

# Fellowship of Wives.

## THE NATURE OF THE PRESENT WORLD CRISIS.

6th Dec '37  
Mrs Sankar's visit

It needs no microscope to discover the subject matter of our talk. If we try to add up the number of people involved in the social changes of the last ten years we ~~will~~ reach a figure of approximately 5-600 million. The U.S.A. and Russia ~~together~~ amount to some 500 million; Germany and Italy to more than another 100 million; Austria, Poland, Portugal, Greece, Jugoslavia with several of the Baltic States add up to another 100; if the new Japan should be added with them a figure of more than 600 would be easily reached. And the number ~~will~~ be still greater if the non-spectacular changes are included which ~~often~~ happened in the same direction ~~without~~ without any consciousness of ~~them~~ happening e.g. ~~the~~ the National Government of 1931 with its practically 9/11th majority in the House of Commons; ~~it is doubtful whether~~ it is doubtful whether this did not mean the beginning of a change over from the two party system which we thought was identical with democracy. That would take numbers above the 1000 million level.

*What?* The change is vast. The relations of politics ~~and~~ economics have undergone a change. Either democracy or capitalism have disappeared, in some great countries ~~as~~ as the U.S.A. their relationship has ~~been~~ ~~entirely~~ ~~altered~~.  
Indeed, ~~three~~ types of changes:

In one great country socialism which was only a subject for utopian novels, is a practical reality;

In more than one great country every vestige of the liberal, humanistic and democratic outlook and the corresponding institutions ~~has~~ disappeared: a unique kind of despotism has taken their place, nobody as recently as fifteen years ago would have ~~imagined~~ ~~it~~;

all over the world the ~~economic~~ economic organisation of life has ~~disappeared~~ ~~been~~ ~~destroyed~~ the international gold standard, the international capital markets, the international commodity market with its free exchange of goods and payments ~~have~~ gone.

### When?

It is doubtful whether the new era of rapid change ~~begins~~ ~~with~~ with the Great War. It seems much more recent than that. The Great War and the Treaty, the post-war revolutions and counter-revolutions seem to belong to a previous period of history. They have all the characteristics of the ~~closing~~ closing stages of the XIXth century, of the period ~~of~~ of the liberal national state following upon the religious wars of the XVIth & XVIIth century.

a. The Great War itself the ~~usual~~ ~~usual~~ kind of meaningless ~~and~~ conflict of great powers ~~under~~ under the system of liberal national states. Their ~~alignment~~ alignment as such means nothing of ~~more~~ more than nothing.

b. The Peace Treaty the usual ~~Treaty~~ Treaty that follow upon wars:



3. previous traditional as  
 "The ~~same~~ attitude to change gone. Do we like to have things ~~as they are~~ if not, how do we want them to be? What to do about it?" This attitude has no relevance to the facts. Change ~~is not the individual who finds himself~~ external fact: the scenery ~~is not the individual who finds himself~~ faced by it and constrained to adjust ~~himself~~.

D. No proportion between measure of effort to bring about change and the actual measure of change achieved. Like a person starting off an avalanche. The symptoms of a society under judgment.

Why?

What has brought about the crisis of our social system, both nationally and internationally?

- a. Either Capitalism or Democracy disappear (actually):
- b. The two incompatible (on principle).
- c. In the U.S.A. Big Business undermining the authority of political bodies by all means, greatly responsible for Tax, many corruption, or the Philadelphia Gas Ring; in Central Europe parliament interfering with Business. Mutual interference the rule.
- d. The nature of the capitalist system:

a system governed by price. Markets, Automatic, autonomous, atomistic system. Completely destructive of society. A separate distinct economic sphere a unique development. An anomaly.

the nature of extended state activities: especially a project ~~into~~ society - all at destruction by and through such a system. But in the course of such an interpenetration of state and industry the economic system becomes rigid, inelastic. The adaptation ~~to~~ the needs of the international economic system becomes impossible if and when major adjustments are suddenly needed. (The free play of the price system ~~is not~~ unbearable beyond a definite measure). Thus the break-down came ~~in~~ the international ~~economic~~ sphere.

Up to the ~~beginning of the~~ Twenties (the state as a rule reacts in the usual way of the economics) deflation, taxation, lowering of wages, increase of exports. -- in vain. The Central European deficit taken over by England, the English born by the U.S.A. till the U.S.A. themselves break down. (crypto-inflation).

Second half of the period (since 1929) the states go autarkist. i.e. they use all means to maintain the internal value of their currency, with the help of embargoes on imports, restrictions of foreign payments, quotas, bilateral agreements clearing arrangements. This tendency is world wide and is the result of the break down of the gold standard not its cause. The vastly growing political tension between the states, more the outcome than the cause of this process.

Why cannot this be remedied?

*Internationally: the denial of it within the nations*  
*domestically: Denial of Capital*