

DEMOCRACY VS TOTAL CRISIS

Governing view-points:

1. The world crisis did not start in one or two countries, but practically in every important corner of the planet.
2. The home tasks of democracy are total: they refer to every aspect of national policies.
3. The post-War problems are global: all countries are involved in the replanning of human life.
4. To bring democracy up to date means an all-round effort to reformulate the philosophy of the common man truthfully, realistically and completely.

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

The main institutions of the world in 1914:

- Balance of Power System (~~an~~ independent sovereign ^{states} system)
- Gold Standard (~~the~~ automatic fixed exchanges) ~~of free trade~~)
- Liberal states (non-interfering state)
- market-economy (self-regulating market).

What has been left of these by 1944? **Nothing.**

What was the structure of this world? *a*

Its every day life was based on ~~the~~ self-regulating market-system

This system extended to the whole planet and comprised a self-regulating system of fixed ~~unnatural~~ exchanges. ~~organized through the gold standard; called the gold standard~~

gold standard

The balance of power system achieved a hundred years' peace *by virtue* through its connection with the international economic system and the gold standard;

The liberal state was merely the counterpart of the market-economy which permitted no interference on the part of the state ~~governments~~

The found and matrix of the whole system was the self-regulating market.

Now, this ~~system~~ "system" was ~~merely~~ *no more than* a fortunate episode in the history of industrial civilization, without the ~~slightest~~ possibility of permanency.

Peace was ~~maintained~~ *became* ~~of course~~ by any organized force, but by ~~the chance that~~ the Great Powers happened to be too much interested in the ~~unnatural~~ avoidance of general wars to allow any power to force one. ~~And without the Gold Standard this would have not been effective.~~ *There were innumerable small wars, but they were not allowed to grow.*

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maintained by sacrifice

The Gold Standard itself however was a mere chance institution which could not be anything but transitory. The reason being a. that it presupposed ~~free trade~~ *mutual cooperation* and b. the sacrificing of national stability to ~~stable~~ *stable* ~~unnatural~~ foreign exchanges.

The pivotal institution was the gold standard. When it collapsed the peace system was put out of function, finally. The Balance of power system had been paralyzed long before by the

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formation of two counter-balancing alliances. This meant the end of the Balance of Power System which requires a number of independent sovereign states ~~from~~ to make its mechanism ~~work~~ work.

Since the turn of the century the market-system had succumbed to its artificiality. The organization of markets for labor and land plus raw materials had proved impossible to maintain, for human society needs some measure of stability and security which had to be restored with the help of protective measures. This was an absolute necessity. ~~Whannaha~~ The social security systems of Europe were just as necessary as the agrarian tariffs of Central Europe. True, there was infinite amount of graft and profiteering but essentially, the market could not allow to function on its own. The free traders merely queer the pitch with their academic arguments.

Whatever the reasons, the system was ~~waking~~ ^{waking} under a strain since the turn of the century.

Three periods:

I. World-War I:

What ~~problems~~ ^{four} did it solve? Destroyed/feudal empires
What problems did it leave unsolved? All the rest.

The post-War revolutions merely republicanised C.E.
National freedom and agrarian transformation in Eas. E.
The beginnings of a greater transformation in Russia, but under conditions inapplicable to the rest of Europe or North America, namely a. absence of literacy; b. absence of industries c. absence of democracy.

Main unsolved problems: absolute sovereignties
liberal capitalism (market-economy)
international gold standard.

II. Between the Two Wars:

Conservative ' Twenties, Revolutionary ' Thirties.

The attempts to restore the Balance of Power System (in the form of the League of Nations) and the Gold Standard fail.

The failure of the Disarmament Conference and of the League precipitates the crisis which was basically due to the absence of any political system in Europe.

The League could solve neither the Revision nor the Sanctions issue.

America's participation would ~~have~~ ^{have} made not much difference. Yet her non-participation was a bad blow ^Q because she had signed up; ^Q because she had suggested the League solution. That's why she ought to have joined the League for her own sake.

III. ~~Whann~~ World War II. automatically started with the patency of the break-down of the international system. But unless the problems which caused the upheavals and wars of the p period are solved, it is entirely irrational to expect the end of chaos after this war.

The other countries are merely hitch-hiking on the great transformation, and trying to use it for their own ~~purposes~~ purposes -- Germany is doing this in the perverse manner of an insane nation.

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