoats form
part of the rites of wizardry. One need not have undue sympathy with
the goat to insist that its sacrifice will not cure our ills, and may even
prevent us from seeking out the true remedy.

This book will try to indicate such remedies, on the simple assumption
that the obvious diagnosis of ^{our} ~~the~~ ~~illness~~ is the right one, and that the
^{complex} ~~conflicts~~ of empires and ~~the conflicts of~~ ideologies are merely ~~superadded~~
superadded ~~into~~ ^{of change} a broad ~~process~~ process through which the unsolved
problems of the age are ^{growing} ~~standing~~ for their solution.

TAME EMPIRES

Introduction

Not a few people still appear to be clinging to the curious belief that the right treatment ~~for~~ Germany is the problem the Allies will have to face after victory. We are not referring here to this or that school of thought, whether it be labelled mild or harsh, but to the optimistic delusion that any conditions imposed upon the defeated could resolve the problems raised by the war. Should such a conceit prevail with the peace-makers, the almost comic tangle in our affairs after the First World War would be as nothing to their tragic collapse after the Second.

Not as if the future in Germany were not of the highest importance to Europe. To give way in regard to that country to a brainless sentimentalism would be obviously as unjustifiable as to indulge in a blind vindictive sadism at its cost. But assuming, as one reasonably should, that the right course in this case lies somewhere in the middle, it would still be a baseless illusion of the most dangerous kind to imagine that any treatment of Germany whatsoever could in some miraculous fashion prove an antidote to the agonizing ills of our civilization.

The ailments of our present society do not date from the German War and they will not vanish whatever will be the fate of Germany. So much, I believe, I believe, should be accepted as axiomatic. Since the turn of the century our societies had become highly unstable, hosts of industrious persons were left from time to time without incomes, the Powers were intriguing for markets and colonies to keep employment and profits on an even keel, and their all but mobilized mass-armies were waiting only while for the work to cross the frontiers, /uncontrollable Lilliputian states hindered any concerted peace-action. Such was the picture/ of our world ~~before~~

Germany's first war of aggression, while a dozen years after her utter defeat these troubles, far from disappearing, had become many times worse. Unemployment which had been reckoned by the hundred thousand in the 1910s was now counted by the million, international anarchy which until 1914 had been precariously held in bounds by the balance of power was rampant, and internal tensions, both national and social, which had been held in check before the First War, burst forth at all ends. How could Germany - or for that matter any other single nation - be credited with having created a state of affairs which antedated its aggressive acts, and which became even more calamitous after the all but complete elimination of that country itself from the scene? And how could one expect that any conceivable behaviour towards Germany, however forgiving or vindictive it be, would free our society from ills clearly not caused by the doings of any one country?

And yet of all the crude superstitions that thrived in the credulous atmosphere of the time, belief in the panaceas of Vansittertism was not even the most incongruous. The Nazis heaped up a record of misdeeds that no modern nation ever equalled. Even when their acts were morally no worse than those of other power-loving governments in the past, they put themselves out of court by their insistence on acting in an almost exultant defiance of the fact that some of their actions which were formerly merely reprehended as an unnecessarily harsh use of force had been in the meantime recognized as inhuman crimes. Vansittartist Wodeo had therefore its psychological source in the ghastliness of Nazi practices which confounded the judgment even of such who would have otherwise shied at the strange notion that if we only discovered the precisely correct manner of settling the German question, Western society would be well on the way towards the solution of its problems, including mass-unemployment, fluctuating currencies, revolting because unnecessary want,

and criminal because futile wars. There was, for instance, the opinion that the disintegration of our institutional system in the Twenties and Thirties was due to a clash of fascist and bolshevik ideologies, in disregard of the circumstance that the crowning institution of international capitalism, namely the gold standard, was destroyed not by a Bolshevik, but by Neville Chamberlain, a representative of the power of the City of London, and that he was followed in this suicidal course a couple of years later not by a fascist, but by Franklin Roosevelt, head of the American democracy. The Carnegie Foundation, again, popularized the view that the First World War was responsible for the fatal dislocation, as if our institutional system had been hale and sound before that bloody event, incidentally itself only a symptom of the failure of those institutions which, together had made possible the Hundred Years' Peace of 1815-1914. An even more superficial view tried to fix the blame for the failure of the League, the International Labour Office, the Disarmament Conference and the other unfunded trusts of the Nineteen Twenties on the alleged greed of the businessmen and the shortsightedness of the politician who supposedly blocked the working of the otherwise so perfect institution - as if the testimony of the facts did not show that rarely in all recorded history was a more sustained effort made to restore peace and prosperity by methods directly deduced from conceptions about the nature of the society of their time! Not often had there been seen a more public spirited generation of international statesmen ^{that of} than the Stresemanns and Briands, the Harriets and Hendersons, or indeed even that of the doctrinaires of the gold standard. And yet all their attempts to restore peace and prosperity at whatever price merely hastened general ruin.

The simple truth of it is that the whole institutional system of the nineteenth century has broken down and that we will have to replace it by a new one, if we want to save the lives of hundreds of millions of people who have become dependent for their very existence on the services

of an industrial civilization. And this gigantic transformation was as little the result of the violent imperialism of single peoples such as the Teuton or the Japanese, as it was the outcome of a clash of creeds, such as fascism or bolshevism. Its true causes are not far to seek. Already by the turn of the century it was widely held that a great change in the economic system was inevitable; somewhat crudely, maybe, this was put in the terms that capitalism had had its run, and that the not too distant future belonged to socialism. Today we may be inclined to avoid general formulae and to put the unsolved problems of our time in more pragmatic terms such as unemployment, monetary fluctuations, social insecurity, international anarchy, and so on, while discounting purely economic slogans. Far from weakening the public conviction of the instability of our institutions, such a pragmatic attitude tended to reinforce that conviction enormously, and to make it practically general. A quarter century ago hardly anybody but a socialist would have argued that the business cycle, individual labour contracts, or trade wars ought to be abolished; today capitalists would emphatically agree with them. Over and over again in the course of human history the complaints of the powerless have thus advanced to the status of unsolved problems, an extremely significant preferment, due to the simple fact that circumstances made a solution or rather solutions possible where formerly none were in sight. Consequently an ineffectual opposition found itself reinforced by the superior strength of the powers that be (though not, perhaps, by all of them). No more decisive turn in social development than such a change is conceivable. Almost overnight the existing state of affairs comes to be felt as insufferable and as from nowhere irresistible forces make their appearance pressing for change. However, of the rival solutions not necessarily that one will prevail which was advanced by the critics; sometimes, in effect, the solution favoured by the criticised will take precedence over the one preconised by the critics themselves. It might then, indeed, seem as if their criticism

had been ill founded, while actually it may have been born out by the event only in a form unexpected to themselves. Their demand for socialism, for instance, may have merely bred fascism for the time being. In spite of this apparent refutation of their theses it would still be true that a well-defined problem, the failure of market-economy had forced the course of events. In such periods historical analysis is almost reduced to a record of the shifts in circumstances which brought the unsolved issue to the fore and the petipeties of history appear as mere links in the conflict of competing solutions.

The First World War offered some examples. It was to be expected that, whichever side won, the end of feudal conditions in Russia would be the result - in the case of Russia's victory, because it could not have been achieved without giving capitalism a chance, in the case of Russia's defeat, because the revolutionary peasantry and proletariat would destroy feudalism as surely as the ascendancy of the capitalists would. Actually, victory and defeat combined to fulfill the task, Bolshevik defeatism finishing the job which the Kerenski's and Milyukov's / chauvinism began. Similarly, the long standing issue of racial minorities was due for solution, whether the Austro-Hungarian Monarchy won or lost; with the only difference that in the first case racial minorities would secure their freedom inside the Dual monarchy, in the latter case, outside. In respect to the Yugoslav events brought both solutions to the test: in 1917, when the successful offensive of the Germans brought Serbia under the occupation of the Dual Monarchy, plans were set afoot in Vienna to offer to the Yugoslavs freedom inside the Monarchy; when ultimately, the Monarchy lost the war the Yugoslav parts seceded and gained their freedom outside the Monarchy. This does in no way imply that the alternative solutions are in all respects equivalent; usually the one fits into an entirely different pattern than the other. The liquidation of Russian feudal remnants on the hand of Milyukov and Kerenski would have been

much less radical though also less costly than that indicated by the Bolsheviks. Similarly, the destruction of German and Magyar ascendancy over Southern Slav peoples would have been less complete and less costly when achieved within the confines of the monarchy than by the way of its fragmentation, as it actually happened. To the historian, however, in his quest for the roots of that variegated development which comprises the antecedents of the War, as well as its consequences, ~~xxxxxxxxxxxx~~ issues such as feudal survivals in backward Russia or racial minorities in the Dual Monarchy may well offer a clue.

Precisely the same is the case on an even much larger scale to-day. The First World War was progressive and constructive only in the backward regions of Europe and the Near East where it acted as a vehicle of constitutional, national and economic emancipation. For the rest notably in the West it was merely one of those clashes of the vital forces of communities which seem to serve no other purpose than to measure their relative ~~xxxxxxxxxx~~ strength for the benefit of the gods. In the Second World War the unsolved problems of a whole period of civilization provided the background. Germany, Japan, Italy merely tried to clutch as large chunks as they could out of the body of a disintegrating ~~xxxxxxxxxx~~ system. Their own contributions to the solutions of these problems far from being utterly valueless were rather in the nature of tentacles with the help of which degradation was to be carried into effect. Russia, England and America contributed their share in the shaping of a new world less in the spirit of acquisition (seeing that they were in possession) as in that of a reluctant participation in constructive efforts - indeed, the very fact that they were so occupied was not admitted readily by the Allies, while the Axis paraded its supposedly new order even where this phrase covered up merely an utter lack of plan and principle. While the Axis was thus dramatizing its missionary role the Allies denied, at least by implication, that such a mission was called for. However, neither

party should be judged simply on its own testimony which, paradoxically enough, often tended to be unfair to themselves.

The Atlantic Charter contained no recognition of the cause of the present world crisis. On the contrary. It definitely implied that absolute sovereignty and self-determination are not amongst these causes, the opposite of which is a patent fact. It implied also that the equal status of great and small nations in international life is not amongst them, despite the fact that the whole history of the League proves the contrary. It did not even mention the dangers which derive from a market economy and unregulated world trade, it was silent about the mass unemployment resulting from the gold standard and the insecurity of income inherent in the wage system. And these are only the major points on which a document was necessarily misleading which failed even to refer to the economic and social earthquake that shook the world after 1929 and thus falsely implied that the chaos in international life was the result of the aggressive or criminal action of one Power or another. The Vansittartist wodeo can justly claim as its origin the Atlantic Charter. Soupegoats form part of the rites of wizardry. One need not have undue sympathy with the goat to insist that its sacrifice will not cure our ills, and may prevent us from seeking out the true remedy.

This book will try to indicate such remedies, on the simple assumption that the obvious diagnosis of the illness is the right one, and that the ambitions of empires and the conflicts of ideologies are merely ~~superadded~~ superadded unto a broad and deep process through which the unsolved problems of the age are seeking for their solution.
