

The Social Future

Social Future: Lecture I: The Social Question as a Cultural Question, a Question of Equity, and a Question of Economics

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I

THE SOCIAL QUESTION AS A CULTURAL QUESTION, A QUESTION OF EQUITY, AND A QUESTION OF ECONOMICS.

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THE social question should not be regarded as a mere party matter or as a problem resulting from the personal demands of a few individuals. It has arisen in the course of social evolution and belongs to the facts of history. One of these facts is the proletarian socialist movement which has been growing steadily for more than half a century.

According to our own views of life or our circumstances, we may regard the conceptions coming to light in this socialist proletarian movement, either critically or approvingly. But whatever be our attitude towards it we can only accept it as an historic fact which must be dealt with as such. And whoever reflects on the terrible years of the so-called World-War, (World-War I) even though one may feel compelled to see causes and motives of different kinds for these horrors, must acknowledge that it is the social demands, the social contrasts which have to a great extent caused them. Especially now that we are at the end, at least for the present, of those terrible events, it must be clearly evident to everyone that over a great part of the civilized world the social question has sprung to life as a result of the World-War. If the social question has sprung to life as a result of the World War there is little doubt that it was already concealed within it.

Now it will be impossible for anyone to judge this question rightly who regards it from his own narrow, often personal standpoint as is so frequently done to-day. No one who cannot widen his horizon to take in the events of human life as a whole is able to take an impartial view of the social question, and it is just that widening of our horizon which is aimed at in my book, *The Threefold Commonwealth (Die Kernpunkte der Sozialen Frage)*.

We must remember, too, that most people who speak on the social question to-day quite naturally regard it in the first place as a question of economics; it is even looked upon purely as a question of food, or, at best, as facts plainly demonstrate, as one of labor — a question of food and labor. If we are to regard this question merely in the light of a food and labor question, we must remember that the human being is supplied with bread because it is produced for him by the community at large, and that bread can only be produced by labor. But the manner in which that labor should and must be carried on depends in every respect upon the manner in which human society or any separate part of it, for instance a country, is organized. And to anyone who has acquired a wider outlook on life it will be clear that there can be no rise or fall in the price of a piece of bread without

the occurrence of great, of immense changes in the whole structure of the social organism. To anyone who observes attentively the manner in which the individual worker plays his part in the social organism, it becomes evident that when a man works but a quarter of an hour more or less, this fact is expressed in the way in which the society of any economic region procures bread and money for the individual. You see from this, that even if we regard the social question merely as one of bread and labor, we at once enlarge our horizon, and it is of this wider horizon in its most varied aspects that I should like to speak to you in these six lectures. To-day, before going further, I should like to make a few introductory remarks.

When we survey the later and very latest history of the evolution of the human race, we soon find confirmation of what has been so impressively stated by discriminating observers of social life; of course, this applies only to discriminating observers. There is a publication of the year 1910 which contains, it may be said, the best that has been written on this subject and which is the outcome of a real insight into social conditions. It is the work of Hartley Withers, *Money and Credit*, 1910. The author acknowledges pretty frankly that everyone who professes to deal with the social question at all at the present day should keep in mind that the manner in which credit, property, and money conditions figure in the social organism is so complicated as to have a bewildering effect. If we try logically to analyze the functions of credit, money, labor, etc., Withers tells us that it is an absolute impossibility to collect the material necessary to follow with understanding the things which arise within the social organism. What has been here stated with so much insight is confirmed by the whole volume of historical thought in modern times on the social problem, and especially on the social and economic cooperation of human beings.

What, then, is really the conclusion at which we have arrived? Since the time when the economic life of a country ceased, as one might say, to have institutions of an instinctively patriarchal character, ever since the economic life began to assume a more complicated form, under the influence of modern technical science and modern capitalism, the necessity has been felt to consider the economic side of life scientifically, and to form such ideas with regard to it as are usually applied in scientific research or study. And we have seen how in modern times views have arisen regarding national, or political, economy, (Volkswirtschaft) as it is called, to which the words 'mercantilistic' or 'physiocratic' have been applied, views such as those of Adam Smith, etc., down to Marx, Engels, Blanc, Fourier, Saint-Simon, and on to the present day. What has come to light in the course of this national-economic thought? Let us look at the school of thought known as the mercantilistic, or at the physiocratic school of national economy, and let us examine what Ricardo, the teacher of Karl Marx, has contributed to the study of national economy. We may also examine what many other economists have said and we shall always find that these men turn their attention to one or another particular line of thought in the phenomena of economics. From this one-sided stand-point they endeavor to arrive at certain laws according to which the economic life of a nation can be molded. The result has always shown that laws which have thus been discovered, according to the methods of scientific thought, can be adapted to some facts of national economy, but that other facts are found to be too far-reaching for comprehension within these laws. It has always been demonstrated that the views of those who, in the seventeenth, eighteenth, and the beginning of the nineteenth century, claimed to have discovered laws, according to which, the economic life of a nation can be constituted, were one-sided. And then something

extremely remarkable came to pass.

It may be said that national, or political, economy has grown to the status of a science. It has taken its place among the sciences in our universities, and the whole armor of scientific thought has been brought to bear on the investigation of the economic aspect of social life. With what result? What is the answer of Roscher, of Wagner, or others, to this question? They have arrived at a consideration of economic laws in which they do not dare to formulate maxims or give expression to impulses capable of actually grappling with and forming the economic life. We might say that the role which national economy has taken is that of a contemplative spectator; it has retreated more or less before the activity of social life. It has not discovered laws capable of molding human life within the social organism.

The very same thing is seen in another way. We have seen that men have arisen, large-hearted, benevolent, humanitarian, with fraternal feelings towards their fellow-men. We need only mention Fourier and Saint-Simon. There are others like them. Model forms of society have been thought out by these distinguished thinkers, the realization of which, they believe, would bring about desirable social conditions in human life.

Now we know how those at the present day think concerning such social ideas who feel the social question to be one of vital importance. If we ask those who may be said to hold really modern socialistic views for their opinion of the social ideals of a Fourier, or a Louis Blanc, or a Saint-Simon, they would say: 'These are Utopias, pictures of social life through which an appeal to the governing classes is made: if they would act in accordance with these pictures, many evils of social misery would disappear. But all such imaginary Utopias,' it is said, 'are wanting in the force needed to inspire the human will, they can never be anything but Utopias. However beautiful may be the theories put forward, human instincts — for instance, those of the wealthy classes — will never alter so as to put those theories into practice. Other forces are needed to bring that about.' In short, an absolute unbelief has arisen in the social ideals born of feeling, sentiment and modern learning which have been presented to humanity.

This again hangs together with the general course of events in the cultured life of humanity, as seen in the development of modern history. It has often been expressly stated that what we now recognize as the social question is connected in all essentials with the modern capitalistic organization of economic life, and this, again, in its present special form, is the outcome of the preponderance of modern technical science, and so forth. But there are many points to be considered in this connection and we shall never be able to deal with these unless we take into account that with the capitalist regime, and with the modern application of technical science, an entirely new attitude of mind has arisen among modern civilized humanity. This new conception of the world has produced great, epoch-making results, especially in the fields of technical and natural science. But there is another side to it, of which something must be said.

Those of you who are acquainted with my books will not have failed to observe that I am ready to do full justice to, and in no wise deny or criticize unfavorably the discoveries of modern times through scientific methods of research. I fully recognize what has been done for the progress of humanity by the Copernican world-conception, by the science of Galileo, the widening of the horizon of mankind by Giordano Bruno, and much besides. But side by

side with modern technical science, with modern capitalism, a gradual change has come about in the old world conception. The new conception of the world has taken on a decidedly intellectual, above all a scientific, character. It is true that some people find it hard to look facts straight in the face, but we need only recall the fact that the scientific world-conception which we now regard with pride has gradually developed, as we can show, out of old religious, artistic, aesthetic, moral conceptions of the world. These views possessed a certain impelling force applicable to life. One truth, especially, was peculiar to them all. They led man to the consciousness of the spirituality of his own nature. However we may regard those old views, we must agree that they spoke to man of the spirit, so that he felt within himself the living spiritual being as a part of the cosmic spiritual being pulsating throughout the world, weaving the web of the universe. In the place of this old conception, with its impelling social force, giving an impulse to life, another appeared, new and more scientific in its orientation. This new conception was concerned with more or less abstract laws of nature, and facts of the senses, outside man himself, abstract ideas and facts. Without detracting in the smallest degree from the value of natural science, we may ask: what does it bestow on humanity, especially what does it bestow on man in order to help him solve the riddle of his own existence? Natural science tells us much about the interdependence of the phenomena of nature, it reveals much regarding the physical constitution of the human being. But when it attempts to tell us anything about man's innermost being, science overreaches itself. It can give no answer to this question, and it shows ignorance of itself when it even attempts to answer it.

I do not by any means wish to assert that the common consciousness of humanity already has its source in the teachings of modern science. But it is profoundly true that the scientific mode of thought itself proceeds from a certain definite attitude of the modern human soul. He who can penetrate below the surface of life knows that, since the middle of the fifteenth century, something in the attitude of the human soul has changed. when we compare it with former times, and is still changing more and more, and he also knows that the conception of the world which we find typically expressed in scientific thought has been diffused increasingly over the whole human race, first over the cities, then all over the land. It is, therefore, no mere achievement of theoretic natural science of which we are speaking, but an inner attitude of the soul which has gradually taken possession of humanity as a whole since the dawn of modern times. It is a significant coincidence that this scientific world-conception made its appearance at the same time as capitalism and modern technical culture. Men were called away from their old handiwork and placed at a machine, crowded together in a factory. The machine at which they stand, the factory in which they are crowded together with their fellows, these, governed only by mechanical laws, have nothing to give a man that has any direct relationship to himself as a man. Out of his old handicraft something flowed to him which gave answer to his query regarding human worth and human dignity. The dead machine gives no answer. Modern industrialism is like a mechanical network spun about the man, in the midst of which he stands; it has nothing to give him in which he can joyfully share, as did the work at his old handicraft.

In this way an abyss opened between the industrial working-class and the employers of labor, between the capitalist and the working-man of modern times at his machine in the factory. The worker surrounded by machinery, could no longer rise to the old faith, the old world-conception with its impulse for life. He had broken away from it because he could not reconcile it with the actualities of life. He held to that, and to that only, which had

become a part of modern thought, viz. the scientific conception of the world.

And this scientific conception of the world, what was its effect on industrial working-men? It made them feel more and more strongly that what could be presented to them as a true world conception was mere thought, possessing only the reality of thought. Anyone who has lived among modern working-men and knows the direction taken by social feelings in later times also knows the meaning of a word which occurs repeatedly in proletarian socialist circles — the word ‘ideology.’

Under the influences which I have just described, intellectual life has come to be regarded by the modern working-classes as ideology. They look upon the natural-scientific view of the world as offering food for thoughts only. The old conception had not only thoughts to give; it gave them something which showed them that their own inmost being was one with the whole spiritual world, it confronted them, spirit with spirit. The modern conception had only thoughts to give and above all, it contained no answer to the question regarding man's real nature. It was felt to be ideology. In this way a division arose between the proletariat and the upper classes who had kept the ancient tradition of the time-honored world-conceptions of the aesthetic, artistic, religious, moral beliefs of former times. All this the upper classes retained for the satisfaction of their whole nature., while with their heads they accepted the scientific explanation of the world.

The masses of the people, however, had no inclination for the old tradition or sympathy with it. For them the only reasonable conception of the world was the scientific, and this they accepted as ideology; it was to them a mere thought-structure. To them the economic life was the only reality-production, distribution of products, consumption, the manner of acquiring or bequeathing property, etc. Everything else in human life-equity, ethics, science, art, religion, these are all as vapor rising in the form of ideology out of the only reality: the economic life. Thus among the masses, intellectual and spiritual life came to be looked upon as ideology. This was the case especially because the leading classes, while they watched the development of the modern economic life and familiarized themselves with it, did not understand how to bring intellectual and spiritual life into the growing complexity of the economic system. They kept to the old tradition of the intellectual and spiritual life of former days. The masses of the people adopted the new cultural life, but it gave them no comfort or nourishment for heart and soul.

A world-conception such as this, felt as an ideology which gives rise to the thought that justice, morality, religion, art, science, are a mere superstructure, a phantom hovering over the only reality, over the conditions of production, the economic order of things, may form a subject for thought, but it gives no support in life. However splendid a world-conception such as this may be in the contemplation of Nature, it leaves the human soul empty and cold. The fruits of the scientific conception of the world are showing themselves in the events of social life in our time.

These social facts cannot be understood, if we only take into account the content of human consciousness. People may think consciously: “Why speak to us of the social question as being of a spiritual nature? The truth is that commodities are unevenly distributed. We want equal distribution.” People think like this with the brain. But in the unconscious depths of the soul something very different is stirring. In those depths is

stirring that which develops unconsciously, because from the consciousness nothing can flow which could fill the soul with a real spiritual content, for from that source can come only what leaves it dead, only what is felt to be ideology. The emptiness of modern intellectual life is the first aspect of the social question which we have to recognize; the social question is in its first aspect a spiritual question.

Since this is true, since an intellectual life has developed which, for instance, in the science of economics as taught in the universities, has reached a merely contemplative stage, and of itself does not evolve principles of social will; since it is true that the greatest philanthropists, such as Saint-Simon, Louis Blanc, Fourier, have conceived social ideas in which no one believes; since everything without exception that arises out of the mind is regarded as Utopian, that is, as mere ideology; since it is a historical fact that a life of thought prevails, which gives the impression of a mere superstructure on top of the economic actuality, which does not really penetrate to the facts and is therefore felt to be ideology — for this reason the social question must in its first aspect be treated as a spiritual-cultural question. One question, above all, stands out before us to-day in letters of flame. How must the human mind be changed, in order that it may learn to master the social question?

We have seen that science has applied its best methods to the study of political economy, and that the result is mere observation without power to reach the social will. On the soil of modern intellectual life a type of mind has arisen, powerless to develop national economy as a groundwork for practical social will. How must the mind be constituted from which a kind of national economy can proceed, capable of forming the groundwork of a truly social will?

We have seen that the great majority of people, when they hear of the social ideals of well-meaning philanthropists, exclaim 'Utopia!' and they cannot believe that the human intelligence is strong enough to master social facts. How must the cultural life of a nation be constituted in order that people may learn again to believe that the mind can grasp ideas capable of creating social institutions which will remove certain evils of social life? We have seen that the scientific view of the world is regarded in wide circles as ideology. But ideology alone empties the soul, and generates in its subconscious depths all that we now observe in the bewildering chaotic facts of the social problem. What new form can we give to cultural life, so that it may cease to appear as ideology, so that it may fill the human soul with strength enabling men to work side by side with their fellowmen in a really social manner?

We thus see why the social question must be called a cultural question, we see that the modern intellect has not been able to inspire faith in itself, that it has not been able to fill the soul with a satisfying content, but that, on the contrary, as ideology it has desolated the souls of men. In this introduction, treating the subject historically, I should like to show how out of the circumstances of modern life, the social question must be felt in its three aspects as cultural, legal-political, and economic.

Take, for example, what was said not long ago and has often been repeated by a personage actively concerned in the political life, in the statesmanship of our day, himself a product of the intellectual life of the present day.

With a deep feeling for the social conditions of America in their development since the War of Secession in the sixties of last century, Woodrow Wilson perceived the relationship between the political and legal conditions and those of the economic life. With a considerable amount of unbiased judgment he watched how the great accumulations of capital have grown in consequence of the complication of modern economic life. He saw the formation of trusts and of the great financial companies. He saw how, even in a democratic state, the principle of democracy has tended more and more to disappear before the secret operations of those companies whose interest was served by secrecy, those companies which with their massed capital acquired great power and obtained influence over enormous numbers of people. He always used his eloquence on the side of freedom in face of the growth of power arising out of economic conditions. He knew from a sentiment of true humanity — this must be said how every single human being has an influence upon the facts of social life, how the social life of the community depends upon the manner in which each individual matures for the duties of social life. He showed how important it is for the health of the social body that in the breast of every human being a freedom-loving heart should beat. He pointed out over and over again that political life must become democratic, that power and the means of power must be taken away from the various trusts, that the individual capacities and powers of every human being who possesses such must have free access to the economic, social and political life as a whole. He emphatically declared that his own Government, which he evidently regarded as the most advanced, was suffering from the prevailing conditions. Why was this? Because the economic conditions were there: — great accumulations of capital, development of economic power, surpassing everything in this domain that had ever existed, even a short time ago. Perfectly new forms of human social life had been brought about by economic changes. An altogether new form of economic life had suddenly been brought into being.

These views are not the outcome of any leaning towards a theory of my own; they are the words of this statesman, one may say of this ‘world statesman.’ He has declared that the fundamental evil of modern development lies in the fact that, notwithstanding the progress in economic matters, the latter have been controlled by the secret machinations of certain persons, and the idea of justice, of the political life of the community, has not kept pace with economic progress, but has lingered behind at an earlier stage. Woodrow Wilson has clearly stated: “We carry on business under new conditions. We think and legislate for the economic life of the nation from a point of view long out of date, an antiquated standpoint. Nothing new has been developed in our political life, in our laws. These have stood still. We live in an entirely new economic order, while retaining the out-of-date legal and political ideas.” These are the words, or nearly so, spoken by Woodrow Wilson himself. In earnest words he demands that the individual shall work for the benefit of the community, not for his own. He points out that, as long as the incongruity between the political and the economic life continues to exist, the requirements of human evolution at the present epoch in history cannot be satisfied, and he subjects the life of society around him to a severe criticism.

I have taken great pains to examine Woodrow Wilson's criticism of modern social conditions, especially those he has in view, the American, and to compare it with other criticisms. (I am going to say something very paradoxical, but present conditions often urgently demand a paradox, in order to do justice to the realities of our day.) I have tried

both as to the outer form and the inner impulses to compare Woodrow Wilson's criticism of society, in the first place as criticism, with that exercised by advanced thinkers and those holding radical, social democratic opinions. Indeed, one may even extend this comparison to the opinions of the most extreme radicals of the Socialist Party in thought and action. If we go no further than the opinions of such men, it may be said that Woodrow Wilson's criticism of the present social order agrees almost word for word with the sentiments expressed even by *Lenin and Trotsky, the gravediggers of modern civilization, of whom it may be said that, if their rule continues too long, even in a few places, it will signify the death of modern civilization and must of necessity lead to the destruction of all the attainments of modern civilization*. In spite of this we must give expression to the paradox: Woodrow Wilson, who certainly imagined a very different reconstruction of social conditions from that of these destroyers of society, directs almost literally the same criticism against the present order as these others, and he comes to the same conclusion that legal and political conceptions in their present form are obsolete, and are no longer fitted to deal with the economic system. And, strange to say, when we try to find something positive and to test what Woodrow Wilson has produced in order to construct a new social organism, we find hardly any answer, only a few measures here and there, which have even been proposed elsewhere by someone much less scathing in his criticism. But he gives no answer to the question relative to the changes necessary in legal matters, in political conceptions and impulses, in order that these may control the demands of modern economic life and render it possible for them to intervene in its activities.

Here we find that out of modern life itself emerges the second aspect of the social question, that of law and equity. A foundation must first be sought for the necessary legal and political conditions for the State which must exist in order to be able to grapple with and dominate modern economic organizations. We ask: how can we attain to a state of rights, to political impulses, which can meet the great demands of the problem? This is the second aspect of the social question.

If we contemplate life itself we shall find that the social life of man is threefold. Three aspects are clearly distinguished in him when we consider him as a member of human society. If he is to contribute his share, as he certainly must, to the well-being of the social order in modern society, if he is to add to the welfare of the community by cooperation, in the production of values, of commodities, he must first of all possess individual capacity, individual talent, ability. In the second place, he must be able to live at peace with his fellow-men and to work harmoniously with them. Thirdly, he must be able to find his proper place, from which he can further the interests of the community by his work, by his activity, by his achievements.

With respect to the first of these the individual is dependent on human society for the development of his capacities and talents, for the training of his intellect, so that the educated intelligence in him may become at the same time his guide in his physical work.

For the second, the individual is dependent on the existence of a social edifice in which he can live in peace and harmony with his fellow-men. The first has to do with the cultural side of life. In the following lectures we shall see the dependence of the intellectual life on the first aspect. The second leads us into the domain of equity, and this can only develop in accordance with its own nature, if a social structure has been established which enables

people to work together peacefully and labor for one another. And the economic aspect, this modern economic organization is compared, as I have described it, by Woodrow Wilson to a man who has outgrown his clothes, so that his limbs protrude on all sides. These outgrown garments represent to Woodrow Wilson the old legal and political conceptions which the economic body has long since outgrown. The growth of the economic organization beyond the old cultural and political organizations was always strongly felt by socialist thinkers, and we need only look at one thing in order to find the forces at work there.

As we know (we shall go into all these matters more minutely afterwards), the modern proletariat is completely under the influence of Marxism, as it is called. Marxism, or the Marxist doctrine of the conversion of the private ownership of means of production into public ownership, has been much modified by followers and opponents of Karl Marx, but Marxism has, nevertheless, a strong influence on the minds, the views of life, of great masses of people at the present day, and it shows itself distinctly in the chaotic social events of our time. If we take up the undoubtedly remarkable and interesting little book by Friedrich Engels, the friend and collaborator of Karl Marx, *Socialism in its Evolution from Utopia to Science*, and acquaint ourselves with the whole train of thought in this book, we shall see how a socialist thinker regards economics in its relationship to the political and cultural life of modern times. We must fully understand one sentence, for instance, which occurs in a summary in Engels's little book: *'In future there must be no more governments over men, over individuals, but only leadership by the branches of economic life and control of production.'*

These are weighty words. They mean that the holders of such views desire that something in the economic life should cease, something which, following the modern evolutionary impulses, has become a part of the economic life. The economic aspect of life has to a great extent over-spread everything, because it has outgrown both political and cultural life, and it has acted like a suggestion on the thoughts, feelings, also on the passions of men. And thus it becomes ever more evident that the manner in which the business of a nation is carried on determines, in reality, the cultural and political life of the people. It becomes ever more evident that the commercial and industrial magnates, by their position alone, have acquired the monopoly of culture. The economically weak remain the uneducated. A certain connection has become apparent between the economic and the cultural, and between the cultural and the political organization. The cultural life has become more and more one which does not evolve out of its own inner needs and does not follow its own impulses, but which, especially when it is under public administration, as in schools and educational institutions, receives the form most useful to the political authority. The human being can no longer be judged according to his capacities; he can no longer be developed as his inborn talents demand. But it is asked: 'What does the State want? What talents are needed for business? How many men are wanted with a particular training?' The teaching, the schools, the examinations are all directed to this end. The cultural life cannot follow its own laws of development; it is adapted to the political and the economic life.

The immediate effect of this tendency, which we have seen especially of late, has been to make the economic system dependent on the political system. Men like Marx and Engels saw this union of economics, politics, and culture; they saw that the new economic life was

no longer compatible with the old political form, nor with the old form of culture. They came to the conclusion that the life of rights, the old life of rights, and the cultural life must be excluded from the economic life. But they were led into a singular error of judgment, of which we shall have much to say in these lectures. They regarded the economic life, which they could see with their own eyes, as the sole reality. The cultural life and the life of equity they saw as ideology, and they believed that the economic life could bring forth out of itself the new political, and the new cultural conditions. So the belief arose — the most fatal of errors — that the economic system must be carried on in a definitely ordered manner. If this were done, they thought, then out of that economic system the cultural life, laws, state-life and politics must come of themselves.

How was it possible for this error of judgment to arise? Only because the real structure of human economy, actual labor in the economic system, was concealed behind what is usually called finance. The financial system made its appearance in Europe as an accompaniment of certain events. If we look more deeply into history we shall see that about the time when the Reformation and the Renaissance brought a new spirit into European civilization, treasures of gold and silver were opened up in America, and caused an influx of gold and silver, especially from Central and South America, into Europe. What was formerly an exchange of natural products was gradually replaced by the financial system. The natural system of economics could be directed to that which the soil yielded, that is to say, to actuality. Under this system the capacity of the individual with his productive powers could be taken into account; that is, his value as a worker and that of the actual substance of the commodity could be seen in proper relationship. We shall see in these lectures how, with the circulation of money, the importance attached to the essential elements in economics gradually disappeared; with the substitution of finance for the system of natural economy, a veil has, as it were, been drawn over the whole economic life; its actual requirements could no longer be perceived. With what does the economic system provide us? With commodities for our consumption. We need not pause to-day to distinguish between mental and physical commodities, for the former may also be included in the economic system and used for human consumption. The economic system, then, provides commodities and these commodities are values, because the individual needs them, because he desires them. The individual must attach a certain value to a commodity, and in this way the latter acquires an objective value within the social body, and this value is closely connected with the subjective valuation resulting from the individual's private judgment. But how is the value of commodities expressed which may be said to represent the importance of these commodities in the social and economic life? It is expressed by the price. We shall have more to say later about value and price; to-day I will only say that in economic intercourse, indeed, in social intercourse generally, in so far as the buying and selling of products is concerned, the value of the products for the consumer is expressed by the price. It is a great error to confound the value of commodities with the money price, and people will find out by degrees, not by theoretical deliberations, but in practice, that the value of commodities produced by the economic body and that which is the result of human, subjective judgment, or of certain social and political conditions, is very different from all that is expressed in the price and in the conditions created by money. But the value of commodities has been concealed in recent times by the conditions governing prices.

This lies at the basis of modern social conditions as the third aspect of the social question. People will learn to recognize the social question as an economic question, when

they again begin to give due weight to that which fixes the actual value of commodities, as compared with all that finds expression in the mere prices. Price standards cannot be maintained, especially in moments of crisis, except when the State, i.e. the domain of law, guarantees the value of money, that is, the value of a single commodity. Without entering into any theoretical consideration regarding the result of misunderstanding the difference between price and value, we can cite something which has actually taken place of late. We read in the literature of political economy that long ago in Central Europe and until the end of the Middle Ages the old system of natural economy was in use. This was built up on the mere exchange of commodities, and its place was taken by the financial system, in which current coin represents commodities and in which only the commodity value is actually exchanged for money. But there is something new making its appearance in social life which seems likely to take the place of the financial system. This new element is everywhere at work, but it passes unnoticed as yet. Anyone who can see through the mere figures in his cashbook and ledger, and can read the language of these figures, will find that they do not merely represent the value of commodities, but that the figures often express what we may call the conditions of credit in the newest sense of the word. What a man can do, because someone believes him to be capable of it, that which can awaken confidence in the man's capacity, this, strange as it may seem, begins to appear more and more frequently in our dull, dry, business life. Look into business books and you will find that as against the mere money values, mutual confidence, belief in human capacity is beginning to be evident. In modern business books, when we know how to read them, a great change is expressed, a social metamorphosis. When it is said that the old natural economy has given place to the financial system, it must now be added that, in the third place, finance is giving way to credit.

With this change the place of an old institution has again been taken by something new. Thereby a new element appears in social life, the value of the human being. The economic body itself, as far as the production of values is concerned, is on the verge of a transformation. It is faced by a problem. This is the third aspect of the social question.

In these lectures we shall have to learn to look at the social question (a) as a cultural question, (b) as one of law, of the State or politics, and (c) as an economic question.

The spirit must give the answer to the following: How can men be made strong and capable, so that a social structure may arise without the present evils, which are unjustifiable?

The second question is: Under the advanced conditions of the present economic life, what is the political system or system of equity which can lead men to live in peace again?

The third is: What social structure will enable each individual to find the place from which he can work for the human community and its welfare, as well as his nature, his talents and capacities permit? We shall be led to the answer by the question: What credit can be attached to the personal value of a human being? Here we see the transformation of the economic system out of new conditions.

A cultural, a political, and an economic problem are all contained in the social question, and we shall see that the smallest detail of that question can only appear in its true light

when we look at it as a whole, fundamentally, in these three aspects cultural, legal-political, and economic.