

After the Second World War, the Cold War brought these four capitalist powers together. Under the leadership of the United States they formed the core of the Western camp, which stood against its socialist counterpart, led by the Soviet Union and China. The disintegration of Socialism and the Soviet Union around 1990 seemed to pave the way for an ultra-liberal capitalist world under the leadership of the United States, the sole remaining superpower at a time when Russia underwent a dramatic crisis and China was just emerging. In a fine book, Jacques Sapir (2008) shows how this highly likely development was completely aborted and resulted in a tendency toward a multipolar world, associated to a return of the nation and nationalities state. This multipolar world would be made up of several very large powers, Brazil, China, Europe, India, Russia and the United States of America. Each large power would have its spheres of influence, and alliances could come into existence, as is already the case for the United States and Europe, for example. The presently ongoing – 2008/09 – crisis of the capitalist system might reinforce these tendencies towards a multipolar world. However, since the onset of the crisis 2008 a new development seems to have set in or is gaining momentum, an ever more intense cooperation between Germany and Russia to wit. There is even talk of an axis Berlin-Moscow, sometimes of an axis Paris-Berlin-Moscow. Maybe Eurasia is slowly emerging.

It has been suggested elsewhere in this essay that such a state of affairs would mean a return to the situation, as it existed before the First World War. In a way, a highly unstable Orwellian situation, associated to capitalist power struggles, would come into being, which would leave little scope for effective socio-economic and environmental policies. The only way out, it seems to us, is provided by Keynes's Social Liberalism, which has been set out in an elaborated way in the chapter on the natural world order above. In this context, it is likely that an ever stronger Eurasia could accelerate the movement towards a social liberal world; indeed, within the framework of Eurasia a reorganised Russian Federation could form an extremely stable bridge of peace between Europe and Asia. Moreover, within the framework of Eurasia Germany and Russia could conclude a peace agreement putting a definitive end to the Second World War. It is difficult to say how the final situation that will come to exist between Germany, Poland and Russia will look like. All one can say at the moment is that the actually existing frontiers are a Diktat of Stalin. It is by no means sure that the powers in question, above all the people living in the countries in question, consider these frontiers as settled once and for all.

And inflation profiteering certainly occurred in Germany and Russia, following up the great inflations there in 1922-23 and 1991-92 respectively. In this context, it is always important to mention that a very few discredit, as a rule, very large numbers of honest and, frequently, helpless people, even entire nations, also great nations.

These remarks on monstrous activities in the political, economic and financial domain lead to a specific problem of Modernity, that is, ethics and alienation. Some remarks on this problem will be made in a subsequent subsection (*ethics and alienation – the Apocalyptic Age 1914-1945 continued*) set out below.

To avoid any misunderstandings, it has to be emphasised that Europe must, of course, be immensely grateful to the Western allies, specifically to the United States, for having liberated the West of Europe from Nazi occupation; the gigantic British contribution to winning the war against Nazi-Germany has already been duly mentioned. But it is clear to everybody that the fate of National Socialist Germany has been sealed on the Eastern front through the stupendous performance of the Red Army.

In this context, General Dwight D. Eisenhower ought to be mentioned, certainly one of the most humane military leaders of the Second World War, and, subsequently, an outstanding President of the United States. Significantly, it was President Eisenhower, who, at the very end of his second mandate at the very beginning of 1961, warned about the concentration of power at the military-industrial complex (Thomas Palley website).

However, in spite of the heavily alienated, that is, totalitarian nature of the Soviet Union, based upon ruthless power Stalin, as was Germany under Hitler, it is unlikely that the Soviet armies would have crossed *permanently* the borderlines fixed at Teheran and Yalta, had *Operation Overlord* failed or not taken place. This would have meant war against the West, eventually including remnants of the German army, perhaps even nuclear war. Truman's nuclear diplomacy was there, and, as is well known, Klaus Fuchs prevented its being put into practice by transmitting to Soviet Russia the secret of the atomic bomb. Never the Soviet leadership would have taken the risk to move into the direction of the Atlantic, given the fact that the Soviet Union was exhausted after having lost around 30 million people and with her Western territories in ruins, while the economy of the United States was entirely intact and the US possessed an entirely new deadly weapon.

However, the onslaught of the Red Army in 1944 raised fears among the Western Allies. Given this, the Invasion of Normandy took place in June 6, 1944, just in the last possible

moment for the Western Armies to be able to meet the Red Army at the centre of Germany, broadly at the agreed frontiers. In this context two seemingly mysterious facts have to be mentioned. There is, first, a rather strange letter of Prime Minister Winston Churchill to his Foreign Secretary Anthony Eden, dated December 3, 1944:

“I put this down for record. Of all the neutrals Switzerland has the greatest right to distinction. She has been the sole international force linking the hideously sundered nations and ourselves. What does it matter whether she has been able to give us the commercial advantages we desire or has given too many to the Germans, to keep herself alive? She has been a democratic State, standing for freedom in self-defence among her mountains, and in thought, in spirit of race, largely on our side.

2. I was astonished at [Uncle Joe’s] savageness against her, and, much though I respect that great and good man, I was entirely uninfluenced by his attitude. He called them “swine”, and he does not use that sort of language without meaning it. I am sure we ought to stand by Switzerland, and we ought to explain to [Uncle Joe] why we do so. The moment for sending such a message should be carefully chosen” (Churchill 1985/1948-54, volume VI, p. 616). The background to this letter is the fact that, in autumn 1944, the Red Army Intelligence found large quantities of Swiss made ammunition and weapons in Poland and Hungary. Given this, Stalin probably wrote a harsh letter to Churchill strongly condemning Switzerland and asking for punishment, and the above letter of Churchill’s to Eden refers to this letter. Now, it is *highly unlikely* that Switzerland should have delivered weapons and ammunition to Nazi Germany in the final stages of the War just for commercial reasons, as Churchill suggests in his letter. This could have had serious consequences after the War: in fact, Switzerland might have been condemned and heavily sanctioned. There are indeed rumours saying that Stalin brought up the matter at Yalta and had proposed to occupy Switzerland in the same way as Germany and Austria. The occupation zones proposed by Stalin are probably a bad joke: The heavily industrialised North-East of Switzerland (Basel, Zurich, Winterthur) should have become Soviet occupation zone, the agricultural *Mittelland* region around Berne American zone; French speaking Western Switzerland should quite naturally have gone to France, and the British should have got the Alps, to enable them to go skiing as much as they like! In any case, Churchill arranged the matter. Indeed, he did not want any sanctions taken against Switzerland, because, as is very likely, *he had himself encouraged Switzerland to supply weapons and ammunition to Nazi Germany in the second half of 1944 in order to slow down the advance of the Red Army*. It is evident that he could not speak about this matter, even in a letter to his Foreign Minister!

[Churchill's endeavour to slow down the rapid advance of the Soviet armies at the end of the War is in line with his having favoured an allied invasion in the Balkans, giving the allied armies the possibility to advance in the direction of Hungary and Poland, thus cutting off the westward way for the Red Army.]

In any case, not the slightest reproach may be addressed to Switzerland in this matter, because she was simply dragged into a shameful game. It has been extensively argued in this essay who, in fact, are the greatest war criminals as far as the Second World War is concerned, bringing about unbearable suffering for the German, Jewish and Polish people and, last but not least, the peoples of the Soviet Union, and, in fact, to the European peoples in general. However, Churchill's Swiss action eventually sheds additional light on the sense of the German *Ardennen Offensive*: Subsequent to the slowdown of the advance of the Red Army in autumn 1944, the Germans wanted to prevent the Americans from being the first in Berlin at the expense of the Soviets.

The second mysterious fact is probably linked to the first one just mentioned. In fact, when the *Operation Overlord* started, an *SS-Panzerdivision* was stationed near the shores where the Allies landed and could have been used to greatly hamper the operation or even to crush the invading forces. However, the German Command in the West did *not* bring these tanks into action on the ground that the *SS-Panzerdivision* in question was under the direct command of the *Führer*; however, the *Führer* was sleeping at this critical moment and he had given orders not to wake him up! This story is highly unlikely. Rather, the commanding German Generals in Western Europe, specifically *Generalfeldmarschall Gerd von Rundstedt*, and maybe even Hitler, wanted the *Operation Overlord* to succeed so that the allied Western armies *were present on the European Continent* to prevent the Red Army from advancing in the direction of the Atlantic, and, eventually, could penetrate as far as possible into Germany.

This last proposition might seem to stand in contradiction to the Ardennen-Offensive in the second half of December 1944, the main purpose of which was probably to boost the morale of the German soldiers and people by teaching the Americans a lesson; indeed, in view of the terrifying Morgenthau Plan this offensive should prolong the War, procuring thus some additional days of life in dignity for the German people. In this context, it is important to keep in mind that, as suggested above, Churchill had allowed Switzerland to deliver weapons and ammunition to the Wehrmacht in the second half of 1944 to slow down the advance of the Red

Army. Given this, and since the Red Army was far stronger than the armies of the Western Allies, it was reasonable for the Nazis to launch the Ardennen-Offensive, which, incidentally, did not prevent the Western Allies to advance eastwards beyond the occupation zones finally agreed upon.

There is nothing sensational about all this. Indeed, as already mentioned, the Nazis knew already in December 1941 that the War was probably lost. This does not exclude the fact that they hoped to win the War in the last moment by means of the *Geheimwaffe*, the combination of the *V2-Raketen* and the atomic bomb.

Both strange facts suggest that the Invasion of Normandy has been undertaken in the last possible moment, and that exceptional measures had to be taken in order to enable the Western armies to meet the Red Army at broadly the right place. As is very likely, the purpose of delaying the Invasion to the utmost was to prolong the War in order to weaken both Nazi Germany and, above all, the Soviet Union to the greatest possible extent. This would put the Western powers into the best possible position to shape the post-War order in Europe and in the world. This aim has not been achieved regarding the Soviet Union because of the immense bravery of the Soviet-cum-Russian armies and population, and the gigantic sacrifices made by both. It is no exaggeration to say that from 1941 to 1945 the Soviet Union produced the most impressive military performance of all world history. Simultaneously however, the immense performance of the German soldiers must also be acknowledged. Given this, it would perhaps be more appropriate to say that *two heroic armies* were involved in the greatest War of world history, brought about by the merciless struggle between Capitalism and Socialism, with Capitalism being on the attacking side, and the attack on the Soviet Union being complemented by capitalist rivalries.

Given this, many Germans and Russians knew at the time, that this terrifying war between Germany and the Soviet Union was useless as far as their countries were concerned. Indeed, both countries are in fact largely complementary economically and could obtain from each other what they wanted through trade. Russia would have delivered raw materials, energy resources and agricultural products to Germany. In exchange, Germany would have delivered industrial products embodying advanced technology, which the Russians could have improved and adapted to their development needs. Incidentally, this is what is broadly going on at present.

Hence the war between totalitarian Nazi-Germany and the equally totalitarian Soviet Union was, as a great many clearly perceived, a war between Capitalism and Socialism, with

capitalist rivalries in the background. However, Churchill perceived already in 1933 that Nazi-Germany, with her highly developed economy and finding herself in a heavy turmoil subsequent to the defeat in the First World War, near civil war and great inflation from 1918 to 1923 and the heavy economic crisis of the early 1930s, was far more dangerous than Stalin's Soviet Union, at least in the short and medium term, a fact confirmed by the outcome of the Russian-Finnish War in 1939. In case of victory against the Soviet Union, Nazi-Germany would become the leading capitalist world power, being able to crush her great competitors, the British Empire and the United States. South Eastern and Eastern Europe, most importantly Russia, would have become entirely dependent on Germany, even subdued to her. And the fate of the Jewish people would have remained entirely uncertain.

Churchill undoubtedly had, already in 1933, a presentiment on these terrifying prospects. Given this, his uncompromising stance against Nazi-Germany becomes entirely understandable. Although, as is well known, Churchill did not like Stalin's Soviet Union at all, he did everything to strengthen her; given this, it is perhaps not surprising that there were British spies in favour of the Soviet Union, most importantly the Cambridge Five: Kim Philby, Donald MacLean, Guy Burgess, Anthony Blunt and John Cairncross; even Graham Greene may have acted on these lines. Moreover, *and very importantly, Churchill's position is entirely in line with English foreign policy since 1066 to never tolerate an imperial superpower on the European continent, which could eventually invade the British Isles.*

Yet, although a great Empire existed on the European Continent in the Middle Ages, there was no danger at all for England: the Holy Roman Empire of German Nation was an Empire of peace. King Richard Lionheart could give his Kingdom in the care of the German Emperor, while being absent for a Crusade, without having to fear plunder or conquest! (Nevertheless, on his return from the Holy Land King Richard was imprisoned and ransomed for a host of reasons, also because of his undiplomatic behaviour against his princely "colleagues".)

However, Chamberlain's and Daladier's Appeasement Policy inevitably implied a war between Nazi-Germany and the Soviet Union, after Germany had been given territorial satisfaction in Central Europe, whether this was wanted or not. Indeed, each of the two highly armed powers, the Soviet Union and Nazi-Germany, engaged in a life-or-death struggle, would only wait for the most favourable moment to attack. As has been suggested, for Germany the best moment was to attack as early as possible, and to prevent a two-front war.

As a consequence, the Soviet-German non-aggression treaty of August 1939 came as a complete surprise to Chamberlain and Daladier, not to Churchill, however. It is Churchill's clear perception of the situation that, finally, led to the coalition between the British Empire, the United States, and the Soviet Union. Indeed, the Casablanca conference took place at the moment when the German defeat at Stalingrad was complete. However, the coalition immediately broke up after the end of the Second World War, to become the Cold War, which ended with the almost complete victory of the West – the end of history (Fukuyama) seemed to have occurred. Indeed, Socialism broke down in Central and Eastern Europe, and the Soviet Union was dissolved. After a dramatic decline in the 1990s, Russia has again become a world power, and, around 2000, seemed to get associated with China and Asia against the West, Europe and North America. The Shanghai Cooperation Organisation, directed at countering American influence in Central Asia, seems to point in this direction. However, after the setting in of the crisis in 2008, it would seem that Russia is looking increasingly towards Europe and is perhaps favouring the Eurasian project (Russia-cum-CIS and Europe) to counter the rapidly increasing power of China and against the background of the United States losing ground, also in Central Asia.

On this, and on general issues of a new world order broadly in line with the world order proposed in this essay, see the excellent book by Jacques Sapir: Le nouveau XXI^e siècle – Du siècle „américain“ au retour des nations“ (Paris, editions Seuil 2008).

In a way, a fundamental theme of this essay, East and West, now emerges in the shape of a conflict situation. However, as suggested above, a large military war is unlikely. Some smaller hot wars will take probably place, and are indeed taking place already. In the main, however, the war will be technological, economic, and financial. It is to be hoped that the result will not be domination of one camp, probably it would be the East, on the basis of global capitalism, but that insight and statesmanship will prevail to bring Keynes's Social Liberal World Order into being. The world as a family of nations structured through historical-geographical regions seems, indeed, the only way out.

In this context one might recall the fact that the destruction of the Soviet Union went on surprisingly smoothly some decades later. This must be denoted a geopolitical tragedy, having resulted in an immense suffering of large parts of the population and in great political instability, enhanced by outside interference. It is a tragedy, because a solid political entity in

that huge Eurasian space is needed to grant stability and peace, and to prevent outside intervention, frequently simply aimed at laying hands on the immense resources of primary goods of the region; stability on the territory of the former Soviet Union is, in fact, a pillar of world peace. Moreover, the West should have supported Gorbachev in his effort to economically transform and to decentralise the country. For example, small and medium sized enterprises could have been privatised; however, the large enterprises should have remained in public hands. Prices and quantities should no longer have been planned but should have resulted from decentralised decision taking within enterprises. And the government should have pursued a permanent incomes and employment policy as, incidentally, would be in line with Classical-Keynesian Political Economy.

Given this, everything should have been done to provide the successor polity of the Soviet Union, the Commonwealth of Independent States, with solid institutions, above all, central institutions, ensuring a particularly strong representation of the small CIS states. These institutions, all based on the complementary principles of Subsidiarity and Solidarity (see on this Bortis 1997/2006, 2007 and 2009, chapter 6) would have enabled the CIS to conduct a common foreign and defence policy, and the economically stronger states would have effected solidarity transfers, aimed at building up or maintaining a solid infrastructure; railways, telecommunications, and a public education system on all levels, would have been important cases in point. In this way, the Commonwealth of Independent States would have become a bridge of peace between Europe and Asia.

At this stage, it should be mentioned that the age of so-called defence alliances is definitely over. Being aware of this, Michail Gorbachev dissolved the Warsaw pacts without condition; the West, however, has not yet done so with NATO.

However, two elements have prevented the peaceful transformation of the Soviet Union as Gorbachev envisaged. First, there was the absence of a solid system of political economy as a basis for appropriate socio-economic policies and of a social philosophy picturing what is essential about the type of society to be aimed at; this is really a great pity because for socialist countries it is much easier to move into the direction of an appropriate form of Social Liberalism than is the case for capitalist countries, above all if a ferocious type of capitalism prevails as is indeed presently the case (an appropriate theoretical system is now available in the form of Classical-Keynesian Political Economy: Bortis (2003a, 1997, 2007 and 2009). Second, besides domestic political problems there has been strong outside interference.

The story about the collapse of the Soviet Union is too familiar to be retold here. It would seem, however, that at least one chance element played an important role in the downfall of the Soviet Union, that is the astonishing naïveté of some Soviet leaders. And, last but not least, Veblen's absentee ownership – concentrated fractions of finance capital – had taken power after the disintegration of the Soviet Union, as the late Paul Klebnikov has brought to the open (Klebnikov 2001), with the state and, in fact, the public sector disintegrating, also because no taxation system existed. The sharp decline in the purchasing power of the population, due to a very unequal income distribution, and the dramatic decline of state expenditures resulted in a collapse of the economy, accompanied by huge unemployment and a dramatic impoverishment of large parts of the Russian population, causing thus immense suffering. In the above we have suggested that the destruction of the Soviet Currency in the early 1990s paved the way for the complete victory of foreign finance capital, resulting in a deep resentment of, presumably, large parts of the Russian population against Western finance capitalism, and against the West in general, including Western democracy. This, in turn, brought about a strong, but understandable rise in nationalism. To avoid any misunderstanding, we must repeat what has just been said before: again, it is indeed highly probable that only very few, but extremely powerful people are responsible for these events; however, through their actions, have discredited a great number of honest people, and even entire nations. In any case, with Thorstein Veblen (1920) and Paul Klebnikov (2001) a profoundly tragic circle has been closed.

At the end of his book Klebnikov suggests that Vladimir Putin is probably the right man to lead Russia out of the difficult situation in which she found herself around 2000. In hindsight, it would seem that he was not entirely wrong. Indeed, within a few years Putin made of crushed and humiliated Russia a respected world power again, although of course gigantic socio-economic problems remain unsolved, mainly due to the unilateral dependence on the export of energy resources and raw materials. However, the West might have to pay a high prize for the damage done. Indeed, the 'Neue Zürcher Zeitung' once wrote that, separating Byelorussia and the Ukraine from Russia would cut off Russia from Europe, transforming her into an Asian Power. The bad experience Russia made following up the peace declaration of Reagan and Gorbachev in the late 1980s, the looting of the country and, most importantly, seeing NATO expanding eastwards, could enhance this tendency. The formation of the Shanghai Cooperation Organisation (SCO) seems to be an indicator of such developments; the SCO at present comprises the countries of Central Asia, Russia and China; India,

Pakistan and, eventually, Iran might possibly join. These developments certainly hamper the realisation of the Eurasian alternative, suggesting the going together of Europe and Russia. In any case, the Orwellian power game has been fully in motion at the time. Two very large camps seemed to emerge, the West – Europa and North America – and Asia-cum-Russia. In an Orwellian vein, the area of confrontation between the two blocks could be made up of parts of Latin America, Africa, the Middle East, Central Asia, and eventually the Balkans – it should indeed not be forgotten that the US have established a huge military base in Kosovo! In spite of these developments, a full-scale war between the two camps does not seem likely – this might indeed mean the wiping out of humanity. Smaller Orwellian wars and a struggle in the economic sphere – in fact, struggles over raw material and energy resources and over outlets for final products – seem likely, however. As has been suggested this might lead the world to the brink of social and environmental collapse.

This outcome can, as has been insisted on, only be prevented through moving towards a natural world order, the world as a Family of Nations structured through Historical-Geographical Federations and led by a strong United Nations (see the final paragraphs of the section „On the world order of Modernity“).

This optimistic stance should not deceive us, however. The situation is highly dangerous. From Western history we should remember that disastrous economic wars destroyed or heavily damaged civilisations; the problem was always about access to primary goods (agricultural, raw materials and energy resources) or about outlets for final products. A first economic war was the Peloponnesian War between Athens and Sparta, with Persian interference, which heavily damaged the Greek political system (see Rostovcev 1931, volume I, chapter 19, pp. 306ff.). The Carthaginian War for trade supremacy in the Mediterranean between Rome and Carthage destroyed the latter. Finally, the bid for economic and political world power by Britain and Germany, and to a less extent specific interests of Russia and France, with the United States cunningly in the background, produced the Apocalyptic Age 1914-1945, destroying European supremacy in the world. The presently slowly but steadily growing opposition between East (Asia and Russia) and West (Europe and North America) could, for the first time, produce a world conflict in the sense proper, endangering humanity as a whole.

It would seem that the Russian demonstration of force in Georgia in August 2008 has a double significance. First, it is, evidently, an understandable Russian reaction to the deep humiliation inflicted to her in the 1990s and to the threats of a generalised NATO expansion aiming at encircling Russia. Just let us remember here: Gorbachev, with immense generosity,

dissolved the Warsaw Pact and enabled the reunification of Germany without any condition. The Western reaction to this most generous action, probably initiated by the United States, was just shameful. Second, the impressive Russian action could represent a definitive turning of the power tide in favour of the East after about 500 years of Western domination. The Crimea events of March 2014 confirm these tendencies.

However, the position of Russia in the world is continuously evolving and suddenly sharply changes direction; this is related to the question whether Russia is essentially Asian or European. Indeed, as has already been suggested, since Russia has been regaining her military strength, and above all since beginning of the 2008 crisis, the Eurasian idea, Russia going together again with Europa, seems to be making its way again, timidly perhaps, going on in the underground, but surely in some way. The cornerstone of the Eurasian idea is the very great economic and intellectual-spiritual complementarity between Europe and Russia. The economic complementarity is particularly strong between Germany and Russia: Germany needs the Russian primary goods (raw materials, energy resources and, eventually, agricultural products) and Russia needs German technology to modernise the economy and the infrastructure in the domains of health, traffic and the social. This would enable Russia to rebuild along modern Russian lines the excellent public education system that existed in Soviet times; moreover, a policy of even regional development could be pursued, bringing about a more balanced relationship between countryside and towns. The intellectual links go back to the Peter the Great. From the 18th century onwards Russia has taken up European ideas to produce a powerful intellectual culture of her own. Finally, the spiritual links between Europe and Russia are given the Catholic and Orthodox religions, with their complementarities and large intersections. As emerges from this essay both great sister religions have elaborated a vision of the future of Mankind based on the unity of Mankind while preserving cultural diversity. And as has been suggested above a modern and decentralised Russia would be the backbone of the Community of Independent States that would form a bridge of peace between Europe and Asia.

In any case, an intensely cooperating Eurasia could become the most powerful entity in the world, economically, politically and militarily. However, Eurasia would have to put its power into the cause of peace and would have to contribute decisively to bringing about the social-liberal world order based on geographical-historical federations as advocated in this essay. We have already suggested that this would mean implementing the Russian idea of “all-embracing unity. This unity is not just something, which overcomes diversity, but primarily as diversity, which embodies the capacity to bring about unity”(Spidlik 2002, pp. 91/92; a.tr.).

Hence the going together of Russia with Europe would certainly strengthen the capacity of Europe, now taken in a wider Eurasian sense, to play its role as the Laboratory of World History. As has been suggested, this means that Europe would exert influence, not by using power, but by giving the example, that is, by building up good states, enabling its citizens to live a good life shaped by a sense of life.

However, for Eurasia to be durably stable, an enormous problem has to be solved, that is, the problem of the frontiers which have emerged from the Second World War. These borders have been taken for granted until now and, in some way, still constitute a taboo. However, as we have already mentioned above, Winston Churchill, speaking of the Oder-Neisse-Grenze in volume VI of his War Memoirs (Penguin edition), says on p. 561: "For the future peace of Europe here was a wrong beside which Alsace-Lorraine and the Danzig Corridor were trifles. One day the Germans would want their territories back, and the Poles would not be able to stop them." At this stage one should recall that Germany annexed Alsace-Lorraine more than two hundred years after France had acquired this region at the end of the Thirty Years' War, legally in a way, because the acquisition was fixed in the Peace Treaty of Westphalia in 1648. Germany, in fact, never recognised this loss of territory on the argument that she was forced to sign the Peace Treaty in an extraordinary situation, when she was destroyed and exhausted. And the problem of Alsace-Lorraine was settled definitively in 1945 only. However, the best example of a reconquest after a very long period of time is provided by the Spanish Reconquista, which was terminated nearly 800 years after the Arab invasion of Spain! Of course, in present times, a Reconquista will take on entirely different forms, peaceful most importantly: economic, cultural and, possibly, demographical, that is, immigration.

The fact that, at present, nobody, neither politicians nor the media, nor historians and intellectuals in general, speaks about these frontier issues does of course not mean that the problem does not exist. In fact, absolute silence on these most delicate matters is quite normal. In this context, one may remember that, after the loss of Alsace-Lorraine in 1871, the French had the maxim: N'en parlez jamais, pensez y toujours!

As has been suggested already, the now existing frontiers in Central and Eastern Europe are the result of an understandably ruthless dictate of Stalin, also established at the end of a terrifying war, thus in an extraordinary situation, when Germany was entirely destroyed; as has been rightly remarked in 1990 when Germany was reunified, these frontiers have never been confirmed by a Peace Agreement between Germany and (Soviet) Russia, putting a definitive end to the Second World War. As long as such a peace agreement is not concluded,

the arbitrary frontiers in Europe that have arisen out of World War Two in Central and Eastern Europe and out of World War One in relation with the Hungarian frontier, as well as the recent boundary problems connected to the breakup of Yugoslavia, might cause serious conflicts in some indeterminate future. This is the main reason why these most delicate problems have to be mentioned here.

Now, one could argue that Germany was evidently guilty for the outbreak of the Second World War. However, in this subsection on Germany and the Apocalyptic Age we have argued that this is only formally true.

There are, in fact, two great issues involved with the boundaries that have arisen from the Second World War in Central and Eastern Europe. First, as historical experience tells us, one cannot wipe out, as Churchill suggested, several hundred years of history at a stroke without causing problems at some time in the future, and, second, as is argued in this essay, Germany is no more guilty of the Second World War than the Western Capitalist powers contrary to the opinion held by most historians and to what is reported in history books. The Second World War was essentially a War between Capitalism and Socialism, exacerbated by innercapitalist rivalries. The Western Powers wanted Hitler to stay in power and Germany to attack the Soviet Union as is exhibited by Apeasement Policy, which included sacrificing Poland in 1939-40. As already alluded to, the German military leaders could have deposed Hitler only if the Western powers had intervened militarily immediately after the German attack on Poland, as was indeed stipulated in a defence treaty between Poland, France and the United Kingdom. And, on the other hand, the Soviet Union wanted the World Revolution of the Proletariat and would possibly have attacked the West once she had felt strong enough, although many think that this would have unlikely, simply because the Soviet Union did not possess the logistic capacities to conduct an offensive war. Historical determinism intimately linked to the functioning of the capitalist system and to the socialist theory of history thus played a crucial role; in way, the Second War was inevitable. The capitalist and socialist quest for world domination and the heavy economic crisis of the 1930s, and, in fact, the events in Germany from 1918 to 1933, set in a wider international context, were the fundamental causes.

As has been mentioned above, Winston Churchill who knew like no other about the real background of the Second World War considered the frontiers established by Stalin as totally unjust. Given this, the question of the boundaries in Central and Eastern Europe will have to be discussed within the framework of a Peace Agreement between Germany, Poland and Russia (and the CIS). We have already mentioned that this essay is not the place to make any

statements on the possible result of such an agreement. But the essay should contribute to establishing the basis on which a Peace Agreement definitely ending the Second War would have to be put. It would seem that thinking on these matters have become more intense recently, though below the surface as is normal for such delicate problems. The general socio-economic and political situation in Eurasia will have to evolve and once the situation is ripe the Peace Agreement can be concluded. The aim would be to greatly strengthen cooperation between Europe and Russia (and the CIS). If orderly socio-economic conditions are created in the Eurasian space, with a broadly equitable distribution of wealth and incomes and full employment (in the sense of absence of involuntary unemployment), then Russia and the CIS could become great regions of immigration from Europe as was the case during and after the reign of Peter the Great in the 18th and 19th centuries until the First World War. This would evidently greatly strengthen the links between Europe and Russia (and the CIS) and render the conclusion of a Peace Treaty much easier.

There are other difficult border problems in Europe, for example, the problem of the Hungarian boundaries, and the frontiers in the Balkans, related in the main to the breakup of Yugoslavia.

As is suggested in this essay, to solve the various frontier problems in Europe (and elsewhere in the world) in a peaceful way, the formation of historical-geographical federations seems most appropriate since these federations would be of a historical-cultural nature; political frontiers would remain unchanged. Nevertheless, a peaceful and durable solution of the boundary problems in Central and Eastern Europe and on the Balkans would establish an unshakable political basis for Eurasia, providing thus a cornerstone for a durable world peace and enable Greater Europe to fully play her role as a Laboratory of World History.

Let us now return to our main theme, Germany and the Apocalyptic Age, to take up, once again, the theme of determinism and chance. Indeed, in the course of the Second World War *chance* directed seemingly irresistible *determinism* into widely changing even opposite directions. After the fall of France in June 1940 Nazi-Germany definitely seemed victorious. Then, however, came the heroic weeks of the Royal Air Force, grandiosely pictured in the second volume of Churchill's War Memoirs: *Their Finest Hour*. Sir Winston Churchill, certainly one of the greatest war leaders of all history, managed through his action to stop the gigantic German military might with limited but qualitatively high-standing human and material means. Indeed, *never so many owed so much to so few* – the fate of the world hung in the balance, or was suspended at a silk thread (*das Schicksal der Welt hing an einem seidenen*

Faden). And, parallel to the Air Battle of Britain, there was the U-boat war going on in the North Atlantic in the main, starting in September 1939 and ending up in the defeat of the German U-boats in May 1943. The development of airborne and shipborne radars and the breaking of German naval codes were certainly crucial elements in the British victory of the Battle of the Atlantic (Burns 1994).

Winston Churchill had anticipated the challenges he was going to face, against the background of his being haunted by his dismissal from the Admiralty following up the failure of the Gallipoli undertaking in 1915. This is illustrated by a deeply moving passage to be found in the first volume of his War Memoirs (*The Gathering Storm*, pp. 383-87). “There were now in 1939 two dangers [for the British Fleet] to be considered: the first, the old one of submarine incursion; the second, the new one of the air. [Therefore,] I felt my duty [as the First Lord of the Admiralty] to visit Scapa Flow at the earliest moment [immediately after the outbreak of the Second World War. On September 15 and 16, I inspected] the harbour and the entrances, with their booms and nets. [...] My thoughts went back a quarter of a century to that other September when I had last visited Sir John Jellicoe and his captains in this very bay [...]. Having inspected two more ships on the morning of the 18th, and formed during my visit a strong feeling of confidence in the Commander-in-Chief [... Yet] I felt oddly oppressed with my memories.

For God’s sake let us sit upon the ground
And tell sad stories of the death of kings.

No one had ever been over the same terrible course twice with such an interval between. No one had felt its dangers and responsibilities from the summit as I had, or, to descend to a small point, understood how First Lords of the Admiralty are treated when great ships are sunk and things go wrong. If we were in fact going over the same cycle a second time, should I have once again to endure the pangs of dismissal? Fisher, Wilson, Battenberg, Jellicoe, Beatty, Pakenham, Sturdee, all gone!

I feel like one
Who treads alone,
Some banquet-hall deserted,
Whose lights are fled,
Whose garlands dead,

And all but he departed.

And what of the supreme, measureless ordeal in which we were again irrevocably plunged? Poland in its agony; France but a pale reflection of her former warlike ardour; the Russian Colossus no longer an ally, not even neutral, possibly to become a foe. Italy no friend. Japan no ally. Would America ever come in again? The British Empire remained intact and gloriously united, but ill-prepared, unready. We still had command of the sea. We were woefully outmatched in numbers in this new mortal weapon of the air. Somehow, the light faded out of the landscape” (Churchill 1985/1948, volume I, pp. 383-87). This passage goes far to explaining why Churchill got the Literature Nobel Prize for his War Memoirs.

The British performance in the Battle of Britain was the first of two crucial elements that decided upon the outcome of the War, the second being the outstanding military performance of the Soviet Russian armies against the most impressive land army the world had ever seen, most aptly combining infantry, tanks and artillery, and aircraft to conduct a war of permanent movement (*Bewegungskrieg*). But, here, too, “the outcome was suspended at a silk thread” (*auch hier hing der Ausgang an einem seidenen Faden*), for several reasons. First of all, after the defeat in the Battle of England, Nazi-Germany planned to attack the Soviet Union as early as possible in 1941, that is at the beginning of May when the Russian roads were practicable again *to crush Soviet Russia before the end of 1941*. However, at the beginning of 1941 the Germans had to move down the Balkans to help the Italian army whose offensive in Albania had got stuck. Given this, the *Wehrmacht* could start her attack against the Soviet Union on June 22, 1941 only, apparently taking the Soviet armies by complete surprise. Indeed, in the evening of June 21 a German deserter told the Soviets that the German attack would take place tomorrow. On Stalin’s order the deserter was shot immediately, suspected to be a *provocateur*.

At this stage one may ask why the Germans did not simply wait until May 1942. The problem is that the Soviet Union was producing rifles, guns, tanks and air-fighters at a tremendous pace. The Soviet weapons production – mostly taking place behind the Ural - was of high quality since Germany had delivered technology, specifically military technology from 1922 (Rapallo) onwards until the outbreak of the war in 1939. Each week of delay would have rendered the task of the German armies more difficult. Once again, Germany was in a trap and had to attack as early as possible. However, this is only one possible explanation of the Nazi-German attack taking place as late as June 22, 1941. Indeed, as we have suggested in the above, the German *Blitzkrieg* victory over France provides a more plausible, eventually

complementary explanation. This rapid victory rendered the German military leadership overconfident. The belief that the Soviet Union could also be destroyed through a *Blitzkrieg* got firmly established in wide military circles. It was estimated that the Soviet Union could be destroyed within six weeks to two months or so. This convincingly explains why the German soldiers were not equipped with winter-cloths.

This was a fatal mistake, because, second, the Russian winter came earlier as normal, and the German elite troops got stuck before Moscow, with the soldiers still in summer cloths and without being able to use artillery and tanks, given the exceptionally low temperatures.

Third, Richard Sorge, a communist spy based in Tokyo, let Stalin know, that Japan would not attack in Siberia but would instead start a war against the United States.

Here, it must be mentioned that the War between Japan and the United States was, perhaps, inevitable. This war was part of the merciless capitalist struggle for raw material and energy resources on the one hand, and for outlets for final products on the other (on this Pauwels (2006) provides valuable information). Both motives rest on the fundamental reasons to enlarge the scope for profitable investment opportunities and to secure high employment levels through the external, export-oriented mechanism. Given this, both Japan and the United States pursued power politics in a most ruthless way. Japan wanted to establish her dominance in Asia and attacked Korea and China; the attack on China culminated in the massacres of Nanking. Subsequently, Japan started a war against the United States through attacking Pearl Harbour. Japan had good reasons to attack. In fact, the US wanted access to the Chinese market. Japan agreed if, simultaneously, she would get access to the Latin American market. The United States refused (Pauwels 2006, p. 69). This was a casus belli for Japan. Nevertheless, it remains an open question whether Japan had eventually been lured into a trap, similarly to Nazi-Germany. It is in fact difficult to believe that the Japanese Navy could sail for hundreds of seamiles without US Intelligence being aware of it; moreover, only vessels of secondary importance were in the port of Pearl Harbour when the Japanese attacked.

The thesis that Japan had been lured into a trap is confirmed by Charles Callan Tansill. The point of departure is the theory of non-recognition developed by Secretary of State Henry L. Stimson, “a pacifist who loved peace so much he was always ready to fight for it. [The theory states that] the American Government would not recognize any agreement that would impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence, or the territorial and administrative integrity of the

Republic of China or to the international policy relative to China, commonly known as the Open-Door policy” (Tansill 1952, p. 101). Tansill goes on to say: “[The nonrecognition doctrine] was a bomb whose long fuse sputtered dangerously for several years and finally burst into the flame of World War II. It was entirely fitting that Stimson became Secretary of War in 1940; no one deserved that title quite as well as he. The entry in his Diary for November 25, 1941, is quite illuminating. With regard to Japan ‘the question is how we should man[oeuv]re them into the position of firing the first shot without allowing too much danger to ourselves.’ On the following day Secretary Hull answered this question by submitting an ultimatum that he knew Japan could not accept. The Japanese attack upon Pearl Harbour fulfilled the fondest hopes of the Roosevelt Cabinet. It was now easy to denounce Japanese perfidy and to exult in the fact that the shock of the tragedy had erased all divisions of opinion in America. It was several years before inquiring minds began seriously to question the background of Pearl Harbour. When the report of the Army Pearl Harbour Board boldly pointed out the questionable conduct of General George C. Marshall, the Chief of Staff, Secretary Simpson rushed to his defence. On the convenient ground of ill-health he later refused to appear before the Joint Congressional Committee that investigated the tragedy of Pearl Harbour” (Tansill 1952, p. viii).

*The Japanese attack on Pearl Harbour was one reason for the US revenge atomic bombing of Hiroshima and Nagasaki. However, the main reason for dropping atomic bombs on entirely innocent people was a power demonstration directed at Stalin’s Soviet Union, a country that was completely exhausted and had lost more than 30 million people in the course of the Second World War! An important piece of evidence for this thesis is provided by the dates of the first nuclear test, which took place on July 16, 1945 and of the Potsdam Conference, July 17 to August 2, 1945. Truman had indeed put great pressure on the nuclear scientists to make sure that the first nuclear test would take place **before** the Potsdam Conference started. Given this, Truman was in a position to tell Stalin during the conference that the United States were in possession of the atomic bomb. It is reported that Stalin lost his composure when receiving the terrifying news, the only time in his life, it seems.*

Subsequently, the bomb was dropped on Hiroshima and Nagasaki on August 6 and 9, 1945, respectively. Many historians would agree that the Cold War started at this time-period. This war, potentially a hot war, was transformed into a cold war by Klaus Fuchs, who delivered the secret of the atomic bomb to the Soviet Union in 1947-49, enabling her to carry out her first nuclear test on August 29, 1949. The nuclear-terror equilibrium was established.

Given this, it is likely that the government of the United States under President Truman wanted to show to the Soviet leaders that, not only, she was willing to use the atomic bomb, but to use it in the most inhuman way possible – probably, this should initiate Nuclear Diplomacy, subsequently set up by the Truman administration. Moreover, the effects of the bombs were scientifically analysed and in part utilised later on, also the effects on human beings, adults and children, however without any intent to heal them – the Nazis could not have done better!

In fact, if really necessary, the unconditional surrender of Japan could have been easily brought about through dropping the two atomic bombs on military objectives or on deserted areas. In this context one ought to remember that General, and later President, Dwight D. Eisenhower, certainly one of the most humane military leaders of the Second World War, was against the use of the atomic bomb, and so was Robert J. Oppenheimer, the director of the Manhattan Project, and, of course, Albert Einstein. On all this, the excellent book by Florian Coulmas, Hiroshima – Geschichte und Nachgeschichte, provides an outstanding account. Specifically, the argument that the atomic bombing of Hiroshima and Nagasaki saved around half a million American lives is seen as a post-war invention.

This is the place to mention that Japan effected the transition from a traditional to a modern society in the best possible way, in spite of outside pressure. After an imperialist interlude, specifically the ruthless attack on China and Korea, Japan made, after World War Two, a top contribution to improving civilian goods, and to inventing new goods and methods of production. Given this, Japan has greatly contributed to improving the actual and potential material welfare of humanity. At the same time the country has preserved its cultural values in a remarkable way.

The fact that Japan engaged in a war with the United States enabled the Soviet High Command to move Zhukow's well-trained and winter-equipped Siberian army before Moscow where she crushed the almost helpless German troops. After the war, high-ranking German officers asserted that the War in Russia was already lost by December 1941.

Given this, Hitler's declaration of war against the United States on December 11, 1941, must be considered an act of despair; on this Tansill has a whole section entitled: Hitler Is Anxious to Avoid Conflict with the United States [!]"(Tansill 1952, p. xx and pp. 606-15). However, the United States had already effectively entered war with Germany on the side of Great Britain in March 1941 when the lend-lease act was passed and effectively implemented in

September 1941, without formal declaration of war, however; simultaneously, large US enterprises backed Germany in the war against the true mortal enemy, the Soviet Union (Pauwels 2006, pp. 67, 208-16 and 222)! As to the Far East, Hitler hoped that Japan would subsequently declare war on the Soviet Union and attack in Siberia; indeed, after the transfer of the Siberian army to the West to defend Moscow, the Soviets would not have been able to defend Siberia, and Hitler believed that Japan would make use of the opportunity to take revenge for the crushing defeat against the Soviet Union at the Battles of Khalkhin Gol in the border regions of South East Siberia in August 1939 (where, incidentally, Marshal Zhukov conceived of underwater bridges, a truly ingenious device that took the Japanese and later the Germans by surprise when lorries and tanks moved on and emerged from a river!). However, Japan already concentrated on the War against the United States and prepared the invasion of South East Asia.

And fourth, the Swiss based “information agency” The Red Chapel or the Red Orchestra (*Die Rote Kapelle*) had through its leading figure Rudolf Roessler direct links to Hitler’s headquarter in Berlin and was able to transfer top-secret information of the highest importance to the Soviet High Command. It is likely that these information transfers had an important influence upon the events on the Eastern front. Two French authors, Pierre Accoce and Pierre Quet (1966), even claim that the Second World War was won in Switzerland! There may be considerable exaggeration in this claim, but certainly there is some truth in it. Probably, the War in the East would have taken another, possibly even a completely different turn, in the absence of the information provided by the *Rote Kapelle*.

A fifth ‘silk-thread’ element was the defeat of Rommel’s *Afrikakorps* against the British under Montgomery at El Alamein. In case of victory, the German Africa Army could have marched through the Middle East, largely sympathetic to Germany, and might have reached India, with the Japanese armies moving in the direction of India from the East. Evidently, nobody can say what would have happened subsequently. In any case, the Soviet Union would have been encircled and impossible to defend, all the more so, because the control of Iran would have enabled Germany to establish easy links with her Eastern front through the Caucasus.

An additional factor suspending the outcome of the Second World War at a silk thread was of course Hitler’s secret weapon (*Geheimwaffe*), the combination of V2-missiles and the atomic bomb. Were the German scientists able to build atomic bombs, and if yes, did they deliberately not build the bomb to prevent the Nazis from winning the war in the last

moment? In any case, the use of the *Geheimwaffe* in Nazi propaganda was an important element in maintaining the morale of the soldiers and of the population. Moreover, in spite of the Teheran agreement, Stalin feared until the last day that *Wehrmacht* officers might depose Hitler, conclude a separate peace with the West, who together with Germany, would try to crush the Soviet Union. The almost incredible failure of the Stauffenberg assassination attempt in 1944 must have been an immense relief to the Soviet leadership; here we have another chance – or providence - element. In this context and also in relation with the transition of the Second World War – against Germany and Japan – to the Cold War – against the Soviet Union –, it has already been mentioned that the Casablanca Conference, held from January 14 - 24, 1943, did take place just at the moment when the German defeat at Stalingrad was complete. The outcome of the war on the Eastern front was now clear and the coalition against Nazi-Germany could definitely be formed. And, finally, the course of immediate after-war history was crucially influenced through Klaus Fuchs, who, in 1947-49, provided the Soviet Union with the secret of the atomic bomb. Instead of an eventual Western attack upon the Soviet Union, the Cold War, based upon a nuclear-cum-bombers and missiles equilibrium of forces, came into being, creating political stability in the world for about 40 years through George Kennan's concept of Containment Policy. In this context, it is said that Stalin was seen to lose his composure only once, that is when, in 1945, Truman told him at *Potsdam* that the United States had the atomic bomb. Here, it may be added, that, had the war against Japan ended *before* the war against Germany, the first atomic bomb might have been dropped on Dresden instead of Hiroshima. This is suggested in the very last lines of Frederick Taylor's *Dresden - Tuesday 13 February 1945*.

This is the place to put to the fore the immense suffering of the European civilian population during the latest stage of the Apocalyptic Age 1939 – 1945, specifically in Western Europe and, above all, in Russia and the Soviet Union, Poland and Germany. What happened to these great peoples in this truly apocalyptic period of time can, like the Jewish Holocaust, simply not be expressed in a few words. However, like the terrifying fate of the European Jews, the boundless suffering of the Russian-cum-Soviet, the Polish and the German people must be remembered intensely and forever form the object of historical research and be put to the fore in history books at all levels of education.

Hence chance events may direct the stream of determinism in an entirely different even opposite directions. Determinism, as Marx has perceived with unprecedented clarity, arises

fundamentally in the economic sphere, above all since the coming into being of the modern world. And economic determinism may bring about determinism in the social, political and military sphere. This is to say that man acts in objectively given circumstances and through his actions modifies the objectively given circumstances, mostly gradually, sometimes fundamentally, for example in case of a profound institutional reform or even of a revolution. However, knowledge about the objectively given – complex - situation is always imperfect, probable to a certain degree, and so is the knowledge of consequences of actions. It may even happen that probable knowledge as is crystallised in theories stands, probably again, in direct contradiction to the objectively given reality. A prime example is provided by the standard liberal economic policy pursued by the Brüning government in the face of rising unemployment. In fact, Brüning wanted, in principle, to maintain a budget equilibrium for two reasons: first, to prevent inflation, which might have become possible in case of a deficit in the state budget; second, a budget deficit might have contributed to create some workplaces in the short run; in the long run, however, a state deficit would, in the liberal view based on Say's Law, have reduced saving, hence investment, and, ultimately, the number of newly created workplaces. On the whole a budget deficit would, in the liberal view, have had negative effects. This is in direct opposition to Keynesian theory where a state deficit is expected to stabilise the economy and to create the preconditions for recovery.

However, the determinism exercised by the world economic system – the above mentioned breakdown of international trade – and domestic factors – rising income and wealth inequalities following up the First World War and the Great Inflation – worked like a huge tide, and there was no chance factor – considerable public works, for example – that could have changed the course of events. There was nothing suspended at a silk thread as was the case in the Second World War – had the Nazis not succeeded to get into power democratically, they would have done so by force; possibly, a civil war would have occurred.

But there was no necessity to use force. In fact, as has been argued subsequently in this subsection, the Nazis were put into power by German Monopoly-Finance Capitalism and right-wing forces in general, later backed by international, above all US Monopoly-Finance Capitalism. The mission of the Nazis was to destroy left-wing forces in Europe and the homeland of communism, the Soviet Union. The German right-wing people, Franz von Papen in particular, thought that they could keep the Nazis under control. Their fatal mistake was that they did not – and could not! - take into account Göring and the Gestapo, which, subsequently, laid Germany into heavy chains. As a consequence, the Nazis could have been

wiped out with outside assistance after January 30, 1933. Churchill had perceived the problem and, as a consequence, wanted to depose the Nazis immediately (!), but was dubbed naïve by those who knew what was going on!

Germany in 1932 is, probably, the prime instance of historical inevitability brought about by the functioning of the immensely complex world economic system, having laws of its own, independent of the will of the principal actors, and with the rationality of the system being in direct contradiction to the rationality of the economic actors. This may lead to economic crises, which are, as Marx forcefully stated, *the violent solution of the contradiction*.

With all polities and civilisations that have shaped world history, achievements in the realms of goodness, beauty and truth applied to various spheres go together with alienation that may be associated with exercising economic, military, social and political power. However, it would seem that, in the case of Germany, the gap between the extremes has been widest: highest achievements during centuries ended up in utmost alienation and deepest failure for a few years, filled up with most profound tragedy. In the above it has been suggested that the Thirty Years' War was, very probably, the turning point in German history, and the deterministic laws of motion of capitalism being of crucial importance from the early 19th century onwards. However, from 2011 onwards we have suggested that Germany had been *pushed* into the abyss of National Socialism *and deliberately kept there* [this sentence has been added in January 2013]!

As Jean-Rodolphe von Salis has sensed with most profound intuition, Germany, since the foundation of the Second Empire, played the key role in the era of monopoly capitalism which was to culminate in the apocalyptic time-period 1914-1945. Here determinism and chance were associated with most profound alienation with the corresponding driving forces, money making and exercising ruthless power, reigning supreme. It is during this apocalyptic time-period that Maynard Keynes became deeply convinced that Liberalism (Capitalism) and Socialism (with central planning) were entirely inadequate to master the gigantic challenges of Modernity, and that, based on older moral traditions, a new vision of man and society and a new political economy were required.

Indeed, to prevent setbacks resulting in profound alienation, very solid economic theory, classical-Keynesian political economy to wit, must be combined with the older traditions of social political ethics, resulting thus in the doctrine of *Social Liberalism* (Bortis 1997/2006, 2003a). Strong and philosophically based socio-economic and political theory is really indispensable to master the gigantic challenges of Modernity (see the next section on *the*

necessity of theorising). Keynes's expressed his profound insights most clearly, putting them in a nutshell so to speak, at the end of his farewell speech at the occasion of his retirement from the editorship of the *Economic Journal* in 1945, right at the end of the apocalyptic time-period of the first half of the 20th century, after 33 years of activity, in fact, during the entire Apocalyptic Age! Keynes concluded his speech by saying that "*economists are the trustees, not of civilisation, but of the possibility of civilisation*" (Harrod 1951, p. 194). This is an immensely important statement, bearing in mind that Keynes had lived through the apocalyptic age 1914-1945 most intensely and on the intellectual and political top level. From this section emerges that this profoundly tragic time period essentially had two roots: first, the internal contradictions of capitalism and the striving for political, economic and military world power of the leading capitalist powers, and, second, the struggle for survival between capitalism and socialism. Given this, Keynes was deeply convinced that a new way, the social liberal way, was required to master the immense socio-economic complexity brought about by the Great Transformation, and, most importantly, to prevent disastrous socio-economic and military conflicts. Just now, in 2007/08, when the East-West opposition becomes more pronounced and capitalism might enter a new major crisis, Keynes's message is, indeed, more relevant than ever. In the meantime, the crisis has indeed come into being [sentence added in January 2013].

In a Keynesian and Social Liberal vein, "economists are the trustees, not of civilisation, but of the possibility of civilisation", means that, before a well-ordered institutional superstructure may be erected, a solid socio-economic or material basis must be set up, with full employment and a fair distribution of incomes as its most important characteristics. This material basis has to produce the social surplus, precisely required to set up appropriate political, legal, social and cultural institutions such that the social individuals may prosper to the widest possible extent.

In the next two subsections, two specific issues related to the Apocalyptic Age are dealt with. In the first place, some very brief remarks on power in Modernity are made. This is, second, followed by a few suggestions on ethics and alienation; in this context, some further considerations will be made on the Apocalyptic Age 1914 – 1945.

Some remarks on power in Modernity

In the apocalyptic age 1914-45, power had become absolute and autocratic in Hitler's Germany and in Stalin's Soviet Union. Perhaps, in a life-or-death struggle autocracy may be required in order to achieve utmost efficiency in the military domain. Yet, a question

remains: how could the socio-economic, political, technological and intellectual processes initiated by the *humanist* Enlightenment ultimately produce the totalitarian states of the Apocalyptic Age? Many have asked this question, Jacques Maritain and Eric Voegelin for instance

In our view, which is largely in line with Maritain's, the problem lies with the exceedingly narrow conception of humanism by the Enlightenment philosophers, and subsequently by the social scientists, particularly economists. The individual was seen as autonomous and self-contained, entirely devoid of metaphysics and spirituality. In fact, there has been an ever widening gap between science and technology on the one hand, and metaphysics and religion on the other. Moreover, the ultra-rational *homo oeconomicus* acts within potentially self-regulating markets which bring about equilibrium and social harmony. And the outcomes of competitive markets, that is, competitive prices and quantities, are considered ethically appropriate so that, in fact, ethics is not needed in competitive conditions. However, throughout this essay it has been argued that market economies are not self-regulating at all. On the contrary, competitive markets are very likely to result in cumulative disequilibrium processes resulting in growing involuntary unemployment and increasing inequalities in income distribution. This is economic alienation, which, as Marx has convincingly argued, may produce alienation in other spheres - social, political, and religious, to give examples.

However, the divorce of metaphysics from science and technology has resulted in most impressive scientific and technological progress; there has also been unprecedented economic growth, although the distribution of the results of growth has been very uneven. It will be argued subsequently that time has probably come now to consolidate and to order these positive results of Enlightenment through metaphysics and religion. This would represent a great synthesis between the material and the spiritual, providing a sense for history and for the life of the social individuals.

The works of Karl Marx and Maynard Keynes provide, again in our view, the basis for a broadly correct answer regarding the partial failure of the Enlightenment project. The various problems of the era of industrial capitalism in general and of the Apocalyptic Age in particular fundamentally resulted from the internal contradictions of capitalism and the determinism exercised by this socio-economic system; this implies, as has been insisted upon in this essay, that market economies are not self-regulating at all, even if there is intense competition. Indeed, Capitalism creates alienation in all spheres of life, and generalised alienation, including disequilibria, may become self-reinforcing. In the next subsection, a few remarks are made on *ethics and alienated situations*. This subsection is devoted to some very

brief remarks on the problem of *power* after the Great Transformation, in Modernity, or in Gellner's *Industria*.

In the first place, the problem of power is considered from a normative point of view, that is, in relation to the great doctrines of Liberalism, Socialism and Social Liberalism. Subsequently, the phenomenon of power is dealt with in historical reality. In this positive analysis, three time-periods will be broadly considered: the time-span from the Great Transformation to the First World War, the Apocalyptic Age 1914-1945, and the time-period from the Second World War to the present.

From a normative point of view, that is, in relation with the great doctrines of Liberalism, Socialism and Socialism Liberalism, the problem of power does in fact not exist. Here the problem is one of natural authority and good government. In all three doctrines one of the fundamental aim is to maximise the scope of liberty of individuals, in widely differing ways though.

Liberal political doctrine is crucially based upon the postulate of a self-regulating economy. In principle, competitive markets solve the great economic problems, value and price, distribution, and employment. Governing becomes relatively easy. Public goods have to be defined, defence, education and others, and sufficiently large taxes have to be levied such that government expenditures may be financed, ideally without a deficit occurring. These problems can easily be solved democratically, without, in principle, interfering with the behaviour of individuals. Self-government is possible and government become insignificant. The aim of the autonomous and self-contained individuals is to maximise utility and profit. Competitive markets co-ordinates the rational behaviour of individuals in a way that macroeconomic equilibrium obtains, in fact a Pareto Optimum.

Liberal economists, in fact, tend to consider the market a natural institution, which is independent of the man-made institutional set-up. This has led to the notion of so-called market socialism, in contradistinction to liberal-capitalist market economies.

In Bentham's view, the fundamental policy aim to maximise social utility, the maximum utility for the largest number (*Das grösste Glück der grössten Zahl*). Gunnar Myrdal (1976/1932) has shown, however, that great problems arise with this formula. For instance, what should be maximised, individual utility or the number of individuals? And how should incomes, enabling to achieve utility, be distributed? The group of the *Philosophical Radicals* led by Bentham, and with David Ricardo being a member, suggested an equal distribution of

incomes to maximise social utility: an additional unit of money has a low marginal utility for the rich, and a high marginal utility for the poor; consequently, an equal distribution of incomes will maximise social utility. In this perspective, Liberalism, in fact, liberal fundamentalism, is more, or, at least, as egalitarian than Communism!

However, as has been extensively argued in this essay, one of the fundamental problems of Liberalism is the problem of self-regulation, which, in fact, does not exist; and this has grave consequences as will, once again, be seen subsequently.

Surprisingly, Marx comes to a similar conclusion in his *Frühschriften* where he writes about a humanistic Socialism (*humanistischer Sozialismus*). The famous formula is *Communism = Humanism = Naturalism*. There is no private property. The social individuals decide democratically on what use values to produce. Each individual would get use values according to his needs. And the state will fade away. Marx, in his *Frühschriften*, indeed speaks of the *Absterben des Staates*.

In fact, Socialism and Liberalism are both based on the simple conditions of the Agrarian Age. In a relative simple economy, it might be possible to directly determine democratically, the production of the use-values that are socially needed, or the market would solve all the important economic problems; Say's Law would hold, that is, each supply or production would create its own demand. The neglect of the state in Liberalism and in humanist Socialism implies that both doctrines are universalist, which, incidentally, contributes to explaining why Neoliberalism is intensely promoting Globalisation. This is not, however, the case with Social Liberalism, which deals with the complexities of a modern monetary production economy in a national economy, which is embedded in an international and also global context. Here the role of the state is, on the one hand, a very important one. Indeed, the state has to create an institutional set-up, or to favour the coming into being of socially appropriate institutions, such that the scope of freedom for individuals is maximised. This implies, on the other hand, that governing should be such that the citizens are hardly aware that there is a state. Hence, in Social Liberalism, there is, in principle, no power in the sense of coercion. One should, in fact, speak of natural authority, and governing means serving the country. Freedom, in turn, is a fundamental precondition for the prospering of the social individuals. This is civilisation. However, as Keynes said, "economists are [but] the trustees of civilisation" (Harrod 1951, p. 194). In terms of the political economy of Social Liberalism, *Classical-Keynesian Political Economy* to wit (Bortis 1997/2006 and 2003a), this means creating the socio-economic preconditions for civilisation, that is full-employment and a fair distribution of incomes. In this essay and also in Bortis (1997/2006), it has been insisted that

these complex problems can only be tackled on the basis of small and medium-sized states. And, very importantly, orderly socio-economic conditions have, in a social liberal view, to be brought about through the internal employment mechanism (Bortis 1997/2006), pp. 190-98). High levels of output and employment are, in principle, to be reached sufficiently high public expenditures, which set into motion a cumulative process of private consumption and of investment. Foreign trade is auxiliary and has, in a first stage, to enable a country to exchange goods produced in excess against goods a country is lacking. Subsequently, trade may take place on basis of the principle of comparative cost advantages.

We now move on to positive analysis to consider, first, the problem of power in liberalism from the Great Transformation to the First World War. To begin with, we may stress that the implementation of the liberal political ideal alluded to above, self-government through the people to wit, utterly failed. In fact, Rousseau had coined the notion of *volonté générale* that had to get implemented. However, Rousseau immediately realised that the people could not come together to discuss what the *volonté générale* was, and, even less, to transform it into practical policy measures. Hence, according to Rousseau, the government had to represent the people in view of carrying out these tasks. As a consequence, Robespierre, a great admirer of Rousseau and an ethical purist, considered all who opposed the actions of the government as enemies of the people. State terrorism was born, almost by necessity. Indeed, how to act in an immensely complex world, when knowledge, specifically knowledge on socio-economic and political matters was imperfect and probable? In the age of Enlightenment and Great Transformation, no other possibility than Liberalism was available. Consequently, liberal dogmatism led straight on to dictatorship, the main reason being that the economy is not self-regulating, and did, as a consequence, not bring about orderly economic conditions; quite the contrary, the *laissez-faire* of revolutionary France led on to cumulative disequilibrium process, resulting in social and economic instability, including, presumably, high unemployment levels.

Hence, the main reason why the liberal-democratic way of governing did not work in revolutionary France is given by the fact that market economies are not self-regulating. Subsequently, political power spontaneously went together with economic power, as had been already the case in the mercantilist era (broadly 1500 to 1750), which preceded the Great Transformation. While, however, in Mercantilism political power dominated economic power, this relationship changed its character in the epoch of Capitalism, that is, the historical realisation of Liberalism. Economic power definitely dominated political power. In principle, the state moved in the service of the economy. In fact, there was mutual dependence. On the

one hand, the state needed a large social surplus, part of which would be paid in taxes to be spent for various purposes, for example, internal and external security, education, culture, and for social purposes. On the other hand, the citizens, including those active in the economy, entrepreneurs for example, require the state, to open up new markets through diplomatic activities, to provide an instance; more generally, the state has to set up an appropriate legal framework to enable economic activities to go on in an orderly way.

It is of crucial importance for the character of economic-political power, that the external employment and development mechanism became more and more dominant in the time period of the Pax Britannica 1815-1914. The most successful exporters of high-quality and labour intensive products also became the most advanced capitalist countries. Prominent examples of successful countries developing along the external mechanism are Great Britain, Switzerland and Germany.

It is interesting to note that, in the early stages of development, all three countries had strong governments, which forcefully promoted economic development. In Great Britain the development process started already in Mercantilist times and was intimately linked with Empire building by means of the acquisition of colonies and through creating dependent territories. Economic growth got a new impetus, after the glorious revolution 1688, subsequent to the Industrial Revolution 1770-80, after the end of the Napoleonic Wars 1815, and above all in the time-period 1848-73, Eric Hobsbawm's *Age of Capital*. From 1873-1914, England lost some ground in the industrial sphere, and technical dynamism slowed down; however, Great Britain became the absolutely dominating financial power; before the First World War, interest incomes on overseas investment made up, approximately, a staggering *ten* percent of British national income. In Germany, governed by Kings, Emperors and an Aristocracy until 1918, economic development started after the Napoleonic Wars within the framework of a customs union (*Zollverein*), and received a gigantic impetus from about 1845 onwards through the building of railways; after the formation of the Second Empire 1871, and, finally, subsequent to 1890 when Tirpitz started to build up a navy to enhance and to protect Germany's overseas trade, German economic growth became more and more export-led.

It is perhaps less well known that Switzerland, too, had a strong and purposeful government, entirely dominated by the Liberals, from 1848 onwards until, broadly, the Second World War. This fundamentally changed 1959, when a supra-party coalition government was formed, comprising the most important parties. In fact, the Liberal Government came into power in 1848 subsequent to a Civil War against the Conservatives, who lost, but were not humiliated.

During the century from 1848 onwards, the Liberal Government laid the foundation for the extraordinary solid position of the Swiss economy in the world economy after World War Two, expressed through an outstanding export strength based upon top quality industrial products and services. A solid infrastructure was built up, railways, roads, tunnels across the Alps, telecommunications. However, the main reason for the Swiss economic success in general, and her export strength in particular, was the outstanding education system. On the applied side, *apprenticeships* in the industrial, service, commercial and financial domains, were basic. Technical and commercial High Schools build upon this apprenticeship system, combining theory and application. On the top, there is the Federal Technical University (*Eidgenössische Technische Hochschule - ETH*), which is now based in Zurich and in Lausanne. The foundation of the ETH at Zurich in 1855, which was to become one of the most eminent technical universities in the world, was, as is highly probable, crucial for Swiss economic development, and to her outstanding position in the world economy at present.

At this stage, a provisional – rough – picture as to power in capitalist economist may be drawn. To set into motion a successful economic along the external development mechanism requires a *strong* government, remaining in power for very long periods of time. Once a high level of development level has been reached, and a high employment level achieved, governing becomes relatively easy. And, free trade may be allowed for because the highly developed countries may easily dominate, or even crush, less developed ‘rivals’. Given this, Parliamentary democracy and free trade *result from* successful development, guided by a strong government, which had not hesitated to be protectionist if necessary. It is *not* the case, that democracy and free trade are *preconditions* for successful economic development. This very important point is gaining increasing acceptance at present, and is put to the fore by eminent economists, Ha-Joon Chang (2002) being a prominent instance. Indeed, if market economies are *not* self-regulating, free trade and parliamentary democracy, associated to representative government may become pieces of *ideology*. In the main this is true in times of profound crisis, Germany in the 1930s being the prime example. And, in the real world, free trade leads, as a rule, on to growing inequalities in incomes and wealth. In this context one ought to remember that, in 1750, Britain and India were broadly on the same level in terms of wealth; moreover, India had been the center of the world economy from about 2000 years at that time. Some decades later, India had got impoverished and Great Britain had become very rich. The Indian textile industry was heavily damaged, even ruined in part, through the low cost British industrial products. In this context, an Indian economist once said: ‘Development and underdevelopment are but two faces of the *same* coin’. The German political economist

Friedrich List was perhaps the first to have become aware of the devastating consequences of the law of mass production for economic development in free trade conditions.

The three countries considered – Germany, Great Britain and Switzerland – illustrate that the external development and employment mechanism may be put into practice in two entirely different ways, a natural and an alienated way. Switzerland is an example of putting to use the external development mechanism in the natural way. Export-success was based on economic, technological and social psychological factors: high quality production, technical dynamism, reflected in new products and new techniques of production, export-mindedness, appropriate marketing and after-sale service. Great Britain, however, specialised on her traditional products, textiles and machines and secured large markets through political and military power through acquiring colonies and establishing dependent territories. This constitutes an alienated power-based way of putting to use the external development mechanism.

Before going on, let us recall the internal development and employment mechanism, which, in any way, constitutes the natural development mechanism compatible with the natural world order sketched above. The internal mechanism may work in two ways. The first way is represented by the supermultiplier relation, as was developed by François Quesnay in 1758 already (Bortis 1997/2006, chapter 4, and Bortis 2003a, pp. 460-67); here government expenditures set into motion a cumulative process of consumption and investment goods production; employment and output will be the higher, the more equally income is distributed, implying a higher purchasing power of the population. Adam Smith has set out a second way in which the internal mechanism may work (Adam Smith, *The Wealth of Nations*, Book three). The agricultural surplus is transferred to the industrial sector to feed the workers there; on the other hand, those who own or rent the land spend their revenues to buy industrial products. Hence there is mutual creation of markets between industry and agriculture. Now, Adam Smith supposed that this interaction between the two sectors produced a tendency towards full employment. Since there is no tendency towards full employment in a monetary production economy, this second way in which the internal development mechanism works will have to be integrated into the first mechanism, in which this mechanism is implied anyway. Hence, in the following, we shall make use of the notion of internal or natural development mechanism in the sense of François Quesnay, as is presented in a simplified modern form in Bortis 1997/2006, specifically on pages 190-98, and mention the Adam-Smith mechanism only if required.

We may now take up the main line of our argument. Great Britain had evidently developed in line with the alienated or power-based external development mechanism. In doing so a kind

of a military-trade complex came into being in Mercantilist times already, which became a military-industrial complex after the English Industrial Revolution. On the military side the British Navy evidently played the central role. France, Germany, and Japan started development on the basis of the – natural – internal mechanism, Germany and Japan on the basis of the Quesnay-type with government expenditures as the prime mover, France relying primarily on the Adam Smith-type interaction between industry and agriculture. Gradually, all three countries switched to the external mechanism. Germany and Japan were highly successful before the First World War, without making full use of the military-industrial complex, which, however, had been gradually developed. France was far less successful and, given this, had to switch to the internal mechanism again, with foreign trade remaining a useful complement.

Germany's and Japan's attempt to fully make use of the military-industrial complex to promote the alienated external development mechanism led to the two World Wars. These wars were double-sided. The First World War was essentially a struggle between capitalist countries. This was, to a lesser extent though, also true of the Second World War, which, however, was predominantly a life-or-death struggle between capitalist Germany and the socialist Soviet Union. In the Second World War the struggle between capitalist countries was, in the first place, between the British Empire and the United States on the one hand, and Germany and Japan on the other. However, rather surprisingly, there was also an almost hidden conflict between the British Empire and the United States!

This fact is illustrated by the subtitle of the third volume of Robert Skidelsky's great Keynes biography: Fighting for Britain 1937-1946. In the introduction, Skidelsky writes: "When [Keynes] died, Lionel Robbins wrote to his widow: 'Maynard had given his life for his country, as surely as if he had fallen on the field of battle.'

Keynes's war was different from Churchill's war. Nazi Germany, to be sure, had to be defeated; this was the ultima ratio of both their efforts. But, whereas the military struggle occupies the foreground of Churchill's war, it was the backcloth only to Keynes's war, which was financial and economic. In this war, the United States occupies the foreground – as an ally but also as a rival. Churchill fought to preserve Britain and its Empire against Nazi Germany. Keynes fought to preserve Britain as a Great Power against the United States. The war against Germany was won [mainly because of the overwhelming performance of the Red Army!]; but in helping to win it, Britain lost both Empire and greatness. Hence, the title of the concluding volume of Churchill's war history, Triumph and Tragedy, also fits this

volume” (Skidelsky 2000, p. xv). Indeed, after the Second World the British Empire vanished, and the United States became the absolutely dominating leader of the Western capitalist world. As is well known, the Second World War resulted in an immense increase of economic, political and military power for the United States at the expense of Britain and France, with Germany and Japan becoming unconditional allies of the new superpower.

While the great depression of the 1930s and the Second World War brought a heavy tendency to implement the internal development and employment mechanism, the external development and employment mechanism moved gradually to the fore during the unprecedented post War upswing 1950-1973. In this time-period, the two losers of the War, Germany and Japan, became the great winners. Indeed, both countries became the spearheads of the Western alliance against the Eastern Block headed by the Soviet Union and China. And, for the first time in modern history, Germany and Japan had access to the markets of the entire world, except those of the Communist Block. Both countries made splendid use of this occasion and became among the richest countries in the world. Even better did Switzerland, whose export success was based on the very solid work done by the Liberal governments from 1848 to the Second World War. Switzerland, for centuries one of the poorest countries in Europe, became one of the richest in the world in the course of the fabulous economic upswing after the Second World War.

The external development and employment mechanism gradually gained in importance following up the first oil price crisis in 1973, to become all-pervasive after the breakdown of Socialism and the Soviet Union around 1990, and with China, although remaining socialist formally, becoming more and more capitalist. As already suggested, Globalisation, justified by the ideology of free trade, produced immense inequalities and enormous amounts of involuntary unemployment, the main reason being that capitalist market economies are not self-regulating at all. At present, around 2008, tremendous structural changes are going on in the world economy, the main feature being the irresistible rise of China, and to a lesser extent of India, which will, inevitably, result in a relative loss of economic and political power of the West on the world level.

Let us now return more explicitly to the problem of power in capitalism. This problem is crucially shaped by the fact that a capitalist economy is *not* self-regulating. In the above it has been suggested that a strong government is required in the process of economic development or of industrialisation. The aim is secure a strong position in the continental or even in the world economy. This requires profound reforms. The problem is, in fact, to transform a

traditional agriculture based economy, eventually complemented by handicraft production and trade, into a modern industrial and service economy, in which technical knowledge and, in fact, knowledge in general, will play a crucial role. To carry out this transition a strong government is needed over long periods of time.

However, once a comfortable position in the world economy has been achieved, a 'soft' government in the form of a representative democracy with majority government and opposition may come into being. Britain was the first country to have realised this, followed by France, and, in a different way, by the Presidential democracy of the United States. After World War the rich countries of the West followed suit. Subsequently, the West increasingly suggested, wrongly, to the rest of the world, that democracy and free trade were *preconditions* for economic development. 'Just look at us, we have democracy and free trade, and we are rich', the Western countries continuously repeated. In fact, there was at least one hidden purpose behind Western insistence, that is, to get access to new raw material and energy resources and to new outlets for final products. These 'open door' policies, conducive to uneven development and growing inequalities, have been, and still are, practised by the West, who is supported in this by international monetary and trade organisations.

In democratic capitalist countries economic and financial power will necessarily play a crucial role, directly or indirectly. Moreover, the leading capitalist country will necessarily rely upon a military-industrial complex to guarantee the continued existence of the system, and, eventually to enlarge it through opening up new markets in countries that have been developing along an internal development mechanism hitherto. In the time-period 1815-1914, the capitalist system has evidently been shaped by Britain through its Empire; in this time-period a specific world division of labour between industrialised countries and countries producing primary goods in the main was established. In time period between the two World Wars, the situation was confused. After the Second War the United States forcefully took up the leadership of the capitalist world economy. After the breakdown of the Socialist system and of the Soviet Union, the capitalist system under US leadership seemed to become *the* world system. Jacques Sapir (2007) now convincingly argues that the American, 21st century, never took off, and that a multi-polar world is emerging, with the nation and nationalities state playing an increasingly important rôle. This goes far in the direction of the argument put forward in this essay.

Hence economy and finance, in fact large industry and finance, are the *power centers* in small and medium-sized capitalist economies; in the leading capitalist country, first the British Empire, subsequently the United States, the power center is represented by the *military-*

industrial complex. If the economy is in a good condition, and, above all, if there is no menace to the system, the power centre will remain in the background, and the soft government is appropriate to conduct affairs. The space of liberty will be large, and all individual may potentially prosper. If, moreover, there is a well-established social security system, more difficult situations may also be normally dealt with by a soft government. However, if the situation worsens, for example if there is heavy unemployment and social unrest, and with the social security system failing, a stronger, law-and-order government may be required. Finally, if revolution threatens, a military government may come into being, as frequently happened in Latin America. Or, in the most heavily alienated situation as prevailed in Germany in 1932, the military-industrial complex favoured, as has been pictured in the above, the coming into power of a very strong government, Hitler and his National Socialist movement, which, subsequently, became a tyranny. Hence, in capitalist countries, the economic situation crucially determines how power is exercised. With alienation increasing, government tends to become stronger, implying that power increases, frequently, at the expense of ethics. Surprisingly enough, this is not a moral judgement. In a heavily alienated situation, with socio-economic determinism prevailing, a strong government may be the only way out to restore order and to prepare the way to reduce alienation and to move in the direction of the natural state. The reason is always the same: so-called market economies, in fact monetary production economies, are not self-regulating.

In a democracy power may be exercised in most subtle ways. In fact, power is exercised by the majority, including, of course, representative government. The exercise of power probably goes on under the watchful eyes of one or several power centers, which attempt to maintain the existing socio-economic and political system. In a Marxian vein, economic power is probably constitutive to most power centers, which, as a rule, may be associated to large-scale ownership of some kind of property – real and financial capital, land, raw material or energy resources. These power centers will remain passive as long as government action or the outcomes of the votes are in broad conformity with the system. They will react only if the socio-economic and political system is in danger. As a rule, the reaction will be in proportion to the size of the danger.

Given this, individuals or groups ‘swimming against the stream’ or exceptionally strong personalities, are, as a rule, discarded from the intellectual or political scene. For example, on the intellectual level, alternative economists, Keynesian or post Keynesian, neo-Ricardian or, even Marxist, would never get a chair in a prestigious Faculty of Economics, nor, of course, a Nobel Prize, the Cambridge and Oxford economists Joan Robinson, Roy Harrod, Nicholas

Kaldor and Piero Sraffa being prominent examples. Instances for the political sphere would be Winston Churchill who was not reelected in 1945, Charles de Gaulle became President of France only at a moment when the country was in a very difficult situation, and William Fulbright never became even a candidate for the Presidency of the United States.

All this points to a remarkable property of the democratic system. Indeed, this system does not tolerate a power *above* the system, that is, above, partial, party or particular interests. In the United States, for example, the President is part of the system. There are countervailing powers checking presidential power. Standing above the system would not be in line with an essential characteristic of a liberal democracy, that is, the principle of equality.

It has already been suggested that the system of countervailing powers, characterising the power structures of Western democracies, echoes the supposedly self-regulating character of the economic system on the political level. The countervailing power system may work satisfactorily if the socio-economic situation is itself satisfactory. However, this power system will face increasing difficulties in case of a significant worsening of the socio-economic situation, with alienation increasing. In this spirit, Western representative democracies have sometimes been called 'fine weather' democracies.

The system of countervailing powers inevitably implies that the materially, that is, economically and financially strongest and best-organised power dominates, in a hidden way though, the socio-economic and political system in the long run. This is almost inevitably large landowners, big industry and finance, or the military-industrial complex. Needless to say that the army, or, in a hidden way, the state security services are crucial tools in exercising power, above all if there is a menace to the system.

In all this, Switzerland is, somehow, an exception, above all after the Second World War. It has already been suggested, that, from 1959 onwards, the Swiss government has become an all-party government, which, in principle, stands above partial, party and particular interests, and does not change after elections. The members of the government are, de facto, elected for an indeterminate period. This renders possible governing on the basis of a long-term vision, and the coming into power is hardly a problem for the members of the government. And, in case of a crisis situation, the government would have the possibility to act rapidly and with determination. Given this, there is reason to believe that the Swiss type of democracy, with its supra-party government, is considerably superior to the standard representative democracies

of the 'majority government – opposition' type. Here, governing automatically is of a short-term nature, and, above all, to get into power and to remain in power requires permanent and very substantial efforts. If government and opposition parties are approximately of the same strength, or if the political situation is confused and rapidly changing, governments may be largely paralysed. If the socio-economic situation is a good one, this does not matter very much. If, however, the socio-economic situation is difficult, a cumulative worsening of socio-economic conditions is likely to occur, and a tendency towards an authoritarian law-and-order government may come into being.

To avoid misunderstandings, it should be mentioned here that the Swiss model, which has gradually developed over centuries and reflects the specific mentality of the Swiss people, cannot, as is very likely, be generalised in its pure form. Presumably, a presidential democracy is most appropriate for almost all countries (on this see also Bortis 1997/2006, pp. 401-10). This has already been suggested in the above.

A generalised conformity with the system on the political level may also be associated to a standardisation of thinking, that is, of broad intellectual uniformity. Economic theory is an outstanding example. Indeed, neoclassical equilibrium theory, even in its most bizarre forms, *rational expectations* for example, utterly dominates in economic *academia*, although almost everybody knows that this theory has become an *ideology*, in fact the ideology of the power center, which is required to represent the contradictory capitalist system in the form of a self-regulating free market economy, and this against all the odds.

Ideology is simply conceived of here as false conscience associated to a strongly distorted view of reality, socio-economic reality in this case.

And the neoclassical-liberal ideology is taught in grammar schools, high schools and universities by the means of standardised textbooks, largely far away from serious political economy and economics based on great thinkers like François Quesnay, Adam Smith, David Ricardo, Karl Marx, Léon Walras, Alfred Marshall and Maynard Keynes. The fundamental importance of these great authors is put to the fore in Bortis (1997/2006); however, their names cannot even be found in standard neoclassical textbooks with the exception, perhaps, of Adam Smith, the founding father of liberal economic theory, and, of course, Walras and Marshall. Or, if parts of their theory is represented in such textbooks, these are, as a rule, grossly misinterpreted. For example, Joan Robinson has always argued that the IS-LM-

diagram represented an equilibrium representation of Keynes, and, as such, should be considered as *Bastard Keynesianism*, because Keynes's *disequilibrium* theory has been heavily distorted and has, in this shape, been integrated into neoclassical equilibrium economics; in fact, an economy simply cannot get into an equilibrium as Joan Robinson has convincingly argued in her *Accumulation of Capital* (1956); an equilibrium would require that the equilibrium rate of profits, governed by the rate of growth, has been ruling for a long period of time such that the costs of production of capital goods valued at the equilibrium rate of profits equals the present value of future gross profits derived from these capital goods, discounted with the equilibrium profit rate. And Joan Robinson, Kaldor and Kalecki have convincingly shown, that, in a post-Keynesian vein, investment and profits increase together and, that, consequently, investment does not increase as the rate of interest declines, as is postulated by the IS curve.

The neoclassical theory of value, distribution and employment could be maintained if the supply and demand curves were, in principle, well behaved on all markets. Given this, lower factor prices would be associated with larger factor quantities. In fact, markets in general and factor markets in particular, would provide the right price signals, such that a tendency towards full employment comes into being if producers and consumers act rationally. For example, if there is unemployment, real wages would decline, the rate of profits – the marginal productivity of capital – would increase, and so would the volume of investment. An increasing investment volume would result in the creation of new work places. This tendency to rapidly increasing employment levels would be enhanced through lower capital-labour ratios associated to the new investment projects – labour has become cheaper, capital more expensive. These processes create a strong tendency towards full employment. Now, the outcome of the capital-theory debate in the 1960s (Harcourt 1972) has shown that a well-behaved demand curve does not exist for capital, because – real – capital is not independent of value and distribution. In fact, *the rate of profits has to be known* to measure capital in terms of some *numéraire* good. Since there are no well-behaved demand curves for capital, and also for labour and land, lower factor prices are not associated with larger factor quantities. As a consequence, there no tendency toward full employment *in principle* in a market economy, even if conditions were ideal, that is, if perfect competition prevailed.

The outcome of the capital-theory debate is disastrous for neoclassical theory, and defeat has been acknowledged by the leading neoclassical economist of the time, Paul Anthony Samuelson, in a significant statement made in 1966: “Lower interest rates may bring lower steady-state consumption and lower capital–output ratios, and the transition to such lower

interest rate can involve denial of diminishing returns and entail reverse capital deepening in which current consumption is augmented rather than sacrificed.

There often turns out to be no unambiguous way of characterizing different processes as more ‘capital intensive’, more ‘mechanized’, more ‘roundabout’ . . . If all this causes headaches for those nostalgic for the old time parables of neoclassical writing, we must remind ourselves that scholars are not born to live an easy existence. We must respect, and appraise, the facts of life“(Samuelson quoted in Bortis 1997/2006, p. 286). However, in spite of total defeat in the capital-theory debate, neoclassical theorising continued to proceed on equilibrium lines and, in practice, on the assumption that there was a tendency towards equilibrium in competitive conditions. Later, in the 1980s, the neoclassicals even managed to produce the *rational expectations* system, which suggest that we are *always* in equilibrium; unemployment, for example, is equilibrium unemployment, and, as such, voluntary. All this is certainly not serious theorising, but simply an attempt to maintain an ideology at any price.

As a rule, then, the dominating approach in economic theory, and the problems, which are dealt with, will have to be in conformity with the system; and, probably, the system conformity of economic theorising is ensured, directly or indirectly, by the hidden power centres prevailing in any capitalist society, and, in fact, in any society.

Nobody has perceived better the system conserving nature of the majority than Alexis de Tocqueville in his *De la démocratie en Amérique*. In doing so, de Tocqueville, considered by many as the greatest political thinker since Aristotle, also foresaw the age of the masses, which could eventually be manipulated. This is associated to the majority governing the way of thinking in all domains, implying that the socio-economic power centre ultimately governs the *dominating* ideas in all spheres of socio-economic and political life. There may, in fact, be several, even rival, power centers. However, if the system is threatened unity will be restored and common action to maintain the system will be undertaken.

In fact, the greatest threat to the capitalist system is a heavy economic crisis. If, in a great depression, socialist-communist forces attempt to bring about radical changes, possibly by way of revolution, violent clashes will be inevitable. *However, deep crises may constitute a great opportunity for reformist Social Liberalism.* Indeed, Social Liberalism synthesizes fundamental elements of humanist Marxian Socialism and of Liberalism through the notion of a mixed economy. How the private and the public sector will be mixed and what relative weight is to be given to both sectors will be a matter of the mentality of the people living in some country or region.

Regarding the problem of manipulation it is interesting to remember that Aristotle was opposed to the teaching of rhetoric, precisely because it could be used to manipulate the people. There is indeed very little that is new on this earth!

At this stage, it ought to be mentioned that people, also ordinary people, that is, peasants and workers, are very difficult to manipulate if education is in line with human nature, that is, if education leads on to a vision of man and society, and if education provides a sense of life. Natural education is associated to continuous questioning, particularly asking the question as to the nature of phenomena, that is, their probable essence: What is it, how does it really function, what do you really say? Asking such questions leads on to openminded and emancipated thinking, also to critical thinking; as a result, a great many lofty intellectual constructions would simply break down and evaporate. Hence it is indeed remarkable that ordinary people, peasants and workers for example, having benefited from an education in line with human nature, are capable of critical thinking in a remarkable way and that it is very difficult to manipulate them. Ultimately, the natural way of reasoning always tends to get the upper hand on alienated or distorted ways of thinking.

And, as has been argued repeatedly, the human mind always attempts go down to the essence of more or less complex phenomena. The result of thinking is more or less probable knowledge. This implies that education is about acquiring principles or fundamentals, which represent the tools to come to grips with more or less complex phenomena. For example, in political economy, the great problems – value, distribution, and employment, for instance – and the differing and contradictory solutions proposed by the great economists represent the fundamentals required. To know about these fundamentals or principles illuminates the phenomena considered from inside to provide comprehensive knowledge on the phenomena in question, for example levels of involuntary unemployment.

However, in present mass societies, large numbers of individuals, including intellectuals, are frequently educated in an alienated way, acquiring knowledge about phenomena without building up any metaphysical basis, precisely consisting of principles or fundamentals. As a consequence, highly specialised and ‘one-dimensional’ men and women, without vision and sense of life, make up the masses, which can be manipulated most easily by modern means of communication.

However, let us mention here immediately that critical media (newspapers, books, television documentaries) informing us about the realities of life in politics and, above all, of ordinary people anywhere in the world, are of the highest importance. Critical media may, indeed,

direct public opinion and the majority in an appropriate direction, and may bring about policy action aimed at reducing alienation.

In a significant passage, de Tocqueville puts to the fore how the tyranny of the majority is exercised on thinking. To be sure, what is meant here is thinking on essential elements of the system, which, if questioned, would endanger the system. Presently, the political majority is complemented by *public opinion*, shaped and, sometimes, even manipulated by the mass media, and by *ideologies*, carried and supported by power centers. For example, questioning the validity of neoclassical theory, which suggests that there is a natural tendency towards full employment in competitive conditions, would be a revolutionary act in the domain of thinking, attacking a pillar of capitalist ideology, that is, the postulate of a self-regulating market. As has just been suggested, the capital-theoretic debate, initiated by neo-Ricardian political economists, which is, precisely about self-regulation, has always been utterly ignored by the neoclassical economists.

Alexis de Tocqueville describes the possible consequences of really alternative thought and action in a masterful passage: “Les princes avaient pour ainsi dire matérialisé la violence; les républiques démocratiques de nos jours l’ont rendu tout aussi intellectuelle que la volonté humaine qu’elle veut contraindre. Sous le gouvernement absolu d’un seul, le despotisme, pour arriver à l’âme, frappait grossièrement le corps; et l’âme, échappant à ces coups, s’élevait glorieuse au-dessus de lui; mais dans les républiques démocratiques ce n’est point ainsi que procède la tyrannie; elle laisse le corps et va droit à l’âme. Le maître ne dit plus: Vous penserez comme moi, ou vous mourrez; il dit: Vous êtes libres de ne point penser ainsi que moi; votre vie, vos biens, tout vous reste; mais de ce jour vous êtes un étranger parmi nous. Vous garderez vos privilèges à la cité, mais ils vous deviendront inutiles; car si vous briguez le choix de vos concitoyens, ils ne vous l’accorderont point, et si vous ne demandez que leur estime, ils feindront encore de vous la refuser. Vous resterez parmi les hommes, mais vous perdrez vos droits à l’humanité. Quand vous vous approcherez de vos semblables, ils vous fuiront comme un être impur; et ceux qui croient à votre innocence, ceux-là mêmes vous abandonneront, car on les fuirait à leur tour. Allez en paix, je vous laisse la vie, mais je vous la laisse pire que la mort” (de Tocqueville 1981/1835, p. 354).

To be sure this rather terrifying passage relates to the situation in the United States in the first half of the 19th century. But the problem remains in another shape at present. In fact, in all political societies there are systems of thought, which are constitutive for the maintenance of the socio-economic-cum-political system. A significant example is the importance of

neoclassical economic theory as an ideological basis to explain economic phenomena in ideal free-market economies. Fundamental criticism of neoclassical theory is considered an attack on the system, that is, the free-market economy and liberal democracy, which is supposed to be constitutive to capitalist reality. And fundamental criticism, even if considered justified by the neoclassicals, is simply ignored. As suggested in the above, the outstanding example is the outcome of the capital-theoretic debate, which was completely in favour of the neo-Ricardian critique of neoclassical supply-and-demand theory (Harcourt 1972). In fact, the result of this debate was that no well-behaved relations exist between factor prices and factor quantities; for example, lower interest rates are not necessarily associated with larger quantities of capital. This implies that the price mechanism cannot, as a rule, produce a tendency towards full employment, even if conditions are ideal, that is, if perfect competition and perfect foresight prevail. In a famous statement, quoted in Bortis (1997/2006, p. 286), the leading neoclassical economist, Paul Samuelson, admitted complete defeat against the neo-Ricardian critics led by Luigi Pasinetti. However, neoclassical supply-and-demand theorising went on as if nothing had happened. At best, the notion of a fundamental long-period equilibrium, implying a uniform profit rate, was abandoned in favour of a sequence of temporary equilibria, with profit rates differing between sectors of production (Bortis 1997/2006, pp. 287-88).

The system is also seen threatened if it is attempted to establish alternative theories, Keynesian or even Marxian. Given this, it is almost impossible for young Keynesian or Marxian academics to become professors in respected faculties. And established critics may eventually not be replaced such that diversity is maintained; this is what happened repeatedly at the *great* Faculty of Economics and Politics at Cambridge, Keynes's Faculty! In this way, an ideology in line with system preserving forces continues to dominate economics faculties. This in spite of the fact that neoclassical theory wishing to explain the functioning of the capitalist system has moved miles away from reality. Indeed, in a democracy and a free-market economy the *dominating* ideas in the economic, social and political sciences are determined, directly or indirectly, by the system-preserving forces of the power center. As Marx perceived, in alienated situations, economic power is the basis for intellectual power.

Given this, the crucial importance of natural, circle-type or largely alienation-free education now emerges. Education in line with human nature must indeed set into motion the systematic striving after Goodness, Beauty and Truth. In fact, education must create passions in all domains of activity - manual, intellectual, cultural and spiritual – and lead on to emancipated, independent and openminded thinking and activity. This implies that, in the various sciences,

the search for Truth is the natural aim of openminded theorising. Given this, natural or circle-type education will lead on to a stable and richer society, where differences are an asset and through co-operation lead on to enrichment and where, as a consequence, alienation would be greatly reduced. Now, in a complex world, philosophy, dealing with metaphysical issues, is of the highest importance as has been forcefully argued by Jacques Maritain. In fact, in an Aristotelian vein, Metaphysics is the Ordering Science, which is particularly needed if phenomena get ever more complex as is indeed the case since the Great Transformation of the last two centuries.

Given this, a very important conclusion regarding the problem of power in the largely alienation-free, natural social liberal polity emerges. Here, in fact, one should not speak of power, but of natural authority. And natural authority in the social liberal political society should, ultimately, be exercised by openminded and emancipated thinking. This is why education in line with human nature is so important. In the chapter *Ways ahead* below, we shall argue that education will emerge as the fundamental and hence most important issue of the future.

If, however, education becomes alienated, that is of a straight-line type, and concentrating on phenomena and leaving aside the metaphysical foundations, confusion may result, above all in the economic, social and political sciences; and to set up criteria to establish dominating ideas, representing relative truth, more or less problematic evaluations and rankings, associated to a power-system, will be put to use. Given this, the 'best' universities are supposed to produce the most appropriate dominating ideas, above all in the domain of economic theory. In this way, truth becomes a problem of power. Incidentally, this implies that there will be ever more – destructive – competition in education, and pressure on students, and teachers, will increase.

Yet, how indeed, is it possible to evaluate the *quality* of teaching and research, given the fact that there are fundamentally different approaches and entirely different methods to deal with some problem, for instance, the problems of value and distribution, and of employment, in economics and in political economy? In this context, it is probably extremely dangerous to rely heavily on peer-refereed work, or the number of quotations to evaluate a teacher or a researcher, certainly in economics where a specific approach, the liberal-neoclassical approach, utterly dominates. This may just mean that a teacher or a researcher is well integrated in the dominating system, and does not say anything on his/her capacity to reason on socio-economic and political issues in an emancipated and openminded way, as Keynes, and, certainly, Einstein, too, had in mind. Indeed, in the 1920s and 1930s a famous Italian

economist repeatedly said, that there are only two types of economists, those who understand economics, the neoclassical-Walrasian-Marshallians to wit, and those who do not understand anything about economics; he did not give any names, but Ricardo, Marx and Keynes were probably among the ignorant! Even Joseph Schumpeter, the author of an authoritative *History of Economic Analysis*, wrote that Ricardo was a bad theorist, because he did not understand the law of supply and demand (p. 601)! And, surprisingly, it was Joseph Schumpeter who wrote that Walras's *General Equilibrium Theory* was the *Magna Charta* of economic theory! From Bortis (1997/2006 and 2003a) it should be quite evident that such a statement simply cannot be maintained. Indeed, the Classical-Keynesian system of Political Economy as emerges from an elaborated synthesis of Keynes, Quesnay, Ricardo, Sraffa, Garegnani and Pasinetti seems clearly superior to neoclassical Marshallian/Walrasian economics. Garegnani has always maintained that for capital-theoretic reasons, the law of supply and demand is not compatible with the principle of effective demand!

Given all this, the importance of power in the social and political sciences emerges most clearly in economics and political economy. The relevant questions indeed are: Who sets the standards of what is 'good' economics? Who writes the 'so-called' top textbooks used for teaching? Which journals are first class? Who sets the requirements a professor in economics has to fulfil? In short, where is the Rome of economic theory? Rome is, indeed, necessary to preserve the unity of Catholic doctrine and to provide strong leadership for the Church, but not in economic theory; here, diversity must prevail, and the eventually dominating theory must always be subject to close scrutiny (*die dominierende Theorie muss ständig hinterfragt werden*). And, as has been repeatedly suggested, the history of economic theories is an *indispensable prerequisite* for practically relevant economic theorising. Dealing with differing and often contradictory theories of value, distribution and employment leads on to independent and openminded thinking; this Keynes called the *emancipation of the mind*. From the intense study of the history of economic theories students will be able to distil relevant, but always probable, theoretical principles, for example, the labour value principle, the surplus principle or the principle of effective demand. These principles provide the basis for sensible policy making.

To avoid misunderstandings, one has to bear in mind that while neoclassical theory is very weak in explaining how a monetary production economy, that is the socio-economic system, functions, the great strength of neoclassical economics lies in the explanation of the behaviour of individuals, groups and collectives, whereby behaviour may be rational to

various degrees. Moreover, the founders of neoclassical economics, Léon Walras and Alfred Marshall in the main, were very great economists because they dealt in an extremely serious way with the fundamental problems of political economy, value and distribution, for example. Walras is particularly important because he asked the fundamentally important question as to the implications of Adam Smith's invisible hand, that is about the functioning of an exchange economy.

Even if, at present, one does not agree with their theories, it is nevertheless crucially important to know what both Walras and Marshall wanted to say, because, otherwise, it is impossible to understand the theoretical revolution effected by Maynard Keynes and Piero Sraffa during Shackle's *Years of High Theory* 1926-1939. Both Keynes and Sraffa in fact struggled to understand how monetary production economies function in principle and how the real-world capitalist system works.

Given this, one cannot deny that there is an enormous amount of valuable amount done in neoclassical economics, when behavioural issues are dealt with. What must be sharply criticised, however, is the fact that, at present, only neoclassical work counts for publication in so-called top journals or for nomination of professors in economic theory at economics faculties. This is the death of, true, science, because the problem is no longer the striving for truth and the coming to grips with the real world, but to make an academic career, possibly even to get a Nobel Prize. Young academics are literally squeezed into a pseudo-scientific straight-jacket and are forced to publish very early on certain lines, neoclassical to wit, and, consequently, get no chance to become acquainted with the great problems in economics and political economy and the solutions proposed by the great authors, that is, with alternative, even contradictory theories; hence economics students wishing to go on for an academic career are simply not given the opportunity and the time to mature scientifically, that is, to get an overview of the theoretical situation. Given this, thinking become one-dimensional and sterile, not emancipated and openminded, and fruitful in the sense that real world problems may be tackled. As Keynes noted, with one-sided thinking on the basis of some approach economists run the risk of becoming slaves of some defunct economist. Given this, economic theory appears in two basic forms, first in a highly formalised, mathematical, shape, possibly serving as an ideological cover-up, and, second, in popular, free-market, prose of the Hayekian type, for example, to deal with practical problems, including social and economic policies.

Ben Fine and Dimitris Milonakis precisely deal with these issues in two excellent books. The first, *From Political Economy to Economics* (Milonakis and Fine 2009), shows how Political

Economy, dealing with its great problems – value, distribution, employment, for example – in a comprehensive, multidisciplinary and also macroeconomic way, was transformed into Economics, which, separated from the other social sciences, deals with these great problems on a microeconomic basis, the rational behaviour of individuals being coordinated by competitive markets. The second book is about the movement From Economics Imperialism to Freakonomics (Fine and Milonakis 2009). The individualist method associated to a market framework has indeed invaded, in an imperialist vein, the other social sciences, Politics, Sociology and Law to dominate the method of research in the social sciences in general. While certainly much valuable work has been and is done on the basis of methodological individualism, such developments are extremely dangerous, however. In fact, neoclassical economics tends to become, and has, in fact, become for some time already, the only accepted economic theory and, in part, also social theory, very frequently in a highly formal or mathematical dress. Political Economy in the tradition of Keynes and Marx, for example, is considered obscure and lacking rigour, and, is, in some instances, denoted as journalism or even poetry. And, to insist on this, the great problems of political economy and economics are no longer examined in an openminded way on the basis of differing, even contradictory approaches, neoclassical/Walrasian and Classical/Keynesian, for instance. Alternatively, grounded on neoclassical theory, selected phenomena are investigated theoretically and empirically on the basis of essentially microeconomic models of the neoclassical type; even economic policies are now grounded upon the results of empirical investigations carried out on neoclassical lines. And all this goes on in standardised ways worldwide. To remedy on these tendencies, Fine and Milonakis suggest a strong revival of Political Economy. This is entirely on the lines of the present essay.

In this context, one must admit that the Aristotelian-Thomistic way of thinking is exemplary to openminded thinking. Before establishing a proposition or a theory, the possible alternatives and objections have to be examined and critically considered. This is quite naturally complemented through Keynesian probability elements. Given this, science becomes, as has suggested in the chapter on setting the stage, nothing but instructed common sense leading on to openminded and emancipated thinking. This Aristotelian-Keynesian approach implies that each generation of economists must deal with the great economic problems – value, distribution, employment, money, most importantly – on the basis of the differing and even contradictory approaches and theories, elaborated by the great authors. The aim is to preserve the treasures of the history of economic thinking and theorising and transferring these treasures to future generations of economists. Given this, it has been insisted upon in

this essay that scholars are absolutely necessary in all domains, specifically in the sphere of the social and political sciences in general and in political economy in particular.

In this context, we should mention that, in economics faculties, all the great schools should, ideally, be represented, as was the case, for instance, in the Faculty of Economics and Politics at Cambridge, England, still in the early 1970s. There were neoclassical economists of various kinds, Keynesians, post Keynesians, neo-Ricardians, Marxists, as well as empirically and historically minded economists; and the history of economic theories played a crucial role. This diversity created a most stimulating atmosphere with lively discussions, exchanges of ideas and mutual enrichment, the whole resulting, in a Keynesian vein, in generalised openminded and emancipated thinking. Unfortunately, the monetarist-neoclassical counterrevolution, carried out by the use of heavy mathematical artillery, has heavily damaged this splendid Faculty.

And, finally, what can one say about the *potential* inherent in a scholarly research project in the Humanities or in the Social and Political Sciences, or in a project in fundamental research in the Natural Sciences? In this context, Carl Friedrich von Weizsäcker writes, that, when he studied physics around 1930, studies on the structure of atoms, specifically the atomic nucleus, were considered a useless art (*de l'art pour art*) by many students and teachers, including himself; by 1939 Otto Hahn and he – von Weizsäcker - had discovered the atomic fission (von Weizsäcker 1968, pp. 11ff.), and, one should add, that, on August 6, 1945, the first nuclear bomb destroyed Hiroshima, and, three days later, a second bomb hit Nagasaki.

Given this, scholarship is basic at the University level as far as the Humanities and the Social and Political Sciences are concerned, as is fundamental research in the Natural Sciences. By scholarship, in economics and political economy for example, we simply mean knowledge of the great authors and the primary literature, the great problems – value, distribution, employment, for instance – and the – probable – solutions proposed by the great authors; however, scholarship also implies reasoning on a philosophical basis, seeing Man and Society as entities; this means holistic thinking (*ganzheitliches Denken*), that is considering socio-economic phenomena in a wider context, and on a value basis.

Indeed, fruitful research and good teaching must inevitably build on scholarship, for example knowledge about the history of economic theories, in economics and political economy; and sensible practical work in all domains, including political practice must, in turn, be based on good teaching and solid research. Similarly, in the natural sciences applied research is likely to be more fruitful, the more fundamental research is done. Scholarship and fundamental

research provide in fact the soil, on which social and cultural research and applied research in the natural sciences grow. The more fertile the soil is, the richer will be results of research. In a way, scholarship and fundamental research should lead on to asking socially relevant questions, to be answered by applied research. In this context, we should remember Marx's dictum: The difficult thing is to ask the relevant question, to answer a given question is relatively easy. This certainly holds in the Social and Political Sciences, but, probably, also in the Natural Sciences. Evidently, to ask socially relevant questions in the social and political sciences requires a comprehensive vision of socio-economic and political matters, enabling the scholar to perceive relevant relationships between differing spheres of society (*Zusammenhänge sehen*).

And the importance of Scholarship and Fundamental Research implies the co-operation and the exchange of ideas are crucially important in academic life, not more and more competition, which, in any case, is bound to end up in some power system. And, incidentally, this implies small universities, all, in the first place, dealing with fundamentals, in very different ways though and in very different spheres. Large universities inevitably tend to become systems, implying that Power tends to dominate, and not the striving for Truth. The Swiss political scientist Alois Riklin once said that large universities are a contradiction in itself.

However, to produce Scholars in the Humanities and in the Social and Political Sciences and Researchers on fundamentals in the Natural Sciences, an appropriate grammar school system must exist. Some further remarks on education will be made below, particularly in the chapter on *Ways ahead*. Here we have insisted on power and destructive competition in the basic sphere of education because Power, as Bertrand Russell has perceived with great clarity, is the dominating force in alienated societies. And, indeed, as is in fact well known, Power had become overwhelmingly important during the Apocalyptic Age 1914-1945, when alienation culminated.

Notes on ethics and alienation – the Apocalyptic Age 1914-1945 further considered

Heavy alienation has prevailed before and after the Apocalyptic Age. However, in the Apocalyptic Age, above all during the reign of Hitler in Germany and of Stalin in the Soviet Union, alienation culminated, in general, and in the specific form of Nihilism, that is, the annihilation of the fundamental values.

The natural state is, in principle, free from alienation, and the natural activity of the social individuals is the pursuit of the fundamental values of Goodness, Beauty and Truth in all domains. The legal system and social and individual ethics, making up the bulk of Goodness, are also in a natural state, if alienation is largely absent. However, if alienation increases, for instance in the form of involuntary unemployment and social unrest, social and political ethics will be increasingly replaced by power. The state will become a more or less strong 'law and order' state, involving the danger that the legal system may also become alienated, and power starts to dominate law (*Gustav Radbruch*). In such a situation, ethical values will recede and nihilism will correspondingly expand. In the Hitler and Stalin terror regimes of the Apocalyptic Age, alienation and nihilism both culminated, and power was total. Social ethics was absent to a large degree. However, within a heavily alienated system exceptionally high levels of individual ethics may prevail to a large extent. For example, assistance may be provided to those who suffer from the system, and to their families. It may well be that solidarity is realised far more intensely in totalitarian socialist states than in free-market and democratic capitalism where materialism and egoism are likely to be more pronounced. In the former solidarity will probably be direct and personal to a large extent, while in the latter solidarity tends to be organised through a largely impersonal social security system.

Given this, whenever socio-economic systems like Capitalism and Socialism are criticised, the criticism is directed at the *system*, *not at the individuals* who act and behave within the system, and whose actions may be determined by the system to some degree. Hence even in an alienated system the large majority of the social individuals will, as a rule, act morally and legally correctly, with some individuals even being morally outstanding. On the other hand, however, some individuals or groups of individuals may not act in line with the "rules of the game" of the system (Joan Robinson); for example, some kind of power may be used to obtain access to final product markets and/or to raw material reserves, or to realise abnormal profits through imposing extraordinarily bad work conditions on workers, including excessively low wages. Moreover, criticism involving some country is, of course, not directed at the people of the country in question, but at parts of some power centre, which may comprise socio-economic-cum-political groups exercising directly or indirectly a crucial influence on the policy making of governments at a fundamental level, that is regarding policies aimed at maintaining an alienated system. Quite normally, these power centres *may* act in their own interest, for example, making extraordinary profits by violating the generally accepted "rules of the game". The behaviour of *some* members of such power centres may even be contrary to the general interest of their home country.

As suggested at the outset of this essay, Joan Robinson's "rules of the game" may be understood to comprise the legal rules prevailing in a socio-economic and political system, complemented by informal rules regulating normal practice in all domains. The "rules of the game" are usually alienated to some degree, that is, there is a distance between natural and actually prevailing practice.

As a rule, a very few individuals and small social groups are involved in more or less gravely violating the "rules of the game" in the widest sense in a socio-economic system or in some country; however, these individuals or groups may eventually discredit large numbers of honest, innocent and helpless people, and even entire countries. This has been particularly true during the Apocalyptic Age.

However, activities involving violations of the "rules of the game" have continued after the Second World War until the present, first in weak and underdeveloped countries, and have gradually spread to the entire world after the breakdown of the Soviet Union. As a rule, these activities were associated with exercising various types of power or even carrying out illegal actions. Frequently, the terrain for such activities has been prepared by the destabilisation of governments, above all in underdeveloped countries. Activities involving violations of the "rules of the game" may involve foreign investment associated to excessive profiteering through exploiting labour in poor countries, using some kind of power to lay hands on raw material and energy resources and to open up outlets for final products, destroying thus traditional production, or clearing the way for so-called development projects, with the hidden purpose of increasing profits in the industrialised countries. In his courageous *Confessions of an Economic Hit Man* John Perkins provides excellent insight into these activities, which, evidently, were in the interest of the rich industrialised countries and the dominating classes in developing countries. These activities have greatly hampered a large number of well-intentioned and sensible development efforts and have, in many cases, rendered impossible orderly economic development, coming from inside and being based upon internal factors, which, incidentally, would not exclude outside elements, foreign investment for example, if these were appropriately integrated into programmes aimed at promoting even development (Bortis 1997/2006, chapters 6 and 7). Equally, in conditions of global capitalism, there was and there is no way of the building up of reasonably good societies through establishing links with precolonial traditions and adapting traditional values to Modernity, preserving thus cultural diversity. The materialist Western-American way of life irresistibly spreads or is

imposed everywhere through the process of globalisation. And emerging countries, China and Brazil for example, are forced to adopt the external, necessarily aggressive, employment and development mechanism to secure a prominent position in the world economy; for many weaker countries the problem is about sheer survival in Orwellian world dominated by power relations.

In this context, a great many social and political scientists worry about China eventually giving up entirely her Confucian values and adopting the materialistic American way of life. Indeed, as a Chinese social scientist argued, if China fully adopted the American way of life, China might become a torrent, which would devastate the entire world. Such a development would be all the more likely since the struggle between the two superpowers, China and the United States, might become merciless and ruthless, similar to the struggles and wars of the Apocalyptic Age. Fortunately, however, there seems to be a revival of the Confucian tradition in China. This could pave the way for a specifically Chinese road to Social Liberalism. And, as will be suggested below, a fundamental change of direction in the United States, away from their basically materialistic way of life in the direction of an ethical and spiritual social liberal order, will be crucially important for Humanity as a whole.

These considerations may lead on to a further reflection. Indeed, in the highly industrialised rich countries there is now growing fear that the ongoing 2008 financial crisis might, as is very likely, be followed by a deep crisis in the real sector, with involuntary unemployment growing sharply and poverty increasing. In the West we tend to overlook, however, that, permanent socio-economic catastrophes went on silently and are still going on in this way in large parts of the so-called developing and emerging world. Christian Comelieu (2000): *Les impasses de la modernité – Critique de la marchandisation du monde* provides an excellent account on development issues and problems of Modernity, dealing with three dead ends: economic, social and ecological. Given this, a basic tenet of the present essay emerges once again. Neither globalised Capitalism, nor Soviet type Socialism are appropriate answers to the immense complexities of the modern world. A new way, grounded on Social Liberalism and Classical-Keynesian Political Economy, is now needed more than ever.

To be fair it must at least be mentioned that the Soviet Union and the Socialist camp has also attempted to destabilise Third-World countries in order to gain political, economic and even military influence. This was just part of the Cold War. A recent book by Christopher Andrew

and Vassili Mitrokhine provides important information on this. The title and the subtitle are revealing: Le KGB à l'assaut du tiers-monde / aggression – corruption – subversion 1945 – 1991 (Paris 2008); or, The Mitrokhin Archiv II. The KGB and the World (London 2005). In this context, the very harsh occupation of Eastern Europe by the Soviet Union after the Second World War, associated to the imposing of communist regimes deserves a specific mention. In fact, Winston Churchill's Iron Curtain was put up immediately after the Second World War. Subsequently, the ruthless crushing of the uprising in Hungary 1956 and in Czechoslovakia 1968 represent most tragic episodes of Soviet occupation. These events were strong indications that Soviet (War) Communism would not be viable in the long run. On a different level the present crisis of the US financial system and the disastrous socio-economic situation worldwide shows that global oligopolistic Capitalism is not viable either.

However, in the Cold War period 1947-1991 Capitalism and Socialism necessarily became power systems struggling for preeminence in the world. But, as has been suggested throughout this essay, both are not likely to be viable as world systems, for differing reasons though. Given this, the necessity for a natural social liberal order on the world level emerges once again (on this, see the corresponding chapters above).

Finally, it ought to be mentioned that there is, of course, also a Russian colonialism, which, however, was primarily about reaction against invasions, to gain supremacy in the vast Eurasian space to pacify this space, and rendering the territory as secure and defensible against invasion as would be possible. Given the continental and closed character of Russia, the aim to reach the sea on a large scale was also an important aim, as was the acquisition of wealth. At present Russia is involved in an Orwellian power struggle with the West regarding the control of large parts of raw material and energy resources worldwide.

However, in a social liberal world order peaceful conditions on the territory of the former Soviet Union will be crucial for world peace in general. Two factors seem of central importance: decentralisation of Russia and strengthening the central institutions of the Commonwealth of Independent States, with a strong representation of the small states. In this way, the CIS could become a bridge of peace linking Europe and Asia. Moreover, the intersection of the CIS Federation with a Central and South-Eastern European Federation through the Baltic States, Byelo-Russia and the Ukraine would greatly enhance the security of Poland. Indeed Russia would belong to the former, Germany to the latter Federation. In this way, Poland would become the link between Europe and Russia. Moreover, Poland would also bring together more closely Northern Europe (Scandinavia) and Central and South

Eastern Europe. One could even think to form a Baltic Federation comprising all the countries bordering the Baltic Sea.

In this context, it must be reiterated that free-trade capitalism, which, presently, tends to become global, is simply not compatible with orderly and even development. First, because markets are not self-regulating in modern monetary production economies; with the external employment mechanism dominating, free trade would be sensible only in conditions of full employment in all trading countries, and, even if there is full employment, some management of foreign trade must always be possible to prevent structural deficits in the balance on current account (Bortis 1997/2006, chapters 4-7). And, second, free trade would require that the level of development be approximately the same in all trading countries. The reason is that, in free trade conditions, the presence of economies of scale leads on to growing differences in income and wealth between less and higher developed countries: high unit cost handicrafts and infant industries in developing countries are crushed by low cost and technologically advanced products originating from developed countries. In this context, it is now entirely forgotten that developing countries need protection of their infant industries if they are to develop, as Friedrich List had suggested in the first half of the 19th century already. Moreover, it is equally forgotten that the great, presently industrialised countries all had developed through protectionist policies, sometimes even drastic protectionism (on this see Chang 2002). Given this, the entire presently existing international trade system is highly unjust because it leaves the underdeveloped countries little possibilities to bring about even and balanced development. As Nicholas Kaldor has emphasised time and again, in unrestricted free trade conditions, the combination of economies of scale and of the principle of effective demand inevitably results in cumulative processes leading up to ever more inequality between countries, regions, social classes and individuals; inequality results in a reduced purchasing power of the population, a tendency reinforced through privatisation and reductions of state expenditures, and, as a consequence, in increasing involuntary unemployment. Nicholas Kaldor's „Economics Without Equilibrium“ (1985) is of particular relevance here. Hence unfettered capitalism produces system-caused, inherent inequality and injustice, and growing involuntary unemployment. A globalisation of poverty and misery is the ultimate outcome. There is a now rapidly growing literature on globalisation and its disastrous effects. A highly representative book is by Aminata Traoré: *L'Afrique Humiliée*, Paris (Fayard) 2008. And humiliated Africa stands for other parts of the so-called developing world, large parts of Latin America and of Asia in particular.

The disastrous social results of open imperialism and colonialism – which had set in with the great discoveries around 1500 - have been most impressively pictured in Frantz Fanon's *The Wretched of this Earth* in 1961 already. Amiya Kumar Bagchi's *Perilous Passage*, specifically chapters 13 and 18, give an excellent account about what happened on the level of human condition and demography in Africa, in the Americas, North, Central and South, and in Asia in the age of European dominance in the world. On Asia the Indian diplomat Kavalam Madhava Panikkar provides important information in his *Asia and Western Dominance – Asien und die Herrschaft des Westens* (Panikkar 1955).

Since World War Two, with open imperialism-colonialism gradually coming to an end, imperialism has become increasingly hidden, and since the break-up of the Soviet Union organised crime seems to have become ever more important in many countries, even large countries. The destruction of cultural, social, economic and political structures relentlessly went on to various degrees, crushing the majority of human beings worldwide; misery has indeed become globalised as is impressively pictured in Jean Ziegler's *Empire de la Honte* (2005); the few and ever larger islands of immense wealth and luxury consumption should not deceive us when drawing this conclusion.

In fact, Ziegler argues that the primarily US American empire of shame basically acts through large transcontinental corporations. Two mortal weapons are put to use: debt and hunger. Structural violence combines with subtle methods of exercising power: privatisation of basic goods, even water; patenting life and imposing high yielding varieties, possibly genetically modified; on the socio-economic level worker's resistance is broken. Ziegler's overall argument forcefully confirms that the political must regain pre-eminence over the economic, specifically if there is limitless profiteering and plundering.

While Ziegler considers the economic side of American Imperialism, Benjamin Barber predominantly considers the political side in his Fear's Empire – War, Terrorism, and Democracy (Barber 2003). In fact, imposing democracy, privatisation and consumerism frequently leads to the destruction of fairly well functioning traditional societies, resulting in the reign of some oligarchy. And, it is traditional society that ought to be the starting point for slowly going on industrialisation and modernisation on the basis of the internal employment and development mechanism (Bortis 1997/2006, pp. 190-98). The external employment and development mechanism can only be applied if a country has the possibility to export successfully. Japan, Taiwan, South Korea and now China would be prominent examples.

In this context, one could add here that the struggle for raw materials and energy resources goes on mercilessly in vast parts of Africa. The millions of civil victims in Darfur and in the Eastern Congo are telling examples. These terrifying events dramatically confirm Aminata Traoré's Africa Humiliated. And one could add here Peter Scholl-Latour's Afrikanische Totenklage – Der Ausverkauf des schwarzen Kontinents.

Again, the very few behind all this have, as is very likely, discredited very large numbers of honest and sometimes also helpless people, even entire nations, also great nations, and have stirred up immense hatred within and between countries. In the last instance, terrorism represents the bitter 'grapes of wrath' of utmost system-caused injustice. Indeed, as Oliver Roy (2007) argues that international, or perhaps more appropriately, global terrorism, is directed against the presently prevailing global socio-economic system, mainly at the countries maintaining the system.

Given these considerations on monsters and heavily alienated activities, let us recall Leopold von Ranke who argues that, in the face of God, all epochs and peoples are on the same level. Indeed, each historically significant people and each civilisation is associated to great achievements and to profound failures. No nation or civilisation is morally superior or inferior to another one.

In this context, an inevitable question arises: What is the ground on which modern monsters stand, Hitler and Stalin, most importantly? In all likelihood, it is not psychology, as is very frequently argued, but the determinism exercised by the immensely complex objective socio-economic system that has come into being following up the Great Transformation; psychology and behaviour only direct the stream of determinism in a certain direction. Thus modern monsters are *made* by objectively given circumstances. Perhaps, the most obvious confirmation of this proposition is Robespierre, the Just, an idealist and ethical purist, but also the man who created modern political or state terror.

Nobody has understood better and more deeply the nature of the determinism exercised by the socio-economic system than Karl Marx. In the Preface to the first volume of 'Das Kapital' (p. 16) he does, indeed, not accuse the individual capitalist, who may be ethically outstanding, but the capitalist system, the evolution of which he understands as a process of natural history: „Die Gestalten von Kapitalist und Grundeigentümer zeichne ich keineswegs in rosigem Licht. Aber es handelt sich hier um die Personen nur, soweit sie die Personifikation ökonomischer Kategorien sind, Träger von bestimmten Klassenverhältnissen und Interessen. Weniger als jeder andere kann mein Standpunkt, der die Entwicklung der ökonomischen

Gesellschaftsformation als einen naturgeschichtlichen Prozess auffasst, den einzelnen verantwortlich machen für Verhältnisse, deren Geschöpf er sozial bleibt, so sehr er sich auch subjektiv über sie erheben mag.“ This not only holds on the level of small-scale economic life, but also in the sphere of the large-scale political and military domains.

Hence, to understand Hitler and Stalin, knowledge about Political Economy is required, but also, and much more importantly, an understanding of the specific circumstances, the objectively given situation that resulted from the First World War, the event that initiated the Apocalyptic Age. As Ernst Jünger had noted, this terrifying War produced an entirely new type of Man who perceived individual, social and political life as a merciless struggle for survival in which the most ruthless only would be victorious. Hitler and Stalin both belonged to this new type of Man. This transition from the traditional, in fact medieval, chivalrous warrior to the merciless killer of modern industrial warfare, is illustrated by the discussion between a French and a German World War One officer, both Noblemen, in Jean Renoir's *La Grande Illusion*. Major von Rauffenstein (Erich von Stroheim) tells Capitaine de Boildieu (Pierre Fresnay) that their Age has come to an end, that the *Age of Chivalry* was over, and that the modern era of death and destruction brought about by the *technocrats of total war* would no longer need them. In this vein, Stalin eliminated all high-ranking traditional commanders of the Soviet Russian army in 1937-38 to replace them by new and more efficient men, entirely familiar with modern warfare. At the outset of 1943, after Stalingrad, when the German defeat in the East became probable, Hitler is reported to have said, that he should have proceeded in the same way as Stalin, that is, he should have eliminated the traditional Wehrmacht top commanders and replaced them by SS-officers. This perfectly illustrates the circumstances in which Hitler and Stalin were acting. Human life did not count at all. Alienation was total, and so was a form of alienation, that is Nihilism, the denying and destruction of traditional Christian values; in fact, traditional values were put on a new, racial, basis in Germany, or on a class basis in the Soviet Union; this simply amounted to the destruction of the traditional values. And very importantly, the legal system in both countries was based upon racial and class basis respectively, with eminent lawyers participating in this undertaking.

In Soviet Russia the terrible Civil War (1919-21) had certainly greatly added to the new state of mind of utter ruthlessness in the political and military domain – Michail Scholochow's *Der stille Don* is a literary testimony of this cruel Civil War. In Germany, the conditions of the Peace Treaty of Versailles 1919 (Keynes 1971/1919), the attempted Proletarian Revolution associated to a near Civil War 1918-23 (Harman 1997), and the Great Inflation 1922-23 are of

a decisive significance in this respect. What really happened during and immediately after the Great Inflation is not known sufficiently, or what is known is not sufficiently put to the fore. In any case, as has been suggested in the above, the Great Inflation and its effects gave a tremendous boost to Hitler's National Socialist movement. A tight paramilitary organisation was built up enabling the Nazi movement to establish an absolute tyranny immediately after the – democratically correct – coming into power at the beginning of 1933.

Hitler and Stalin, coming socially out of nothing, and totally cut off from tradition, were thus at the head of two great countries in a most heavy turmoil, and both knew that in the coming struggle only the stronger and the more ruthless would be victorious; moreover, both were surrounded by mistrust, hatred and treason, inside and outside the country, and, frequently, all this in situations of uncertainty and with imperfect knowledge.

While utmost socio-economic and political alienation may contribute to explaining political and military actions undertaken by Stalin's Soviet Russia and Hitler's Germany, the horrors of the concentration camps and the extermination camps requires a theological-philosophical argument. As far as National Socialist Germany is concerned, the hitherto dominating Deistic-Protestant vision of the world based upon self-regulating markets and political democracy was considered an utmost failure. Individual life and also the life of peoples and nations were seen as a Darwinian struggle for survival. The First World War had demonstrated that only the economically stronger and the militarily more ruthless would survive. This was, consciously and/or unconsciously, combined with Nietzsche's Pantheistic theory of the *Übermensch* - *Superman*, alluded to above in relation with Hans Urs von Balthasar's *Apokalypse der Deutschen Seele*. The *Übermensch* became the top *Herrenmensch*, and both were to dominate the new age to come. For the National Socialist movement, Nietzsche's *Jenseits von Gut und Böse* – *Beyond Good and Bad*, was, as Hermann Rauschning had noted, tantamount to the destruction of all traditional values, implying total Nihilism. This was to prepare the way for a society of power and splendour dominated by the *Herrenmensch*, miles above the boring bourgeois world of petty utility and profit maximising behaviour. This ideology of power and splendour lead on to the greatest contempt for the Communist movement, which, in Nazi view, was dominated by Jewish intellectuals, and for Catholicism, because of the growing activity of the Church in social affairs, and, above all, because of her upholding the immutable values of Natural Law. Both Communism and Catholicism were seen as slave ideologies.

This did not prevent parts of Western Christianity in general, and of Catholicism in particular, from seeing the National Socialist War against the Soviet Union as a War against Atheism, although the Catholic Church had explicitly condemned National Socialism as being pagan in nature.

More generally, intellectuals that were not in line with Nazi ideology were denoted chatterers (*Schwätzer*), who did not understand the challenges of the new age, in which the strong would dominate and the weak would inevitably perish. The contempt for the weak and for ethical arguments was common to both Soviet and Nazi ideology. Indeed, when Stalin was told that the Pope had criticised the persecution of Christians in the Soviet Union, he asked the by now famous question: *‘How many divisions has the Pope?’* In this context, a historical parallel is of considerable interest. Edward Gibbon indeed argued that the decay and fall of the splendid and powerful Roman Empire was brought about by the subversive influence of the Christians, who advocated non-violence and charity! In Nazi terminology: the weak slave ultimately caused the fall of the strong master, in analogy to the *Zersetzung der Wehrkraft* in the Apocalyptic Age through ethical arguments! Interestingly, in this context, another British historian argued that Pope Alexander VI. made the Church great again. This may be true in terms of power and splendour. However, historians of the Church might argue that, around 1500, religious alienation reached a peak precisely through the sad state of the Church, the Reform being a direct consequence. The Reform again produced the Counter-Reform and set into motion a gigantic still ongoing process within the Roman Church first, to break out of Renaissance alienation, and, subsequently, to gradually adapt to the immense complexity of Modernity. Again, there is an interaction between alienation and true progress, that is, tending towards a natural state at a higher level of unfolding of the potential of human nature.

As a radical consequence of the racial doctrine, all qualitatively inferior life had to be eliminated. This would inevitably imply immense suffering, but the splendours of the new society to be created would by far outweigh this suffering. On a gigantic scale, this is analogous to the sinister considerations made by Raskolnikoff in Dostojewskij’s *Crime and Punishment* – *Schuld und Sühne*: *The death of an old woman, and subsequently, her daughter is obviously a damage to society, Raskolnikoff argues. However, he goes on to reason, if I take her money to be able to pursue higher studies, I shall be in a position to contribute to the well-being of society, and this will, by far, outweigh the damage done.* Basically, Dostojewskij advances the same argument, we have set forth in this essay, too: Once the existence of immutable fundamental values is denied, everything becomes possible, above all

in heavily alienated circumstances. This clearly emerges from the final years of the Apocalyptic Age 1933-1945.

Around 1937, similar considerations were probably underlying the decision of West European top intellectuals to leave Eugenic Societies, which were aiming at improving the quality of the human race by scientific means. Aldous Huxley's Brave New World illustrates in an excellent way the dramatic potential consequences of such undertakings. In fact, the genetic programming of human beings pictured in Brave New World, would have meant creating an artificial piece of the determinism of nature, leading on to the total loss of liberty. However, this artificial determinism of nature would have been entirely different from the original determinism of nature. In fact, the former, Huxley - type of determinism would prevent the unfolding of the human nature forever, while the latter, original, determinism represents, precisely, the starting point for the unfolding of human nature in the direction of natural liberty.

Hence utmost economic alienation may lead on not only to utmost political alienation, Hitler's tyranny for instance, but also to alienation in the field of social and natural science, ethics, law and religion: domination of the strongest and most ruthless, natural science in the service of racial studies to scientifically establish the superiority of a race, a legal system on racial basis, and an evolutionary pantheistic 'natural religion' with the 'Herrenmensch', culminating in the 'Übermensch', as the highest manifestation of God, comprising Man and Nature. And utmost alienation means widest distance from God – *äusserste Gottferne* – and from His Natural Order shaped by the objectively given and immutable fundamental values of Goodness, Beauty and Truth. In Stalin's Soviet Union class struggle and Atheism, culminating in the establishment of the *Gulag*, equally led to alienation on a gigantic scale in various spheres.

In the context of alienated science, the immense social responsibility of scientists, writers, and academics clearly emerges, a fact insisted upon repeatedly by Keynes, and others. Indeed, the racial theories of Gobineau and Houston Stewart Chamberlain, combined with Darwin and Nietzsche, and with Pantheism, possibly on a Hegelian basis, provided a deadly mixture together with the heavily alienated socio-economic conditions prevailing in Germany after the First World War, the Treaty of Versailles 1919, the Great Inflation 1922-23 and its devastating consequences, indeed terrible suffering for large parts of the German population, and last, but not least, the failure of the Communist Revolution in Germany 1918 to 1923 (for

an excellent account see Harman 1997), resulting in a immense hatred of Communism, above all by the members of the nascent Nazi movement. With this movement, the Jewish Community in Germany became strongly associated with international finance and inflation profiteering, the great inflation having resulted in great suffering for large parts of the German population. Moreover Jewish intellectuals plaid an important role in the communist movement, which, in Nazi view, would destroy the vital forces of Germany, eventually reducing her to weak slave country. All these factors resulted in a terrifying anti-Semitism, specifically among the National Socialists. Given this, it is perhaps not by chance that Hitler wrote his fatal book in 1924, which, subsequent to the deeply alienated circumstances of the great depression, became the racial basis of the new German legal system. Incidentally, the importance of Hitlers book for the character of Nazi ideology was, significantly, first and most clearly perceived by Winston Churchill; this certainly explains to a large extent Churchill's uncompromising stance against National Socialist Germany from 1933 onwards. Many scientists in Germany were conscious of their responsibility. A leading instance is Gustav Radbruch, perhaps the most eminent German lawyer and philosopher of law in the first half of the 20th century, who categorically refused to collaborate with the Nazi regime, and was the first German Professor to be dismissed some weeks after Hitler had come into power. Intellectuals like Radbruch certainly realised that only a very few members of the Jewish Community were eventually involved, together with others, in inflation profiteering; moreover, for a lawyer it was perfectly evident that being a Communist out of political idealism could impossibly be a crime; given this, the generalised anti-Semitism of the National Socialists was entirely unjustified, this all the more so because a great many members of the Jewish community had fought for Germany in the First World War.

In his important, and truly excellent book, Hitlers Judenhass – Klischee und Wirklichkeit (2009), Ralf Georg Reuth provides a remarkable and systematic account of the coming into being of Hitler's hatred of the Jews, which is broadly in line with the few suggestions on this theme provided in the present essay. In Hitler's view, Germany was engaged in a life-and-death struggle against Jewish Bolshevism and Jewish Anglo-Saxon Capitalism (Reuth 2009, p. 308). However, the Capitalist International, which brought Hitler into power and maintained him in power, was not Jewish at all, quite the contrary!

This vision of Nazi-Jewish relations enables a specific interpretation of the *Holocaust*, which resulted in the death of about six million *entirely innocent* European Jews, which is broadly in

line with Reuth's view on the coming into being of the *Holocaust*. The starting point is late summer / early autumn 1941 when it gradually became clear that the Sowjetunion could not be destroyed rapidly through a *Blitzkrieg*, in spite of the fact that the Nazi armies received support from US corporations (see on this specific point Pauwels 2006, p. 67; in general, Pauwels' vision on the course of the Second World War is most appropriate). And in December 1941, following up the disastrous German setback before Moscow, even the Nazis had to consider the possibility of a defeat in the Eastern War. And at this crucial moment, the Western powers, which had in fact directed the *Wehrmacht* against the *Red Army*, definitely entered into War *against* Germany under the leadership of Churchill and Roosevelt; indeed, the United States had actually entered War at this crucial moment already, in fact, since the proclamation of the Atlantic Charter of August 14, 1941 at the latest, and this in spite of the fact that Germany had *not yet* declared War on her (it is by no means sure that Germany wanted to declare War at all on the US; in fact, we have mentioned above that the effective declaration of War by Germany on December 11, 1941 was probably an act of despair consequent to the terrible German defeat before Moscow: Hitler hoped that declaring War upon the US might induce the Japanese to attack in Siberia, in turn). Presumably, the ambiguous role of the United States at the beginning of, and during World War Two (on this see Pauwels 2006) and Churchill's iron determination to crush Nazism were crucial factors in bringing about the *Holocaust*. Through the Hess mission at the beginning of May 1941 Hitler attempted to establish contacts with the British Peace Party to obtain British neutrality at the least; had he succeeded the United States would, as is very likely, not have entered the War, and, in case of a German victory in the East, the Holocaust would probably not have taken place; it is likely, however, that there would have been deportations, to Birobidjan and possibly to other regions. Yet Churchill's iron determination prevented any agreement between Great Britain and Germany.

Quite naturally, in line with the delusion of Hitler and the Nazis, all this was a Jewish plot! The Jews had orchestrated the War between Germany and the Sowjetunion and were now, in their capacity as wirepullers of Capitalism, preparing the way to stab Germany in the back. Given this, *the Holocaust appears as a terrifying revenge action*, driven by ideological delusion, against *totally innocent* Jews. In fact, the Holocaust started in late summer, beginning of autumn 1941, when it gradually became clear that the War in the East would turn out to be long and terrifying; moreover, as just mentioned, the originally neutral United States had, in fact, entered War against Germany some months *before* the declaration of War against her on December 11, 1941; Hitler interpreted this as a further indication of a Jewish

plot. [In fact, the Western powers hoped that the Russians and the Germans would fight to exhaustion so as to mutually weaken themselves, such that they would remain the only great powers - this would seem to explain the late invasion in Normandy in June 1944. The gigantic military performance of the Soviet Union prevented this plan from succeeding (on this see Pauwels 2006, who provides excellent background information on the Second World War, which deviates considerably from standard accounts).]

Given this Nazi interpretation of events, *the hatred* associated with the *Holocaust* was *boundless*, as is illustrated by a terrible event that occurred in 1943 at Alençon in Normandy: In a small, very modest pension of the town, *l'Hôtel de la Victoire*, kept by *Mme Riguet*, lived an eighty-two years old retired Jewish taylor. The little and frail old man had worked hard for all his life and was estimated for his excellent work and on account of his kindness in all Alençon. On a morning in autumn 1943, a group of tall and strong SS men appeared at the pension. The old man was just allowed to put some necessities into a suitcase before being taken away ruthlessly, and, subsequently, deported to Auschwitz. *Mais qu'est-ce que j'ai donc fait*, had been his last words.

The Nazi way of reasoning seemed to run like this: If Germany is going to perish, the Jews, who have precipitated Germany into the abyss, will have to be ruthlessly annihilated, without any exception. Fanatical Nazis were entirely convinced of their ideology. Indeed, after the War, when asked, whether they would act in the same way again, they invariably and very firmly answered in the affirmative. This is broadly in line with Ralf Georg Reuth's view set out in the last chapter of his book (Reuth 2009, pp. 255-314, specifically pp. 293-314). For example, he relates the Nazi decision to order the deportation of the European Jews into extermination camps to the concealed entry into War of the United States against Germany: "Eine Rolle für die Deportationsentscheidung Hitlers dürfte der inzwischen erfolgte verdeckte Kriegseintritt der Vereinigten Staaten gespielt haben. Am 11. September 1941 hatte Roosevelt einen 'Schiessbefehl' gegen die Schiffe der 'Achsenmächte' im Bereich der nordatlantischen Geleitzugsrouten erlassen, den der Präsident mit dem irrtümlich erfolgten Angriff eines deutschen U-Boots auf einen amerikanischen Zerstörer begründete" (Reuth 2009, p. 305). In relation with US ambiguity, set out in Pauwels 2006, Goebbels, after a meeting with Hitler on July 24, 1941, noted in his diary: "Im Übrigen ist das Zusammengehen zwischen Bolschewismus und Plutokratie jetzt ein ganz offenes und selbst von Moskau nicht mehr bestrittenes Geheimnis. Stalin [...] Churchill und Roosevelt sind augenblicklich die drei grossen [...] Gegner der nationalsozialistischen Revolution [...] Roosevelt ist dabei der Zynischste [unter den] Häuptern der grossen Weltverschwörung gegen Deutschland" (quoted

in Reuth, p. 303). It was evident for the Nazis, that Churchill and Stalin were mortal enemies of Nazi Germany, not so for Roosevelt and parts of American Monopoly Capital as emerges from Pauwels (2006). In any case, the actual, yet concealed entry into the War of the United States against Germany was probably a crucial element initiating the terrible decision to destroy the European Jews (Reuth 2009, pp. 299 – 314). And Reuth goes on: “Die Entscheidung für die Vollendung des mit dem Russland-Feldzug angelaufenen Völkermords an den europäischen Juden ist also irgendwann im späten August oder September 1941 gefallen, als Hitler annahm, dass sein Gesamtkriegsplan gescheitert war, der auf einem schnellen Sieg über die Sowjetunion basierte” (Reuth 2009, p. 308). This proposition of Reuth’s must be combined with the former proposition just mentioned, that is, the concealed entry of the United States into the War on September 11, 1941. The Nazis realised at this time already that the Second World War was probably lost, remembering that the entry of the US into the War beginning of April 1917 had signified the loss of the First World War for Germany. The prospect of losing the Second World War became more certain after the terrible defeat before Moscow in November / December 1941. Consequently, at the *Wannsee Konferenz* of January 20, 1942, the decision to destroy the European Jews was definitely taken. The Nazis were certain about the fact that economically and financially powerful Jews had brought about the *Weltverschwörung gegen Deutschland* (Goebbels quoted in Reuth 2009, p. 303).

Certainly, Roosevelt had not taken the decision to enter into War against Germany alone. And when suggesting the name of the person who might have significantly influenced him one cannot avoid mentioning his minister of finance, Henry Morgenthau, who, as is well known, set out a plan to destroy Germany after the War through transforming her into an agricultural country. It is probable that the close relations between Roosevelt and Morgenthau were well known by German diplomatic and political circles. The fact that a person of Jewish origin, and possibly wider Jewish circles, should have decisively contributed to the United States entering the war against Germany, thus stabbing her in the back, as the Nazis would have it, may greatly contribute to explaining why the Holocaust was merciless to the highest possible degree.

[Digression: The entry into War of the United States against Nazi-Germany points to a fundamental dilemma of the Capitalist West. On the one hand, Monopoly Capital and right-wing political circles, eagerly wanted a Nazi-German victory against Communist Soviet Russia, eventually complemented by the destruction of Communism and even of Social

Democracy in Europe. On the other hand, however, it was evident that Nazi-Germany, victorious in the East, would be a deadly danger for the Capitalist countries of the West, the United Kingdom, the United States and France. Indeed, the immense technical potential of Germany, for example, her capacity to build rockets and to develop nuclear weapons, meant that Nazi-Germany could not only acquire world domination but also maintain it for very long periods of time; probably, Churchill, who had read *Mein Kampf*, perceived this in 1933 already – this is why he wanted to eliminate the Hitler regime right after the nomination of Hitler as *Reichskanzler*. In this perspective, Henry Morgenthau's effort to persuade Roosevelt to enter into War against Nazi-Germany may appear understandable; this does not exclude, however, that his plan to destroy *Germany* [which is by no means identical with *Nazi-Germany* (!)], worked out in 1944-45 and initially approved by Churchill and Roosevelt (!), must be considered *totally* unjust to Germany (Morgenthau 1945).

However, the entry of the US into War against Germany was, in line with the argument set out in this subsection, the result of cold calculation. In all likelihood, Western Monopoly Capitalism under the leadership of the United States had maintained the Nazis in power and driven Nazi Germany into an attack on Poland in order to be able to destroy Germany through a two-front war after the inevitable Nazi attack of the Soviet Union. The overall aim, as has been argued repeatedly in this subsection, was twofold: first, wipe out communism in Europe and destroy the homeland of communism, the Soviet Union, and, second, destroy the most dangerous capitalist rivals, most importantly Germany, but also Japan – this was Pearl Harbour and all that. It cannot be excluded that Morgenthau was the mastermind who planned the European-German operations, a fact the Nazis probably knew about. He was almost certainly *the* expert on Germany in the United States and perfectly aware of the consequences of maintaining the Nazis in power. Morgenthau's activities may, in part, explain the ferocious violence of the Holocaust, which started in late summer 1941 when it became clear that the Soviet Union could not be destroyed through a *Blitzkrieg* and the United States entered into War against Nazi-Germany *without* declaration of war (Reuth 2009), stabbing thus Germany in the back. If, as is very likely, Morgenthau knew about all this and that probably he even masterminded the events in Europe from 1933 onwards, his plan to destroy Germany must be considered *highly criminal* – Tansill (1952) indeed lends strong support for this proposition as emerges already from the title of his book: *Back Door to War – The Roosevelt Foreign Policy 1933 – 1941* – these dates are very important and significant indeed! Morgenthau's plan was, in fact, the extreme formulation of the first aim pursued by parts of the US elite, that is, the destruction of the most dangerous capitalist rival, Germany to wit. The second aim – destroy

the Soviet Union - should have been reached after the War by Nuclear Diplomacy, with Hiroshima, Nagasaki and Dresden having been warnings to Stalin's Soviet Union. We have already mentioned that Klaus Fuchs prevented the reaching of this second aim immediately. This aim was finally reached in 1991. The present (2014) events in the Ukraine suggest that the striving for realising the second aim – now the weakening of Russia – goes on unabated. In fact, as is highly likely, the United States wanted to make Sewastopol a NATO port and to lay hands on the heavy industry of Eastern Ukraine. Indeed, Monopoly-Finance Capitalism is [insatiable!]

[It may well be that a more important reason is behind the Ukrainian conflict. Indeed, in October-November 2014, there were rumours going around about the United States and China possibly intending to split up the world into respective zones of influence. In this vision, Europe up to the Ural would, in the long run, become US influence zone, Siberia would gradually be transformed into a Chinese sphere of influence. In this perspective, the main reason why this conflict has been started by the US and associated forces might be to drive a wedge between Europe and Russia in order to prevent the coming into being of a Eurasian Federation ranging from *Lissabon* to *Wladiwostok* as even Jean-Claude Juncker from the European Commission seems to envisage. This vision of things is enhanced by a rather surprising article in the Swiss newspaper *Le Temps* of Monday, November 3, 2014, p. 10, by an important representative of American *high finance*, George Soros to wit. The author starts by saying that Russia threatens the sheer existence of Europe who attempts to preserve peace and to avoid any direct military confrontation with Russia. However, given the continuing aggressive attitude of Russia, *Soros argues that austerity policies must be put to an end now and all European resources have to be put into the war effort*: „La politique d'austérité doit cesser. Il faut investir toutes les ressources dans l'effort de guerre.“ This implies that Russia is alone responsible for what happened in the Ukraine! And even more: „La nouvelle Ukraine a la volonté politique de défendre l'Europe contre l'aggression russe [...]!“ No further comment is required here. Indeed, who, in Europe, feels threatened by Russia and who, in Europe, wants to make war on Russia? And, in a Sorosian vein, the former German Minister for Foreign Affairs, *Joschka Fischer*, declares that *Chancellor Angela Merkel*, has now – by the end of 2014 – definitely become aware of the danger Russia presents for Europe (article in the Swiss newspaper *Le Temps*, Thursday, December 11, 2014, p. 11): „Rompant avec la politique des petits pas, la chancelière a clairement désigné la menace pour l'Europe: Vladimir Poutine.“ In this strange context of war-mongering (*Kriegstreiberei*), the very lucid

recent book by Wolfgang Bittner: *Die Eroberung Europas durch die USA – Zur Krise in der Ukraine* (October 2014), is of the utmost importance. The book is presented on the backpage: *Die USA sind der bestimmende Faktor der politischen Entwicklung im Osten Europas. Seit langem bereiten sie mit geheimdienstlichen Mitteln Umstürze vor, beeinflussen die zentralen Medien und entkernen die Souveränität der europäischen Staaten [indirekt auch über die Europäische Union! - HB]. Anhand der Krise in der Ukraine entwickelt Wolfgang Bittner kritisch und detailreich die Chronologie der Ereignisse, die zugleich die Strategie der USA offenlegt, in weiten Teilen Europas ihre Interessen ohne jede Rücksichtnahme und Abwägung durchzusetzen.* This confirms the rumours that are actually circulating suggesting that the USA and China intend to divide up the world into respective spheres of influence. The last great obstacle to be eliminated on the way to US-Chinese world domination is Russia.

Given these frightening possible developments *strong action* is really required. **Europe must wake up.** It has already been suggested that an axis Paris-Berlin-Warsaw-Moscow, should form the backbone of a Eurasian Federation and would, as such, constitute an axis of peace. Now, conceiving the Eurasian Federation as bringing together a European Federation and a Russian-Mongolian Federation would require redefining this axis as an axis Paris-Berlin-Warsaw-Moscow-Ulan Bator (and Karakorum).]

[A *Mongolian Federation* as part of a *Russian-Mongolian Federation* may be justified on the basis of the work done by Walther Heissig in the main, for example: *Geschichte der Mongolischen Literatur*, zwei Bände, Wiesbaden (Otto Harrassowitz) 1972, and, above all: *Die Mongolen – Ein Volk sucht seine Geschichte*, Bindlach (Gondrom Verlag) 1989; orig. 1979. The term *Mongols* would stand as a collective name for the Central Asian steppe peoples; and the Mongolian Federation would include Mongolia and the entire Southern part of the former Soviet Union; of course, in the Russian-Mongolian Federation, the Russian and the Mongolian peoples would stand on the same level; moreover, there would be Russians living in the Mongolian Federation and, vice versa, Mongols living in the Russian Federation as was the case in the former Soviet Union, and still now. The renewed existence of a great Mongolian Federation within the framework of a Russian-Mongolian Federation would do historical justice to the Mongols and to their great Empire that existed in the 13th to 15th century in the main. Indeed, the Mongols have, together with the Russians, stabilised the immense Eurasian, specifically Central Asian, space in the second Millennium. For example, through granting the complete security of the silk road, the Mongols have enabled a very important flow of goods and ideas from the highly developed and rich Asia, China most

importantly, to the economically less developed Europe; this was crucially important for Europe's march towards Modernity (see, for example, Hobson 2004). Given this, the Russian-Mongolian Federation, broadly covering the territory of the Commonwealth of Independent States, plus Mongolia, would typically constitute a historical-geographical Federation preserving important political realisations which have taken place in more than thousand years of Eastern European and Central and North Asian history. Moreover, a Russian-Mongolian Federation would really constitute a bridge of peace between Europe and Asia bringing the two Continents together, enhance mutual understanding and favour the exchange of ideas.]

However, an eventual US-Chinese world domination would, as is very likely, imply continuous economic, political and military conflicts going on all over the globe. As a consequence, a truly Orwellian situation would come into being. In fact, this two- power blocks situation would be worse than with Orwell who conceived of three power blocks (Oceania, Eurasia, and Eastern Asia) dominating the world. The Orwellian system is associated with broad stability because a coalition of two blocks can always hold in check the third one, in case this block attempts to gain supremacy. With only China and the United States remaining the entire world would eventually be transformed into an economic, political and military battlefield. Presumably, Europe would definitely become the *preferred junior partner* of the US, from time to time in charge of carrying out delicate operations of an economic, political or military character. This would be **totally unworthy of Europe**, who, as we argue in this essay, must lead the actual conflict and crises ridden, mostly neoliberal world into a Keynesian social liberal world, made up of *culturally diverse* nation and nationalities states and historical-geographical federations, living together in peace, promoting solidarity between nations and federations, which, moreover, would mutually enrich each other in the spiritual, intellectual, cultural and material spheres.

[A strong Germany, acting together with the other European nations, including Russia, is the essential precondition for this truly gigantic undertaking. Indeed, in this crucially important historical situation at the outset of the 21st century, *Germany emerges as the key country regarding the future course of world history*. At present (around 2015), capitalistic Germany has reached too dominating a position in Europe through the external employment mechanism, that is, through massive exports and export surpluses. If, now, capitalistic Germany remains a simple junior partner of the United States, adopting the American way of

life to a large extent, then *materialism and individualism*, represented by Max Weber's *iron case - stahlhartes Gehäuse* (Weber 1988/1920, pp. 203-04), would definitely overcome and the world might sink into chaos and destruction. If, however, a *German Renaissance* occurs through taking up the thread of German history at Weimar Germany, then Germany, now an industrial and commercial nation, might again become a strong and self-confident social liberal *Kulturnation*, and gradually adopt the internal employment mechanism based on effective demand consisting of private and public consumption, with exports broadly equalling imports. This would enable countries like France, Greece, Italy and Spain, and others to adopt this mechanism, too. In fact, not all countries can develop and create high employment levels through the external employment mechanism, because the world is a closed system and world effective demand is limited; given this, there must necessarily be winners and losers (on this, see Bortis 2013a, pp. 355-62). Subsequently, the whole of Europe, including Russia, might experience a *Renaissance*, thus reviving in modern form Europe as it existed in the pre-capitalistic age, that is, before the first *Great Transformation* between 1750 to 1830, when the domination of *individualism and materialism* set in. Given this, Europe could play a world historical role again, leading the world into a Keynesian social liberal world order of peace and solidarity among nation and nationalities states and historical-geographical federations. However, Europe would, obviously, not act through economic, political and military power, but through serving as an example for building up good societies and states and, if asked to do so, through providing assistance to other countries and historical-geographical federations in their effort to build up modern *Kulturnationen*, which would certainly go along with a *Renaissance* in modern form of old civilisations all over the world. – On all this, see also the above chapters *The Natural Order Within States Leads To a Natural World Order: The World as a Family of States* and *The Natural Political World Order as a Precondition for Politics in Line with Human Nature*, and, below, the chapters *Ways Ahead* and *Philosophical Underpinnings of the Second Great Transformation*.]

[However, and this is of the utmost importance, a solid and definitive axis Paris – Berlin – Warsaw – Moscow – Ulan Bator (Karakorum) can only be established once a peace agreement between Germany, Lithuania, Poland and Russia-cum-Commonwealth of Independent States has been concluded. This peace agreement should definitely put an end to the Second World War, the coming into being of which has been pictured in some detail in this essay. Particularly, the definitive frontiers would have to be fixed, bearing in mind that in

a Keynesian social liberal world the nation and nationalities state, to be erected on a clearly defined *historically grown* and mutually recognised territory, will play again a crucial role in the future. Such states are the basis on which good and stable polities may be built up, which, in turn, are preconditions to the setting up of historical-geographical federations. In this context, it should be remembered that the present frontiers in Central- and Eastern Europe have been fixed very arbitrarily and ruthlessly by Stalin; at Yalta the Eastern frontier of Poland was decided upon (the Curzon line) and at Potsdam Stalin imposed the Oder-Neisse line as the Western frontier of Poland (Winston Churchill (1985/1948-54): *The Second World War*, volume VI, pp. 560 – 61). This happened at the end of a terrifying War, with considerations of historical justice totally absent since Nazi Germany was considered entirely guilty of the Second World War. However, in the present essay, an altogether different view has been taken on German war guilt (on this see the subsections *Germany 1871-1945 and the Apocalyptic Age 1914 – 1945* and *Notes on ethics and alienation – the Apocalyptic Age 1914 – 1945 further considered*). Given this, these frontiers are, in the perspective of historical justice, highly unjust to historical Germany and, in part, to historical Poland. Consequently, this state of affairs requires doing justice to Poland, and, above all, to Germany.]

At this stage, we may remark that Henry Morgenthau jun. probably got his anti-German stance from his father, Henry Morgenthau sen., who, from 1913 to 1916, was US ambassador to the Ottoman Empire at Constantinople (Istanbul) where he witnessed the (seeming) striving of *Kaiser Wilhelm II's* German Empire for World Power. Indeed, the *Wilhelminian elite* intended to organise a Holy War of the entire Muslim World, specifically the Ottoman Empire, Persia-Iran, and Afghanistan, against the infidels, the British in the first place, the ultimate aim being to drive the English out of India! This grandiose project, and its attempted execution, has been pictured in a brilliant book by Peter Hopkirk: *On Secret Service East of Constantinople - The Plot to Bring Down the British Empire* (Hopkirk 2006; orig. 1994). These events certainly raised the greatest suspicions as to the real intentions of Germany. However, the activities described by Hopkirk do not provide any evidence about Germany wishing to bring about a War, which, as has been argued repeatedly, was probably inevitable. Yet, the result of this rather clumsy German diplomacy was to put Germany into the *worst possible position* at the outbreak of the War in that she had the three other great powers against her, with the United States observing the ongoing War from the background, silently supporting materially Britain and France. However, there can be little doubt that the United States would have intervened in *any* case, with or without U-boat war, in favour of the

Western powers had these been in danger of losing the War.

However, in the light of Docherty-Macgregor's (2017, orig. 2013) *Hidden History*, the German project to bring down the British Empire gives rise to an alternative explanation. It may indeed be seen as a desperate attempt of Germany to break up the iron ring of *Einkreisung*. Had the project succeeded, Germany would have been saved and, very probably, the First World War would not have taken place.

Moreover, Docherty-Macgregor's (2017, orig. 2013) puts Kaiser Wilhelm II and his circle in a very favourable light. The Kaiser definitely appears as a Man of Peace in the tradition of Bismarck.

Given, however, the sometimes inappropriate and aggressive actions of Wilhelminian diplomacy, Fritz Fischer, in his *Griff nach der Weltmacht*, has attempted to show that the German striving for world power was the main cause for the First World War and, consequently, that Germany was responsible for the outbreak of the War. In our view, Fischer's argument has at least three main defects. First, it remains on the level of behavioural surface elements associated with Kaiser Wilhelm II and his circle, comprising diplomats, politicians and intellectuals, and, last but not least, the big economic and financial players in Germany. There was, for example, the Holy War action alluded to above (Hopkins 2006; orig. 1994). Moreover, there has, at times, indeed been talk about Berlin being the New Rome. Yet, given the strong underlying Bismarckian tradition, all this was not representative. However, it did raise suspicion among the other great powers and was certainly an important factor leading to the isolation of Germany.

Second, since Fischer's argument only captures behavioural surface elements, it leaves out of the picture the fundamental world political outlook of most responsible and realist German politicians and intellectuals that have been shaped by Bismarck's powerful and utterly realist vision reflected in his *Realpolitik*. Considering this, Bismarck must indeed be considered as one of the greatest political figures in world history. Many instances in his *Gedanken und Erinnerungen* reflect his utmost realism and moderation associated to a profound sense for justice. This is illustrated by a significant passage contained in volume one of his *Gedanken und Erinnerungen*: "Der Trieb zum Erobern ist England, Nordamerika, Russland und andern nicht minder eigen als dem Napoleonischen Frankreich, und sobald Macht und Gelegenheit dazu sich finden, ist es auch bei der legitimsten Monarchie schwerlich die Bescheidenheit oder die Gerechtigkeitsliebe, welche ihm Schranken setzt" (Bismarck 1898, Band I, p. 179). It must be mentioned here that there are entirely different types of imperialism. After the English Industrial Revolution and Political Revolution in France, the Bourgeoisie became

politically dominant and economic-cum-financial imperialism, frequently supported by military force moved to the fore. Russian imperialism, however, was primarily aimed at securing stability in the huge Eurasian plain, always threatened by invasions, and as such predominantly political; it should not be forgotten that from the invasions of the Swedes, the German Knights and the Mongols in the 13th century to the Nazi attack in 1941, and the plundering of Russia in the 1990s, Russia or parts of Russia have always been considered a possible prey. Incidentally, this goes far to explaining the actual - April 2014 - events going on in the Ukraine.

Third, and most importantly, Fritz Fischer's account does not give *primacy* to the fundamental socio-economic forces associated with Monopoly-Finance-Capitalism that brought Germany and the British Empire into an irreconcilable conflict situation which added to the deadly French hatred of Germany because of Alsace-Lorraine and to the indirect conflict between Russia and Germany on account of the alliance between Germany and Austria-Hungary, with the latter standing in a conflict situation with Russia because of the Slavic peoples living within the *Habsburg* monarchy and striving for independence, eventually in view of adhering to a great Panslavic Federation led by Russia. Hence Fritz Fischer's argument is not convincing in view of the objective situation prevailing before the outbreak of the First World War. We have already suggested that Germany had, in fact, no strong reason to start the war. However, England had very strong reasons, namely the immense fear of the steadily growing German economic, political and military, above all, sea power. This is confirmed by a recent book by Nicholas Lambert, *Planning Armageddon – British Economic Warfare and the First World War* (2012). This book suggests that the British wanted the War and set up a plan to break German might in the most efficient way possible. Economic and financial warfare did not, as expected, produce a quick British success; however, the British blockade of Germany throughout the War was certainly an important factor causing the ultimate defeat of Germany.

In addition to Lambert (2012), the *very important* book by Gerry Docherty and Jim Macgregor (2014, 2nd edition 2017): *Verborgene Geschichte – Wie eine geheime Elite die Menschheit in den Ersten Weltkrieg stürzte*; english original: *Hidden History: The Secret Origins of the First World War* (2013), really signifies the deathblow to the Fritz Fischer thesis about the war guilt of Imperial Germany in 1914 and entirely confirms the conjectures about the two World Wars put forward in this essay. The book is about a *Secret Elite*, including members of Anglo-American Big Finance, aiming at establishing initially *British world domination* with the United States being associated to the British Empire.

Subsequently, the growing strength of the United States required a reformulation of the aim: *British world domination* became *Anglo-Saxon world domination*, to end up, increasingly, in *Anglo-Saxon-Israeli world domination after 1948*.

To achieve world domination required the destruction of the German Empire, the most dangerous rival of the Anglo-Saxons. Indeed, the notion of *Germania delenda est* began to take shape already at the end of the 19th century in the British Empire and in the United States, possibly also in France and Russia (see on this Raimund Th. Kolb in Sieferle 2017, dritte Auflage, pp. 101-02). To prepare the destruction of the Bismarck Empire, represents the central theme of Docherty-Macgregor (2017/2014). The main problem for the Secret Elite was to bring about a coalition of France, Russia and the British Empire, that is, to achieve *Einkreisung* of the German Empire. Once the encirclement of Imperial Germany was realised the War could be set off.

In the course of the First World War and in the interwar period *Anglo-Saxon world domination* gradually turned into *American world domination*. After World War Two *American domination*, progressively enhanced by a close cooperation with Israel, was held in check by the Soviet Union only. After the breakdown of the Socialist régimes around 1990, *American-Israeli world domination* looked broadly secure for a decade or so – Fukuyama's *End of History* seemed definitely in sight. However, at the beginning of the 21st century new regional and world powers came into being or reemerged, China and Russia most importantly. The world became multipolar.

In the end, it is really the unnecessarily aggressive and careless behaviour of parts of the *Wilhelminian elite* that enabled the Anglo-Saxon *Eroberernationen* (Bismarck) to reach their basic aim, the weakening and subsequent destruction of Germany, the precondition for world domination, quite easily. However, immense sacrifices had to be imposed to their populations, implying the loss of millions of human lives. Indeed, Kaiser Wilhelm's II unfortunate policies, his *Flottenprogramm* most importantly, brought Germany into the most unfavourable position before World War One, having the three remaining European great powers against her, with the United States remaining cunningly in the background, ready to intervene if necessary. And the necessity arose in April 1917. From this moment onwards, the defeat of the German Empire seemed almost certain, even if taking account of the fact, that Germany, due to the October Revolution in Russia, was able to transfer considerable military forces from the Eastern to the Western front in the course of 1918. *And, very significantly, the Balfour declaration was made on November 2, 1917*. It is evident, that with an eventually victorious Germany, the foundation of the state of Israel would have been impossible. Indeed,

the Ottoman Empire was allied to Germany, and Germany's prestige in the Middle East, and, largely worldwide, was immense.

We have already mentioned the Swiss historian Willy Schenk who has very aptly analysed the pre-1914 situation in his doctoral thesis: *Die deutsch-englische Rivalität vor dem Ersten Weltkrieg in der Sicht deutscher Historiker – Missverständnis oder Machtstreben?* (Schenk, 1967). Indeed, Admiral Tirpitz argued after the First World War (Tirpitz, *Erinnerungen*, 1919) that Germany had started to build up a navy in order to increase German bargaining power in view of an eventual new sharing out of the colonies worldwide; in fact, Germany complained bitterly that the overwhelming English position regarding the possession of colonies gravely hampered German economic development. This sounds plausible. However, the English argued equally plausibly that Germany wanted to get into a dominating position on the world level - economically, militarily and politically - and that the combination of a powerful German land army and a strong navy constituted a deadly threat to England and her Empire. The confrontation of two equally plausible, but contradictory positions inevitably leads to a violent outcome as Karl Marx had clearly perceived, and this is what happened through the First World War.

Hence British-German opposition was decisive, with England wanting the War to break German power as Docherty-Macgregor (2017; orig. 2013) convincingly argue. And France strongly desired the War to get back Alsace-Lorraine. Moreover, Russia wanted the War for Panslavic reasons; moreover, Russia was worried about growing German presence in the Baltic Sea; most importantly, however, Docherty-Macgregor's *Secret Elite* very aptly presented a very seducing bait to Russia: Constantinople and the access to the Medeterrenian through the Bosphorus. However, Russia was not yet ready. Germany, finally, had to bring about the inevitable War as rapidly as possible for fear of Russian population growth going on at frightful pace as well as the rapidly proceeding Russian industrialisation process. Given this, Germany had to initiate a *Präventivkrieg* by encouraging Austria-Hungary to take a firm stance against Serbia following up the assassination of *Kronprinz Franz Ferdinand*, thus bringing about the entry of Russia into the War, which, in turn, set into motion the alliances existing between France and Russia and between France and Britain, the *entente cordiale* of 1904.

However, Docherty-Macgregor (2017; orig. 2013) convincingly argue that the overwhelming majority of the Austro-Hungarian, German, Russian, French and British peoples as well as the responsible politicians of these countries did not want War. The War was really the work of the *Secret Elite*, aiming at Anglo-Saxon world domination through destroying the German

Empire.

This is the place to mention an entirely neglected aspect regarding the causes of the First World War, that is the rôle of the United States. Already in the first half of the 19th century, Alexis de Tocqueville had predicted that the 20th century will see the domination two great powers, that is Russia and the United States. For ideological reasons (spreading American democracy and the free-market system over the entire globe) and on economic grounds (securing outlets for final products and the supply of raw materials and energy resources), the US became a ferocious imperialist power in the 19th century already, in Latin America and in the Pacific-East Asian region in the main. This is illustrated by a significant proposition made by Huang Zunxian, Chinese consul-general in San Francisco in the 1880s, quoted in Mishra 2012, p. 186:

The American eagle strides the heavens soaring.

With half of the globe clutched in his claw.

Although the Chinese arrived later,

Couldn't you leave them a little space?

After having gained significant influence in Asia, to weaken Germany, and indirectly Europe, the British Empire in the first place, was, considering the course of 20th century history, certainly the next strategic aim of the United States; this has never been stated explicitly or written by an important and influential American personality (just remember here the British Historian E. H. Carr who said that clever politicians and diplomats never say what they really think, and above all, they never write it down). In this context of US imperialism, Admiral Alfred Mahan's The Influence of Sea Power upon History (1890) crucially shaped military doctrine of the United States and of the Great European powers, specifically the British Empire and the German Empire during the Belle Epoque (1890-1914). In the first volume of his Weltgeschichte der Neuesten Zeit (Die Historischen Grundlagen des 20. Jahrhunderts), Jean-Rodolphe von Salis provides a masterly account of the military and political implications and consequences of Admiral Mahan's book (pp. 540-554). Most importantly, the Mahan doctrine – sea power is crucial, not land power – decisively contributed to the setting up of the German Flottenprogramm which, potentially, represented

*a deadly threat to the British Empire and was very important for the coming into being of the **Great Coalition between England, France and Russia against Germany** (von Salis 1951ff., vol. I, pp. 524-54). Significantly, and somewhat surprisingly, a specific propaganda office, directed by Ernst Levy von Halle, was created to promote the Flottenprogramm (Wikipedia, article on Alfred von Tirpitz); in fact, one would have expected Germany to remain utterly discrete in this matter.*

*Given the open and potential conflicts on colonies and influence spheres overseas between the partners of the **Great Anti-German Coalition** and the mutual mistrust associated to these conflicts, the formation of this Coalition was far from being obvious (on this von Salis 1951 ff, volumes I and II, provides excellent information). A very strong ordering hand must have been there to maintain the Coalition firmly from 1904 – the year of the *Entente cordiale* – onwards. Given the lines of force (*Kraftlinien*) of US imperialism around 1900, it is highly likely that the United States must have played a decisive rôle in this matter behind the scenes in order to realise their basic aim, that is, to break German might and to weaken Europe. Many observers of history would approve of this proposition, because, in US perspective, Germany was, in the long run, by far the most dangerous rival of the United States for world domination before 1914, and the British and the French colonial empires constituted but obstacles for US imperialism.*

*In fact, **there was no way out for Germany, if the Mahan doctrine was taken as a basis for political action.** If Germany did not build up a strong navy, then her prospects for expanding overseas trade (outlets for final products and access to raw materials and energy resources) were bleak indeed as far as her power position was concerned. According to the Mahan doctrine – sea power is decisive, not land power – Germany, without a strong navy, would have been reduced to a power of secondary importance in the course of time. If, however, following the Mahan doctrine, Germany built up a strong navy, then Germany became a potential threat not only to the British Empire, but also to the United States, and, in fact, to all great powers of the time; potentially, there was a real possibility for Germany to become the leading, and perhaps ultimately, the only world power. A **strong anti-German coalition made up of France, Russia and the British Empire, with the United States intervening militarily, if required, was the only possibility to keep Germany in check. This meant Einkreisung of Germany, orchestrated, as is highly likely, behind the scenes by the United States who also held the balance of power to decide upon the ultimate outcome of the war.** The whole of chapter 8 – *Der Weg zum Weltkrieg* – in the second volume of Jean-Rodolphe von Salis's *Weltgeschichte der Neuesten Zeit* goes far to confirming these propositions. And this*

*proposition is confirmed by Lambert (2012) and by Chares Callan Tansill: Amerika geht in den Krieg – Der erste Weltkrieg als Türöffner nach Europa (2001; amerikanisches Original 1939). However, Gerry Docherty and Jim Macgregor (2017 / 2013) convincingly argue how a **secret** Anglo-Saxon political–military elite, dominated by Big Finance, orchestrated the First World War to break German power in view of dominating the world, the German Flottenprogramm representing, as is very likely, the main reason to crush Germany through a Great War. This strikingly illustrates a proposition by Alexis de Tocqueville who once said that, **in a democracy one does not know where the real centre of power is located.***

[How would Bismarck have reacted to the Mahan doctrine? As is very likely, he would have sought the backing of another great power to build up a strong navy, probably Russia who also aimed at becoming a sea power – and certainly not England who was already established as a great naval power! However, it is possible, that Bismarck would have preferred Germany to remain a Kulturnation, refusing to become a military and economic world power.

*It indeed seems that Bismarck was not worried at all about the large British Navy, given the fact that Germany had the strongest land army. With his most ingenious dictum: **Ein Wal kann einen Elefanten nicht besiegen**, Bismarck, in one short sentence, knocks out the Mahan doctrine and establishes the fact that the British Empire was the natural ally of the Germany, not Russia, who became increasingly unreliable an ally because of growing Panslawismus.*

*By remaining a Kulturnation and refusing to become a commercial and industrial, and, eventually, a political world power, Germany would have aimed at enhancing social justice worldwide and would, as a consequence, have become a moral world power enjoying an immense prestige on a world level. As we have suggested elsewhere in this essay, **this is, in fact, the way Germany should choose presently, at the outset of the 21st century. In a first step, this implies establishing a new world economic and financial order along Keynesian lines, with a supranational currency, the Bancor, at the centre; the absolute necessity to introduce the Bancor at present arises from the short final section 7 of Bortis (2018, pp. 424-34) and from Bortis (2019b).***

Under Kaiser Wilhelm II and Admiral Alfred von Tirpitz, Germany left Bismarck's path of caution and moderation to ultimately become the greatest victim of the Apocalyptic Age 1914 – 1945; indeed, in view of the fearful rise of German land and sea power after 1890, the notion of Germania delenda est began to take shape already at the end of the 19th

century in the British Empire and in the United States, possibly also in France (see on this Raimund Th. Kolb in Sieferle 2017, dritte Auflage, pp. 101-02). And, as has been suggested in this essay, the Morgenthau plan was seen as the ultimate step to definitely destroy the German Empire.]

The active role of the United States in containing Germany is confirmed by the entry of the US into the First World War early in April 1917 to prevent a German victory. As is very likely, the US would have entered the War in any case, even if Germany had not launched the U-boat war and sunk the Lusitania, always in view of reaching their basic aim, that is breaking German might and, as a by-product, weakening Europe. This aim was finally reached almost perfectly after the war as emerges from Maynard Keynes's The Economic Consequences of the Peace (1919). And the United States immediately made use of their greatly enhanced power position. In fact, from the end of the American Civil War to the outbreak of the First World War, the United States were highly protectionist. In contrast, point three of President Wilson's 14 points, presented at the outset of 1918, advocates free trade for all! (The free trade doctrine has always been the trade doctrine of the economically strong; indeed, at the end of World War One, the United States had, in fact, become the industrial and financial world power number one; Europe, Germany above all, was crushed, heavily indebted and exhausted.)

An important issue remains to be alluded to, that is, *the possible link between Admiral Alfred Mahan's The Influence of Sea Power upon History (1890) which gave rise to the German Flottenprogramm and Docherty-Macgregor's (2017) Secret Elite which orchestrated the Einkreisung of Germany and the First World War.* In our view there is a very strong link: The Cecil Rhodes-Alfred Milner Secret Elite could never have acted effectively without the German Flottenprogramm going on. The building up of a German navy was supported by considerable and influential parts of the German Bourgeoisie to strengthen Germany's commercial position worldwide and, eventually, to get additional colonies, requiring a *Neuaufteilung des Kolonialbesitzes*, probably at the expense of the British Empire in the main. Given this, the Secret Elite could always present the Flottenprogramm as a deadly threat to the British Empire.

However, *Kaiser Wilhelm II*, in fact, the *Kaiser* of the strongly emerging industrial, commercial and financial bourgeoisie, was enthusiastic about the Flottenprogramm, and Admiral Alfred von Tirpitz forcefully promoted it. Consequently, Bismarck, who did not

want colonies, nor a navy, was dismissed disgracefully in 1890, which is very significant! And, as mentioned just before, a specific propaganda office, directed by *Ernst Levy von Halle*, was created to promote the *Flottenprogramm* (*Wikipedia, article on Alfred von Tirpitz*), which is also highly significant. In a way, *the navy was forced upon Germany*. Indeed, in a Bismarckian spirit, the traditional Prussian elite and, probably, the overwhelming majority of the German population did not see the need for a navy. They all knew that the British would never have dared to use their navy to attack helpless German commercial ships. And by paying an appropriate price, Germany could have obtained all the raw materials she needed, making use of the rivalry of the Russians, the British and the French, the same powers which participated in her *Einkreisung*! Almost certainly, Bismarck would have plaid this game, and this without any fear: *ein Wal kann einen Elephanten nicht besiegen*. Hence had Bismarck's political doctrine prevailed after 1890, the First World War would, in all likelihood, never have taken place. Moreover, as is very likely, Germany would have remained victorious in a War against partial coalitions, France and Russia for example. And the French and the Russians knew this as did Cecil Rhodes and Alfred Milner as well as the members of the *Secret Elite* they had created and led. *Hence the absolute necessity to bring about the encirclement of Germany*, with the United States remaining in the background, ready to intervene if necessary. And the necessity arose in April 1917.

The conclusion is largely evident: Without the *largely unnecessary Flottenprogramm* Docherty-Macgregor's (2017) *Secret Elite* could never have done their sinister work. Given this, one may ask the question whether Alfred Mahan's book was deliberately published in 1890. Probably the answer is yes. Indeed, after having obtained a strong position in Japan and China from 1853 to 1890, time was ripe for the United States to turn to Europe to get world domination, in order to bless the entire world with freedom and democracy, cunningly hiding the striving for economic and financial domination worldwide.

[Otto von Bismarck and Jean-Rodolphe von Salis set forth some important complements and implications of the link between Alfred Mahan's book and Docherty-Macgregor's (2017) *Secret Elite*. These are presented in three digressions.]

[Digression I: In his *Gedanken und Erinnerungen, zweiter Band* (Bismarck 1898), Otto von Bismarck mentions his *cauchemar des coalitions*: "Graf Schuwalow hatte vollkommen Recht, wenn er mir sagte, dass mir der Gedanke an Koalitionen böse Träume verursache. Wir hatten gegen zwei der europäischen Grossmächte siegreiche Kriege geführt [Österreich und

Frankreich]; es kam darauf an, wenigstens einen der beiden mächtigen Gegner, die wir im Felde bekämpft hatten, der Versuchung zu entziehen, die in Aussicht lag, im Bunde mit andern Revanche nehmen zu können. Dass Frankreich das nicht sein konnte, lag für jeden Kenner der Geschichte und der gallischen Nationalität auf der Hand, und wenn ein geheimer Vertrag von Reichstadt [zwischen Österreich und Russland] ohne unsre Zustimmung und unser Wissen möglich war, so war auch die alte Kaunitzsche Koalition [aus dem Siebenjährigen Krieg 1756-63] von Frankreich, Oestreich, Russland nicht unmöglich ...” (Bismarck 1898, Band II, p. 233).

Given, then, the fact that everything was possible regarding coalitions against the new German Empire, Bismarck rightly aimed at keeping the only ally of the Seven Years War, the British Empire to wit, out of an eventual anti-German coalition. However, a treaty with England would have been useless in the long run, “da die englische [demokratische] Verfassung Bündnisse von gesicherter Dauer nicht zulässt” (Bismarck 1898, zweiter Band, p. 234): Indeed, in a democracy, formal power may change because of elections and, as *Alexis de Tocqueville* realised, one does not know where the *real* power centre is located, which would probably be of some *big business-cum-finance type*. Since alliances with England where of no permanent use, *concrete action* was required to prevent England from joining a large - Kaunitz-type - coalition against Germany. This meant *no navy and no colonies*. Once again, the fatal mistake of setting up the German *Flottenprogramm* from 1890 onwards glaringly emerges. As suggested above, this enabled Docherty-Macgregor’s *Secret Elite* to take up their sinister work of preparing *Einkreisung* of Germany in view of setting off the First World War aiming at the destruction of the Bismarck Empire.

However, one should bear in mind that Admiral Mahan with his *Sea Power and World History* set off the *navy hysteria* in Europe in general and in Germany in particular as Jean-Rodolphe von Salis convincingly argues in his masterly chapter 20 in the first volume of his *Weltgeschichte der Neuesten Zeit: Deutsch-englische Bündnisgespräche und die Flottenfrage* (pp. 524-54).

Given this, a tacit German-English understanding was difficult because, on account of the *Flottenprogramm*, the growing maritime strength of Germany threatened the English commercial position and the British colonial possessions since Germany would eventually ask for a *Neuaufteilung des Kolonialbesitzes*. Similarly, a German-Russian alliance would have its limits because of Panslawism and due to differing maritime interests in the Baltic Sea and, eventually, concerning the Bosphorus; moreover, to take possession of Constantinople, the religious capital of Orthodoxy, was an old Russian dream. This dream could have become

reality in case of a victory of a great anti-German coalition over Germany, since the Ottoman Empire was an ally of Germany and, as such, had to be destroyed, too. Indeed, *Constantinople* was an important card in the hands of the *Secret Elite* led by Alfred Milner to convince Russia to participate in the *Einkreisung* of Germany (Docherty-Macgregor 2017; orig. 2013).

However, given British-Russian antagonism, Germany opted for a *policy of independence*, playing off England against Russia and vice versa. On this kind of policy *Kaiser Wilhelm II* remarked, very naively indeed: “Durch ein uns freundlich gesinntes England behalten wir eine Karte mehr gegen Russland in der Hand und haben daneben die Aussicht, von England koloniale und Handelsvertragsvorteile zu erringen. [This is simply wishful thinking!]” (quoted in *von Salis* 1951ff., vol. I, p. 529). At this stage, *von Salis* quotes the historian Friedrich Meinecke, who, very realistically, remarked that *a policy of independence would have been possible permanently only if Germany strongly limited her worldwide ambitions, as Bismarck had done* (*von Salis* 1951ff., vol. I, p. 529). Now, the German *Flottenprogramm* implied an unlimited striving for commercial power. Given this, Bismarck’s *cauchemar* became reality: all the great powers, that is, the British Empire, the Russian Empire, France and the United States - at first hiding in the background – came together against Germany. *Indeed, as Bismarck had realised, Germany was so strong that she could be held in check only by a coalition of all the other great powers.* This happened twice, in the First World War and in the Second World War.

Now, why was the *Flottenprogramm* adopted? “Tirpitz wollte aus den Deutschen ein seefahrendes, ein maritimes Volk machen. Während die mit Unmut auf die Wandlung Deutschlands zum Industrie- und Handelsstaat blickenden, am Agrarstandpunkt des alten Preussens festhaltenden ostelbischen Konservativen und auch die bayrischen Katholiken die “Flottenliebhaberei” der Berliner Machthaber mit scheelen Augen betrachteten, fand Tirpitz die Unterstützung der Nationalliberalen, der hanseatischen Kaufleute und der rheinisch-westfälischen Industrie, insbesondere der Firma Krupp, da der Schwer- und Rüstungsindustrie selbstverständlich verlockende Gewinne aus den Bestellungen des Reichsmarineamtes winkten. Man kann sich fragen, ob der “Ausbruch des Flottenwahns” (W.J. Langer) – keineswegs nur in Deutschland – einen so allgemeinen und epidemischen Charakter angenommen hätte, wenn er nicht von gewaltigen Wirtschaftsinteressen, die die Propaganda finanzierten und über einflussreiche Presseorgane verfügten, mächtig angekurbelt und in Schwung gehalten worden wäre” (*von Salis* 1951ff., vol. I, pp. 549-50). This clearly suggests that Monopoly-Finance Capitalism is a highly unstable and very dangerous system, an idea elaborated by a very great number of critical political economists, which also underlies the

present essay.

By adopting the *Flottenprogramm*, Germany definitely moved from the *internal* to the *external* development and employment mechanism; for a very short presentation of the two mechanisms see Bortis (2018, pp. 424-34, and 2019b). Both mechanisms rely on the classical-Keynesian idea that economic activity is, in principle, and thus *permanently* governed by effective demand; this is one central idea underlying Bortis (1997). With the internal mechanism effective demand is governed by government expenditures and the private demand for consumption goods, depending upon the spending power of the population, enhanced, in turn, by an equitable distribution of incomes. The internal employment and development mechanism is, potentially, associated with peace and prosperity.

The external mechanism, however, relies upon the largest possible exports, and eventually on an (informal) limitation of imports, whereby the export of high quality, labour intensive goods and services very strongly enhances the creation of new work places. However, since effective demand is limited worldwide, the struggle for market shares for final goods is merciless to the highest degree. The external mechanism is therefore associated with economic and political conflicts and, frequently, with wars. Indeed, throughout history the struggle for market shares is at the origin of most terrifying wars: The Peloponnesian War, the Punic Wars, the colonial and imperialist wars from the 16th century onwards, culminating in the terrifying two World Wars in the first half of the 20th century.

However, it is impossible to apply the peaceful internal development and employment mechanism in a globalised economy with free movements of capital as well as goods and services, even less in large free trade areas with a common currency, the European Union being a prominent example. Indeed, everything has to be done to remain competitive on the world level: efficiency wages, taxes and government expenditures should not be too high; if generalised, this leads to a stagnation or even a reduction of world effective demand; consequently, involuntary unemployment increases which, in turn, implies a pressure on wages on a world level. A vicious circle of cumulative causation of disequilibria - rising inequalities and lower taxes and government expenditures produce increasing unemployment worldwide, and vice versa - comes into being (Friedrich List, Nicholas Kaldor and Gunnar Myrdal).

To implement the internal mechanism a *supranational* currency, Keynes's Bancor, is required, together with institutional provisions to bring about, broadly, a long-period equilibrium in the balance of current account; moreover, each country should have a currency of its own. This would enable each country to pursue permanent incomes and employment

policies (Keynes 1980 / 1940-1944; Bortis 1997, pp. 190-98, 319-43, Bortis 2018, pp. 424-34) and Bortis 2019b.]

[What was the political-philosophical background of adopting the Flottenprogramm? Once again, Jean-Rodolphe von Salis provides a masterly analysis.

Digression II: “Tirpitz konnte ... täglich von seinen Kollegen im Auswärtigen Amt hören, dass der Gegensatz zwischen England und Russland unüberbrückbar sei und dass deshalb auch das mit Russland verbündete Frankreich sich nicht an England binden könne [zudem bestanden zwischen England und Frankreich auch Gegensätze, vor allem auf kolonialer Ebene, H.B!]. Allein der berühmte Admiral (nachmals Grossadmiral) ist ein typisches Beispiel für das, was Bismarck in seinen “Gedanken und Erinnerungen” den “Ressortpartriotismus” der Fachmininster nennt, eine Haltung, die alle Dinge nur aus dem Gesichtswinkel eines beschränkten Aufgabenkreises, einer Spezialität und daher einer Teilwahrheit beurteilt und infolgedessen den Sinn für die anderen Faktoren der Politik vermissen lässt. Tirpitz gleicht einem Schachspieler, der durch sein ganzes Spiel immer die gleiche Idee verfolgt – und daher dem Partner die Wahl der Gegenzüge erleichtert, bis dieser ihn schachmatt setzt. Bismarck meinte allerdings, es sei die Sache des Reichskanzlers oder Ministerpräsidenten, gegenüber diesem Ressortpatriotismus seiner Mitarbeiter die höheren Staatsinteressen wahrzunehmen. Weder der greise Hohenlohe noch der ihm im Jahre 1900 nachfolgende Graf (nachmals Fürst) Bülow waren dieser Aufgabe gewachsen” (von Salis 1951 ff, Band I, Seite 554).

Hier trifft partielles und formallogisches Denken (Descartes und Kant) auf ganzheitliches Denken, gründend auf Intuition und abzielend auf Verstehen (Aristoteles und Keynes); für Keynes sind die auf dem Verstehen von komplexen Phänomenen beruhenden Schlussfolgerungen mehr oder weniger plausibel und damit nur bis zu einem bestimmten Grade gewiss (certain). Bismarck war kein studierter Philosoph, sondern ganz einfach ein Bauer mit einem hochentwickelten gesunden Menschenverstand, dem der Philosoph Keynes eine besondere Bedeutung beigemessen hat. In diesem Sinne ist aber jeder gute Handwerker und Bauer ein Philosoph, der nach dem Wesentlichen strebt und damit materiale Logik – bestmögliche Übereinstimmung von Denken und Sein – über die formale Logik – logische Konsistenz - stellt. *Formale Logik ist eine Pflicht, materiale Logik eine Tugend*, schrieb der grosse englische Historiker E. H. Carr. Tirpitz war äusserst pflichtbewusst und glaubte mit seinem Flottenprogramm Deutschland auf die Höhe Englands zu bringen, *ohne England angreifen zu wollen*, Bismarck strebte nach dem *Gemeinwohl* Deutschlands, immer vor dem

Hintergrund des schrecklichen Dreissigjährigen Krieges, dem Überlebenskampf im Siebenjährigen Kriege und der Demütigung in den Napoleonischen Kriegen, immer auch im Bewusstsein der gewaltigen Stärke seines Reiches, die eine starke Mässigung erforderte: *Keine Flotte, keine Kolonien*, aber auch ohne jegliche Furcht vor dem Britischen Imperium: *Ein Wal kann einen Elephanten nicht besiegen.*]

[Jean-Rodolphe von Salis also provides a masterly sketch of the ideological foundations underlying, largely implicitly though, Alfred Mahan's *Sea Power and World History* (digression III): "In den 1890er Jahren begann allenthalben die Flottenfrage die Geister zu beschäftigen, die politischen und die Wirtschaftskreise in Bewegung zu setzen. Es hatte immer Flotten gegeben, aber neu war der sogenannte "Navalismus", eine Doktrin, die die Lehren der Geschichte verband mit einer Lehre von den Wechselbeziehungen zwischen dem geographischen Faktor, der Ausbreitung des Handels, der Sicherung der Seewege, der Erwerbung von Stützpunkten und Kolonien, und die als eine allgemeine geschichtliche Wahrheit die Überlegenheit von Seemacht über Landmacht, von seefahrenden Nationen über reine Landnationen verkündete. Geographischer Determinismus verband sich hier mit ebenfalls deterministisch aufgefasster Völkerpsychologie: die Gestalt der Erde und der Nationalcharakter schrieben den Völkern das Handeln vor. Die Doktoren des Navalismus segelten auf Strömungen, die sich von Hegel und von Darwin, von der dialektischen Geschichtsphilosophie und vom biologischen Evolutionismus herleiteten. Da sie lehrten, dass die tüchtigere Rasse und die kräftigere Species im Lebenskampf siege, und dass zu diesem Siege neben starken, von der gesamten Volkskraft getragenen Landheeren leistungsfähige Flotten nötig seien, die die Flagge vorantragen, den Handel auf den weiten Meeren schützen und dazu beitragen müssten, die Kultur und Zivilisation der überlegenen weissen Rasse über die Welt zu verbreiten und sie vor dem drohenden Ansturm der farbigen Barbaren zu schützen, boten sie dem imperialistischen Ausbreitungstrieb und den mit der Aufteilung der Welt eifrig beschäftigten Kolonial- und Handelsmächten eine anscheinend wissenschaftlich begründete Theorie oder Ideologie an, die verführerisch genug und den drängenden politischen und wirtschaftlichen Bedürfnissen erstaunlich gut angepasst war. Weder der Kolonialismus noch der Militarismus in seinen beiden Formen, der Land- und Flottenmacht, brauchten dem modernen Menschen, der sich etwas auf seinen Liberalismus und seine Humanität zugute tat, moralische Anfechtungen zu bereiten, denn gerade in der Erfüllung seiner höheren nationalstaatlichen, rassischen und zivilisatorischen Ziele, die die Eroberung der Welt und die wirtschaftliche Nutzbarmachung der von den untüchtigen Rassen

vernachlässigten Kontinente und Inselgruppen erforderte, lag der Sinn der geschichtlichen Entwicklung und die richtig verstandene Ethik des politischen Handelns” (von Salis 1951 ff, volume I, p. 540).

This crucially important passage calls for some remarks. First, this passage implies the existence of two fundamentally opposed types of political action, that is, Politics based on Ethics and Politics grounded on Power. Evidently, Navalist politics is power politics in the Roman and Machiavellian sense, which through *Anglo-Saxon Secret Elite* led to the first World War (Docherty-Macgregor 2017 / 2013). German politics, however, was essentially of an ethical nature, Bismarck's *Sozialversicherungssystem* representing important evidence (significantly, the motto of King Frederick the Great: *The King is the first servant of his people* also points to the ethical foundation of Prussian-German politics, which also prevailed in the Austrian-Hungarian Monarchy). Moreover, many members of the German Historical School, most importantly the leader of the School, Gustav Schmoller, forcefully argued that economic and social policies had to be based on ethical foundations. At present, by far the most important system of social ethics (Sozialethik) is given by the *Social Doctrine of the Catholic Church*, which culminates in the notion of the *Common Good (Gemeinwohl)*. However, as Aristotle had perceived clearly, ethics requires knowledge, above all, if the object considered is complex as is the case with modern economies and societies. Given this, it is presently of the utmost importance to elaborate a *Political Economy of the Common Good*, grounded on Keynesian and classical elements of economic theory; for preparatory contributions to Classical-Keynesian political economy see Bortis (1997), (2003a), (2013a), (2015), (2016) and (2019b).

Second, it is of some interest to note that a national socialist economist and historian Giselher Wirsing held a thesis totally opposed to Admiral Mahan's: Land power is decisive, not sea power. Indeed, it would seem that the Nazis had argued that the British and the German Navies only played a minor role in the First World War. What is interesting is the title of a book by Wirsing: *Der masslose Kontinent - Roosevelts Kampf um die Weltherrschaft*. It is probable – in Keynes's sense – that the Nazis also fought for some kind of world domination, presumably the world as a community of peoples (*Völkergemeinschaft*) led by Germany.

Given this, the ideology underlying both the Anglo-Saxon and the Nazi-German ruling elite (the Docherty-Macgregor *Secret Elite* and the elite around Roosevelt-Morgenthau on the one hand, the inner circle of the Nazi Party on the other) was, in fact, essentially the same as that of the Navalists pictured by von Salis in this digression (III). The Nazis acted openly, with German thoroughness and ruthlessly, on the basis of an extreme biological Social Darwinism

which had developed in the course of the merciless First World War; this terrifying War, in fact, forged a new type of Man, characterized by iron will and utmost determination; one of these new men was Adolf Hitler. However, the Anglo-Saxon power elites did their work seemingly softly and hidden in the underground on the basis of a self-evident biological Social Darwinism (see on this Docherty-Macgregor 2017 / 2013 and Tansill 1952 and 2001; american original 1939).

Given this, it is not surprising that Racism, as is associated to biological Social Darwinism and linked up with Alfred Mahan's Navalism, also had legal consequences. Indeed, biological Social Darwinism implies that in the course of evolution some races have reached a higher level of human development in some historical epoch while others have remained backward. Given this, the superior races, quite naturally, want to preserve their superior position; now, biological Social Darwinism requires that the more advanced race should not mix up with inferior races in order to preserve and to strengthen its superiority which is considered favourable to economic and cultural development. This inevitably leads to a separation of dominating and inferior races, which, in a "modern" society has to be legally regulated as was the case in Nazi Germany after 1933. However, and this is not well known, racial laws were by no means elaborated first in Nazi Germany. In fact, it was in the United States where the first racial laws were set up, which, subsequently, inspired the Nazis. This rather disturbing thesis is presented in an excellent recent book by the eminent *US Professor of Comparative and International Law and of the History of Law*, James Q. Whitman (Yale University): *Hitlers Amerikanisches Vorbild – Wie die USA die Rassengesetze der Nationalsozialisten inspirierten*; american original: *Hitler's American Model - The United States and the Making of Nazi Race Law*.

(It is of the utmost importance to note that all this is not a critique of the German, English or American people, but refers to very small power and intellectual elites only – here the immense social responsibility of writers like Arthur de Gobineau and Houston Stewart Chamberlin who both attempted to establish the superiority of the Aryan Race on the basis of Social Darwinism, clearly emerges. In any case, in this context of Social Darwinism, the fundamental importance of the Catholic doctrine, stating that all human beings and peoples of all epochs are equal before God, once again forcefully arises.)

One crucially important factor why power politics in the Roman and Machiavellian sense produces, as a rule, disastrous results is that modern montary production economies are not

self-regulating, even in principle, that is, in ideal conditions (Harcourt 1972, Bortis 1997, 281-93). This implies that effective demand is governing economic activity to produce massive involuntary unemployment on the world level; this leads on to a struggle for market shares of final goods and services and to secure the access to vitally important raw materials required in the process of production by the great players of the various capitalist economies.

In this essay we argue that a Second Great Transformation is required, transforming neoliberal Monopoly-Finance-Capitalism into *Social Liberal* societies where the economy provides the *material means* to realise the *Common Good* in all countries, implying the prospering of *all* social individuals worldwide. This would also imply a shift from Power as the dominating force in our societies to the comprehensive rule of Ethics as is implied in the best possible realisation of the Common Good.]

Ideological prejudice, but also deliberate lying and twisting has led to a completely distorted picture of Germany. In fact, Germany, in the tradition of the *Holy Roman Empire of German Nation*, and, above all, since the terrifying *Thirty Year's War* has always been in quest for peace. This also holds for the twentieth century. Indeed, as is argued in this essay, Germany has been driven into the *First World War* as well as into the *Second World War* – Hitler and the Nazis never wanted another great war.

The great warrior nations are, in fact, Bismarck's *Eroberernationen*: England, France, and the United States. Russia is deliberately excluded here because Russia has always been a country prone to invasion and could survive only through stabilising the military situation of the immense Eurasian plain. Russia has, in fact, never attacked, except for defensive purposes, but had always to react against most ferocious attacks, from the Mongols to the Nazis; since the Second World War the Western countries led by the United States have incessantly bullied the Soviet Union, who, finally, was deliberately destroyed, and, subsequently, Russia; indeed, while the greatest humanitarian catastrophe in peace times was going on in the 1990s and Russia was weak and helpless, Western Imperialism by means of the NATO mercilessly moved eastwards. Incidentally, the same holds for China who has always been the object of outside attacks, from the Mongols to the Western powers, the British in the first place, in the 19th century, and, subsequently, by the Japanese in the 20th century. In a similar way, this also holds for India. On these great countries of peace, Germany, Russia and, very importantly, China and India, possibly to be joined by some of the former *Eroberernationen*, lies the hope for the creation of a social liberal world of peace and prosperity! It has been emphasised in this essay, that the first step in this direction is given by the creation of a

supranational currency, Keynes's *Bancor* to wit, which would enable the implementation of the internal employment and development mechanism in each country of the world; for a presentation of the necessity to implementing the *Bancor system*, see Keynes (1980/1940-44) on the *Bancor* and the *Clearing Union* and, for a very short presentation of the necessity of the *Bancor*, Bortis (2018, pp. 424-34, and 2019b).

[Digression on the Balfour declaration:

Before we start, let us state once again that the following is not a critique of the peoples involved, that is, the American, British, French and Jewish people. Critique is directed against very small, but immensely powerful Anglo-Saxon, French and Zionist power elites who countered the justified aspirations of the Arabs for self-determination and, simultaneously, aimed at the destruction of the German Empire which went on in two steps, that is, after the First World War and after the Second World War. Germany was literally smashed into pieces (Eibl 1951, p. 10), the final result being that a great and ancient Kulturnation, having her roots in the Carolingian Empire, was transformed into a very important industrial and commercial nation under American tutelage, and, simultaneously, Europe became a junior partner of the United States. The power elites in question worked exclusively for their respective national interests and the interest of monopoly-finance capitalism in their own countries as well as of monopoly-finance capitalism in general; in fact, the actions of the power elites in question consisted in pure power politics, accompanied by money-making.

In this digression, a very important problem is to be dealt with, that is, the possible link between the **destruction of the German Empire** envisaged by Docherty-Macgregor's *Secret Elite* and the **setting up of an Israeli state in Palestine**. The starting point is of course the Balfour declaration of November 2, 1917, significantly addressed to Lord Walter Rothschild, a Leader in the British Zionist Federation, who was supposed to "bring this declaration to the knowledge of the Zionist Federation" (Wikipedia, entry *Balfour-Deklaration*, p. 1).

The fact that Arthur Balfour was an *eminent* member of Docherty-Macgregor's *Secret Elite* is very significant. Indeed, through the Balfour declaration, the link between the **projected total destruction of the German Empire**, ultimately through the implementation of the Morgenthau Plan, and the **setting up of an Israeli state in Palestine** already begins to

emerge. This points to the fact that both projects were probably parts of the same great undertaking: bring about **Anglo-Saxon-Zionist world domination**. The fact that, following up the Morgenthau Plan 1944-45, from 1949 onwards, and, definitively after 1990, Germany was subdued by Anglo-Saxon-Zionist power, the destruction of the Soviet Union around 1990 and the eastward expansion of NATO aimed at completing the world-domination project. Presently (June / July 2019), the still attempted American / Israeli world domination shows up most forcefully in the political and military actions of Trump, Kushner and Netanyahu against the Palestinians and Iran.

In the first place we have to consider

the coming into being of the Balfour declaration

which envisages “the establishment in Palestine of a national home for the Jewish people” (Wikipedia, Balfour-Deklaration, p. 1). The starting point of our considerations is the end of the year 1916 when President Woodrow Wilson was reelected: “Im November 1916 hatte ihn [Wilson] das amerikanische Volk von neuem zu seinem Präsidenten gewählt, nachdem er seinen *Wahlkampf*, was sein aussenpolitisches Programm betrifft, *mit der Beibehaltung der Neutralität der USA bestritten hatte*. Es war den fremden Diplomaten in Washington nicht verborgen geblieben, dass der Präsident den kriegführenden Parteien einen Friedens- und Vermittlungsvorschlag zu machen beabsichtigte” (von Salis 1951ff, Zweiter Band, p. 617, our emphasis). However, Germany anticipated the American move: “In Deutschland fürchteten die Militär- und Marinekreise, eine längere Verhandlung über ein amerikanisches Vermittlungsangebot könnte die von ihnen gewünschten Massnahmen zur Entfesselung des unbeschränkten U-Boot-Krieges unliebsam verzögern. [Indeed, the unrestricted U-Boat War was an *absolute* necessity for Germany because of the terrifying effects of the blockade by the superior English Navy.] Ausserdem bot der Sieg der Mittelmächte in Rumänien ihnen eine günstige Gelegenheit, um selbst ein Friedensangebot zu machen; denn nun konnten sie als Sieger sprechen und mit ihrer Initiative Wilson zuvorkommen” (von Salis 1951ff, Zweiter Band, p. 617). [On the other hand, the Entente powers were war-weary, above all France, because of Verdun, and Russia, because of the terrible sacrifices incurred due to insufficient armament and amunition.] “Am 12. Dezember 1916 ruft das Friedensangebot der ‘vier verbündeten Mächte’ [Mittelmächte] an die Entente in der Welt die grösste Überraschung und Sensation hervor. Es enthält *keine Bedingungen* [our emphasis], keine konkreten Vorschläge, kein politisches Programm, und Bethmann hofft, dass schon auf Rücksicht auf Amerika die feindliche Koalition die angebotene Hand nicht von vorneherein zurückweisen und wenigstens auf eine Diskussion über die Eröffnung von Verhandlungen eintreten werde. Es

kam anders. Nacheinander lehnten Sonnino für Italien, Lloyd George für England, Briand für Frankreich in öffentlichen, *in kategorischen und entrüsteten Ausdrücken abgefassten Erklärungen* den deutschen Friedensschritt ab” (von Salis 1951ff, Zweiter Band, p. 617-18, our emphasis). This is understandable for Italy and France who both had important territorial claims towards Austria-Hungary and Germany respectively. However, England incurred a considerable risk in rejecting the German proposition: The Central Powers were in a relatively strong position towards a war-weary Entente and England would inevitably lose her Empire if Germany won the War, which constituted a serious possibility at the time. **Indeed, the War was on the razor’s edge: U-Boats constituted an entirely new weapon, which would have largely reduced England to helplessness regarding maritime warfare; given this, an unrestricted U-Boat-War would have been disastrous for England without US intervention.** *Yet, Lloyd George, an eminent member of Docherty/Macgregor’s secret elite, was absolutely sure that the United States would enter the War if the necessity arose. Hence his categorical rejection of the German peace proposition.*

Now, the United States entered the First World War at the beginning of April 1917 on the grounds that Germany had started an unrestricted U-Boat War. President Wilson found this inhuman. “[Aber er bedachte nicht,] dass die Deutschen die britische Hungerblockade, der sie unterworfen waren, als ebenso unmenschlich empfanden und am eigenen Leibe spürten” (von Salis 1951ff, Zweiter Band, p. 627). Indeed, given the British hunger blockade against Germany and the superiority of the British Navy, the unrestricted U-Boat war was the only possibility for Germany to have a chance of winning the war as, for instance, Erich Ludendorff realised. Hence it is not appropriate to say that Germany lost the War because the military point of view dominated the political viewpoint. In fact, the entry of the US into the War had much more fundamental reasons. First, the U-Boat War gravely hampered US exports: “Die deutsche Blockade traf den amerikanischen Aussenhandel schwer, von dem drei Fünftel von den Entente-Ländern abgenommen wurden” (von Salis 1951ff, Zweiter Band, p. 627). Hence American workplaces depended upon the exports to the Entente countries; given these exports, the US industry was able to realise huge profits. Second, and very importantly: “Die amerikanischen Grossbanken, unter der Führung des Hauses Morgan, hatten England und Frankreich bedeutende Anleihen gewährt, mit denen sie amerikanische Kriegslieferungen bezahlen konnten” (von Salis 1951ff, Zweiter Band, p. 627). Here we have it: The United States were not neutral, hence the unrestricted U-Boat War was fully justified. But even more: The US entered the War because in case of a German victory these credits would not have been repaid; this added to the fact that an unrestricted U-Boat War would reduce American

exports to the Entente countries and hence reduce the profits of US industry!

Second, and most importantly however, Docherty/Macgregor's Secret Elite wanted the German defeat at any price, and the Entente victory could only be made sure through the entry of the United States into the War; this happened at the beginning of April 1917. Given this, the aim of the Secret Elite was now not only British, but Anglo-Saxon world domination. But was the ultimate aim Anglo-Saxon-Zionist world domination? As is very likely, the answer to this question must be *yes*, because at the beginning of November 1917, the Balfour Declaration was established. This, in turn, suggests that the Zionist movement in general, and Zionist members of the Secret Elite in particular, very strongly advocated the entry of the United States into the War; presumably, a press campaign to prepare US public opinion for war, was most important, given the fact the President Wilson was reelected on the basis of his promise that the United States would remain neutral in the sense that no military action would be taken against Germany. Obviously, the English were extremely happy about this and replied positively to the Zionist demand for "the establishment in Palestine of a national home for the Jewish people." Thus, on the one hand, the *Balfour Declaration* was the reward for the Zionist contribution to bring about the US entry into the War; on the other hand, Zionists had to be attracted and to be integrated tightly into the world domination project, because Jewish financial and economic power as well as the international, in fact, worldwide connections of the Jews, more appropriately the Zionists, were absolutely necessary to ensure the success of the world domination project.

The first step in this project was, obviously, to defeat Germany in the First World War and, subsequently, to humiliate her and to keep her in a strangle-hold through huge reparation payments. In 1933, when Hitler was brought into power, the strangle-hold was given up to drive Germany into the terrifying war against Stalin's Soviet Union, to stab her in the back in late summer 1941 when President Roosevelt and his closest adviser Henry Morgenthau II, perfidiously, ordered military actions against her *without* declaration of War and to destroy her definitely through implementing the Morgenthau plan. As Ralf Georg Reuth observed, **the factual entry into the Second World War of the United States, *without* declaration of War, in late summer 1941, at a moment when it was evident that the Soviet Union could not be crushed by a *Blitzkrieg*, set off the Holocaust** (Reuth 2009, pp. 299 – 314, specifically p. 308); it is highly likely that Reuth's proposition is true.

At this stage, a crucial question arises: When did the informed Germans (German intelligence, diplomats, politicians, high-ranking officers, and others) learn about the Balfour Declaration and the possible implications of this declaration. Probably, this was the case at the latest when

the Versailles Conference was taking place. Knowledge about the Balfour Declaration and its implications might have been at the beginning of the extremely violent anti-Semitism that started in Germany in the early twenties, an anti-Semitism reinforced by the huge transfers of wealth to German Jews and to foreigners, including Jews living abroad, during the Great Inflation 1922-23 (Guttmann / Meehan 1975), and to the subsequent economic, social and political power **exercised** in Germany by some Jews after the First World War (Keynes 1972 / 1926, Collected Works, vol. X, pp. 383-84).

Two final considerations have to be made. The first is about the Fritz-Fischer-Thesis which is entirely mistaken as has already been argued in the above. In fact, the German peace proposal of December 12, 1916, was unconditional, and no territorial claims were made. Moreover, Bismarck has always stated, that Germany was saturated and this reasonable statement had firmly entered the minds of the German ruling class; *given this, no territorial claims have been made **before** the War*, except by some right-wingers, the *Vaterlandspartei* for example. The territorial claims made during the War, were perhaps made to get new war credits and to satisfy right-wing elements.

The second final remark to be made here starts from a letter by the German Historian Friedrich Meinecke to a friend in late September 1918, quoted in Gordon A. Craig's *Deutsche Geschichte* (Craig 1982, p. 345):

Ein furchtbares, düsteres Dasein wartet unser unter allen Umständen! Und so sehr mein Hass gegen die Raubtiernatur der Gegner fortlodert, ebenso heiss ist auch mein Zorn und meine Empörung über die deutschen Gewaltpolitiker, die uns durch ihre Überhebung und ihre Dummheit in diesen Abgrund gerissen haben. Wir hätten im Laufe des Krieges wiederholt den Verständigungsfrieden haben können, wenn nicht die masslosen Ansprüche des alldeutsch-militaristisch-konservativen Konzerns ihn unmöglich gemacht hätten. Es ist furchtbar und tragisch, dass dieser Konzern erst durch die Niederlage des ganzen Staates gebrochen werden konnte.

Here the great Meinecke is almost entirely wrong, but one may understand him: He was a German patriot and, above all, he did not and could not know what went on behind the scenes. Indeed, nobody in Germany could know that, on account of the Anglo-Saxon-Zionist Elite, the First World War was lost already at the beginning of August 1914, and very few felt that the Second World War was already lost on September 1, 1939, among them Generals Werner von Fritsch and Kurt von Hammerstein.

To be sure, Meinecke has got a point, when he thinks that *Kaiser Wilhelm II* committed mistakes simply through speaking too much and being arrogant at times as were some of his close associates, in particular some great capitalists (*einige Grosskapitalisten*) and some outspoken nationalists. On the whole, however, Meinecke does not take into account a famous maxim according to which probably most Prussians lived: *Mehr sein als scheinen*, and he ignored the fact that *modesty* is a fundamental characteristic of true Catholics, also of German Catholics. Moreover, the *Flottenprogramm* was certainly a fatal mistake. But here Monopoly-Finance Capitalism prevailing in all industrialised countries bears a heavy responsibility. In fact, through the *Flottenprogramm* Germany was drawn into the merciless capitalist struggle for final product markets, limited by effective demand; moreover, the supply of raw materials and energy products had to be ensured. Because of limited world effective demand, this inevitably produces conflicts and even wars between capitalist countries; moreover, due to economies of scale and differences in technological dynamism, international free trade brings about huge inequalities in income distribution and immense differences in income levels; in fact, there is a cumulative causation of inequalities and disequilibria (for a short presentation of these issues see Bortis 2019b).

[*Digression:* In this context it is very important to bear in mind that it is precisely through the conflict- and war-ridden external development mechanism that Germany, Switzerland and Japan have achieved very high output and employment levels *after* the Second World War. Germany even became *Exportweltmeister!* However, since the market does not produce a permanent tendency towards full employment and effective demand limits economic activity worldwide, not every country can develop through exporting more. There are necessarily a few winners and many losers. And presently, the basic antagonism is no longer between the Anglo-Saxons and Germany, but between the United States and China! Moreover, in Europe the antagonism is between Germany and the rest of Europe (Margaret Thatcher once remarked that the Euro would not bring about the integration of Germany into Europe, but, on the contrary, Europe would be integrated into Germany)!

These are consequences of the argument set out in Bortis 2019b.]

Concerning the conditions and the conduct of the First World War, the politicians of all belligerent countries tried to do the best for their respective countries. Moreover, as is evident from all accounts, the soldiers of all ranks and of all armies engaged in World War One fought with the greatest bravery, almost always under terrible conditions; to be sure, some

officers committed heavy mistakes, but this is normal in a terrifying war, when important decisions have to be taken in a very short time and situations are complex and difficult to evaluate.

However, one must admit that the military performance of the German Army was simply outstanding, given Germany's central position in Greater Europe, surrounded by her enemies, including invisible intrigue. Like no other, Otto von Bismarck was conscious of the importance of this geographical fact as emerges from a passage to be found in Jean-Rodolphe von Salis' grandiose *Weltgeschichte der Neuesten Zeit*: "Bismarck hat einmal die eingeklemmte Lage Deutschlands inmitten von Europa und die davon stillschweigend abzuleitende politische Lehre anschaulich ausgedrückt. Einem Kolonialbegeisterten, der ihm eine Karte von Afrika gebracht hatte, um den alten Staatsmann für die Kolonialpolitik einzunehmen, antwortete Bismarck: 'Ihre Karte von Afrika ist ja sehr schön, aber *meine* Karte von Afrika liegt in Europa. Hier liegt Russland, und hier liegt Frankreich, und wir sind in der Mitte, das ist meine Karte von Afrika.' Solche Weisheit mag hausbacken klingen, sie ist altpreuussisch gedacht und voll gesunden Menschenverstandes. Bismarcks Nachfolger hatten 'Weltpolitik' gemacht und nun war der Weltkrieg da. Zu Deutschlands Feinden gehörten jetzt ausser Frankreich und Russland auch Italien, England und Amerika. Bismarcks 'Karte von Afrika' hatte sich sehr verschlechtert, aber man war sogar 1917 in Deutschland noch weit davon entfernt, die politischen Folgerungen daraus zu ziehen" (von Salis 1951ff, Zweiter Band, p. 665). Jean-Rodolphe von Salis denkt hier an den unbeschränkten U-Boot-Krieg, der Deutschland ins Verderben gestürzt hätte. Und das ist falsch, und **Erich Ludendorff hatte recht**: *Nur die nackte Gewalt, also der unbeschränkte U-Boot-Krieg, konnte Deutschland 1917 noch retten*. Die Engländer hatten eine erdrückende Flottenüberlegenheit, gegen die Deutschland nichts ausrichten konnte. Und unter dem Schutz der englischen Kriegsflotte konnten die Amerikaner gigantische Mengen von Kriegsmaterial nach England und Frankreich schleusen, zudem konnte Deutschland ausgehungert werden und es konnte nicht mehr genügend Rohstoffe für die Kriegsführung sicherstellen (auch England wandte nackte Gewalt an!). Die *gewaltige* Verschuldung von England und Frankreich gegenüber amerikanischen Banken und gegenüber dem amerikanischen Staat waren das Spiegelbild der amerikanischen Güterlieferungen, vor allem Lieferungen von Kriegsmaterial, an England und Frankreich. Und diese Lieferungen von Kriegsmaterial brachten der amerikanischen Wirtschaft gigantische Profite ein. *Erich Ludendorff, der nicht mehr an einen Sieg zu Lande glaubte, hat klar gesehen, dass nur der unbeschränkte U-Boot-Krieg diesen Vorgängen ein Ende bereiten konnte. Aber gegenüber der vereinigten Macht der ganzen Welt hatte*

Deutschland nicht mehr die Kraft, um den Krieg noch zu seinen Gunsten wenden zu können. Zuviele von Meineckes Raubtieren griffen den nun müden Löwen an.

Given the above, the US declaration of war to Germany was based on an entirely unjust argument: England had the right to use naked power, Germany had not. In fact, the United States entered the war for two obvious reasons: first, to defend her economic and financial interests (workplaces, profits, to make sure the repayment of credits) and, second, Germany had to be defeated to realise the war aims of Docherty-Macgregor's Secret Elite, that is, Anglo-Saxon-Zionist world domination and the creation of an Israeli state in Palestine.

Of course, these were not the reasons put to the fore by US-American elite. In the opinion of this elite the semi-Asiatic German autocracy had ultimately to be transformed into a democracy and the harmony creating free market economy had to be introduced in Germany! The are indeed wide gaps between reality and ideology!

The calculations of Docherty/Macgregor's Anglo-Saxon-Zionist elite were correct: The entry of the United States into the War would *inevitably* ensure the victory of the Western powers. Given this, the power of too numerous strong enemies, compounded by intrigue and perfidy, overwhelmed Germany in 1918 ... and in 1945. The way was free for degrading that splendid Old Europe to a junior partner of the United States and for implementing the central point of the Balfour Declaration, that is, to create an Israeli (Zionist) state in Palestine. And the gate for Anglo-Saxon-Zionist world domination seemed wide open. And finally, an action of world historical importance by a single man, *Klaus Fuchs*, ultimately closed that door. *Wieder einmal hing der Gang der Weltgeschichte an einem seidenen Faden.*

Let us now, in a second step, consider

the content and the implications of the 1917 Balfour declaration,

the significance which directly emerges from the historical events that have occurred since. First of all, the fact that Lord Balfour addressed the declaration in the name of the British government to Lionel Walter Rothschild, a leading representative of Zionism in Great Britain, raises the suspicion that the Balfour declaration was elaborated by Docherty-Macgregor's *Secret Elite*, whose central aim was to destroy the German Empire. As is very likely, this aim was also linked with the project to create a Jewish state in Palestine. Indeed, a powerful German Empire with its strong links to the Ottoman Empire, the Arabs and the Islamic World in general would have rendered impossible to envisage the creation of a Jewish homeland.

Second, the Balfour declaration contains a very favourable attitude towards the creation of a Jewish state in Palestine and vague promises to preserve the civil and religious rights of non-

Jewish communities. The declaration reads as follows (Wikipedia, *Balfour-Deklaration*, p. 1):

I [Arthur Balfour] have much pleasure in conveying to you, on behalf of His Majesty's Government, the following declaration of sympathy with Jewish Zionist aspirations, which has been submitted to, and approved by, the Cabinet.

His Majesty's Government view with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object. It being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities, or the rights and political status enjoyed by Jews in any other country.

I should be grateful if you [Lord Rothschild] would bring this declaration to the knowledge of the Zionist Federation.

However, Great Britain and, to a lesser extent, France, played a double game with the Arabs, which is shortly and masterly set out in Blanc-Chagnollaude (2017, Partie 1: [Le Moyen-Orient,] un accouchement traumatique). On the one hand, the Arabs were led to expect self-determination ending up in the formation of a strong Arab state. The starting point for this undertaking was given by negotiations in 1915 between the British High Commissioner in Egypt, Henry MacMahon and Hussein bin Ali, Sharif of Mecca, direct descendant of the Prophet and Steward of the Holy Cities of Mecca and Medina. The aim was to bring about an Arab uprising against the Ottoman Empire, which was organised by a British Officer, Thomas Edward Lawrence (Lawrence of Arabia) and led by Hussein bin Ali's nephew Faysal. The uprising began in 1916. In the course of the negotiations between Henry MacMahon and the Sharif Hussein of Mecca, the boundaries of the Arab state were determined (see the map on p. 24 of Blanc-Chagnollaude, 2017): The Northern boundary would broadly coincide with the actual Turkish frontier, the Eastern frontier would follow the Persian boundary, in the South would be the Indian Ocean and in the West the Red Sea and the Mediterranean. The outstanding prestige of Sharif Hussein of Mecca could have given the new state a good start. Moreover, Wahhabism, an extremist branch of Islam, adopted by Saudi-Arabia in the 18th century, would have been restrained and, consequently, the future development of extremist Islamic movements like the Taliban, al Qaida, leading to an Islamic State, would have been largely prevented. And finally, Christian and Jewish minorities could have flourished in the Fertile Crescent area, which, in fact, broadly corresponds to the Biblical space.

However, simultaneously with the setting up of the uprising against the Ottomans, the Arabs

were betrayed. The Sykes-Picot-Agreement of May 16, 1916, divided the Northern Arab world in a completely unnatural West-East way (see the map on p. 15 of Blanc-Chagnollaude, 2017). “Alors que, dans ces accords, la Palestine est une zone internationale et que le vilayet de Mossoul relève du secteur français, tout bascule au cours d’un bref entretien à l’ambassade de France à Londres, début décembre 1918. Clemenceau: “De quoi devons-nous discuter?” Lloyd George: “De la Mésopotamie et de la Paléatine”. “Dites-moi ce que vous voulez?” dit Clemenceau. “Je veux Mossoul” rétorque le Premier ministre. “Vous l’aurez”, répond le Président du conseil. “Quoi d’autre”, ajoute-t-il? “Je veux aussi Jérusalem”, répond Lloyd George. “Vous l’aurez” dit Clemenceau ... Ces décisions auront une importance capitale pour le destin des peuples de ces territoires. *En Paléatine, Londres va pouvoir mettre en oeuvre la promesse faite au mouvement sioniste par Lord Balfour, en novembre 1917, d’y construire un Foyer national juif* [our emphasis; here it is crucially important to note that both Arthur Balfour and Lloyd George were eminent members of Docherty-Macgregor’s *Secret Elite*.] A Mossoul, riche en pétrole, les Kurdes de ce vilayet vont se retrouver, quelques années plus tard, dans le nouvel Etat irakien” [Blanc-Chagnollaude, 2017, pp. 17-18)]. Hence, in the years after the First World War, the Kurds and the Palestinians have been deliberately marginalised and, in a way, simply forgotten. This comes out of two maps in Blanc-Chagnollaude, 2017, pp. 15 and 27: The map on p. 15 shows that the Kurdish area under French control became part of Turkey while the map on p. 27 indicates that the oil-rich Mossoul area, originally under French control, became part of the British controlled Iraq. Finally, France obtained present-day’s Syria and the Lebanon, Great Britain acquired Palestine, actual Jordan and the Iraq, that is, a land bridge between the Mediterranean and Iran, forming thus the Western part of the land connection with India. And the British mandate of Palestine, in spite of heavy Arab resistance, widely opened the gates for Jewish immigration following up the Balfour declaration. Indeed, in 1918, the Palestinian population consisted of 573’000 Arabs and 66’000 Jews; in 1936, 975’000 Arabs and 370’000 Jews lived in Palestine.

The formation of the Middle East was really based on utmost cynicism, with the whole undertaking ending up in the most tragic events that occurred since the Second World War (Blanc-Chagnollaude, 2017, pp. 5-8). This cynicism comes out clearly from the minutes of a London conference on the Middle East held in 1921. Indeed, Winston Churchill, significantly an important member of Docherty-Macgregor’s *Secret Elite*, too, remarked on Iraq, which he had deliberately conceived of as a heterogeneous and unstable polity: “Wenn Faysal [the leader of the Arab uprising against the Ottomans] im Irak weiss, dass nicht nur die materielle Unterstützung seines Vaters Husayn [Sharif of Mecca] und der Schutz der Heiligen Stätten

vor einem wahhabitischen Angriff, sondern auch die Stellung seines Bruders Abdullah in Transjordanien von seinem eigenen Wohlverhalten uns gegenüber abhängt, dann wird er viel leichter zu handhaben sein” (quoted by Helmut Mejcher, in Haarmann, 1994, p. 448). “Die von der Lloyd George Regierung als Wiedergutmachung ausgegebene Inthronisierung Faysals als König des Irak im Frühjahr 1921 sollte also gleichzeitig die Arabische Bewegung der britischen Orientpolitik bzw. der europäischen Dominanz gefügig machen. Vom Abschluss der Vertrags, der dem Typus eines klassischen Protektoratsvertrags gemäss aussenpolitische Vollmachten des Hochkommissars sowie militärische Stationierungsrechte vor allem für die britische Luftwaffe einräumte, wurde die weitere Verfassungsentwicklung des Landes abhängig gemacht. Dieser Beugung der arabischen Unabhängigkeitsbewegung folgte die politische Kompromittierung des demokratischen Experiments als eines weiteren Instruments britischer imperialer Kontrolle. Denn um das aufgezwungene Vertragswerk vor einer Revision oder Aufhebung durch ein nationalistisches Parlament abzusichern, wurde die konstitutionelle königliche Gewalt mit ausserordentlich starken Prärogativen ausgestattet. Ihre Nutzung konnte in Krisenzeiten vom britischen Hochkommissar beeinflusst oder notfalls übernommen werden” (Mejcher, in Haarmann, 1994, p. 448).

All in all, the Roman maxim *Divida et Impera* was put to use systematically, associated to creating dependencies, instability and, at times, chaos, requiring intervention. It was deliberately intended to make the whole of the Middle entirely dependent upon France, and above all, Great Britain. After the Second War the United States, increasingly associated to Israel, took the place of the former mandatory powers.

On the formation of the Middle East during and after the First World War, it is of the highest interest to take account of the opinion of a great European historian of the 20th century, Jean-Rodolphe von Salis: “Die während der Kriegsjahre zwischen den britischen, französischen, russischen und italienischen Regierungen getroffenen Abkommen über die Teilung des Osmanischen Reiches in Einflusszonen atmeten den alten imperialistischen Kolonialgeist, der mit ‘farbigen’ Völkern wie mit einer Handelsware, mit asiatischen und afrikanischen Gebieten wie mit Tauschobjekten zu verfahren pflegte. Es war für die arabischen Nationalisten, die von der Befreiung der arabischen Völker von Fremdherrschaft, ja sogar von einem grossen arabischen Reiche träumten [the Arab Kingdom of Sharif Hussein of Mecca, in Blanc-Chagnollaud, 2017, p. 24], ... eine bittere Enttäuschung, als sie entdeckten, dass die Briten und Franzosen den Kampf nicht für ihre Befreiung, sondern für ihre Beraubung geführt hatten” (von Salis 1951ff, III. Band, pp. 182-83). And von Salis concludes: “Letzten Endes war es ein frevles Spiel, das die beiden Mandatmächte Frankreich und England nach dem

Weltkrieg im Nahen Osten trieben. Sie zogen sich zwischen dem Mittelmeer, dem Persischen Golf und dem Nil den unauslöschlichen Hass der Araber zu" (von Salis 1951ff, III. Band, p. 195).

To conclude, the total humiliation of the Arabs and of Germany after the First World War strongly indicates that the Balfour declaration, culminating in the foundation of a Jewish state in Palestine, and the destruction of the German Empire, subduing Germany to Anglo-Saxon power, were but two aspects of the same project, that is, bring about Anglo-Saxon-Zionist world domination; this project has, at first, been conceived by Docherty-Macgregor's *Secret Elite*, and, once launched, has been carried on by Anglo-Saxon-Israeli politicians up to the 21st century. Anglo-Saxon-Israeli world domination has not been fully achieved at present, that is in 2019; however, US-Israeli power is such as to enable politicians like Trump, Kushner and Netanyahu to pursue a Middle-Eastern policy, characterised by an almost unbelievable arrogance [July 2020].

The US American – Israeli project of world domination is now greatly hampered by the rise of China and Russia. However, in this age of immense inequalities, huge amounts of involuntary unemployment, climate change and mass migration, power games cannot bring about a substantial improvement of the socio-economic and ecological situation on a world level, which is absolutely necessary at present. In fact, Anglo-Saxon and later American-Israeli domination has brought about a very unequal development worldwide. Friedrich List, Gunnar Myrdal and Nicholas Kaldor are right: market economies do not produce a tendency towards equilibrium, even if competition is intense. Modern economies are, in fact, monetary production economies. Here globalisation and vast free trade areas bring about a cumulative causation of disequilibria and inequalities (Bortis 2019b sets out a very short presentation of these processes).

Given this, a new world economic, financial and monetary order along Keynesian social liberal lines is required so as to enable each country to pursue permanently employment and distribution policies, and, more generally, policies directed at realising the Common Good as far as is humanly possible (see the conclusions of Bortis 2019b, pp. 205 – 06).

However, to bring about a new economic, financial and monetary world order, with Keynes's Bancor system at the centre, requires strong political leadership, which can only be exercised by Europe, including Russia. *And in Europe, Germany must take the lead.* This, however, requires a *German Renaissance*, which means taking up pre-1933 Germany on a modern social liberal basis, with Germany becoming a world power of peace and justice. In fact, Germany must again become a strong and self-confident *Kulturnation*, proud of her great

history. The teaching of unalienated German history, in place of the history written by the victors, should take an important part in the *curricula* at all levels of education. Based on historical knowledge, the Germans may, subsequently, become proud of her country again in the *same* way as other European peoples are proud of their respective countries.

However, a precondition for a *German Renaissance* is a *Peace Treaty with Russia*, ending thus definitely the Second World War. Through this *Peace Treaty* **historical justice** has to be done to Germany and to Russia, but also to other European nations.]

[Digression on the probable causes of the violent anti-Semitism in Germany after the end of First World War]

Die Juden hatten es [vor 1918] nirgendwo so gut wie in Deutschland. This proposition had become almost a common place during the *Belle Epoque*, and far beyond – in fact, it still holds at present (2020). To be sure, there was discrimination in the 19th century, in Prussia above all.

Jedoch bemerkt Ralf Georg Reuth, dass “die Juden im wilhelminischen Deutschland am Ende des 19. Jahrhunderts emanzipiert waren und auf einen beachtlichen sozialen Aufstiegsprozess zurückblicken konnten, der von einer weitgehenden Anpassung an die kulturellen Normen und Wertvorstellungen des deutschen Bürgertums begleitet war ...” (Reuth 2009, p. 11).

Given this, some sociologists spoke of a *German – Jewish Symbiosis*. Moreover, an „estimated 100,000 German Jewish military personnel served in the German Army during World War I, of whom 12,000 were killed in action. The Iron Cross was awarded to 18,000 German Jews during the war“ (Wikipedia, article *German Jewish military personnel of World War I*). The German Jews fought bravely, as did the German soldiers in general.

Given this, how could a ferocious anti-Semitism develop after the First World War, which, finally, ended up in the Holocaust which was merciless to the highest extent? Various factors mixed up organically, and the last, and most important factor made the organic, in a way, chemical mixture explode. These anti-semitic factors developed in circumstances associated to the terrible *post-war* suffering of the German population, to the determinism of the socio-economic system which resulted in the great depression of the 1930s to produce the terrifying blast, that is, the Holocaust, that occurred in the final years of the Apocalyptic Age 1933-1945.

A *first* factor is of a socio-political nature: conservative forces attached to the monarchy associated Jewish intellectuals to the leadership of Communism and to the *Dolchstoß*, the

legend that the German army was not beaten on the battlefield, but was stabbed in the back through republican politicians, among them Jewish politicians (Social Democrats, members of the *Zentrumspartei*).

The terrible *post-war* suffering of the German population was brought about by the humiliating conditions of the Versailles Peace Treaty 1919: the territorial losses, the difficult conditions in which German foreign trade operated: the territorial losses led to rising imports, on the other hand, Germany had great difficulties to export since the war enemies did not want to buy German goods (*Feindprodukte*), and, most importantly, the huge reparation payments would have required a surplus of exports over imports; this was potentially associated with the greatest hardship for the German population. Hence the argument that through the enormous reparations payments Germany would become a slave nation subdued to international capital dominated by the Jews. Given this, a *second* factor reinforcing anti-Semitism came into being.

The quasi-Civil War 1918-23 and the Great Inflation 1922-23 added tremendously to the post-war suffering of the German population. As already suggested elsewhere in this essay the Great Inflation brought about a *third factor* having very strong anti-semitic effects: The immense transfer of wealth from Germans to German Jews and to foreigners, including Jews living outside Germany (Guttmann / Meehan 1975, mainly chapters 3 and 4). Subsequently, some members of the German Jewish community have acquired very important economic, financial, social and political power, which constitutes a *fourth factor* producing very strong anti-semitic effects; here financial power has presumably been particularly important; consequently, Jews have been associated with dominating the financial sector. This fourth factor induced Maynard Keynes to write a terrifying passage in his *Essay on Einstein* (Keynes 1972 / 1926, Collected Works, vol. X, pp. 383-84).

These four factors are, in a way, necessary to explain the Holocaust, but they are far from being sufficient. A *fifth* factor associated to the Balfour declaration is, however, of crucial importance to explain the Holocaust. This factor is linked with an important question: Did high ranking German circles (politicians, diplomats, German intelligence, high-ranking officers for example) become aware of the significance of the Balfour declaration at the end of the First World War, particularly at the time when the Versailles Conference took place? In fact, with a strong Germany, free to act on an international level, the foundation of Israel would have been impossible because of the excellent relations of Germany with the Middle East. If, at the end of the First World War, informed German circles were indeed aware of the fact that the Balfour declaration implied the destruction of the German Empire, this would

constitute a crucially important element to explain the tremendous increase of anti-Semitism in Germany in the early 1920s. In fact, the destruction of the Second German Empire was definitely initiated by the entry of the United States into the War on April 2, 1917. And the Balfour declaration of November 2, 1917 strongly indicated that Zionist forces had forcefully advocated the US entry into the War. As is highly likely, there had been concrete action, preparing US public for the entry into the War through the press dominated by Zionist circles. It was indeed necessary to convince American public opinion, because President Wilson's 1916 election campaign was based on American neutrality as far as foreign affairs were concerned.

At present, we know that Docherty/Macgregor's Secret Elite, which included Zionist members, had, as is very likely, prepared the entry of the United States into the War if the necessity arose. This decision was taken before the War and the United States entered at the crucial moment when Germany had declared the unrestricted U-Boat war. Through this new weapon, there was, indeed, a real possibility for Germany to win the war after her unconditional peace proposal of December 12, 1916 had been rejected by the Entente. However, this very moment also rendered the entry of the United States into the War absolutely necessary.

This *fifth* factor, knowledge about the implications of the Balfour Declaration, was, as is very likely, a crucial, however not yet sufficient element, to explain the Holocaust. This crucially important fifth factor, associated to an additional, *sixth* factor, essential to explain the Holocaust, that is Biological Social Darwinism: in the merciless struggle for survival, only the strongest peoples would escape extinction or reduction to a meaningless state. For crushed and humiliated Germany, survival required, according to this doctrine, iron will and utmost determination. Adolf Hitler embodied these qualities to the highest degree. In fact, he belonged, together with Göring, to these *men of steel* forged in the furnace of the First World War. Subsequently, iron will and utmost determination became the hallmark of the Nazi movement.

The sixth factor, Biological Social Darwinism, was the basis for the racial laws established in 1935 (Nürnberger Gesetze). Moreover, the vision of life seen as a Social Darwinist struggle for survival, a vision greatly enhanced by the horrors of the First World War, and the racial theories developed by Gobineau and Chamberlain decisively contributed to directing Nazi hatred from *some* Jewish individuals to the Jewish people *in general*.

The six factors just mentioned provided the reasons for establishing these laws, which were also used to accelerate the emigration of Jews from Germany and Europe.

Now, there is a *seventh* factor, which, organically mixed up with the six factors just mentioned, was **the crucial factor which led on to the Holocaust.**

Indeed, **on September 11, 1941, President Roosevelt ordered the factual entry into the War by the United States *without* Declaration of War** (Reuth 2009, p. 305), **certainly on the advice of his closest adviser, Henry Morgenthau, the author of the Morgenthau Plan.**

And it is very important to note that the US entered the War just in an extremely critical moment: At the end of August, beginning of September, Hitler and his closest associates, Göring and Goebbels realised that the Soviet Union could not be crushed by a *Blitzkrieg*. On this Reuth writes: “Die Entscheidung für die Vollendung des mit dem Russland-Feldzug angelaufenen Völkermords an den europäischen Juden ist also irgendwann im späten August oder September des Jahres 1941 gefallen, als Hitler annahm, dass sein Gesamtkriegsplan gescheitert war, der auf einem schnellen Sieg über die Sowjetunion basierte” (Reuth 2009, p. 308). The Nazi-leaders started to realise that the entry of the United States into the War would, finally, result in the German defeat. In *Mein Kampf* Hitler wrote: “Deutschland wird entweder Weltmacht oder gar nicht sein” (quoted in Reuth 2009, p. 312). After the crushing defeat before Moscow in November/December 1941 and after Stalingrad at the beginning of 1943 the War was indeed definitely lost. But even if a victory against the Soviet Union had been obtained, the War would have been lost nevertheless, ultimately because of the American intervention organised by the Zionists, Morgenthau and his associates to wit, as had been the case, in the view of the Nazis, also in the First World War. **This was the beginning of the Holocaust in Western and Central Europe in a spirit of *Götterdämmerung*: The German people will perish, but those who have brought about the destruction of Germany will also perish. *Das deutsche Volk wird untergehen, aber diejenigen, die seinen Untergang herbeigeführt haben, werden ebenfalls untergehen.***

[Some remarks on German history

are required at this stage before taking up the main thread of argument related to the Apocalyptic Age. The starting point is a book by the Austrian-German Catholic philosopher Hans Eibl: *Augustinus – vom Götterreich zum Gottesstaat* (1951). He begins by dramatically picturing the European situation just after the end of the Second World War: “Die

zerschlagenen Nationen von Mitteleuropa sehen die Grösse ihrer Geschichte von neuem. Das durch tausendfünfhundert Jahre nachwirkende Ergebnis der Katalaunischen Schlacht (451) ist in Gefahr, weil das Reich der Mitte zertrümmert ist; wir wissen aber aus der wechselvollen Geschichte unseres Kampfes um Erhaltung dieses Raumes, dass unsere Geschichte eben im Mittelpunkt der abendländischen Geschichte stand und steht” (Eibl 1951, p. 10). Indeed, Western Christianity (*das Abendland*) is erected upon three pillars, the *graeco-roman heritage* and the *Germanic peoples that took over the West Roman Empire*, both synthesised by *Christianity*. Eibl argues that around 450 Christian doctrine was firmly established. The Fathers of the Church, Augustine above all, had clarified the *doctrine of the Trinity* and established the doctrine of the *double nature of Jesus Christ*, divine and human. On this solid basis, Eibl goes on to say, the Christianisation of the the Germanic peoples could be undertaken. This led on to the formation of the *Abendland*, at the core of which there is the *Carolingian Empire* and the *Holy Roman Empire of German Nation*. Given this, the Roman-Germanic victory over Attila’s huns in 451, was decisive for the building up of the *Abendland*. The Reformation, in combination with socio-economic and political factors, resulted in the *Thirty Years War 1618-1648*, which factually destroyed the *Holy Roman Empire of German Nation*, entirely shaped by Augustine’s conception of the *Gottesreich*, led by the *Emperor* and the *Pope*. In this essay, we have pointed that, on the ruins of the *First Empire*, Prussia, in an immense effort, succeeded to build up the most impressive *Second Empire*, with Germany essentially being conceived of as a *Kulturnation*. As has been extensively pictured in this essay, the Bismarck Empire became increasingly involved in power struggles and was, in turn, destroyed and humiliated the course of the *Apocalyptic Age 1914-1945*. In Eibl’s words, referring to the situation in 1945: *das Reich der Mitte ist zertrümmert und die Zukunft des christlichen Abendlandes in Gefahr* (p. 10).

What is, in the catholic view, primarily threatened are the metaphysical and ethical foundations which *ought* to underly all the sciences, social and political as well as the natural sciences. In fact, since the Epoch of Enlightenment, these foundations have been gradually weakened and even almost entirely disappeared since the end of the Second World War. Moreover, materialism has overwhelmed modern societies to a higher or less degree. The economy and technology dominate ever more society and and politics and the life of individuals. Hence materialism increasingly governs individual, social and political life, and positivism reigns in the social and political sciences as well as in the natural sciences. Individualism prevails with growing intensity and society is gradually falling into pieces: “There is no society, there are only individuals”, Margaret Thatcher once said on the ‘social’

doctrine of Neoliberalism. All this has been extensively argued in the present essay.

However, Maynard Keynes, the founder of Social Liberalism, has perceived with incomparable clarity that the materialist capitalist era must be followed by an epoch dominated by ethics and culture if modern civilisation is to survive. On this, the Italian Keynes biographer Piero Mini writes: “[Even the] most superficial reading of Keynes’s writings [...] should convince anybody that Keynes was not an economist as we understand the term. He was primarily a social philosopher, a cultural leader interested in the cultural amelioration of society. Throughout his life he prodded the people and their leaders to set for themselves standards worthy of men [...]: the promotion of solidarity among people (the opposite of Benthamite individualism and egoism) and the extension of the realm of beauty (the opposite of Benthamite ‘push-pin’). Attainment of full employment – via the agency of the state and through substantial reforms of the system – was to be the way of attaining these [...] ends” (Mini 1991, pp. 102/3). Keynes was greatly influenced by “an anti-rationalistic current associated with certain critics of the emerging commercial England [e.g. Coleridge and Carlyle, who]” (Mini 1991, p. xvii) “stressed the primacy of the spiritual over the material, of ends over means, of intuition over the narrowly logical. They were humanists who opposed the claims of [materialistic] individualism with the claims of community and tradition and who had a positive view of the state and of the binding value of culture » (Mini 1991, p. 2). Jacques Maritain’s work points in the same direction, and so does John Nef’s.

In Keynes’ view the social and political sciences are *essentially* moral sciences, a fact that permeates his entire work: “Keynes’s innovation was to reconcile economics with the older traditions of moral and political philosophy” (Fitzgibbons 1988, p. 3). This implies that modern classical-Keynesian political economy must be put on social philosophical foundations, on Keynes’s social liberalism to wit, and that policy actions in all domains of society are to be guided by social ethics of which the Common Good is the fundamental notion. As we have argued in this essay, this is absolutely necessary to master the gigantic problems of Modernity.

The modern way of life is, in fact, essentially materialistic, that is, dominated by the economy, which, since the last third of the 19th century has gradually turned into monopoly-finance capitalism. In fact, the modern way of life is largely equivalent with the American way of life which since the Second World War has spread all over the world pushing into the background religious and spiritual values as well as the metaphysical foundations of the social sciences and, as it seems, also of the natural sciences. And the American way of life has invaded Europe after the World War Two and has become almost all-prevailing. In this essay

we have pointed to the destructive nature of this process which transforms *Kulturnationen* into materialistic nations, where individualism and egoism prevails, gravely damaging all social institutions and weakening nation-states.

It is in fact materialism and its implications which, following Eibl, puts in danger the Christian Occident (das *Christliche Abendland*). And this danger has, as Eibl (1951, p. 10) suggests, greatly increased with the destruction of the core nations of this Christian Occident, Austria-Hungary after the First World War and the definite destruction of historical Germany after the Second Great War of the twentieth century, transforming Germany from a *Kulturnation* of world significance to an important commercial and industrial nation.

In the last chapters of this essay (*Ways Ahead* and *Philosophical Underpinnings of the Second Great Transformation*) it is argued that a Second Great Transformation following up the First Great Transformation (1750 – 1830) is required. The German Renaissance would in fact be part of the Second Great Transformation and is as such a necessary precondition for the Second Great Transformation in Europe, which would include Russia. Interestingly, Hans Eibl reaches the same conclusion by a philosophical-theological argument in the mid-fifties already: „Die Mitte dieses [zwanzigsten] Jahrhunderts ist eine Wende im Aufbau des Abendlandes. Es beginnt eine vierte Phase des Abendlandes: nach der griechischen, nach der griechisch-römischen, nach der durch das Christentum belebten griechisch-römisch-germanischen, beginnt die um das russische Christentum erweiterte vierte Phase“ (Eibl 1951, p. 11).

At first sight the Second Great Transformation and the German Renaissance seems to be an utopia. However, thinking about the necessity of a Second Great Transformation has began already decades ago through the coming into being of the consciousness about ecological problem and the issue of sustainable development (the Pearson Report 1969) as well as thinking about a new world order at the Bretton Woods conference in 1944 when Maynard Keynes proposed a new economic, financial and monetary world order based upon a supranational currency, the *Bancor* (Keynes 1980 / 1940 – 1944). The Second Great Transformation is immensely complex and only a few important dimensions may be mentioned here.

The Second Great Transformation is, first, simply the transformation of *commercial and industrial nations* into *Kulturnationen*. In a *Kulturnation*, in contrast to a *commercial and industrial nation*, the economy takes on an ancillary role to provide the material means to realise the *Common Good* as perfectly as is possible for fallable human beings. Hence the *Common Good* constitutes the fundamental socio-ethical value (*sozialethischer Grundwert*) to

organise modern societies in an expedient way, leading on to well-organised society, providing the social individuals with a maximum space of liberty. Liberty, in turn, enables the social individuals to prosper, that is to realise their potential through manual and intellectual activities.

Second, since the *Common Good* has various dimensions: social, political, cultural, religious and comprises the relationship between Man and Nature, the social and political sciences in general, political economy in particular, become, in a Keynesian vein, moral sciences. This is to take up the great tradition of the *British moral sciences* and of the *German Staatswissenschaften*, both of which have prevailed in the 19th century in the main. Here the term German Renaissance appears as entirely justified because a modern social liberal Germany would simply take up and elaborate her great ethical tradition in the social and political sciences.

The basic principle that ought to underly the natural sciences can be expressed most appropriately by the German *Ehrfurcht vor der Schöpfung*.

Third, striving for the Common Good implies that social liberal theoretical and applied Politics is naturally based on Ethics. This is another reason to speak of a *German Renaissance* because Politics in the *Holy Roman Empire of German Nation* was, in principle, based on Ethics. The same is true of Prussia (*Friedrich der Grosse* who wrote the *Anti-Machiavelli*) and of Prussia-Germany (Bismarck's *Sozialversicherungsgesetze*) as well as of the Austrian-Hungarian Monarchy. This fact ought to be reflected by the systematic and extensive teaching of German History on all levels of education in order to correct the entirely distorted picture of Germany brought about by the history written by the „victors“.

In this context it is, fourth, important to note that, obviously, a fundamental difference exists between politics grounded on *power* (Machiavelli and Rome) and politics based on *ethics* (striving for the Common Good). On this Hans Eibl mentions Augustine in relation to Roman history: „Augustinus [leitet] aus der inneren Geschichte Roms [ein Gesetz ab]: die Selbstvergötzung, der Wille zur Gewalt, führt immer wieder durch den wechselseitigen Kampf zum Kampf, ja zur Vernichtung. Die Lehre von den vier Weltreichen, durch die Autorität des Buches Daniel gehalten, wirkte durch das Mittelalter neben Augustins Gottesstaat weiter. Aber unvergesslich prägte sich zugleich das Bild von den zwei möglichen Formen der Gesellschaft ein: der idealen, bestehend aus den in gleicher Richtung nach Gott strebenden Seelen, und der sich selbst vergötzenden, die, weil sich ihre Bürger wechselseitig bekämpfen müssen, nur durch äusseren Zwang zusammengespresst werden kann und schliesslich zerfällt“ (Eibl 1951, p. 156). It seems evident that present-day politics is still, to a

greater or less extent, based on power in some form, economic-financial, political and military. Hence the absolute necessity to set into motion the *Second Great Transformation* which should end up in social liberal societies. The socio-economic policies pursued in social liberal societies would be entirely based on Ethics, that is striving for the Common Good.

Fifth, however, as Aristotle has clearly perceived, ethics requires knowledge. To pursue socio-economic policies aiming at realising the Common Good as perfectly as is possible for fallable human beings requires a solid socio-economic theory, above all a solid system of political economy. Such a theory cannot be but an elaborated synthesis of Keynesian and Classical political economy, which could be called the *Political Economy of the Common Good* (for a contribution to *classical-Keynesian political economy*, see Bortis 1997).

The search for a solid economic theory is yet another, sixth, issue that links to the German tradition. Pre-1933 Germany and, above all pre-1914 Germany has always been strongly dissatisfied with the abstract liberal (neoclassical theory) grounded on Walras and Marshall, and large parts of German political economists did not like socialism either. This is the main reason why the German Historical School (Gustav Schmoller) developed: Theory had to be realistic and had, therefore, to be derived from historical and empirical observation. Since this is impossible, the whole undertaking of the German Historical School largely failed and led to a feeling of frustration as emerges from a statement by an eminent member of the Prussian Academy of Sciences, Hermann Diels, at the outset of the 20th century: „So ruft also dieses kommende Jahrhundert die ganze Wissenschaft auf zur Concentration, zur Einigung. Wir sind es müde, bloss Stoffe zu sammeln, wir wollen geistig des Materials Herr werden; wir wollen hindurch dringen durch die Einzelheiten zu dem, was doch der Zweck der Wissenschaft ist: zu einer allgemeinen grossen Weltanschauung. (H. Diels, Festschrift zur Zweihundert-Jahrfeier der Kgl. Preuss. Akademie der Wissenschaften, 1900)“ (quoted in Oncken 1971 / 1902, p. V). However, only a century later, time has become ripe to try to realise Diels' claim. Indeed, only at the beginng of the 21th century, sufficient work has been done to work out an economic theory of the Common Good in the shape of Classical-Keynesian political economy (for a contribution to this undertaking see Bortis 1997). Principles, leading on to pure theory are absolutely necessary, because principles and pure theory bring about what German philosophers and theologians would call *Seinserhellung*. More concretely, the German political economist Erich Schneider said in the early 1950s: „Die Fakten sind stumm, nur eine Theorie bringt sie zum sprechen.“ Albert Einstein und Maynard Keynes have put forward a similar argument.

However, socio-economic principles and the associated pure theory must be rooted in a social

philosophy, in philosophy in general and must, ultimately be grounded in theology. Both Marx and Keynes were, in fact, philosophers having worked on the basis of traditional philosophy, Aristotle in the first place. These immensely complex issues have of course only been alluded to in this essay. Nevertheless, they point to the fact that a German Renaissance and a Second Great Transformation in Europe must associated to a revival of Metaphysics, with positivistic science, based on empiricism becoming of secondary importance.

To conclude, Eibl's Central Empire, *das Reich der Mitte* (Eibl 1951), must be restored and adapted to Modernity if Europe, *das Abendland*, led by Germany and other great European nations, is to take off again and become of world historical significance (Sieferle's *Finis Germania* (Sieferle 2017) must be proven wrong!). Without a strong Germany, it would make no sense for Europe (as a family of *souvereign* states – *Staatenfamilie* – in the sense of *Adenauer* and *de Gaulle*!) to go together with Russia, the result would be Russian domination. (On the other hand, if the US go on dominating Germany, Europe will remain a US American junior partner, unable to play a constructive world historical role.) Europe, Greater Europe in fact, must now, at the beginning of the 21st century, take up her role as the *Laboratory of World History* again. Given all this, Germany emerges as the key country regarding the future course of world history.]

[Further Remarks on German History – *Bemerkungen zu Elbe, Rhein und Oder* (May 2020)]

In the early 1950s the German Chancellor of the time, Konrad Adenauer, significantly said: „Östlich der Elbe beginnt Asien.“ In these years, this meant the superiority of the West German and Western market economy and democracy over communist dictatorship and central planning of the economy. But, certainly, in the first place, Adenauer had in mind the semi-Asiatic authoritarian and militaristic Prussian-German monarchy which existed until the end of the First World War, with the military caste lasting until 1945. The Asian character of pre-1945 Prussia-Germany was brought to the open by the fact that the Prussian military caste was considered responsible for the two World Wars. A passage of *Kaiser Wilhelms Hunnenrede*, pronounced on July 27, 1910 (Wikipedia), associated to the Boxer Rebellion in China, crushed by the Western powers, decisively established the link between Prussia-Germany and the Asian Huns:

"Kommt ihr vor den Feind, so wird derselbe geschlagen! Pardon wird nicht gegeben!"

Gefangene werden nicht gemacht! Wer euch in die Hände fällt, sei euch verfallen! Wie vor tausend Jahren die Hunnen unter ihrem König Etzel sich einen Namen gemacht, der sie noch jetzt in Überlieferung und Märchen gewaltig erscheinen läßt, so möge der Name Deutscher in China auf 1000 Jahre durch euch in einer Weise bestätigt werden, daß es niemals wieder ein Chinese wagt, einen Deutschen scheel anzusehen!"

These few casual words pronounced under emotion in a careless and imprudent vein had a tremendous effect, open and disguised. During the two World Wars, the Germans were seen as the modern huns, at least as an ugly people, by many, and this goes on in literature, films and documentaries until the present. The immense power of controlling and manipulating information becomes glaringly evident here, and the Secret Elite and their associates and followers controlled and manipulated information in a masterly way.

In this essay, an entirely different picture of Prussia and of Germany is put to the fore, excluding *Kaiser Wilhelms* not very representative rhetorical escapades.

Considering historical reality, *Preussen-Deutschland* appears to be very strongly linked with the *Holy Roman Empire of German Nation*. This emerges, for example, from the dramatic letter Erich Ludendorff addressed to his war comrade Paul von Hindenburg just after Hindenburg had nominated Hitler *Reichskanzler*. In this letter, the Protestant Prussian Ludendorff speaks of our *Holy German Fatherland*, establishing thus the connection with the *medieval Holy Roman Empire of German Nation*:

“Sie haben durch die Ernennung *Hitlers* zum Reichskanzler *unser heiliges deutsches Vaterland* [our emphasis] einem der grössten Demagogen aller Zeiten ausgeliefert. Ich prophezeie Ihnen feierlich, dass dieser unselige Mann unser Reich in den Abgrund stürzen und unsere Nation in unfassbares Elend bringen wird. Kommende Geschlechter werden Sie wegen dieser Handlung im Grabe verfluchen” (Raff 2001, p. 320).

(The background of Hitler’s *Reichskanzler* nomination by Hindenburg is set forth in Enzensberger 2008, pp. 103-106.)

The historian Ferdinand Seibt, in his important biography of one of the greatest German Emperors, Karl IV (Emperor from 1346 – 1378), provides an impressive picture of the meaning of governing in the Holy Roman Empire of German Nation (Seibt 1978, p. 378):

„Karls Herrschaftsbegriff ist von ihm selber und seiner engsten Umgebung tatsächlich oft in Worte gefasst worden, und er erscheint, über all die Jahre hin, in sich geschlossen. *Herrschaft ist Gottesdienst*, im Dekalog vorgegeben, durch die rechte Weisheit zu erschliessen und auf jede Wendung der Dinge zu beziehen. ... *Herrschaft ist aber auch Dienst an den Untergebenen* [our emphases]“ (Seibt 1978, p. 378). This Common Good oriented way of governing was taken up by the Prussian Kings; in this context, *Friedrich der Grosse* wrote his *Anti-Machiavell* in which he states that the King is the first servant of his people. The Common Good tradition continued to dominate in the Bismarck era. And for the *Political Economists of the Second Empire*, the Historical School around Gustav Schmoller, Political Economy was of a *social ethical nature, the Common Good being the fundamental all-encompassing value*. This emerges most clearly and impressively from the last sentences of Schmoller's 1897 *Rectoratsrede*:

“Der akademische Lehrer praktischer Disciplinen kann und soll nur einen Leitstern haben: das *Gesamtwohl und das Gesamtinteresse* [our emphasis].

Aber die Gegner der gesamten Gelehrten, welche heute an deutschen Universitäten die Staatswissenschaften und speciell die Nationalökonomie vertreten, behaupten, diese sei zu arbeiterfreundlich, sie stellten sich eben auf einen Klassen- nicht auf den Standpunkt des Gesamtinteresses. Dass die heute in Deutschland herrschende Nationalökonomie einen arbeiterfreundlichen Zug zeige, wird sich nicht leugnen lassen. Aber es ist eine ganz andere Frage, ob dass nicht der Gerechtigkeit und dem Gesamtinteresse entspreche. Die so beschuldigten akademischen Lehrer gehören alle den besitzenden und gebildeten Klassen an; sie verteidigen kein egoistisches Geld- und Wirthschafts-, kein eigenes Klasseninteresse, wie es bei den sie angreifenden Parlamentariern und Publicisten der Fall ist. Mögen diese Angreifer im Uebrigen noch so verdiente Männer sein, sie stehen mitten im Kampfe der socialen Interessen. Ihr Urtheil kann nie als ein ganz unbefangenes erscheinen. Die durch Verfassung und Verwaltungsrecht garantierte Unabhängigkeit der akademischen Lehrer, das glückliche Ergebnis unserer Universitätsverfassung, ermöglicht den Vertretern der Staatswissenschaft, nach oben und unten, nach rechts und links sich unabhängig zu fühlen. [Soweit] in die Urtheile der akademischen Lehrer vielleicht doch gewisse Gefühle der Sympathie mit den arbeitenden Klassen sich eingeschlichen haben mögen, so ist die Frage, ob das nicht in Uebereinstimmung sei mit den grossen Idealen und berechtigten politisch-socialen Tendenzen der Zeit. Der Standpunkt der socialen Reform, den sie einnehmen, ist weder der des einseitigen Arbeiterinteresses, noch der des Unternehmer- oder Capitalinteresses. *Es ist ein Standpunkt, wie er sich aus der Wiederbelebung religiöser und*

ethischer Potenzen unserer Tage, aus dem machtvoll angewachsenen Staatsgefühl, aus dem gesteigerten Sinn für Recht und Gerechtigkeit ergeben hat [unsere Hervorhebung]. Die sozialen Fragen geben unserer Zeit und dem kommenden Jahrhundert seine Signatur. Gewaltiger als je pocht die uralte Frage an die Pforten der Gesellschaft, wie Individual- und Gesamtinteressen, Freiheit und Gerechtigkeit, Besitz und Arbeit, die aristokratische Stellung der Mächtigen und Reichen und demokratische der Massen zu versöhnen seien. Da gilt es, von reactionärer Erhaltung alles Bestehenden wie von utopisch überstürzten Neuerungsplänen gleich weit entfernt, mit nüchtern wissenschaftlichem Sinne die Einzelreformen zu suchen und zu begründen, die Deutschland wie bisher auf der Bahn des Fortschrittes erhalten. Alle grossen idealen Güter der Menschheit, das Christenthum, die Rechtsentwicklung von Jahrtausenden, die sittlichen Pflichten der Staatsgewalt, wie sie sich vor allem in Deutschland und Preussen entwickelt, weisen uns auf denselben Weg der Reformen hin, welche die kaiserlichen Botschaften von 1881 und 90 uns vorgezeichnet haben. Die deutsche Wissenschaft hat nichts gethan, als versucht, für diese uralten ethisch-religiösen und rechtlich-staatlichen Imperative die causale Begründung zu geben und den strengen Beweis der Wahrheit zu erbringen.

Eben deshalb aber ist auf ihren Sieg trotz aller entgegenstehenden egoistischen Interessen zu hoffen. Mögen im Einzelnen die Massregeln streitig sein, die Richtung im Ganzen ist es nicht mehr” (Schmoller 1897, pp. 30 – 32).

This crucially important passage clearly establishes the close connection between the *German Staatswissenschaften* and the *British Moral Sciences*. Both scientific traditions conceived of the Social and Political Sciences as Moral Sciences. This is of the greatest importance. Most importantly, economics in the sense of Marshall, that is, a self-contained science, as was sociology, and, later, politics, simply did not exist within the *Staatswissenschaften* and the Moral Sciences. The Social and Political Sciences were all parts of a great system, the German *Staatswissenschaften* and the British Moral Sciences. Given this, Economics was Political Economy, and, as such, a Moral Science. Consequently, Maynard Keynes, like Gustav Schmoller, always insisted on the fact that ‘economics [political economy] was a moral science’.

However, following up bitter theoretical disputes in the second half of the 19th century - the quarrel about the *transformation problem* and the *Methodenstreit* – the unity of the British Moral Sciences was destroyed by Alfred Marshall who managed to establish a *Tripes of Economics* independent of the Moral Sciences Tripes between 1897 and 1908 (on this see the excellent chapter VIII, *Faculty conflicts and tripes reform*, of Phyllis Deane’s outstanding

2001 biography of Neville Keynes: *The Life and Times of J. Neville Keynes – a Beacon in the Tempest*). While Neville Keynes and later his son Maynard remained staunch Moralists, Alfred Marshall produced his *Principles of Economics* which became the most influential book in the field of the Social and Political Sciences, more influential than Karl Marx's *Kapital*. Indeed, Marshall's *Principles* became the basis for the immense quantity of economics textbooks produced after World War Two. In fact, Marshall's *Principles* put Neoclassical Economics on firm foundations with respect to content and method, ironically with the decisive assistance of Neville Keynes (for a very short presentation of events see Bortis 2019a, *John Neville Keynes*, in *The Elgar Companion to John Maynard Keynes*, edited by Robert W. Dimand and Harald Hagemann). The breakaway of Economics from the Moral Sciences initiated by Alfred Marshall was of paramount importance. It indeed launched the break-up of the Social and Political Sciences which took place with increasing speed after the Second World War: alongside Economics, Sociology, Law and Politics became sciences of their own, to be joined by Managerial Economics (*Betriebswirtschaftslehre*) which by now has acquired a dominating position. And the break-up goes on, with specialisation becoming ever narrower.

In Germany, however, Schmoller's *gemeinwohlorientierte Volkswirtschaftslehre* continued to dominate the scene. In fact, Schmoller's *Volkswirtschaftslehre* is based on historical observation, and the idea of progress. *Ganzheitliche Anschauung, gegründet auf Intuition führt zu immer tieferen Verstehen* (at this stage we may already remark that theory would structure *Anschauung*, making it more precise, while at the same time making *Verstehen* much clearer and more profound; theories based upon principles really contribute to what has been called *Seinserhellung*). Schmoller's *Volkswirtschaftslehre* also seems to imply that economic activity is governed by available resources. Moreover, Schmoller's argument is voluntarist, as such practical and policy oriented. With the Common Good as the fundamental value and policy aim, the method of thinking about the real world is by necessity entirely holistic: all the spheres of society and the state are considered, and there is complementarity between the various spheres, that is, the economic, social, political, and cultural spheres.

The supply side character of Schmoller's considerations is almost certainly a heritage of the feudal Middle Ages, the Thirty Years War, compounded by the necessity to build up a strong military state for defensive purposes. And, as Rolf Peter Sieferle notes, the strategy of economic development of the Second Empire was characterised by Modernisation and Industrialisation on a Common Good foundation (Sieferle 2017, specifically in the section *Rationalisierung und Atomisierung*, pp. 44-47). In any case, the Common Good foundation of

German Political Economy was intended to represent a genuine alternative to the Anglo-Saxon-French Liberalism and to the Socialist doctrines that developed in Western Europe. A few remarks are required on the German alternative to Liberalism, realised through Capitalism, and Socialism, which came into being from 1917-1991 in the shape of Rudolph Bahro's *real existierender Sozialismus*.

First, values are crucially important with Schmoller's social ethical approach to socio-economic and political problems, with the Common Good as the basic all-encompassing value; Schmoller's objective and *holistic* (*ganzheitlich*) approach is contrary to the *Werturteilsfreiheit* of Max Weber's and Werner Sombart's individualistic and behavioural approach to socio-economic and political issues which favours the separation of spheres.

Second, ethics requires knowledge as Aristotle has already forcefully argued. This implies that theory is absolutely necessary to come to grips with the fundamental socio-economic problems of the immensely complex monetary production economies – value, distribution and employment, most importantly - that have come into being following up the English Industrial Revolution 1750 - 1830. This would have required a political economy of the Common Good since the Germany Political Economists were not satisfied with liberal (neoclassical) and socialist theories, and they had good reasons to hold this position. Aber ein *Hunger nach Theorie* war zweifellos vorhanden (Janssen 2016, p. 91), jedoch war es unmöglich diesen zu stillen. Das führt zu einem dritten Punkt.

Third, however, a Political Economy of the Common Good can only be elaborated presently, that is, by the end of the 20th century and the beginning of the 21th century. Several events were, in fact, required to prepare the elaboration of a political economy of the Common Good. Most importantly, Shackle's *Years of High Theory 1926 to 1939* (1960) had to take place. In these years, Maynard Keynes elaborated his theory of effective demand (Keynes 1936), with effective demand governing overall output and employment, and Piero Sraffa prepared the rehabilitation of classical economic theory which was completed by 1960 (Sraffa 1960). Sraffa's slim book solved the transformation problem – the transformation of labour values into prices of production – and showed how, *in principle*, the prices of production are determined and distribution is regulated within the social process of production. Subsequently, Sraffa (1960) gave rise to the capital-theoretic debate of the mid 1960s which was about the fundamental validity of neoclassical theory: can neoclassical theory solve, in the ideal conditions of perfect competition, the most important problems of economic theory, that is, value, distribution and employment? The result was that it could not. The most eminent neoclassical economist of the time, Paul Samuelson, indeed admitted complete

defeat: “Lower interest rates may bring lower steady-state consumption and lower capital–output ratios, and the transition to such lower interest rate can involve denial of diminishing returns and entail reverse capital deepening in which current consumption is augmented rather than sacrificed. There often turns out to be no unambiguous way of characterizing different processes as more ‘capital intensive’, more ‘mechanized’, more ‘roundabout’ [...] If all this causes headaches for those nostalgic for the old time parables of neoclassical writing, we must remind ourselves that scholars are not born to live an easy existence. We must respect, and appraise, the facts of life” (Samuelson quoted in Bortis 1997/2006, p. 286).

However, incredible as it may seem, from the 1970s onwards, the work of Keynes and Sraffa were pushed into the background. Keynes became a Walrasian disequilibrium theorist and the capital-theoretic debate was increasingly considered irrelevant. This leads on to a crucially important point: Critique of neoclassical theory is not sufficient. *What really matters is to provide an alternative system of economic theory based upon solid social philosophical foundations.* In our view, this is possible only by elaborating the work of Keynes and Sraffa and bring them together in system of classical-Keynesian political economy as has been sketched in Bortis (1997, 2003a, 2013b, 2013c, and 2015). The problem is now to systematically set out the classical-Keynesian system of political economy in a volume on the *Principles of Political Economy* or, more appropriately, *Prinzipien der Politischen Ökonomie des Gemeinwohls*, in order to establish the self-evident link with Gustav Schmoller’s Common Good based *Volkswirtschaftslehre*, and, of course, with Catholic Social Doctrine, also set up at the end of the 19th century in *Rerum Novarum*. This implies taking up the work by Gustav Schmoller and his associates. It should by now be clear that it was impossible for the members of the German Historical School to works a coherent theoretical system of the Common Good. Maynard Keynes and Piero Sraffa had to do their work, which, in turn, had to be taken up and elaborated further to render possible a synthesis of Classical and Keynesian political economy, based upon the social philosophy of *Social Liberalism*.

All this implies that German *Volkswirtschaftslehre* was not losing touch with the “progress of economic theory” in Great Britain, the United States, France and Italy because there is no point of adopting more explicitly formulated, but highly unsatisfactory economic theories! Given this, the problem is at present, at the outset of the 21st century, to go back to Schmoller and his school and to elaborate a theoretical system of political economy, grounded upon the basic social ethical value, represented by the Common Good.

Given then the entirely *social ethical* nature of German Political Economy (Gustav Schmollers *Volkswirtschaftslehre*), *policy making was dominated by Socialpolitik*, resulting

in the most impressive *Sozialversicherungs-System* established in the 1880s. It is of crucial importance to note that the ethical nature of German Political Economy was at the time sharply opposed to the economic theory that developed in England and France, which was increasingly dominated by the paradigm of self-regulatory markets put forward by Austrian, French and, above all, British economists, important representatives being Carl Menger, Léon Walras, and Alfred Marshall.

The social policies of *Kaiser Wilhelm II* were in the Common Good orientation of the ethically minded German Historical School: „Der innenpolitische Beweggrund seines Bruches mit Bismarck, nämlich der Verzicht auf eine gewaltsame Auseinandersetzung mit der sozialistischen Linken und die Förderung des gesetzlichen Arbeiterschutzes [sowie seine Opposition gegen den von Bismarck geförderten Kulturkampf], liess ihn zunächst im Lichte eines modernen, sozial fortschrittlichen Fürsten erscheinen; aber, obschon nach Bismarcks Abgang das Ausnahmegesetz gegen die Sozialdemokratie aufgehoben wurde, so dass diese sich wieder in aller Öffentlichkeit organisieren konnte, bedeutete Wilhelms Stellungnahme mitnichten eine Zuwendung zur Demokratie (von Salis 1951 ff, Zweiter Band, p. 306). In this context, we may remark that in a context of international power politics, weak democratic power may be damaging (in fact, in many „democracies“, **real** power is not exercised by the people, but by powerful oligarchies; given this, some democracies are very powerful indeed, even militarily.). A strong leadership is required when power, not ethics dominates. Germany is a telling example. In fact, the Holy Roman Empire was factually destroyed in the course of the *Thirty Years War* because the leadership of the German Emperors was not strong enough because of the ethical, Common Good oriented nature of German politics, an important consequence being the fragmentation of the Empire. France and Russia, however, had very strong centralised absolutist governments and thus became the leading powers on the European continent, together with the Austro-Hungarian Empire, in the 17th and 18th century, in fact, until 1871.

However, it is crucially important to note that Kaiser Wilhelm did not want to use the military power of Germany before 1914 for international power politics. In a Bismarckian spirit Germany's military power was set up for defensive purposes. This emerges from a masterly account of Jean-Rodolphe von Salis: „Es besteht ein Widerspruch zwischen der Liebe des Kaisers für militärische Prachtentfaltung und seiner Vorsicht auf dem Gebiete der Aussenpolitik, die ... den Krieg zu vermeiden trachtete. Wilhelm II. war nicht der erste Hohenzollern-König, dem zwar die Armee und ihre Fahne heilig waren, der die militärische Disziplin als höchste Tugend pries und auf nichts so stolz war wie auf seine Rechte als

„Oberster Kriegsherr“, es aber gleichzeitig fast ängstlich vermied, dieses glanzvolle und dieses jenseits der deutschen Grenzen furchterregende Instrument der Macht der Feuerprobe eines Krieges auszusetzen. Das In- und das Ausland hatten indessen Mühe, aus den wirklichen Absichten dieses Herrschers, der schliesslich ohne Befragung des Parlamentes den Krieg erklären konnte, klug zu werden“ (von Salis 1951 ff, Zweiter Band, p. 308). These *demonstrations of power and speaking too much in careless way*, probably without manuscript in many instances, was the first great mistake committed by Kaiser Wilhelm II, the second great mistake being the *Flottenprogramm*. These two colossal mistakes greatly facilitated the sinister hidden work of Docherty/Macgregor's Secret Elite. This Secret Elite *wanted* the War, *not* Germany under the unfortunate leadership of Wilhelm II: „Als 1914 der Krieg ausbrach, erschrak der Kaiser im Innersten. Krieg hatte er nicht gewollt – das wissen wir heute aus allen bekannten Dokumenten und Zeugnissen“ (von Salis 1951 ff, Zweiter Band, p. 308). Indeed, grounded on the fundamental Bismarckian doctrine of a *Saturated Germany*, the German Empire had no reason at all to start a War. In this context, it may be recalled that Bismarck even found Germany too saturated; it is indeed possible that Bismarck did not want to annex Alsace-Lorraine to have France as an ally! Moreover, Bismarck did not put German power to the fore, on the contrary: he had the Generals under control, was cautious and, above all, modest: *Mehr sein als scheinen!* And certainly, he prepared important decisions carefully by taking account of advice, even if the advice differed from his opinion; this implies that he was *ready to change his mind* if a convincing argument was presented. Indeed, it is reported that Bismarck once said: *Nur ein Ochse ändert nie seine Meinung!* This is nothing else than highly developed common sense which, certainly, was present to a high degree within the German ruling class, the modest, disciplined and hard-working *Junkers*.

In spite of the fact that *Kaiser Wilhelm II.* did not want War at all, Jean-Rodolphe von Salis provides a disastrous picture of the Kaiser: „Wilhelm setzte das Prestige der Krone aufs Spiel, indem er nicht nur in aussen-, sondern auch in innenpolitischen Fragen öffentlich Stellung nahm, was meistens in einer recht hochfahrenden, unbesonnenen und zuweilen verletzenden Form geschah. ... Seine höchsten Beamten klagten darüber, dass seine staatsrechtliche Bildung nicht abgeschlossen war, als er auf den Thron kam, dass er nicht dazu zu bringen sei, in regelmässigen Abständen sich vom Reichskanzler Vortrag halten zu lassen, dass er weder das Leben, so wie es ist, kenne, noch die Probleme, die zur Diskussion stehen, erfasst habe, kurz, dass er ein oberflächlicher und unreif gebliebener, obschon keineswegs unintelligenter, ... , aber Launen, Einflüsterungen und Schmeicheleien überaus zugänglicher und daher unberechenbarer, sprunghafter Herrscher sei.

Natürlich kam dem Kaiser nichts von solchen Kritiken zu Ohren, denn er lebte ... in einem zuerst prinzlichen, dann kaiserlichen Elfenbeinturm, zu dem nur Menschen Zutritt hatten, die gesellschaftlich zum Hofe gehörten und alles vermieden, was nach Widerspruch oder Kritik hätte aussehen können. Nie hat jemand Wilhelm II. die Wahrheit gesagt [!!]“ (von Salis 1951 ff, Zweiter Band, p. 307).

This points to a fundamental weakness of the Prussian *Obrigkeitsstaat*: the administration and even the constitution, regarding the succession of the Emperor for example, was dominated by rigid *subjective* Roman law type regulations, backed by Kant's *equally subjective kategorischem Imperativ*. A countervailing power to the government was lacking and *Gehorsam* was essential.

The rigidity of the Prussian *Obrigkeitsstaat* was realised in the lower and middle levels of the administration and above all in the legal system (*der Amtsschimmel wiehert!*). However, the actions of the ruling Prussian Elite were certainly based upon a highly developed common sense, *with the (partial) exception of the Kaiser!*

To conclude on pre-1914 Germany, Kaiser Wilhelm II, through his putting to the fore of German power and his supporting the *Flottenprogramm* strongly facilitated the sinister work of Docherty/Macgregor's Secret Elite, but, in a Bismarckian spirit, he did not at all want the First World War.

Nevertheless, despite evident deficiencies – Wilhelm II and the rigid *Obrigkeitsstaat* - Germany was before the First World War a *splendid* country, admired and respected all over the world, with the humanities and the natural sciences flourishing. However, her military strength and her economic success also produced envy and fear.

There were very strong historical links between the Holy Roman Empire of German Nation and the Prussia-Germany existing at the beginning of the 20th century, which had emerged from the terrifying Thirty Years War. In the first place, the religion-based Common Good tradition of the Holy Roman Empire was carried on, on *Protestant individualistic* foundations though, backed by Kant (Austria carried on this tradition the original Catholic *social* way, based on Aristotle and Thomas Aquinas):

Da ist Ludendorffs *Heiliges Deutsches Vaterland* in seinem Brief an Hindenburg, Friedrich der Grosse, der sich im Anti-Machiavell als den ersten Diener seines Volkes und Staates betrachtete (*Zuerst die verdamnte Pflicht und Schuldigkeit, und dann das Vergnügen* ist ein Echo auf *Kants Kategorischen Imperativ*), die im allgemeinen schlecht bezahlten und

dennoch äusserst pflichtbewussten Preussischen Beamten sahen sich immer als Staatsdiener, Bismarcks Sozialversicherungs-Gesetze standen eindeutig in der Gemeinwohl-Tradition des Heiligen Römischen Reiches, und, sehr wichtig, die *Politischen Ökonomen der Deutschen Historischen Schule betrachteten die Volkswirtschaftslehre als eine ethische Wissenschaft*; und „Wilhelm [der Zweite] erklärte ..., er kenne nur zwei Parteien: staatserhaltende und die andern. Staatserhaltend war, wer Staat und Schule als göttliche Einrichtungen verehrte, die das Volksleben gegen auflösende Einflüsse zu schützen berufen und imstande sind, eine christliche Autorität aufzurichten“ (von Salis 1951 ff, Zweiter Band, pp. 307-08). This is also a clear reference to the Holy Roman Empire built on Christian ethical foundations.

The Prussian ruling class realised from the beginning, that is after the end of the terrifying Thirty Years War that *ethics* was not sufficient to maintain a polity, *power* was essential, too. And so began the building up of the Prussian and Prussian-German state, which, in a way, had to be military by necessity. This was due Germany's central position in Greater Europe. Germany was always surrounded by potential enemies, the Seven Years War (1756 – 1763) being a prominent example. (In the above we have already noted the conquest of Silesia was absolutely necessary to build up a strong Prussian polity.) The *Einkreisung* of Prussia in this War lead to Bismarck's *cauchemar des coalitions* already mentioned in the above. ***This nightmare of coalitions was fundamental to German military thinking during the Second Empire. Yet, in 1914, the splendid Common Good oriented German Empire was so powerful that it seemed invincible.*** However, Docherty-Macgregor's Anglo-Saxon-Zionist Secret Elite found the clue to destroy this splendid polity. Bismarck's *cauchemar des coalitions* became reality in the worst possible way for Germany, that is, through *Einkreisung* by the great European powers: The British Empire, France and Russia. And a powerful industrial nation, the United States, stood in the background, ready to intervene if the necessity arose.

The First World War destroyed the *German alternative to Western Liberalism*, historically realised through *Capitalism*, and to *Socialism*, which became reality in *Russia* at the end of this War. As Rolf Peter Sieferle notes, the German alternative consisted of *Industrialisation and Modernisation*, based on a *Common Good oriented Economy and Society* (Sieferle 2017, specifically in the section *Rationalisierung und Atomisierung*, pp. 44-47). Given this, and this is very important, **pre-1933 Germany was a precursor of *Social Liberalism***, the grand alternative to *Liberalism* and *Socialism*.

However, as already alluded to, the *lack of an economic theory* was considered a great weakness of the ethical Common Good oriented German Political Economy, elaborated by the German Historical School, formed around Gustav Schmoller. The political economists of the German Historical School wanted to establish an economic theory through observation of historical reality. This is impossible and the efforts of the German political economists ended up in a state of frustration (see on this the excellent paper by Hauke Janssen, 2016: *Die Krise der deutschen Nationalökonomie zur Zeit um den Ersten Weltkrieg. Sozialpolitik, Wertlehre, Konjunkturforschung*). Jedoch erwähnt Janssen: „Auf dem kargen Felde der deutschen Theorie ragte in der Zeit um den Ersten Weltkrieg ... Franz Oppenheimer [hervor]. Oppenheimer hatte zunächst als Arzt praktiziert und sich dann entschlossen, den Ursachen der sozialen Frage mit quasi naturwissenschaftlichen Methoden auf den Grund zu gehen. ... Entsprechend positionierten sich seine Schüler methodisch gegen den Historismus und verbanden ihren sozialreformerischen Impuls mit einem *Hunger nach Theorie*.

Ab 1909 trafen sich viele der besten jungen deutschen Ökonomen im Seminar des charismatischen Oppenheimer, darunter *Eduard Heimann, Alexander Rüstow, Adolf Löwe, Erich Preiser und Ludwig Erhard*“ (Janssen 2016, pp. 90-91, unsere Hervorhebungen).

The Wikipedia entry for Eduard Heimann is significant:

***Eduard ... Heimann** (11 July 1889 – 31 May 1967) was a German economist and social scientist who advocated **ethical socialist** programs in Germany in the 1920s and later in the United States. He was hostile to capitalism but thought it was possible to combine the advantages of a market economy with those of socialism through competing economic units governed by strong state controls. [Our emphasis]*

There was indeed a strong and permanent search for alternatives to Liberalism (Capitalism) and Socialism within pre-1933 German political economy. However, the First World War largely put an end to this search, and after the War the clash between Capitalism and Socialism was to dominate the theoretical, political, and military scenery until 1990. And, as has been suggested in the above, it was impossible to elaborate a system of political economy of the Common Good in the sense of Schmoller. The whole of the 20th century was, in fact, required to prepare the building up of such a theoretical system, grounded upon the work of Maynard Keynes and Piero Sraffa.

At this stage, it may be mentioned that Keynes was clearly aware of the *Hunger nach Theorie* of the German political economists. Indeed, in the preface to the German edition of the

General Theory, he writes: "... Germany, quite contrary to her habit in most of the sciences, has been content for a whole century to do without any formal theory of economics which was predominant and generally accepted.

Perhaps, therefore, I may expect less resistance from German, than from English readers in offering a theory of employment and output as a whole, which departs in important respects from the orthodox tradition. But can I hope to overcome Germany's economic agnosticism? Can I persuade German economists that methods of formal analysis have something important to contribute to the interpretation of contemporary events and to the moulding of contemporary policy? After all, it is German to like a theory. How hungry and thirsty German economists must feel after having lived all these years without one!" (Keynes 1936, p. xxvi).

In the above, it has been mentioned that Schmoller's work was fundamentally based upon the social ethical concept of the Common Good. And only by the 1980s, the Italian economist Luigi Pasinetti had clarified the way leading on to a Political Economy of the Common Good (on this see Bortis (2012): *Toward a Synthesis in Post-Keynesian Economics in Luigi Pasinetti's Contribution*). Given this, there was still a very long way to go to eventually satisfy the *Hunger nach (einer befriedigenden) Theorie* of the the German political economists of the Historical School.

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However, already at the time of *Gustav Schmollers Rectoratsrede*, Docherty/Macgregor's Secret Elite had already started to prepare the destruction of the splendid German Empire by the end of the 19th century. As has been pictured in this essay, the chain of events set into motion in August 1914 led to the total destruction of Germany by May 8, 1945. The *Morgenthau Plan* should have eliminated Germany as an economic, political and cultural entity forever.

The action of world historical significance by Klaus Fuchs lead to the Cold War and to the integration of West Germany into the capitalist world economy dominated by the Western countries. This Westernisation, in fact, Americanisation, of Germany implied profound changes in German society and its intellectual environment.

To begin with there was *Umerziehung* after World War II, subsequently individualism was spreading, the free and social market economy had to bring about ever growing prosperity in an equally free and democratic society. This Americanisation of Germany, and of Europe, implied that Max Webers *Stählernes Gehäuse des Materialismus* increasingly dominated social, political and cultural (and religious) values, finally on a world level.

The new americanised Germany was economically entirely successful, a *Wirtschaftswunder*

had taken place, as had in Japan and Switzerland, too. These three countries had become the proof that socially minded Capitalism is definitely superior to Socialism, and, in fact, to any other alternative.

However, nothing could be further from the truth. Marxist, neo-Ricardian and post-Keynesian political economists have argued time and again that Capitalism is a highly unstable and thereby highly dangerous. The fundamental reason is that there no tendency towards a full employment equilibrium, even if markets functioned perfectly; hence there is no tendency towards full employment in a market economy, even not in principle, that is, in pure theory. Given this, the Italian political economist Pierangelo Garegnani has always maintained that for capital-theoretic reasons, the liberal-neoclassical law of supply and demand is not compatible with Maynard Keynes's principle of effective demand!

This leads on to the **crucial** point: The economic success of Germany, Japan and Switzerland is not due to the "market economy" with a potential tendency towards a full employment equilibrium but to the fact that Capitalist economies are *social production economies*, within which there is a **cumulative causation of disequilibria**, high levels of involuntary unemployment worldwide most importantly, **and inequalities** in wealth between individuals, regions, countries and even entire continents (for a very short presentation of this argument, see Bortis 2019b).

In this context it is very important to bear in mind that it is precisely through the conflict- and war-ridden external development mechanism that Germany, Switzerland and Japan have achieved very high output and employment levels *after* the Second World War. Germany even became *Exportweltmeister*! However, since the market does not produce a permanent tendency towards full employment and effective demand limits economic activity worldwide, not every country can develop through exporting more. There are necessarily winners and losers, some winners and many losers, to be somewhat more precise.

Hence the external employment mechanism inevitably produces conflicts and even wars between capitalist countries due limited world effective demand; moreover, due to economies of scale and differences in technological dynamism, international free trade brings about huge inequalities in income distribution and immense differences in income levels; in fact, there is a cumulative causation of inequalities and disequilibria, resulting in very high levels of involuntary unemployment on a world level (for a short presentation of these issues see Bortis 2019b).

At present, the basic antagonism is no longer between the Anglo-Saxons and Germany, but between the United States and China! Moreover, in Europe the antagonism is between

Germany and the rest of Europe. Margaret Thatcher once remarked that the Euro would not bring about the integration of Germany into Europe, but, on the contrary, Europe would be integrated into Germany! Again, these are consequences of the argument set out in Bortis 2019b.

All this implies that Globalisation and large free trade areas with a common currency, like the EU, are doomed sooner or later. The future lies with small and medium-sized countries, and large countries like the United States, Russia, China, India and Brazil will have to decentralise. Moreover, to come to grips with conflict situations, historical-geographical and historical-cultural federations will have to be set up. For example, the old Austria-Hungary should be extended to contain also Poland and Romania to do historical justice to Hungary in the main, to form a historical-cultural federation in which all the federal nations would be on the same level and equally represented in the federal institutions. This historical-cultural federation would certainly contribute greatly to the stability of Central-Southern Europe, and European stability could be decisively enhanced through a Balkanic Federation comprising Romania – belonging to two Federations –, Greater Serbia (the central and southern parts of former Yugoslavia), Bulgaria, Albania, and Greece.

We may now define more clearly what is meant by *German Renaissance*, that is, taking up the thread of German history at the very beginning of 1933, just before the coming into power of Adolf Hitler. *German Renaissance* means the *transformation of a very successful industrial and commercial, but largely materialistic nation into a social liberal Kulturnation, with the economy being of an ancillary nature and the social surplus being devoted to socio-political and cultural purposes*. The fundamental aim is to realise the Common Good as perfectly as is possible for fallable human being. This is broadly what Rolf Peter Sieferle meant by the Common Good based Modernisation-cum-Industrialisation of Prussia-Germany. In the above it has been suggested that Sieferle's vision ought to be extended to include the fundamentally Common Good orientated history of the Holy Roman Empire of German nation. It has also been suggested that a pure Common Good orientation is not sufficient. Power is also required to survive in the real world. Indeed, the Holy Roman Empire has been factually destroyed in the Thirty Years War because it was not powerful enough. Prussia and after 1871, Prussia-Germany, has attempted to build up the power required for the survival of Prussia and, subsequently, of the Second Empire.

Hence given her history, Germany is the *only* country in which the *Second Great*

Transformation may be realised through a *Renaissance*. Indeed, the Common Good - orientated Holy Roman Empire of German Nation, Prussia-Germany and, in fact, Austria-Hungary, are to be put on a modern Common Good basis in the shape of *Social Liberalism*, the *alternative* to neo-liberal *Capitalism* and to *Socialism* with Central Planning.

In general, to conceive of Common good – orientated Social Liberalism as an alternative to the largely materialistic neo-liberal Capitalism is in line with the thought of Amintore Fanfani who, in his crucially important work *Catholicism, Protestantism, and Capitalism* (Fanfani 2003/1934) concludes that, in principle, Catholicism and Capitalism are incompatible. This also implies that *liberal* neoclassical economics, which is *essentially individualistic*, is incompatible with *social liberal* political economy, which is of an *essentially social* nature (see on this Bortis 2016, and for the meaning of the **social**, see Bortis 1997, pp. 21 - 39). To be short, the *social* implies that, in principle, all the institutions of a society, that is, economic, social, political and cultural institutions, are complementary to make up a unique political entity; hence the nation-state or the politically organised society is much more than the sum of the individuals living in the state territory. Since the institutional set-up and the way of life are different in each country, each nation-state is unique, and different from the others. It is precisely this difference which enables all countries to mutually enrich each other on the material and cultural level, increasing thus the Common Good for the world as a whole.

In the above it has been attempted to show why the Second Empire failed to survive and why traditional Germany, the great German *Kulturnation*, was totally destroyed by 1945 - *Germania delenda est* was in fact the *maxim* of Docherty/Macgregor's Anglo-Saxon-Zionist Secret Elite already by the end of the 19th century.

Why is a *German Renaissance* going along with a *Second Great Transformation* on the world level needed at the beginning of the 21st century? First, because the actually prevailing type of Globalisation and large common currency areas, the Euro area for example, that is, neoliberal globalised Capitalism, based upon the external employment mechanism, are doomed. On the economic level two main reasons account for this: On the one hand neoliberal globalised Capitalism brings about *immense inequalities* in income and wealth distribution; on the other hand, *equally immense disequilibria* come into being, mainly huge levels of involuntary unemployment on the world level. Both facts are due to the conflict and

war ridden external employment mechanism; there is, in fact, a cumulative causation of inequalities and disequilibria through this mechanism (Bortis 2019b).

A second reason for a German Renaissance and a Second Great Transformation is on the level of theory. There is, in fact, a profound dissatisfaction with liberal (neoclassical) theory, which, in Marx's terms is simply an ideology to justify the now neoliberal capitalist system. The Walrasian general equilibrium and the associated Pareto optimum are irrelevant theoretical constructions, mainly because the capital theoretic debate (Harcourt 1972), which has revealed that the market cannot produce, in principle, a tendency towards full employment, except by a temporary fluke. Given this, the neoclassical principle of supply and demand must definitely give way to Keynes's principle of effective demand (Pierangelo Garegnani).

However, in a social liberal, Common Good orientated society, the *internal* mechanism of output and employment determination must be applied, implying, most importantly, that distribution ought to be regulated by the Aristotelian-Thomistic principle of distributive justice, and that full employment policies ought to be pursued on the basis of Keynes's principle of effective demand. Given this, the political economy of Social Liberalism, Classical-Keynesian Political Economy to wit, is, essentially, a moral science. Moreover, in a social liberal society, the economy is of an ancillary nature, producing the **social** surplus, to be used to achieve socio-political and cultural values. And, because of the presence of the **social** in all domains of life, the Nation-State as a structured entity is, as just mentioned, much more than the sum of the individuals living in that state. These and other issues related to Social Liberalism are set out in Bortis (1997, 2003a, 2013a); for short presentations see Bortis (2016 and 2019b).

The most important, and also the most difficult task to be carried out in the process of the *Second* Great Transformation will be to **smash Max Webers stählernes Gehäuse of materialism**, which has been built on Calvinist individualist and materialist foundations (Max Weber) up during the reign of Capitalism since the First Great Transformation, which took place broadly from 1750 to 1830.

However, according to Max Weber, the original religious foundations of Capitalism vanished in the course of time, what remained was the unrestricted striving for professional success and for the accumulation of wealth in real or in money form. In fact, according to the grandiose vision of Max Weber, Puritanism-Calvinism initiated the coming into being „des mächtigen

Kosmos der modernen, an die technischen und ökonomischen Voraussetzungen mechanisch-maschinelles Produktion gebundenen Wirtschaftsordnung [...], der heute den Lebensstil aller einzelnen, die in dies Triebwerk hineingeboren werden – nicht nur der direkt ökonomisch Erwerbstätigen –, mit überwältigendem Zwange bestimmt und vielleicht bestimmen wird, bis der letzte Zentner fossilen Brennstoffs verglüht ist. Nur wie ein [dünner Mantel, den man jederzeit abwerfen könnte, sollte] die Sorge um die äusseren Güter um die Schultern seiner Heiligen [der Auserwählten!] liegen. **Aber aus dem Mantel liess das Verhängnis ein stahlhartes Gehäuse werden. Indem die [puritanische] Askese die Welt umzubauen und in der Welt sich auszuwirken begann, gewannen die äusseren Güter dieser Welt zunehmende und schliesslich unentrinnbare Macht über den Menschen, wie niemals zuvor in der Geschichte** [our emphasis]. [...] Auf dem Gebiete seiner höchsten Entfesselung, in den Vereinigten Staaten, neigt das seines religiös-ethischen Sinnes entkleidete Erwerbsstreben heute dazu, sich mit rein agonalen Leidenschaften zu assoziieren, die ihm nicht selten geradezu den Charakter des Sports aufprägen [footnote 1 in Weber 1988/1920, p. 204 is highly significant!]. Niemand weiss noch, wer künftig in jenem Gehäuse wohnen wird und ob am Ende dieser *ungeheuren Entwicklung* [our emphasis] ganz neue Propheten oder eine mächtige Wiedergeburt alter Gedanken und Ideale stehen werden, *oder* aber – wenn keins von beiden – mechanisierte Versteinerung, mit einer Art von krampfhaftem Sich-wichtig-nehmen verbrämt. Dann allerdings könnte für die ‚letzten Menschen‘ dieser Kulturentwicklung das Wort zur Wahrheit werden: ‚Fachmenschen ohne Geist, Genussmenschen ohne Herz [bilden] sich ein, eine nie vorher erreichte Stufe des Menschentums erstiegen zu haben‘“ (Weber 1988/1920, pp. 203-04). Of course, this statement is about dominating tendencies and cannot, as such, be generalized. In Keynes's terms, Max Weber wants to say that the (material-cum-technical) *means* increasingly dominate ethical, cultural and spiritual/religious *ends*, a fact that became increasingly true since the Second World War. Indeed since 1945, the american way of life and positivistic science without explicit metaphysical foundations, has dominated increasingly, and domination became almost absolute after 1990, when really existing Socialism broke down.

Given this, Germany *must* become traditional Germany again in which individual and social ethics has dominated, however, on a *modern social liberal basis*, grounded on Catholic Social ethics, the basic value of which is the Common Good. However, social ethics requires knowledge, that is, a system of social and political theories, grounded on the key social science of the modern era, that is, Classical-Keynesian Political Economy, the Political

Economy of Social Liberalism. Given this, Germany and the Roman Church will, as is very likely, become the leading forces bringing about the Second Great Transformation. However, there is hope that other countries and religions might come in to participate in this transformation process.

In fact, already Aristotle realised that ethics requires knowledge. Karl Marx, Maynard Keynes and Albert Einstein considered theory indispensable to come to grips with an immensely complex reality in the socio-economic and political domain as well as with nature and the universe respectively.

In the political domain, the solution is *not* to be found in a *liberal* representative government based on parliamentary majority. Western democracies decisively rely upon self-regulation

market, and if markets were really self-regulating, governing would be very easy. However, markets are not self-regulating at all which means that all the great economic problems: employment, distribution, fair prices, the organisation of international trade, and others, become **political** problems.

Given this, the complexity of all political problems, particularly socio-economic problems like employment and distribution, requires that nation-states should not be too large as, incidentally, already Aristotle suggested – in fact, the small and medium sized states existing in Western and Central Europe are of an entirely appropriate size.

Moreover, in the *social liberal*, Common Good orientated state, a strong Government is required; however, the Parliament has to supervise and to assess *government activity*, which, in a Catholic spirit, ought to be based on *objective principles*, most importantly *the Common Good, Subsidiarity, Solidarity, distributive and commutative justice*, and, contrariwise, the government is responsible to the Parliament and, hence, to the citizens in general, which, in fact, is a strongly modified variant of the Swiss model of government (Bortis 1997, pp. 401-410). And one has to bear in mind, that sensible policy action is only possible if there is an equally strong system of Social and Political Sciences, specifically a solid system of Political Economy economy, the key social science of the modern era. Indeed, already Ricardo and Keynes were aware of the fact, that *nothing is more practical than good theory*.

Now, we can in a concluding vein, associate the large rivers *Elbe, Rhein und Oder* to our argument on Germany and German History.

First of all, in the light of the above and all that has been said on Germany in this essay, Adenauer's statement, *Östlich der Elbe beginnt Asien*, is *totally* mistaken. Indeed, since their

foundation after the Thirty Years War, Prussia and Prussia-Germany attempted to carry on the ethical-cultural mission of the Holy Roman Empire on a Kantian basis, though; Kants subjective *kategorischer Imperativ* associated to *Gehorsam* dominated, but objective Aristotelian-Thomistic principles, based on common sense, necessarily came in, above all by the Prussian and Prussian-German ruling class, Bismarck being the prime example. However, **Bismarck's *cauchemar des coalitions* constantly accompanied Prussia and, subsequently, Prussia-Germany from the Thirty Years War and the Seven Years War onwards, to become terrifying reality in the Apocalyptic Age 1914 to 1945, in which a new Thirty Years War took place, aiming at the total destruction of Germany, ultimately through the Morgenthau plan.**

The Russian President Vladimir Putin, just after 2000, sought to associate Russia to Germany and the German Chancellor of the time, Gerhard Schröder, was favourable to this undertaking. But in the spirit of George Friedman's Stratfor Interview, this Russian-German alliance was prevented by semi-obscure forces, doing their sinister work inside NATO.

Europe, since the times of Antique Greece, was never invaded by Asia, and this enabled Europe, the Christian *Abendland*, to become the Laboratory of World History leading the entire world to modernity (Michael Mitterauer), with Germany playing a crucial role. But now Russia has been driven into the arms of Asia, China in particular, this on account of a highly inappropriate, even perfidious, Western Policy, the *Nato-Osterweiterung* to wit – Mikhail Gorbachev, a very great statesman, is now considered a naive dope in Russia who was taken in by the West! The question as to whom is really behind these perfidious Western actions has really to be asked here. Moreover, there is the entirely unnecessary conflict over the Ukraine; even George Friedman from *Stratfor* recognises that the Ukraine must, in some way, be associated to Russia, for evident Russian security reasons.

An invasion of Europe by Asia by economic, cultural or other means is now possible, the New Silk Road being a telling example; in this context, it should be noted that future warfare will be entirely different from traditional Wars; it cannot be excluded that an entirely new great War has already begun (13/5/2020)! In any case, Asia could now eventually cross the *Elbe* in a westward direction, to eventually reach and cross the *Rhine* in a further westward movement. This would be end of Europe as a Laboratory of World History, the Europe which, on account of the fact, that never an Asian power has invaded Greece and Europe, has led the world to Modernity (Michael Mitterauer), not, primarily, through material power, but through the power of ideas, philosophical, political, and economic. The destruction of the Christian

Abendland, would be an unprecedented catastrophe, not only for Europe, but for Humanity as a whole; we may recall here Hans Eibl's words, written just after the Second World War: „Das durch tausendfünfhundert Jahre nachwirkende Ergebnis der Katalaunischen Schlacht (451) ist in Gefahr, weil das Reich der Mitte zertrümmert ist; wir wissen aber aus der wechselvollen Geschichte unseres Kampfes um Erhaltung dieses Raumes, dass unsere Geschichte eben im Mittelpunkt der abendländischen Geschichte stand und steht" (Eibl 1951, p. 10).

Such developments can only be prevented through a Europe led by a strong social liberal Germany. Eventually, the US could become associated to a German led Europe. But this would be a highly unsatisfactory situation, because the two power blocks, the Atlantic and the Asian power block, could enter a conflict situation, ending up with *Stellvertreter-Kriegen* all over the Globe. The antagonism would be magnified by the fact that, that the Atlantic power block, that is, the self-satisfied West, with its free-market economy and its democracy, enjoying human rights, would feel far superior to the Asian power block, governed by dictators, also ruling over a state capitalistic economies, and neglecting human rights – in a way, Adenauer's vision of things updated. Moreover, the antagonism between the two blocks would be strongly reinforced by the fact that the Atlantic block has deeply humiliated Russia in the 1990s, and beyond, and that the European colonial powers and the United States have deeply humiliated China in the 19th century, and beyond (Konrad Seitz). Both, Russia and China, have certainly not forgotten this humiliation.

There is only one satisfactory situation, given by the presence of several power blocks, for the time being: China, the United States and Greater Europe: The *Abendland* led by Germany, certainly in close association with France, and associated to Russia.

However, it is important to note in this context that a strong Germany is required to preserve the equilibrium of forces within Greater Europe. Indeed, without a strong Germany, Greater Europe would be dominated by Russia! On account of her Common Good shaped history Germany is the key country regarding the future course of world history!

Hence Greater Europe would be the dominating power block, which would, however, not exercise power and domination by economic and military means, but on the basis socio-economic and political ideas, aiming at enhancing the Common Good of the world as a whole. A basic aim would be to ensure peace in this world, devastated by terrifying Wars ever since the Great Discoveries, from 1492 onwards until the present.

Hans Eibl is right: If the Central Empire is not reconstructed, Europe, the Christian

Abendland, is in danger, that is, the heritage of 451 is threatened. And Eibl also suggested that the Central Empire must seek an alliance with Russia. Only Greater Europe can save Europe. And Greater Europe would be strong enough to become a hegemonial power of peace and justice in the world. At several instances we have mentioned in this essay that *Germany is now the key country regarding the future course of world history*. Given this, Germany has not only to cross the Elbe, but also the Oder, in an eastward direction. One cannot simply wipe out eight hundred years of history through an immense injustice. Through a Peace Agreement with Russia, definitely ending the Second World War, historical justice must be done, not only to Germany, but also to other European nations.]

[Remarks on Metaphysics, a fundamental feature of Europe]

When dealing with the characteristics (*Eigenheiten*) of Europe no claim as to an eventual superiority is made as has been argued at the beginning of this essay.

The starting point to attempt an answer as to fundamental properties of Europe could be Karl Jaspers's concept of *Achsenzeit*: The passage from *Mythos* to *Logos*, to *reason* and *analysis*. It would seem that this passage was extremely successful and fruitful in antique Greece, giving rise to a flourishing, in fact, also in laying foundations, in the arts, in the natural sciences, and in the social and political sciences to culminate in great philosophical systems. Here it would seem that *Aristotle's Metaphysics*, taken up, and put into a wider theological context by *Thomas Aquinas*, holds a towering position which, in fact, it still occupies today. Indeed, the most important economists and political economists explicitly or implicitly make use of the concepts of *essence* and *existence* in the shape of *pure* and *applied* theory: Karl Marx, Max Weber, Maynard Keynes, Alfred Marshall, Léon Walras and Carl Menger, to name but a few. The concept of *essence* implies asking permanently *what is fundamental or constitutive* with some existing thing or phenomenon. This is true for theories in the natural and the social sciences, or for methods and techniques in practical work. For example, economic theorists inquire into what is essential in the determination of the volume of employment, of value and distribution. As a rule, different, even contradictory theories will emerge. The classical-Keynesian political economists would argue that the level of employment is governed by effective demand; the neoclassical economist would say that the law of supply and demand, based on the marginal principle, will bring about full employment in competitive markets. This will require a discussion of principles: which principle is more robust: the principle of effective demand or the marginal principle associated with the law of supply and demand? The result of the discussion was clear-cut: the classical-Keynesian principle of effective

demand is far superior to the neoclassical law of supply and demand, based on the marginal principle (Harcourt 1972).

Or, to turn to methods and techniques, the setting up of appropriate *curricula* to ensure excellence in education on all levels of education is a most difficult undertaking, requiring deep insights into the invariable human nature and a long experience in teaching. Because of the difficulty of the task, tradition will play an important role. Here, the Catholic Church in exercising her *magisterium* may, in matters of education, benefit from experience going back to Carolingian times. This certainly explains in an important way the success of Catholic methods of education on all levels of education. In general, methods or techniques are required to reach well-defined aims, for example the making of a product by an artisan. To form artisans requires appropriate *curricula* for apprenticeships to reach high levels of perfection, which is also a metaphysical notion! Here the teachers may benefit from traditions stretching over thousands of years.

Moreover, Aristotle has defined Man as a *rational* and *social* being. And the notion of the *social* is very important at present, because it implies, for example, that a nation-state is much more than the sum of the individuals living on the territory of that state. In fact, the *social* implies that common aims may be reached which isolated individuals could not achieve. To give modern examples, each enterprise is a social institution: to reach a common aim, the production of a good for the market, division of labour is required, between production, financing production, and marketing, to sell the product; within production there is additional division of labour. All these activities require co-operation between workers and employees, and co-ordination by the management. In this sense a football team and an orchestra are social institutions; political economists argue that the macroeconomic process of production is essentially a social process resulting in the production of the social product. In fact, each politically organised society, that is, each nation state, is a system of complementary institutions in the economic, social, legal, political, cultural, ethical and religious sphere. And if all institutions were in accordance with the social nature of Man, the the *Common Good* would be realised; deviations from the natural state would show up in *alienation*, of which Keynesian *involuntary – system-caused* - unemployment is a striking example. This alludes to the immensity of the fundamental natural policy task in a modern society, that is, to realise the Common Good as perfectly as is possible for fallable human beings.

To achieve the Common Good as perfectly as possible requires setting up an appropriate institutional system, a high-level *education system* in the first place, such that the social individuals may become persons, able to prosper, that is, to develop their specific dispositions

and to acquire socially useful capacities.

Die katholischen Gymnasien, Schulen und Universitäten waren (und sind) allgemein Musterbeispiele für gemeinwohlorientierte Institutionen, die zu selbständigem Denken führen. Die Lehrpläne wurden über Jahrhunderte hinweg entwickelt, verbessert, an besondere Umstände angepasst, immer im Hinblick auf das Wesentliche; gute Lehrpläne müssen im Lichte der unveränderlichen menschlichen Natur erarbeitet werden, damit der Unterricht die Schüler und Studenten anspricht. Aufschlussreich dazu ist ein Artikel in der Oberwalliser Lokalzeitung „Walliser Bote“ vom Donnerstag, den 4. Juni 2020, Seiten 6 und 7, betreffend katholische Schulgründungen in Indien: Die Briger Ursulinen-Schwester Augusta Stoffel ergriff in den letzten Jahrzehnten die Initiative zum Aufbau von sechs Schulzentren für 14'000 Kinder; die von ihr gegründeten Schulen sind äusserst erfolgreich und begehrt: Eltern stehen bis zu zwei Tage an, um ihre Kinder in die von Schwester Stoffel gegründeten Schulen einschreiben zu können. Das ist eine allgemeine Erscheinung: Eltern stehen in der ganzen Welt Schlange, um ihre Kinder in katholischen Schulen und Universitäten unterbringen zu können.

Ein anderes Beispiel, das in die gleiche Richtung geht, ist durch den Innerschweizer Missionar Ernst Waser gegeben, der in Westflores (Indonesien) über Jahrzehnte hinweg das gesamte Schulsystem aufgebaut hat. Um begabten Schülern die Möglichkeit zu geben, später ein Lehrerseminar oder eine Universität zu besuchen, baute Pater Waser auch zwei Mittelschulen auf, die bis zur Matura führen. Damit soll das Kader aus der Bevölkerung der Insel Flores selber rekrutiert und so die Eigenständigkeit dieses Inselvolkes gewahrt bleiben. Die Oberstufen-Schulen der Bezirke Westmanggarai und Manggarai gehören zu den besten in ganz Indonesien! An diesen Schulen wird ein guter Teil der sozialen und wirtschaftlichen Elite der Insel Flores ausgebildet. Zudem ermöglichten Spenden und Entwicklungsgelder aus Europa den Bau von Schulen, Strassen, Wasserversorgungen, Kirchen, aber auch Siedlungen mit einfachen Häusern. Diese Projekte boten Pater Waser die Gelegenheit, die örtliche Bevölkerung in die handwerklichen Tätigkeiten einzuführen (zum Teil aus <https://www.santuklaus.ch/projekte>).

Und schliesslich gibt es gemäss dem polnischen Kardinal Zenon Grocholewski heute weltweit mehr als 1500 katholische Universitäten, die im Allgemeinen sehr erfolgreich sind. Dabei ist das Ideal der mittelalterlichen Universität noch heute gültig: Die Universität als eine Gemeinschaft von Lehrenden und Studierenden auf der Suche nach der Wahrheit. Das erfordert eine völlige Offenheit des Denkens: jede Theorie muss ernst genommen werden. Beispielsweise muss sich der sozialliberale klassisch-keynesianische politische Ökonom sehr

eingehend mit der liberalen neoklassischen Theorie auseinandersetzen, die seiner Theorie diametral entgegengesetzt ist. Eine solche Konzeption der Universität impliziert auch, dass das *Soziale* besonders stark zum Ausdruck kommt. Allein kann man nichts machen: Der Student muss die Vorlesungen seiner Professoren aufnehmen und mit Hilfe von Literatur verarbeiten, der Lehrende sollte sich eingehend mit den grossen Autoren seines Fachgebietes auseinandergesetzt haben, also mit der Primärliteratur und ausgezeichnete Sekundärliteratur, die in direkter Verbindung zur Primärliteratur steht. Vereinfachende Lehrbücher sollten höchstens für Einführungsvorlesungen verwendet werden. Vorlesungen und Seminare für Fortgeschrittene sollten auf Primärliteratur beruhen. Beispielsweise wurde noch in den 1960er Jahren an bestimmten volkswirtschaftlichen Fakultäten des deutschen Sprachraums in Seminaren für Fortgeschrittene die „General Theory of Employment, Interest and Money“ von John Maynard Keynes ganz gelesen.

These casual examples illustrate the immense importance of metaphysical thinking grounded on Aristotle and Thomas Aquinas, and explicitly made relevant for the modern social and political sciences by Maynard Keynes in the main (Carabelli 1988, Fitzgibbons 1988 and O'Donnell 1989). This holistic and metaphysical way of thinking is, in fact, the natural way of thinking based on *common sense* (*gesunder Menschenverstand*) applied to all domains of Society and Nature, and Science is refined common sense in the view of Maynard Keynes and Albert Einstein. This inevitably means striving for essentials or fundamentals. What this means can be illustrated most appropriately by economic theory. To obtain plausible theories of value, distribution and employment requires a very time-consuming study of the history of economic theories. Alternative theories – liberal, social liberal, socialist - must be compared, and contradictions dealt with. In a Keynesian vein, this leads on to the emancipation of the mind, enabling the economic theorist to think in an autonomous way (*eigenständiges Denken*). This will enable him to distil the most plausible theories of value, distribution and employment. Economics is thus made fit for purpose, that is, to analyse existing situations and to propose policy conclusions; here principles leading on to pure theories play a crucial role: great political economists like David Ricardo, Maynard Keynes and others have stated that *nothing is more practical than good [pure] theory*, that is, theories capturing the essential features of some socio-economic-cum-political phenomenon, value and distribution and employment most importantly; in fact, we may say that the more complex phenomena are, the more Aristotelian principles are needed, precisely to come to grips with the complexity of socio-economic phenomena; for a very short exposition of these issues, see Bortis (2016).

Elaborating principles implies *distilling essentials* in any domain, in the methods of work of

artisans and farmers, in economic theory, in the social and political as well as in the natural sciences, and in elaborating *curricula* for all levels of education, is associated with hard work over long periods of time and requires great experience. This holds above all for the elaboration of *curricula* at all levels of education.

At this stage, we may mention that the way in which principles are realised, that is, brought into existence, depends on the social philosophy prevailing in some political entity. This emerges from the different ways of realising the notion of the Common Good which shaped the way of governing in the Holy Roman Empire of German Nation (Seibt 1978, p. 378), and in the successor states of the Holy Roman Empire, Prussia-Germany and Austria-Hungary. However, the way in which it was attempted to realise the Common Good in both Empires depended on social philosophies, which, in turn, were associated to religion. In Prussia-Germany the dominating social philosophy was individualistic, associated to Protestantism and Kant; as a consequence, the attempt to realise the Common Good was through influencing the behaviour of individuals, backed by Kant's *kategorischem Imperativ*; this led to the strongly regulated and rigid Obrigkeitsstaat, in which *Disziplin* und *Gehorsam* played a fundamental role. Bismarck must have been aware of the problem since he spoke repeatedly of the „tiefe Menschlichkeit, die am Wiener Hof vorherrschte.“ In the Austrian-Hungarian Empire, Man and Society were in an Aristotelian-Thomistic vein seen as entities and it was attempted to implement the Common Good through principles, the principles of distributive justice (*verteilende Gerechtigkeit*) and of commutative justice (*ausgleichende Gerechtigkeit*), put to the fore by Thomas Aquinas. This led to a much „softer“ way of governing and to a much more relaxed way of life. Hence in Austria-Hungary it was attempted to realise the Common Good through shaping society and the way of life of the social individuals. In Prussia-Germany, however, the emphasis was on the strict regulation of the behaviour of individuals.

To conclude we may say that one fundamental reason why the Greek-European Axial Age was so immensely fruitful, was Aristotle's *Metaphysics* which led to looking for fundamentals in all spheres of the real world - *Theorie als Wesensschau*, producing thus an immense amount of ideas and theories and practical applications. Keynes's and Einstein's common sense could really be set to work in all domains in an orderly way on account of the fact that, in an Aristotelian vein, *Metaphysics* is the ordering science, and, one could add, the clarifying science, clearing the way in the direction of truth.]

Returning to the main thread of argument concerning the Apocalyptic Age:

*In the above, we have mentioned that after the terrifying First World War **nobody in Europe** could imagine that another Great War could take place on the European Continent (**Hitler, too, did not want another Great War**; in the first place, he wanted permanently the Ukrainian wheat in order to be able to prevent yet another First World War type Hungerblockade in case of a new Great War; simultaneously, the only existing Communist country, the Soviet Union to wit, had to be destroyed; in this aim he was very strongly supported by US industry (Pauwels 2006). As has been suggested in the above, the leading US politicians, Roosevelt and his adviser Morgenthau in the main, played an entirely different, perfidious, game).*

Yet, as Charles Callan Tansill splendidly argues in his Back Door to War – The Roosevelt Foreign Policy 1933 – 1941 (1952) and as has been suggested in the above, the United States and their associates, the Capitalist International in the main, succeeded in bringing about yet another Great War. As a result, the US definitely reached their basic aim in 1945 and would have become the only world power following up World War Two, had Klaus Fuchs not provided the secret of the atomic bomb to Stalin's Soviet Union. Given this, Alexis de Tocqueville's prophecy – the United States and Russia as the only world powers - became true for the years of the Cold War 1949 to 1990.

Around 1990, the US reached another basic aim preparing the way to world domination, that is, the destruction of the Soviet Union; the rôle of Jewish dominated international finance in this event clearly appears from Paul Klebnikov's The Godfather of the Kremlin: Boris Berezovsky and the Looting of Russia (2001) – the subsequent anti-Semitism in Russia led to the emigration of approximately two million – entirely innocent! - Jews to Israel. In her The Shock Doctrine – The Rise of Disaster Capitalism (2008) Naomi Klein also deals with the plundering of Russia, while subsequently generalising the argument.

The terrifying events that occurred in the former Soviet Union in the 1990s as a result of the shock transition from soft socialism to ruthless capitalism have been denoted the greatest human catastrophe in peace times. There was famine and freezing to death, a dramatic rise of suicides, immense impoverishment associated with profound social change with top scientists and high ranking members of the communist party becoming proletarians and some ordinary people getting immensely rich; as a result, alcohol consumption increased dramatically and the life expectancy of Russian men declined from, approximately, 68 to 56 years; moreover, the Russian armed forces were strongly weakened, in part even destroyed, and NATO mercilessly moved eastwards. Michael Ellman in The increase in death and disease under 'katastroika' (1994) and in The Russian Economy under El'tsin (2000) provides a vivid

picture of this cataclysm. Fortunately, the destruction of the Soviet Union accompanied by the downfall of Socialism was not the end of history as Francis Fukuyama suggested in his 1992 book! Indeed, the Russians managed gradually to stabilise the situation and are at present [2016] a respected world power again, as is confirmed by Iranian-Russian-Syrian triumph at Aleppo just at the end of 2016. And China is emerging forcefully, too. This seems to put an end to the approximately 150 years old dream of the United States of America dominating the entire world. The world has become definitely multipolar again, a tendency likely to be enhanced by the policies of President elect Donald Trump.

To conclude, the overall argument presented in this subsection entirely contradicts the Fritz Fischer thesis as to the entire responsibility of Germany for the outbreak of the First World War, and, further, that Nazi-Germany was fully responsible for the coming into being of World War Two. Quite understandably, however, Fischer's thesis has been received enthusiastically by the Western victors of the two World Wars, who, in fact, largely wrote the history of the 20th century in general and of Apocalyptic Age 1914-1945 specifically.

In fact, Germany was the *only* country having no reason at all to start a war in 1914. Germany was saturated and, in the spirit of Bismarck, by nature not an *Eroberernation* striving for political, economic and military dominance at the world level. And this Bismarckian spirit was all-prevailing among the officers and the politicians – only big industry and finance did strongly approve of the *Flottenprogramm*, not in order to become the dominating world power, however, but to improve the bargaining position with regard to the British Empire concerning commercial and colonial affairs, in fact, to be taken seriously by the British in this matter (Alfred von Tirpitz). In the above we have suggested, however, that Germany did strongly contribute to the outbreak of the war through encouraging Austria-Hungary to take strong action against Serbia such that the Russian intervention was inevitable; in fact, a *Präventivkrieg* was absolutely necessary, given the tremendous growth of the Russian population and the quickly ongoing industrialisation of Russia. Germany was forced to go to war because of the iron grip represented by *Einkreisung* aiming at breaking German might in order to clear the way for US world domination. Looked at in this way, Fritz Fischer's *Griff nach der Weltmacht* wrongly accuses Germany of imperialist intentions in order to hide the implacable real imperialism of the United States. In fact, German honesty was in a hopeless position against the cunningly pursued American power politics. In any case, Docherty – Macgregor (2017 /2013) strongly weakens the *Präventivkrieg* hypothesis and signifies the demolition of the Fritz-Fischer argument of *Griff nach der Weltmacht* by Germany.

Finally, as regards the two World Wars, first, the Anglo-Saxons and, subsequently, the Americans managed to produce a situation in which the peaceful country appeared to be the aggressor, Germany in August 1914 and Japan in December 1941, and, consequently, the United States came out as the harbingers of peace, democracy and freedom, political and economic. As to World War Two, Charles Callan Tansill brilliantly argues this case in his *Back Door to War – The Roosevelt Foreign Policy 1933 – 1941* (1952).

[At the very beginning of 2017 a video by George Friedman wandered like a ghost through Internet confirming the utmost cynicism of US power politics prevailing at the outset of the 21st century (and as it has, in fact, prevailed in the whole of the 20th century and even before, broadly from 1850 onwards!):

(<https://www.youtube.com/watch?t=401&v=qM8nYBnlBmU>).

*According to Friedman, one all-important pillar of US might is comprehensive sea power, that is, dominating all the oceans (this implies the complete realisation of the Mahan doctrine mentioned above!). Significantly, Friedman suggests that US power can only be checked by stronger power. As he says, the only power block that could be dangerous for the US is an **alliance between Germany and Russia**. In this, Friedman is certainly right. However, in our view, this alliance would have to be part of the larger axis Paris-Berlin-Warsaw-Moscow-Ulan Bator (Karakorum) as has, in fact, been suggested elsewhere in this essay, also to take away evident fears from Poland. (Eventually, a close cooperation of the German-Russian power block with China may also be necessary to counter the US.) In any case, a German-Russian power alliance is absolutely required to implement the new social liberal world economic and financial world order, that is, during the transition from actually existing monopoly-finance capitalism to Social Liberalism. In fact, **the social liberal world requires a supranational world currency, Keynes's Bancor, to enable each country to pursue efficient incomes and employment policies as well as social and environmental policies (Keynes 1980 / 1940-1944).***

However, such policies can be pursued on the basis of the internal employment mechanism only; here effective demand is determined by government expenditures and private consumption, depending on the spending power of the population, which, in turn, is governed by income distribution: private consumption is enhanced through a more equal distribution of incomes. But the present form of globalisation and the creation of large free-trade areas renders impossible the implementation of the internal employment mechanism since everything has to be done to remain competitive on world markets as is required by the

*external employment mechanism, governed by exports and the import coefficient, reflecting import dependence: there is, in fact, a strong downward pressure on wages, taxes and government expenditures all over the world. This leads on to growing disequilibria worldwide: income distribution becomes more unequal and involuntary unemployment increases, with development gaps between regions, countries and continents widening. In order to eliminate the destructive effects of the external employment mechanism and to render possible the application of the internal mechanism while preserving a broad equilibrium of the balance on current account as well as to regulate international capital flows, a **supranational currency, Keynes's Bancor, is absolutely needed** (see on this Bortis 1997, pp. 326-43, Bortis 2013a, pp. 355-62 and Bortis 2018, pp. 424 - 34).*

However, the US will be ferociously opposed to the Bancor, because the dollar would no longer be world currency and this would mean the loss of an immense privilege and tool of power. Given this, a German-Russian power alliance with the aim of establishing a social liberal world order is absolutely necessary to force the US to give in regarding this matter. Of course, a German-Russian display of power will not be necessary if the US can be persuaded to adopt a Bancor world order along Keynesian lines.]

Let us now take up our theme, that is the origins of the two World Wars. Here, it remains true that Bismarck's cautious and utterly realist attitude has been abandoned partly by *Kaiser Wilhelm II* and his diplomats and politicians, and entirely so by *Hitler* and the Nazis. Yet, while *Kaiser Wilhelm's* imperialism was verbal and behavioural and remained wishful thinking and, as such, hesitant, *Hitler's* imperialism was uncompromising and totally risky – in a way, *Hitler* was a gambler, *Stalin* a shrewd and patient peasant, and *Roosevelt-Morgenthau* perfidious.

However, once the objective background of apparent German imperialism is brought to the open, it largely vanishes. Germany, as Bismarck rightly perceived, is, by nature, not an *Eroberernation*, striving for ever more power and wealth in the Roman vein, but a *saturated nation* existing within historically recognised frontiers – until 1937! – and mainly pursuing ethical and cultural aims within a well-organised society and state. Bismarck's vision probably has its roots in the political thinking of *Friedrich dem Grossen*, who wrote the *Antimachiavell*, the essence of the argument being that, ideally, politics must be based on ethics in view of bringing about what could be called a *Kulturnation* in which the sciences and the arts – elite and popular - may flourish; power, used only if absolutely necessary, would be merely a *means* to bring about the good state; the argument leads on to *Friedrich's* famous

statement that *the King must be the first servant of the state*. This vision of politics is in sharp contrast to the Roman-type power politics – Hegel denoted Rome a *Räuberstaat!* – pursued by the great European colonial powers, Spain, France, and Britain as well as the United States; these polities have exercised – and exercise - power in an unrestrained way, with ethics absent in a Machiavellian vein. Given this, Prussia was since *Friedrich dem Grossen* one of the most progressive states, if not the most progressive state in Europe, rivalled only by the Austro-Hungarian Empire (the Lyrics of *Gott erhalte Franz den Kaiser* is significant here!). This is confirmed by the great Prussian reforms at the beginning of the 19th century; the setting up of an education system along the lines suggested by Wilhelm von Humboldt became important in Europe and, subsequently, in the entire world; the *Humboldt'sche Gymnasium* even turned out to be a *classic*; and, very importantly, the *Staatswissenschaften*, containing, above all, law and political economy, were built up to come to grips with the immense complexity of the modern era. Moreover, there is the fact that Prussia most ably initiated and led German economic development, which, subsequently, turned out to be the most impressive in Europe and the world until 1914; the natural sciences and the humanities continued to flourish on a very high level in Prussia-Germany after 1871, in fact, until the early 1930s, when, given the rise of the Nazis, a great number of high-powered intellectuals left Germany and Central Europe. Moreover, there was the building up of a complete system of social insurance in the 1880s – the first in the world! –, and the fact that in the extremely difficult situation following up the First World War, Germany, under Prussian leadership, had brought into being a well-functioning democracy that was admired by the great Italian diplomat Carlo Sforza. Subsequently, the deep economic crisis of the 1930s initiated the destruction of Prussia and Prussia-Germany which shows that Western democracies may turn out to be fine-weather-systems incapable of mastering great economic crises situations; at this stage we may recall General Kurt von Hammerstein who suggested that Hitler had been put into power because the political Centre in Germany had no conception on how to deal with the crisis of the 1930s; this shows, once again, the necessity to work out a solid system of political economy of the broad political Centre, classical-Keynesian political economy to wit. In a wider view, then, *Friedrichs II Antimachiavell* contains the seeds of what became in the 20th century, in Keynes's hands, the social philosophy of *Social Liberalism* sketched in Bortis (1997, chapters 2, 3, 6 and 7, and 2013a, pp. 352-63); this social philosophy postulates that the fundamental aims to be pursued by the state and the social individuals composing it are ethical, cultural, with the sciences pursuing without restrictions the common search for truth in all domains. *This fundamentally ethical-cultural conception of the state* postulated by

König Friedrich II von Preussen permanently shaped political thought in Prussia and Germany and, quite obviously, *is of the greatest importance for the rehabilitation of Prussia and Germany* following up the Nazi period 1933-45. Not without surprise the Western victors of the two World Wars have tended to suppress talking about the Prussian conception of the state in general and Friedrich's II *Antimachiavell* in particular!

Moreover, as is evident to any outside observer striving for historical truth and justice, the fabulous rise of Prussia-Germany from 1871 to 1914 certainly promoted an attitude of envy among some rivals of Germany. Together with capitalist rivalries associated with Roman type power politics, envy was, as is highly likely, an important element explaining why German might had to be broken and Prussia ultimately destroyed as, in fact, occurred as the final result of the two World Wars. Indeed, in this subsection we argue that Germany was driven into both Wars through skilful diplomatic manoeuvring – rendered easy through the careless and imprudent behaviour of the Wilhelminian elite –, cold calculation and shameless intrigue. As is well known, the victorious allies, above all Western, declared at the end of World War Two that the Prussian military caste was entirely responsible for the two World Wars, which, in the light of the argument set out in this subsection, must be considered a *monstrous lie*. Indeed, the “*photographic copy of the memorandum summarizing ‘The Morgenthau Plan’ which President Roosevelt took with him to the historic conference at Quebec in September 1944 [carries the title] Program to Prevent Germany from starting a World War III (Morgenthau 1945, pages preceding the main text)*”. The monstrous lie that Germany, ultimately led by the Prussian warrior caste, was responsible for the Two World Wars and would inevitably produce a Third World War if not prevented from doing so, has in fact, become common belief through incessant ideological indoctrination, reflecting the fact that history, in the first stage at least, is written by the victors. This emerges from the title of a large article, recently published in the *Neue Zürcher Zeitung* (August 24, 2014, p. 8): *Ein Geheimplan für den Zweiten Weltkrieg – Wie die Reichswehr in Deutschland schon bald nach dem ‘Versailler Diktat’ einen Vernichtungsfeldzug vorbereitete*. This flies in the face of historical truth because, as is well known, the traditional *Reichswehr* Generals were very strongly opposed to Hitler's aggression plans in the East. This comes to the fore clearly from Hans Magnus Enzensberger's book on General Kurt von Hammerstein (Enzensberger 2008) or from Luchino Visconti's film *The Damned*, carrying the significant German subtitle *Götterdämmerung*, to give examples; in a key scene of *The Damned – Die Verdammten*, SA people shoot at targets representing *Reichswehr* Generals! Sinister Goebbels seems to be right: *Grosse Lügen glaubt man, kleine nicht!*

This is the place to recall that, in the above, we have written that the Prussian-German officers belonged to one of the *finest* officer corps Europe had produced - realist, responsible and noble men, who, in the tradition of Bismarck, hesitated to go to War in 1914, and never wanted to go to war with Russia in 1941, just as the great (silent) majority of the German people. Representative examples would be *Major von Rauffenstein* in Jean Renoir's film *La Grande Illusion* for the First World War, Hans Magnus Enzensberger's *General Kurt von Hammerstein* for the Second World War, and the *Professor of Law Gustav Radbruch* for the great silent majority of the German people in the Nazi years 1933-1945.

The core of the above-mentioned Morgenthau plan is made up of two elements: first, total deindustrialisation of Germany and, second, a very considerable reduction of her population; obviously, the second point is a necessary consequence of the first: an entirely agricultural Germany could feed a population of limited size only; to render this possible the agricultural areas of *Niederschlesien* and *Pommern* were to remain German (see Morgenthau 1945, map of Germany inserted between pp. 160 and 161). *Both core elements of the plan point to the destruction of Germany as a modern nation-state.* The short-run aspect of the population element of the plan is set out in point 8 of the Roosevelt memorandum (p. 3 of the memorandum pages preceding the main text of Morgenthau 1945) preceding the Morgenthau plan: "8. Responsibility of Military for Local German Economy. The sole purpose of the military in control of the German economy shall be to facilitate military operations and military occupation. The Allied Military Government shall not assume responsibility for such economic problems as price controls, rationing, unemployment, production, reconstruction, distribution, consumption, housing, or transportation, or take any measures designed to maintain or strengthen the German economy, except those which are essential to military operations. The responsibility for sustaining the German economy and people rests with the German people with such facilities as may be available under the circumstances." And the "circumstances" were extremely bleak indeed: the production of industrial and agricultural goods had largely collapsed, implying that, in the months following up the end of the War, the Germans were by and large helpless. There was widespread famine immediately after the end of hostilities, and the number of Germans who died of starvation will certainly never be known. Probably, the victims were mainly refugees from the East – *Schlesien, Pommern und Ostpreussen*. According to oral reports, famine was so intense that, in some instances, most horrible events occurred, defying any description.

However, given this catastrophic situation, spontaneous and, subsequently, systematic help

was provided to the German population well before 1948, the year in which the Marshall plan became effective. It was indeed simply impossible to strictly apply the prescriptions of the Morgenthau plan.

Considering these events, the deeper significance of *Klaus Fuchs*, whose 1947 action of world historical importance provided the Soviet Union with the atomic bomb, now clearly appears: Klaus Fuchs must be considered the *Saviour* of Post-World-War-Two Germany. Indeed, with the Soviet Union being in possession of nuclear weapons West Germany had to be strengthened to such an extent as to become one of the spearheads of the Western defence system. The Marshall plan, set up in 1948, initiated this undertaking.

The long-period core of the Morgenthau plan consists in transforming Germany into an agricultural country without any heavy industry, implying a large reduction of the German population (point 4 on p. 1 of the Roosevelt memorandum): “[The] heart of German industrial power [lies in the Ruhr and surrounding industrial areas]. This area should not only be stripped of all presently existing industries but so weakened and controlled that it can not in the foreseeable future become an industrial area.” This long-period core of the plan could not be realised after the Soviet Union had become a Nuclear Power in 1947. However, the realisation of both aims, the destruction of industrial Germany and the reduction of the German population, had been initiated immediately following up the end of the Second World War through the dismantling of industrial plant and by starvation.

The immense suffering of the German population following up the end of the Second World War has been widely neglected, because Nazi Germany was considered entirely guilty of the War and her suffering, including expulsion, has been largely considered a deserved punishment. However, in the present subsection and in the preceding subsection *Germany 1871-1945 and the Apocalyptic Age 1914-1945*, the sole German responsibility for the War is firmly put into question and it is suggested that Germany was misused by means of the Nazis to wipe out Communism. In a way, Nazi Germany had to do the dirty work – wipe out Communism –, to be destroyed subsequently as emerges from the Morgenthau Plan, preparing thus the way to the world dominance of the United States, as is *implied* in the *crucially important* book by Charles Callan TANSILL: *Back Door to War – The Roosevelt Foreign Policy 1933-1941* (Tansill 1952); the whole project could be carried out quite easily because the fanaticism of the Nazis made their behaviour entirely predictable. [While we do not agree with his assessment of Hitler and the Nazis, Gerd Schultze-Rhonhof’s very detailed account of events from, broadly, 1900 to September 1, 1939, is also of great importance here: *Der*

Krieg, der viele Väter hatte – Der lange Anlauf zum Zweiten Weltkrieg (Schultze-Rhonhof 2007/2003).]

As a consequence of all this, the *expulsion* of the German population from the Eastern parts of Germany and the loss of *Schlesien, Pommern und Ostpreussen*, appears as a *monumental injustice*. In the above we have suggested that a lasting peace in Europe will require doing justice to Germany, because in the future Keynesian-type social liberal world order, the *nation or the nationalities state* as a socio-political and cultural-ethical entity with a clearly bounded and *historically grown* territory and with a way of life of its own, will hold a position of primary and fundamental importance again. In this context, just recall what Churchill wrote on the Oder-Neisse-Grenze in his War Memoirs: “For the future peace of Europe here was a wrong beside which Alsace-Lorraine and the Danzig Corridor were trifles. One day the Germans would want their territory back, and the Poles would not be able to stop them” (War Memoirs, vol. VI, Penguin edition, p. 561). Of course, this problem will have to be solved in a peaceful way, that is, by a peace agreement between *Germany, Lithuania, Poland* and *Russia-cum-Commonwealth of Independent States*, ending definitely the Second World War.

[Such a peace agreement would be of particular importance to Germany. The problem is that the normal and natural course of German history has been interrupted by the Nazi period 1933-45 (*der Faden der deutschen Geschichte ist am 30. Januar 1933 gerissen*). To be sure, the Nazis have obtained impressive results in some domains, for example regarding the reduction of unemployment; however, they have, at the same time, misused and besmirched Prussian-German values, for example the sense of duty, loyalty, and thoroughness. And after World War Two, Germany, and Western Europe have been largely *Americanised* with materialistic values dominating cultural-ethical and religious values to an ever-growing extent and with the European countries, Germany in particular, becoming junior partners of the United States. After the breakdown of Socialism in 1990 this process of Americanisation has spread over large parts of the world with growing intensity, contributing thus to the increased destruction of historically grown civilisations [on this Mishra (2013) is highly relevant]. In many countries, even on entire continents, powerful Oligarchies associated with Monopoly-Finance Capitalism have got hold of political power or dominate the political forces, a fact that also strongly holds for the European Union.

The dominance of Monopoly-Finance Capitalism has resulted in a deep and permanent crisis on a world level as shows up in high levels of involuntary unemployment and an increasingly

unequal distribution of wealth and incomes. This does not prevent the existence of privileged countries. The distinguished classical-Keynesian political economist Nicholas Kaldor has always argued that trade-liberalisation and a single currency for large free-trade areas with unequal development levels of individual countries would lead on to cumulative processes producing more inequality and higher levels of involuntary unemployment, the social consequences being a weakening of the middle-classes, growing poverty and the formation of very rich oligarchies. In his view, increasing returns to scale – average unit costs decline as output increases – is the main reason for these destabilising cumulative processes, compounded by Schumpeterian technological dynamism, that is, the ability to transform inventions into innovations, leading on to the introduction of new products and new technologies in view of conquering new markets. On account of the external development mechanism based on exports the stronger get stronger and the weak are crushed. A small group of aristocratic countries comes into being, Germany, Japan and Switzerland being prominent examples, while entire countries and regions sink into poverty and misery.

A host of important publications point to the highly unsatisfactory state of the world economy; prominent examples are: John Bellamy Foster and Robert W. McChesney (2012): *The Endless Crisis – How Monopoly-Finance Capital Produces Stagnation and Upheaval from the USA to China*; Marc Chesney (2014): *Vom Grossen Krieg zur permanenten Krise – Der Aufstieg der Finanzaristokratie und das Versagen der Demokratie*, and Ernesto Screpanti (2014): *Global Imperialism and the Great Crisis – The Uncertain Future of Capitalism*. The eminent Greek economist Maria Negreponi-Delivanis speaks of *socio-economic genocide going on in Greece*; as a consequence, her latest book carries the dramatic title *L'Assassinat Économique de la Grèce et l'ultime recours: la drachme* (Negreponi-Delivanis 2014). The British economist Guy Standing argues that, even in highly developed countries, a new dangerous class is in the making: *The Precariat* (Standing 2011).

Since Globalisation and the European Union seem to be a blind alley (Bortis 2019b), *Germany* must take up the thread of her great pre-1933 history which, in fact, started in Carolingian times, and, subsequently, *initiate a social liberal transformation*, starting from the present situation. The Prussian capacity to deal with most difficult situations and to be up to the requirements of the time could be of great importance in this matter.

In the shape of Social Liberalism, Germany would again constitute a liberal-minded *Kulturation* (weltoffene Kulturation) and would, together with other European states, become a world power of peace and justice in the spirit of the *Holy Roman Empire of*

German Nation, making thus Germany conscious again of her great history since Carolingian times. This would make up the core of what could be called *German Renaissance*, which implies that Germany must become Germany again, proving wrong Rolf Peter Sieferle's *Finis Germania* (Sieferle 2017). For example, a strong Germany would be urgently needed now to implement a supranational world currency, Keynes's *Bancor*, or to intervene forcefully in the Middle East to do justice to the Palestinians, the Kurds and the Yemenites, and to protect the Christians. Moreover, to bring about political stability, the whole of the Middle East will, eventually, have to be transformed into a historical-cultural federation. The starting point for this undertaking might be the project presented by *Sharif Hussein von Mekka* in 1916 (see on this Blanc-Chagnollaude 2017, pp. 22 – 29, especially the map on p. 24). To realise this transformation of the Middle East peacefully will require the direction of a strong and generally respected world power. This can only be Germany whose prestige in the Middle East is immense, also on account of historical factors. However, to undertake such actions, Germany ought eventually to be associated to Russia and, if necessary, to other European nations. As is extensively argued in this essay, Germany, Russia and Greater Europe must take the lead in world affairs to prevent the world from sinking into chaos. Concretely, this would imply that Germany must liberate herself from American tutelage. This does not exclude, of course, very good relations between the United States and Germany.

With Social Liberalism the economy would form a material basis and the social surplus would be used to reach socio-political and ethical-cultural aims, associated with a flourishing of *all* the Sciences. This implies realising the good state and the good society *on the basis of a clearly defined territory*. In a wider view, Social Liberalism implies realising the Common Good as perfectly as is possible for fallable human beings.

A *German Renaissance* would enable Germany to play, together with the other European nations, a leading role in the transition to a Keynesian social liberal world order which, as has been suggested in this essay, conceives of the world as a family of nations structured by historical-geographical federations. This would be essential for maintaining the cultural diversity worldwide which is actually threatened by the basically materialistic and standardising US-American way of life – Max Weber's *Stählernes Gehäuse* of materialism must be smashed; in Max Weber's vision, Materialism is strongly linked with Capitalism. On this the Italian historian and politician Amintore Fanfani would probably agree. Indeed, in his *Catholicism, Protestantism, and Capitalism* (2003/1934), Fanfani argues that Capitalism is entirely incompatible with Catholicism. This is confirmed by the fact that Classical-

Keynesian Political Economy is, in a Keynesian vein, essentially a moral science, far from the natural sciences flavour of (liberal) neoclassical economics. (To avoid misunderstandings, however, it should be mentioned that Catholicism is not opposed to entrepreneurship and private enterprise at all. In fact, in the Catholic (and Classical-Keynesian) view, small and medium-sized enterprises should be privately owned and public ownership should prevail for large enterprises. This doctrine of the mixed economy was considered normal in the Keynesian era, which lasted, broadly, from the end of the Second World War until the mid 1970s.)

However, to bring about the transition towards Social Liberalism will require a strong political power which can only consist of a strong Europe, that is, Western and Central Europe associated to Russia, an idea put forward by General de Gaulle in the 1960s already. Indeed, a strong Greater Europe would be able to prevent a destructive struggle for world domination between the United States and China. This point is extensively argued in the present Essay.

Given all this, the immense German and Eurasian tragedy during the Apocalyptic Age 1914-1945 might become the starting point to establish a Keynesian social liberal world, providing the preconditions to bring about Jacques Maritain's *humanisme intégral* (Maritain 1984/1936) – a broad sketch of *Social Liberalism* and *Classical-Keynesian Political Economy* is set out in Bortis (1997, 2003a, 2013a, 2013c, 2015 and 2019b).]

The Morgenthau plan was made public in *September 1944*, by mistake it was said. In this context it is interesting to note that the “*photographic copy of the memorandum summarizing ‘The Morgenthau Plan’ which President Roosevelt took with him to the historic conference at Quebec in September 1944 [(!) carrying the title] Program to Prevent Germany from starting a World War III” (Morgenthau 1945, pages preceding the main text) is headed by the mention **TOP SECRET** (p. 1 of the memorandum)! How does this square? Probably, the terrifying Morgenthau Plan was released consciously to produce a paralyzing effect on Germany and thereby to weaken German resistance; however, the mention *top secret* heading the memorandum should suggest that the publication of the Plan was due to a mistake.*

It is evident that the publication of the Morgenthau did not have the expected effect on German fighting power. In fact, the contrary happened: the precise knowledge of the Morgenthau Plan by the Nazis was one important reason why they managed to motivate the German soldiers to fight until the very end; the Nazi message consisted in suggesting that, as

long as the War went on, the German people could live in dignity, terrible times would, however, come up after the War. Another reason for continued fighting consisted in the Nazi hope that the *Geheimwaffe* – the combination of V2 rockets and the atomic bomb – could be realised very soon, enabling Nazi Germany to win the War in the last moment. Presumably, the German scientists, Heisenberg and others, were in a position to build the bomb, but did not want to hand it over to the Nazis. Given this, Germany was in a most tragic situation indeed, which ended up in the terrible post-war distress alluded to in the above. Fortunately, a great man, *Klaus Fuchs*, certainly deeply moved by the gigantic German tragedy, undertook an act of world historical importance, saving thus Germany and the German people, and, possibly, the entire world, which thus escaped the tyranny of a ruthless Monopoly-cum-Finance Capitalism. Once again the course of World History had been such as not to allow world domination by a single power. *Und wiederum hing der Gang der Weltgeschichte an einem seidenen Faden.*

[Digression: The historical mission of Prussia – building up the preconditions for German unity – probably explains best the delicate mixture of *ethics and culture* on the one hand and of *power politics* on the other, to be found with *Friedrich dem Grossen*. In fact, after the terrible devastations of the Thirty Years' War Germany outside Austria, specifically Northern Germany, was in danger of becoming permanently a political vacuum and, consequently, a battlefield of the great powers: Sweden, England, France, Austria and Russia – a power vacuum at the very centre of Europe would have been very dangerous indeed for peace in Europe. Fortunately, in the midst of the immense human suffering and the terrifying devastations caused by the Thirty Years War, *der Grosse Kurfürst Friedrich Wilhelm von Brandenburg* laid the foundations for the rise of Prussia under *Friedrich dem Grossen*, which prevented the coming into being of a politically empty space in Central Europe, and the North German plain was politically stabilised as a consequence. Prussia reached this aim by very limited means compared with those of her opponents in the Seven Years' War, requiring *huge efforts* and, sometimes, ruthless power politics, the annexation of Silesia being a case in point. Indeed, Prussia was built up almost out of nothing with *iron will and utmost determination* – the North of Germany was devastated by the Thirty Years' War and *Brandenburg* was a poor country, called “die *Streusandbüchse* des *Heiligen Römischen Reiches Deutscher Nation*”! The miracle after the crushing defeat of Prussia at Kunersdorf may almost certainly be explained by the fact that Russia and Austria had no interest in the destruction of Prussia and hence of creating again a political vacuum in Northern Germany and, consequently, a

battlefield of the other European powers. Moreover, it is likely that rivalries between the countries making up the European coalition fighting Prussia also played a role. Probably, Russia did not want Austria to win back Silesia in order not to strengthen Austria, who, eventually, could have threatened Russian expansion plans in Poland.

The discipline and the bravery of the Prussian soldiers in the Seven Years' War, compounded by the tactical ingeniousness of *Friedrich dem Grossen* and his generals, has been widely admired all over Europe. As a result of the immensely impressive Prussian military performance, the North German space was definitely stabilised in 1763. This was certainly considered highly desirable by all the important European powers. In fact, *Brandenburg* is situated at the intersection of the North-South and East-West lines of force of Europe and, given this, of a crucial strategical importance. No European great power could have admitted the control of Brandenburg by another great European power.

Given this, Prussia was approvingly recognised as a great European power at the end of the Seven Years' War. The foundations were laid to build up an ethically shaped *Kulturation*. Power thus appears a means to reach higher ends. With Bismarck's Prussia-Germany *saturation* had finally been reached and the systematic building up of a *Kulturation* could be undertaken for good.

At this stage we may ask what might have happened if Prussia had not succeeded to stabilise the North-German plain through becoming one of Europe's Great Powers. The clue to attempting an answer to this question is to be found in the German Policy of the Austrian Empire. In fact, Vienna did not want an alternative strong German power centre outside the Austrian Empire. Silesia was the power basis to prevent the rise of some North German state. Given this, the conquest of Silesia by Friedrich dem Grossen was absolutely necessary to build up a strong Brandenburg-Preussen.

Let us now consider for a moment what might have happened at the political level if, after the Thirty Years War, in case Prussia had not been successful in building up a strong polity. Probably, Germany outside Austria would have become a series of protectorates and influence zones, eventually a European battlefield from time to time. Hannover would have become British influence zone, Schleswig-Holstein Danish, Mecklenburg und Pommern Swedish, (Ost-) Preussen Polish, eventually Russian; Schlesien would of course have remained Austrian; Sachsen, Thüringen und Bayern might have become Austrian protectorates; France would have done everything to bring the Rheinland und Baden under her influence. Only Württemberg, Hessen und Brandenburg might have remained more or less

independent, with Brandenburg, because of her strategic importance, eventually becoming a common protectorate of the great European powers.

*This possible scenario points to the **immense historical performance of Prussia** who literally saved and subsequently most successfully built up Germany. Presently existing Germany is really Preussen-Deutschland. And, given the geographical position of Germany at the centre of Europe, a strong Prussian army was absolutely necessary to build up and to protect Prussia and Germany, and to prevent Germany from becoming a battlefield in case of conflicts between the great European powers. In this perspective, Prussia was not militaristic at all, in any case less militaristic than other European countries, France in particular; in fact, Prussia was a military state by necessity. Finally, Otto von Bismarck must be considered the greatest European Statesman since the end of the Middle Ages around 1500, mainly because he was a Man of Peace as beautifully emerges from his Gedanken und Erinnerungen and from Eberhard Kolb's splendid short biography of Bismarck's (Kolb 2014). Given this, the Great Chancellor carried on the grand mission of peace of the Holy Roman Empire of German Nation. In the first half of the 20th century Capitalist Germany paid a very high price for abandoning Bismarck's Pfad von Vorsicht und Umsicht. Now, at the beginning of the 21st century Germany's immense economic strength based on the external development mechanism – development through exports – literally crushes large parts of Europe. This is a crucially important reason for moving from neoliberal Capitalism to Keynes's Social Liberalism, associated with stable nation-states and conceiving of Europe as a family of Kulturnationen and, eventually of historical-geographical federations. Because of her overwhelming economic strength, Germany is, at present, the only European country capable of initiating the new Great Transformation from Monopoly-Finance Capitalism to Social Liberalism. In this undertaking, the Prussian capacity to deal with most difficult situations and to be up to the requirements of the time will be of crucial importance. Indeed, **Germany is now the key country regarding the future course of world history.***

This line of thought has important implications, which are, in fact, hinted at in the present essay: most wars and conflicts are not due to the existence of nation-states, but to the world economic and financial world order shaped by Monopoly-Finance Capitalism, characterised by the struggle for market shares of final products and for raw materials and energy resources on the world level. The nation-state as weltoffene Kulturnation in fact emerges as a fundamental element of stability required to build up a new social liberal world order, characterised by prosperity and peace.

Hence the delicate mixture of power and ethics that shaped the policy actions of *Friedrich II* was in fact required to put Prussia and Germany on secure foundations. This appears from a significant statement made by *König Friedrich II* in 1758, in the midst of the Seven Years' War; the statement is in fact a communication to his personal secretary *de Catt* about his father, *König Friedrich Wilhelm I*, with whom he had a very difficult relationship, mainly because of the despotic and irascible character of his father: "Welch ein schrecklicher Mann war mein Vater, aber zugleich wie gerecht, wie klug und geschäftskundig! Sie haben keine Vorstellung von der vortrefflichen Ordnung, die er in allen Zweigen der Verwaltung eingeführt hat. Es hat nie einen Fürsten gegeben, der so fähig war wie er, in die geringsten Einzelheiten einzudringen, und das tat er, wie er selbst sagte, um alle Bereiche der Verwaltung möglichst vollkommen zu machen. Durch seine Sorgfalt, seine unermüdliche Arbeit, seine stets von strengster Gerechtigkeit geleitete Politik, seine bewundernswürdige Sparsamkeit und die strenge Manneszucht, die er in der von ihm geschaffenen Armee einführte – durch alles dies bin ich in den Stand gesetzt worden zu tun, was ich bis jetzt ausgeführt habe" (Kunisch 2004, p. 133). Given this, one should go on speaking of Friedrich II as *Friedrich der Grosse*; however, his father should be called *Friedrich Wilhelm I der Sehr Grosse*! And the idea of *serving* was also accompanied by the quality of *modesty*: *Mehr sein als scheinen*, was a Prussian maxim, upheld, for example, by *Kaiser Wilhelm I*, who, incidentally, did *not* want to become *Deutscher Kaiser* in 1871, because he had to abandon his preferred task as King of Prussia. The idea that Germany should remain a diversified *Kulturnation* with Prussia now – in 1871 – strong enough to defend German territories, was widespread indeed.

This great Prussian idea: *Governing is to serve the country*, was more or less perfectly realised by all Christian States of Europe; and the Empire was even called *The Holy Roman Empire of German Nation*. Since Charlemagne, Christianity is indeed at the basis of European political doctrine, and, *in spite of the implacable presence of Max Weber's iron case*, the spirit of true serving is still widely present in Europe and the world within the great religions, the political sphere and the civil service, the forces of defence, within education and health, the social services and non-profit organisations, the economy, and of course the private sphere. *Power politics*, which is based on *pagan Roman political doctrine*, has been forcefully re-introduced in Europe, so to say, by Machiavelli. Bismarck's *Eroberernationen* associated with *Monopoly-Finance Capitalism* indeed act on the basis of economic, political and, if necessary, military power, a statement still valid today, at the outset of the 21th century; prime examples are, in the view of many high-powered intellectuals, Noam Chomsky in the

first place, the United States and Israel, two warrior nations that have not yet given up the ambition to dominate the world through sheer force, economic, social, political and, if necessary, military.

Given this, the Christian doctrine of politics must be revived again to prevent the modern world from perishing. In this sense Nikolaj Berdjajev, just after the terrifying First World War, followed by an equally terrifying Civil War in Russia (1919-21), spoke of the necessity of a New Middle Ages.

And the title of a recent book by *Pope Franciscus* is: *True Power is Service - Die wahre Macht ist der Dienst*, Bergoglio (2014). It is **this fundamental Christian idea that must be implemented again in Europe and the World in a modern way through Maynard Keynes's *Social Liberalism* if Modern Civilisation is to survive**. However, political philosophy may only become effective in a complex modern world, if it relies on very solid social and political theory, specifically **political economy**, which has become **the key social science of the modern era**. And just remember in this context: *Maynard Keynes has served his country, and the world, like no other, precisely through his having contributed decisively to building up a modern system of classical-Keynesian political economy grounded upon a social philosophy, Social Liberalism to wit* (Bortis 1997, 2003a, 2010, 2012, 2013a, 2013b, 2015 and 2019b). In the same sense, *Karl Marx, too, has greatly served humanity as a whole*. In fact, Marx could have made a brilliant academic career in Germany since, as is generally recognised, he had written an excellent thesis on the *Differenz der demokritischen und epikureischen Naturphilosophie*, exhibiting a profound knowledge of ancient Greek and Latin; moreover, his wife Jenny von Westphalen belonged to an old and influential noble family. However, Karl Marx preferred, without the slightest hesitation, to live in great poverty in London, struggling for the workers and the poor for the whole of his life.

To be sure, there are great differences between Keynes and Marx, only two of which may be mentioned here. First, Keynes puts employment and distribution policies to the fore, with property rights undetermined; Keynes in fact considers a mixed economy with private and public ownership coexisting, with the emphasis on the type of ownership being determined by the mentality of people; with Keynes, private initiative regarding individual investment projects remains of primary importance, only the investment *volume* should be socially determined through effective demand. Marx, however, wanted to abolish private property, which, in practice, invariably implies some kind of planning, which, in his *Frühschriften*, for example in *Die deutsche Ideologie*, he conceived of being democratic. Second, Marx held that

with advanced Communism, the State would die out (*Absterben des Staates*). Keynes's Social Liberalism however implies a *strong but restrained* state, the reason being that governing becomes extremely complex because no automatic tendency towards full employment exists. For example, *permanent* distribution and employment policies are required to reach high employment levels.

This implies that the role of the state in Keynes's social liberalism is, on the one hand, a very important one: creating as much social harmony as possible, implying harmonious set-up of the institutional system and reducing system-caused alienation, involuntary unemployment, and socially unacceptable inequalities in the distribution of incomes and wealth above all, as far as is humanly possible (Bortis 1997, chap. 6). On the other hand, the citizens should hardly realize that there is a state. Indeed, government activity must, in the first place, be directed toward organizing the social system, that is, toward setting up, or encouraging the coming into being, of socially appropriate institutions, such that the scope of liberty for the social individuals is maximized. However, liberty is not absolute, but ethically constrained. In fact, a well-functioning and harmonious society can only come about if every social individual executes his work, whatever this is, as perfectly as possible; indeed, in a social-liberal society *all types of work are complementary and, as such, socially necessary and, therefore, socially, important*; this holds for the most modest manual work as well as for the most demanding intellectual work. This implies that *there are not only rights but also duties*; hence liberty consists in doing as perfectly as possible what *should* be done; in this sense each social individual stands in the service of society. Given all this, a good political society based upon the Aristotelian-Thomistic vision of Man and Society can only be set up if there is a very solid economic theory from which appropriate policy conceptions may be derived. In immensely complex monetary production economies, theory is absolutely necessary to explain facts and to set up policies aimed at organising the socio-economic and political system and to act appropriately within the system.

We have already mentioned that good government requires that there are persons who are especially trained to govern or to give advice. In the complex situation of Modernity the statement of Aristotle that governing is the most difficult of all the Arts, training in the Social and Political Sciences, specifically Political Economy – the key social science of the modern era – and Politics – the leading Social and Political Science – is particularly important. This requires building up *Faculties of Social and Political Sciences* to establish the conceptual preconditions for good government.

Maynard Keynes and Alexis de Tocqueville realised that good government of a *Kultur* nation

required a *political elite*, which, however, would present no danger of despotism at all, since in a Christian-cum-Social Liberal sense, governing is *not* exercising power, but *serving the country*. Moreover, the Government should be responsible to the Parliament – the representatives of the people – for its policy actions; making Laws would be a government task. Hence, in a social liberal polity, the Parliament would be the supreme institution, assessing and supervising government action. This way of governing calls for a *strictly public education system* such that sons and daughters of working people may socially rise – a circulation of elites is absolutely required to prevent the coming into being of visible or hidden oligarchies and most various, sometimes very powerful pressure groups, advocating particular interests as is the case presently. And, very importantly, both *Keynes* and *de Tocqueville* realized that, in democracies, if alienated and crisis ridden, power could get into the hands of oligarchs, populists and even political adventurers. Indeed, we have already suggested that parliamentary democracies, based on the conception of self-regulating markets, are essentially fine-weather democracies (*Schönwetter-Demokratien*), working well in times of prosperity, but getting into trouble, possibly even out of control, in heavy and long-lasting crisis situations. Keynes had indeed perceived with greatest clarity that market economies were in fact highly unstable monetary production economies without any self-regulating mechanism. Moreover, ‘free-market’ conditions could result in ever increasing inequalities between countries, regions, social classes and individuals. Given this, he suggested that a strong but good government was required, good government meaning in a Prussian sense that governing is serving the country on the basis of very solid and well thought-out socio-political theory, political economy most importantly. Given this, the question as to the meaning of true democracy has really to be asked. Indeed, in many countries, parliamentary democracy is associated with fundamental political immobility with profound reforms being almost impossible. Moreover, strictly applying the majority principle may simply mean Civil War, Iraq since 2004 being an excellent example. In a Catholic-cum-Social-Liberal sense, true democracy must enable the government, on the basis of a solid system of political economy, to approach the Common Good as closely as is possible for fallable human beings. This was also Keynes’s position.

Let us note here that Keynes lived from his private revenues and, after 1919, the year he resigned as civil servant, and worked for the government and his country without being paid. During World War II he probably even worked more than full time. As a consequence, Keynes died in 1946 at 62, physically exhausted, from his third heart attack. Significantly, the third

volume of Robert Skidelsky's *Keynes biography* is entitled *Fighting for Britain* [against the United States!]. Indeed, "Churchill fought to preserve Britain and its Empire against Nazi Germany. Keynes fought to preserve Britain as a Great Power against the United States. [When Keynes] "died, Lionel Robbins wrote to his widow: 'Maynard had given his life for his country, as surely as if he had fallen on the field of battle.'" (Skidelsky 2000, p. xv).

Let us now take up the main argument again, which was about the notion of *Kulturnation* and its implications. Indeed, the counterpart for *Kulturnation* would be the 'commercial society'. At present, France, Italy and Russia, India and China, and others, consider themselves *Kulturnationen*. However, it should be evident that most market economies have by now become commercial societies. As already François Quesnay observed in the middle of the 18th century, commercial societies tend to get dominated politically by economic and financial interests. At present, democracy increasingly becomes formal and effective government is exercised explicitly or implicitly by an economic-financial plutocracy in vast parts of the modern world. Quite naturally materialist values – consumerism, the race for market shares and profits, and money making in the real and in the financial sector – dominate cultural-religious values. The *Kulturnation* is overwhelmed by the materialistic values of the commercial society. This is equivalent to the triumph of Western Modernity, which seems to be ultimate since the breakdown of Socialism around 1990. In his *Die protestantische Ethik und der Geist des Kapitalismus* Max Weber has argued that modern capitalism has grown out of Puritan-Calvinist ascetism (Weber 1988/1920). The Puritan-Calvinist ascetism leads on to concentration on professional activity and to wealth accumulation in money and real form – in a way, Herbert Marcuse's *Eindimensionaler Mensch* is created; this is in sharp contrast to the „Allseitigkeit des Menschentums“ (Weber 1988/1920, p. 203), broadly corresponding to Jacques Maritain's *humanisme intégral*.

However, in the course of time the religious foundations of Capitalism vanished, what remained was the unrestricted striving for professional success and for the accumulation of wealth in real or in money form. In fact, according to Max Weber, Puritanism-Calvinism initiated the coming into being „des mächtigen Kosmos der modernen, an die technischen und ökonomischen Voraussetzungen mechanisch-maschineller Produktion gebundenen Wirtschaftsordnung [...], der heute den Lebensstil aller einzelnen, die in dies Triebwerk hineingeboren werden – nicht nur der direkt ökonomisch Erwerbstätigen –, mit überwältigendem Zwange bestimmt und vielleicht bestimmen wird, bis der letzte Zentner fossilen Brennstoffs verglüht ist. Nur wie ein [dünner Mantel, den man jederzeit abwerfen

könnte, sollte] die Sorge um die äusseren Güter um die Schultern seiner Heiligen [den Auserwählten!] liegen. **Aber aus dem Mantel liess das Verhängnis ein stahlhartes Gehäuse werden** [our emphasis]. Indem die [puritanische] Askese die Welt umzubauen und in der Welt sich auszuwirken begann, gewannen die äusseren Güter dieser Welt zunehmende und schliesslich unentrinnbare Macht über den Menschen, wie niemals zuvor in der Geschichte. [...] Auf dem Gebiete seiner höchsten Entfesselung, in den Vereinigten Staaten, neigt das seines religiös-ethischen Sinnes entkleidete Erwerbsstreben heute dazu, sich mit rein agonalen Leidenschaften zu assoziieren, die ihm nicht selten geradezu den Charakter des Sports aufprägen [footnote 1 in Weber 1988/1920, p. 204 is highly significant!]. Niemand weiss noch, wer künftig in jenem Gehäuse wohnen wird und ob am Ende dieser *ungeheuren Entwicklung* [our emphasis] ganz neue Propheten oder eine mächtige Wiedergeburt alter Gedanken und Ideale stehen werden, *oder* aber – wenn keins von beiden – mechanisierte Versteinerung, mit einer Art von krampfhaftem Sich-wichtig-nehmen verbrämt. Dann allerdings könnte für die ‚letzten Menschen‘ dieser Kulturentwicklung das Wort zur Wahrheit werden: ‚Fachmenschen ohne Geist, Genussmenschen ohne Herz [bilden] sich ein, eine nie vorher erreichte Stufe des Menschentums erstiegen zu haben‘“ (Weber 1988/1920, pp. 203-04). Of course, this statement is about dominating tendencies and cannot, as such, be generalized. In Keynes’s terms, Max Weber wants to say that the (material-cum-technical) *means* dominate cultural and spiritual *ends*, a fact that became increasingly true since the Second World War. Nevertheless, these are harsh words which reflect appropriately the attitude towards Modernity of highly cultivated intellectuals around 1900 – for example, Jacob Burckhardt and Friedrich Nietzsche at Basel were thinking along similar lines as did Thomas Mann in his *Zauberberg*.

[In 2014 we may say that since the breakdown of Socialism around 1990 Modernity is decisively shaped by two kinds of neo-liberal imperialism. First, there is the *imperialism of rational economic man* who absolutely dominates economic theory, which, New Economic Thinking notwithstanding, is now almost exclusively equilibrium economics of the neoclassical-Walrasian type: in principle, competitive markets solve all the great economic problems, specifically the employment and distribution problem, and, significantly, alternative economic theories are suppressed or eliminated. Moreover, neo-liberal economics invades domains located outside the field of economics; there is an economic theory of politics, of law, of the arts, of crime, of terrorism, and so on. Second, there is the *imperialism*

of markets, which invade all spheres of society and of politics, for example, the Universities through rankings, evaluations and partial or total privatization and the public domain through privatization and new public management. Marx already saw it clearly: under capitalism everything tends to become a commodity. In critical circles it is agreed that these tendencies culminate in financialisation, with the financial sector dominating the real (productive) sector (in normal circumstances the financial sector ought to stand in the service of the real sector); money – extracted profits – is flowing from the real sector to the financial sector, which, according to Keynes, invariably results in crisis situations; moreover, monetary wealth is redistributed within the financial sector, with some big players usually being on the winning side. Fortunately, the situation is improved through flows of money from the financial to the real sector, for example through the sponsoring of various cultural projects and the payment of pensions.]

[In the domain of education, Modernity leads to applied subjects associated with acquiring knowledge moving to the fore, and fundamentals leading on to cultivation (*Bildung*), like philosophy and the history of philosophy, the careful study of grammar and translations from the mother tongue to the language to be learnt, writing compositions, to give examples, are pushed into the background. In a recent newspaper article the Swiss journalist Claudia Wirz asks the question about the meaning of being cultivated (*wer ist ein gebildeter Mensch?*) in the context of the rapidly developing *knowledge society*. Her conclusion is significant and confirms the tendency suggested by Max Weber: „*Der «Wissensgesellschaft» droht die Bildung abhandenzukommen. Denn Bildung ist mehr als Faktenwissen und «skills». Man muss selber denken können [ganzheitlich denken, Zusammenhänge sehen, hinterfragen, grundlegende Probleme sehen]*“ (Neue Zürcher Zeitung, November 6, 2013, p. 23). In a letter to the editor of the NZZ, the German lawyer Rudolf von Jhering (1818 – 92) is quoted to have said: „*Bildung ist, etwas zu können, das man nicht gelernt hat.*“ In any case the tendency towards a knowledge society is strongly confirmed by the developments in political economy since, broadly, the mid 1970s. Indeed, humanist political economy, grounded upon the history of economic theories - leading on to the emancipation of the mind, and on economic history, and, in a Keynesian vein, being a moral science, is transformed into almost exclusively technical-quantitative economics, close to the natural sciences.]

From Weber's vision emerges that the transition from neo-liberal Capitalism to Keynes's Social Liberalism will essentially consist in the fundamental transformation of Capitalism's

materialistic iron case, *seinem stählernen Gehäuse*: *The economy must not dominate Man, Society and the State but constitute a means*, a material basis to realize as perfectly as possible fundamental social and individual values, which represent ends. Most important is the good society enabling the social individuals to prosper through cultural and scientific activities, including of course manual work (craftsmanship) and the work of traditional peasants; indeed, artisans and peasants have, through their living close to nature accumulated a tremendous amount of knowledge which will be badly needed to realize sustainable development worldwide. These issues will be taken up, briefly and incompletely though, in the section *The transition from neoliberal globalised Capitalism to Social Liberalism* below. We may already remark here that this transition will imply moving in the direction of Max Weber's *Allseitigkeit des Menschentums* – this is, broadly, what Maynard Keynes and Karl Marx also had in mind when they thought of the prospering of the social individuals; in this secular perspective, *history* and *culture* are most important binding elements of the various political societies. However, to complete the picture, the religious-spiritual dimension will have to enter the scene, too. The contribution of all the great religions, explicitly or implicitly based upon the principle of *serving* – *Dienst an der Sache* –, associated with the principles of the *common good*, *solidarity* and *subsidiarity* is indeed essential for the stability and permanence of political societies – without these social and religiously founded values, there will always be the danger of egoistic individualism and economico-financial power centres dominating again.

These fundamental Christian values have been put to the fore right from the beginning of systematic Catholic thought on the new socio-economic situation that had come into being after the Great Transformation 1750-1830 in the Encyclical *Rerum Novarum* 1891. And it was immediately realized that systematic reasoning, socio-economic and political *theory* to wit, was required to come to grips with the immensely complex reality of the modern world – theory was indeed required in order to implement the great principles set out in *Rerum Navorum*. This is indicated by two significant facts. First, one of the founding fathers of the University of Fribourg (Switzerland), Caspar Decurtins, proposed around the year of foundation of the University in 1889, to establish a *Faculty of Political Economy*, recognizing the need of supporting Catholic social doctrine through socio-economic and political theory. Almost certainly Decurtins was impressed by the emergence of the liberal neoclassical system of economic theory in 1870 to 1890 – elaborated by William Jevons, Léon Walras, Alfred Marshall and the Austrians – and of the political economy of socialism, represented in the main by the work of Karl Marx – the first volume of *Das Kapital* had appeared in 1867. The

presence of solid ‘secular’ systems of economic theory naturally explains Decurtins’s endeavour to create a Christian/Catholic alternative at the level of economic theory. And second, the Jesuit Heinrich Pesch, probably on a suggestion from Rome, possibly even from Pope Leo XIII himself, wrote a *Treatise on Political Economy (Lehrbuch der Nationalökonomie)*, comprising five volumes, between 1905 and 1923; however, this excellent book was primarily situated on a theological-philosophical and institutional, not on the theoretical level – incidentally, to work out a theoretical alternative to liberal neoclassical economics and to socialist political economy was simply impossible in Germany, in a time still dominated by the anti-theoretical German Historical School.

In any case, both projects could not succeed because the time to elaborate a system of political economy of the intermediate way between Liberalism (Capitalism) and Socialism (with Central Planning) had not yet come – given this, Caspar Decurtins and Heinrich Pesch must both be considered far-sighted visionaries. Indeed, very considerable preparatory work had to still be done to establish a middle-way system of political economy. This preparatory work could rely, in the main, upon the systems of political economy of the great classical political economists François Quesnay and David Ricardo elaborated around 1800, and of Karl Marx, the giant of the 19th century, whose work essentially represents a critique of liberal economics. Subsequently, Maynard Keynes, the outstanding figure of the 20th century, gave the decisive impetus on the social philosophical and theoretical level. Following up Keynes, the Italian political economists Piero Sraffa, Pierangelo Garegnani and Luigi Pasinetti prepared the way to bring together, at the level of principles, the classical political economists and Marx with the work of Maynard Keynes in a theoretical system of *classical-Keynesian political economy* (Bortis 1997, 2003a, 2012, 2013a, 2013b, and 2015). This system of economic theory is based on an elaborated version of Keynes’s social philosophy of Social Liberalism, and is, as such, grounded on the Aristotelian-Thomistic vision of Man and Society, and is, therefore, entirely in line with the great principles of Catholic social doctrine as emerges from Bortis (1997). Given this, *classical-Keynesian political economy may, as a result, be considered the political economy of Catholicism*.

Since World War Two, Catholicism has gradually become completely open and truly universal. The same characteristics also hold for classical-Keynesian political economy: „Classical-Keynesian long-period theory, that is, the theory of the long-period output and employment trend, and its implication for the theories of value, distribution, and proportions-cum-structures (see on this Bortis 1997 and 2003a), represents the starting point for building up an open-ended classical-Keynesian system of political economy that, in a first step, would

consist of an orderly arrangement of all elements of post-Keynesian-cum-neo-Ricardian theories. Here the *original* works of Keynes and Sraffa have to be put in their appropriate place. However, in a second step, the classical-Keynesian system must be open to allowing all types of heterodox economics, and of (humanist) Marxist political economy as well as large parts of neoclassical economics—dealing with the behavior of individuals and collectives—to come into the picture. In this way most differing aspects of an evolving real world may be tackled. And, to avoid misunderstandings, it should be mentioned that Walras and Marshall will, forever, remain monuments in the history of economic theories, because without knowing about their theoretical systems, we cannot understand the meaning and the significance of the twin Keynes-Sraffa revolution. Hence the purpose of the classical-Keynesian synthesis is essentially positive and constructive, and nobody is to be excluded, rather the aim is to gather all the forces required to meet the formidable challenges facing us on a world scale: social problems (poverty and misery), economic issues (employment and distribution), environmental problems, the issue of sustainable development on a world level, and last, but not least, the rebuilding of states“ (Bortis 2013a, pp. 344 – 45).

Given all this, the transition in the direction of Keynes’s Social Liberalism, the middle-way alternative to neoliberal Capitalism and Socialism (with Central Planning), must ultimately aim at establishing a Christian shaped Humanism, implying the development and the prospering of the social individuals moving to the fore; here, the material would be only a means to reach ethical, scientific and cultural ends, completed by the religious-spiritual dimension; *ultimately, therefore, Jacques Maritain’s and John Nef’s **Humanisme Intégral** is required.*

The Roman Church has recently – around 2014 – intensified her efforts to initiate the transition from neo-liberal Capitalism to Social Liberalism as is in line with Catholic social doctrine. However, this transition can only become effective if there is strong political action. On the political level the first move might eventually come from Germany, subsequently followed by Europe as a whole; here, ***the Prussian capacity to deal with most difficult situations and to be up to the requirements of the time may prove absolutely necessary,*** since, indeed, the *immense* problem will be to soften and to tame Max Weber’s iron case - *stählernes Gehäuse* – of materialistic neoliberal Monopoly-Finance-Capitalism, so as to put the economy, in a Keynesian social liberal vein, into the service of Man and Society. In this perspective, we shall argue that *Europe, the Laboratory of World History*, must take the lead in view of establishing a social liberal world order, of course not through exercising power of some kind, for example, economic power materialised through economic and financial

sanctions, but through setting a good example and providing help if required. In this context we may remember that Russia is a European country, too, and may contribute to the march towards Social Liberalism – possibly Liberal Socialism in Russia. A remark made (in June 2014) by the President of the Russian Railway Company, Vladimir Yakunin, is significant here. Indeed, Yakunin requires a strong State and a vigorous Society in Russia, both built upon the basis of Christian values. One may go a step further. At the outset of the 20th century, given the worldwide flow of ideas, the entire world may eventually constitute the Laboratory of World History, to a differing extent though in the various countries.

On this enlarged *Weberian* background, a recent book by the Indian essayist and historian Pankaj Mishra is of the greatest importance and of the utmost relevance: *Aus den Ruinen des Empires – Die Revolte gegen den Westen und der Wiederaufstieg Asiens*; original: *From the Ruins of Empire – The Revolt Against the West and the Remaking of Asia*. In fact, the Western domination in Asia has resulted in gravely damaging or even in the destruction of civilisations, also in violence and exploitation. Cultural and religious values have been relegated to secondary importance by materialism, consumerism and money making. The recent rise of Asia [China and India in the main] is precisely based upon these materialist values, which gradually tend to dominate ethical, cultural and spiritual values. However, formal democracies hide, in fact, the rule of immensely rich oligarchies, with very high levels of poverty, and a small middle class. The *Epilog: Eine zweideutige Rache* (Mishra 2013, pp. 363 - 377) is significant and highly important as the very final paragraph illustrates: “Das erste Jahrzehnt [des 21. Jahrhunderts] ist bereits durch den Krieg gegen den Terrorismus verunstaltet worden. Im Rückblick jedoch könnte er sich als blosses Vorspiel zu grösseren und blutigeren Konflikten um wertvolle Rohstoffe und Erzeugnisse erweisen, auf die in Modernisierung begriffene Volkswirtschaften angewiesen sind. Die hinter dem Streben nach endlosem Wirtschaftswachstum stehende Hoffnung – dass Milliarden von Konsumenten in Indien und China eines Tages denselben Lebensstandard haben werden wie Europäer und Amerikaner – ist eine ebenso absurde und gefährliche Idee wie die Träume von al Qaida. Sie verdammt die globale Umwelt dazu, bald zerstört zu werden, und schafft ein gewaltiges Potential an nihilistischer Wut und Enttäuschung bei vielen Hundertmillionen Habenichtsen – das bittere Ergebnis des weltweiten Triumphs der westlichen Moderne, das die Rache Asiens als bedrohlich zweideutig erscheinen lässt und all seine Siege in wahrhafte Pyrrhussiege verwandelt” (Mishra 2013, p. 377). In this essay we indeed argue that, as a consequence of this situation, neoliberal Monopoly-Finance Capitalism must be abandoned as soon as possible for socio-economic, political and environmental reasons to be replaced by Keynes’s

Social Liberalism if Modern Civilisation is to survive. The economy must become of an ancillary nature again, a material basis upon which political, legal, social, and cultural institutions may be erected, aiming at the well-conceived state, enabling the social individuals to prosper in all domains: in the sciences, the arts – elite and popular – and last, but not least, craftsmanship. Finally, the basis for sustainable development must be laid in all countries of the world; common sense and science tell us that urgent action is absolutely necessary to prevent a major catastrophe – the melting down of the Antarctic ice and the subsequent rise of the sea-level by, possibly, 2 – 3 meters is but just one great warning sign. Sustainable development can only be successfully realised on the basis of the *internal development* mechanism depending on sufficient effective demand brought about by a fair distribution of incomes (Bortis 2013a, pp. 355-62); moreover, cooperation between countries and supranational coordination is of course required.]

Let us now return to the unfortunate and ultimately disastrous consequences of abandoning Bismarck's cautious policy aiming at preserving and protecting the *Reich* through alliances which became glaringly apparent under Kaiser Wilhelm II. In fact, Bismarck did not humiliate Austria-Hungary after Königgrätz in 1866 – Prussia did not expand in the slightest at the cost of Austria and no victory parade took place in Vienna! -, and there are even rumours that the Great Chancellor did not want to annex Alsace-Lorraine to have France as an ally! Indeed, Bismarck did not want Germany to become an economic, military and political world power, but called for basically carrying on her old role as a *Kulturnation* exercising intellectual and cultural influence, which would include economic influence through producing and exporting goods of high quality.

Bismarck's extraordinarily prudent way of acting, always trying to reach political aims by peaceful means and using military force only as an ultima ratio, clearly emerges from the fine biography by Eberhard Kolb: Otto von Bismarck – Eine Biographie, München (Verlag C.H. Beck) 2014. The outstanding diplomatic capacities of the Great Chancellor are also put to the fore. It was precisely the lack of Bismarckian diplomatic capacities, requiring a global and comprehensive view of political affairs (ganzheitliches und umfassendes Denken in politischen Angelegenheiten) that led Germany into disaster during the reign of Kaiser Wilhelm II.

However, *Kaiser Wilhelm's Capitalist Germany* was, like the other capitalist nations, England

in the main, necessarily bound for the unlimited growth of monetary and real wealth, the acquisition of lands in the form of colonies most importantly, expanding export markets and safe access to primary resources (raw materials, energy sources and agricultural products) needed as inputs for her driving industry and to feed her rapidly growing population; all this *could* imply the striving to become a World Power, eventually even the only *Weltmacht*, dominating the entire world; even if, as is very likely, most responsible German intellectuals, politicians, and military leaders did not think along these lines, *Kaiser Wilhelm's* attitude and policy might have, and indeed have widely been interpreted as of Germany attempting to become a world power or even striving for world domination. In Bismarck's words, Germany under Kaiser Wilhelm II tended to become an *Eroberernation* (an imperialist power), which she definitely became with Hitler and the Nazis. This is the consequence of Monopoly-Finance-Capitalism, which is inherently imperialist. Perhaps the most important reason is that the problems of distribution and employment cannot be solved satisfactorily *within* the capitalist countries, hence the tendency to rely on the *external* development mechanism to create new workplaces and extract surplus from cheap labour all over the world through transnational corporations and financial interest groups (banks, very wealthy individuals as well as huge pension and investment funds of various kinds). Monopoly-Finance-Capitalism in general and the external development mechanism in particular may bring about a kind of economic imperialism, which, in turn, may be accompanied by political and even military imperialism.

However, Bismarck, and, in fact, most of the high-ranking traditional Prussian-German officers (*Offiziersadel*), and also most responsible politicians and intellectuals, never wanted to embark on such a course because they knew that, given her superior strength relative to all the other great powers, Germany would, ultimately, stand alone against a coalition of these great powers, in fact, against the entire world; indeed, giving Germany the opportunity to fight against each great power individually, or against a partial coalition of great powers, for example, France and Great Britain, or France and Russia, would inevitably see Germany victorious; and, eventually, the final result would be German *Weltherrschaft*, reached step by step.

Hence the boundless striving for wealth accumulation, real and monetary, by the most powerful capitalist countries, who increasingly developed through the external mechanism, violently clashed with finite natural resources, land in the main, and limited markets for final products to produce the Apocalyptic Age 1914 - 1945. The crucial event was the dismissal of Bismarck in 1890 when Germany, severely hit by the Kondratiev downswing of the last

quarter of the 19th century, switched from the basically peaceful internal development mechanism to the conflict-ridden external mechanism of economic development (on these development mechanisms see Bortis 1997, pp. 190-98 and 314-48 and Bortis 2003b). But while the Western powers just managed to keep Germany in check in the First World War by economic and military means, Monopoly Capitalism and the Western countries played shameful games with her in the Second World War through putting the Nazis into power and maintaining them there to crush the Soviet Union, and, subsequently, to stab Germany in the back to destroy the monster they had let grow, even at the price of accepting the victory of the Communist archenemy; in this way, the German people was misused in a disgraceful way, because, as we have insisted upon, the responsible politicians, officers and intellectuals, and, above all, the overwhelming majority of the German people did not want to go to war with the Sowjetunion after the terrifying experience of the First World War, and the suffering which followed, most importantly because of a quasi civil war and a hyperinflation, both compounded through the humiliation of the Versailles Peace Treaty.

A final consideration may complete this way of reasoning: It is well known that, in late 1917, the German High Command, assisted by a Romanian person, Parvus, had organised the transport of Lenin from Zurich to Petrograd, which was to become Leningrad, thus bringing about the Communist *coup d'Etat*. Subsequently, from Rapallo 1922 onwards until 1934, the Red Army had been built up on the basis of German military technology. In fact, German top technology, machine tools in the main, was transferred to the Soviet Union in exchange for raw materials stock built up to conduct wars until the outbreak of the War in 1939, and maybe even beyond, eventually until early 1941. Given this, some German politicians and, above all, high-ranking officers, Seeckt and Hammerstein in the first place, knew about the tremendous military strength of the Soviet Union, and so did, as is very likely, Western Intelligence. The Western powers could now argue that it was up to Germany to destroy the Communist monster, they had nourished, to eliminate the Communist danger for the Capitalist West, which included Germany. The fanaticism of the Nazi-leaders seemed a convenient means to reach this aim.

At the end of the Second World War, the West possessed the atomic bomb and world domination by the United States and Great Britain, and, eventually, France, seemed a real possibility (there was in fact talk about *nuclear diplomacy* at the time). This was thwarted, however, through *Klaus Fuchs* who, in 1947, transferred the secret of the nuclear bomb to the Soviet Union. *This act of world historical importance* was also crucially important for the vanquished; indeed, Germany and Japan thus escaped eventually very harsh treatment; God

knows what would have happened to Germany and Japan, had Klaus Fuchs not acted in the way he did. The Morgenthau Plan, originally accepted by Churchill and Roosevelt, provides some hints at what might have occurred. Instead, both countries became the spearheads of the Capitalist West against the Communist Soviet-Chinese block; in this vein, Germany and Japan were, for the first time in modern history, given free access to the world markets, an opportunity both countries most successfully made use of. Both, Germany and Japan, in fact enjoyed substantially higher rates of economic growth than the winners of the Second World War, and investigations into the reasons for this surprising phenomenon became a favourite theme in political economy. Tremendous export strength based upon top quality goods and services turned out to be the best explanation.

The Marshall plan of 1948 had the evident aim to speed up the recovery of Western Europe, above all of West Germany, to establish a solid West European stronghold against the Soviet block, now in possession of the atomic bomb; the creation of new markets for US excess production was an important parallel aim. Based on George Kennan's *Containment Policy* the West managed to keep in check the Communist Block relatively easily and its breakdown around 1990 seemed to hail the ultimate victory of Capitalism. Francis Fukuyama announced the end of history and many thought that the 21st century would be the US American century. All this was seriously put into question, though, through the heavy crisis that occurred in 2008-09. Once again, the necessity of a new world economic and financial order emerges; we have repeatedly argued that this new way between neo-liberal Capitalism and Socialism with central planning can be only along Keynesian social liberal lines and based upon Classical-Keynesian Political Economy.

Two final remarks remain to be made; first, given the suggestions made in this subsection, it is certainly appropriate to put *Capitalist* Germany, the Germany from 1890 onwards, into the centre of the events that occurred during the *Apocalyptic Age 1914-1945*; and, second, it would seem that the course of World History has been such that no power could ever gain domination of the *entire* world, and this is very likely to remain so. *Jedoch, auch im Apokalyptischen Zeitalter 1914 – 1945, hing wieder einmal alles an einem seidenen Faden.* Hitler and the Nazis believed until the last moment that Nazi-Germany could win the War on account of the *Geheimwaffe*, the combination of the V2-rocket and the atomic bomb.]

In the context of the Holocaust, it is frequently argued the Germans had necessarily known about the criminal activities of the Nazis, tolerated them and had, nevertheless, not reacted against Nazi atrocities. Given this, most of them, with the exceptions of communists, or social

democrats, must be considered either as indifferent, silently approving followers and sympathisers or else more or less enthusiastic Nazis. This, too, is *entirely wrong* as is suggested by yet another significant incident. In the small town of Vejprty (North-Western Czechia) - before 1945 Weipert in Böhmen - a Sudeten German (*Sudetendeutscher*), *Heinz Bartl* (born around 1900), politically belonging to the Catholic Center, had, at some time in 1940, given refuge for *one* night to a victim of Nazi persecution - a Jew or a Communist or both, hunted by the *Gestapo*. The following day he was arrested by the *Gestapo* and brought to Dachau where he was locked up in an entirely dark cellar cell, which he could leave a very few times only - thus, he could not read or do some manual work and had seen the sun a couple of times only during years. At the end of April 1945 Dachau was liberated by the Americans; however, the unfortunate man died, totally broken, a fortnight later.

This confirms once again, that **Germany was entirely in the iron grips of the *Gestapo* and the *Schutz-Staffeln* (SS), with denunciation playing an important role.** Not the slightest action against the regime, physical or verbal, was possible. Nazi teachers even instructed schoolchildren less than ten years old to spy on her parents, above all on whether they were listening to foreign radio broadcasts.

This leads to a crucial point: The Nazis have, at once, laid their hand on the German youth and, through an extremely refined and efficient propaganda and indoctrination, they managed to win large parts of the German population for their cause; in this the Nazis had a relatively easy game because, on account of the heavy crisis, large numbers of Germans were in deep turmoil and completely disoriented and, as a consequence, were longing for a strong leadership bringing about order and, above all, work places. Moreover, and very importantly, entrepreneurs who were not members of the Nazi party (NSDAP) did not get state orders and, consequently, had to worry about the existence of their enterprise; hence a great number of entrepreneurs became party members, not because they were Nazis, but simply because they wanted to save the workplaces of their workers and employees. Moreover, parents who were critical against the regime, had to reckon with heavy sanctions against their children at school or in their professional life. On the other hand, a young man joining the SS could considerably ease the living conditions of his family and relatives as well as his friends. In the crises of the 1930s with its struggle for survival it was certainly not easy to oppose the pressure of the Nazis; it was much easier to march with them, even if not being a Nazi. In any case, this immense pressure on the German population made the Germans generally appear sympathetic to the Nazis, although this was not the case at all.

The first great Nazi propaganda film, *Triumph des Willens* (*Triumph of the Will*) 1934, shows

how cunningly the Nazis proceeded; for example, the grandiose demonstrations of power contributed to overcoming the humiliation through the *Peace Treaty of Versailles*. In addition, the Nazis were extremely successful economically: Through rearmament and the maintaining of existing and the building up of new infrastructure (motorways, for instance) involuntary unemployment could be dramatically reduced. In these crisis-ridden times, large parts of the European population were impressed: Hitler was considered the man who set people to work! Even Keynes had to admit that „the theory of output [and employment] as a whole, which is what the following book purports to provide, is much more easily adapted to the conditions of a totalitarian state, than is the theory of production and distribution of a given output under conditions of free competition and a large measure of laissez-faire“ (Keynes 1936/1973, p. xxvi). The economic achievements of Nazi-Germany and her ferocious hostility against Communism favourably impressed large parts of the European population, and there was sympathy and even enthusiasm up to highest spheres of the European society, with right-wing circles being openly in favour of the Nazis. Given all this, the Nazi regime had Germany firmly under control, through terror, extremely efficient propaganda and indoctrination as well as economic successes, and managed to establish good relations with the Western countries.

However, it would be highly inappropriate to attach too much weight to the successes, economic in the main, of the Nazi regime. One really has to be highly conscious of the terrifying terror and the desperate attempts of high-ranking officers, with General Kurt von Hammerstein, at the heart of resistance, to get rid of this inhuman regime, who hoped that the Western powers would intervene when Czechoslovakia and Poland were smashed; Winston Churchill wanted to get rid of the Nazis in 1933 already; however, his advice was ignored, and he was even considered naive, because he did not realise that National Socialist Germany was to become the spearhead of Western Monopoly Capital against the Communist Soviet Union. In any case, nothing happened as Czechoslovakia was destroyed and Poland crushed. Moreover, one may reasonably assume the secret services of the USA, Great Britain and France and hence the Western governments were far better informed on what happened in Germany than large parts of the German population; German Jewish and German emigrants to the West, top intellectuals in many instances, also provided most important information on the situation inside Nazi-Germany. This proposition is greatly reinforced by the fact that *Admiral Canaris, the Chief of German Intelligence, belonged to the group of conspirators!* Given this, the Western governments were certainly well-informed about the desperate attempts of high-ranking officers to get rid of the Nazi régime, specifically of Hammerstein's

continuous endeavour to eliminate Hitler physically.

Moreover, it is *highly likely* that the Western governments, the US and the UK government in particular, Jewish leaders living in the United States and in the United Kingdom, and *perhaps* also the Soviet leadership, were not ignorant about the ongoing Holocaust and about the existence of the extermination camps. Given this, the surprise about the discovery of these camps at the end of the War is highly unreal indeed and seems, in fact, to have been stage-managed. If all this is highly probable, awkward questions arise. Why did the Western powers not strongly intervene, and who decided on the entirely passive attitude of these powers, and upon the total silence on these terrible events until the very end of the war? What was the hidden purpose behind this attitude?

In principle, it is not up to outside observers to answer these questions, but to those directly concerned. If, nevertheless, outside observers were asked to express their opinion, they might advance three main reasons for the silence and the inaction of the Western (UK and US) allies and Jewish individuals and institutions in the face of the Holocaust:

In the first place, the United States and, eventually, the United Kingdom did not want to intervene on the Western front too early in order to decisively weaken both Nazi Germany and Stalin's Soviet Union so as to prepare the way for US world domination. Indeed, two days after the Nazi German attack on the Soviet Union, on June 24, 1941, Senator and later President Harry Truman, remarked cynically in a newspaper interview: *When Germany is on the winning side, we must help Russia, and with the Russians winning, our help must go to Germany; in this way there will be a maximum of victims on both sides* (see Pauwels 2006, p. 66). In fact, as we have suggested in the above, an invasion of France would have been possible in 1942 already, at a time when the Atlantic Wall was not yet built; incidentally, this would also have been the most efficient way to assist the Soviet Union in her war effort by taking away the Nazi pressure on the Eastern front (incidentally, Stalin had repeatedly asked for an early invasion). An early invasion of France, accompanied by the bombing of headquarters of concentration camps and by interrupting the access to these camps through acts of sabotage, would, as is very likely, have greatly diminished the extent of the holocaust. Finally, however, the invasion took place in the very last moment, just to prevent the Red Army to march in the direction of the Atlantic.

A second reason for Western, mainly US, but possibly also UK, as well as Jewish inaction was that the completed Holocaust would definitely brand Germany as a criminal country and provide the ultimate reason to implement the Morgenthau plan, thus wiping out definitely the most dangerous rival for US world domination, and paving thereby the way for the world

supremacy of the United States, with the United Kingdom as a junior partner.

Third, the abysmal reality of the Holocaust would provide *the* decisive reason for establishing - with US support - the state of Israel, which would increasingly participate in US world domination; in a way, the United States and Israel have indeed become unseparable allies, acting in great harmony in the Middle East and on the world level. In fact, Israeli influence on US foreign policy is considerable indeed. And so is Israeli influence on US elections and on socio-economic policy making.

And, as a by-product of the Holocaust, there has been a tendency to considering substantial critique of Jewish persons or institutions as manifestations of antisemitism, which could lead up to social or legal consequences.

In considering all this, we must recall here that, above all, in war and crisis situations, crucial decisions are almost always taken by a very small number of people, in fact, the hard core of the ruling elite; given this, it would be utterly wrong to accuse entire peoples for criminal decisions taken by members of the power elite. Indeed, in a democracy the true power centre may be hidden in the background or even in the underground and is therefore invisible, a problem already mentioned by the most eminent political scientist of Modernity, Alexis de Tocqueville, in the first half of the 19th century. Even for very democratic Switzerland, a highly respected journalist, Hans Tschäni, asked in 1983 the significant question: “Wer regiert die Schweiz? [Who governs Switzerland?]”. And more obviously, in January 1961, the retiring President, Dwight D. Eisenhower, warned the United States of the power centre made up of the military-industrial complex.

[At this stage we must come back on a proposition hinted at in the above, stating that *Jerusalem*, the capital of Monotheism, should become the *capital city* of the world. This can of course only be realised once peace in the Middle East has been restored, which is far from being the case presently [in 2016]. It is indeed impressive to realise how, starting in 1947, the US American-Israeli tandem has managed to bring about the situation of 1967 culminating in the conquest of Cisjordan by Israel, who, subsequently, had *never* the intention to retire from Cisjordan as Abba Eban’s sophisticated interpretation of the UN resolution 242 shows; this is confirmed by the whole of Charles Enderlin’s 2013 book: *Au nom du Temple – Israël et l’irrésistible ascension du messianisme juif (1967-2013)*; however, it is in the spirit of UN resolution 242 that Israel *should retire* from Cisjordan (Enderlin 2013, pp. 39-40). This fateful year, 1967, is the starting point of Enderlin’s 2013 book. The book begins with a highly

significant statement by Gershom Scholem: “*Chaque fois qu’on introduit le messianisme en politique, les choses se gâtent. Cela ne peut mener qu’à la catastrophe*” (Enderlin 2013, p. 9, epitaph). It is indeed not possible to go on humiliating the Palestinians and the Arabs, and to create the preconditions for driving out the Christians from the Middle East, based on religious principles embodying absolute truth from the Israeli point of view at the exclusion of the Palestinian (Islamic) and the Christian position. Catastrophy will inevitably be the ultimate consequence, a conclusion arrived at by many Jewish personalities. In fact, Jewish messianism implies that God has given the entire lands of Greater Israel to the Jewish people and that the Arabs are only intruders having taken these lands after the expulsion of the Jews by the Romans in the year 70 of the Christian Era. Moreover, “[*le sionisme de rédemption*] *n’est pas destiné à résoudre le problème juif par la création d’un Etat, on peut dire bien plutôt qu’il est utilisé par Dieu comme un outil afin de mener Israël vers la rédemption*” (Rabbi Yehuda Amital, quoted in Enderlin 2013, p. 51). In fact, Jewish messianism implies that Christianity and Islam are wrong and, consequently, that the Jewish religion is the only right one. Here, the outside observer would remark, that, in Keynesian terms, overall evidence suggests that the Christian belief stating that Jesus Christ *was* the Messiah is *far more probable* than the Jewish belief that the Messiah *is still to come*, in an undetermined future though. Given this, religious propositions based on faith simply cannot be taken as the basis for political action, a fact also recognised by eminent Jewish thinkers. To base politics on religion is bound to lead to endless wars because every religious community will claim that their religion is the absolutely right one (which, in fact, is normal). Moreover, the idea of *the Jewish people as the people chosen by God* seems also to be involved in Jewish messianism, an idea that can no longer be upheld since the onset of Christianity. Indeed, as has already been mentioned in the above, the great German historian Leopold von Ranke once stated that, *before God, all peoples and all epochs stand on the same footing – Vor Gott stehen alle Völker und alle Epochen gleich da*; this is really in the universalist Catholic spirit. In the above we have also mentioned the great French theologian Jean Daniélou who remarked that salvation does not refer to some individuals or peoples selected by God, as some Calvinists, and possibly some others, would claim, but that *salvation refers, in a universalist Catholic spirit, to humanity as a whole*. In a Keynesian common sense vein, this sounds very plausible indeed.

Given all this, the Jewish-Palestinian problem and the conception of the Israeli-Palestinian state can only be solved on the basis of mutual respect between religious communities and between states and peoples. The starting point for the solution of the Jewish-Palestinian

problem might be given by an idea suggested by the Mogul Emporor *Akbar the Great* as is set out in Arnold Hottinger (1998): *Akbar der Grosse – Herrscher über Indien durch Versöhnung der Religionen*. In fact, the Indian Mogul Emperor Akbar the Great (1556-1605) aimed at ruling over India through the reconciliation of the Hindu and Islamic religions by means of establishing common places of worship. In analogy, Israelis and Palestinians would worship their respective divinity (Jahwe and Allah) at common places, for example the *Haram / mont du Temple / Tempelberg* (Enderlin 2013, p. 27) at Jerusalem in the way prescribed by their religion (Judaism and Islam). And the Christians have, of course, their own places of worship in Israel-Palestine since the birth of Jesus Christ.

As has been already suggested, the new state should be called *Israel-Palestine*. This implies abandoning the *two states conception* as outlined in the UN resolution 242 of November 1967 (Enderlin 2013, pp 39-40). Hence Israelis and Palestinians would live together in the same state territory. Initially at least, this would raise complex problems. Hence to govern Israel-Palestine would require a strong government, aiming at realising the Common Good for both the people of Israel and of the Palestinian people, and of the Christians living in Israel-Palestine. In fact, there should be a supra-party government led by a presidential *Troika*, made up of an Israeli, a Palestinian and a Christian Co-President. The Christian Co-President would act as a mediator between the Israeli and the Palestinian Co-Presidents. The ministers of the government and the Prime Minister would have to be *wise men and women* selected from the Israeli, Palestinian and Christian community. There is no point of going into further detail here. It would seem, however, that a Presidential *Troika* and a government representing the three monotheistic communities, is, in all likelihood, the only possibility to bring about a just and stable situation in Israel-Palestine, which is an essential precondition for Jerusalem, the Capital of Monotheism, to become the Capital City of the World, a suggestion made elsewhere in this essay. And Monotheism is presently made up of three great religions: *Judaism, Christianity* and *Islam*. Given this, Israel-Palestine has, in the last two thousand years, become the homeland of all three monotheistic religions. This implies that, in Israel-Palestine, the three monotheistic religions should be put on an equal footing.

And, finally, not all Israelis living in today's world will be able to settle in Israel-Palestine, but would be living within the Biblical Federation mentioned above and, in fact, all over the world. This implies reviving, within Keynes's *social liberal* world order (Bortis 1997 and this essay), traditional Jewish cultural centres like Baghdad, Lemberg, Königsberg in Preussen, and others.]

On the other hand, while Western intelligence and Western governments were almost certainly very well informed about the situation in Germany, the German population was not only badly informed, but was entirely *disinformed*; indeed, Goebbels once put the basic principle underlying his „information“ policy in the cynical formula: *Grosse Lügen glaubt man, kleine nicht!* This *systematic* disinformation explains why the Nazis tried to prevent the German population from listening foreign radio broadcasts and even used schoolchildren to spy on her parents in this matter. The utmost cynicism of the Nazi-Regime is expressed by the fact that Goebbels was *Minister für Volksaufklärung!!* The Nazis really anticipated George Orwell's *1984*, where the *Ministry of Peace* is in fact the *Ministry of War*. Or, what is more likely, George Orwell was inspired by Nazi Germany and Stalin's Soviet Union.

[The United States (with Israel as a very close ally after World War Two), using much subtler means than Hitler and Stalin, could be included in this group of heavily alienated and, as a consequence, failed states (Noam Chomsky). Here, one should not forget, however, that Hitler was brought into power by a Capitalist International to wipe out Communism (and even Social Democracy) at a time when Germany was in a most difficult socio-economic and political situation, and that Stalin had to prepare the Communist Soviet Union for the inevitable struggle with Capitalism, which, in fact, was a struggle for sheer survival: heavy industry and an efficient armaments sector had to be built up at all costs, human and material, in a climate of boundless hatred and mistrust. However, the United States callously intervened, and go on intervening, in the internal affairs of other countries and in world politics, enjoying a most comfortable material and geographical position, motivated by an almost religious Sendungsbewusstsein to globally spread liberty, democracy and free markets, which moves in line with, and simultaneously disguises, the striving for money and power, and, ultimately, for world domination through Monopoly-Finance Capitalism.]

Given all this, the *Apeasement Policy* regarding Czechoslovakia in 1938 and the betrayal and abandonment of Poland in 1939 must be considered *highly criminal*: To be sure, as has been suggested in the preface already, *a many Nazis were criminals*; however, *the greatest criminals are to be found outside Germany*. Indeed, the Western Powers shoved all they had refused to the Weimar Republic down Hitler's throat, knowing exactly, as Churchill did, that the Nazi-Regime was criminal right from the beginning: the destruction of the *Communist and Social Democratic parties* immediately after January 30, 1933, the *concentration camps*, set up from 1933 onwards, the *Reichstagsbrand* end of February 1933 and the terrifying

Nacht der Langen Messer, including the assassination of General Kurt von Schleicher, end of June/beginning of July 1934, represent sufficient proof. Western Monopoly Capitalism maintained this ruthless regime in power, the ultimate aim being the destruction of the Communist Soviet Union, and of Communism and possibly even Social Democracy in Germany and eventually Europe. Dozens of millions of Europeans in general, above all Germans, Jews, Poles and, in the first place, Russians were in fact sacrificed on the altar of power and money.

Regarding the failure of the Communist Revolution in Germany, Harman argues, that, “without an understanding of the defeat of the revolutionary movement of Germany after the First World War, the Nazism that followed cannot be understood. The great barbarisms that swept Europe in the 1930s arose out of the debris of defeated revolution. The road which led to Buchenwald and Auschwitz began with little known battles in Berlin and Bremen, Saxony and the Ruhr, Bavaria and Thuringia in 1919 and 1920. The swastika first entered modern history as the emblem worn in these battles by the counter-revolutionary troops” (Harman 1997, p. 10).

Three remarks have to be made on this. First, in all likelihood, the Western powers would *never* have accepted a Communist Germany, not even a coalition of Social Democrats and Communists. They would have intervened militarily had the Communists been on the way to power, eventually allied to the Social Democrats. Second, Harman is certainly right to argue that 1923 marked the end of a possible Communist government coming into power; indeed, after the seizing of power by the Nazis at the beginning of 1933, it was utterly naïve to believe that Hitler’s government would not survive for long, and that its failure would pave the way for the Communists. Once in power it was impossible to remove the Nazi regime, without foreign intervention. Third, some historians have suggested that, in the last instance, Stalin did not want the German Communists to succeed in order to preserve Soviet supremacy within the Communist movement worldwide. This is extremely plausible, given the absolute domination of power politics in the Apocalyptic Age.

Hence the objectively given situation that emerged after the First World War and the determinism exercised by the capitalist system both imply that we cannot judge Hitler and Stalin by the ethical criteria associated with the comfortable bourgeois life of industrially advanced countries, that is, broadly with the above-mentioned bourgeois *rules of the game*, and even less by Christian Natural Law Ethics. Both Hitler and Stalin, in fact, despised these values. To judge both tyrants one has to move to the outskirts of the desert of alienation and

nihilism. In fact, to correctly assess Hitler and Stalin we would have study carefully the objective conditions, including of course dominating ideas, they were set into and we would even have to put ourselves at their place. This may be possible to some extent, but, probably, not sufficiently enough to give a fair judgement. Given this, to assess Hitler and Stalin in a fair way seems to be outside the reach of human beings, however intelligent they may be.

These remarks, perhaps, prepare the way to understand a proposition made by the French Theologian Jean Danièlou, and certainly by many other Theologians, too. Jean Danièlou indeed argues that the ultimate end of Sacred History is the Salvation of the *whole* of Humanity. This evidently implies that Hitler and Stalin will be saved, too, as emerges, like the tip of an iceberg, from the above argument.

For most individuals it is, probably, much easier to imagine how an individual might act in much less complex situations as are vividly pictured in Naomi Klein's *Disaster Capitalism*. Indeed, Naomi Klein's *shock doctors*, as she calls these individuals, "are people with power who are cashing in on chaos; exploiting bloodshed and catastrophe to brutally remake our world in their image. [...] Exposing these global profiteers Naomi Klein discovered information and connections [...] about how comprehensively the shock doctors' beliefs now dominate the world" (Klein 2007, backpage). But who can resist making huge amounts of money in a very short period of time *if* the opportunity arises? Probably, one can answer this question only by asking a new question, namely the Biblical question: Who throws the first stone? As has been attempted to argue above, this Biblical question may be asked for Hitler and Stalin, too.

There are, however, instances in which this question cannot be asked, that is in case of *evil without reason*, which could be called *absolute evil* (*das grundlose oder das absolute Böse*), for example torturing just for fun, without having received an order – the action could have taken place or not have occurred at all. Possibly, this may be explained by heavy alienation on the individual level brought about by sadism, which, in turn, governs the behaviour of the individuals in question.

The difference between ethically bad actions, which are bad to various degrees, but have a definite aim, and the groundless or absolute bad (*das grundlose oder absolute Böse*) is certainly relevant and has been perceived by people involved in this choice. It is, indeed, reported that SS-soldiers or officers committed suicide when they received the order 'to do service' in concentration and extermination camps, because they considered themselves as soldiers who wanted to meet their opponents face to face in fighting for their country, and who abhorred the extermination of innocent and helpless people. Given this, massacres of

helpless civilians in a war or, without any military reason, are also instances of the groundless or absolute bad.

The nature of absolute evil is illustrated by a terrible fact reported from Auschwitz. An old man in the midst of a crowd on the way to death asks for some water. Somebody manages to get a glass of water. Just as he is about to drink, an SS-man knocks the glass out of his hand. *Why*, asks the old man, and the SS-man replies: *There is no Why here – Hier gibt es kein Warum*. Hence it is total Nihilism, which produces the absolute or groundless bad. In situations alienated to the utmost, power dominates absolutely and ethics is non-existent.

In this context, the profound significance of a Natural Order and of objectively given immutable fundamental values emerges most clearly. Humanity would indeed be lost without the existence of such values, because, as Dostojewskij suggested, with Nihilism everything becomes possible - above all in conditions of extreme socio-economic and political alienation. Auschwitz certainly stands for *absolute Gottferne*, the largest amount of alienation that existed in all human history.

Dostojewski's presentiment about the ultimate consequences of Nihilism was also confirmed in the case of Russia and the Soviet Union. Millions of innocent people died in the course of the Collectivisation of Agriculture in the early 1930s and in the Great Purges 1936-38. To these victims add the immense number of dead and crushed of the Gulag. The number of victims in Soviet labour and reeducation camps is indeed estimated at around 40 million for the time-period 1918-1991.

At this stage, it must be said that the Catholic Church – who had lived through times of alienation, too – has reacted most vigorously and courageously against the racial basis of Nazi ideology through the Papal Social Encyclical *With Deep Anxiety - Mit Brennender Sorge*, published early in 1937 in most difficult conditions, taking the National Socialists by complete surprise; simultaneously, in this Encyclical, the immutable values associated with Natural Law were put to the fore. At approximately the same time, top intellectuals in Western Europe left *Eugenic Societies* because they became aware of the ultimate consequences of thinking along evolutionist, and, implicitly, pantheistic lines. The Holocaust and the Massacres of Civilians on the Eastern front are certainly a massive argument against evolutionism, because evolutionism denies the existence of the invariable and indestructible nature of Man, Man as a Reasonable and Social Being in the sense of Aristotle and Aquinas, and, consequently, rejects the proposition of each human being having a specific

unchangeable identity and an infinite value. These Apocalyptic Events constitute a huge deviation from the Natural State of politics in the sense of Social Liberalism alluded to in the above, and represent the fundamental historical reason why, in this essay, the Creationist and Catholic-Theistic vision of World History is put to the fore.

This argument implies that objective reasons, that is, profound alienation in various spheres – socio-economic, legal, ethical (nihilism), and intellectual-cum-philosophical – are responsible for the apocalyptic events of the first part of the twentieth century; alienation, including nihilism, paved the way to total and ruthless power, completely eliminating ethics as a guide for action. Subjective factors, alienation on the individual level, were secondary.

The inevitable question about the sense of this immense suffering, cannot, of course, be answered here; even an attempt to answer this question probably exceeds the intellectual capacities of human beings. All that can be said is that the Creator respects the Free Will of Man in all circumstances. However, in this context it should be recalled once again that, since the Great Transformation, the determinism exercised by the socio-economic system has become almost irresistible, and the warnings of Goethe, Marx and Keynes about the contradictions embodied in this system and the dangers associated with the determinism associated to it should be taken very seriously.

This is the place to reiterate another basic argument put forth in this essay: Maynard Keynes, who had lived through the Apocalyptic Age with unequalled intensity, came, at the end of this Age, definitely to the conclusion that neither Capitalism nor Socialism were able to provide a solution to deal with the immense socio-economic and political complexities of the Modern Era. Social Liberalism and its political economy, classical-Keynesian Political Economy to wit, was the only way out, and this has remained so. In this essay, it has been attempted to argue that Social Liberalism is entirely in line with the Catholic-Theistic vision of world history, which, in an even wider view, is intimately linked with the Judaeo-Christian tradition. Nevertheless, Social Liberalism may be associated without difficulties to selected principles underlying other religions and social movements, for example Social Democracy or Marxism; indeed Marx's *Frühschriften* imply a kind of *Liberal (or Humanist) Socialism*, which would differ from Social Liberalism only in the sense that most enterprises would be publicly owned, that is, by the Central State, regions and provinces, towns and villages; however, the problems of value and distribution would be solved within the social process of production as

is exhibited by Classical-Keynesian political economy; no Central Plan would be required to determine prices and quantities.

In this section on *a more complete structure of human history*, a summary of the entire argument set forth in this essay has been provided in the first subsection (*From the beginnings to the Great Transformation*). The next three subsections have been devoted to the core period of Modernity, the Apocalyptic Age 1914-45, and to important problems related to this time-period, that is, power, ethics and alienation; these are dealt with, very sketchily though, in two additional subsections; in the subsection on ethics and alienation the issue of the Apocalyptic Age 1914-1945 is further considered.

In the subsequent sections of this chapter on *concluding remarks*, we now turn to four topics, mentioned above and deserving some further elaboration. The first theme related to the *necessity of theorising* with the coming into being of the modern world, especially on economic, social and political phenomena. The second issue relates to *institutions and the modern world*. Both themes are, as will be suggested, closely interrelated. In the third and fourth place two problems related to the *philosophy of history* will be briefly dealt with.

The necessity of theorising

With the coming into being of the modern world in the second half of the eighteenth century economic, social and political phenomena became immensely complex. This was due to the rapidly increasing division of labour and to the crucial role taken by money and finance. The necessity for *systematic* thinking on these matters developed almost irresistibly. For example, at the outset of the 19th century, Alexis de Tocqueville, deeply conscious of living in an entirely new epoch, required a new science of politics to come to grips with emerging Modernity. Sociology came into being in the second half of the 18th century and at the beginning of the nineteenth with Montesquieu, François Quesnay, and Auguste Comte. Legal theories based on differing approaches were set up, the historical school of law and the rationalist school, for example. And, finally, economic theory came into being with the industrial revolution: Adam Smith founded economic science through his *Wealth of Nations*. Soon, Political Economy turned out to be *the key social science* of the modern era. Indeed, without understanding how monetary production economies function, appropriate economic and social policies adapted to the modern world are not possible. The political economy line started with François Quesnay and continued with David Ricardo. Subsequently, Karl Marx became the dominating figure of the 19th century, putting to the fore the immense amount of

alienation produced by the capitalist system. And, finally, Maynard Keynes, the giant of political economy in the 20th century, produced together with Piero Sraffa, a second most eminent political economy figure, the twin revolution of Shackle's *Years of High Theory* – 1926 – 1939 (Shackle 1967). Indeed, Maynard Keynes convincingly refuted Say's Law through transforming monetary theory into a coherent general theory of employment, interest and money. Piero Sraffa's (1960) work initiated a revival of classical political economy, specifically the classical approach to value and distribution, and solved the transformation problem, which had discredited the Ricardian approach until the 1950s. On the basis of the newly established Keynesian political economy John Kenneth Galbraith, in his overall work, has provided a most accurate and vivid picture of twentieth century capitalism, his *New Industrial State* and his stupendous analysis of the *Great Crash 1929* being eminent instances. Subsequently, Geoffrey Harcourt greatly contributed to prepare the way to establish a synthesis between Keynesian and classical political economy (Harcourt 2001). Luigi Pasinetti, finally, through his lifework, culminating in his *Theory of Value – a Source of Alternative Paradigms in Economic Analysis* (Pasinetti 1986), has set up the preconditions to bring together Keynes and Sraffa, separated hitherto by a theoretical abyss, at the level of analytical fundamentals, creating thereby the analytical basis for classical-Keynesian political economy, set forth in Bortis (1997/2006, 2003a). This system represents the political economy of *Social Liberalism* as founded by Keynes. The social philosophy of Social Liberalism, and the associated system of social sciences seems most appropriate to deliver the socio-economic policy conceptions required to tackle the socio-economic problems of the 21st century, and beyond. Here, Keynes's proposals on *Shaping the Post-War World: The Clearing Union* (Keynes 1980, 1940-44, CW, vol XXV) are of particular importance. Each country should have its own money to be able to pursue an employment and an incomes policy of its own. International transactions should be effected through a supranational world money, Keynes's *Bancor*, to be managed by the World Bank (on this see also Bortis 1997/2006, chapter 6, specifically pp. 326-43). The *Bancor* would also greatly stabilise the world financial system.

In the social liberal context it should be recalled that, in a Keynesian vein, the social sciences are *essentially* moral sciences. In the complex modern world the *probable knowledge* obtained through the social sciences in general, and through political economy in particular, is a *prerequisite to ethically correct action* on the socio-economic and political level (Bortis 1997, specifically pp. 72-74).

Moreover, it has been emphasised throughout this essay that theorising, explicitly or implicitly takes place on the basis of a vision. In fact, given the complexity of the phenomena to be dealt with in the social and political sciences, there is no other way to come to grips with specific problems, for example, value and distribution, employment and the nature of money in an immensely complex monetary production economy. To give examples, neoclassical economics emerges from the social philosophy of Liberalism, and classical-Keynesian political economy grows out of the social philosophy of Social Liberalism.

Finally, this is also the place to mention the immense importance of Eric Voegelin and his work on the Western mind, which seems to be little known yet.

Eric Voegelin, born Erich Hermann Wilhelm Vögelin, (January 3, 1901 - January 19, 1985) was a political philosopher. He was born in Cologne, Germany, and educated in political science at the University of Vienna. His advisers on his dissertation were Hans Kelsen and Othmar Spann. He became a teacher and then an associate professor of political science at the Faculty of Law. In 1938 he fled with his wife from Nazi Germany, emigrating to the United States, where they became citizens in 1944. He spent most of his academic career at Louisiana State University, the University of Munich and the Hoover Institution of Stanford University (Wikipedia).

The fundamental ideas underlying his work are set forth on the jacket of his latest, posthumously published work, *Die Krise: Zur Pathologie des Modernen Geistes* (Voegelin 2008). “The ‘intellectual crisis’ of Western Modernity stands in the center of Eric Voegelin’s thinking. The reconstruction of the processes, which led to this crisis, and the determination of the intellectual roots represent one great theme in Voegelin’s work, the other eminent theme being the search for ways out of the crisis and the sketch of a Philosophy of Order. [...] In *Die Krise* [Voegelin 2008] Voegelin presents those intellectual and political currents since the Age of Enlightenment, which led on to the destruction of the intellectual [metaphysical] fundamentals of Western Civilisation and finally culminated in the totalitarian regimes of the 20th century” (a.tr.). This intellectual crisis can, in the first place, solely be dealt with an intellectual-spiritual renewal; only subsequently can appropriate institutional change be undertaken (Introduction to Voegelin 2008 by Peter J. Opitz, pp. 20-21).

Voegelin’s work seems to imply two points. First, serious theorising on complex phenomena must be based on a metaphysical vision. This point has been emphasised throughout this essay. Concretely, this would mean for Voegelin that the Christian metaphysical-cum-

spiritual basis, which has been destroyed through Enlightenment, because it was no longer considered necessary, must be taken up again. Indeed, in this essay, it is suggested that the Aristotelian-Catholic vision of man and society underlies and is embodied in the socio-economic and political philosophy of Social Liberalism. And second, Voegelin's work implies that new ideas and theories, as emerge from the history of ideas and theories, must necessarily precede political action in the widest sense, most importantly the actions leading on to the creation new institutions or to the renewal of existing institutions. The spiritual-intellectual renewal must therefore precede the renewal of institutions. The main reason is that institutions, universities for instance, have to be filled by a certain 'spirit', that is, reasoning and theorising on a specific metaphysical basis. Since various types of metaphysical foundations exist, there must be a continuous discussion on principles to be able to select the most plausible approach to theorising, in the social and political sciences, for example. In the case of universities these intellectual processes must culminate in the setting up of appropriate *curricula* going along with an expedient organisation of studies, such that the relentless search for Truth becomes possible, and ideological traps may avoided. Eric Voegelin's view on the primacy of the mind over vested interests and associated ideologies, that is, of the fundamental importance of metaphysically based theories and ideas, seems to coincide with the views of Maynard Keynes and Jacques Maritain on this subject.

A final point to be considered here is in relation the *social nature* of thinking, specifically of systematic thinking, that is, theorising, a point mentioned in the first two sections of the chapter on *setting the stage*, and emphasised throughout the essay. Specifically, it has been argued that to distil principles in political economy, the whole of the history of economic ideas, that is, the great authors and the great theories, must be examined, and the salient features of socio-economic history, for example the great crises at the end of the 19th century and in the 1930s, must be taken account of. Specifically, the significance of the just mentioned double revolution in economic theorising brought about by Maynard Keynes and Piero Sraffa in the course of G.L.S. Shackle's *Years of High Theory 1926-1939* must be duly appreciated. On the basis of this fairly comprehensive theoretical and empirical-historical evidence it may be plausibly argued that post-cum-classical-Keynesian political economy is very likely superior to neoclassical economics, monetarism, general equilibrium theory and the rational expectations system, for instance. This method to distil the most plausible economic theory is based on a large social process. In fact, the individual economic theorist can produce substantial and solid results only when remaining in permanent close contact

with the great present and past authors and when considering the salient features of economic history.

This is in fact the Scholastic method, associated to the *disputatio*, which is even more required to distil the most plausible *fundamental* vision (*Weltanschauung*), which ought to underlay theoretical work done in social philosophy and in the associated social and political sciences. In this essay, it is argued that classical-Keynesian political economy, and the associated social and political sciences, are based on a social philosophy, which we now call *Social Liberalism* (for a sketch of this proposition, see Bortis 1997/2006, specifically chapter 2). The Aristotelian-Thomistic social philosophy of Social Liberalism is, in turn, based on the Catholic vision of Man, his nature as a social and reasonable being, and his destiny shaped by a specific relation between the natural and the supranatural. The reason for selecting the Catholic vision as the most plausible *Weltanschauung* is provided by the fact that the Roman Catholic Church has worked out her vision on the relation between Creation and Creator and, given this, the destiny of Humanity and the nature of Man, in an immensely impressive social process of systematic thinking under firm guidance, continuously, over two thousand years. In this process all the possible objections have been carefully taken account of as is in the spirit of the openminded Scholastic method. Without diminishing the merits of other religions, it must be admitted that the achievement of the Catholic Church regarding the establishing a Body of Principles of Faith and setting up doctrines on the destiny of Humanity and on the nature of Man is absolutely unique. This is of *crucial importance* for the social and political scientist because, given the immense performance of the Roman Church, the Catholic *Weltanschauung* provides by far the most plausible foundation for philosophising and theorising in the social and political sciences.

It is very important to note that this conclusion is *not* based on a theological argument, but emerges from a comprehensive argument undertaken in the social and political sciences based on a realist – Aristotelian-Keynesian – theory of knowledge. This theory of knowledge has been briefly sketched in the first two sections of the chapter on *setting the stage* at the outset of this essay.

To conclude we may perhaps mention that systematic thinking, theorising to wit, should go on under firm guidance not only in theology, but also in the social and political sciences. This is not to set restrictions on the liberty of thinking, quite the contrary. The problem is to prevent the dominance of some ideology, ultra-liberalism for example, associated socio-economic and political power. This scientific guidance is a task that could be fulfilled by an Academy of Social and Political Sciences that should exist in any country. This institution would have to

ensure that all the great currents of thinking in the social and political sciences, Liberalism, Socialism and Social Liberalism, are represented in the corresponding Faculties. This would ensure fair competition between the various socio-economic and political doctrines, based on *scientific* grounds, eliminating thus unfair ‘competition’ based on power relations, as is the case at present in economic theory.

Institutions and Modernity

In the above we have already mentioned and discussed extensively the very important remarks William Haas makes on institutions (section *Institutions in East and West* and *Institutions in a wider context*). Here we take up the theme of institutions again in order to link it with the complexities of Modernity.

Let us first recall William Haas who points out that the East has, in a way, put aside institutions and concentrated on the improvement of the individual, whilst the West has been obsessed by institutions and institutional change which, in many instances may have hampered the unfolding of individuals, as may be the case, for example, in an over-regulated law-and-order state or in states where administration has grown excessively with bureaucracy developing a life of its own. One might add here that the East has perfected the natural institutions, which are in fact communities, the extended family and the Indian casts, and the state, characterised by personal rule. In the West, however, institutions have been deliberately created, attempting to unfold the potential contained in human nature. Telling examples would be the 158 Greek constitutions Aristotle considered before writing his *Politics*, and, as pictured by Michael Mitterauer, the institutions of the Carolingian Empire and their unfolding.

The Eastern way of concentrating on the perfection of individuals, including the rulers has certainly produced excellent results. Seitz explicitly mentions the high moral standards of the governing classes in China (The Emperor and the Civil Servants) and the extraordinary stability of Confucian China widely admired in the West. Haas, too, points to the harmony embodied in Eastern persons, their calm and serenity standing in striking contrast to the more unbalanced Westerner, who, in the extreme may even become ‘a one-dimensional man’ (Herbert Marcuse). The spiritual achievements and the wisdom of the East must equally be mentioned. *Ex oriente lux* is a striking fact (Clarke 1997, Goody 1996, Hobson 2004). However, it may well be that the very perfection that has been reached in the East had made fundamental change impossible. For example, Marshall Hodgson says of the Islamic world:

„[The] very excellence with which Islamicate culture had met the needs of the Agrarian age may have hampered its advance beyond it“ (Hodgson 1993, p. 318). The same could probably be said of China, India and Persia, and, certainly, of Egypt and Mesopotamia, too.

It has already been mentioned, that, according to Jaspers, China, India and Persia participated at the revolution in human thinking in the course of first Axial Age – in our view the breakthrough to the problem of Truth -, whilst Egypt and Mesopotamia did not. However, Jaspers goes on to say that Egypt and Mesopotamia are nevertheless of world historical importance, first, because of their immense cultural achievement – perhaps the breakthrough in the realm of Beauty -, and, second, on account of their crucial influence on Greece and Israel. Greece and Israel have, in turn, decisively shaped Europe.

This very excellence also implies that inventions have been made that could have been at the basis of an Industrial Revolution (Hobson). However, such a revolution was, as had been suggested above, absolutely impossible because this would have implied a new political order. It was precisely for political reasons that the Huguenots were driven out of France in 1694, and it was for economic, political and ethical reasons that the Chinese authorities stopped seafaring at the outset of the 15th century (see Seitz on China above).

Thus fundamental socio-economic changes were not possible in the East, not because of immobility, but because of the high degree of perfection of Eastern civilisations. In this context, Haas argues that the East has remained far nearer to the magical-mythical common base of humanity than the West. This means, to speak in Christian terms, Eastern man has remained near to the state of Creation and sought perfection within this state. In a way, Aristotle's efficient cause is active here: the natural state determines and dominates man. Fiodor Stepun, an eminent Russian philosopher wrote that the immensity of the Russian landscape shapes man. Western man, however, living on the relatively small – West European – territory and given his Promethean-Faustian nature shapes landscape and, *against heavy resistance though* (David Landes), produced the breakthrough to *Industria*, followed by the striving after limitless progress and economic growth.

In a fascinating book the Swiss economist Hans-Christoph Binswanger explicitly associates the second part Goethe's Faust with the obsession of money making driven unlimited growth (Binswanger 2005).

Given this, *Man is the measure of all things* as is inscribed on the Temple of Athene dominating the Acropolis.

All this had implications for institutions and institutional change. In fact, the relatively simple conditions of the Agrarian age *did not require man-made institutions*, that is institutions, which were deliberately created. Natural institutions, and communities like the state, represented by the ruler and his clan or his civil service, the family, the clan, the Indian castes were sufficient. High political and cultural standards came about with outstanding rulers and exceptional artists and thinkers. The important point that these achievements rely on exceptional persons, not on outstanding social individuals being active within deliberately created institutions, which increase the social potential of man. As Seitz points out, the near-perfection of political and moral life of Confucian China until Western domination (220 B.C. to about 1800 A.C.) was due to the very high moral standard of the Emperors and their Civil Servants. And in India, knowledge, or, perhaps better, *insight and wisdom* acquired through *intuition associated with contemplation* has perhaps reached a width and a depth which is unequalled in the West. This is one of the points made in Glasenapp (1974) where Indian and Western philosophy, though different in part, are put on the same level. However, insight reached through intuition and contemplation is essentially personal. It is even possible that a most profound insight, a grandiose vision cannot be expressed in words. Hence, the East reached perfection on an individualistic manner, on the basis of natural institutions, the hierarchical state, the family, the clan, and the caste system in India. The social existed within *communities*, the family and the clan. As alluded to above, these correspond to Tönnies' *Gemeinschaften*, in contradistinction to modern *societies* (Tönnies's *Gesellschaften*), shaped by purposefully created institutions. In the East, the political aims pursued were set by the ruler who, in normal circumstances, governed for the well-being of the people (Seitz on China). Life in general was largely governed by customs and tradition.

The Western obsession with institutions and institutional change (Haas) is, very probably, closely associated with Aristotle's conception of man and of society as is set forth in his *Nicomachean Ethics* and in his *Politics*. The first of these works deals with the good life to be regulated by individual ethics, the latter is on how society ought to be organised as is prescribed by social and political ethics. And since, according to Aristotle, man is a social being, individual and social ethics are interrelated. This is to say that, on the one hand, the individual gets more perfect through social activities and, on the other hand, a social foundation is required for the good and decent life of the citizens. Time and again Aristotle

states that the state is prior to individuals and is, in fact, a precondition for the happiness of individuals.

Here, the question arises why a state is needed at all. Plato and Aristotle advance two central reasons. First, there is the variety of needs; no individual can produce everything required for life; hence a mutual dependence between the citizens arises. Second, and more importantly, the inhabitants of a political community are unequal and, therefore, have different dispositions and abilities. These differences are required because different, *complementary*, activities have to be carried out within the political society. In the material basis, there are the workers (the slaves in Aristotelian times) and the artisans. In the social superstructure are the philosophers who elaborate the knowledge required to bring about a well-organised state, and the administrators and warriors apply the knowledge produced by the philosophers and defend the polity, or, eventually, extend it through conquests.

Hence, the social dispositions of man are necessarily linked with inequality: ‘for a city does not only consist of a large number of inhabitants, but [they] must be of different sorts [which implies that inequality is based upon the inequality of dispositions and abilities]; for were they all alike, there could be no city’ (Aristotle, *Politics*, 1261a). Given this, social organizations like society and state are structured entities which imply part–whole relationships, and the essential shortcomings of single individuals require such organizations: ‘That a city then precedes an individual is plain, for if an individual is not in himself sufficient to compose a perfect government, he is to a city as other parts are to a whole’ (1253a). These sentences are of the utmost importance in the social sciences since they provide the starting point for arguing that society is something more than a collection of individuals, i.e. a structured entity in which division of labour prevails and common aims are pursued, which requires co-operation and co-ordination. The social nature of man manifests itself most vigorously within *social institutions*. Here, individuals attempt to realize *common* aims through common action, implying co-operation, whereby individuals exercise different complementary functions. Hence, within social institutions common aims are permanently pursued. These aims are associated with values. Modern examples of social institutions would be *enterprises*, which are in the economic sphere; there are various *associations* within civil society; in the legal and political sphere there are various legal institutions, the *government* and *state administration*; in the domains of education, learning and research *grammar schools* and *universities* are typical institutions; *orchestras* and *libraries* would be institutions in the cultural sphere.

In an Aristotelian vein, social institutions have a double dimension. On the one hand they provide a foundation for individual action, for example through providing workplaces and

incomes; on the other hand, they lead on to perfecting and enriching the social individuals precisely through social activities, that is, through participating in social institutions like grammar schools and universities for instance. Man-made institutions, aiming at the building up of a good society, implies going beyond the natural as is given by Creation so to speak. The social and cultural potential implied in human nature is enhanced through setting up, perhaps better, through creating institutions. Hence in the West there is also a drive to perfection, but on a deliberate and organised way, *taking account of the social nature of man*, and not only in the sense of perfecting the individuals as in the East. Given this, the *natural* now acquires a new meaning. The *natural* is no longer given, provided by Creation, but a state of affairs, which is created by man. The good society no longer emerges from perfecting the individual only on the basis of what is naturally given, as in the East. Ideally, the problem is now about *enhancing the social potential* embodied in man in line with human nature. The natural gets *normative* to become a natural order to be aimed at. A society organised in line with human nature would be a harmonious society, with social or distributive justice prevailing to a high degree, and where the social and cultural potential of the social individuals would be realised as fully as is in line with human capabilities. And such a society would be largely free of alienation. Finally, and very importantly, in a Christian vein *all* social individuals participate in the social processes enhancing their perfection in view of their becoming persons. Hence nobody is excluded in the social striving after the Common Good.

As Haas points, the history of the West has, from Greek times onwards, been a history of institutional experimentation. The 158 Greek institutions Aristotle studied before writing his *Politics* are a telling instance. And the Roman Republic and also the Empire were truly laboratories to experiment with institutions (on this see Christ 1984). The two new starts in Europe mentioned above, the Antique-Greek start around 800 B.C. and the Christian-Antique-Germanic new start around 800 A.C. – the Carolingian Empire -, were in fact fundamental restarts also for institutional history. At times this history of institutions was peaceful and, in part successful, when institutional reforms took place (Athens and Solon, Rome and Augustus), but partial failures, and violent changes seem to dominate, indicating the presence of heavy alienation. The Peloponnesian War and the Roman Civil War before the creation of the Empire, the collapse of the Empire, the great European Wars from the Hundred Years War and the Thirty Years' War to the two World Wars of the twentieth century, with the Great Transformation heralding the breakthrough to Modernity, the whole movement being calmed down by the *Pax Britannica*, 1815-1914. Seitz rightly opposes the incomparable stability of Confucian China with ever changing and warring Europe.

Alienation has thus ever been present during Western *Agraria* and has continued in *Industria*. Significantly, as Marx rightly emphasised, alienation culminated after the Great Transformation from *Agraria* to *Industria* through the condition of the Working Class, and alienation at present continues to exist at a gigantic scale if we consider the fact that, according to eminent international organisations, two thirds of humanity live in misery, one third of the working population is involuntarily unemployed or underemployed.

Now the crucial point is that *in the relatively simple conditions of Agraria natural institutions (castes, corporations), communities and personal rule are, in principle, sufficient to bring about an orderly political society*. However, the Great Transformation of around 1800 heralding *Industria and Modernity made institutions absolutely necessary to bring into existence well-organised societies*. The division of labour and the crucial importance of money and finance has rendered the material basis and the socio-political and cultural superstructure immensely complex. Institutions had to be created in the various spheres of society to enable the social individuals to permanently pursue individual and social aims (Bortis 1997/2006). As already suggested, it is appropriate to conceive of two types of institutions: „First, there are institutions which come into being if one, several or all individuals of a society persistently behave or are forced to act in the same (or in a strongly similar) way in order to reach individual aims. Such types of regulated behaviour or of determined action we call *individualistic institutions*. These are brought about by custom and habits, having developed historically, or by legal rules, which may be enforced if necessary. For example, specific types of ‘conspicuous consumption’ (Veblen) may become an institution brought about by custom; the same is true of certain ways to achieve short-period utility maximization. In contrast, the obligation to drive on the right-hand side or, in certain countries, on the left-hand side is a legally enforced institution, which makes it possible to achieve an individual aim in an orderly way. Persistent actions of outstanding individuals, such as artists or political leaders, having a significant impact on other individuals are also individualistic institutions.

A second type of institution, the *social institution*, obtains if several or all members of a society persistently pursue common or social aims that isolated individuals could not achieve. In doing so, individuals or groups of individuals exercise differing complementary functions (planning or executive, physical or intellectual) within a social institution; co-operation and co-ordination are essential if such institutions are to function properly. In this sense, football teams, orchestras and enterprises are social institutions. But the most striking example of a social institution is the process of production, made up of the relations and the forces of

production (technology). This reflects the classical-Marxian view of production as a social process: in a monetary production economy based upon extensive division of labour, production of commodities goes on by means of commodities and labour; each sector of production and each enterprise (themselves social institutions), and each individual performs a specific function within the process of production, and thus contributes to reaching a common (social) aim, that is the production of the social or national product. Social institutions make up the bulk of what we call civil society and the state: football teams pertain to the social sphere; the parliament and the civil service are political institutions; orchestras belong to the cultural sphere; finally, the production system, enterprises, trade unions and entrepreneurial associations (institutions in the sphere of distribution), the system of property rights prevailing in a society and the monetary and financial system (the central bank, commercial banks and insurance companies) are socioeconomic institutions“ (Bortis 1997/2006, pp. 23-24).

Ideally, within institutions individual and social values are permanently pursued. In the material (economic) basis economic values are produced; these values have, as a rule, a price, that is, value is expressed in money. Part of the produce, necessary consumption, is used up in production or the profit sector, what remains is the social surplus. The *use* of the social surplus, ideally, provides the *material basis* for all the persons active in the non-profit sector in the widest sense, including the state, to create *political, social, legal and cultural* values through the actions of individuals and collectives within the institutions established in the institutional superstructure. *These values cannot, in principle, be measured in money terms.* Highly unequal distributions of the surplus and the ensuing inappropriate use of the social surplus are, as a rule, associated with alienated social states of affairs.

It seems evident that a Modern Industrial Society simply cannot function without *social* institutions. This becomes clear if we consider the socio-economic aspect of the entire institutional system. The crucial point is that cleavages exist between the rationality of individuals and the rationality of the system. This gives rise to a basic reason for the existence of institutions in a modern monetary production economy: „Long-period economic phenomena (production, normal value, distribution and employment) are extremely complex. Individuals behaving rationally from their point of view would only be in a position to behave rationally in terms of society as a whole if they were appropriately guided by some mechanism, i.e. the invisible hand or the market system. Since long-period factor markets producing a tendency towards fundamental equilibria do not exist, it is impossible for the individual to behave in a way, which is, at the same time, rational from his point of view and

from that of society as a whole. To act according to the latter, a tremendous amount of information about the past, present and future functioning of society would be required and decisions would become immensely complex. One may go even further to say that individual actions are impossible without institutions. To act and to behave persistently in a certain way means participating at given institutions. There must be a social groundwork, which enables individuals to act at all.

However, tensions and even contradictions exist between the rationality of individuals and the rationality of the system. Keynes showed that actions, which are rational from the point of view of an individual need not be rational for society as a whole. For example, an act of saving may appear to be rational from the individual *and* the social point of view: if, in an unemployment situation, all individuals save more, interest rates are expected to decline; investment should increase and unemployment diminish. However, since factor markets do not function properly in a monetary production economy, the contrary happens. More saving reduces consumption and output declines. Entrepreneurs in the consumer goods sector will invest less and the crisis will deepen.

Rational behaviour is possible within a socially inappropriate institutional framework, for example in a situation with heavy and persistent unemployment. But behaviour would be different from the behaviour, taking place within socially appropriate institutions embodying full social rationality. Hence, ethically appropriate institutions are required in order to facilitate or to bring about behaviour that is rational from the individual *and* from the social point of view. Ideally, this implies creating social foundations such that individuals enjoy the widest possible scope for freedom of action; full employment and a socially acceptable distribution of incomes and wealth are perhaps the most important components of these foundations. Since individuals cannot cope with certain complex problems, for example long-period involuntary unemployment, the state *must* intervene to secure full employment“ (Bortis 1997/2006, pp. 275-76).

This points, once again, to the crucial role of the state in modern societies. Ideally, the state has to create or to encourage the coming into being of institutions such that the social individuals enjoy a maximum scope of liberty such that they may prosper, that is unfolding their dispositions and broadening their capacities. It should be immediately evident that these processes will be all the more successful if they are systematically organised by institutions relating to education and science. However, scientific and educational institutions can only function properly if societies as a whole function properly. Marx and Keynes have perceived very clearly that economic disorder, Marx's economic alienation, showing up, in Keynes's

view, in involuntary unemployment, associated, as a rule, to an unequal distribution of incomes, affects all the other spheres of society and the state. Indeed, heavy involuntary unemployment and a very unequal distribution of incomes produces a struggle for survival, which may lead to conflicts between social, ethnic and religious formations. These phenomena are produced by system-caused alienation. Here, the immense significance of Keynes's message appears: to reduce social disorder, alienation to wit, modern economic theory must be combined with the older traditions of moral and political philosophy. In fact, in a well-organised society the various social, ethnic and religious groups may peacefully live together, co-operate and mutually enrich each other.

To set up societies in which alienation is minimised and hence the Common Good approached as closely as is possible is the great socio-economic-cum-political challenge of Modernity. *Liberalism* and *Socialism* have both largely failed and, as a consequence, Keynes's *Social Liberalism* is at present more needed than ever. This is the main message of Bortis (1997/2006, 2003a).

From history to history proper through reducing alienation

As mentioned above, William Haas (pp. 87-89) perceived the danger associated with institutions. If institutions are associated with overregulation or if bureaucrats apply regulations mechanically without knowing about the spirit of an institution, institutional systems may become autonomous subsystems, developing a dynamics of their own, and „degrade [man] to an unfree and irresponsible being“ (Haas, p. 89); perhaps Haas – who is of German origin – was thinking here, in the first place, of the German *Obrigkeitsstaat* where orders had to be executed unquestioned. Given this, Man may no longer understand what happens to him, in the course of a legal procedure for instance. Franz Kafka's *Der Prozess* is perhaps the prime literary example picturing the helplessness of the individual facing a complex, difficult to grasp, even irrational institutional machinery. Hence alienation of parts of the institutional superstructure results in alienation on the level of individuals, which would include Durkheim's *anomie*, where humanity is only partly realised or even degraded, due to excessive division of labour and specialisation. Man gets subdued to the machine (Marx), with Marcuse's 'one-dimensional man' coming into being, a phenomenon beautifully captured by Charlie Chaplin's *Modern Times*. This type of alienation is amplified by system-caused alienation caused by mass unemployment and an unequal distribution of incomes,

implying the distress arising from a deep economic crisis. The crisis of the 1930s and its social and political consequences worldwide is a telling instance.

Now, Marx argued, probably rightly, that alienation culminated in Capitalism and he envisaged that its breakdown would bring the *alienated* part of the history of humanity to an end, as he mentions in a famous passage in his *Vorwort zur Kritik der Politischen Ökonomie* (1859): „Die bürgerlichen Produktionsverhältnisse sind die letzte antagonistische Form des gesellschaftlichen Produktionsprozesses, antagonistisch nicht im Sinn von individuellem Antagonismus, sondern eines aus den gesellschaftlichen Lebensbedingungen der Individuen hervordachsenden Antagonismus, aber die im Schoss der bürgerlichen Gesellschaft sich entwickelnden Produktivkräfte schaffen zugleich die materiellen Bedingungen zur Lösung dieses Antagonismus. Mit dieser Gesellschaftsformation schliesst daher die *Vorgeschichte* [our emphasis] der menschlichen Gesellschaft ab – the bourgeois relations of production represent the last antagonistic form of the social process of production, implying not antagonism at the level of individuals, but social or class antagonism; however, the forces of production developing within bourgeois society provide the material conditions to overcome this antagonism. With this social formation the *prehistory* of humanity ends“ (Marx 1975/1859, Werke, vol. 13, p. 9; a.tr.). In Marx's view, the breakdown of Capitalism would bring the end of alienation associated, in differing forms, with human prehistory; history would begin with classless Socialism where alienation associated with class antagonism would vanish.

In analogy, Liberalism, the doctrine of capitalism, also implies that progress, including ever more advanced mastery of nature and society, would result in eliminating the major social problems through ever-increasing prosperity. In the optimistic 1960s Walt Rostow predicted that the process of economic development would terminate in mass-consumption societies worldwide!

To be sure, the forms of socialism that have come into being in the 20th century were far away from Marx's humanist vision. Nevertheless, Marx perceived with incomparable clarity that unfettered capitalism could not survive, because the market system is not self-regulatory, but has built-in contradictions; these would lead to cumulative processes, reflected in an increasing reserve army of labourers and in growing inequalities of income distribution, resulting in steadily increasing social tensions and clashes, ultimately resulting in a breakdown of the system.

Maynard Keynes was perhaps the first political economist to perceive clearly that neither Capitalism nor Socialism were able to come to grips with the immensely complex situation brought about by the modern world. Not only Capitalism had brought about alienation, but also Socialism, with alienation becoming so intense that, in the 1930s, totalitarian regimes emerged in capitalist Germany and in socialist Russia. Keynes had little sympathy for unfettered capitalism and no sympathy for socialism at all, even before this social system came into being. As a consequence, Keynes struggled for the whole of his life to set up a comprehensive alternative to oligopolistic Capitalism and to Socialism with central planning. As alluded to repeatedly, this system could, perhaps, most appropriately be called *Social Liberalism* and the associated economic theory *Classical-Keynesian Political Economy* (Bortis 1997/2006, 2003a). In social liberal societies, constructive capitalism, as has been defined in the section *on the world order of Modernity* above, would of course constitute an essential part. And it should be reiterated here that the small and medium-sized state - with large states having to decentralise – would play a crucial rule in a *social liberal* world order. One fundamental reason is economic and financial. Indeed, *if each state has its own money* and, given this, manages to create conditions of near-full employment, with distribution being socially acceptable, the world economic and financial system would be greatly stabilised; in the main, stability would be brought about by the existence of a world money, Keynes's *Bancor* to wit. The *Bancor*, to be managed by the World Bank in a Keynesian vein, would indeed greatly reduce the volume of transactions in the financial sphere, mainly those of a speculative nature. Given this, exchange rates would remain broadly stable, which, in turn, would stabilise international trade relations. Contrariwise, a world economic and financial system is highly unstable, for various reasons. Most importantly, the free flow of financial capital worldwide renders the financial system extremely unstable, as the ongoing 2008 financial crisis illustrates. The real economy is rendered unstable through Kaldor-Myrdal cumulative processes resulting in growing inequalities of wealth between highly developed and less developed countries and regions, *if there is generalised free trade*, an argument already put forward by Friedrich List in the early 19th century.

In this context we should add that Keynes's method, set forth in the first section of the introductory chapter, on *Some remarks on method*, is of very great importance for the social and political sciences. There it has been suggested that Keynes attempted to reconcile metaphysics and science. This allows to synthesise methodologically very different works in order to put them in a very context. For example, in this essay, we have brought together and commented on William Haas (1956), *The Destiny of the Mind – East and West*, and Karl

Jaspers on *Ursprung and Ziel der Geschichte* which both set forth a scientific (metaphysical) vision, and Hobson (2004), Mitterauer (2003), and Seitz (2003), all exhibiting theories and theoretical frameworks with the vision of man and of society implied or in the background.

To set up a coherent system of economic theory, that is a system of classical-Keynesian political economy, is of the utmost importance if Social Liberalism is to succeed. Ideally, the long-period and in fact permanent policy task is to set up a harmonious, thus largely *alienation free* institutional system corresponding to human nature in general and to the mentality of the people living together within a state in particular. Of course, this is the principle. In political practice, the problem is to reduce alienation so far as is possible for human beings. In this context, Aristotle says at the outset of his *Politics* that governing is the most difficult of all the arts, the central problem being to bring about social justice, distributive justice in the main. And the difficulty of governing has dramatically increased precisely since the coming into being of modern monetary production economies with very extended division of labour and the crucial role taken by money and finance. Without understanding how monetary production economies function and how they are related to society and the state, appropriate political action is not possible. Political economy had become and has remained *the key social science* of the modern era. This is why the great political economists and their theories are so important since the coming into being of the modern world in the second half of the eighteenth century. Broadly, this is in line with the very last words of Keynes's *General Theory*: "[The] ideas of economists of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. [...] I am sure that the power of vested interest is vastly exaggerated compared with the gradual encroachment of ideas. Not, indeed, immediately, but after a certain interval, for in the field of economic and political philosophy there are not many who are influenced by new theories after they are twenty-five or thirty years of age, so that the ideas which civil servants and politicians and even agitators apply to current events are not likely to be the newest. But, soon or late, it is ideas, not vested interests, which are dangerous for good or evil" (Keynes, *General Theory*, pp. 383-84). This, incidentally, points to the immense responsibility of universities in general and of economics faculties in particular regarding the teaching of a socially relevant economic theory.

Taking up some suggestions made at the outset of this essay, a final remark has to be made on the *role of Europe* in the transition from alienated history to history proper, that is to the state

of natural of liberty, implying a *social liberal* society and a more harmonious relation between Man and Nature. This role is connected to the fact that Europe has been the Laboratory of World History, as alluded to repeatedly in this essay. Most importantly in this connection is that the Great Transformation has taken place in Europe and could not have taken place elsewhere; this has been argued extensively in the above. The fact that the Great Transformation took place in Europe first has given this continent a tremendous advantage. Indeed, industrialisation preceded or went alongside modernisation. The economic basis was built up first and the institutional superstructure could adapt. In this way Europe remained autonomous and was able to prevent strong outside dependence. In fact, during the entire 19th century until the First World War, the world outside Europe, except the US, got increasingly dependent upon her. Moreover, on a Greek-Roman-Christian basis, Europe has built up a potentially excellent education system over many centuries, and the Western type family (Mitterauer) seems to be best in line with the social dimension of human nature at the micro-level; and it would seem that, on the macro-level, Social Liberalism is the natural doctrine of society and the state. It has been suggested that Christianity has been crucially important in shaping the European way of life and the vision of the good society.

On account of her role as a historical Laboratory, Europe presently enjoys, by far, the best possible position worldwide to initiate the transition to the natural, social liberal world order broadly outlined in preceding chapters and sections. Given this, Europe has a strong *duty* to initiate this transition, not because she is superior, but because she was able to benefit greatly, in a creative way though, from other civilisations in the course of the first and of the second *axial age* to get into her actually privileged position.

This is not to deny the European contribution to the industrialisation and modernisation of large areas of the world. However, in colonial and neo-colonial times, the type of industrialisation and modernisation was imposed by the Europeans. In a natural – social liberal – way of development, this should be reversed: the so-called developing countries should be able to make use of Western technology in particular and of Western civilisation in general in line with their needs based, in turn, on their specific values.

Hence the duty arises from the fact that Europe must now give back something to the rest of the world. This can be achieved most appropriately if Europe acts a beacon in the tempest of transition to a natural socio-economic and political order with alienation greatly reduced. This would imply starting to build up a *social liberal* Europe dealing seriously with the gigantic

problem of climate change. In doing so Europe must *not* interfere into the domestic affairs of other continents. She must simply serve as an example for well-organised societies within which the social individuals may prosper.

Paradoxically, the United States of America, though an offspring of Europe, and having an ideal material and natural basis, will probably have the great difficulties in bringing about the transition to the social liberal world order, including sufficient harmony between Man and Nature and, as a consequence, with *quality* dominating over quantity. Indeed, real materialism, not philosophical materialism as has prevailed in the Soviet Union, culminating in unlimited money making is very strongly entrenched in the US, among the dominating classes, a fact emerging with dramatic force just now, in the 2008-09 financial and real crises. Money making and business, is, in fact, the reality of the American Dream, which is most impressively pictured by Scott Fitzgerald's *Great Gatsby*. Moreover, the cleavage between the ideal society and its ideological offsprings on the one hand, and political, socio-economic and cultural reality is very large; in addition, a strong *Sendungsbewusstsein* seems to be associated to American political doctrine. All this broadly emerges from Greil Marcus' very impressive book, *The Shape of Things to Come – Prophecy and the American Voice*, which is indeed highly significant in this context. Whereas Marcus deals with fundamentals regarding the US American polity, Noam Chomsky is more on the 'applied' side, above all in his penetrating *Failed States – The Abuse of Power and the Assault on Democracy*. Regarding the social side the American Dream has become American Drama; immense wealth and most perfect technology coexist with poverty, large numbers of working poor, distress and insecurity, also due to the absence of a compulsory social security system (on this see, for example, Desmurget 2008). One fundamental reason for this situation is certainly given by the fact that modern monetary production economies are not self-regulating, implying that market forces are frequently dominated by power relations. Indeed, as all liberal constitutions, the American constitution takes the self-regulating economy implicitly for granted, which, as has been alluded to in the above, is still associated to the relatively simple conditions of the Agrarian Age and, is entirely inappropriate for coming to grips with the immensely complex socio-economic conditions of Modernity, that is with a monetary production economy. Really, Adam Smith must be replaced by Maynard Keynes, as is implicit in Duncan Foley's splendid *Adam's Fallacy – A Guide to Economic Theology*. Finally, and highly evidently, the relationship between Man and Nature is greatly disturbed, the squandering of most precious natural resources being a prominent example.

It must be mentioned, however, that in Cold War times, shaped by the competition by the competition between the capitalist and the socialist system, the quantitative aspect of social life was very intensely put to the fore in the Socialist camp, too. Due to the inefficiency of the Soviet (Socialist) production system, the squandering of natural resources relative to the output produced was probably far greater in the Eastern camp than in the West.

The most appropriate way for the US to get out of this difficult situation, eventually rather quickly, lies almost certainly in her increasingly going back to roots, various European, African and Indian, regarding the respect, even awe towards Nature, but also socially and culturally. John Nef has, it seems to us, pointed in this direction.

From a standpoint of organisation of society, it would seem that the United States must greatly strengthen the social foundations of her socio-economic and political system. In the view of eminent American critics, higher employment levels, a socially acceptable distribution of incomes, a strengthening of the state in the education system such as to make the state dominant in the sphere of education, and, last but not least, a compulsory social insurance system, would be essential elements of this stronger social foundation.

Given this, any attempt to realise the basically materialistic American model worldwide would inevitably result in the Orwellian scenario alluded to in the above, with all its implications for the social condition of large parts of the world population and the natural environment. In fact, as already suggested, the Orwellian scenario is moving to the fore very rapidly within the framework of actually ongoing Globalisation. Capitalism gets increasingly unfettered and aggressive, that is based upon the external employment mechanism (Bortis 1997/2006, pp. 185-98). This forces emerging countries that have basically relied on the internal employment mechanism hitherto, China and India most importantly, to practice an increasingly aggressive capitalism in order to strengthen their position in the global economy in terms of output and employment. In such a situation, it is increasingly difficult, if not almost impossible, to pursue really effective social and environmental policies anywhere in the world.

Given this, Europe should and indeed *must* continue in going on to be the Laboratory of World History. Europe must become the beacon in the tempest of transition towards the natural social liberal world order, not by force and interference, but by serving as an example. At the end of this transition, history proper could begin, enabling Humanity to bring in the harvest of history. This task Europe can only fulfil if she takes up her Christian, in fact, her essentially Catholic, heritage, which must penetrate and shape the modern world to

increasingly realise the state of natural liberty. This is what Jacques Maritain and John Nef had in mind.

From the philosophy of history to the science of comparative civilisation

In an appendix to his *Destiny of the Mind* William Haas makes highly interesting and very important remarks on the philosophy of history (Haas 1956, pp. 287 ff.). These remarks provide an appropriate way of ending the concluding remarks of this essay and of putting the essay in a wider context.

To start with, Haas states that “is in the realm of religion that the unity of mankind manifests its greatest potency” (p. 291). And it “is in harmony with the origin of the idea of the unity of mankind that the first and most influential philosophy of history as far as the West is concerned is the sacred history of the Judaeo-Christian world” (p. 291). “In the Christian faith [...] the concern of sacred history then centres on the individual and the fulfilment of his spiritual goal. The historical process is thus deprived of natural agents – peoples, states, civilizations or whatever be its subjects – and becomes the indifferent and in itself insignificant scene of the struggle of the individual soul for salvation” (p. 293). This seems to represent the Protestant branch of Christian sacred history. However, Catholic doctrine would emphasise that states are a precondition for the good life of the social individuals and would consider the salvation of humanity as a whole, the family of states, as the goal of sacred history. Catholicism also emphasises the mysterious dimension sacred history gets, since scientific knowledge about the beginning and on the end of history is not possible. The French theologian Jean Daniélou therefore entitled his book on sacred history with *Essai sur le mystère de l'histoire*.

“Modern philosophy of history [...] must be understood in its beginning as the secularisation of sacred history. For the soul and its struggle for salvation the philosophy of the Renaissance substitutes the mind and its desire for cultural progress. [...] The religious ideal of the saint is replaced by the secular one of the [universal man] who realizes in himself as a creative microcosmos the potentialities of the mind. This is called [civilization which is secularized salvation]” (Haas 1956, p. 296). “The secular idea of the human personality asks for a positive relation to the state. Not only is the political existence itself an essential element without which the individual cannot fulfil his destiny. If, far from being extraneous to the goal of man, political life forms a part of his secular civilization, then state and government are capable of constant improvement and subject to evolutionary process” (Haas, p. 297).

“All these new trends converge in the Philosophy of history of Vico (born 1670). In his *Elements of a New Science of the Common Nature of Peoples* he encompasses in one great intuition the history of mankind. Progressing in all its branches, though not all at the same time and in the same rhythm, it marches toward the same final goal of civilisation. [...] Civilization itself is one and indivisible though it consists of three main elements [...], religion, political authority, and knowledge”(Haas, 298). In Vico’s view, human “civilization is one in all its variety. And each branch of the human family may and will reach the height of civilization in the form which corresponds to its genius. Vico asserted that the American Indians would evolve in quite the same way if they had not been discovered by the Europeans”(Haas 1956, pp. 299-300). Eurocentrism had not yet come fully into existence! However, the “philosophy of progress characteristic of the [19th] century derives from the blending of the evolutionary philosophy of history and the philosophy of Enlightenment. Its basic idea] had served to glorify technological progress and to justify the colonial policy of the great powers. All members of the human family [...] are capable of and are entitled to progress, though not all of them have been granted the enlightenment to achieve the way by their own resources. To these – not only the primitives, but also the Oriental peoples who are still far back on the path of progress the West must lend a helping hand. It must lead them on the path of technical and cultural development of which the West is the inventor and the guardian”(Haas 1956, pp. 302-03). Eurocentrism was definitely born. “With Hegel, the philosophy of history reached its summit” (p. 309). “Never had the unity and the variety of mankind been so thoroughly safeguarded and so intrinsically conciliated”(p. 307). “But in order to support the construction, his philosophy of history needed the basis of a metaphysical system. However, after Hegel’s death, this metaphysical foundation inevitably discarded the common denominator of universal history – that of the process of the self-comprehension of the Absolute Spirit. With this disappearance the tie which bound the various civilizations in one great evolution was torn”(p. 307). Haas does perhaps not fully appreciate that Marx’s philosophy of history, perhaps the most important upshot of Hegel’s system, shaped decisively the 20th century, even though in an alienated form. With Marx the *mode of production* had replaced Hegel’s Absolute Spirit. What, in Haas’ view, is more important than Marx’s materialist philosophy of history is the fact that a “growing uncertainty with regard to the determination of the true subjects of civilization [came into being]”(p. 308). “Hegel conceived as the subjects of the process of civilization the politically united peoples – the states” (p. 308). “[However, the] rapidly increasing knowledge of the Europeans and extra-European civilizations doomed as impossible any attempt to bind civilizations to political

boundaries. [This] same deepening of the insight into the variety of civilizations barred the return to the whole of mankind as the real subject of philosophy of history” (p. 310). A civilisation could take the lead in one epoch, to be supplanted by another civilisation in another era. For example, in the above it has been suggested that, in the political and economic-technical domain the perfection of Agrarian conditions has been achieved in the East, above all in the Islamic world and in China (Hobson, Seitz), not in the West, which, in turn, took the lead after 1800, though with Eastern assistance (Hobson). Here, Jack Goody’s pendulum swings would come in.

“The decline of the philosophy of history is marked by the names of Gobineau, Nietzsche and Spengler” (Haas 1956, p. 310). Gobineau “was to find in the race the subject of philosophy of history” (p. 310). [According to Nietzsche] the only goal of history is, or should be, the production of the genius – the superman” (p. 311). In Oswald Spengler’s theory, “where the various civilizations originating like plants in their predetermined soils are secluded in themselves and inaccessible to each other’s comprehension, there is no historical continuity. Nor does the mutual impenetrability of civilizations admit of comparative evaluation and gradation. The grandiose and tragic view of haphazardly rising and falling civilizations, essentially unconcerned with, because fundamentally foreign to each other, pronounces a death sentence on the philosophy of history” (pp. 311-12). Certainly, it is not by chance that Spengler’s *Untergang des Abendlandes* appeared after the First World War. This terrifying war gave not only a deathblow to the idea of progress, but opened deep cleavages between the European nations.

Haas goes on: “With Spengler’s negativistic philosophy of history – in every respect the opposite of Hegel’s system yet equal in its grandeur of conception – the philosophy of history has for the present come to an end. The relevant reason, conspicuous enough in Spengler’s philosophy, lies in the *growing uncertainty of Western man about himself*” (Haas 1956, p. 312; our emphasis). Science, technology and the economy had become ends in themselves, becoming a huge mechanism. System-caused alienation combines with nihilism, and there is a loss of perspective and direction. The sense of life gets gradually lost, also because the stabilising influence of the great religions recedes. In a soulless Kafkaian world anxiety grows. To escape anxiety hectic activism sets in. And violence increases. The phenomenon of nihilism and its relationship with anxiety have been most dramatically captured by Ernst Jünger in *Über die Linie*, his contribution to the *Heidegger Festschrift* (Jünger 1980/1950). And total nihilism may result from utmost economic alienation. Again Germany is the prime example. Here the great depression culminated in 1932, propelling National Socialism into

power. Hermann Rauschning (1938) provides a powerful and dramatic picture of the phenomenon of nihilism in National Socialist Germany: *Die Revolution des Nihilismus – Kulisse und Wirklichkeit im Dritten Reich*. He sees the National Socialist Revolution as a ‘Revolution without doctrine which, as such, expresses the political action of *total nihilism*’ (Rauschning 1938, p. 84). ‘In a first step the National Socialist movement is nothing but destruction, the dissolution and annihilation of the traditional order and its ethical foundations. The lack of direction and the boundless character of the movement renders it highly dangerous, and nobody can know what its positive elements are and how, therefore, a new order will look like’ (pp. 84/85). Simultaneously, but under different socio-economic, political and ideological circumstances, nihilism was also heavily present in Stalin’s Soviet Union.

And, deep-going nihilism may also come into being in materialistic Western-type capitalist societies. Here, in all domains of life the quantitative element tends to dominate the qualitative one. Erich Fromm has very aptly captured the essence of this issue through to have and to be. Quantity is linked with to have, quality with to be. Western-style capitalism, embodied in mass production and mass consumption is obviously associated to quantity and to have, with the fundamental values linked with quality and to be, being pushed into the background. This tendency of growing nihilism leads on to increasingly expressing the value of everything in money terms, implying that a growing number of objects become commodities.

Given the fading out of the philosophy of history, Haas proposes, starting from Spengler, an alternative way to carry on fundamental reasoning on history. “[The] great insight of Spengler is to have vindicated the claim of civilizations to be self-sufficient and autonomous creations of the mind. [However, Spengler makes no attempt] to determine the criterion of the civilizations presented as genuine species” (Haas 1956, p. 317). Haas then goes to propose the approach he uses in his book, that is attempting to get hold of what is *probably* essential to a civilisation, *unity in variety* for the West, *juxtaposition and identity* for the East, and then investigating the various elements making up a civilisation, for instance, philosophical, artistic, political. In a way, this is to construct *ideal types* in the sense of Max Weber, which may, without problems, be interpreted in an Aristotelian sense as to what is, probably, constitutive of a phenomenon, a civilisation in this case. In fact, the “march of philosophy of history itself points clearly to where [the criterion determining civilizations as genuine

species] may be found. If neither factors extraneous to civilization such as race, nor empirical elements isolated from the whole of civilization such as statehood, reveal the basic differences between civilizations, one way only seems to be left open. This is to find this criterion in the ground plan – the structure of civilizations – provided that such structures can be demonstrated to exist. If they do, their relation to the concrete aspect of civilization may be compared to that of the ground plan of a building to the building itself. And just as a description of a great architectural work, colourful and complete as it may be, would not reveal its structure, so the key to the comprehension of a civilization is lacking if its description is without the knowledge of its structure” (Haas 1956, p. 317).

“Thus, wherever an architectural plan, a structure can be found, and when it can be expressed in a clear formula and be demonstrated to permeate the concrete realizations of a civilization, then and only then may we be certain of facing *a great civilization*. This is an authentic type and *a true subject of philosophy of history*” (Haas 1956, p. 320; our emphases). *And so the philosophy of history is transformed into the science of comparative civilization*” (p. 321; our emphasis).

This momentous statement requires some explanation. First, the notion of philosophy of history may now be clarified. In fact, two fundamentally different types of philosophy of history may be distinguished, the *speculative* and the *realist*. The speculative view supposes that the aim of history is in an undetermined future. Here the idea of unlimited progress is of crucial importance, with progress moving, so to speak, *along* the time axis. As Haas convincingly argues, the secular version of speculative philosophy of history came to an end with Spengler. However, Sacred or theological philosophy of history, which crucially deals with the first and the last things will of course remain and keep all its significance. Sacred philosophy of history will naturally be associated with faith and mystery. Jean Daniélou’s work *Essai sur le mystère de l’histoire* is significant in this context.

In the *realist* way of looking at the course of history *the aim of history* is not in an undetermined future but *in the present*, which means looking at nature, man and society vertically to the time axis (cf. Bortis 1997, pp. 372-73). This aim is, in a Keynesian (and Christian) vein, fundamentally ethical: the same immutable ideals provide signposts for action in all domains. Regarding human affairs this means continuous efforts to reduce imperfections and alienation in order to approach more closely the ideal of the Common Good. The realist way of looking at the real world presupposes that there are immutable ontological, aesthetical and ethical principles underlying visible reality, which represent the essence of existing things. These essences are also ethically and aesthetically perfect. This

implies that on a fundamental level truth, goodness and beauty coincide. The differing ways undertaken to approximately realise these fundamental values characterise civilisations.

The fundamental principles have a double function. On the one hand they shape part of the real world, predominantly nature and the physical aspects of man and of society, i.e. the material basis of social and cultural life. This implies that the contents of the fundamental principles are realized in different forms varying widely in space and time. A striking example is the social process of production, which, in principle, remains invariant but has undergone immense changes in form with the transition of traditional to modern industrialized societies. On the other hand these principles provide natural and invariable guidelines for the behaviour of man in all domains, economic, political, moral and cultural. However, for various reasons – imperfect knowledge, particular interests and defective organizations of society – there will always exist a gap between the ideal and the really existing, that is alienation. This implies that, in the course of history, individuals always act in alienated circumstances. If alienation may be minimised, stable and long-lasting political entities may come into being. The prime example is of course traditional China who enjoyed, as Konrad Seitz has emphasised, an unequalled internal stability on the basis of high ethical standards. However, alienation, once established, may be self-reinforcing and lead to a collapse of a political entity. Indeed, as Augustine remarked, Rome was not a good state, which, in an Aristotelian vein, set the preconditions for a good and happy life of the individuals. Rome, he said was based on power, splendour and plundering. This is, of course, not to deny the great achievements of Rome regarding organisation, material civilisation and the creation of a system of private law.

Civilizations are thus characterised by attempts to achieve to increase perfection regarding truth, goodness and beauty in society and man. This implies that “there are fundamental [and immutable] values independent of time and common to humanity ”(Nef 1967, p. viii). The values are present in all spheres of the real world and may be approximated by very different means and in very different ways. This characterises the different civilisations. Stated differently, one could start from human nature which is, as suggested at the outset, the same everywhere. This essence of man and of society comes into existence in very different ways, due to the immense potential contained in human nature. Of course, due to the fallibility of human beings, perfection can never be reached entirely. And, mainly in the domain of individual behaviour and of social and political organisation, the gap between the really existing and the ideal may become very large. Alienation, above all economic alienation, may

lead to very imperfect societies and may even lead to their collapse. The fall of Rome and the political consequences of the great depression of the 1930s are eminent cases in point.

Hence, given the imperfection of human knowledge regarding really existing situations and of the perception of complex moral issues, history cannot and will never be a clean story of linear progress. History seems to evolve cyclically around a broad trend of material and scientific advance. Progress is always relative however; for example technological advances may lead to setbacks or growing alienation in the social sphere: an excessive division of labour may lead to a disintegration of social life accompanied by excessive individualism and growing loneliness. Or, material affluence may negatively affect social and cultural standards. Therefore, in the socio-political, moral and cultural domains there is, in fact, *no* progress, *only* change. Values may be aimed at in different ways, alienation may take on differing shapes, and changes may go on in most diverse ways. All this will provide elements to compare civilisations.

Defining civilisation as attempts to reach more perfection in the realms of goodness, truth and the beauty in all domains, cultural, social, political, economic, technical has a very important implication: “In the face of the civilizations of all epochs stand on the same footing – Vor Gott stehen alle Völker und alle Epochen gleich da” (Leopold von Ranke). As has already been alluded to, this means that the North American Indian tribes are at the same level as any of the ancient or modern civilisations. These tribes had very high moral and social standards, they lived in perfect harmony with nature, and their works of art recall the best of abstract modern art. Ranke’s statement also means that East and West stand on the same footing. The West could not have produced the breakthrough to modernity (Mitterauer’s *Sonderweg*), a gigantic achievement, without the East (Hobson). Subsequently, the West took a temporary lead in the economic and technical domain, but whether moral and social standards have been maintained is another question. For example, there are experienced managers who are speaking about a growing ethics deficit in economic life. Incidentally, this proposition has been dramatically confirmed by some events that have occurred in the crisis of the financial sector around 2008.

However, the East is catching up in the technical and economic domain, and will perhaps overtake the West, at least in part. But, more importantly, the East could master the complexities of modernity better than the West, though relying perhaps upon Western conceptions in the social sciences, above all in political economy. This means that social and political standards in the East could rise above Western levels. It would indeed seem that a Confucian Renaissance is in the making in China, which, if combined with Western political

economy, could make of China an example for modern socio-economic and political institution building. And the West could follow suit in attempting to realise the great Keynesian project, that is to combine modern political economy with the older traditions of moral and political sciences. This is a possibility. However, as has been suggested repeatedly, it is up to Europe to take the lead in socio-economic and political affairs, that is, in the building up of good societies, where natural liberty prevails and the social individuals can prosper.

Nevertheless, *nobody* is superior, or inferior. However, there are swings of the pendulum bringing about a temporary lead of one civilisation, and subsequently of another (Jack Goody). To realise that all civilisations stand on the same footing, is certainly the firmest basis for co-operation and mutual enrichment in all domains, cultural, social, economic and technical as is implied in Keynes's social liberal vision.

Indeed it is, at present, essential to mobilise all the forces to master the immense challenges of the modern world, social (poverty and misery), economic (employment and distribution), ecological (global warming), sustainable development associated with the reproducibility of the world economic system, and with maintaining a social, political and cultural superstructure in line with the nature of man, and, last, but not least, the rebuilding of states, and, eventually, the creation of new states, under the guidance of a truly supranational United Nations authority. The final aim must be a world as a family of nations, in part structured by historical-geographical federations, as has been suggested in the chapter on *the natural political world order* in the above.

Maynard Keynes has perceived with uncomparable clarity that the materialist capitalist era must be followed by an epoch dominated by ethics and culture if modern civilisation is to survive. On this, the Italian Keynes biographer Piero Mini writes: “[Even the] most superficial reading of Keynes's writings [...] should convince anybody that Keynes was not an economist as we understand the term. He was primarily a social philosopher, a cultural leader interested in the cultural amelioration of society. Throughout his life he prodded the people and their leaders to set for themselves standards worthy of men [...]: the promotion of solidarity among people (the opposite of Benthamite individualism and egoism) and the extension of the realm of beauty (the opposite of Benthamite ‘push-pin’). Attainment of full employment – via the agency of the state and through substantial reforms of the system – was to be the way of attaining these [...] ends” (Mini 1991, pp. 102/3). Keynes was greatly influenced by “an anti-rationalistic current associated with certain critics of the emerging commercial England [e.g. Coleridge and Carlyle, who]” (Mini 1991, p. xvii) “stressed the

primacy of the spiritual over the material, of ends over means, of intuition over the narrowly logical. They were humanists who opposed the claims of [materialistic] individualism with the claims of community and tradition and who had a positive view of the state and of the binding value of culture » (Mini 1991, p. 2). Jacques Maritain's work points in the same direction, and so does John Nef's.

In Keynes' view the social and political sciences are *essentially* moral sciences, a fact that permeates his entire work: "Keynes's innovation was to reconcile economics with the older traditions of moral and political philosophy" (Fitzgibbons 1988, p. 3). More concretely, modern classical-Keynesian political economy must be combined with the great ethical thinkers of the past, Confucius and Aristotle most importantly, to master the gigantic problems of Modernity. As suggested above, there seems, after Mao's *Tabula rasa* regarding traditional China (Konrad Seitz), to be a kind of Confucian Renaissance going on in China at present. And Aristotle has always remained present in the West, mainly through Thomas Aquinas and his modern followers, this in spite of the philosophical *tabula rasa* effected by Descartes, which has led on to the triumph of autonomous and value-free natural and social science. This was, in fact, a dialectical movement absolutely necessary for the breakthrough to Modernity. However, as will be argued subsequently, time has now come to bring back metaphysics and spirituality to provide a sense of life for human beings in general.

This brings us back to the beginning of this section where Haas had been quoted to say that the philosophy of history has emanated from sacred history. In analogy, modern science has gradually separated from faith and metaphysics. The idea of progress that gradually developed, and gained momentum in the century of Enlightenment, implied that science could ultimately give an answer to all the questions, also to fundamental questions. Two great scientists – *artists* might be more appropriate –, John Eccles for the natural sciences and Maynard Keynes for the moral sciences, have convincingly argued that this is to grossly overestimate the capacities of science, in fact of the human mind. Eccles has argued that the human brain is but the tool of the mind, which implies that life in general and human life in particular cannot be explained in materialistic terms by science. And Keynes said that intuition is the first form of knowledge, and that intuition is needed to come to grips with complex socio-economic phenomena. This means that all theories, in the natural and in the moral sciences, are, explicitly or implicitly, based on a vision of nature, and of man and society. And a vision implies values. In the initial section on *Setting the stage* some implications of Eccles' and Keynes' vision of nature, man and society have been alluded to. Considering the immense relevance of their respective work suggests that both, John Eccles

and Maynard Keynes, are truly beacons in the tempest of our alienated times on the way to history proper where *all* social individuals of *all* polities should have the possibility to prosper, to unfold their dispositions and to broaden their capacities, that is to become persons. Certainly, an important message is that it is not sufficient to cultivate the moral and natural sciences on the basis of analytical powers only - growing alienation, implying nihilism, struggles for power and destruction might result. Therefore, reason and wisdom must come in decisively, and this links to intuition and imagination, and to values in the realms of Goodness, Beauty and Truth as Jacques Maritain has beautifully argued in his *Science et Sagesse* (Maritain 1984/1935). Of these fundamental values John Nef says, that they must be cultivated on their own for the sake of man if modern civilisation is to survive, with peace and harmony dominating (Nef 1967). In his *Humanisme Intégral* Jacques Maritain has worked out a political philosophy along these lines, incidentally at a time when both really existing systems, capitalism and socialism, underwent their deepest crisis, with alienation reaching peaks of tragic dimensions (Maritain 1984/1936). And Maritain clearly perceived the need for a philosophically based social and political theory: 'To establish a new civilisation based upon *humanisme intégral* requires a sound social philosophy and a sound philosophy of history' (Maritain 1984/1936, p. 303, a.tr.), and, one should add, a solid system of social and political theory, with political economy, the key social science of the modern era, being at the centre; incidentally, Maritain himself points in this direction (1984/1936, pp. 427-28).

In the realms of science and wisdom East and West may come and are coming already together. The West may go on benefiting from *Ex Oriente Lux*, from Eastern spirituality, and, vice versa, the East from *Ex Occidente Lex*, that is from traditional philosophy and modern science, building upon comprehensive visions of man and of society. The future world as a family of states, structured through historical-geographical federations, precisely sets the stage for a mutual spiritual, intellectual, cultural and material enrichment of the various civilisations. Given the invariable human nature, this is nothing new. Indeed, on the back page of his biography on Cyrus, founder of the Persian Empire in the middle of the first *axial age* (around 500 B.C.), in fact the *first* empire in world history, Gérard Israel writes (Gérard Israel 1987, back page, a. tr.): *Symbol of tolerance in the view of the Biblical Prophets and of the Greek historians, Cyrus, a legendary hero, was a precursor of the reconciliation of oriental spirituality with western knowledge.*

Long-term policy implications and the underlying philosophy

Ways ahead

This essay is fundamentally optimistic: Alienated history will, and indeed must, come to an end to become history proper, with system-caused alienation largely eliminated through social liberal economic policies, and alienation on the level of individuals greatly reduced through an appropriate education system in line with human nature. Relying on Hegel the concept of alienation as the gap between the natural and the historically existing, that is between the normative and the positive, has been set out by Karl Marx in his *Frühschriften*, specifically in the *Ökonomisch-philosophische Manuskripte aus dem Jahre 1844* (see also Meszaros 1973 and Bortis 1997, pp. 47-53). With Hegel and Marx alienation vanishes at the end of history when the historically existing coincides with the “natural state”, for Hegel the state of freedom, for Marx the Communist Society in which the realm of freedom dominates the realm of necessity. Hence with Hegel and Marx the natural state, with alienation eliminated, is in the future. However, in this essay, we adopt the Catholic vision of history which implies that the human nature, its *essence*, is *invariable*, that is in line with the *creationist* vision of the universe adopted in this essay, following in this John Eccles. Given this, the invariable human nature may come into *existence* in very *different shapes*, differing in space and time. A really existing natural state would imply a well-organised society on the basis of which the social individuals may prosper through developing their differing potentials (see for example, Bortis 2013a, pp. 352-55). Given this, the natural state is always there, potentially though, and so is alienation, that is, the gap between the really existing natural state and historical reality. Alienation may be reduced to a humanly possible level in order to bring about a *good* society. However, any attempt to create a *perfect* society, entirely free from alienation, would end up in the most terrifying tyranny.

Through his entire work Maynard Keynes has laid the foundations for the social liberal vision, implying a *good* society, and the political economy associated to this vision, as is beautifully brought out by Athol Fitzgibbons’s *Keynes’s Vision: A New Political Economy* (Fitzgibbons 1988). The social liberal system of - classical-Keynesian - political economy as is broadly sketched and put in a wider context in Bortis (1997/2006, 2003a, 2013a, 2015 and 2016) builds on Keynes’s overall work. However, the gradual and, hopefully, ever stronger implementation of history proper will take very long time-periods, and, probably, there will

be setbacks. There is no point to speculate here at the length of the time-period required to reduce alienation to a minimum achievable by human beings. And certainly, given the present difficult socio-economic, political and environmental situation, the way ahead will not be easy going.

Hence this essay should not conclude on a note of facile optimism. In the main, at least *six* formidable problems have to be tackled to set into motion the process of reducing alienation. First, there is the *transition* from actually prevailing neoliberal capitalism to Social Liberalism, which is about reducing *system-caused* alienation. In the second place, humanity will have to move as smoothly as possible through the turbulences of global warming to, hopefully, end up in a broad *harmony between man and nature*, implying a decisive reduction of alienation between man and nature. The third issue is *education and learning* which ought to be in line with human nature and as such should contribute to reducing alienation at the level of the social individuals, thus enabling them to prosper. And fourth, there is the *role of religion* in the modern world, an issue of immense importance for the setting up of a largely unalienated future world order. In the fifth place, there is the problem of *fundamentalism*, religious in the first place, but also scientific. This issue is closely related to alienation in religious and scientific thinking. And sixth, and finally, there is the issue of *intellectual leadership*, which absolutely required if the process of transition from global Capitalism to Social Liberalism is to go on in an orderly way. It will be suggested that Europe, including of course, Russia should take the lead in this matter. Given the central geographical position of Poland in *Charles de Gaulle's* Europe from the Atlantic to the Ural, it would be natural for Poland to coordinate European efforts to come to grips conceptually with the transition of neoliberal Capitalism to Social Liberalism.

Of course, all these issues touched upon in this chapter can only be alluded to.

The transition from neoliberal globalised Capitalism to Social Liberalism

First, then, the transition from largely unfettered, neoliberal and globalised capitalism to Social Liberalism will be broadly characterised by a change in the relation between the economic and the political. Presently, there is an increasing domination of the economy over the state through large enterprises in production and finance, which may mean that workplaces are shifted around in search of higher profits. This is considered inevitable in a global economy, which, in principle at least, is postulated to be self-regulating. In practice, however, the fact that the economy is *not* self-regulating is clearly recognised, all the more so

in these times of crisis (2008). Thus, high employment levels do not come into being automatically, even when there is intense competition. Given this, the state may even move into the service of the economy to render it more successful in acquiring larger world market shares and to create new workplaces at home. Present economic activity has, to a considerable extent, become a struggle for profitable investment opportunities for financial capital and a struggle for work places. In many instances, this fight becomes a struggle for survival, which is, in fact, in line with evolutionism.

In the social liberal view, however, the economy – the material basis - stands in the service of man and of society through producing a social surplus which enables a society to set up an institutional superstructure, that is institutions in the political, legal, social and cultural sphere, in order to permanently pursue values in these domains. These values cannot, of course, be measured in money terms; however, the size of the financial means attributed to the various institutions will indicate the importance a society attaches to specific values.

Let us, however, reiterate here that money is, nevertheless, secondary. What is decisive is the spirit (Geist) filling the various institutions, for example the quality of the curricula in grammar schools and universities.

Given this, the transition from neo-liberal capitalism to social liberalism implies the destruction of Max Weber's materialist iron case – *stählernes Gehäuse*. On pages 203-04 of his *Protestantische Ethik und der Geist des Kapitalismus* (Weber 1988/1920), Max Weber provides a vivid account of the immense determining force of materialism in Capitalism. At the beginning of the 21st century this determinism has become supreme under the regime of neo-liberal Capitalism. To a very large extent, the sciences and culture are put in the service of the economy and the cultivation of scientific and cultural values for themselves have become exceedingly difficult. Religious and spiritual activities recede and spirituality is even put into the service of the economy at times, for example, when managers retire in monasteries for some time to enhance their capacity to work. Given this, the gradual destruction of Max Weber's iron case will obviously be immensely difficult.

The socially appropriate distribution and use of the social surplus is obviously of paramount importance, requiring a vision of the good polity to be elaborated by the social and political sciences and to be implemented by the government. Since, in the social liberal view, the economy is not self-regulating the state must collaborate with society to set up a social basis, the most important elements of which are in the socio-economic sphere, that is, full

employment and a fair distribution of incomes. Both are a precondition for an orderly living together of the social individuals. However, mass unemployment and a very unequal distribution of incomes produces a struggle for survival, eventually associated with conflicts between social, ethnic and religious groups. In the context of tackling the employment problem on the policy level the excellent book by L. Randall Wray ought to be mentioned here: *Understanding Modern Money – The Key to Full employment and Price Stability* (Wray 1998). This book is complementary to Bortis (1997 and 2003a), which emphasize the real aspect, with Wray (1998) featuring the monetary aspect of the employment issue.

As Marx has suggested, *system-caused economic alienation* – involuntary unemployment and a very unequal distribution of incomes is the basic form of alienation bringing about alienation in the political, legal, social, cultural and even religious sphere – with *alienated* religion being the opium of the people! Given this, political economy had become and has remained the key social science of the modern era. Indeed, without understanding how modern monetary production economies function sensible social and economic policies in particular and, in general, good politics in view of bringing about a well-ordered society, with alienation reduced to a level achievable by human beings, become impossible. In this sense, Maynard Keynes once said that *economists are the trustees, not of civilisation, but of the possibility of civilisation* (Harrod 1951, p. 194).

This implies that, to move from neoliberal Capitalism to Social Liberalism a very robust socio-economic theory is required to provide a sound basis for policy action. The economic theory of Social Liberalism is Classical-Keynesian Political Economy. This theoretical system represents a synthesis of a long historical development of political economy, starting with François Quesnay and systematically elaborated by David Ricardo and Karl Marx. After a long period of neoclassical (liberal) domination – Walras, Marshall, Menger - G.L.S. Shackle's *Years of High Theory 1926-1939* brought a renaissance of the classical tradition in political economy through Piero Sraffa; and, together with Sraffa, Maynard Keynes definitely established political economy as a monetary theory of production; specifically, Keynes showed that, in a monetary economy, involuntary unemployment could permanently exist, that money could influence real magnitudes and that interest was a monetary phenomenon. In the second half of the 20th century Luigi Pasinetti closed the gap between Sraffa's deterministic long-period equilibrium theory and Keynes's short-period disequilibrium theory, where uncertainty and expectations about the future play a crucial role, at the level of principles, preparing thereby the way for a Classical-Keynesian synthesis as is set out in Bortis (1997/2006, 2003a). Pasinetti's crucial role in the establishment of Classical-Keynesian

political economy is set out in *Toward a Synthesis in Post-Keynesian Economics in Luigi Pasinetti's Contribution* (Bortis 2012). Subsequently, the classical-Keynesian system of political economy has now to be systematically elaborated through writing books on principles; based on the principles, treatises and textbooks can subsequently be written to enable the teaching of classical-Keynesian political economy at the university level. This will be crucial to bring about the transition from neoliberal Capitalism to Social Liberalism since, as Keynes has insisted upon time and again, in the long term it is *ideas* that shape socio-economic and political developments, *not* vested interests. But ideas must be elaborated and, subsequently, communicated.

Toward harmony between Man and Nature

Second, moving as smoothly as possible through the turbulences of global warming is, in our view, associated with three great issues that can only be mentioned here. In the first place, a systematic co-operation between the moral – social and political sciences - and the natural sciences will be necessary to forge the notions and the strategies required to bring about a broad harmony between man and nature, providing the basis for sustained economic activity and sustainable economic development in the poor regions of the globe. Certainly, to maintain bio-diversity, above all diversity for domestic animals and useful plants, will be the utmost importance. However, it must be mentioned here that, in a Creationist view, genetic manipulations of plants, for example, are probably highly dangerous, because it will be impossible to know the ultimate impact of genetically modified plants on the human body, which is an immensely complex entity.

This leads to another point. The turbulences of global warming will probably lead up to huge human problems, in terms of 'climate' refugees, food and water shortages, for example. To approximately solve these problems will require immense amounts of solidarity between individuals, societies, states and even continents. This may be conducive to establishing the future world order, that is the world as a family of states, complemented by supranational institutions on the continental and on the world level, with materialistic values being subordinate to cultural and spiritual values.

This is associated with a third issue in relation with global warming, namely the fact that, in the very long run, it is nature (land) that will govern the extent of economic activity on the world level through available primary products (raw materials, energy resources and agricultural products) and, perhaps, even more important, through the capacity of nature to

carry the burden produced by economic activity, water and air pollution for example, to an extent such that world economic output may be produced and reproduced. It is not without interest to note that, in the first great system of political economy, that is, in François Quesnay's simple and fundamental *Tableau Economique* (1758), it is *nature, not labour*, which governs economic activity. *This fact will crucially shape future social liberal societies.* Marx already envisaged in his *Grundrisse* that, given the restrictions of production set by nature and the extent of technical progress brought about under capitalism, the labour time required to produce the necessities of life (Marx's realm of necessity) would diminish dramatically in a socialist society, and leisure time (Marx's realm of freedom) would correspondingly increase. Moreover, 'mind-destroying activities', to work on assembly lines for example, will be largely eliminated through computer-steered production where robots will play a central role. All this is closely related to the next issue to be considered, that is, education. Indeed, education, theoretical (pursuing higher studies at *Fachhochschulen* and Universities) or practical (apprenticeships in view of becoming an artisan) in line with human nature will be of the greatest importance to use leisure time constructively. Otherwise, boredom will set in and nihilism bound to increase, both probably leading on to more violence in modern materialistic societies where the purely scientific and the quantitative are put to the fore, and the cultural and spiritual relegated to a secondary position. Indeed, Scott Fitzgerald suggests in his *Great Gatsby* that boredom is a basic problem in modern societies, above all among the well-established rich where the struggle for survival is no longer a problem. Given this, the striving for perfection through realising the fundamental values of Goodness, Beauty and Truth in all spheres of reality and the deeper understanding of phenomena through intuition, imagination and, eventually, contemplation, that is, in the last instance, spiritual activities, will become of ever-greater importance. And, of course, for the large majority of the population *craftsmanship* will become fundamentally important. In his 2008 *The Craftsman*, Richard Sennett very clearly perceives the problem.

The problem of boredom in modern societies had already been perceived by Alexis de Tocqueville around 1845. The frequently useless discussions in the French Parliament filled de Tocqueville with deep melancholy, and political life seemed void to him, in spite of frequently hectic activity. At that time, Alexis de Tocqueville noted: 'How can one prevent the entire country sinking into deep boredom'; Lamartine went into the same direction in 1839 already, saying that France was simply bored (on this see the excellent 1955/1948 book by J.P. Mayer on Alexis de Tocqueville, pp. 71-72).

In a wider view, it seems quite evident that the standard bourgeois activity of maximising utility or profits under constraints, the budget constraint most importantly, is a most boring activity, an opinion shared by Maynard Keynes. The phenomenon of boredom probably represents one of the roots of violence: just doing something extraordinary. Moreover, the phenomenon of boredom may lead on to hectic activity, aimed at achieving quantitative aims in the main. As Karl Jaspers suggested, this may, in turn, contribute to transform human being into ants. The basic aim would be to maintain the system of mass production and mass consumption. Given this, the presently existing alienated situation would continue to persist persist.

Eventually, it may even be possible that a barren world is required to decisively reduce alienation, that is, to render possible the good society within which the social individuals can approximately realise the good life. A barren world might be brought about by a climate catastrophe, or, eventually, through a biological cataclysm; for example, Einstein said that if the bees were to disappear, mankind would not survive for long. Given this, the highly sensitive world ecological system hangs, in fact, in the balance or is suspended at a silk-thread. Or, to give another example, only *three* percent of all water on earth is fresh-water, and seventy percent of fresh-water originates from glaciers, which, as is well known, are diminishing dramatically. Maybe, in the future, famines will become of secondary importance, and dramatic water shortages will move to the fore. Without supposing an extreme outcome, as is pictured in Cormac McCarthy's *The Road*, it is possible, then, that a richly endowed world is incompatible with a decisive reduction in alienation. Indeed, within a rich world, the materialistic linear type striving after infinity that can never be satisfied, might be a continuous temptation. A more or less barren world, however, would force the social individuals of all societies to practice Goethe's circle-type striving after infinity, that is, striving after the fundamental values of Goodness, Beauty and Truth in all domains by the means of manual, intellectual and spiritual activities. To generalise this circle-type striving after infinity, an education system in line with human nature and adapted to varying circumstances as have developed historically in each country and region is required. However, it is to be hoped that, precisely, education will lead on to the insight required to preserve a globe as rich as possible as a natural and material basis for the good society and the good life everywhere. This would imply that the transition from alienated to largely alienation-free history would go on more or less smoothly as far as the natural environment is concerned, reducing thus climatic turbulences to a manageable level.

From the above it is evident that what may be called the American way of life is totally incompatible with sustainable development. Almost everybody knows that this materialistic way of life, associated to the squandering of precious non-renewable resources and being at the sources of global warming, represents a blind alley, and that its generalisation and intensification would lead straightaway to an ecological catastrophe. One cannot only hope that the message of Al Gore, Cormac McCarthy, John Perkins, Nicholas Stern, and certainly many others, will get through before it is too late.

Indeed, we are at present very far away from the innocent and ideologically tainted optimism of Walt Rostow, who, in 1960, proclaimed that the entire world, following up the American model, would end up as a mass consumption society (Rostow 1960). The impossibility to implement the American model worldwide for ecological, socio-economic, political and intellectual-spiritual reasons inevitably leads to the conclusion that Old Europe must take up world leadership in all these matters. This will be strongly argued below.

Education and learning in line with human nature

Third, then, education as adapted to human nature, leading on to the prospering of the social individuals through developing their potential – unfolding dispositions and acquiring capacities -, will be of *fundamental* importance in a social liberal world to be established. In fact, *education* should, ideally, be intimately associated with the only alienation-free driving force in history, that is the *striving after perfection* which is, in the first place, the pursuit of the fundamental values of Goodness and Beauty, that is moral and aesthetical perfection in all domains where human beings are purposefully active. It is only through this circle-type activity – doing the same things with ever growing perfection – that the striving after infinity inherent in human beings can be satisfied in an orderly, non-destructive way. But in order to be able to strive after perfection everywhere, that is to realise Goodness and Beauty in all domains one has to know. This means striving after Truth. Indeed, probable truth, that is, knowledge, is a prerequisite to approximately realising moral and aesthetical values in all the spheres of human activity. For example, to bring about a well-organised society – a good society - within which the social individuals may prosper, requires a robust system of social and political sciences with political economy being the *key* social and political science. However, to be able to set up such a theoretical system requires a very complex argument. Alternative approaches must be compared and, subsequently, evaluated; and historical-empirical evidence must be considered. For instance, one may ask the question whether the economic theory of Liberalism, that is neoclassical economics, is suited better to organise modern monetary

production economies or whether it is classical-Keynesian political economy – the economic theory of Social Liberalism. The complexity of the argument to be conducted in order to be able to give a probable answer to this question is alluded to in Bortis (1997/2006, especially chapter 5), which clearly comes out in favour of classical-Keynesian political economy.

This is to suggest that, since the coming into being of the modern world, fundamental arguments in the social and political sciences got so complex that purely scientific means are not longer sufficient. For example, economic theories addressed at explaining fundamentals – the nature of price, the regulation, in principle, of income distribution, the determination of employment levels in principle – rest on a vision of man and of society. As has been suggested in the first section of the initial chapter *Setting the stage – Some remarks on method: probability, principles and theories* – only intuition, Keynes's first form of knowledge, can get hold of a vision of man and of society, which, if analytically elaborated, becomes a social philosophy. Thus, to distil principles underlying theories requires a philosophically based argument, implying that explanation is replaced by understanding. In fact, there are two types of social and political sciences: theories, based on principles, seeking to explain, and the process of distilling the principles on the basis of a comprehensive argument guided by a metaphysical vision. This latter type of social and political science is of a metaphysical nature. The question is about what is essential or constitutive to a phenomenon, for example, prices, distributional outcomes, or employment levels in political economy. In a way science and philosophy (metaphysics) interact: a scientist working on the basis of a specific approach may become dissatisfied and turn to an alternative approach, based on a differing set of principles (see on this Bortis 2003a, pp. 411-15).

The quest for Truth, initiated in Karl Jaspers's *Achsenzeit*, is basic in education. And, as has just been suggested, the crucial point is that the striving after Truth cannot only be scientific. Science needs a philosophical basis if complex phenomena are considered, in the social and political sciences, for example (of course, we cannot speak here for the natural sciences, nor for the fine arts and for theology; however, one may guess that similar arguments apply). Purely scientific procedures – testing hypotheses, for instance – may be appropriate if relatively simple problems are considered, for example, whether a marketing campaign has resulted in a significant increase in sales or not. However, complex problems related to the whole of society and of man require a philosophical underpinning. In economic theory, for example, there are differing theories of price, of distribution and of employment, all resting on a specific vision of man and of society. Philosophy, or more fundamentally, metaphysics, is, therefore, required to bring about a broadly ordered body of social and political science in

general, and in political economy in particular. Metaphysics thus appears as the ordering science (Aristotle), absolutely necessary to come to grips with the complex phenomena of the modern world.

The striving for probable truth in the sciences in general, and in the social and political sciences in particular, must, therefore, in a complex modern world, be philosophically based. And this has very important implications for curricula at the university level. For instance, in the social and political sciences, branches like social and political philosophy, social and political ethics, the history of economic, social and political theories and ideas, are of the *utmost* importance. Indeed, to know about alternative economic theories and their philosophical and historical underpinnings, leads on to ‘the emancipation of the mind’ (Keynes). And it is the emancipated – non-dogmatic - mind only, which can undertake the pursuit of Truth, leading on to knowledge enabling man to strive for perfection in all spheres – individual, social and political, and regarding nature. On the supreme level such knowledge becomes equivalent to wisdom, which, in fact, is – probable - insight into the fundamentals constituting man, society and nature.

Presently, university curricula have, in some faculties at least, moved far away from this ideal. Science dominates, with its philosophical underpinning and the history of theories having been largely abandoned, above all in the social and political sciences, and more specifically in economics (again we are not competent to speak about the situation in history, the fine arts, theology and the natural sciences). In fact, to simplify drastically, in economics, for example, the quest for Truth as a precondition for the striving for perfection, that is, the good economy, in line with human nature has been abandoned and replaced by the struggle for power. It is taken for granted that Liberalism, even Neoliberalism is the best and, in fact, the only doctrine available to organise modern societies. The economic theory of Liberalism is neoclassical economics, which in mathematical or, for policy purposes, non-mathematical form – as elaborated by Hayek, for example – dominates the economics faculties almost absolutely. Alternative thinking in economics gets marginalized. The ‘emancipation of the mind’ (Keynes) does no longer take place, and many modern economists run the danger of ‘becoming slaves of some defunct economist’ (Keynes again). In Marxian terms, this means that neoclassical economic theory, as far as it deals with fundamental problems regarding the functioning of the economic system, runs the danger of becoming an ideology, justifying an existing economic system and standing in the in the service of dominating interests, in fact, the power centers alluded to above. Moreover, there is a kind of fundamentalism present in policy making above all, in that fundamentals are directly applied to the real world without

theoretical intermediation. For example, many economic policy makers take for granted that competitive economies would tend towards a full-employment equilibrium. As a consequence, free and largely unregulated markets are established everywhere, since competitive markets are supposed all the important economic problems – value and price, distribution, and employment, even problems of the financial sector. Given this, the description of equilibrium situations and of rational behaviour moves to the fore. The mathematical method is seen most appropriate to deal with these rationalistic and idealistic construct, in analogy to Plato who thought that the mathematical method was the only possible method to deal with *objectively* given ideals. The modern mathematical approach, however, is subjective and rationalistic and based on Descartes: Once a phenomenon is perceived clearly and distinctly truth is established. It has already been suggested that Walras's General Equilibrium Theory is the masterpiece of rationalistic reasoning. As G.L.S. Shackle notes in his *Years of High Theory* Walras General Equilibrium Model complemented by Marshall Partial Equilibrium Approach represented “a Great Theory or Grand System of Economics, in one sense complete and self-sufficient, able, on its own terms, to answer all questions [...]”(p. 4). “In its arresting beauty and completeness this theory seemed to need no corroborative evidence from observation. It seemed to derive from these aesthetic qualities its own stamp of authentication and independent ascendancy over men's minds”(p. 5). This is typically Descartes, and it is certainly not by chance, that the General Equilibrium Model has been elaborated by a Frenchman, Léon Walras (1834-1910), broadly between 1870 and 1890.

The 2008/2009 crises in the financial and in the real sector, have, once again, dramatically brought to the open the complete inadequacy of neoclassical equilibrium theory. Keynes is at present considered a saviour, and Keynesian spending programmes are supposed, like a deus ex machina, to stabilise failing economies. However, in this context, it should not be forgotten that, in the 1930s, it was not the New Deal, a kind of mechanical Keynesianism before Keynes, the Keynes of the General Theory to wit, which saved the US economy, but the Second World War, a point on which prominent economists would agree. And large scale military expenditures continued after World War Two on account of the Cold War. Indeed, expenditures have to be permanent, that is, institutionalised, to have a durable impact on output and employment. Temporary expenditures, even if important, are, in a way, like a passing fancy, without a notable permanent and sustained effect.

Given this, Keynes has to be put in a long-term social liberal context. Here, the problem is to set up a harmonious system of institutions, associated to permanent state and social

expenditures and in line with full-employment and a broadly fair distribution of incomes (Bortis 2006/1997, chapter 4), and shaped by a vision of man and society, with the vision comprising various dimensions, ethical, aesthetical, intellectual and spiritual. It is indeed not sufficient to spend large amounts of money to build up a system of institutions. The crucial element is the spirit (Geist) filling the various institutions, for example, in the case of schools and universities, appropriate curricula on all levels of education. Hence institutional transformation must be prepared spiritually and intellectually. This is the main tenet of the suggestions set out in Bortis (1997/2006) and in the present essay, broadly in line with Maynard Keynes, Jacques Maritain, John Nef, Eric Voegelin, and certainly many others.

Now, the problem is that, on the basis of presently utterly dominating neoclassical equilibrium theory and its upshots, rankings of economics faculties in particular and of universities in general are made. And this has social consequences. The ‘best’ economic faculties get more funds and their graduates the best jobs in the economy or in *academia*. Similar processes go on between law faculties and faculties of politics and the legal and political system. Key faculties and their universities thus become elements in a system of power and the maintenance of power which may come to dominate the pursuit of probable Truth, which ought to be the basic aim of universities. Several factors strengthen this system. The partial or even total privatisation of universities obviously reinforces the tendency for faculties and universities to maintain and strengthen their position in the struggle for power. Heavily loaded teaching programmes combined with frequent examinations – in the worst case examinations in each branch after each semester - reproduce, with unessential variations, the system of knowledge based on a specific approach, preventing students to undertake very time-consuming deeper reflection regarding alternative approaches and their philosophical underpinning. In this way, the mind does not get emancipated, but becomes, in a Keynesian vein, the slave of the existing system of knowledge, which is reproduced largely unquestioned. In economics this is reinforced through *too much* mathematics, associated precisely to neoclassical equilibrium economics, which, as Joan Robinson, a pupil of Keynes, once remarked, may prevent students from thinking about the real problems.

To avoid misunderstandings, some mathematics is indispensable to understand important economic theories, but mathematics must remain a means in economic theorising; given this, quantitative methods in economic theory may be very useful, because complex economic phenomena, including pattern of behaviour, may be represented very concisely through

mathematical methods; and statistics and econometrics, necessarily making use of mathematics, are absolutely essential for research in the economic, social and political domains.

Nevertheless, the story of *excessively* mathematical economics, with mathematics dominating economics, is a typical example of exercising power and of maintaining a given system of thought. Again Joan Robinson provided an insightful argument. She termed the domination of large parts of very advanced mathematical economics as a product of the Cold War. Indeed, in McCarthy times it was dangerous to be a political economist, a Ricardian, a true Keynesian, or even a Marxian, for example. Given this, economists turned to ‘pure science’, supposedly free from political implications, also to have a quiet life. And the Walrasian model and its elaborations, sometimes also in a simplified aggregate form, were used to prove, time and again, that the free market economy, associated to democracy, and liberty, was superior to the centrally planned socialist economies and the corresponding totalitarian political regime. In this way, Joan Robinson concluded, economics simply became part of the power system, and this has largely remained so even after the downfall of Socialism. This is obviously a highly unsatisfactory situation, largely responsible for the inappropriate neoliberal policies that have been pursued in recent decades. A practical result is the almost complete helplessness of the neoliberal theoretical economists in the face of the – 2008/09 – economic and financial crisis.

In her Economic Philosophy Joan Robinson very concisely points to the ambivalent character of economic theory: “[Economics] has always been partly a vehicle for the ruling ideology of each period as well as partly a method of scientific investigation” (p. 1), and so “economics limps along with one foot in untested hypotheses and the other in untestable slogans” (p. 25). Perhaps, while being broadly right in this, Joan Robinson nevertheless underestimates the possibility to establish the most plausible theory on the basis of a comprehensive argument. For example, in the course of Shackle’s Years of High Theory 1926-1939 Maynard Keynes and Piero Sraffa convincingly argued that modern economies are very likely to be monetary production economies, and not real or monetary exchange economies. This argument has very important theoretical and policy implications. The theoretical implication is that effective demand probably governs economic activity, implying that involuntary unemployment may exist. On the policy level this requires employment and incomes policies.

It must be admitted, however, that the Keynesian-Sraffian critique of liberal economic theory, neoclassical economic in the shape of General and Partial Equilibrium Theory and of the Rational Expectations System, has not been very effective. The central reason is that a coherent post-Keynesian system of theory does not exist. However, classical-Keynesian political economy (Bortis 1997/2006 and 2003a) is more advanced in the direction of forming a system, mainly due to the immense effort undertaken by Luigi Pasinetti. Indeed, Pasinetti's work enables to bring together the seemingly irreconcilable theoretical systems of Maynard Keynes and of Piero Sraffa. This is argued in Bortis's Toward a Synthesis in Post-Keynesian Economics in Luigi Pasinetti's Contribution (Bortis 2012). Here, and also, in Bortis (1997/2006 and 2003a), emerges that classical-Keynesian political economy is, in fact, a synthesis and an elaboration of Keynesian, post Keynesian and classical-cum-neo-Ricardian political economy.

In principle, the remedy to be applied in the university sphere is simple, at least as far as Western Europe is concerned. In fact, the point is to go back, as far as is possible, to tradition, though in modernised form: far less exams, studying branches, not only collecting credits; much time for reading, including *primary* and first class secondary literature, and considerable time for reflection and informal discussion. To set students on the track of emancipating the mind introductory lectures for each branch are required, to be delivered by an experienced teacher who is able to present the great problems, of political economy for example, the solutions provided by the great authors, and the basic body of existing theory. Based upon these introductory lectures a broadly systematic widening and deepening may go on in each branch. In practice, this will be a long and difficult process, above all in the social and political sciences and specifically in economics, because curricula will have to be rewritten to give much more weight to the historical and philosophical-theoretical branches. In economic theory curricula will have to be rewritten almost entirely, putting much more emphasis on the political economy tradition in Keynes's sense, keeping intact, however, the diversity of theoretical approaches.

A return to a particularly rich tradition will, in principle, also be required on the Grammar School level, with curricula to be adapted, of course, to modern developments. The establishing of three A-level types seems most appropriate, covering the whole of the real world and being in line with the broad dispositions of students. In the centre, so to speak, would be the traditional humanistic gymnasium with the social individual and its cultural expressions in the widest sense put to the fore. A second A-level type would emphasise

mathematics and the natural sciences, a third type the social and political sciences and history. Of course, there would have to be large overlappings. However, in the last two years of Grammar School, philosophy in the traditional sense, beginning with Greek philosophy, should be *compulsory* for the three A-levels types. It is really through confronting opposed philosophical approaches, Aristotle-cum-Keynes and Kant-cum-Hume perhaps most importantly, that Keynes's *emancipation of the mind* is set into motion and the striving after Truth is initiated. Philosophy, taught of course, in an undogmatic and openminded way, would also provide a platform of mutual understanding, not only within a civilisation but also between civilisations.

To this grammar school system would correspond the broadly traditional organisation of the universities. There would be four Faculties: Theology; Philosophy, History and the Fine Arts; Social and Political Sciences; and Mathematics and the Natural Sciences, including of course Medecine. The Social and Political Sciences would comprise Politics and Law, Political Economy and Sociology. These branches must be brought together in one Faculty, simply because one cannot cut man and society, which form an entity, into pieces, and, subsequently analyse the pieces separately. Specialisation in the social and political sciences very quickly leads to formalism and, eventually, to imperialism of some branch, law or economics, for example. Of course, there would be large intersections between the social and political sciences and history. Until now, too much mathematics and specialisation in economics has rendered impossible the 'peaceful' living together with other social sciences within the same Faculty. It is likely that this is going to change with the rise of Keynesian, post Keynesian, and classical-Keynesian political economy. Moreover, classical-Keynesian political economy can be easily and naturally linked with history (Bortis 1997/2006, specifically pp. 118-31).

As a rule, universities should be small but great in number, strictly state run and, as such, be open without restrictions to students from all social classes. Ideally, the small university would constitute a community of teachers and students on the way to probable Truth in all domains of Society and Nature. This would enhance the unrestricted pursuit of Truth through open-minded and emancipated thinking going along with, mostly *informal*, discussions and exchange of ideas, also, and this is very important, between students and professors of different faculties. Large universities, it has been said, are a contradiction in itself. Such universities tend to become systems with a tendency towards *pensée unique*; this tendency is enhanced by exams after each semester in all branches, an institution that prevents students from thinking things through; knowledge becomes partial and specialised; the different spheres of knowledge get disconnected and an overall view of the object of study, economy

and society for example, tends to vanish. Consequently, ideologies, reflecting social power and strong interests, increasingly tend to dominate. The unconditional search for Truth is in part replaced by alienated science driven by economic, financial and political power. This also holds for universities financed by private means to a smaller or larger degree. In such a “university landscape” evaluations of teachers and rankings of universities tend to flourish. The top universities are bound to become strongholds of socio-economic, financial and political power.

All this is the consequence of the liberal view, that the individual is primary, that social phenomena are derived and that the economy is self-regulating; given this, individuals may become active in ever more specialised fields, implying that, ultimately, everything may become a science, and nobody has to worry about coordination since the economic system is supposed to be self-regulating. It would seem that broadly since the year 2000 there is a growing uneasiness about these developments. Specifically, many teachers and students tend to become fed up with evaluations and rankings, based on quantitative criteria, leaving the question of quality entirely open.

As a rule, universities should deal with fundamentals, for example with the positive and normative issues regarding the economic and legal system on the basis of the history of legal and economic theories; in faculties of natural sciences basic research (*Grundlagenforschung*) ought to dominate. Specialised applications to the real world should be done in universities for applied sciences. Of course, an intense interaction between both types of universities is required and highly desirable.

University studies should be based on branches – one main branch, and one or two secondary branches, as was the case traditionally, not on collecting credits, in fact, credits could just be used as a kind of study accounting device, that is, to count quantitative study performances, bearing in mind that the important things are qualities and contents of studies. It is evident that, taking a secondary branch outside the home Faculty, would greatly enhance the exchange of ideas and the mutual enrichment.

Moreover, the traditional system with preliminary studies (two or three years), all branches being compulsory for all students and advanced studies with a broad specialisation should be reintroduced again. Since the aim of university studies is to acquire the capacity to think holistically, to see phenomena in their entirety, and to establish connections between phenomena, only one degree should be awarded in each Faculty, eventually mentioning the broad specialisations. Examinations might be annual on the level of preliminary studies, or, even more appropriate, examinations after the first and the third year, as is the case at

Cambridge (England) and Oxford; on the level of advanced studies there should be only one final exam. Here, too, this traditional system has produced excellent results. In fact, candidates must have a global (*ganzheitlich*) and comprehensive understanding of their branch, not of detailed knowledge; moreover, they must be aware of the fundamental problems, in political economy for example, and of the solutions provided by the great authors. In fact, the great aim of university studies is to acquire a vision of things, of economy and society for example, to be able to think in an emancipated way. This enables holders of an academic degree to perceive problems and to ask questions. Just let us recall: The difficult thing is to ask the right question, answering a well-formulated question is relatively easy once the question is asked. Finally, general, not specialised university studies, dealing with fundamentals would render the search for jobs much easier. For example, a holder of a Master's degree in the social and political sciences, with a specialisation in Law, Politics, Political Economy or Sociology, should be able to become active in most different spheres, in an enterprise, in a non-profit association, in the public service or in diplomacy.

Indeed, very specialised – Bachelor or Master – degrees may become obsolete in a very short period of time if rapid changes go on in the real world. Given this, the job associated to a specialised Master may simply vanish leaving the holders of such degrees in a hopeless, or, at least, in a very difficult situation. A good example for very far-going specialisation is the Master in nail-design which is delivered by some educational institution in Switzerland.

As Joan Robinson aptly remarked, principles and theories are tools enabling the theorist to tackle most diverse problems. Indeed, given some problem, the well-formed holder of a university degree must be able to select the appropriate tool to tackle the problem in question out of the tool box set up at the university. This also implies the capacity to adapt to an eventually rapidly changing real world.

To conclude, social individuals get more perfect through social activities, for example going to school, to university, discussing, reading, contemplating works of art and architecture, practising sports, and, last, but not least, the enhancing of manual skills; in a world with ever scarcer natural resources skilled trades – craftsmanship - might become of crucial importance again; Richard's Sennett's very important book *The Craftsman – Handwerk* is greatly significant in this context; indeed, the fundamental theme of the book is to reconcile Man and the world of Labour again.

Sennett's book leads to a very important point. At present traditional types of manual work, traditional craftsmanship and traditional farming in the main, but also service activities, are threatened by the invasion of computer software (artificial intelligence, applied through roboters for example). If going on in an unrestricted way these developments are bound to be destructive for modern societies, since they destroy precious **basic** knowledge (*savoir-faire*, know-how) acquired by artisans and traditional farmers over hundreds and thousands of years. Therefore, artisans, traditional farmers, and, and as an example for the service sector, primary school teachers, have also to go down to fundamentals like university students. This can be done by traditional apprenticeships (*traditionelle Berufslehren*). This will direct technical progress through computer software in a socially appropriate way. On these issues, the great Fribourg (Switzerland) Professor of Statistics and Operations Research, founder of the *first* institute of computer sciences in the world in 1958, **Ernst Billeter**, told his students around 1965: **Computer sciences, particularly software applications**, must be the object of **post-graduate studies** in all domains. First, our young people must go through a *traditional* apprenticeship (*traditionelle Berufslehre*) or obtain a *traditional* university degree [with metaphysically based lectures] and only then they ought to become acquainted with computer sciences. **This will enable artisans, traditional farmers and holders of a university degree to use computer software in a socially appropriate [Common Good oriented] way.**

Applying computer technology in a Common Good oriented way will precisely increase the Common Good; for example, boring work at the assembly line (pictured in Charlie Chaplin's *Modern Times*!) would be carried out by roboters. However, creative work should always be done by human beings because, for the artisan, for example, producing a good is not just an economic and technical matter. Producing a good as perfectly as possible provides an immense satisfaction and contributes to the prospering of craftsmen, through developing their dispositions and applying capacities acquired through professional practice. However, producing a goods through software applications leads on straightaway to a more unequal society and worsens the social situation as well as the situation of individuals in that boredom and frustration sets in. Economically, the few who develop the software will be well paid, those who apply it will, as a rule, be badly paid and those who own the software will, in general, become very rich; in fact, the basic aim of introducing computer software in all domains is not to promote the Common Good, but simply to *make money*. Moreover, as is very likely, involuntary unemployment will increase dramatically, and, as a consequence, the pressure on wages will grow, reducing effective demand which, in turn, will cause involuntary unemployment to increase further: a vicious circle comes to exist. As a

consequence, chaotic situations may come into being in which the very rich, including the owners of software, will exercise not only economic and financial power but also political power. These socially destructive effects are bound to increase alienation, individual and social. Given this, *power* will ever more replace *common good oriented ethics* as the dominating force in 'modern' societies. Here, we should remember that, in a Common Good perspective, the economy and technology should not dominate Man but should stand in the service of Man and of Society. The only sphere where all the great nations must be technologically on a top level, is defense (military) technology. This type of Bismarckian *Realpolitik* is, unfortunately, still required.]

Religion and Modernity

The fourth great issue to be considered is the role of religion in the modern world. Indeed, in an important recent book, Paul Valadier argues 'that, at the heart of each civilisation, religion plays a major role' (Valadier 2007, p. 35) and, quoting Samuel Huntington: 'Religion is not simply a small difference, but represents the most profound difference between peoples and civilizations' (p. 35, n. 1). To be sure, there have been many forms of religious alienation in the past: wars on religious grounds, Churches getting involved in power politics and in economics, coercion used in conversion, or, contrariwise, coercion used to prevent conversion, to give examples, and, certainly, some alienation in the religious sphere still persists. However, there have always been largely alienation free areas of religious activity, for example by providing a sense of life to the social individuals, and, thereby, bringing about great stability to societies. In this sense we think that 'true', largely unalienated religion is of the greatest importance today. Of course, the teaching of religious matters ought to be undogmatic and openminded, taking account of the probable nature of knowledge, thus leading on to an emancipation of the mind. And, very importantly, through the teaching of the essentials of different religions, a basis for mutual understanding and dialogue between different religious communities should be established. In principle, then, religion should be kept out of politics but should be present in education and thus in society. There are several reasons why the teaching of religion at all levels of education is of the greatest importance in the modern world. First, and very importantly, teaching religion from a very early age onwards leads the social individuals to think about fundamentals, the sense of life and moral problems, for example, and favours the attempt to build up a good life and goes along with enhancing the stability of character. All this may transform the social individuals into persons, who, for example, are able to face difficult situations and to cope with suffering;

moreover, as has already been suggested, alcoholism and drug addiction, frequently related to violence, could be eradicated to a large extent. However, these processes may go on unhampered only if the economy is well organised that is if full employment prevails and distribution is broadly fair, that is, if system-caused alienation is largely eliminated. In an alienated situation of mass unemployment, for example, with a struggle for survival setting in, the values associated with the striving after perfection, above all moral perfection, will be pushed into the background and be replaced by more or less alienated values associated with the pursuit of power. Or, if *system-caused* misery gets widespread, as it is in large parts of the world, religion and its teaching may itself get alienated through becoming pure cynicism, if not combined with social action aimed at changing an obviously unjust system; here Marx and the Theology of Liberation would enter the scene. Moreover, if misused by those in power, religion may become the opium of the people; again, this would represent religious alienation in the sense of Marx, who, incidentally, did not combat true religion, but alienated religion. In this context, the distinction between misery and poverty is very important: as mentioned in several instances, misery is *system-caused* and may be eliminated through appropriate – social liberal – policies (Bortis 1997, ch. 6); poverty, however, may result from a personal choice, as may be the case of a monk or of an artist; or if poverty is due to some objective circumstances, one may attempt to get out of it, through making a special effort.

A second reason for teaching religion and comparative religion is associated with the theory of knowledge set forth in the first two sections of chapter one, *Setting the stage*. It has been suggested there that reason links the analytical powers to intuition and imagination. In fact, the faculties of reason and the analytical abilities are greatly enhanced through strongly developed powers of intuition and imagination, and these latter faculties are, in turn, greatly strengthened through dealing with religious-cum-moral issues, which, as a rule, are very complex. And strengthening the faculties of reasoning and analysing through reinforcing intuition and imagination leads straightaway to boosting creativity. More specifically, experience shows that telling stories, including Biblical stories, legends, fables, sagas, to very young children has a tremendous impact upon their faculties of intuition and imagination. Moreover, talking in an appropriate way about fundamental problems in the natural sciences – the creation of the universe or fundamental issues in physics, for instance – at a primary school level may arouse the greatest interest, once again enhancing intuition and stimulating imagination.

This leads quite naturally on to considering an important point related to education and modern technology. In fact, personal computers, computer games and watching television

should be banned as far as possible in the early stages of education. Watching too much television at an early age heavily damages the faculties of intuition and imagination, using personal computers develops the analytical power in a very one-sided way and in a purposeless vacuum. Education thus gets one-dimensional and unbalanced. Intuition and the capacity to think holistically (*ganzheitlich denken*) and consciousness about values are largely eliminated. This prepares the terrain for violence and for manipulation. To counter such developments, telling stories to very young children, later on reading books and listening radio should be encouraged. This would strengthen all the faculties of the mind: intuition, imagination, reason and analytical powers. And, as has been emphasised in this essay, the theoretical and practical pursuit of Truth, Goodness and Beauty is, fundamentally, a matter of the mind. However, the mind has to be balanced, whereby the balance between the faculties has to be brought about by a traditional humanistic education, adapted to a modern environment. All this is not to deny the great importance of personal computers and of television. However, both are *means* that may be put to use in a reasonable way only once the mind has reached a sufficiently high degree of maturity. This also implies enhancing the faculty of critical judgement, which, in turn, reduces the possibility of successful manipulation.

A third reason for systematically teaching religion is cultural. Given the many religious elements in all spheres of life, political, social, individual, scientific, moral, in the arts and in literature, some knowledge of basic religious texts is indispensable to understand our cultural life taken in the widest sense.

Fourth, teaching religion and comparative religious science at the grammar school and university level of is of the greatest importance for the dialogue and the mutual understanding between religious communities and civilisations. This kind of interaction will certainly be a crucial element in the social liberal world order.

Fifth and last, but not least, it has already been suggested that religion plays a particularly important role in strengthening consciousness about Goodness, that is about ethical issues. What kinds of behaviour promote the good life? Certainly, the Christian Ten Commandments play a fundamental role here. Moreover, how should society be organised to increase the Common Good to get nearer to a good society? To promote the Common Good implies implementing to the largest possible extent the principles of Solidarity and Subsidiarity. Given the very complex socioeconomic situations that have come into being after the Great Transformation, to implement the principles of Solidarity and Subsidiarity, requires, as has been suggested repeatedly, a very robust economic theory, classical-Keynesian political

economy to wit. Of course, religion also contributes to strengthening consciousness about Truth, associated to the duty of the scientist to pursue the fundamental value of Truth. To some extent, religion has certainly also promoted consciousness about the fundamental value of Beauty as is evident from religious teaching and writing about this fundamental values, and from the realisations in religious art.

And, finally, it should be mentioned that religious practice is, of course, of the greatest importance in any religion. A prominent example of religious practice is provided by the implementation of the Sacraments of the Catholic Church. Here is, of course, not the place to state what practices are invariable and which are historically variable. Probably, the *content* of principles ought to remain invariant in the course of historical time, while the *form* may change. Considerable changes of form were required during and after the Great Transformation from traditional agrarian societies to modern industrial societies, and great mutations may be required again, when moving from globalised capitalism to Social Liberalism. All we should say here is that in the complex situations of the modern age, where knowledge is probable in Keynes's sense, traditionalists, progressive and modernist forces should be allowed to coexist. It is likely that this would enrich any religion. However, a strong authority will certainly be required to continuously supervise the invariable fundamentals making up the body of Faith, and the proper realisation of these fundamentals.

Fundamentalism in religion and science

This leads, quite naturally, to the fifth issue to be dealt with here, that is *fundamentalism*. To avoid misunderstandings right at the beginning, it ought to be mentioned that fundamentalism should not be confused with clearly formulating the content of the invariable principles or the fundamentals underlying each religion and each approach in some science, or with the conservation of traditional implementations (forms) of fundamental values as have been established through a long historical practice. In fact, in each religion it is absolutely necessary to clearly formulate the content of the fundamental principles to establish the body of Faith, in order to prevent a great religion to split up into various sects. To realise this a strong authority is required as is the case with the Catholic Church, to give a prominent example. Some principles might be implemented in a historically varying form. As has just been suggested, the coexistence of traditional, progressive or modern realisations of principles seems highly desirable. To give an example relating to the Catholic Church, there should be no problem for the traditional Latin Ritual to coexist alongside with the Modern Ritual. Seen

in this way Fundamentalism may mean striving after perfection, i.e. attempting to realise essentials, and, given this, fundamentalist practices may be exemplary.

Given this, *fundamentalism in religion* might be defined as attempting to impose, eventually through coercion, some *historical form* of the *content* of some principle as *general and invariable*. Or, in the social and political sciences, fundamentalism might arise through attempts to fully implement some fundamental principle, the labour value principle for instance, in the process of forming the prices of production in concrete situations. Or ultra-liberal economists would propose to implement the law of supply and demand, that is, unrestricted free markets, generally and at any time, without the state and society interfering, implying a wide-spread destruction of institutions, like trade-unions or of entrepreneurial associations; in doing so the ultra-liberal fundamentalists, as a rule, completely ignore alternative theoretical approaches, transforming thus very problematic axioms into absolute truth. On the one hand, fundamentalism may be well intentioned, that is, aiming at reducing alienation in some individual or social sphere, or it may, on the other hand, be directed towards maintaining or extending power in some domain. In practice, both variants will, probably, be mixed up in various proportions. Hence, Fundamentalism may occur in varying degrees in all spheres of art and science, theoretical and applied, specifically in religion (theology) and in the social and political sciences (we are not competent to speak about the natural sciences). A prominent example of fundamentalism in political economy relates to labour values and prices of production. Indeed, in centrally planned socialism prices had to be proportional to labour values, because living labour only produces values. This may have been practicable in a simple Agrarian or pre-modern society based upon exchange, not, however, in a modern monetary production economy with extensive division of labour. In fact, in the case of a modern economy, labour values obtain through multiplying the vector of direct labour required to produce a unit of some good by another vector containing the quantities of all the goods required, directly and indirectly, to produce a unit of the good considered; and this, of course, for all goods (this represents, in fact, the Pasinetti-Transformation; see on this Bortis 2003a, pp. 423-27 and pp. 436-45, specifically relation (19.5), p. 438). The calculations involved by the Pasinetti-transformation could, at present, be carried out quite easily by computers. However, it would be impossible to collect all the data required, that is the production coefficients needed to set up the Leontiev matrix and its inverse. Hence labour values were estimated and prices fixed in proportion, and the socialist enterprises had to use these prices, distorted as a rule, set by the planning bureau. These distorted prices caused losses to some enterprises, and profits to others. This, in turn, led to

the credit-debt relations within socialist enterprises, which implied enormous complications regarding the functioning of the economy. Moreover, the quantities to be produced, and the quality standards of the various goods, were also fixed by the planning bureau and plan targets had to be fulfilled by the socialist firm. In this way the managers of the socialist enterprises became bureaucrats executing the orders of the planning bureau. Entrepreneurial freedom was largely absent and technological progress was almost totally lacking, above all in the consumption goods industries.

In the social liberal system, that is, according to Classical-Keynesian Political Economy, labour values are principles as to the nature of price; labour values – probably – express what prices essentially are, in fact what is constitutive to a price. Labour values are brought into concrete existence through prices of production, which in practice are equivalent to the prices calculated on the basis of normal costs and profits. The prices of production are, in turn, superseded by market prices, which allow enterprises to adjust themselves flexibly to market conditions. As a rule, the prices of production, and even less market prices, will not be proportional to labour values. Given this, prices of production and market prices are, in a way, imperfect. Nevertheless, they are socio-economically extremely useful because they render labour values operable, although in an inexact way only. However, in a social liberal economy, entrepreneurs enjoy large spheres of freedom regarding the setting of prices and quantities, technologies to be put to use, product quality and, eventually, the introduction of new products. Hence the possibility to fix prices and quantities in a *decentralised* way is associated to entrepreneurial liberty in various respects, and far outweighs the theoretical and practical imperfections of the prices of production and of market prices with respect to the theoretically perfect labour values. The prices of production and the market prices are simply a matter of socio-economic expediency.

This tedious example suggests that, jumping from fundamental principles, directly to the real world, that is, to concrete situations, may lead on to bureaucracy, lack of freedom, perhaps even tyranny. Religious fundamentalism implies, in some instances, intolerance against moderate currents within some religion, and against other religions. Perhaps, as has been suggested, a possible remedy against fundamentalism is to accept different tendencies, traditionalists and modernists, for instance, within a religion. This implies that Catholic Fundamentalism, for example, would be considered an ideal, the hard core of Catholicism so to say. This would be appropriate since principles relating to very complex situations, as is certainly the case with religious principles, are all associated with probable knowledge, and, of course, Faith. Given this, mutual acceptance of the various positions becomes a necessity

in line with the freedom of religious choice, including choice within a religion. This stimulates discussion and promotes mutual understanding. In fact, in modern complex societies, only some principles of individual ethics relate to very simple situations; most of these principles have, in fact, far reaching implications. In any case, as soon as social ethical issues relating to the economy as a whole, or to society and the state at large enter the picture, ethical problems tend to get very complex. In relatively simple traditional societies, however, ethical issues were probably far less complex. Basic religious issues, though, always were of extreme complexity, and, although discussions during centuries took place, a full clarification can presumably never be reached. Given this, a strong authority is required to maintain the unity of a religion. If such an authority is lacking, disintegration of a religion may be the ultimate consequence.

In any case, as has been suggested in the preceding section, ethical principles based on religion are of the greatest importance in the modern world. The Christian Ten Commandments and the Social Doctrines of the Catholic Church are would be prominent examples of principles of individual and social ethics. Through teaching ethics consciousness about ethical problems comes into being. And, as has already been suggested, ethical consciousness is indispensable if the economy, the legal system and politics are to function properly.

It will be suggested below that, on account of the complexity of socio-economic phenomena, social ethical principles, like the principles of Subsidiarity and Solidarity, require an appropriate economic theory to be applied properly.

These ethical principles give more or less probable guidelines for individual and social action in a complex world where knowledge is probable and uncertainty prevails. To follow such ethical principles is, as is very likely, far superior to relying on an ethics of consequences; indeed, to assess the consequences of some action in a complex world is almost impossible. This is the main reason why religion is so important today. Indeed, it is a fundamental task of religion to enhance consciousness about ethical issues in all domains.

While enhancing consciousness about ethical issues is very important, it is not sufficient, above all, if fundamental or first ethical-ontological principles are considered. The problem is that first principles in the ethical-ontological domain always have far-reaching implications regarding visions of Man and Society, and, consequently, for socio-economic and political theories and policies. Since the knowledge about such principles is bound to be probable and

imperfect, there is a very great danger of fundamentalism coming into being, if principles are not discussed sufficiently, that is, compared with alternative, even opposed sets of principles as would be required to establish the most plausible principles. If the situation is of immense complexity, it may even be impossible to establish the most plausible principles governing the nature of Man. Given this, deterministic development processes may come into being on the intellectual-spiritual level alongside with the determinism in the socio-economic sphere. A prominent example is the gradual loss of importance of the Catholic-Christian values and the rise of Modernity, shaped by the rise of Protestantism, Liberalism, and, as a reaction, Socialism, and, ultimately, Fascism. Jacques Maritain and Eric Voegelin, and certainly others, have dealt with these intellectual-spiritual processes with unequalled depth. Here we provide some hints at these processes and their implications for fundamentalism on the basis of the first chapter of Maritain's *Humanisme Intégral* (pp. 305-33).

Maritain suggests that, on a fundamental level, the positions of medieval Christianity and subsequent Catholicism, and of modern developments in the form of Protestantism and Humanism, may be captured by two basic terms: *grace* and *liberty* (Maritain 1984/1936, p. 305). To simplify to the utmost, in the medieval view, which is also the Catholic position, *grace* represents a Divine invitation to Man to do the Good in all domains. Man, however, is *free* to accept or to decline this invitation (pp. 308-09). Grace is required because *fundamental alienation* – Maritain's *péché originel* – has damaged or distorted human nature, but not destroyed it; alienation may imply, to give an instance, that the striving for Goodness is displaced, to some degree, by the desire to exercise ruthless power or to acquire wealth by plunder.

Subsequently, Maritain speaks of the Protestant discovery, suggesting that fundamental alienation has *destroyed* human nature. This is the pessimistic vision of Luther, Calvin and Jansenius (pp. 313-14). The extreme Protestant vision, represented by Calvin, states that Man can only be saved through *grace*, free choice, liberty to wit, having been destroyed by fundamental alienation. "C'est, en bref, la doctrine de la predestination et de la réprobation au sens des écoles protestantestantes, la théologie *de la grace sans la liberté*."

Le calvinisme en est l'illustration la plus connu. Et nous sommes toujours en face de la meme antinomie: l'homme est courbé, annihilé sous des décrets despotiques"(Maritain 1984/1936, p. 314).

In this context, Volker Reinhardt very aptly speaks of the tyranny of virtue in his Die Tyrannei der Tugend – Calvin und die Reformation in Genf (2009). In a similar vein, Max Weber, in

his Die protestantische Ethik und der Geist des Kapitalismus (1904-05), *speaks of* “*puritanische Tyrannei*”, and Thomas Carlyle suggests that, in submitting to this tyranny, the rising economic bourgeoisie realises “*the last of our heroisms*” (Weber 1904-05, pp. 20-21).

Maritain then goes on to say: “Mais, le prédestiné est sûr de son salut. Alors il est prêt à tout affronter ici-bas et à se conduire en élu de Dieu sur la terre; ses exigences impérialistes [...] seront sans bornes; et la prospérité matérielle lui apparaîtra comme un devoir de son état”(Maritain 1984/1936, pp. 314-15). Hence to postulate the destruction of human nature through fundamental alienation implies denying the free will eminently present in Catholic doctrine and paves the way for determinism, which, in turn, inevitably result in the doctrine of predestination.

Given all this, it is evident that there are important elements of fundamentalism associated to Protestant, specifically Calvinist, doctrine. Probably, this fundamentalism was inevitable, given the material, intellectual and spiritual circumstances of the time, perhaps most aptly characterised by Thomas Hobbes’s *homo homini lupus* world. Protestant pessimism was perfectly justified, if, in addition, account is taken of the alienation prevailing in the Roman Church, dramatically exemplified by Pope Alexander VI.

Having dealt with the implications of the Protestant discovery, Maritain now suggests that the humanist discovery basically consists, in the first place, in proposing a *deistic* metaphysical system (Maritain 1984/1936, p. 317), associated to a *humanisme mitigé* – moderate humanism (p. 319). This type of humanism postulates a clean separation between the natural and the supranatural, as is in line with Deism. “La théologie humaniste mitigée est cet humanisme ou plutôt ce naturalisme chrétien qui regarde la grâce comme un simple fronton venant couronner la nature (une nature qui n’a besoin d’elle même pour être parfaite dans son ordre); la grâce vient ainsi rendre méritoire pour le ciel, colorer d’un vernis surnaturel des actes dont la *raison* de l’honnête homme suffit à assurer la parfaite rectitude” (Maritain 1984/1936, p. 319). “Dans l’ordre pratique et moral [...] l’homme et la vie humaine sont ordonnés simultanément à deux fins *absolument dernières* différentes, une fin *dernière* purement naturelle qui est la prospérité parfaite ici-bas, et une fin *dernière* surnaturelle qui est la beatitude parfaite dans le ciel.

Ainsi, par une sagace division du travail que l’Evangile n’avait pas prévu, le Chrétien pourra se servir à la fois de deux maîtres, Dieu pour le ciel et Mammon pour la terre, et partager son âme entre deux obédiences absolues chacune et ultime chacune, celle de l’Eglise pour le ciel, celle de l’Etat pour la terre” (Maritain 1984/1936, p. 319-20). All this has, of course, to be

seen on the background of a perfect world, comprising Nature, and Man and Society, implying a self-regulating economy if competitive conditions prevail.

This background is even more pronounced in what Maritain calls *absolute humanism* (*théologie humaniste absolue*), which, in a way, was the inevitable consequence of Christian humanism as just sketched. Here the supranatural (grâce) is absorbed by the natural, that is, *the transcendent becomes immanent*. Rousseau has brought out clearly the consequences of this crucially important line of reasoning: “L’homme est [naturellement] saint, s’il s’établit dans l’union divine à l’esprit de la Nature, qui rendra bons et droits tous ses premiers mouvements.

Le mal vient des contraintes de l’éducation et de la civilisation, de la réflexion et de l’artifice. Qu’on laisse épanouir la nature, la pure bonté paraîtra, ce sera l’épiphanie de l’homme” (Maritain 1984/1936, p. 321).

The next inevitable step was the Pantheism of Comte and Hegel, implying Eric Voegelin’s *Apostasie*. “Il est clair que l’Humanité-Dieu de Comte est à la fois le genre humain dans sa réalité naturelle et terrestre, - et l’Eglise, le corps mystique du Christ, - et le Christ lui-même et Dieu” (p. 321). Mankind and Deity coincide. This type of reasoning culminates in Hegel’s system. Here theology and philosophy are merged. History becomes the process of self-recognition of the mind. Jacques Maritain admirably captures essential aspects of Hegel’s thought: “Et Hegel surtout, tandis qu’il demande à la philosophie de sauver la religion, et qu’il résorbe pour cela tout le contenu de la religion dans les suprêmes énoncés métaphysiques de la pure raison, Hegel introduit en réalité le mouvement même de la Rédemption dans la dialectique de l’histoire, et fait de la réalité de l’Etat le corps mystique par où l’homme atteint la liberté des fils de Dieu [!]” (Maritain 1984/1936, p. 321).

Maritain now states that the optimism of the Renaissance gradually came to dominate the pessimism of Protestantism. This process culminated in the fundamental optimism of Enlightenment. The sovereign reason of Man, in fact, Comte’s Mankind or, inversely, Hegel’s objective reason of the Mind, concretely appearing in Mankind, was associated to the idea of unlimited progress. In Maritain’s words, the Christian theocentric humanism had, through Protestantism and Renaissance, become an anthropocentric humanism. The tragedy of humanism now consists in the fact that, through the dialectics of anthropocentric humanism, humanism has in fact become inhuman (Maritain 1984/1936, pp. 326-33). Broadly speaking, this seems to be also Eric Voegelin’s view.

Maritain distinguishes three aspects of the tragedy of humanism. First, there is the tragedy of Man: “[Dans] les premiers moments de l’âge moderne, avec Descartes, puis Rousseau et

Kant, le rationalisme avait dressé de la *personnalité* de l'homme une image hautaine et splendide, infrangible, jalouse de son immanence et de son autonomie, et finalement bonne par essence" (Maritain 1984/1936, pp. 326).

"Or, en un peu plus d'un siècle, cette fière personnalité anthropocentrique a périclité, elle s'est effritée rapidement, entraînée dans la dispersion de ses éléments matériels (p. 327). Maritain mentions two fundamental causes for the degradation of Man, both of which have been alluded to in this essay. One is biological and associated to Darwin, the second is psychological and linked up with Freud. "[En fait, l'homme sort de l'évolution] biologique *sans discontinuité métaphysique*, sans qu'à un moment donné, avec l'être humain, quelque chose d'absolument nouveau commence dans la série: une substance spirituelle, impliquant à chaque génération d'un être humain qu'une âme individuelle est créée par l'auteur de toutes choses et jetée dans existence pour une destinée éternelle. [En conséquence,] l'idée rationaliste de la personne humaine a reçu un coup mortel [par le darwinisme]" (Maritain 1984/1936, pp. 327).

"Le second coup, le coup de grâce [...], c'est, dans le domaine psychologique, Freud qui devait le porter [...]. Le Chrétien sait que le cœur de l'homme, comme dit Pascal, est creux et plein d'ordure, cela n'empêche pas de reconnaître sa grandeur et sa dignité spirituelles. Mais pour la pensée rationaliste et naturaliste, qu'est-ce que l'homme est devenu de nos jours? Le centre de gravité de l'être humain est descendu si bas qu'il n'y a plus, à proprement parler, de personnalité en nous, mais seulement le mouvement fatal des larves polymorphes du monde souterrain de l'instinct et du désir, [...] et que toute la dignité bien réglée de notre conscience personnelle apparaît comme un masque menteur. En définitive, l'homme n'est que le lieu de croisement et de conflit d'une libido avant tout sexuelle et d'un instinct de mort" (Maritain 1984/1936, pp. 327-28). Psychology now comes in to explain behaviour, and, as Dostojewskij says, with psychology everything becomes possible, as particularly the Apocalyptic Age 1914-1945 has shown. Given this, objectively given ethical values, Goodness as a *telos*, are absolutely necessary if Humanity is to survive. This is one of the basic tenets of the present essay.

The second aspect of the tragedy of humanism is the tragedy of culture (pp. 329-31). In Eric Voegelin's terms: how could the optimism of Enlightenment, carried by the sovereign reign of reason and the prospect of infinite progress, end up in the totalitarian regimes of Stalin and Hitler. In this essay, we argue that crises-ridden and deterministic capitalism was of crucial importance as far as the socio-economic sphere is concerned. However, the tragedy of humanism sketched also largely proceeded on deterministic lines to culminate in atheistic

humanism, which took on three basic forms: liberal in Western Capitalism, socialist within Soviet-type Communism and pagan with German Fascism. While Capitalism produced large amounts of alienation, the violent reactions to Capitalism, the *doctrines* of Socialism and Fascism to wit, produced alienation on a gigantic scale. With Socialism and Fascism, the problem of *grâce* was, of course, non-existent, and *liberty* was abandoned in favour of *bread*, a tendency Dostojewskij had perceived in his reflections on the *Great Inquisitor*.

In fact, in Maritain's view, the third aspect of the tragedy of humanism is the evacuation of the Transcendent, Nietzsche's Death of God or Eric Voegelin's *Apostasie*. This results in the atheistic humanism just alluded to, a type of humanism which, in various shapes, is probably still gaining momentum at present.

All these developments and forms of immanent humanism necessarily produced Fundamentalisms. In fact, issues were so complex and the socio-economic and intellectual situation evolving so fast, particularly after the Great Transformation, that it was almost impossible to step back in order to get an overview and to assess in view of establishing the most plausible vision of Man and Society, and the corresponding system of social and political theory. Nevertheless, very great thinkers have succeeded to get fundamental and comprehensive insights into the intellectual developments of Modernity. Certainly, among others, Jacques Maritain and Eric Voegelin are important cases in point. Their work is the outcome of an intense life-long struggle on the most profound, that is, theological-philosophical, level.

Humanism had to develop in the dialectical way, sketched by Jacques Maritain and Eric Voegelin, to bring about the immense technological and scientific process on the one hand and to create the socio-economic and political preconditions for Social Liberalism. Indeed, the Great Transformation from *Agraria* to *Industria* is by now broadly accomplished in the economic, scientific and technical domains. However, immense inequalities have arisen, and Western materialism has resulted in a spiritual void. This goes along with a loss of sense and purpose, and of perspective. What is the sense of History? What is the ultimate end of life? In many sciences specialisation has led to a loss of perspective. For example, while in economics excellent theoretical-empirical work is done to explain the behaviour of individuals and collectives, the great problems, value, distribution, employment, money, are hardly dealt with in the light of the history of economic theory. This specific line of thought is, in fact, gravely neglected in most universities. And, finally, on the level of social and political organisation, the great answers given to the Great Transformation, Liberalism-Capitalism and Socialism, seem to have largely failed.

Given this, it would seem, that, at present, time is ripe to assess the overall developments that have taken place not only since the advent of Modernity from the 15th and 16th centuries onwards, but in history as a whole. This assesment is required to prepare the way to move ahead in the broadly right direction.

This essay precisely aims to provide a broad and probable sketch of a philosophy and theory of world history to prepare the way for future policy action. On the practical level the conclusion is that the two great socio-economic and political answers to the Great Transformation, Liberalism-Capitalism and Socialism, have both failed. This opens the way to an alternative, that is, the Catholic natural-cum-supranatural vision of Man, leading on to the the Social-Political Philosophy of Social Liberalism and the associated system of social and political sciences, grounded on Classical-Keynesian Political Economy. The policies emerging from the social liberal system of socio-economic and political sciences would structure and order the scientific and technological achievements that have emerged from Humanism-Enlightenment. This would imply bringing in metaphysics again on which the natural sciences as well as the social and political and the humanities would be grounded. And on the socio-economic and political level the preconditions for the prospering of the social individuals would be created worldwide. Emancipated and openminded thinking would be an essential components of this prospering of the social individuals. This would imply a decisive reduction of alienation in the scientific sphere of which Fundamentalism is a component.

However, at present, Fundamentalism does not only goes on to exist in the religious and in the theological-philosophical sphere, but also in the social and political sciences, a prominent example being mathematical neoclassical economics dealing with the functioning of the economic *system*, that is Walrasian equilibrium theory and its may variations and elaborations, culminating in the *rational expectations* system. This type of neoclassical economics always implies that competitive economies are self-regulating.

To avoid misunderstandings, neoclassical theory may be very useful in explaining the behaviour of individuals and collectives in various domains, economic, legal, and political, for example. Moreover, some mathematics is indispensable for the economist, first, to understand complex economic theories, Walras's general equilibrium model, for example, and, second, to be able to set forth principles underlying very complex phenomena, and the interrelations between these principles. Finally, it is of the greatest importance to know about the neoclassical theories of Walras and Marshall; in fact, without knowing about Walras and Marshall, one cannot understand the meaning and the significance of the Keynesian and

Sraffian double revolution that occurred during Shackle's Years of High Theory 1926-1939. Indeed, Walras brought to the open the implications of Adam Smith's invisible hand, which, in turn, implies a self-regulating competitive economy. However, Keynes's monetary employment theory and Sraffa's classical theory of value and distribution both imply that in a monetary production economy there is no self-regulation at all.

Relying on Walras, non-mathematical liberal economists, Friedrich Hayek being a prominent example, also take for granted that competitive economies always *tend* to a full-employment equilibrium. The principle of self-regulation is thus postulated, but never scientifically examined. And economic policies are based on this principle. However, already in the 1940s the liberal economist Alexander Rüstow (2001/1945) had coined the term *Wirtschaftstheologie* to characterize the *belief* into the *self-regulating* character of competitive market economies, and the Saint Gall economist Hans-Christoph Binswanger speaks in this context of the *Glaubensgemeinschaft der Ökonomen* (Binswanger 1998). And very significantly, Duncan Foley recently wrote a fine book on *Adam's Fallacy – A Guide to Economic Theology* (Foley 2006).

In Catholic Social Doctrine fundamental principles, the principles of the Common Good, solidarity and subsidiarity most importantly, are also directly related to the real world without the intermediation of a system of social and political sciences, particularly a system of Political Economy. However, in Bortis (1997/2006) it is implied that these principles require a theoretical underpinning, that is, political economy along classical-Keynesian lines, to give these principles a concrete meaning. The lack of theory is, perhaps, one important reason why the social teaching of the Catholic Church has had limited practical effects only. However, Catholic Social Doctrine is very important in the spheres of Social Philosophy and Social Ethics through putting to the fore the constitutive elements of a good society. As will be suggested below, this is as it should be: religion must shape the vision of the society to be aimed at, leaving it to the social and political sciences and to politics to understand and to explain socio-economic phenomena and to determine the way leading to the good society. Given this, one should always remember that complex social aims can never be realised perfectly. Attempting to realise the good society perfectly would be fundamentalism and would lead to tyranny. Human imperfections and weaknesses, the lack of knowledge or to strive for power for example, that is some kind of alienation will always be there. This means that our societies will always be of a second or even of a third best nature. What is

fundamentally important is to organise society in a way that the scope of liberty for the social individuals is as large as possible. This is a precondition for them to prosper.

Now, as has been alluded to already, fundamentalism may have been possible in the simple world of Agraria (approximately 6000 BC to 1800 AC). However, with the coming into being of the modern world around 1800, economic phenomena became immensely complex and systematic thinking was required to come to grips with socio-economic phenomena, for example value, distribution and employment (see the section on *The necessity of theorizing* in the concluding chapter above). Specifically, this gave rise to the birth of Political Economy, the key social science of the modern era. In general, to master the challenges of Modernity requires a comprehensive system of the social and political sciences. The foundations for this system is provided by a philosophy of history and a social and political philosophy, upon which an entire system of social and political sciences may be built, encompassing Political Economy, Sociology, Law, Politics as well as Social and Political Ethics. Now, and this is the crucial point, *a complete system of the social and political sciences is also required for the great religions, Islam and Christianity for example, to relate the corresponding dogmas to socio-economic reality.* This system must grow out of a vision to be established by teaching religion and must be structured subsequently through reason and the analytical powers. *Hence religion should intervene at the bottom layer of the human mind, that is, in the realm of vision and imagination, and religion should not intervene directly in science, natural, social and political, and even less in Politics, theoretical and applied.* However, the social and political sciences will inevitably be forged through the vision as is associated with fundamental values, which, in turn, will inevitably be shaped by religion.

In this context, another crucial point arises. In fact, it has already principles can, as a rule, not be applied in pure form. This would be dogmatism or fundamentalism, which, as has been alluded to in the above, in relation with labour values on the one hand, and with prices of production and market prices on the other hand, would result in economic tyranny through central planning and bureaucracy. Two central reasons provide a case against fundamentalism. First, there is the probable character of principles, of political economy for example. And second, principles, labour values for example, have to be applied to an immensely complex socio-economic reality in a way that is socially expedient. In the above, it has been suggested that prices of production and market prices are, as is very likely, the most expedient ways to implement labour in a very complex monetary production economy. This proposition, that is, principles can never be realised in pure form in a complex world, also

holds in other spheres, most importantly, perhaps in the religious sphere. This implies that religious principles, too, can sensibly be implemented in a socially expedient form only.

Moreover, to establish a system of social and political sciences in general and a system of political economy in particular is an exceedingly difficult task. Regarding political economy for example, it requires the study of economic facts and ideas in a historical perspective, allowing us to compare fundamental approaches, neoclassical and classical-Keynesian for example, in view of selecting the most probable approach. This means that emancipated, non-fundamentalist thinking is absolutely necessary. We have mentioned in several instances that Keynes considered 'the study of the history of economic theories as leading on to the emancipation of the mind', preventing a theoretical economist from becoming 'a slave of some defunct economist'. And the results of emancipated thinking will always be of a probable nature (see on these issues the first two sections of the first chapter *Setting the stage*). Moreover, it should be evident that emancipated thinking is also non-dogmatic thinking and is associated with the freedom of scientists. And explicitly setting out the values as are implied in the visions underlying differing theories in the social and in the natural sciences, may greatly contribute to the mutual understanding between scientists.

To move away from dogmatism, most importantly religious, and economic, in the form of Neoliberalism for example, implies a reduction of alienation in the realms of religion and science. Given this, the generalisation of emancipated thinking in Keynes's sense will certainly be a hallmark of history proper. This implies that comparisons in all spheres, theology, philosophy, the arts, and the social and political sciences, will be of paramount importance. Hence William Haas's very important suggestion that, in a culturally diverse world, the philosophy of history must become the science of comparative civilisation seems basically sound (see the last section of the concluding chapter). On the literary level this fundamental and now, again, highly relevant idea is beautifully expressed by Ivo Andric's *Die Brücke über die Drina*, the bridge at Visegrad (Wischegrad), some miles east of Sarajewo, linking East and West, where, among many other events, the Imam, the Pope and the Priest, and the Rabbi met in Ottoman times to discuss fundamentals of Theology in the light of their respective theological positions. Ivo Andric's book is not only of the highest relevance for former Yugoslavia, but also for South Eastern and Central Europe, the former Soviet Union, large parts of Africa, Israel-Palestine and the Middle East; Afghanistan, Kashmir, India and Pakistan, and for many other parts of the world.

All this points to the fact that establishing well-structured and *modern and attractive* curricula at all levels of education and learning and their co-ordination will be crucially important to

successfully realise the transition from alienated history to history proper. This is a monumental task. However, regarding the setting up of curricula, Europe may rely on an immensely rich tradition, beginning with Classical Greece and starting afresh in Carolingian times, which will certainly benefit other parts of the world, too. These may, in turn, enrich Europe in the spirit of mutual exchange as will take place in a social liberal world of a family of nations in view of a further unfolding of the potential of human nature.

European leadership in the transition from neoliberal globalised Capitalism to Social Liberalism

The profound need for a fundamental change in the socio-economic and political domain on a world level was already the deep conviction of Maynard Keynes and Jacques Maritain at the end of the great catastrophes of the 20th century, that is, by the end of World War Two. In this essay we argue that, precisely, Maynard Keynes' *Social Liberalism*, to be implemented on the basis of *Classical-Keynesian Political Economy*, and grounded upon Jacques Maritain's *Humanisme Intégral* should provide the beacons in the tempest of a, second, Great Transformation, that is, in the transition from globalised neoliberal Capitalism towards a natural, *social liberal*, order within and between nation and nationalities states, in fact, the various political societies of the world. In this second Great Transformation, Europe, mainly on account of her intellectual and spiritual heritage, should take the lead, simply through giving the example, in the domain of socio-economic and political ideas and their realisation in the main. Europe must go on playing the role of the Laboratory of World History in these matters. In the present essay this has been called the *great duty* of Europe. Indeed, in the course of first and second *axial age* Europe has been largely on the receiving side. It is now up to Europe to share with the entire world the *great wealth of ideas* (Alessandro Roncaglia, speaking of the history of economic ideas) she has accumulated in the course of the two *axial ages* in the sphere of socio-economic and political ideas and their implementation. Ideally, this should enable each country and each historical-geographical federation to go its own way in the direction of the social liberal, that is, the natural state of liberty.

It has already been suggested, that the present situation, characterised by a negligible European political and military influence on the world level, could provide the opportunity for yet another new start for Europe, the Laboratory of World History. This emerges in analogy with the fate of ancient Greece. Indeed, looking back briefly, the Peloponnesian

World destroyed the Greek political world, and its military strength; however, through the Empire of Alexander the Great and the Roman Empire, Greek ideas spread all over the West and deeply into the East. Similarly, the breakdown of the Roman Empire in East and West brought about Christian Europe, Catholic, Protestant, and Orthodox. Subsequently, Europe and Russia rose to world dominance. Finally, the two World Wars resulted in the end of European political domination in the world. However, as has already been suggested, European social, political and educational ideas could, eventually, rise to world significance presently. Indeed, Europe has, on account of her spiritual, intellectual and political history, ideal preconditions to become a model for the social and political organisation of a new world, in line with Keynes's Social Liberalism, and its wider implications.

Throughout this essay it has been insisted upon the fundamental importance of Keynes's Social Liberalism as set forth in Bortis (1997/2006, 2003a, 2003b, 2012, 2013a, 2013b, 2015 and 2016) representing an alternative to Socialism and Capitalism. The gradual implementation of Keynes's social doctrine indeed emerges as the only possible way out of the difficult socio-economic and ecological situation brought about by the presently ongoing capitalistic Globalisation as has come into being with increasing intensity after the breakdown of Socialism in Eastern Europe and the Soviet Union around 1990. It seems normal that Europe, who has initiated the Great Transformation from Agraria to Industria (Gellner) and where the great contradictions of Modernity became evident most clearly during the Apocalyptic Age 1914-1945, should take the lead in undertaking the way towards a social liberal world; given this, it will be argued subsequently that Europe should go on playing the role of the Laboratory of World History, simply because all the preconditions, historical, social, political, and, most importantly, intellectual and spiritual, are most favourable here.

However, in our view, it would seem that the lead towards Social Liberalism cannot be taken by the United States of America which has been the dominating capitalist country after World War Two. Indeed present globalisation is largely shaped by the American model characterised by materialistic capitalism, implying ferocious competition, worsening socio-economic and ecological conditions, spiritual desertification – we have mentioned Jaspers who, in this context, spoke of a drying up of the mind (*Austrocknen des Geistes*). In his *Le nouveau XX^e siècle – Du siècle "américain" au retour des nations*, Jacques Sapir points into the same direction; in fact, Sapir envisages the coming into being of a multipolar world characterised by several power centres, possibly characterised by different ways of life. In any case, the strong implementation of neoliberal capitalism in the United States does not provide the

preconditions required to lead the West, and, subsequently, other parts of the world in the direction of Social Liberalism.

This is of course not to criticise a great nation, which the United States of America undoubtedly are; indeed, the United States have greatly contributed to the development of science and technology, and enjoy a remarkable freedom of expression. However, the United States have, on the other hand, simply continued to practice an aggressive capitalism on European lines after World War Two based upon the external employment mechanism and on profit-seeking financial capital operating through multinational and transnational enterprises; to be sure, this capitalism is different from West European industrial and financial capitalism, which had emerged from Mercantilism. European capitalism in the mercantilist and industrial era was based on colonialism and imperialism, frequently associated to predation, European *Sendungsbewusstsein* and shaped by an inter-European striving for power and worldwide domination. However, US capitalism is based, first, on a free-market-cum-democracy ideology, which in a monetary production economy without self-regulation, results in the domination of the socially and economically strongest, and, second, as Greil Marcus suggests, on a religiously based *Sendungsbewusstsein*: the chosen people, having concluded an alliance with itself to implement and to defend Liberty and the Rule of the Law, eventually worldwide. This is an impossible undertaking if market economies are not selfregulating, but, on the contrary, are producing ever-growing disequilibria, mainly increasing unemployment and more and more inequality in the distribution of incomes and wealth. The impossibility of the American undertaking in such a situation is put to the fore in Greil Marcus's *The Shape of Things to Come - Prophecy and the American Voice*. In fact, both Liberty and Law will remain alienated to a large extent in the presence of mass unemployment and a highly unequal distribution of incomes and wealth. Indeed, in a materialistic society, liberty can be effectively realised to degrees in line with the material means available. For those living in poverty or even misery freedom becomes purely formal in societies, in which no tendency towards full employment exists and cumulative processes bringing about increasing inequalities in income and wealth. And given the fact that knowledge is always imperfect and probable in complex situations, the positive Law implemented in the Western countries, and all countries following them, tends, in many instances, to become the law of the financially strongest, the most ruthless, and also the skilled; indeed, legal practice in the West is more and more based on so-called objective economic-scientific factors; these elements on the level of phenomena can, as a rule, be interpreted very differently; given this, power, financial in the main, and legal skill may decide upon the outcome of a legal case. An outstanding example is

the O.J. Simpson case, on which the conservative-liberal and highly correct Swiss newspaper *Neue Zürcher Zeitung* dryly commented: *In den Vereinigten Staaten ist es besser reich und schuldig zu sein, als arm und unschuldig*. Certainly, the very great majority of judges and lawyers in the US and elsewhere are doing their work properly. In fact, judges and lawyers, when passing judgements or assessing some legal situation and making, spontaneously think in terms of natural law; this cannot be otherwise, because the principles of Natural Law are objectively given and accessible to unalienated human reason, broadly equivalent to Maynard Keynes's instructed *common sense*. However, the Simpson case illustrates that if positive law is not explicitly grounded on the fundamental principles of Natural Law, *iustitia distributiva* and *iustitia commutativa* to wit, the legal system may legally produce very great injustice. Moreover, such outcomes are favoured in neoliberal societies in which money-making is, in practice, possibly the highest value, implying that the highest ethical values, justice in this case, can be bought without the law being violated.

To be clear, this is a critique of the American system, not of American individuals. In the next chapter on the philosophical underpinnings of the great transformation it will be suggested that in the United States the ultimate consequences of the individualistic protestant-cum-enlightenment revolution of the 18th century are now most clearly visible. This is probably a major reason why the United States now claim the leadership in this Enlightenment undertaking shaped by the idea of progress, associated to the implementation of liberty, democracy and, in a wider view, of human rights. However, we shall also suggest in the next chapter that the Enlightenment conception of liberty, that is, the liberty to do anything, which contributes to enhancing individual wellbeing (utility) within the framework of positive law, could eventually work if the economy and society were brought into a harmonious equilibrium through some social law, Adam Smith's propriety for example. However, if the economy is not self-regulating, this notion of liberty may, in a neo-liberal free-market world, lead on to growing disequilibria, mass unemployment and a more and more unequal distribution of incomes most importantly. Neo-liberal liberty ultimately turns out to be self-destructive, mainly because of the linear striving for infinity associated to this notion of liberty. Indeed, the striving for more and more consumer goods and for money can in fact never be satisfied, as can the striving for power. It will be argued below that the notion of liberty ought to be conceived as the Liberty of the Will, which ought to be directed towards realising the fundamental objectively given fundamental values of Goodness, Truth and Beauty in all domains to the largest extent possible for human beings.

All this implies that without objectively given ethical foundations, or principles, both law and liberty tend to become alienated. Liberty is, in fact, a property of the will, directed to an aim that can be reached with certain means. And the means and even more the ends are a matter of ethics. And positive law ought to be the realisation of the principles of natural law. To probably know these principles requires a very comprehensive argument on the nature of man and of society. In fact, the various visions of man and society must be considered, compared and legal principles, similar to the principles of political economy, must be based on the most plausible vision. Given this, distributive justice (*iustitia distributiva*) and justice in exchange (*iustitia commutativa*) will emerge as the basic principles of Natural Law.

Now, the Western, and particularly the American vision of man and society, is based upon the individualistic Deistic-Protestant-Liberal *Weltanschauung*. The problem is to create an appropriate framework, a system of positive law and democratic institutions. Given this, the self-regulating market will take account of all the great economic problems, value and price, distribution and above all employment in a socially satisfactory way.

In this essay, however, we argue that, this liberal view of things is fundamentally mistaken, because monetary production economies are not self-regulating at all, but may produce cumulative processes leading to increasing inequalities between individuals, social classes, regions, countries and continents; and involuntary unemployment may grow, too. Given this, to bring about a state of natural liberty, based on natural law, the socio-economic foundations must first be created, most importantly, full employment and a socially acceptable distribution of incomes, a public education system, and a compulsory social insurance system. Liberty remains more or less formal and the Rule of Law cannot in fact be imposed through regulating behaviour, if there is heavy alienation. Hence both Liberty and the Rule of Law require socio-economic foundations, which result from solid and appropriate policy making within each country, based upon equally solid socio-economic theory. This is to say, that the system must be organised. Time and again, we have argued in this essay that the role of the state is to set up socially appropriate institutions, or to favour the coming into being of such institutions, in a way that the social individuals may prosper.

Finally, the nature of US capitalism was shaped through the Cold War, in the framework of which the Soviet Union also tried to expand her influence in the Third World of the time. This aggressive, and one must admit, selfish, capitalism, combined, at times, with political and even military interference, is, of course, not practised by the American people, but, probably, by a small fraction of her ruling *elite*. Incidentally, it is very likely, that each country in the

world is, directly or indirectly, governed by some *elite* having an economic, social, political and intellectual (ideological) basis. This *elite*, possibly consisting of several power centers, may shape policy making in the direction of the public interest or of particular interests, hence as of some combination of both. To give an example, the United States undertook, positively, immense efforts to strengthen the position of the West; incidentally, the Soviet Union did the same for the East. However, more negatively, two points may be noted. First, when President Dwight D. Eisenhower was about to retire from Office in January 1961, he warned the United States against the growing power of the military-industrial complex. And, second, relating to more recent times, there is the significant title of James K. Galbraith's 2008 book: *The Predator State*, which deals with the deviations that occurred in the Bush era.

Given all this, the United States are, on account of her very great economic and military power, a centrally important country regarding the speed at which a fundamental change of direction away from aggressive capitalism, based upon the external employment mechanism (Bortis 1997/2006, pp. 190-98, and 2003b) and profit-seeking financial capital, will take place, to bring about a movement towards a natural world order as is broadly sketched above in a separate chapter; in this natural world order the internal employment mechanism would dominate (Bortis 1997/2006, chapters 4-7). The faster and the more profoundly changes occur in the United States, the faster the world as a whole will be able to change, hopefully, in the direction of the social liberal world order conceived by Maynard Keynes after the First World War. Keynes's life and work in its historical and political context is set out extensively in Robert Skidelsky's splendid three-volume biography (Skidelsky 1883, 1992, 2000).

After the election for President of Barack Obama there is now great hope for change in the United States. Moreover, hope for fundamental change is also related to the strong ecological movement in the United States led by Al Gore and others. [However, it would seem that this optimistic stance is much less justified now, in 2016, when Hillary Clinton and Donald Trump are campaigning for the Presidency of the United States, and optimism is reduced even more by the election of Donald Trump!] But let us state immediately here that to repair and to eventually regulate in a more appropriate way, hence to improve the present capitalist system should be of short- and medium term nature only. In the long run, the presently prevailing capitalism, still run, broadly, along Washington Consensus lines, must be fundamentally changed in view of establishing Keynes's social liberal system. This has been argued extensively in this essay.

The transition from neoliberal Finance-cum-Monopoly Capitalism to Social Liberalism is linked with a fundamental change in the monetary and financial order on a world level which

will require a great sacrifice from the United States. Indeed, the US will have to abandon the primacy of the dollar as medium of exchange in international trade and as a reserve currency. This implies abandoning an immense, entirely unjustified privilege established at the Bretton Woods conference in 1944. The supremacy of the dollar has indeed provided the US with a strong instrument of power, allowing the US to buy anything anywhere in the world and to dominate foreign investment and the financial markets; moreover, the dollar as an international currency has enabled the US to intervene almost unhampered on the social, political and military level all over the world.

It seems quite evident that the Dollar as world currency and the Washington Consensus, even if somewhat weakened, have, in a Kaldorian vein, brought about cumulative processes leading on to more involuntary unemployment, to immense inequalities in the distribution of incomes and wealth and, as a consequence, to more poverty and misery, poverty being the lack of superfluous, misery the lack of necessities; as the British economist Guy Standing notes, a new dangerous class is constantly growing: the precariat (Standing 2011). Moreover, ferocious competition on world markets has resulted in dramatic climate changes, and an environmental catastrophe cannot be excluded if there is no fundamental change in the world economic and financial order, that is, a movement from neoliberal capitalism to social liberalism and Classical-Keynesian political economy.

Given all this, the dollar will have to give way to a **supranational** currency, **Keynes's *Bancor*** to wit, as proposed by Keynes at the 1944 Bretton Woods conference (Keynes 1980/1940-1944). With the Bancor system, each country would have its own currency in order to be able to pursue an incomes policy aimed at establishing a broadly fair distribution of incomes and, very importantly, a full employment policy. Moreover, each country would be in a position to ensure a broad equilibrium in the balance of current account and to control capital movements, mainly in order to prevent speculation and to render impossible illegal financial transactions (for example, tax evasion and transfers of money associated with criminal activities). Given all this, the stability of the world real and financial system would be greatly enhanced on a world level. The world as a whole could move nearer to the material common good, in the main given by a fair distribution of incomes and full employment, implying the absence of involuntary unemployment, in all countries. And the natural environment could be preserved by bringing about sustainable development worldwide.

Finally, it is likely that change may be more profound and also more rapid in a crisis situation because the economic and financial strength of socio-economic power centers is probably to be weakened. Given this, the present – 2008-09 – crisis might provide an opportunity for a

fundamental change of direction in matters of the socio-economic order within and between countries on a global level.

Given the actually prevailing capitalistic world order, it is perfectly understandable that, presently, the newly emerging great powers, specifically China, but, eventually, India and Brazil, too, have to broadly adopt an aggressive capitalism on American lines in order to get established economically and politically on a world level, and to gradually strengthen their position. Since monetary production economies are not self-regulating, this could prove highly dangerous because a ferocious struggle for raw material and energy resources and outlets for final products will almost certainly develop, and is, in fact, already going on. Just let us remember that the first phase of industrial capitalism, 1815-1914, with the struggle for economic, military and political dominance in the world between the British Empire and Imperial Germany intensifying from 1890 onwards, ended in the catastrophes of the Apocalyptic Age 1914-1945. At the time, relatively small European powers were struggling to dominate more or less intensely the very large 'rest' of the world. At present huge powers – the United States of America, China, a set of small and medium-sized European states, Russia, India and Brazil, covering large parts of the globe, are struggling for predominance in relatively small areas: Africa, parts of Latin America, the Middle East, Central, South and South East Asia. This is a highly dangerous Orwellian situation. To be sure, large hot wars seem unlikely, because the globe might be destroyed; however, small wars might occur occasionally, and, above, ferocious struggles in the religious, demographic, economic, technological and political domains might intensify.

In this context, *the great duty of Europe* to take the initiative to move towards a social liberal world order clearly emerges. This duty arises from the fact that, in Europe, the preconditions to initiate a movement towards Social Liberalism are most favourable, for several reasons to be alluded to in passages, sections and chapters below.

First, Europe may be considered the Laboratory of World History; in fact, this makes up her particularity, which, as has been insisted upon, does not mean superiority at all. The first *axial age*, the breakthrough to the problem of Truth, took place in Europe (Greece) in a very specific way, which turned out to be immensely fruitful regarding its development potential. The Greeks could realise this exceptional performance because they could heavily rely on Middle Eastern achievements, Egypt, Mesopotamia and Persia in the main (Martin Bernal, Walter Burkert); moreover, they had the unique opportunity of a new start, which allowed them to leave behind traditional ways of thinking to produce a system of philosophy, which greatly contributed to prepare Europe for the Breakthrough to Modernity. And the second

axial age, the Great Transformation or the Breakthrough to Modernity took place in Europe. Once again, Europe could rely on various outside resources, benefiting greatly from the Islamicate civilisation, China and India, above all concerning Science and Technology (John M. Hobson and Konrad Seitz).

Second, the way in which the European laboratory functioned was crucially shaped by Christianity in the course of Europe's specific way from the Early Middle Ages onwards; this is Michael Mitterauer's *Europäischer Sonderweg*; here the Middle Ages do not appear as a period of obscurity and stagnation, but a solid basis enabling Europe to undertake the perilous march in the direction of the Great Transformation, and beyond. The fundamental role of Christianity is also put to the fore by Jacques Maritain who argues that modern Christianity will also shape future societies attempting to realise his *Humanisme Intégral*, which, as has been insisted upon, is closely associated with and, in fact, underlies and complements Keynes's *Social Liberalism*, putting thus Keynes's system into a wider context, linking the natural to the supranatural.

Third, a specific development in the working of the mind took place in Europe and in regions deeply shaped by European thought. There were the Patristic and Scholastic systems, combining Christian Faith and Greek Philosophy, Plato and Aristotle most importantly, through Augustine and Thomas Aquinas in the main. Wilhelm Haas argues that the Scholastic method, originally applied to Theology and Philosophy, was gradually applied to man, society and nature. This gave rise to the development of the human, social and natural sciences, with the theological and metaphysical foundations being gradually eliminated. This dialectical process culminated in the era of Enlightenment. Here pure science was conceived, devoid of any metaphysical foundations, and the idea of general progress was coined, in fact the idea of unlimited human, social, economic, scientific and technological progress. The Apocalyptic Age 1914-45 destroyed this belief in progress and consciousness about the necessity of metaphysical foundations for the human, social and natural sciences started to grow. This kind of argument was set out on a fundamental level by Jacques Maritain in his *Science et Sagesse*, and specifically by John Eccles for the natural sciences and, implicitly, by Maynard Keynes's for the social and political sciences.

And, forth, the idea of the nation-state was developed and carried on by France, and a great French statesman, Cardinal Richelieu conceived of Europe as a Christian Family of Nations. Based upon Richelieu's vision, it has been argued that the social liberal world should, similarly, be conceived as of a family of nations structured through historical-geographical Federations.

Finally, it may be mentioned that Europe has almost ideal geographical and climatic conditions. Given this, and the *very rich historical heritage* in the intellectual, spiritual, scientific, socio-economic and political spheres, Europe has *by far* the best possible preconditions to initiate the transition to Keynes's social liberal world order. Indeed, if it is not possible to set up reasonably good political societies in Europe, where else in the world could this be possible? This is particularly true of France, where the geographical and climatic conditions are most favourable; France also possesses an outstanding material, intellectual and cultural heritage; moreover, she has been the historical carrier of the idea of the modern state, which now will have to be realised in a natural, social liberal, form. And, probably, it is not by chance that a Frenchman, Jacques Maritain, has, in his *Humanisme Intégral*, laid the metaphysical foundations for the polity of history proper, in which alienation would be reduced to a minimum through realising Keynes's *Social Liberalism*.

Jacques Maritain emphasises the importance of Christianity in shaping the course of European development directly in the Middle Ages and increasingly indirectly since around 1500 to the present. He also insists on the future significance of Christianity, specifically in his *Humanisme Intégral*. This implies in no way a return to a past historical situation. In fact, Maritain emphasises that while Medieval Christianity put the sacred to the fore, modern Christianity would have to be fundamentally secular (Maritain, *Humanisme Intégral*, 1984/1936, p. 475) to be able to constructively shape the modern world, where Liberty would be the fundamental value (Maritain 1984/1936, p. 476) – in this spirit we subsequently speak of natural liberty, which consists in choosing the means to approximately realise the fundamental values of Goodness, Beauty and Truth in all domains of individual and social life, and also regarding nature. This project requires elaborating a specific philosophy of history, a social philosophy and, and building on these philosophies, a system of social and political sciences (Maritain 1984/1936, pp. 303 and 427). In the present essay we attempt to contribute somewhat to the philosophy of history; contributions to political economy, based upon a social liberal social philosophy and with links to the social and political sciences in general are sketchily set forth in Bortis (1997/2006 and 2003a).

To avoid misunderstandings it should be mentioned that the Medieval Sacred would of course be preserved in Modernity. In fact, the Sacred would form the basis of Secular Christianity.

Given all this, Europe has a real duty to launch the movement towards the natural social liberal world order and, in doing so, Europe would return something to the world in exchange

for what she has received, from the times of Ancient Greece to the present. It has been suggested, that this act of giving should be done, not through exercising force or through interfering into the domestic affairs of other polities, but through *providing an example*. In a way, Europe must become the *beacon in the tempest of the movement towards the natural state of liberty* associated with Keynes's *Social Liberalism* and Maritain's *Humanisme Intégral*. This implies that paving the way towards Social Liberalism ought to be based upon socio-economic and political ideas and their implementation domestically so as to provide an example. There would be no question of imposing these ideas through using some kind of power. Indeed, in conditions of natural freedom, each country must be able to go her particular way to Social Liberalism as is adapted to the mentality of her people. Given this, there should be no foreign interference of some kind at all. International relations should, indeed, proceed on the basis of cooperation and of exchange of goods and ideas.

In a wider view, to initiate, then, the transition toward Social Liberalism, Europe should provide an example in developing and implementing socio-economic and political theories along social liberal lines. Once orderly conditions are broadly established worldwide on the basis of existing technology, technological improvement in line with social and, above all ecological requirements may set in. *Technology must indeed adapt to Man and Nature and not the other way round*. Here the United States, in association with other technologically advanced countries and regions, Japan and Europe in particular, to be joined by China and India, could contribute decisively to set the world economy on a self-sustainable basis. This would prepare the social liberal era of cooperation and exchange in the technological, intellectual and spiritual domains worldwide.

And very importantly in this context, the movement towards the social liberal natural state may be brought about by ways of *reform*; no revolution and no violence will be required, as was the case with Liberalism (Capitalism) from 1789 onwards, and with Socialism (with Central Planning) in 1917 and during the following decades. What is required, however, is very solid socio-economic theory, most importantly, classical-Keynesian political economy, and a wider vision of Man and his destiny, linking the natural and the supranatural. Only strong theory, based on a clear vision, may deliver the policy conceptions required to guide the transition from the actual situation to the order of natural liberty by ways of reform of national and international institutions, and through the creation of new institutions.

The need for a second Great Transformation

We may appropriately conclude this chapter on *ways ahead* by pointing to the necessity of a *second Great Transformation for the world as a whole*. This suggestion, put in a wider context, might contribute to rendering the *theory* of history set forth in this essay somewhat more elaborate. Indeed, as has been alluded to in the above, *Greece* had the chance of a new start after the breakdown of the Cretan-Mycenean civilisation and produced, relying on Middle Eastern ideas, the great philosophical systems by Plato and Aristotle (Walter Burkert). Following up the breakdown of the West Roman Empire, *Europe*, based upon Western Christianity and the Carolingian Empire, had the opportunity of another new start, which ended up in the breakthrough to Modernity (Michael Mitterauer). This breakthrough was linked with the breakdown of traditional society in Western Europe through the great revolutions at the end of the 18th century: the English Industrial Revolution and the French Political Revolution. In Russia and China traditional society was destroyed, or at least heavily damaged, in the first half of the 20th century by Socialist Revolutions. Given this, the *first* Great Transformation resulted in Capitalism and Socialism. The realisation of both doctrines represents, in fact, a *third* new start for humanity.

On the dynamic role of revolutions in history, see Martin Malia's History's Locomotives - Revolutions and the Making of the Modern World (Malia 2006). In the first part of his work Malia considers revolution as religious heresy, Luther, Zwingli and Calvin, most prominently. The political revolutions in England, North America and France are the subject of part two. And part three deals with the quest for a socialist revolution.

In this essay we have suggested that the Reform resulted in a tremendous dynamic process within the Catholic Church, initiated by the Counter Reform, leading the Church on the way to Modernity, without giving up the heritage of the past. The political revolutions in France and in Russia resulted in two great socio-economic and political answers to Modernity, that is, Liberalism (Capitalism) and Socialism (on the historical sense of both revolutions see the above chapter on the importance of the Great Revolution in France 1789 and the significance of the Russian Revolution 1917).

It would seem that, after the breakdown of Soviet (War) Communism in Central and Eastern Europe and in China, and the dramatic difficulties global Capitalism is now facing, *the world as a whole* needs a *second* Great Transformation, which ought to result in a *forth*, new, start for humanity as a whole. The era following up this new start would have to be shaped by

Keynes' Social Liberalism and Classical-Keynesian Political Economy. Both doctrines rest, in turn, on the Catholic *Weltanschauung* as has been built up in the course of the last two thousand years.

The sense of Malia's book now broadly emerges. His three revolutions were necessary to set up specific historical processes, given by the historical test of Liberalism (Capitalism), based on Protestantism, and of Socialism respectively. The historical realisations of both doctrines seem to have failed, clearing thus the way for *Social Liberalism*, as is based on the Catholic vision or *Weltanschauung*.

However, the transition towards Social Liberalism is going to be a difficult process. Actually dominating interest groups will dress up obstacles. And reforms of the existing system may be proposed. For example, a specific proposition arising from the decline of the US dollar and from the necessity to move gradually in the direction a new world economic and financial order, is made more and more insistently just now, at the end of 2008 and the beginning of 2009. There seems indeed to be a tendency toward currency areas, for example, a US dollar zone, a Euro area, zones dominated by the Russian rouble, the Japanese Yen, the Chinese Yuan RMB, and, eventually, others. It is likely, however, that such a tendency would greatly exacerbate the Orwellian power game, which is already going at present, and might even constitute a danger for world peace. Three main reasons account for this.

First of all, each currency area would attempt to strengthen its position at the expense of others. The basic aim would be to export as many high quality manufactured goods and services to conquer as large world market shares as possible to ensure a high employment level within a common currency area. At the same time access to raw materials and energy resources would have to be ensured. This is the classic power game, taking place on the basis of the external employment mechanism. Given this, some currency areas might literally become fortresses. However, with various currency areas existing, the economically weaker areas would eventually react through protectionism, formal and informal, and devaluations in order to ensure a balance in the current account and an employment level as high as possible. Given this, the power game would become more complex.

A second reason for possible conflicts arises from the relations between countries of the same currency area. It is evident that the large country issuing the currency could heavily influence the domestic affairs of small countries in the same currency union. Given this, the smaller states might even become a kind of satellite states, if the large country exercises its power ruthlessly.

A third great danger for peace would be associated to the question as to whom belongs to which currency area. Perhaps, the most important case in point is provided by the Ukraine. Should the Ukraine belong to the Euro zone as she seems to wish, or to the rouble zone, as might be the aim of Russia. Hence with an international order based upon an Orwellian currency zone concept, the Ukraine would become a permanent source of conflict between Europe, and, eventually NATO, and Russia. However, on the basis of a Social Liberal world order, the Ukraine would have her own currency and would, based upon the Principle of Solidarity, be able to pursue an economic and social policy of her own. Moreover, based upon the notion of *historical-geographical federation* alluded to at the end of the chapter *on the world order of Modernity*, the Ukraine would, as a linking country, belong to two Federations, the Central-Eastern and South Eastern European Federation and to the Commonwealth of Independent States. Given this, the Ukraine would, together with Poland and Lithuania, become a crucially important link between Europe and Russia, and, as such, a factor of peace. And, as has already been suggested, the Commonwealth of Independent States would become a bridge of peace between Europe and Asia. This, in turn, would be a crucial element for permanently securing world peace.

Given all this, there is no way out. Common currency areas are bound to be blind alleys. And in the above it has been suggested that the regulation of behaviour in the real and in the financial sector is an impossible undertaking. The result would be a legal jungle in which the more legally skilled and the financially strongest would ultimately win through.

Hence, superficial reforms of the capitalist system would not lead anywhere. The only possible way out is to move from Capitalism in the direction of Social Liberalism. Here, Keynes's *Bancor* will constitute a *supranational* world currency, and each country will have its own currency to be able to pursue appropriate social and economic policies, adapted to the mentality of the people. Hence the new Great Transformation will definitely have to be a movement from neoliberal Capitalism to Social Liberalism. A new system will have to be built up, bringing about the Natural Order within and between states alluded to in preceding chapters.

However, the transition from neoliberal Capitalism to Social Liberalism has far-reaching philosophical, also social philosophical, implications. To broadly clarify these issues is the object of the next chapter.

Philosophical underpinnings of the second Great Transformation

In preceding chapters and sections the theoretical foundations of neoliberal Capitalism and of Social Liberalism regarding the state, society and the economy, have already been broadly dealt with, specifically from the chapter “Attempts to master the effects of the Great Transformation” to and including the chapter “Concluding remarks: Some fundamental issues related to the breakthrough to Modernity.” Most remarks on the political and socio-economic foundations of Social Liberalism are to be found in the chapters “The natural order within states leads to a natural world order: the world as a family of nations” and “The natural political world order as a precondition for polities in line with human nature.” These broad sketches imply the corresponding political and socio-economic changes required in the second Great Transformation.

In this chapter we deal with some philosophical issues underlying Liberalism and Neoliberalism as well as Social Liberalism and hence of the second Great Transformation, leading from Neoliberalism to Social Liberalism. Two great issues move to the fore in the context of neoliberal Capitalism and of Social Liberalism: the notion of *Liberty* and the question of *Human Rights*. To deal with these issues, problems related to religion, the legal system and to the role of history will also have to be taken account of.

In the presently dominating neoliberal view *Liberty* is conceived as liberty from restrictions (*Freiheit von*) and represents, as such, the heritage of the individualistic movements of Enlightenment and Protestantism. In principle, the autonomous individual is allowed to do anything, which contributes to enhancing his wellbeing or utility within the framework of Law. In this view, Man is the measure of all things; Arnold Toynbee repeatedly speaks of the *self-adoration* of Man. Individuals act in various domains, which, in principle, are separated from each other; specifically religion and ethics are separated from economic, social and political life as well as in Law. Given this, the striving for utility maximisation may imply a large range of values, from religious-cum-spiritual and intellectual and aesthetical values, associated to the striving for Goodness, Beauty and Truth, down to material and associated values – consumerism, money-making, and power of some kind.

In this context we may mention that, in the 1960s, the Polish philosopher I. M. Bochénski insisted in his lectures on the existence of two kinds of materialism, Soviet materialism, which is of a philosophical nature, and materialism in the sense proper which dominates in the West [and, one could add, increasingly in the entire world, although there are, at present, strong

spiritual reactions; in any case, when materialism goes without saying, the spiritual simply peters out, it evaporates like water in the desert.]

The unrestricted pursuit of material values in the widest sense may ultimately result in the destruction of individuals and families. For instance, an excessive consumption of alcohol and drugs resulting in the physical destruction of individuals, and an exaggerate practice of money-games which may lead on to the destruction of families. But these types of behaviour are predominantly not an outcome of free choice, but are largely due to a *misfunctioning of the entire socio-economic and political system* brought about by a highly unequal distribution of incomes and massive involuntary unemployment. Such a state of affairs represents system-caused alienation originating in the economic sphere and having effects on the social and other spheres. At present, various factors tend to increase system-caused alienation. Perhaps, the most dangerous cause exerting a highly damaging influence upon the socio-economic system and the social individuals, is systematic moneymaking, that is, making more money out of a given amount of money as primary aim of activity. This phenomenon has been dubbed *financialisation*. It is well known that huge amounts of money have accumulated in the financial sector in recent decades. These represent the monetary wealth of very rich people, but also of small savers; pension funds, non-profit organisations, large, medium and small enterprises, but also banks and hedge funds also contribute to increasing the amount of money in the financial sector. Now, in a monetary production economy, the volume of new investments determined by effective demand and hence is given in the long term; new investments can easily be financed by bank credits and own financial means. Given this, the huge amounts of money circulating in the financial sector look for investment opportunities in already real and financial assets (land, real estate, firms, gold, old masters, bonds, shares). Now, *financialisation* of the economy takes place if financial capital is massively invested in *already existing* assets and results in extracting surplus (profits) on an *abnormally high* level from the real sector. Now, the point is that a large proportion of these profits will move back to the financial sector and increase the volume of profit-seeking financial capital, implying that the financial sector is continuously fed and, as a consequence, steadily grows. In this way the real sector becomes ancillary to the financial sector, which is an abnormal, one could even say, an alienated situation. Indeed, in normal circumstances, the financial sector should be in the service of the real sector through providing credits for socially useful investment. Needless to say that with the domination of the financial sector, resulting, for example, in unfriendly take-

overs, asset-stripping, high-profits goals for real sector enterprises, we are a far cry from this desirable situation.

It is remarkable that the French philosopher Jacques Maritain has, in the 1930s already, pictured this rather perverse relationship between financial and real sector. In theory, Maritain says, one may easily conceive of an association between money (and finance) and productive labour, with money feeding, in a way, the various enterprises, contributing thus to increase a country's wealth. In reality, however, this scheme operates in an entirely different, even pernicious, way. In fact, money becomes a living organism nourished by the real economy. Profits are no longer the normal result of enterprise nourished by money, but the fruit of money fed by productive enterprise. This reversal of values most importantly implies that the claims to dividends become primary at the expense of the claims to salary. In this way, the real economy becomes ancillary to the power of money, which thus gets primacy over goods useful to man (see on this Maritain, quoted in Dembinski 2008, French original, pp. 178-79).

Let us note, however, that, in a first step, only part of the financial system does *not* stand in the direct service of the real sector; services provided to the real sector by the financial sector might comprise commercial banking and granting credits to small and medium-sized enterprises, or traditional wealth management in the service of individuals and institutions, non-profit organisations, for example; moreover, some hedging is also required due to the permanent presence of more or less uncertainty about the evolution of prices, including of course exchange rates. All these services of the financial sector in favour of the real sector are indeed normal and socially necessary.

As a rule, the individuals and institutions active in the financial sector *in excess* of the normal and socially necessary activities participate more or less intensely in excessively draining the real sector of surplus, mostly without being conscious of it. The actors in the financial sector eventually think that they are acting responsibly in contributing to the best possible allocation of resources. Among these actors banks obviously play a pivotal role, since all transactions are carried out by banks, either for their customers, including hedge funds, or for the banks themselves. Since the banks and some big customers command the whole of the liabilities of banks, the entire quantity of money (fM) circulating in the financial sphere of an economy may, in principle, be put to use for excessive surplus extraction. This means that, through some large banks and hedge funds, the entire financial system may participate in excessively shifting money from the real sector to the financial sector. In theory, the actors in the financial sector presumably simply think along the dominating *neoclassical* mainstream view: they are convinced of permanently allocating resources in an efficient way. In practice, most small and

medium actors simply follow the general trend set by the big players regarding the composition of their portfolio. However, the trendsetters, that is, some large actors on the financial markets presumably know fairly well what they are doing. These big actors possibly also knew that they were too big to fail.

Why do these problems with the financial sector arise, given the fact that the activities of this are in itself good in the social ethical sense? It is, in fact, normal that there should be markets for financial assets (bonds and shares), raw materials and energy resources, for old masters, and so on; and wealth management would be an important financial sector activity. But these markets should ultimately enhance the proper functioning of the real sector. For example, if a non-profit organisation wants to finance some project it should be able to sell financial assets it possesses at a good price. This implies that there must buyers of these assets wishing to invest profitably money they do not need at the moment, that is, to hold wealth in terms of specific financial assets. On a general level this implies that the quantity of money in the financial sector, $(fM)^*$ say, should be large enough to satisfy the *long-period* precautionary motive of individuals and families, firms in the production and service sector, social and cultural institutions of all kinds, mostly non-profit institutions, and, in part, of the state, to hold monetary wealth and to provide for reserves and incomes to ensure the proper functioning of these institutions (on institutions, see Bortis, 1997, pp. 20-27).

Given this, the problem of the financial sector can now be assessed. In the *classical-Keynesian* perspective put to the fore in this paper, the *financial sector becomes increasingly an extractor of social surplus* through *financialisation* because it is *far too large* compared with the real sector. *Too much money* circulates in the financial sector [$fM \gg (fM)^*$], subduing thus increasingly the real sector to the financial sector. Given this, ‘monetary *production* economies’ tend to become ‘monetary *finance* economies’, in which, as has been alluded to in the above, the banks and some big customers, including hedge funds, will tend to play a crucial role. Instead of factories, *banks and hedge funds* will tend to dominate an economy as is particularly visible in economically underdeveloped and transition economies. As a result, financial transactions more and more dominate the production of goods and the rendering of services. In fact, the production and service enterprises in the real sector, whether listed at the stock exchange or not, have to maximize their short-term profits in order to maximize shareholder’s values. Otherwise takeover threatens. Given this, all firms have to reduce costs, wage costs most importantly, to realize high and rising profits. Distribution gets more unequal and internal demand stagnates or declines. Exports are the only way out. This, in turn, leads to *a world war between workers and employees* through a downward pressure on wages,

worsening working conditions and delocalisations. These processes are enhanced through the fact that real sector enterprises have to reinvest large parts of their profits in the financial sector because reduced effective demand also reduces investment opportunities in the real sector. The final result is a continuous downward pressure on living standards worldwide, accompanied by growing poverty and misery and an increasing number of the working poor. This process of financialisation occurs because, in some or all banks of an economy, *traditional commercial banking becomes secondary and investment and private banking, complemented by the activities of the hedge funds, move to the fore*. This process goes on deterministically, driven by a dramatic excess of money (fM) above the socially necessary quantity of money, $(fM)^*$, circulating in the financial sector. This means that, to fully restore monetary production economies, the size of the financial sector has to be reduced, until socially appropriate relations between the financial sector and the real sector are established. We shall briefly deal with this issue in the policy conclusions set out below.

This is of course not to degrade the material, and associated values in general if these are practised in an appropriate way, which is shaped by ethics. Material values in the widest sense are an essential part of what the French call joie de vivre, the Germans Lebensfreude, and are as such, an important part of the good life. Incidentally, it would seem that authentic joie de vivre is nowhere greater than in Catholic and Orthodox regions and countries. In this context, one might add that the way of life associated to Merry Old England is certainly preferable by far to the Icy Efficiency England of Margaret Thatcher.

Two further points must be made here. First, we have already mentioned that implementing ethical principles in a pure form in a complex and uncertain world where knowledge as a rule is probable would lead on to a tyranny of these principles. This is not to say that no authority is needed which deals with ethical principles per se, for instance Rome for the Catholic Church. However, the implementation of the principles in a complex and imperfect real world, where uncertainty is ever present and knowledge is always probable, requires a good deal of common sense associated to considerable experience of life (Lebenserfahrung), mainly because the good life is a complex entity. Given this, what appears as a shortcoming in the light of religious principles regarding secondary and less important aspects of human life, may be reduced to insignificance through high-level or even outstanding achievements in the political, social, humanitarian, artistic, and scientific spheres; after all, Man is essentially a spiritual, reasonable and social being, and it is performances in these spheres, taken in the widest possible sense, manual work included for example, that really matter for the good life, and not

secondary elements of the good life as are connected to material and associated values. For example, for some wealthy individuals, intense moneymaking and luxury consumption on a grand scale, within legal limits of course, may go along with generosity, intense high-level intellectual activities and promotion of the arts. Some degree of imperfection makes the world colourful and interesting; a strict application of all principles in the accidental material domains, even if it were possible in a complex and more or less alienated world in which knowledge is probable, would make the world dull and boring. However, the striving for perfection is crucially important in the realm of cultural values in the widest sense, as these are essential to the good life.

Moreover, if, in a world with imperfect and probable knowledge, it was attempted to eliminate alienation at the individual and social level on the basis of a single doctrine, the society in question would tend to become entirely rigid and arbitrary, with no change and improvement possible. Indeed, some alienation is required to bring about change associated to progress and improvement, that is, a living society; true progress and improvement means, in turn, striving for the fundamental values in very different ways in the various societies. This gives rise to cultural diversity, which is absolutely essential for additional true progress.

In fact, in a world where knowledge on complex issues is probable and imperfect, a seemingly unalienated society and perfect individuals would imply an entirely totalitarian society similar to Aldous Huxley's Brave New World or to George Orwell's 1984. Hence attempts to totally eliminate alienation on the basis of some doctrine would, in a world with imperfect and probable knowledge, end up in most heavily alienated societies.

The second point concerns the plurality of the modern world, which also shows up in the plurality of ethical systems; to simplify for the case of Europe: Catholic-Orthodox ethics based on tradition and modern secular neoliberal ethics based on the freedom of action of the autonomous individual within the existing positive law. In a pluralistic world, the Catholic and Orthodox Churches must of course respect the existing positive law, and also neoliberal secular-humanist ethics. Yet, and this is the point to be made in this chapter, the Neoliberals must also respect the tradition-based ethics of Catholicism and Orthodoxy. Yet, in the above it has been suggested that the system of social and individual ethics closest in line with the invariable human nature will ultimately dominate.

It is very important, however, that discussions about differing systems of individual ethics ought to go on in a spirit of generosity and of attempts of mutual understanding. Even matters of individual ethics are complex because philosophical, socio-economic and political elements, as a rule, enter the scene. Given this, knowledge about individual ethics is always probable if

concrete complex situations are being considered, while ethical principles may be absolute within the vision of man and society from which these principles emerge. Moreover, as has been alluded to in the above, and on this one must insist, the good life is a complex entity, and, given this, what may appear as a shortcoming in the light of ethical principles based on religion, may be reduced to insignificance through high-level or even outstanding achievements in the political, social, humanitarian, artistic, and scientific spheres. Man is, essentially, a spiritual, reasonable and social being, and matters linked up with material and associated values, are not essential and, therefore, of secondary importance. Moreover, nobody is perfect. And, finally, and very importantly, it would seem that in a world where two thirds of humanity live in system-caused misery, and where immense inequalities exist, and where involuntary mass unemployment causes anxiety and despair, and social injustice widely reigns, social ethical issues are certainly far more important than matter of individual ethics. This point will be alluded to below, but for the moment we may retain that the Theologians of Liberation and Bishop Oscar Romero have been and are profoundly aware of this; and in this context the great achievements in Fidel Castro's Cuba must be recognised, even if many imperfections remain, which are in part due to the boycott imposed on this country; as to future developments, it would seem that Cuba has now solid preconditions to move in the direction of Social Liberalism without major difficulties. It has been mentioned elsewhere that the Theology of Liberation and similar movements all over the world need a very solid theoretical foundations, other than Marxism, to underpin social and political action. In this essay it has been argued that Social Liberalism and Classical-Keynesian Political economy seem most appropriate.

Now, to take up the main theme again, it is quite evident that the autonomous, frequently lonely and isolated, neoliberal individual has to make a tremendous effort of will to overcome the temptations of excessive materialism, always taken in the widest sense. This is all the more true because of the tremendous commercialisation of materialistic values. Such an effort of will can, as a rule, only be sustained if there is a very strong religious underpinning of the actions of individuals. This religious foundation underlying the striving for high-level values is provided by Protestantism, which, through its strict regulation of life, is closely associated to traditional Liberalism; here, an intense religious life may lead on to ascetism, even in case of very wealthy individuals. The regulation of life becomes very intense with some Protestant sects, with wealth acquisition and professional success becoming God's will. Calvinism might interpret

wealth and professional success even as indications of belonging to the chosen people (Max Weber).

With Neoliberalism these religious regulations largely tend to loosen or even to fade away, resulting in more intense materialism; parallel to this violence and crime increase. The will without religious underpinning may indeed not prove strong enough to resist the temptations of materialism in the widest sense, which exerts an almost irresistible attraction. On the level of materialism, consumerism, money making, exercising power, for instance, there may be very intense, even hectic activity. In this context Karl Jaspers has compared modern human societies with anthills: very busy individuals are moving around with ever increasing speed, but what for? Is to die very rich really a basic aim to be pursued? With spirituality and religion largely petering out, there is in fact no high-level sense of life, for example striving after the fundamental values, Goodness, Beauty and Truth, in all domains. Indeed, the sense of life boils down to pursuing material aims; consuming becomes an almost religious activity, money-making and professional success move to the fore. However, given the striving after the infinite inherent in human nature, the modern dominance of material and associated values may ultimately prove destructive. Indeed, in Jaspers' modern anthill-societies, the pursuit of these values implies striving after infinity through moving along a straight line. Given this, the striving after infinity can never be satisfied (Goethe). If there was a strong tendency towards a full-employment equilibrium brought about the law of *decreasing* marginal utility, anthill-societies could eventually last for quite long time-periods. More generally, the Enlightenment conception of liberty, that is, the liberty to do anything, which contributes to enhancing individual wellbeing (utility) within the framework of positive law, could eventually work in practice if the economy and society were brought into a harmonious socio-economic equilibrium through some social law, for example Adam Smith's *propriety*, combining *fellow feeling* and *self-interest*. However, if there is no tendency towards full employment, if involuntary mass unemployment sets in and distribution gets more and more unequal, the striving after infinity will be aborted for large parts of the population. Frustration sets in, resulting in fundamentalism of some kind; populism, racism and, eventually, fascism may gain in strength and even wars may come into being. The frustration will be the greater, the more money and power become the supreme values in modern societies, and the more the struggle for socio-economic and political survival intensifies.

The broad analogy of such developments to the splendour and the subsequent decay and collapse of the West Roman Empire, vividly pictured by Michal Rostovcev, is quite evident;

indeed, Karl Christ emphasises that Rome was essentially a Timokratie, that is, governed by the rich. To a large extent this also holds of the leading country of the West, the United States, and increasingly so in many other countries all over the world.

Neoliberal societies can only be broadly stabilised through a more or less tough Law-and-Order State. Law is strictly positive, without any natural law content, implying that Law and Ethics are strictly separated. Given this, legal cases become, in many instances, power games, in which the financially stronger and the legally more skilled will as a rule overcome.

Human Rights are strictly formal. The implementation of the Rights is uncertain and uneven. In highly developed countries the pursuit of material, and associated values may be declared human rights; contrariwise, in many parts of the world, basic rights – access to food, water, education – are denied to large of parts of the population. This is due to the functioning of global neoliberal Capitalism with its cumulative tendency towards more inequality and higher involuntary unemployment. This goes along with ethical shortcomings, showing up in increasing corruption and crime, to give instances. In this context, Catholic social doctrine rightly asserts that Rights, if not bounded and shaped by Duties, tend to result in limitless claims.

Finally, history and tradition are entirely neglected by Liberalism and, above all, by Neoliberalism – Post-Modernism even declares the study of history entirely useless. Only the present counts and the basic question is how to shape the future so as to bring about material and human progress by the means of science.

In this context, eminent representatives of the Russian Orthodox Church have, recently, rightly pointed to the inevitable tension between the Western *secular-humanistic* way of life and the *religious-traditional* one. Indeed, the religious-traditional way of life aims, in principle, at a balanced and integral human development associated to the striving at the fundamental values of Goodness, Beauty and Truth. In pursuing these fundamental values in very different ways, most remarkable achievements have been made in a great many regions and countries all over the world. It is one of the fundamental tenets of this essay that each region and each country should have the possibility, even the right to preserve its positive historical heritage, summarised by religious, social and cultural institutions, and to build the future upon this heritage in a manner in line with human nature. This means, in the first place, a harmonious integral development of the very different human beings living in the various countries and regions of the world, that is, the aim is to realise the good life in very differing circumstances as far as is possible for fallible human beings. But, and this is the second point, the good life

can only be fully realised in a well-organised, good, political society. It has been insisted upon in this essay, that, to bring about good societies, knowledge is required, above all about the functioning of the immensely complex monetary production economies that have come into being since the double revolution at the end of the 18th century. Given this, political economy has emerged and now remains the key social science of the modern era.

On this point, the relation between religious-traditional and secular-humanistic societies, we may conclude, then, by saying that the West, specifically the presently leading country, the United States, have *no right at all* to impose their model to the countries attempting to preserve their religious-traditional way of life and to develop along lines in accordance with human nature. Indeed, a worldwide generalisation of Karl Jaspers' anthill-societies and Herbert Marcuse's unidimensional Man (*der eindimensionale Mensch*) would lead on to gravely damaging, even destroying Man, Society and Nature. This is what Karl Polanyi broadly says in his book on the *Great Transformation*. Given this, the West, Europe and the United States, will have to initiate a renaissance of tradition and to move the fundamental values to the fore again, of course, upon a modern material basis. This would result in a synthesis between Tradition and Modernity. Probably, Nikolai Berdjajew had this in mind when he wrote about reviving the Middle Ages in modern form (*Ein neues Mittelalter*); Jacques Maritain in his *Humanisme Intégral* argues along similar lines.

The neoliberal conception of Liberty sketched above is now realised in its purest form in the United States, and there is a tendency for the American way of life to spread worldwide. Again Russian-Orthodox religious leaders rightly complain about this secular-humanistic system as being considered a model for the whole world. Indeed, the American-Western system is by now considered universal and goes without saying, and can, as such, not be criticised. This contradicts the basic principle of Liberalism, namely the acceptance of a plurality of differing opinions and theories which form the basis for discussion; and on open-minded discussion would eventually lead on to selecting a dominating opinion or theory through an explicit or implicit majority. This liberal ideal is definitely not realised in present Neoliberalism. The neoliberal values are imposed upon individuals and even entire states and regions by more or less strong coercion. Russian-Orthodox leaders therefore rightly speak of Neoliberalism as of a threat to liberty. Indeed, true liberty, the liberty to choose the means of realising the fundamental values of Goodness, Beauty and Truth in all domains, is greatly hampered by the onslaught of materialistic Neoliberalism.

In the light of the overall argument set out in this essay, the American-Western view about the *absolute* validity of their secular-humanistic neoliberal system is entirely mistaken. In fact, this

system produces destructive tendencies in various spheres, economic, social, human and ecological, which, at present, increasingly gain momentum; in terms of our essay, alienation increases in these domains. In the above it has been suggested that such destructive tendencies inevitably occur, if the economy is not self-regulating, that is, if there is no inherent tendency towards a full employment equilibrium (on this see also Bortis 1997/2006, chapters 6 and 7). Indeed, mass unemployment and growing inequalities in income distribution may come into being. Grave social consequences arise in the context of the struggle of survival, which inevitably sets in if there is massive involuntary unemployment. More or less organised power groups along social, ethnic and religious lines engage in a mostly hidden struggle for economic, social and political power, resulting in a weakening of the state. In such a situation human life is dominated by a large degree of uncertainty, mainly because of the continuous threat of unemployment; the loss of a job may eventually lead on to a lower social status and may end up in poverty, in many regions and countries even in system-caused misery. As a consequence, life may become a series of more or less connected episodes (Richard Sennett); to realise the good life in such a situation becomes exceedingly difficult since a high-level sense of life no longer exists; given this, consumerism and moneymaking and associated values move to the fore, and, simultaneously, are a source of gigantic frustration for large parts of the population, because the materialistic values cannot be realised, or can be realised to an unsatisfactory degree only. Moreover, mobility requirements, the pressure at the workplace and the possibility to get unemployed threatens social institutions in general, even the smallest social institution, that is, the family. Finally, countries and enterprises are facing a more and more ruthless competition on the world level. Given this, social and environmental policies become very difficult, since everything has to be done to remain competitive, while, at the same time maintaining acceptable profits levels.

Once again, what has just been said is a critique of the American shaped system of the West, not of individual Americans and West Europeans. Indeed, in the United States the ultimate consequences of the individualistic protestant-cum-enlightenment revolution of the 18th century are now most clearly visible. This is probably a major reason why the United States now claim the leadership in this Enlightenment undertaking shaped by the idea of progress and by the rule of science, associated to the implementation of liberty, democracy and, in a wider view, of human rights.

Now, what about *Liberty* and *Human Rights* in relation to Religion, Law and History in the *social liberal* view? To provide a tentative answer to this question, it has to be recalled that social liberal political and social philosophy broadly coincides with the Catholic vision of Man and of Society; Orthodoxy, in turn, largely intersects with Catholicism.

To be able to get hold of the social liberal notion of *Liberty*, something on the concepts of life and, specifically, the good life has to be said. In the social liberal vision, life is not just governed by individual choices in view of enhancing utility, the dangers of which have been alluded to in the above: the individual is inevitably attracted by material and associated values; in the social liberal vision the issue is about the *good* life, that is, life in line with human nature and its finality. This finality of human nature is *objectively* given and is, therefore, *not* a matter of individual choice. To permanently strive after the fundamental values of Goodness, Beauty and Truth in *all* domains, material, intellectual and spiritual, is the basic characteristic of the good life. However, the good life is a complex entity, and the various components making up the good life – material, intellectual, spiritual - have to be harmoniously ordered. The good life is, in principle, realised in a different way for each individual since each individual is unique. The way of life in a certain region or country is also unique in the sense that, ideally, the good life is realised in a specific way in each region and country.

To fully realise the good life requires a well-organised economy, society and state, that is, the economy, society and the state have also to be in good shape. Otherwise, alienation prevents the full realisation of the good life, above all on the material level, which, however, is the material basis for intellectual-cultural and social activities. Given this, the *good society* in the widest sense is a prerequisite for the full realisation of the good life of the social individuals. In this context it has been insisted upon in this essay that Man is a social being in the sense of Aristotle and of Catholic social doctrine. Man can realise the finality of his nature only *within* society (on the basis of society) and *through* society, a crucial point to be put in a wider context in the final section of this essay: *The essentially social nature of Catholicism and the meaning of history – Henri de Lubac*.

However, in a complex world, it may be difficult to know what Goodness, Beauty and Truth in the various domains mean. Therefore, to act in an ethically appropriate way requires knowledge, a fact already perceived by Aristotle. For example, a good society can only be set up on the basis of well-organised economy; such an economy would be characterised by a high employment level and a socially acceptable distribution of incomes and wealth. To achieve this, theories of employment and distribution are required. Hence the social and political sciences, the old *Staatswissenschaften* – Social Philosophy and Social Ethics, Politics, Law,

Political Economy, Sociology – are required to be able to set up the good society. This is why, in 19th century England, the social and political sciences have been denoted *Moral Sciences*, and the corresponding Faculty the *Faculty of Moral Sciences*. This incidentally implies that Ethics based on Religion must permeate the entire body of the Social and Political Sciences, in fact, all dimensions of theoretical and practical life.

Given this, teaching about the fundamental values and their implications for the good society and the good life, that is, the nature of Man, the finality of human nature, and the sense of life, is absolutely necessary. This is the task of the great religions. It must be admitted that the doctrine of the Catholic Church, specifically the social doctrine of the Church, is certainly by far the most elaborated and also the most attractive. Moreover, the social doctrine of the Church and the associated social philosophy provides a most solid basis for erecting a comprehensive and consistent system of the social and political sciences, the social liberal system to wit, which includes classical-Keynesian political economy. And the social doctrine of the Church is based on a grand and comprehensive system of theology.

To set up these systems of thought represents a tremendous intellectual performance, which cannot but be the result of a long historical social process. Indeed, the Church has wrestled for two thousand years by now to come to grips with the natural and the supranatural dimensions of Man and of Society and the relations between them, and, therefore with human nature in the widest sense. In fact, to be clear about the *nature* of Man and of Society is a prerequisite for setting up principles of individual ethics, and for establishing a coherent system of social and political sciences, based upon a social philosophy and leading on to a system of social ethics. Both the social and political sciences and social ethics are, in turn, the basis for sensible political action, aiming at approaching the Good Society, to fully render possible the Good Life of the social individuals. Given this, to direct the will in the right direction, religion, individual ethics, social philosophy and social ethics must be taught at the appropriate levels of education.

Of course, in a pluralistic world, all religions must also given the possibility to teach their fundamentals on the various levels of education. It has already been mentioned that, in the long run, the religion, which captures most closely the essentials of human nature in the widest sense will ultimately turn out to be the most attractive.

Given this, the separation between Church and State, between religion and ethics and politics, is not appropriate in the social liberal view. Man is an immensely complex reasonable being with a natural and a supranatural dimension. Therefore, Church and State are complementary,

simply because Man is an entity and the natural and the supranatural dimensions cannot be separated without greatly damaging or even destroying the Human Being.

Given the *objectivity of the fundamental values, the conception of Liberty in the social liberal sense* now emerges. According to Social Liberalism, Liberty is no longer associated to a *subjective* choice on the whole scale of values, from high-level intellectual and spiritual values, to materialistic, and associated values. In Social Liberalism, *Liberty is a property of the will*. Hence Liberty is the liberty of the will, and *the choice to be made is about Good or Bad*, both given in various degrees. Liberty is thus essentially of an *ethical* character. Liberty is about what Man *ought* to do, a philosopher once said. In the ethically ideal case, the will of the social individuals would be entirely directed towards realising the *objectively given* fundamental values – Goodness, Beauty and Truth – in all domains. Time and again it has been insisted upon in this essay that, if phenomena are complex, ethically correct action requires knowledge, that is, social and political theories, if the economy, society and the state are considered in their entirety. Thus, in the social liberal view, the will must be instructed by reason and directed towards an objectively given finality of human nature, which is the good life, comprising of course the sense of life. And one must always bear in mind that knowledge is probable – in Keynes's sense - to various degrees if complex phenomena are considered.

Since the good life is a complex entity and differently realised by each social individual, the ends and means in line with human nature and its finality have to be set out systematically to direct the will in the right direction, that is, in the direction of the fundamental values. This does not go on without saying but has to be brought about by systematic work, which sets the will on the right or natural track. This points to the absolutely *essential role of education* in complex modern societies. Teaching about the ends – the fundamental values -, the finality of human nature and the sense of life is of course essentially religious. Subsequently, the religious values must, so to speak, permeate all spheres of social and individual life. The knowledge required to reach the ends is a matter of public educational institutions, that is, primary and grammar schools, high schools and universities. An appropriate system of *curricula* that embody, as a rule, a long historical experience, hence tradition, is of fundamental importance. Educational institutions preserving the positive elements of the historical heritage are thus crucially important. It is evident that the Catholic Church has, since Carolingian times, done immensely important fundamental work in developing *curricula* through the teaching of theology and, subsequently, of philosophy, out of which the modern teaching of the various sciences has emerged (William Haas). It is very important, however, that teaching, above all on the higher levels, must be completely open-minded. It has been insisted in several instances

that it is the study of the history of ideas, most importantly dealing with contradictory theories, that leads on to openmindedness and independent thinking or the *emancipation of the mind* (Keynes). Openminded thinking leading on to the emancipation of the mind has been precisely a fundamental characteristic of the great Scholastics and, in fact, of teaching along authentic Catholic lines, which, it must be insisted upon, has deeply shaped modern scientific thinking in all spheres of science.

Given this, setting the will in the right or natural direction, that is, to realising the fundamental values in all domains, comprising all types of activities, manual, intellectual and spiritual, is associated to an immensely complex educational process. This process is of an essentially social and historical nature. Once the will is set into the direction of the finality of human nature, the realising of values in all domains will create increasing happiness and satisfaction; Aristotle even spoke about the bliss resulting from intellectual activities; but, obviously, bliss may also result from manual and spiritual activities. Given this, the Natural will more and more attract the social individuals. The striving after infinity inherent in human beings will become more and more of Goethe's circle type. This is the striving after perfection, which, as has been mentioned in several instances of this essay, will, if generalised, result in a harmonious and stable society.

This social liberal notion of Liberty – Liberty as a property of the will – directed towards the finality of human nature sharply contrasts with the neoliberal notion of Liberty as has emerged from Enlightenment. Here very strict regulations are required to direct the will into the right direction. These regulations are, as a rule, provided by religion, some kind of Protestantism or some sect. However, relatively few individuals will be disposed to undertake the immense effort required to follow these regulations. In his *Protestantische Ethik und der Geist des Kapitalismus*, Max Weber explicitly mentions that the large scope of liberty prevailing within Catholicism, with the Church generously pardoning the sinners, was replaced by a large set of immensely restrictive regulations by Protestantism (Weber 1904/05, pp. 20-21). Given the fact that these regulations have gradually become more and more loose within Neoliberalism, most individuals no longer undertake the immense effort required to include the fundamental values in their utility function. Material values (consumerism, making money, striving after professional success, exercising power) and associated values become dominating. Here the effort of the will is directed in a very specific direction and is, as such, easy to realise. Or no effort of the will is required at all. A great number of individuals simply tend to become slaves of passions. In a disequilibrium world with a cumulative tendency to disequilibria and growing alienation, frustration sets in because the ambitions of probably most individuals are aborted to

a greater or less degree. Frustrations sets in, which, as has already been mentioned, lead on to fundamentalism, extremism, populism and ultimately racism and fascism. Dostojewski clearly sensed the problem: without objectively given ethics, individuals become helpless in an immensely complex and uncertain world; they do not know how to use Liberty; as a consequence, they are ready to give up Liberty and are equally ready to submit to an authoritarian, even totalitarian regime in order to get bread (material security). In the first half of the 19th century already, Alexis de Tocqueville went into the same direction. In the introduction to his great work *De la Démocratie en Amérique* he compares conservatives and liberals: “J’aperçois des hommes vertueux et paisibles [the conservatives] que leurs moeurs pures, leurs habitudes tranquilles, leur aisance et leurs lumières placent naturellement à la tête des populations qui les environnent. Pleins d’un amour sincère pour la patrie, ils sont prêts à faire pour elle de grands sacrifices: cependant la civilisation trouve souvent en eux des adversaires; ils confondent ses abus avec ses bienfaits, et dans leur esprit l’idée du mal est indissolublement unie à celle du nouveau.

Près de là j’en vois d’autres [the liberals] qui, au nom des progrès, s’efforçant de matérialiser l’homme, veulent trouver l’utile sans s’occuper du juste, la science loin des croyances, et le bien-être séparé de la vertu; ceux-là se sont dits les champions de la civilisation moderne, et ils se mettent insolemment à sa tête [...]”(de Tocqueville (1981/1835-40), p. 67). And then these terrifying and prophetic words: “Il faut une science politique nouvelle à un monde tout nouveau [at present, this *science politique nouvelle* would broadly coincide with the social and political sciences along social liberal lines]. Mais c’est à quoi nous ne songeons guère: placés au milieu d’un fleuve rapide, nous fixons obstinément les yeux vers quelques débris qu’on aperçoit encore sur le rivage, tandis que le courant nous entraîne et nous pousse à reculons vers des abîmes”(p. 62). Dostojewski and de Tocqueville are both rightly considered as 19th century prophets of the 20th century, specifically of the Apocalyptic Age 1914-1945. In this essay we have attempted to argue that 20th century Apocalypse was essentially due to the implacable determinism exercised by the capitalist system and the free-market-cum-democracy ideologies associated to it. When the current is too strong, the boat is no longer steerable and is attracted by the waterfall and finally precipitated into it. The inevitable conclusion is that Maynard Keynes’s *Social Liberalism* is presently more needed than ever!

The socio-economic, political and technological developments of the 20th century have resulted in a world of deepest contradictions. On the one hand, there are islands of immense wealth and technological top standards, and booming cities with very high costs of living. On the other hand, there is very widespread abject poverty, in fact, system caused misery,

rendering the life of about two thirds of humanity extremely precarious; this is accompanied by mass unemployment: about one third of the world labour force is unemployed or underemployed. Given this, *social ethics* on social liberal lines, essentially based on Catholic social doctrine, and the associated social and political sciences along social liberal lines, become of *overwhelming importance*. Hence the main preoccupation of the great religions, should be about the social ethical issues of employment and distribution; given the immensity of system-caused alienation, problems of individual ethics, unessential shortcomings above all, move into the background as being of secondary importance. However, as we have insisted upon throughout this essay, social ethical aims, like full employment, that is, absence of involuntary system-caused unemployment, and a broadly fair distribution of incomes, can be realised only if there a very strong economic theory, which, in our view, can only be classical-Keynesian political economy (Bortis 1997/2006 and 2003a).

Three problems remain to be just alluded to: the social liberal view on human rights and on the legal system as well as the importance of history in Social Liberalism. All issues are broadly in line with Catholic social doctrine.

This incidentally implies, as Jacques Maritain noted, that Catholicism is not something obsolete, but, is, on the contrary, ultramodern. John Nef went into the same direction.

First, to human rights correspond duties. This is a crucial point. Duties, in fact, limit and shape rights ethically. For example, the liberty of expression is shaped by the duty to respect deep religious sentiments; blasphemy, ridiculising Mahomet or Christ for instance, is not in line with the ethical principles that ought to regulate journalism. The ethical regulation of rights through duties strengthens the rights. In principle, rights and duties are universal because they are derived from objectively given natural law, which is the law in line with the finality of human nature.

Second, the social liberal legal system has also to be in line with human nature. The principle of *commutative justice* (*justice in exchange*) is basic for private law, and the principle of *distributive justice* is fundamental for public law. The written legal system should consist of principles only. Given this, principles can be applied to most various situations. If we take as an example the legal regulation of the economy, then, to start with, the political economist has to tell the lawyer how the economy functions. Subsequently, the lawyer has to set up laws in the economic domain in a way that the economist can always act sensibly in complex and

frequently unforeseeable situations on the basis of economic theory without being hampered by legal prescriptions.

Third, the great importance of institutions in a complex modern world has already been alluded to in the section *Institutions in a wider context* above. Institutions are there to realise *permanently* some individual or social aim in a complex world. Indeed institutions arise out of the complexity of modern socio-economic phenomena, for example, production, distribution and employment. Since the economy as a whole, economic structures linked up with social and political institutions, is something more than the aggregate result of individual actions, the economic system possesses its own laws.

From this a basic reason for the existence of institutions emerges. Long-period economic phenomena (production, normal value, distribution and employment) are extremely complex. Individuals behaving rationally from their point of view would only be in a position to behave rationally in terms of society as a whole if they were appropriately guided by some mechanism, i.e. the invisible hand or the market system. Since long-period factor markets producing a tendency towards fundamental equilibria do not exist, it is impossible for the individual to behave in a way, which is, at the same time, rational from his point of view and from that of society as a whole. To act according to the latter, a tremendous amount of information about the past, present and future functioning of society would be required and decisions would become immensely complex. One may go even further to say that individual actions are impossible without institutions. There must be a social groundwork, which enables individuals to act.

Hence, ethically appropriate institutions are required in order to facilitate or to bring about behaviour that is rational from the individual *and* from the social point of view. Ideally, this implies creating social foundations such that individuals enjoy the widest possible scope for freedom of action; full employment and a socially acceptable distribution of incomes and wealth are perhaps the most important components of these foundations. Since individuals cannot cope with certain complex problems, for example long-period involuntary unemployment, the state *must* intervene to secure full employment.

In the social liberal view, social institutions prevent the total or partial breakdown of the immensely complex system of production and hence of socioeconomic, political and cultural life altogether. Evolving social structures (the network of institutions) embody society's experience of creating the preconditions for rational behaviour of individuals who plan and act within this structure.

Hence *institutions*, socio-economic, political and legal, cultural and scientific, including economic, social and political theories, are *required* to master the modern era, that is to provide the social preconditions for a good and decent life of the social individuals, that is, the Common Good. Without social institutions in the material basis – enterprises, banks, shops – and in the social superstructure – government and civil service, a legal system, an education system, to provide examples – individuals simply could not survive, or life would be extremely miserable, even chaotic, as may be the case in a slum. With the ascent of *Industria* (Gellner) the institutional organisation of society had, in an Aristotelian vein, become crucial as a precondition for the good and happy life of the social individuals. Creating or favouring the coming into being appropriate institutions, resulting in a harmonious society in which the social individuals may prosper, had become the central task of the state. This task must be based on political philosophy and its aims governed by political ethics, the fundamental value of which is the Common Good.

In this view, the Western, in fact, Greek-Christian, obsession with institutions, and, eventually, with institutional change, is also the search for the Good Polity in ever changing material and intellectual conditions. In fact, the mode of production and the *Zeitgeist* have been continuously evolving since Carolingian times, to dramatically accelerate after the Great Transformation. Given this, *institutions embody the historical experience of a society* in view of attempting to establish a society in line with human nature. Therefore, representatives of the Orthodox Church rightly speak of “religious-traditional” societies in contradistinction to the “secular-humanistic” societies of the neoliberal West, which are individualistic and ahistorical.

The term “religious-traditional” is particularly felicitous. Indeed, past attempts to do better, to get nearer to the Good Life and to the Good Society must, on account of the invariable nature of Man as is in line with the creationist view, be based on invariable principles of individual and social ethics. These principles must, in turn, be based on religion. Churches are thus, in a way, fundamental institutions because they provide the basic principles of social and individuals ethics upon which the Good Society, fully enabling the Good Life of the social individuals, may be erected. Without diminishing the merits of other religions, it must be admitted that the Catholic Church, existing now for about 2000 years, has been particularly active, and permanently so, in working out a most impressive theological-philosophical system, dealing with all dimensions of human nature, mainly the supranatural. This theological-philosophical system results from an incessant struggle about establishing fundamental principles regarding the Creator and Creation in general, and Man as a

reasonable socio-political being specifically, and the application of these principles to all dimensions of the supranatural, natural, human and social for two millennia by now. Given this, Catholic anthropology and Catholic social philosophy and social doctrine have become extremely solid, because these bodies of knowledge are entirely and thoroughly thought out. In this essay we have insisted that both the system of social liberal social and political sciences in general, and classical-Keynesian political economy in particular, are entirely in line with the Catholic vision of Man as a reasonable *and social* being. For example, according to Catholic social doctrine the state is the general employer in being responsible for a high employment level, the various enterprises are the specific employers. All this implies that religious-ethical principles must pervade all domains of individual and social life in a good society. Moreover, this is why in 19th century England the *social and political* sciences have been termed *moral* sciences; incidentally, Keynes's thinking was decisively shaped by this tradition.

However, to broadly understand the present and to act appropriately requires the study of history, that is, the history of facts, and the history of theories and of ethical doctrines. In this essay it has been emphasised that the study of the history of socio-economic theories is of the greatest importance for obtaining solid economic theory in the present, enabling us to come to grips with an immensely complex reality. History is particularly important as far as ethics is concerned. Indeed, theories in all domains emerge from visions of Man, Society and Nature, and the associated social philosophies. Within a vision invariable ethical values necessarily play a fundamental role; for example, in the social and political sciences the way in which the Good Society is conceived is decisive for the kind of knowledge obtained in these sciences; knowledge on socio-economic and political phenomena, employment and distribution for instance, is, in turn, required for sensible social and political action. Given this, we may say that the way of life and its evolution in time in each region or country is shaped by a particular way of realising invariable social ethical principles. In the above, it has been alluded to, that, in a very long historical process, the Catholic Church has worked out a system of social ethical principles, the principles of the Common Good, of Subsidiarity and Solidarity for example. These social ethical principles are, in turn, associated to a social philosophy based on Aristotle, Thomas Aquinas and Jacques Maritain.

This implies, in turn, that the acquisition of knowledge and of principles of action can be greatly enhanced if real-world phenomena are hypothetically ordered according to their degrees of persistence. This reflects a broad arrangement according to essentials. Moving from the upper layers of reality to the lower ones implies penetrating into more and more

essential spheres of the real world. To understand probably (in Keynes's sense) parts of the real world in terms of ever deeper causes means that truth becomes correspondingly more and more profound. More essential elements of material and spiritual reality, embodying deeper truth, are also ethically better and are aesthetically more satisfying. This shows up in the fact that societies tend to preserve those institutions considered to be appropriate, reasonable and natural, thus 'good' for the society in question; simultaneously, the individuals or groups of individuals who created these institutions are favourably remembered. This is not to argue that defective or heavily alienated institutions, dictatorships for example, do not persist or that only great statesmen are favourably mentioned in history books. However, heavily alienated institutions cannot last for ever because they are not based on attempts to bring about justice and can, therefore, only be maintained by sheer force. Similarly, history books presenting tyrants as great statesmen are not based on the search for truth but on deliberate deception. Both force and deception are doomed sooner or later as historical experience shows. The fundamental reason is that heavily alienated institutions are in contradiction to human nature. A similar argument holds for the aesthetically satisfying, that is beautiful elements of the material and spiritual world: each society tries to preserve and to remember these elements of reality, be this in the spheres of architecture, painting, music or literature, in order to derive enjoyment from them in the present and in the future. All this is typically Aristotelian, and also Keynesian. Time and again, Keynes points to the fact that truth, goodness and justice, and beauty are not only the most fundamental, but also the most complex concepts as they relate to all spheres of the real world, which together form an immensely complex whole.

To approach the natural, essential or unalienated in the various spheres of social and individual life takes time. In periods of rapid change the sense of the essential may even be temporarily lost. This seems to be the case at present. The traditional values based upon religion gradually fade away. The social, so important in Catholic social doctrine, dissolves. Society gradually falls into pieces to become individualistic and atomistic. In order to survive in a complex and uncertain world, individuals tend to form power centres, which may be within or outside positive law. This implies a weakening of the state as we witness it at present.

Given these developments, the great problem consists in transforming the immense material and technical improvements that have been made since the Great Transformation at the end of the 18th century into social and cultural improvement. Political action in this field must be guided by two factors: first, knowledge of existing socioeconomic situations which has to be provided by political economy and, second, a vision of the ideal society to be elaborated by

social or political ethics which leads one to specify ends to be pursued. The probable knowledge of actual situations and of ends puts the politician in a position to act in the most appropriate way possible.

Since the whole of society must be considered, such knowledge is likely to be of immense complexity and should partly result from an evaluation of the significance of historical socioeconomic facts and ideas. The problem is to learn from the past in order to be able to tackle present problems more appropriately. The study of history seems, therefore, indispensable at all levels of education, in the humanities in general and in the social sciences in particular. The study of history is also immensely fruitful because it provides information on the nature of society and of man: the individuals living in various societies strive after the same immutable values in very different situations. The point is to observe and to attempt to understand the widely differing ways by which social individuals have attempted to reach greater perfection in the various spheres of life and to ask why they have partly failed and partly succeeded at times. Here the global view of events, i.e. history in the grand style, *à la* Vico, Montesquieu, Hegel, Marx and Toynbee for example, is complementary to the study of the details. The object of the former is the evolution of societies seen as entities, the latter investigates the behaviour in specific spheres of individuals and collectives within institutional systems. The study of history is therefore not *de l'art pour l'art* made useless by progress. It helps us understand the present in the light of the past and to make guesses at possible future evolutions. Perhaps the main reason why the study of history can promote the understanding of mankind and its destiny in the course of time is the presence of fixed reference points provided by fundamental values: "Sensible men mutually understand each other over thousands of years on the basis of commonly shared fundamental values, for example, truth, honesty, sense of duty and the Common Good" (Schack 1978, p. 18, a.tr.).

Hence the term 'religious-traditional' is so felicitous because, on the one hand, the fundamental values Goodness, Beauty and Truth to be realised in all spheres of social and individual life rest on Religion and, on the other hand, we can only understand the present and act appropriately in the socio-economic and political spheres, in fact in all spheres of individual and social life, through knowing about the history of facts, theories and doctrines (*Die Geschichte als Lehrmeisterin*). Fundamentally, in this essay, we have concluded that liberal and neoliberal Capitalism as well as Soviet style Socialism are not able to provide satisfactory socio-economic and political solutions in an immensely complex modern world, where knowledge is probable and uncertainty lurks everywhere. A new, intermediate way is

required, that is, Keynes's Social Liberalism in an elaborated form, which takes fully account of the individual and of the social nature of Man, and of his situation in this complex world.

The philosophical underpinning of the second Great Transformation from neoliberal Capitalism to Social Liberalism can now be put into a nutshell. Enlightenment, Protestantism, Liberalism-Capitalism are all shaped by Individualism with the consequences for the notions of Liberty, Human Rights, the Legal System and the attitude to History as have been very briefly outlined in the above. The second Great Transformation now requires a reaction in the sense that the *social* has to be promoted; the *liberal individuals* have to become *social individuals* or *persons*. This essentially means that the individuals can prosper, unfold their dispositions and broaden and perfect their capacities, only within and through society. This switch from the individual to the social also means a switch from Protestantism to Catholicism as the dominating religion in Europe, and possibly beyond, as can be seen from the very last section of this essay: *The essentially social nature of Catholicism and the meaning of history – Henri de Lubac*.

An amateur philosopher of history once said that, broadly, every five hundred years something important seemed to happen. Around 500 B.C. there was the flourishing of the Greek culture at the centre of Karl Jaspers's *[first] axial age*. The year zero marks the birth of Christ and the foundation of the Roman Empire. Just before 500 A.C. (476) the West Roman Empire definitely broke down, initiating a time-period of great disorder – with the exception of the immensely important episode of the Carolingian Empire – until the year 1000, which marks the coming into being of Medieval Christianity. Around 1500 there is Humanism and Renaissance, and also the coming into being and the rise of Protestantism, which, through the Enlightenment era and the twin revolution at the end of the 18th century produced the first Great Transformation. If our amateur philosopher of history is broadly right – and he seems to be broadly right – we should now, around the year 2000, experience a second Great Transformation resting on Keynes's Social Liberalism and the associated system of classical-Keynesian political economy and, in fact, a whole system of social and political sciences along social liberal lines; moreover, and this is fundamentally important, we have, in this essay, insisted upon the fact that Social Liberalism fundamentally rests on the Catholic vision of the world (*Weltanschauung*) and of history. This proposition implies that Catholicism is not obsolete, but is, on the contrary, ultramodern, as Jacques Maritain has indeed suggested.

These crude considerations of an amateur philosopher on turning points in history lead on to a tentative proposition on the theology of history. Indeed, we have already mentioned above that the Judaeo-Christian tradition starts with Abraham around 2000 years B.C. This time-period is,

in a way, preparatory for the arrival of Christ. From the year zero onwards, Christianity has more and more intensely shaped history. Indeed, Christianity first became State Religion in the Roman Empire, and in the Carolingian Empire the foundations for the Modern World were laid (Mitterauer). However, with Protestantism and Individualism from, broadly, the 16th century onwards, the Aristotelian-Thomistic vision of Man and Society as a structured unity has gradually faded away. At present, the various spheres of life – religious, economic, legal, social, political, cultural – are increasingly separated; specifically, laicism pushes religion into the sphere of privacy. Simultaneously, the natural sciences are actually becoming more specialised on the basis of Evolutionism; in the sphere of the social and political sciences specialisation is grounded on the vision of a self-regulating economy. This movement seems to have reached a climax now, around the year 2000, in a time when the economy and economic values have become basic, relegating the realisations of the fundamental values – Truth, Goodness and Beauty – to a secondary position; nihilism and materialism have indeed been steadily growing since the Great Transformation at the end of the 18th century.

In the above we have suggested that a new Great Transformation is need to restore the natural order of values: the economy as a means producing a social surplus, which, in turn, enables to set up an institutional superstructure aiming at permanently realising the fundamental religious, ethical, cultural and scientific values, realising thus the fundamental values of Goodness, Beauty and Truth as perfectly as is possible for human beings. This transformation process will be accompanied by a movement towards reestablishing Man and Society as entities, that is, towards Jacques Maritain's *Humanisme Intégral*, encompassing the natural *and* the supranatural. This will mark the beginning of history proper, where alienation is reduced to a minimum achievable by imperfect and fallible human beings.

In this perspective, the 2000 years A.C. of more or less alienated history initiated by Christianity in the Roman and the Carolingian Empire represents a *preparation for history proper*. Here the unity of Man and Society brought about by the *essentially* social nature of Man, will, ideally, be accompanied by harmony with Nature, enabling a sustainable development. Catholicism implied in Keynes Social Liberalism will, as is highly likely, shape the social and political sciences – there is, in fact, no alternative. And Creationism will shape the Natural Sciences in a spirit of deep respect for Creation (*Ehrfurcht vor der Schöpfung*); in a wider sense, this attitude is conducive to sustainable development, which, as is widely recognised, is an absolute necessity in our times.

This scheme exhibits a remarkable symmetry putting the Birth of Christ at the Centre of World History. Indeed, as we have suggested in the above, the Judaeo-Christian tradition, stretching

from 2000 B.C. to 2000 A.C. forms the *Backbone of World History*. Given this, the crude considerations on the philosophy of history mentioned above inevitably end up in a Theology of History.

Philosophy and Theory of History

Final considerations on progress and alienation

The unfolding of the potential of human nature may be considered progress, *if* this unfolding goes on in line with human nature, not disturbed by alienation. As rule, however, progress and alienation go together. In fact, as has been suggested in several instances, true progress, that is the unfolding of the human nature, even would not be possible without alienation as, for example, the events of second *axial age* demonstrate. This implies that progress and regress, alienation to wit, may coexist. Moreover, progress and alienation may lead on to Hegelian type dialectical processes. For example, in the Middle Ages, Faith dominated philosophy, in general and as applied to specific domains, society and nature for instance (thesis). Following up Humanism and Renaissance, the sciences, moral and natural, got increasingly autonomous; in the course of the Age of Enlightenment the metaphysical basis of the various sciences was eliminated (antithesis). This emancipation of the various sciences from metaphysics was perhaps necessary to bring about the subsequent fabulous progress in science and technology. Possibly, a strong metaphysical basis is now required again to order and to consolidate what has been achieved to make science and technology compatible with Man, Society and Nature (synthesis). This would imply that science and technology become means again for the prospering of man, to enhance social harmony and to bring about increased harmony between Man and Nature.

Let us now consider some historical instances of the relationship between progress and alienation. In the first place, it would seem that periods of great and intense suffering are frequently followed by highest cultural performances: Germany after the Thirty Years' War with her immense performance in literature, musical creation and philosophy; the European High Middle Ages following up the chaotic conditions in Western Europe after the breakdown of the Western part of the Roman Empire: the Roman Churches and the Gothic Cathedrales in France and the incomparable flourishing of the arts in France, Germany and Italy are prominent examples; the crisis of the late Middle Ages gave rise to Humanism and Renaissance; France entered her great age after the Hundred Years War.

Somehow, it would seem that movements away from the Natural State are followed by tendencies towards this state. Alienation is perceived as a lack, giving rise to challenges, and, as a consequence, produces a reaction against the alienated state of affairs. This might explain why alienation is necessary to produce true progress, conceived as a tendency towards the Natural State at a higher level of unfolding of human nature. However, the, perhaps, most

dramatic instance of the interaction between alienation and historical progress is provided by the Roman Empire and early Christianity. The power and splendour of Rome went along with deep alienation: the institution of slavery and the gladiators fighting in the arenas – human life counted little; the destruction of polities, Israel in 70 A.C. being a most prominent example; and the persecution of the Christians for about three centuries. In fact, the survival of Christianity in the hostile Roman environment can, without exaggeration, be termed a miracle: a tiny, strictly non-violent religious community, based upon deep belief and unshakable moral convictions grounded on charity, stood firmly against the most powerful and best organised Empire of the premodern world for about three centuries, and, against all the odds, won through at the end. Indeed, as a reaction to Roman-type alienation, the agony of the Empire went along with the triumph of Christianity, becoming State Religion. Subsequent to the breakdown of the West Roman Empire and the ensuing chaos, the Roman Church was the only stable institution. As such the Church was able to provide great relief to the Roman population now dominated by the Germanic invaders, particularly in North Western Europe where, finally, an island of stability was to be created through the Empire of Charlemagne. To be sure feudal alienation, frequently associated to exploitation, very quickly distorted this Christian Empire. However, as has been insisted in the above, the Carolingian Empire was the starting point for developments that would lead on to the Breakthrough to Modernity in Western Europe and, subsequently, in the entire world (Mitterauer, Barbero). Moreover, nation building immediately set in Western Europe following up the partition of the Empire in 843 through the Treaty of Verdun. France was to become the great supporter of the national idea, and, as has been suggested in the above, it is not by chance that a most eminent French statesman, Cardinal Richelieu – the Church again! –, has conceived of the new European order after the end of the Thirty Years' War as a Christian community of nations. This conception perhaps foreshadows the future world order; indeed, in the above it has been suggested that the natural world order of the future might reasonably be conceived as a family of nations structured through historical-geographical Federations.

As just suggested, the breakdown of the Roman Empire and the subsequent chaos were followed by the Christian Middle Ages with an incomparable cultural flourishing, first in Carolingian times, and, subsequently and mainly, in the High Middle Ages. The political center of this age was the Holy Roman Empire, in a way, the exact counterpart of the Antique West Roman Empire - the counterpart, or, perhaps better, the follower of the East Roman Empire after the fall of Constantinople 1453 was the Russian Empire. The cultural flourishing

of Christianity went on in Renaissance times and, after the Reform, Catholicism produced the Counter Reform and the Baroque Age.

In this context, two important points have to be noted. First, the Roman Church managed to remain independent of the state following up the breakdown of the Carolingian Empire while always attempting to find a natural relationship between State and Church. Second, the shock produced by the Reform, already due to alienation within the Church, led, on the one hand, to increased alienation within the Church, most importantly, the Inquisition and an ongoing very strong grip on the mind of the believers to preserve the fundamental Christian values in the face of emerging Modernity, with progress in science and technology running parallel to socio-economic alienation. On the other hand, the shock of the Reform and the gradual emergence of Modernity initiated an immense effort of the Church to adapt to the conditions of Modernity and to eventually shape the modern world through the fundamental Christian values to bring about a state of natural liberty within which the social individuals may prosper. This process still goes on very intensely at present. The central problem is to realise the immutable values upheld by the Church in a modern way in order to reduce alienation.

Somehow, it would seem, then, that movements away from the Natural State, that is various types of alienation, are followed by tendencies towards this state. Alienation is perceived as a lack that produces a reaction. This perhaps also explains why alienation may, in many instances, be necessary to produce true progress, conceived as a tendency towards the natural state at a higher level of unfolding of human nature. The interaction between alienation and true progress – unfolding of human nature –, might, in fact, provide a fruitful way of interpreting the course of world history. World history could be seen as the interaction between *the driving forces in history: the striving after perfection, the struggle for power, and socio-economic determinism* as have briefly and broadly sketched in the fifth section of the first chapter *Setting the stage*. A prominent example for this interaction is the historical process, which started with the age of Enlightenment. Considering these interactions it is crucially important to note that the Free Will of Man is, in principle, always respected. However, socio-economic and political determinism may decisively shape decisions taken and actions pursued; the German notion *Sachzwänge* brings the all-pervasive influence of *determinism* to the open more explicitly.

Indeed, the philosophers of the Enlightenment thought that the French Political Revolution political would bring about democracy, and the individuals would enjoy liberty and equality, and, given this, there was no reason why fraternity should not reign, too. The English

Industrial Revolution would initiate material progress in the form of unlimited economic growth. And the sciences, natural and social, and the humanities would flourish.

There can be little doubt that these promises have been fulfilled in part. Time and again, Marx points to the fundamental historical role of Capitalism, which would promote the forces of production in an unprecedented way through more efficient techniques of production and the introduction of ever new products. However, Marx also argued that, under 19th century Capitalism, system-caused alienation culminated through the precarious condition of the working classes, and it seems evident that present-day globalisation is, in part, also a globalisation of poverty and misery. As Marx perceived, alienation arose because there was a contradiction between the rationality of individuals and the rationality of the system. In Marx's view, this contradiction arose on account of the institution of private property. Later Keynes argued that the principle of effective demand embodies contradictions between the behaviour of individuals and the functioning of the system, the paradox of thrift being a prominent example. On the political side, problems also arose. *Who really governs in a democracy*, remained a favourite question in the sociology of politics. Democracy as is embodied in Rousseau's *volonté générale* could even change into terror in the hands of the idealist and purist, as was Robespierre.

Probably, alienation arose because of two factors in the main: imperfect knowledge and excessive striving for power, economic, political, and military. Individualism as was embodied in liberal doctrine and in capitalist reality did not prove appropriate to organise modern monetary production economies, with the large-scale proprietors of the means of production and those in control of the financial institutions dominating economically and, in the last instance, also politically. There was no tendency towards harmonious full employment equilibria. Quite the contrary, cumulative processes lead, as a rule, on to self-reinforcing disequilibria characterised by large-scale poverty and misery, with high involuntary unemployment, on the one hand, and expanding islands of immense wealth and luxury consumption on the other.

Nevertheless, as suggested repeatedly, Marx's considered Capitalism as historically necessary because it developed the forces of production through technical progress, creating thus the preconditions for Socialism, where contradictions and antagonism between social classes were supposed to vanish. The breakdown of Capitalism would, according to Marx, come about through increasingly deeper crises, which occur on account of the contradictions inherent in the capitalist system. Here, as Marx suggested, the crisis appears as the violent solution of the contradiction (*Die Krise ist die gewaltsame Lösung des Widerspruchs*).

From an entirely different perspective, Hegel also argued that World History did not provide a fertile soil for happiness (*Die Weltgeschichte ist nicht der Boden des Glücks*). In a way suffering seems to accompany the march of the Mind through history. Nevertheless, with Hegel reason reigns also in alienated circumstances (*alles Vernünftige ist wirklich, und alles Wirkliche ist vernünftig*) and liberty is insight into necessity (*Freiheit ist Einsicht in die Notwendigkeit*). Only when all contradictions are overcome and alienation has vanished true liberty comes into being. With the Mind having found himself, his nature, concretely through the experience of history, he acts through human beings in line with his nature.

Many writers have criticised Hegels theory of liberty – Einsicht in die Notwendigkeit – in relation to his explanation of reality, which he sees as reasonable, while, conversely, all that is reasonable will become real (Alles Wirkliche ist vernünftig, und alles Vernünftige ist wirklich). Given this, how to explain that the Thirty Years' War, the two World Wars, the Holocaust, and the massacres of Civilians in the East were necessary and reasonable stages on the way to the state of liberty? And, even more, how could all those who perished have had the insight into the necessity of these events, not knowing the final state of liberty?

Hence with the liberals, with Hegel and Marx, the idea of progress dominates, though in differing shapes. Spengler and Toynbee are on the opposite side: civilisations rise, flourish and decay. Real progress is absent. Happiness and suffering coexist. Suffering can even be a precondition for happiness. Probably, Schopenhauer's pessimism comes in prominently here. Ultimately, there is no sense in the course of world history, or time is not yet ripe to perceive this sense.

What now about progress and alienation in an openminded, undogmatic and openended *Catholic-Theistic* vision of world history, set out in this essay? First of all, as we have suggested in line with Jacob Burckhardt, there is no consideration of the first and last things here. This is the subject matter of the Theology of History, which, as Jean Daniélou, and certainly others, have perceived, is associated with Mystery and Faith. Hence the present essay represents an attempt to provide a *reasoned* sketch of World History founded on some kind of evidence and *based upon* the Catholic-Theistic vision. It must be emphasised, it is an *attempt* associated with *probable* knowledge; as suggested at the outset of this essay, the degree of probability, that is the degree of rational belief that may be placed in our conclusions (Keynes), depends upon the quantity and, above all, upon the quality of the evidence considered, that is on the width and depth of the argument.

To avoid misunderstandings, we do not want to argue here that the Catholic religion is the only true religion, a claim, which, incidentally, is made by each religion, explicitly or implicitly; this type of argument would be theological. We only want to suggest that the Catholic-Theistic vision of the natural and supranatural dimension of man and society, and the conception of Deity as Trinity, provides, in our view, the most appropriate, or the most probable, and, as such, the most plausible, basis (Keynes), for providing a reasoned outline of world history.

Given Keynes's probable nature of our knowledge, a plurality of religions is presumably an appropriate state of affairs. The absolute domination of one religion would in all likelihood imply the danger of fundamentalism and dogmatism, and the striving for power, associated to alienation, might eventually invade the religion in question. What is crucially important, however, is the dialogue between religions. Each religion, would, in dialogue with others, think through the basic theological issues time and again, perfecting thus the system of thought making up its doctrine. There would be mutual enrichment of the various religions. Again, this does not mean that all the religions are on the same level. There are religions that are richer or more comprehensive and, hence, more complete than others. This, in turn, may imply that some or even only one religion will prove more attractive than others in the long run and in the very long run. Here, comprehensiveness and the associated completeness are of crucial importance. A great religion must not only dispose of a theological system, but, as Jacques Maritain has suggested in relation with his "Humanisme Intégral", must comprise a Philosophy of History and a Social Philosophy as well as a system of Social Ethics. And, as has been emphasised throughout this essay, on this philosophical basis a system of social and political sciences must be erected, with political economy, the key social science of the modern era, at its center. And in all this the vision on the nature of man and of society, and Man's relation to the supranatural is of fundamental importance. In this context, one might suggest that Deism, Protestantism and Individualism underlies Liberalism, and the economic theory of Liberalism, that is neoclassical economics; Theism, Catholicism and Personalism are constitutive to Social Liberalism, and Classical-Keynesian Political Economy; the social individuals mutually enrich each other through society to become persons on the basis of a well organised economy, with the employment and distribution problem solved as far as in line with human possibilities. Given all this, it is highly plausible that Catholicism captures most appropriately the natural and the supra-natural dimension of the essence of Man as a reasonable and social being.

The Catholic-Theistic position regarding progress and alienation could, perhaps, be summarised as follows. There is progress, and progress is the unfolding of the potential of human nature. The basis for this unfolding has been laid in the first and second *axial age*. The first *axial age* (800-200 B.C. approximately, with a focus on around 500 B.C.) brought as, based on Jaspers, has been suggested above, the breakthrough to the issue of *Truth* in all domains, also in the realms of *Goodness* and *Beauty*, which had been discovered before. In a way, first *axial age* was a revolution, taking place within the mind, equipping humanity with the intellectual tools to get hold of the objectively given real world. However, the second *axial age* (800 A.C. to 2000 A.C.) was about improving the material foundation of human life by the growing mastery of nature through Science, resulting in economic growth through technological progress. The time-period from 800 – 1500 was of a preparatory nature: socially, there was the formation of the European bourgeoisie, most importantly the economic bourgeoisie, in the Medieval cities; and around the water-mill a machine-building tradition emerged, culminating in the construction of relatively complex clockworks (perhaps based upon Chinese descriptions of clockwork construction as J.A. Hobson reports). The great discoveries and overseas trade resulted in a tremendous strengthening of the bourgeoisie, on which the European Kings had to rely upon to build their nation states through establishing a state administration and building up standing armies using ever more sophisticated weapons. The crucial time-period of second *axial age* was 1750-1830: the English Industrial Revolution and the French Political Revolution brought about Karl Polanyi's *Great Transformation* of traditional agrarian-cum-trade societies to modern industrial societies. And Enlightenment brought the reign of sovereign reason, totally cut off from metaphysics and Faith, and the confident belief in unlimited progress in all domains. As insisted upon repeatedly, this Enlightenment attitude was, presumably, the precondition for the fabulous progress in sciences and technology in the 19th and in the 20th centuries.

Goethe's life (1749-1832) exactly covers the core period of second 'axial age' and, like no other, Goethe has understood the deeper implications of the Great Transformation. Indeed, his Faust, particularly volume two, points to the great danger of the modern era: unlimited, straight-line striving for power and money, which gets out of control and, as such, is ultimately destructive, as Hans Christoph Binswanger has beautifully pictured in his Geld und Magie – eine ökonomische Deutung von Goethes Faust. Goethe's Zauberlehrling points into the same direction. Here it might be added, that Shakespeare, too, extensively dealt with

themes of power and money, as did Marx at the outset of the first volume of Das Kapital (Marx 1973-74, vol. I, pp. 109-60).

The time-period 1815-1914 was the period of the *Pax Britannica*, followed by the Apocalyptic Age 1914-1945 with Germany at the centre. The Second War was followed by an age of nuclear-terror equilibrium between Capitalism and Socialism. The breakdown of Socialism in Eastern Europe and in the Soviet Union at first seemed to result in the complete victory of Liberalism as embodied in Capitalism to increasingly give way to an Orwellian scenario of several power groups attempting to extend their power base through laying hands on primary products and to find outlets for final products; in this context Jacques Sapir's *Le nouveau XXIe siècle – Du siècle américain au retour des nations* is of great importance.

On the one hand, in both *axial ages* basic breakthroughs resulted; there was progress. On the other hand, both were times of intense alienation, and somehow alienation seems necessary to enable progress. Hegel and Marx thus seem to have got a point. However, Spengler and Toynbee seem also to have got a point, different though: Civilisations rise, flourish and decay, and decay seems also due alienation: if human societies are not in their natural state, there is some kind of lack, and this deficiency leads on to their decay (Rome), or, as Toynbee remarks, to a sort of petrification which results from perfecting to a very high degree certain dimensions of man and of society (Egypt, Mesopotamia); probably this perfection took place by insight into Goodness and Beauty on the basis of intuition and imagination – the problem of Truth, that emerged in the first *axial age*, did not yet exist. The lack of freedom to varying degrees seems to be the fundamental cause of decay or of immobility.

In this context, another issue moves to the fore: the very strong resistance of highly perfected polities, civilisations, and religions against liberal-capitalist modernity, because of the alienation produced by Capitalism. Important cases in point are China, the Islamic Civilisation, which cannot be separated from Religion, and the Roman Catholic Church. Traditional China, as has been mentioned above (*Konrad Seitz: The sequence of events in China*), has produced an ethically high-ranking and culturally refined civilisation, with a highly developed art of governing and a foreign policy based upon peaceful relations with her neighbours. Islam, also, has given rise to a highly refined civilisation and a flourishing economic life as has been emphasised by Marshall G.S. Hodgson (1993) and John M. Hobson (2004). The Roman Catholic Church had developed the Scholastic system of thought, a comprehensive synthesis of Aristotelian realist philosophy and Christian faith, a system of thought that has been perfected and refined by great thinkers. Here Jacques Maritain certainly

figures prominently. And the Roman Church has decisively shaped Western art and civilisation, and the way of life of Western Christianity altogether.

Now, traditional China, Islam and the Catholic Church, have developed great resistance against Liberal and Capitalist Modernity because all three saw their values, and also their power position, threatened. Nineteenth century Europe, for example, saw an intense ‘cultural struggle’ (*Kulturkampf*) between modernist Liberals and Socialists on the one hand, and the anti-modernist Conservatives, led by the Catholic Church on the other. Jacques Maritain wrote his *Antimoderne* just after the First World War. To the liberal and socialist emphasis on socio-economic and scientific progress, the Catholic Church frequently tended to reply by fundamentalism and dogmatism, and an increased grip on the mind of the faithful.

However, within China, Islam and Catholicism, there were also important forces aiming at reconciling Tradition and the associated values with Modernity, society and science. For example, Jacques Maritain says that his *Antimoderne* could have equally been called *Ultramoderne*, expressing thus the desire of the Catholic Church to cope with and even to go beyond Modernity. Moreover, this attempt of the Catholic Church to deal with the socio-economic problems that arose from the Great Transformation gave rise to a specific Catholic Social Doctrine.

It is at this stage that the *truly gigantic* performance of Maynard Keynes emerges. In our view, through his notion of *probability* – knowledge obtained by argument is always probable to some degree - and through his *new political economy*, dealing with modern monetary production economies, no longer with traditional exchange economies, Maynard Keynes enables *all civilisations*, for example Chinese, Indian, Islamic, Western, and *all great religions* – Jewish, Christian, Islam, Hindu and Buddhist – to cope with Modernity and, simultaneously, to preserve their fundamental values. For example, Keynes’s notion of *probable knowledge* gives a tremendous impetus to Aristotelian realism, enabling the Catholic Church to bring her doctrine into line with modern social and natural science. And the *surplus principle* implied in *classical-Keynesian* political economy enables the various societies to permanently put to use the social surplus in very differing ways; indeed, institutions allow each country and each region to realise permanently, eventually in changing forms, its specific social and individual values, also traditional values. Hence, as has been emphasised in this essay, the fact that knowledge is probable renders possible a diverse world, rendering possible mutual enrichment, and with alienation largely eliminated. The same values may, in fact, be aimed at in very different ways. In this vein, the great religions appear, as a Mongol Chief remarked in the 13th century, as different ways to the same mountain peak. This does of

course not exclude that some ways, not necessarily easier, are more appropriate than others because they enable to more fully appreciate and to more intensely enjoy the vision offered by the peak. These ways would be more closely in line with human nature, including the relation of Man to the supranatural, and, as such, would be more attractive than others because they would lead to a broader and deeper unfolding of the human nature.

This way of interpreting Sacred History has a very important implication. The religion, whose doctrine is closest to, or even entirely, in line with human nature, would, in fact, be a complete and universal religion. Since human nature is the same everywhere and in all ages, all human beings would, explicitly or implicitly, belong to the religion in question. In any case, this religion would be attractive to all human beings pertaining to most various civilisations. Or, in a different perspective, the religion in question would potentially encompass, again explicitly or implicitly, all the other religions, or, at least, there would be more or less large intersections. Given this, all human beings and all peoples and civilisations, in fact, *Mankind as a whole*, would, on account of their fundamentally common human nature, belong to the complete and universal religion, whether they formally adhere to it or not. Moreover, the implementation of human nature through the natural order within and between states, enabling a natural way of life, leading on to the prospering of the individuals would produce an irresistible attraction. In a way, the natural as a *telos* would attract alienated existence everywhere. All that is required is that there are some countries giving the example. It has been repeatedly argued in the above that, to provide an example for socio-economic and political organisation in line with human nature is, at present, the great duty of Europe, the Laboratory of World History.

At the end of the chapter on *the vision and the values underlying the essay* and at the close of the section on *the necessity of theorising* of the chapter on *concluding remarks*, it has been suggested that the *Catholic Church* is very likely to be the all encompassing and universal religion. In fact, the doctrines of the Church on the relation between Creator and Creation, the nature of Man and his destiny, and the meaning of History have been elaborated through an intense social process of intellectual-spiritual activity lasting for two thousand years. This is unique and distinguishes Catholicism from all other religions. It is important to note that this argument is *not* of a theological nature but emerges from historical considerations based on social and political science. Indeed, it has been argued in this essay that the Catholic Church has set Europe and subsequently the entire world on the way to Modernity, which came into being in an alienated form almost by necessity. Now, on the threshold of the third Millennium, a largely alienation-free natural order will probably have to be based on the

Catholic *Weltanschauung*, which underlies the doctrine of Social Liberalism, on which, in turn, classical-Keynesian political economy and an associated system of social and political sciences may be erected.

Given all this, the visible and formal Church would be a kind of beacon providing orientation in all domains of social and individual life, including of course a sense of life, for all those not formally being members of the Church. Both the visible and the invisible Church would encompass Mankind as a whole. The orientation provided by the visible Church will result in the gradual coming into being of institutions in line with human nature. The Western family (Mitterauer) and an organisation of the state and of society along social liberal lines would be examples for such institutions. Further institutions in line with human nature could relate to education, and, as a consequence, to intellectual and spiritual life.

Suggestions about what *is* natural have been made in several instances in this essay. Three features of the natural, all of which have been alluded to in the above, move to the fore. There is first the natural socio-economic and political order along *social liberal* lines *within* political societies, and *between* societies and states. Given this, the world would constitute a family of nations, structured through historical-geographical regions. A second feature of the natural society is a specific type of family, that is the Western type family. As Michael Mitterauer suggests this family type is, in a Christian vein, not based on the descent, father to son, principle and the subsequent formation of family clans comprising various generations. Instead attention is focused on the family proper, husband and wife, and on bilateral kinship, i.e. relatives of wife and husband. To this adds 'spiritual kinship' (godfather, godmother, for example). This was the origin of social mobility, and of institutions becoming gradually independent of the persons occupying them. In fact, Christianity itself is a community organised by a hierarchy of charges, which are occupied through ordination, not through descent (Mitterauer 2003, p. 83). Moreover, the traditional family based on descent and associated to clans is natural in the sense of the original, where determinism associated to the efficient cause prevails. However, the Western type Christian family is linked up with the natural in the sense of an aim to be realised, the good family to wit, with the final cause dominating and with liberty prevailing. A third basic characteristic of the natural state of affairs is an education system in line with the natural way the human mind works. Here the acquisition of knowledge is, indeed, a matter of the mind as is the case with Aristotelian realism. Through intuition, reason and analysis, human beings attempt to get hold of the essence of phenomena; however, as Maynard Keynes had emphasised, knowledge is bound to be imperfect and probable, if complex phenomena are considered.

Of course, these three dimensions of the natural represent principles, which may be realised in very different ways in space and time. And, very importantly, the state, the family and the education system are in an approximately natural form if the social individuals may prosper to the greatest possible extent and if a maximum scope of freedom obtains. Incidentally, this implies that modern religions should no longer try to convert, or to exercise coercion of some kind to prevent members from leaving. Modern religions ought to convince through an all-encompassing project, that is an openminded and openended system of thought: a theological system, a philosophy of history, a social philosophy, a system of social and political sciences, and a system of social ethics associated to a system of ethics for the natural sciences. The aim would be the setting up of good political societies, as a precondition for the good life of the social individuals based on a sense of life, and to bring about a broad harmony between man and nature. In this way religions would become attractive through contributing to the setting up of examples of good societies in which the social individuals may prosper in conditions of freedom.

Hegel clearly perceived that *freedom for all* was the basic feature of a society free of contradictions, in line with human nature and, consequently, with alienation absent. But the problem is that there are different conceptions of the human nature and hence of freedom. For example, in Hegel's pantheistic system, human being are just fractions or tools of the Deity, the Mind, and it is just the Mind who is free, not human beings, whose thinking and acting is entirely determined by the Mind. Moreover, society also must be organised according to the social nature of man; in fact, social organisation ought to be such as to bring about a maximum scope of freedom. With heavy unemployment and a highly unequal distribution of incomes and wealth, the determinism of the system moves to the fore and crushes material – real – freedom, which becomes largely formal for large parts of the population.

Now, in this essay it has been attempted to argue that basically there three options of social and political organisation for humanity, World Empire, the Orwellian situation, and the World as a Family of Nations structured through historical-geographical regions.

World Empire, be it capitalist or socialist, is not feasible simply because the system would crush man (see the above section on *the natural world order*). Incidentally, this seems to be the case with all *too large* social organisations, for example, too big enterprises degrade workers and employees to pieces of a huge mechanism. Similarly large universities are simple not compatible with the idea of university, where scholarship should be conducive to holistic, emancipated and creative thinking, which, in turn, would lead on to good teaching and to fruitful research. In large universities, teaching and research tend to become more and more

specialised; simultaneously, the philosophical and historical basis, for example the history of facts and ideas in economics, are gradually eliminated, with teaching and research both tending to become a system; original and creative thinking gradually gets eliminated, and there is a danger for the system to dominate thinking along standardised lines, governed by power relations, and enhanced through rankings and evaluations. And there is the additional great danger for the system to become self-preserving through Alexis de Tocqueville's tyranny of the majority.

Given the dangers of large and complex systems, Edgar Schumacher's *Small is Beautiful* should really be taken account of in this context, and should, in fact, be generalised. Indeed, smallness goes together with diversity, out of which fruitful interaction may result. As suggested above, Jaspers certainly got the fundamental point when he says that large systems – he thinks of a World Empire – would reduce human beings to ants, busily maintaining the system, but not aiming at realising higher values, and with the mind gradually drying up (*Austrocknen des Geistes*). This drying up of the mind is presumably strongly related to the vanishing of the metaphysical basis in the social, human and in the natural sciences emphasised by Jacques Maritain; and in practical life spirituality is fading away, above all in the highly industrialised countries. Eric Voegelin in his *Die Krise: Zur Pathologie des modernen Geistes* seems to go in the same direction (Voegelin 2008). Indeed, in this work, Voegelin analyses the intellectual movements, which, since the Age of Enlightenment, have led to the gradual destruction of the spiritual foundations of Western Civilisation and ended up in the Apocalyptic Age 1914-1945. Here, as has been suggested, Nihilism became total in the totalitarian regimes of the time. Significantly, the first part of Voegelin (2008) is entitled with *Apostasie* (break away from the Church).

At this stage, it must be mentioned that the implications of the presence or the absence of a metaphysical basis for the individual have been appropriately pictured by Erich Fromm in his Haben oder Sein (To Have or To Be). Erich Fromm's book is also in line with Edgar Schumacher's ecological preoccupations set out in Small is Beautiful.

The second option, the Orwellian struggle between huge power blocks, would, in all likelihood, reproduce many characteristics of world empire and would lead humanity to the brink of social and environmental collapse and, possibly, even lead to effective collapse.

The third option, applying Schumacher's *Small is Beautiful* to political organisation, seems the only way out. The small and medium-sized state as has emerged in a long and painful

historical process in Western, Central and Northern Europe is the only type of polity in line with human capabilities. And the natural political world order outlined above would complement the natural political order within states. It has been suggested that the world as a family of states should be structured through *intersecting* and *superseding* historical-geographical Federations. This Social Liberal world order would, on the one hand, *preserve* the achievements of the historical past in the realms of Goodness, Beauty and Truth to immensely enrich the present and contributing to shape the future (*im Sinne von Hegel würde der ganze Reichtum der historischen Vergangenheit in der Gegenwart aufgehoben sein*). On the other hand, this view of history would greatly stimulate historical research, enhance the search for roots, and favour development – material, intellectual and spiritual – as coming from inside societies, based upon their own values; this immanent development process would be complemented and enriched by the interaction with other societies and civilisations. This historically grounded Social Liberal world order, based on the Catholic-Theistic vision of man, would give history a remarkable unity and a profound sense, provided by the unfolding of the potential of human nature, which also means moving from determinism to liberty. Moreover, as will be seen in the very last section of this essay, world history may also be seen as the movement from the social harmony of the original state, through the break-up of this harmony resulting in alienation, to end up in the universal striving after the *telos* of social harmony in the form of small and medium-sized states brought together in historical-geographical federations.

Incidentally, Schumacher's Small is Beautiful does not imply that large-scale production associated with far-going specialisation within the process of production should be abolished. Large-scale production may remain necessary in many domains, car production for example. However, as has been suggested in previous chapter, alienation within the process of production, boring work in the main, may be largely eliminated through setting up automatic production systems, in which computers and robots will play the dominant role. Hence computer-steered production would largely eliminate alienation with the process of production.

We may now make the crucial point. Humanity had to go through the alienation of the two *axial ages*, to progress and to acquire the intellectual and material means to create richer, in fact, intellectually and materially very rich societies. And throughout history, man, specifically decision-makers, have, in principle, been able to act freely, although freedom of

choice has always been greatly restricted through objective conditions. Since the Great Transformation the pressure of objective conditions on the decision-makers has become increasingly stronger. Indeed, the capitalist system has produced almost irresistible determinism, which finally led on to the Apocalyptic Age. In the section *Germany 1871-1945 and the Apocalyptic Age 1914-1945* it has been suggested that the interactions of determinism – the determinism of the system – and chance – the silk thread -, led on to a very large degree of alienation in National Socialist Germany and in Soviet Russia and, finally, to the total defeat of the mightiest military power that ever existed. What indeed could have happened in case of a German victory? It is not completely fanciful to imagine that Germany would have crushed her capitalist competitors, the British Empire and the United States, and would have been the first power to acquire the atomic bomb. Given this, German world dominance would have become a real possibility. This would have been a truly fearful state of affairs because nihilistic and ferocious National Socialist Germany was, in a way, the exact opposite of the peaceful and culturally high-ranking Holy Roman Empire of German Nation. However, the silk-thread element of chance, the faithful would speak of providence, directed the stream of determinism in a certain direction, that is to the defeat of Germany. Through the intervention of Klaus Fuchs – yet another silk-thread element - this cleared the way to the nuclear-based equilibrium between the Western Capitalist and the Eastern Socialist Block. Since the late 1980s both seem to be disintegrating, to hopefully preparing the way for Keynes's *Social Liberal World Order*.

From all this one might conclude that human action, based on free will of the relevant decision takers, with the freedom of choice more and more restricted through objective factors, the immensely complex socio-economic system that emerged after the *Great Transformation*, through the heavily alienated turbulences of two *axial ages* to the present, where the preconditions exist to greatly reduce alienation by creating a natural world order – the world family of states - which, in turn, would go along a natural political order within states. This natural political order within and between states would be associated with a maximum scope of freedom, enabling emancipated and openminded thinking in all domains. This would, in turn, provide the basis for the mutual spiritual, intellectual and material enrichment of the various civilisations. The world would be a diversified, active and living place. This would be in analogy to the Christian conception of the Deity: the active and living, hence dynamic Trinity.

This conception of the Trinity is, perhaps, brought to the open most appropriately by Andreï Rublev's Trinity Icon exhibited at the Tretiakov Gallery in Moscow. While this Eastern view of the Trinity reflects Platonian objective idealism, Western Christianity is realist in the sense that it emphasises the link between the supranatural and the natural established through Christ, which amounts to strongly linking the Creator with his Creation.

All this is just another way to say that social and political theories, Social Liberalism in this case, emerge from a wide and all-encompassing vision of man and of society, whether social theorists are conscious about this or not.

To put it in a nutshell, in the course of world history humanity has moved from a natural state of social harmony, characterised by the determinism of the *efficient* cause, to the neighbourhood of a natural state characterised by social harmony and natural liberty both implying the *final* cause. The aims are provided by the objectively given fundamental values, Goodness, Beauty and Truth in all spheres of social and individual life. To approximately realise these values in all domains represents striving for perfection, the natural driving force in history. Since absolute perfection is outside the reach of human beings, the striving for perfection is infinite, and nevertheless limited. As Goethe said, the human striving after perfection may be represented by moving in a circle: always doing the same thing with ever growing perfection. To generalise the striving after perfection and to broadly order it, an appropriate education system is fundamental. The generalised striving after perfection requires liberty. This, in turn, requires an appropriate social organisation, precisely such that the scope of liberty is maximised. Societies in which the striving for perfection dominates would be stable and harmonious and, as such largely free from alienation.

In the present times, it is, indeed, a *duty* for Humanity to attempt to realise Keynes's natural, largely alienation free Social Liberal society, and the associated natural world order, the world as a family of nations, structured through historical-geographical regions. *This would, in fact, mean consolidating and bringing into a natural order what has been achieved during the two axial ages, thus largely eliminating alienation, in a way, bringing in the harvest of human history.* Indeed, to arrive at the threshold of this possibility, Humanity had to endure immense suffering and huge sacrifice had to be made, perhaps most intensely during the two *axial ages*, and on a dramatic scale during the Apocalyptic Age 1914-1945, when alienation – *Gottferne* - culminated. To establish a natural order within and between states, such that human beings of all nations, and all states and religious communities, may live in peace and

may mutually enrich each other, would mean that the suffering and the sacrifice of alienated history has not been vain.

Once again, however, facile optimism is not warranted here. Gigantic problems have to be solved, Israel-Palestine, Iraq, Afghanistan, Kashmir and Tibet, Darfur, the Eastern Congo, Rwanda, the problems that arose from the break-up of Yugoslavia and of the Soviet Union, to name but a few. Here, courageous action of statesmen and stateswomen, and diplomats, of churchmen and churchwomen and of religious men and women in general, will certainly be required. However, courageous action can only be undertaken if sensible solutions may be proposed. There is considerable reason to believe that, based on Keynes's doctrine of *Social Liberalism* and the associated system of *classical-Keynesian political economy*, both alluded to in this essay, and relying upon their political and socio-economic implications, constructive solutions for complex socio-economic and political problems may be found. In this context, we cannot but mention Spinoza, who wrote: "If courageous action resulting in mutual pardon succeeds in reconciling mortal enemies, the love that will ensue will be the greater, the greater has been the hatred prevailing before." There is immense hope in this proposition.

Epilogue: Remarks on the course of history and its meaning

The course of history – a suggested interpretation

To end these considerations, some tentative remarks as to the course or path and the meaning of history may now be made on the basis of what has been said in the preceding. The path of history seems to start with man as part of nature, with natural laws prevailing deterministically; in fact, the efficient law dominates and possibly enforces social harmony. The unfolding of human nature seems to tend towards a natural state of liberty where the final cause dominates and social harmony becomes an aim to be reached. Alienation prevails throughout. This means that alienated history is characterised by a gap between historical reality and the natural state. More or less intense alienation creates a tension between the natural and the historically prevailing state, which, in turn, produces a tendency to reduce alienation. These efforts to reduce alienation may result in progress characterised by the unfolding of the potential of human nature. The two *axial ages* referred to in the above are associated with breakthroughs in this unfolding. It has been suggested that the course of history has been such as to lead to the threshold of a fully unfolded natural state where the

final cause associated with liberty may enable mankind to realise the fundamental values of Goodness, Beauty and Truth in all domains in very different ways, characterising the various civilisations. With alienation reduced to a minimum achievable by human beings, this natural state would enable the social individuals to prosper in conditions of freedom. This would, in fact, be the aim of history, a state of the world in which the path of – alienated - history terminates. This final state would not be something static, however. The natural state would be dynamic and living. For example, the mutual enrichment between social individual and, on a larger scale, between civilisations would produce new ways of realising the fundamental values in all domains.

In a way, the whole path of history is shaped through the interaction between behaviour and the determinism exercised by an objectively given situation. ‘The historical circumstances shape man, and man gradually forges the circumstances’, Marx and Engels state in the *German Ideology*: “[...] dass also die Umstände ebensosehr die Menschen, wie die Menschen die Umstände machen”(MEW, vol. 3, p. 38). If the circumstances are complex, human actions always take place on the basis of imperfect knowledge, probable knowledge in Keynes’s sense, and under material and formal constraints (*Sachzwängen*). This implies that chance elements direct the stream of determinism in very different directions, a fact that has been emphasised in the preceding lines in relation with ‘silk-thread’ elements in the main. Given this, there would have a very large number of alternative paths. For example, history would have taken an entirely different course if the Persians had remained victorious against Alexander the Great, if Carthage under Hannibal had crushed Scipio’s Rome, if the Mongols had destroyed Europe in the 1240s, if Germany had not annexed Alsace-Lorraine in 1871, as Bismarck had perhaps wished.

A crucial question now arises? Why out of this very large, perhaps even near-infinite number of possible paths of human history, one precise path has prevailed, leading humanity to the threshold of a potentially immensely rich natural state in which the social individuals of all polities may prosper. Is it a series of chance elements, or something else, Providence in the first place? Even the sceptic must admit that Providence is a very plausible, probably even the most plausible explanation of the specific path human history has taken up to now. This might imply that Man thinks and acts in conditions of imperfect knowledge and under material and intellectual constraints – the *Zeitgeist* providing the dominating ideas – in more or less alienated conditions and that a Supernatural Power directs the stream of determinism in a specific direction – related to this is the highly appropriate German saying: *Der Mensch denkt, Gott lenkt*. And it is possible, even likely, that the Creator also intervenes through

directly inspiring the thinking and the actions of outstanding human beings through providing them with exceptional abilities. Cases in point would be eminent Men of the Church like Pope Gregory the Great and Alcuin of York, great philosophers (Aristotle, Plato, Thomas Aquinas, and Descartes), writers and poetes like Shakespeare and Goethe, composers: Bach, Mozart and Beethoven for instance, great political leaders like Churchill and de Gaulle, natural scientists, Newton and Einstein for example, and, last but not least, political economists who contributed to the understanding of immensely complex monetary production economies: François Quesnay, David Ricardo, Karl Marx and Maynard Keynes. Going back further in history, the thinking and the actions of the Biblical Prophets, the coming into being of the first Civilisations, and the breakthrough to Truth in the course of Jasper's (first) Axial Time can probably be explained through Divine intervention only. Thus, the Creator also guides thought and action of outstanding individuals to direct the stream of determinism in a certain direction. This is the essence of *Theism*, which implies that Humanity would not be able to solve the exceedingly difficult exam puzzles arising in the course of World History without Divine help and to remain on the path leading to an ultimate Natural State synthesising and preserving all the great achievements of human history or, perhaps more appropriately, realising Hegel's *Aufhebung*.

In this context, it may be mentioned that, in War and Peace, Tolstoi suggests that the outcome of great historical events, battles for instance, is due to chance, not to Providence. At the time, this incurred him the displeasure of political, religious and other authorities and, as a consequence, Tolstoi did not become, as was generally expected, the first Nobel Prize winner in Literature – in fact, he never got this prize!

Indeed, looking at isolated events inevitably gives the impression that the course of history is governed by chance elements. However, attempting to establish Providence as guiding history requires a comprehensive vision of world history as is tentatively suggested in this essay. Events have not to be considered isolation, but as linked in specific way, giving rise to the particular course history has taken, leading humanity to the threshold of the possibility to realise a Natural Order within and between states as has been sketched in preceding chapters.

But if *Providence* guides History, the question as to the sense of the immense suffering associated with the specific path human history has taken inevitably arises. Understandably, many could not accept the tremendous amount of suffering that occurred and still occurs in

human history. Given this, Marx proposed that Man himself should become master of his destiny, and should not rely on supernatural powers, just as Prometheus wanted to do; and Iwan Karamasov, in view of the terrible suffering of Mankind, of children specifically, wanted to return the entry ticket to the world theatre to the Creator of this world. It has already been suggested that human beings can only attempt to provide an answer to the question of suffering, a definite answer being outside the reach of human capabilities.

Probably, permanent large-scale social suffering arises because of alienation, with societies not being in their natural state. Given this, political, military, intellectual and religious leaders have to take decisions under various constraints and imperfect knowledge. With mistrust and hatred prevailing, a struggle for survival may come into being, and suffering increases. However, and this is certainly a crucial point, the *Free Will of Man* is, in principle, respected in all circumstances.

Perhaps, suffering may be considered a test (*Prüfung*) for individuals and societies. Suffering represents a challenge for Man, and facing and attempting to master most difficult situations reveals the immense potential of human nature and may contribute to the unfolding of precisely this human nature. It would seem that the specific path history has taken has perhaps brought about the greatest possible challenges which could be imagined. In a way, if history is considered a huge exam for Mankind – social individuals and political societies -, then the questions have certainly been most difficult and intricate; and if we think of the huge problems of the present age: economical, social, political, cultural, and environmental problems, then the examination questions put to Humanity go on to be most difficult. This would be an ontological suggestion to interpret the sense of history, associated to the fundamental values of Beauty and Truth. In a moral perspective, in relation to Goodness to wit, Schiller was perhaps right: *Die Weltgeschichte ist das Weltgericht*. This proposition should be taken very seriously since it is certainly based on deepest insight and direct knowledge of crucially important facts. Indeed, as is well known, Schiller was a very great poet and writer; moreover, he wrote a history of the Thirty Years' War; and, finally, having lived from 1759 to 1805, he witnessed the core time-period of the *Second Axial Age* (1750-1830) which brought about the *Great Transformation* through the *English Industrial Revolution* and the *French Political Revolution*. It is well known that Friedrich Schiller very intensely dealt with the significance and the implications of the *Great Revolution* in France.

However, social and personal suffering may become so immense that it would be unbearable without faith and the associated hope of relieve from pain in another life. Perhaps, without profound faith the Jewish, the Polish and the Russian People could not have survived the

Apocalyptic Age. Moreover, it is a fact, that, in regions where profound faith prevails in specific ages, people are, as a rule, joyful and serene, even those to whom fate has been unkind. The great importance of religion to cope with suffering is expressed most appropriately by the representation of the Final Judgement in the Sophia Cathedral in Kiev through a balance. The left hand side of the balance is charged with suffering, the right hand side indicates the position in Paradise. The more intense has been the suffering, the higher up is the right-hand side of the balance. This can perhaps be explained best by an analogy: Imagine Paradise – which is the same for all - a nice room being at a pleasant temperature. All those who had an easy and successful life, will find the room normal and ordinary. However, those who had to endure intense cold, suffering and failure to wit, will find the same room wonderful and extraordinary.

These are of course just tentative suggestions. A rational explanation of the meaning and the significance of large-scale social suffering through wars, economic crises and natural calamities, and, of course, also of personal suffering through heavy illness, for example, exceeds the capacities of the human mind. The profound meaning of suffering is bound to remain a mystery.

Catholicism and the course of history - Eric Voegelin

Toward the end of the 19th century many writers complained about the increasing fragmentation of the social and political sciences, and the ensuing loss of perspective. And these processes went on unabated in the course of the 20 century, specifically in the domain of economic theory, such that, presently, a coherent system of economic theory, capable of providing a conceptual basis for sensible socio-economic policies, simply does not exist. However, it would seem that a system of post-cum-classical-Keynesian political economy is slowly and gradually emerging (Bortis 1997/2006, 2003a). This system of political economy emerges from the social philosophy of Social Liberalism (broadly sketched in Bortis 1997/2006, chapter 2), which, in turn, is based upon the Catholic *Weltanschauung* and can, as such, be associated to Jacques Maritain's *Humanisme Intégral*. Throughout this essay it has been argued that, in the social and political sciences, philosophising and theorising on very complex issues, involving man and society as a whole, can only proceed on the basis of a vision or *Weltanschauung*. Isolated pure theory is meaningless.

This is in line with a claim made in 1900 by Hermann Diels, a prominent member of the Prussian Academy of Sciences, at a time when the fragmentation of the sciences was far

advanced, the metaphysical basis had entirely vanished, and the lack of theory implied in the inductive method of the historical sciences led on to a feeling of frustration. Diels in fact writes: “Thus the coming [20th century] calls upon all the sciences for concentration, for unity. We are tired of collecting materials, we want to come to grips with the available stuff; we want to penetrate the details conceptually in order to approach the great aim of science: a general and comprehensive *Weltanschauung*” (quoted in Bortis 1997/2006, p. 129; a.tr.). Hence Diels seems to think that a comprehensive system of sciences, grounded on a vision, may be reached inductively. In Bortis (1997/2006 and 2003a) it is argued, however, that theorising and vision interact. Given this, theorising on complex socio-economic and political issues always takes place on the basis of a vision, and the results of sciences may reshape the vision. This has, in fact, been the method of reasoning of the Christian-Catholic Theologian-Philosophers right from the beginning. Indeed, Johannes Hirschberger remarks that the first steps to bring together Faith and Philosophy were undertaken in late antiquity already, in a first step, not only by the Christians, but also by Islam and Judaism (Hirschberger, vol. I (1984), pp. 317-18). However, Augustine then went on to coin a proposition that was to become the central and fundamental idea of Medieval Philosophy: *Intellege ut credas, crede ut intellegas* (p. 328). This proposition involves that, on the one hand, reasoning was seen as a means to make intelligible doctrines of Faith, and, on the other hand, Faith provided, to use a modern expression, the *vision* upon which reasoning on Man, society and the state, and on nature could take place. The Scholastic system realised this synthesis between Faith and Philosophy to culminate in the work of Thomas Aquinas (Hirschberger, volume I, chapter 2). Hitherto, the *disputatio* had brought life into the system, subsequently, rigidity, associated to system dominated thinking, became more and more pronounced. This gradually rendered traditional Scholasticism increasingly irrelevant to tackle problems of the day.

In any case, this Christian-Catholic way of thinking has a double dimension. First, the Christian-Catholic Theologian-Philosophers linked the prime results of first *axial age*, the philosophical systems of Plato and Aristotle, to Christianity, a line of development culminating in the Scholastic system, which reached its peak with Thomas Aquinas (Hirschberger). And second, in the view of William Haas (1956), the Scholastic method, based on tradition, the history of thought, and the *disputatio*, was gradually and increasingly, applied to subjects other than Theology and Philosophy, that is, to Man, Society and Nature. This was the birth of modern science. In a first step, scientific reasoning was still metaphysically based (William Haas), with the metaphysical basis gradually weakening, however. Now, in the view of Eric Voegelin, and of Jacques Maritain, Enlightenment brought

about a definitive breakdown of the metaphysical-spiritual basis of modern science. Both, Voegelin and Maritain, have explored the path leading to this breakdown, and, subsequently, its effect on the modern mind. In this section, we have just a glance at the central sections of the first chapter of *Die Krise* (Voegelin 2008), which, significantly, is entitled *APOSTASIE*.

The starting point of considerations is Bossuet who suggests that “true Faith is to be found in the collective wisdom of the Church and of the Fathers of the Church, while innovations of individuals would be a source of error. The individual thinker will not be able to comprehensively grasp all the implications of an innovation, and the problems, which occur subsequently will require corrections, implying further deviations from the Truth. The intellectual forces of the individual, and, eventually, isolated, thinker, cannot replace the cumulative wisdom of the collective of the Church. With these considerations, Bossuet touches upon a fundamental problem regarding the role of ideas in modern history: it is indeed impossible to elaborate a body of knowledge based upon a vision (*geistige Substanz*) and a certain way of thinking (*intellektueller Stil*) within a community *through competition between individual intellectuals*” (Voegelin 2008, pp. 39-40; our emphasis; a.tr.).

This important point has been emphasised throughout this essay. If problems are complex, involving the whole of Man and of Society, theorising must take place on the basis of a vision, whereby theorising and vision interact (see, for example, Bortis 2003a, pp. 411-15). In fact, this passage of Voegelin’s links up with the modern Aristotelian-Keynesian theory of knowledge put to the fore in this essay, involving *probable realism*. The crucial point, directly linked to the Bossuet-Voegelin passage just quoted, is that thinking is essentially a complex *social* process. Moreover, the degree of certainty that can be attached to knowledge based on Faith increases with the quantity and quality of evidence taken account of. Finally, with theorising on the basis of a vision *essentially* being a social process, mainly means taking account of the great authors and their theories, present and past. The history of thought, that is, of theories and doctrines, plays a very important role when first principles are to be distilled in some sphere, political economy for instance. Indeed, dealing with alternative and even contradictory theories is, perhaps, the best way to deeper knowledge; for the sphere of political economy Keynes has always maintained that the study of the history of economic theories led on to the emancipation of the mind. This way of proceeding is, incidentally, part of the Scholastic method, which has led to the setting up of Catholic doctrine.

It has already been suggested above that competition between individual economic theorists does not necessarily lead to deeper truth, but may result in a system of standardised thought

based on power, as is indeed the case presently in economic theory, utterly dominated by ultra-liberal neoclassical theory. Incidentally, in economic theory, the whole problem of so-called value-free, that is, purely scientific thinking, has led to a barren situation. In this essay it has been persistently maintained that theorizing necessarily takes place on the basis of a vision, which ought to be as solid as possible, that is, resulting from a long and intense social process. In matters of religion, the doctrine of the Catholic Church precisely results from such a process, and Bossuet's arguments, as are presented by Voegelin, are based on the results of this intellectual-spiritual process.

Given then the body of the doctrine of the Catholic Church, Voegelin goes on to quote Bossuet, precisely on the problem of knowledge in matters of religious doctrine: "It is pure vanity to think, that an individual thinker could better understand the word of God than the rest of the Church; in this case there would be more religions than individuals" (Bossuet, quoted in German in Voegelin 2008, p. 41; a.tr.). Given this, Voegelin suggests that Bossuet did not worry in the first place about Protestantism, but "about the indifference of historical and philological investigations: Christianity as a Divine entering (*göttliche Evokation*) in history would be prone to atrophy and destruction, if, in its quality as a Myth, it were subject to rational critique and psychological investigation. [...] Bossuet thought that Protestantism and historical critique were not, in the first place, a danger for the Catholic Church, but essentially a danger for Christianity. Through the free judgement and individualistic interpretation, Protestantism anticipated the gradual dissolution through rationality of the Christian mysteries, which took place in the 18th century within the movement of Deism and Atheism" (Voegelin 2008, pp. 41-42).

This is broadly the position that has also been taken in this essay and was one of the factors which has led us to consider the Catholic *Weltanschauung* as the most plausible one, always from the point of view of the social and political sciences, associated to a realist, Aristotelian – Keynesian, theory of knowledge.

Voegelin now goes on to consider "the crucial point regarding the transition from schismatic Protestantism to historicist Christianity, a point taken up by Bossuet casually in a religious colloquium with M. Claude, the Huguenot Minister of Charenton. Bossuet insisted on the authority of the Church, while Claude emphasised the necessity of the individual judgement. Finally, Claude brought in the example of the Synagogue, who condemned Christ, declaring that he was not Messiah announced by the Prophets. Claude asked Bossuet whether he would insist, that an individual, who, contrary the decision of the Synagogue, followed Christ, had

acted wrongly? In this case the independently acting individual had evidently done right, and this Bossuet wanted to refuse to Christians in the future. However, Bossuet was up to Claude's challenge. He gave his opponent to understand that he was implicitly denying that God would have no other means (*moyen extérieur*) than the Church, to dissipate the doubts of the ignorant. To maintain this argument, one would have to assume, that at that time no authority existed, on which the believer could rely. 'But who', Bossuet went on, 'would say *this*, subsequent to the presence of Christ on earth, that is Truth herself, who had appeared visibly among the human beings. Surely, His authority was contested in the same way as it happens actually to the Church, and yet His authority was infallible.'

Claude did not reply to Bossuet. Evidently, by this argument Claude found himself in a dilemma: Either he would have to deny the evidently visible presence of Truth embodied in Christ, or he would have to allot a visible presence of Truth to the founders of the Reformed Churches. The first assumption would have transformed Incarnation into a historical judgement of human beings on the nature of Christ, which could eventually be attacked by others. The second assumption would have perverted the significance of the Reform and would have made of the Reformers advocates before God to obtain grace and salvation for the believers. Claude did not want to accept the one or the other postulate. Given this, he remained in that strange inconclusive position of early Protestantism, that is, to interpret the historically forward directed step as a step back to the origins. Bossuet sensed the step forward, which emerged completely only in the centuries to come. Indeed, under the pressure of historical critique and of liberal Theology, Protestantism gradually took on 'progressive' forms: Christianity was watered down to a system of social ethics and Christ was put into line with other great Masters of Mankind, Confucius, Einstein, and others. On the other hand, the active religious forces give rise to sentiments calling for new empires and new leaders. We may observe Voltaire's hesitation; Voltaire declared himself a defender of Enlightenment, but did not want to be Illumination. Comte and Marx hesitated less in this respect: The newly developing mass movements [associated with Liberalism (Capitalism), Fascism, and Socialism] – barely covered by the veil of antireligious ideology – gradually became the new *corpora mystica*" (Voegelin 2008, pp. 42-43; a.tr.).

[Digression: Bossuet's argument would seem to imply that the Christian Schism was not really justified on theological grounds. Indeed, outstanding dignitaries of the Roman Church were conscious of the deplorable state of parts of the Church, specifically the way of life of Pope Alexander VI and the selling of indulgences. Given this, these dignitaries advocated

profound reforms of the Roman Church. Perhaps the most prominent critic and advocate of reforms was *Kardinal Matthäus Schiner* (1465 – 1522), originating from the Upper Valais / Oberwallis (today part of Switzerland) – for an excellent biography see Albert Büchi: *Kardinal Matthäus Schiner als Staatsmann und Kirchenfürst* (Büchi 1923 and 1937). Moreover, Luther and Zwingli initially also advocated Reform and did not think of establishing a New Church. In fact, *Kardinal Schiner* was, at times, in close touch with both Luther and Zwingli. The position of Schiner is characterised most appropriately by a proposition he made at the *Reichstag zu Worms 1521*: “Eck [who defended the Roman-Catholic cause] mag disputieren so viel er will, Luther spricht die Wahrheit.” However, once he realised that the Schism was inevitable he strongly turned against Luther and contributed to the setting up of the Edict of Worms. Nevertheless, an agreement had seemed possible on a *theological* level between 1517 and 1521. Given this, the Protestant Reform was, as is very likely, mainly brought about by *powerful secular forces*, also dealt with by Eric Voegelin: the *process of individualisation* that had set in at the end of the Middle Ages and resulted in the Hobbesian *homo homini lupus* world to end up in the autonomous individual of Modernity, implying Voegelin’s superbia of modern man; associated to this process of individualisation is the striving for wealth: the rapidly increasing quantity of Spanish silver and gold, which spread all over Europe, and the lands of the Monasteries and Convents and of the Church in general became really objects of desire! In mercantilist times, broadly from 1500 to 1750, the economy, including the highly profitable overseas trade, was still ancillary to the gradually emerging Nation States. However, the rise and the growing strength of the Nation States were inevitably linked up with the weakening and final destruction of the *Holy Roman Empire of German Nation*. Given this, Protestantism was also strongly promoted by many German and European princes, who wanted the independence of their Territorial States from the Empire *and* from the Roman Church. Breaking with the Roman Church led on to subordinate the Protestant Churches to State authority. A most powerful secular force was of course Capitalism, the emergence of which is closely associated to Protestantism, above all in its Calvinist form, as is most impressively pictured by Max Weber in his *Die protestantische Ethik und der Geist des Kapitalismus*. Modern Capitalism gradually resulted in the primacy of the economy and of the financial sector over the State, society and man (Max Weber’s *Stählernes Gehäuse!*). And, last but not least, there is the vanishing of the metaphysical basis in the natural, human and socio-political Sciences, a point particularly emphasised by Eric Voegelin. As Max Weber aptly remarks, the coming into being of Modernity is associated with the *Entzauberung der Welt*.

Given these powerful secular forces, *Kardinal Schiner's* efforts for Church Reform in view of preventing the Schism proved vain. In fact, the ultimate aim of Schiner's was to complete and to perfect the medieval world of Church and Empire. As a kind of Prime Minister and War Minister (Päpstlicher Legat) of the Popes Julius II and Leo X, he wanted to extend the Empire to the whole of Western Christianity, also in view of fighting effectively against the Ottomans who were rapidly advancing through the Balkans. Moreover, Schiner aimed at becoming Pope after the death of Leo X in order to establish a Roman-Occidental *Papacäsarismus* in contradistinction to the Byzantine and the then slowly emerging Russian-Orthodox *Cäsaropapismus*!

Kardinal Matthäus Schiner was a gigantic historical figure whose ultimate failure was equally gigantic and, given this, of truly tragic dimensions – his strong action aiming at maintaining and perfecting the medieval world dominated by the Church and the Empire indeed proved vain in view of the powerful secular forces that were to bring about the Modern world. Schiner's failure became visible in the crushing defeat of the Swiss mercenaries, hitherto the strongest military force in Europe, against the French under King *François I.* at *Marignano* in 1515. In fact, Schiner personally led the Swiss into the battle, against the advice of the Swiss officers, who knew about the devastating effects of French artillery. Inevitably, French artillery decisively influenced the outcome of the battle, putting thus an end to the supremacy of the Swiss infantry and announcing modern warfare.

Schiner's gigantic project of establishing an Occidental Holy Roman Empire implied no less than the destruction of the Kingdom of France (!), which was to be partitioned between Germany-Austria, England and Spain. Given this, Schiner became the mortal enemy of France. As a consequence, the ferocious opposition of the French Cardinals prevented Schiner from becoming Pope in 1521 after the death of Leo X. However, *Kardinal Schiner* greatly contributed to the election of *Pope Adrian VI* in early 1522, and in 1519 already, he had decisively contributed to electing *Karl V* as Emperor of the Holy Roman Empire.

Under his Pope and his Emperor, *Kardinal Schiner* continued to work hard and restlessly on the Reform of the Church, really until the very last moment of his life, always greatly worried about the threatened Church. The *Memorandum* he presented to Pope Adrian VI on March 1, 1522 contains the best Reform Proposals coming from Rome at that time. And Schiner continued to work as the Pest spread in Rome in 1522, and most Cardinals had left the city. The Plague attacked him on September 12, on the 28th he established his last will and he died on October 1, 1522, lonely and humbly (see Arnold 1967/68, p. 54).]

The stage is now set for a more detailed picture of *APOSTASIE*, the consequences of which make up the bulk of Voegelin's work. Indeed, the central fifth section of the *APOSTASIE* chapter is entitled with *The Dynamics of Secularisation*. Voegelin starts with sketching the dissolution of Western Universalism. "The preceding analysis pictures the continuity of the process of rendering Christianity historical, and of secularising History. [...] The 18th century is the Age in which the dissolution of the three features of European Universalism reached the stage of critical consciousness. The harmonic balance of Mind [the Spiritual], Reason and *Imperium* could be maintained to the extent only, as the dissolution did not cross certain limits. The first component to disintegrate was *Imperium*. The fragmentation and particularisation of the Empire resulted in the emergence of nation states, which represented an alternative order for the Western world. [In this context, Richelieu's conception of Europe as a family of Christian States, has been mentioned earlier; the French Revolution brought a gradual secularisation in all these states.] The formation of nation states was accompanied by the rise of international law (Grotius' *Völkerrecht*). Through establishing a secularised and autonomous political sphere outside the spiritual-secular unity of medieval Christianity, the spiritual order was shifted into the Church in the modern sense, that is, the religious organisation in contradistinction to the autonomous political organisation of the state. The second component to become autonomous was Reason. This tendency started with Nominalism and Averroism in the Middle Ages already, and was socially supported by a growing number of lawyers, royal administrators, philosophers and scientists outside the order of the Church. The stage of autonomous and secularised reason was realised in the natural sciences and in natural law of the 17th century" (Voegelin 2008, p. 44; a.tr.).

Subsequently, Voegelin speaks of guilty omissions, which confronted the Church with her own spirituality. In fact, "the rise of the Church in the Middle Ages not only rested on her spirituality, but also on her strong and superior civilisatory force guiding the Christian part of Mankind. And the Church could exercise the civilisatory function on the basis of the heritage resulting from a compromise with the roman-hellenistic civilisation. Around the 12th century this civilisatory function as well as the heritage, rendering it possible, became a source of frictions, which inevitably accompany any process of dissolution. On the one hand, the civilisatory work of the Church had been successful to an extent such, that this work could have been carried on by the towns and the emerging nation states on their own; however, this would have required from the Church giving up her position as an overwhelming economic power, a position which was justified earlier, that is from Frankish times onwards to around 1200, through her immense civilisatory performance. Yet, the Church did not give up her

economic and political position voluntarily. Since, on the other hand, an independent secular civilisation was developing, a conflict between the content of this new civilisation and the heritage of Church since Antiquity, necessarily arose. On the one hand, this new situation would have required from the Church abandoning voluntarily all those civilisatory elements, incompatible with the new Western civilisation; on the other hand, a new civilisatory compromise would have been required, similar to the compromise set up between the Church and the roman-hellenistic civilisation. And again, the Church hesitated to adjust appropriately and in time. From these hesitations of the Church frictions resulted in the process of dissolution of Western Universalism” (Voegelin 2008, pp. 44-45; a.tr.).

Subsequently, Voegelin goes on to consider three phases in this process of dissolution, which are characterised by the friction prevailing in a given period of time, whereby overlappings could occur. “The first phase comprises the time-period between 1300 and 1500, in which the dissolution of the Empire had reached a critical stage. The refusal of the Church to give up her economic and financial power position, led to the Anglicanism of 14th and to the Gallicanism of the 15th century and finally to the Reform, accompanied by very extended confiscation of Church property. [...] The second phase comprises the time-period from 1500 to 1700. Astronomy and physics developed, and the heliocentric vision of the universe clashed with the geocentric Babylonian cosmologie of the Old Testament. It was the age of the *causes célèbres* of Giordano Bruno and Galileo Galilei. The subsequent effects of these frictions went on during the 19th century and resulted in the quarrel on [Darwin’s] theory of evolution [this quarrel is, in fact, still going on]. The third phase consists of the period from about 1700 until the present. It is the age of historical science and of elaborate critique, which led to a clash involving the critical treatment of the Holy Scriptures, the History of the Church and of the Dogmas, and the interpretation of the true Faith by the Church” (Voegelin 2008, pp. 45-46; a.tr.).

In a masterly passage Voegelin now goes on to consider more deeply the first and second phase just mentioned. Somewhat dramatically he speaks of the destruction of the mind and of evacuation of spirituality (Voegelin 2008, p. 46). “The sequence of these frictions culminated in the victory of the [secular] civilisatory forces which emerged from the medieval community, leaving deep scars in the spiritual and intellectual structure of the West. The adventures of political and rational autonomy have not only heavily damaged the spiritual dimension of the Church. The frictions and maladjustments also left a deep spiritual destruction in the autonomous secular sphere and have, as such, crucially weakened the civilisatory position of the Church. The first type of friction resulted in a far-going

confiscation of Church property. In fact, this confiscation should not yet have threatened the spiritual position of the Church. However, the decisive result of the struggle on economic matters, going right back to the conflict on the nomination of Bishops (*Investiturstreit*), was the political tension between Church and State. This tension led to the political marginalisation, in fact a kind of privatisation, of the Spiritual Institution, while the autonomous political institutions increasingly dominated the public sphere, to finally obtain a monopoly here. This privatisation of the spiritual sphere prepared the way for increasingly filling the public sphere with spirituality (*Respiritualisierung der öffentlichen Sphäre*) of an entirely different type though, originating from alternative sources. In fact, this ‘spiritualisation’ of the public sphere took on the forms of *nationalism, humanitarianism, liberal and socialist economism, biologism* and so on. This increase in number of ‘counter-spirits’ (*Gegengeistern*) is the most fateful consequence of the failure of the Church to reach a compromise with the new pluralistic world of politics” (Voegelin 2008, p. 46; a.tr.).

Having dealt with the first tension as situated in the socio-economic and political sphere, Voegelin now comes to consider the second tension, located at the scientific level, intensifying the overall tension between the Church on the one hand and the State and Society on the other. Again, Voegelin argues, the Church failed to adapt to the developments of science, in Astronomy for example.

In this context, there are natural scientists who argue that, on purely scientific grounds the Church was entirely right in maintaining her geocentric stance far beyond Galileo. Probably, the heliocentric position was definitely established by Newton only. This is due to the fact that, when complex phenomena are considered, knowledge is bound to be probable.

This second failure, that is, the failure to adapt to scientific developments, made that the Church was denoted obscurantist, and this stigma of obscurantism is still attached to the Church, even though she has concluded a peace agreement with Science. This clash between Church and Science did not just lead to an autonomous development of the sciences only, which would not have threatened the spiritual substance of Christianity. Of far greater importance was the spiritual desert left, associated to the conviction that the rational-scientific approach could substitute for the spiritual integration of the personality (on this, see Voegelin 2008, p. 47). “The acceptance of the scientific faith produced a result, which effect was similar to the establishing of autonomy in the political sphere, namely the openness of the individuals towards non-Christian spiritual values. [Given this,] *the Church lost her leading*

position not only in the civilisatory process, but also regarding spiritual leadership” (Voegelin 2008, pp. 47; a.tr; our emphasis). And again, Voegelin accuses the Church of having missed a civilisatory compromise, not only with Society and the State, but also with the emerging Sciences. This leads to the third phase (around 1700 until the present), which will be considered subsequently. Before doing so, we provide a very brief assessment of Voegelin’s argument set forth so far.

While Voegelin’s description of the process of marginalisation of the Church, that is, the dynamics of secularisation, is masterful and, as far as we can see, captures the essential elements, we would disagree with him on the possibility of a compromise between the Church on the one hand, and State and Society, and the Sciences, on the other. The gradual emancipation of the nation state, social formations and individuals from the Medieval Political Society shaped by the Church, let loose tremendous forces and everything was in a flux. Individuals and social formations became active in various domains. In the economic sphere there were the Great Discoveries and the formation of the mercantilist system, in the political domain nation states gradually took shape, in the scientific sphere there were the discoveries of the laws of nature and the subsequent rise in the natural sciences, the Reform brought spiritual emancipation of the individuals from the authority of the Church. A new society was in the making on the global level. New socio-economic and political formations, Mercantilism-Absolutism, Liberalism-Capitalism and, subsequently, Socialism to wit, came into being. This huge transformation process with its continuously evolving situations was accompanied by uncertainty, associated to probable pieces of knowledge in all spheres, socio-economic, political, and scientific. How, in such a context, ask for a compromise between Church, and State and Science? In a way history had to take its course, almost deterministically, with the stream of determinism steered by chance, or, what is far more likely, by Providence. The great Medieval Order shaped by the Church has gradually turned into an immensely creative disorder. Now, time seems to have come to consolidate what has been achieved. This can only be achieved if a new world order is established. This new, social liberal, order has been broadly sketched above in the chapters on *the natural order within and between states* enabling to realise a situation of *Natural Liberty*. In principle, this will amount to putting the conception of Jacques Maritain’s *Humanisme Intégral* into concrete existence. Let us now consider Voegelin’s third phase in the dynamics of secularisation: The Authority of the Church and of the Christian Symbols (pp. 47-50). Voegelin considers the conflict between Christian symbolism and its rational and historical critique as the fundamental problem regarding the spiritual substance of Christianity (p. 47). “The symbolic language in

which the Christian Truth is expressed originates from Hebrew and Hellenistic sources. At the time of its original use the language of myth was a precise tool, to express the incoming Transcendental Reality, her Incarnation and her effect on Man. At the time of Christ and in the subsequent centuries of Early Christianity this language was *no* Myth, but an exact terminology to capture the essence of religious phenomena. This mythical terminology became, in fact, a set of myths only with the rise of Rationalism, which destroyed the transcendent significance of the symbols taken from the sensual world. In the course of the evacuation of the transcendent God from this world (*Entgötterung der Welt*) the link between the sensual symbols and transcendent reality was cut; the symbols lost their meaning and were no longer a window offering a spiritual look from the finite world to the transcendent infinite sphere. Christianity became historicised; in fact, the universe of symbols, pertaining to the mythical age, was now looked at by means of categories forged in the age of rationalism. In this perspective, symbols and dogmas are looked at through rational glasses and become, as such, irrational; given this, conflicts arise with logic, rational biology, critical history, and other domains of modern science” (Voegelin 2008, pp. 47-48; a.tr.).

However, as William Haas had suggested, the mythical and the magical cannot be evacuated without problems; both are always there in some shape. And Voegelin suggests that the same is true for the Christian symbols and dogmas, including the Corpus Mysticum. He rightly points out that Marx’s Classless Society is a piece of derivative, in fact immanent, Eschatology; given this, Scientific Socialism simply does not exist.

This does not exclude the fact that Marx has elaborated a brilliant critique of Capitalism, while recognising the positive aspects of this social formation, that is, the increase in the forces of production through stupendous technical progress.

And Voegelin goes on to say that notions like ‘World Peace’, ‘peace loving nations’, ‘agressors’, and others, are not concepts of empirical politics, but symbols of an immanent, inner worldly Eschatology (see Voegelin 2008, p. 48).

Thus, according to Voegelin, *with Enlightenment the transcendent becomes immanent*, an idea also implied throughout in this essay. Immanent or worldly religion reached its most forceful expression in Stalin’s Soviet Union and in Hitler’s Germany. In this context, Voegelin rightly suggests (p. 43) that immanent *corpora mystica* have emerged as a consequence of *Enlightenment Apostasie*, most prominently in the shape of Soviet Communism and German Fascism. In a softer sense this is true also of Liberalism-Capitalism.

This becomes particularly evident in the case of Liberalism-Capitalism in the United States, which is openly based on variants of Protestantism, as emerges forcefully from Greil Marcus's *L'Amérique et ses Prophètes – La République perdue? (2006) / The Shape of Things to Come – Prophecy and the American Voice*: “[L’idée de l’Amérique est] celle d’un pays qui s’invente et rejoue la vieille scène du peuple élu et de son alliance avec Dieu. Mais dès que le pays prit forme et se proclama nation, le terrain se déplaça. L’Amérique devint une nation parce qu’elle avait scellé un pacte avec elle-même. Elle promettait certaines choses: qui pourraient être ses citoyens, comment ils pourraient vivre, et avec quels objectifs. Même si la benediction de Dieu et Ses jugements étaient invoqués, en réalité cela n’avait rien à faire avec Dieu. Si le pays trahissait ses promesses, il se trahissait lui-même, et chaque citoyen se sentait trahi par les autres. [This is perfect Deism, which, as Voegelin argues, immediately leads to an immanent *corpus mysticum*.]

Les promesses continues dans la Déclaration d’indépendance et dans la Constitution – que chacun serait libre de dire ce qu’il veut, que la justice régie par le droit serait la même pour tous, que les governments auraient pour mission de respecter et de protéger ces droits, que les citoyens ne devraient aucun respect aux gouvernements ne les respectant pas [and all this on the basis of a perfectly self-regulating market, and the political sphere being regulated appropriately by democracy] – étaient tellement immenses qu’elles contenaient en germe leur propre trahison”(Marcus 2006, pp. 22-23). Hence, in a way, America wants to export a model, which she is not able to realise, which, in fact, cannot be realised since the model is utopic; in fact, this model still reflects the simple conditions of the Agrarian age, as does Adam Smith's *Wealth of Nations*, and, in fact, the whole of liberal or neoclassical economic theory.

The greatest failure to export the simple democratic model based upon a supposedly self-regulating economy is of course Iraq. If there is deep-going economic alienation and social antagonism, parliamentary democracy, ideally based upon an equilibrium of forces, simply becomes the starting point for civil war. This was the case with Iraq after the downfall of Saddam Hussein, a fact that justified in a cover-up way the presence of Western troops there. Given this, parliamentary democracy functions satisfactorily in favourable socio-economic conditions and represents, as such, a ‘fine-weather’ political system.

In the above it has been argued that a presidential democracy, with the Parliament controlling the presidential government is the only possible way of government in a socially heterogenous country like Iraq. However, a solid system of political economy, enabling the government to largely eliminate economic alienation, involuntary unemployment in the main,

and to set up an institutional system adapted to the mentality of the people, is an essential precondition for the proper functioning of this type of government. This precondition was in no way given in Iraq, nor is it in all other economically developed and underdeveloped countries.

The far-going destruction of the Iraq, its people and civilisation, following up a ferocious dictatorship through Western powers under UN cover is forcefully pictured by Marie de Varney in her Parfois le silence est une trahison (2009). Indeed, in the introduction, Yasmina Khadra writes: “Marie de Varney ne trébuche pas. Son pas est accablé, mais précis; son souffle vous assiste, son courage vous rassure”(p. 12). However, the beautiful and deeply touching literary style of Marie de Varney’s book is penetrated by immense sadness, which is up to the dreadful situation in which the people of Iraq find themselves at present. She states mercilessly: “Comme Carthage, l’Irak devait être totalement détruit”(p. 228). And, quoting Nobel Prize Winner of Literature 2008, Jean-Marie Gustave Le Clézio: “Parce qu’il s’est laissé entraîner par sa propre violence, l’homme de l’Occident doit réinventer tout ce qui faisait la beauté et l’harmonie des civilisations qu’il a détruites”(p. 17). And Marie de Varney goes on to say: “Car s’il est sûr que détruire, c’est se détruire, construire, c’est aussi et encore se reconstruire”(p. 17). This is entirely in line with the social liberal vision of the world order set out in earlier chapter of this essay: The problem is to build up a world of cultural variety, where, relying on its historical heritage, each country and each region may set up its own way of life, characterised by a specific way to realise the fundamental values of Goodness, Beauty and Truth, as far as is possible for imperfect human beings. It is to be hoped that this situation of natural liberty will become reality in Iraq in not too far a future; and not only in Iraq, but in all oppressed countries and regions of this world.

Today’s world, however, is not based on simple agrarian, but on immensely complex industrial conditions, and knowledge, in most instances, is probable to various degrees; given this, much time-consuming work is required to get nearer to probable truth on the basis of empirical-historical and theoretical-philosophical knowledge, also in the spheres of Ethics and Law. This is the basic reason why it is argued in this essay that Europe, grounded on her immense historical heritage, must assume intellectual-spiritual leadership again on a world level. - In any case, one cannot but admire here the profound insights of both Greil Marcus and Eric Voegelin in matters of sociology and politics and of theology and philosophy respectively.

Voegelin now goes on to present some most important and most profound statements on the reaction of the Church against the tide of rationalism and immanence. As to the defensive position of the Church, her reaction was, in Voegelin's view, one of remarkable wisdom (p. 48). "[The Church] resisted firmly and admirably all manipulations of the symbols through modernistic rational interpretations, which aimed at reducing the mystery of the transcendent drama to a psychology of innerworldly human experience. Nothing could have been gained through concessions, which would have threatened the spiritual substance stored up in the symbols. However, less admirable was the helplessness of the Church in dealing concretely with the problem. And undoubtedly, there is a problem, and it cannot be solved in the same way, in which the problems of the first and second phase were handled, that is, through a belated acceptance of the new situation. It is not up to us to offer solutions. Undoubtedly a new Christian philosophy of history and of the mythical symbols is required; this would render intelligible, first, the new dimension of meaning, which has accrued to the historical existence of Christianity due to the fact that the Church has survived two civilisations. In this way, one could, second, render intelligible the categories of the Myth as an objective language, expressing transcendence" (Voegelin 2008, pp. 48-49).

Voegelin then goes on to suggest that a philosophy of history could be linked with ever more profound levels of spirituality to make intelligible historical situations to the believers in general (p. 49). This leads to a very important passage: "If one attempts to capture the most profound sentiment underlying the spiritual tensions in the West since the Middle Ages somewhat more insistently, one could say, that those who uphold Western Civilisation do not want to be a meaningless appendix to the history of Antiquity. Quite the contrary, the Western peoples, [and, in fact, all the peoples of the globe], strive for expressing their civilisatory existence in a meaningful way" (Voegelin 2008, p. 49). And now Voegelin sets out the crucial point: "If the Church is not in a position to perceive God's activity in this world, Man will be deeply disappointed, and long for Gods interested in their civilisatory efforts. The Church abandoned her spiritual leadership, when she left alone post-medieval Man in his efforts to find a meaning in a new and complex civilisation, entirely different from the old civilisation shaped and penetrated by the Church. In view of this abandoning of the *magisterium* it is vain, when Christian thinkers complain about the *superbia* of modern Man, not willing to subordinate to the authority of the Church. There is still enough *superbia* in Man to justify the scolding; nevertheless, the scolding misses the crucial point; in fact, Man is looking for authority, but is not able to find authority by the Church, and there is no fault of his own involved here. The profound discontent emerging from a seemingly meaningless civilisatory

process, led Voltaire to the attempt to elaborate a new 'Sacred History', to give a meaning to what was going on. And Voltaire started an attack on the Christian Symbols; moreover, he attempted to elaborate a vision of Man as part of the Cosmos under the guidance of immanent reason. We have now to deal with this highly effective attack, which led the anti-Christian movement (*apostatische Bewegung*) within one generation from the Deism of Descartes and Locke to the Atheism of Holbach and Lamettrie" (Voegelin 2008, pp. 49-50). Given this, Voegelin has now laid the basis for his book. Starting from Voltaire, he devotes large chapters to *Helvetius* (pp. 65-113), *Positivism* (pp. 115-194), *The Apocalypse of Man: Comte* (195-289), *Revolutionary Existence: Bakunin* (pp. 291-347), and *Gnostic Socialism: Marx* (349-424). Of course, these chapters cannot be dealt with here, but can only be mentioned that *Nietzsche* should have deserved a chapter, too, which, it seems, was Voegelin's original intention.

While we basically agree with Voegelin, we nevertheless disagree with him on one issue. We do not think the Church could have assisted Western Christianity on her way to Modernity, simply because the power and the knowledge were lacking. The breakthrough to Modernity had to go on almost deterministically as has been broadly sketched in earlier chapters. The various interrelated processes on the spiritual, intellectual, scientific and technological, socio-economic and political levels had to work out themselves. There is really a broad Hegelian movement at work: the medieval thesis was almost dialectically and deterministically followed by the anti-thesis of Modernity, which, as repeatedly alluded to, produced gigantic results in the natural sciences, technology, but also in the Humanities and in the social and political sciences. As has been suggested earlier in this essay, it is likely that time has now come for synthesis, which would also be consolidation of what has been achieved and bringing about a natural order. After the failure of Socialism with Central Planning and the grave difficulties Protestant Liberalism-Capitalism is experiencing, it would seem that time has come for Catholic Social Liberalism. Somehow, the present crisis, which is intellectual and spiritual as well as socio-economic and political, is a tremendous opportunity to reduce alienation and to move in the direction of the catholic-cum-social liberal order of natural liberty based upon a natural order within and between states. At this stage, the historical meaning of the breakthrough to Modernity begins to emerge. In fact, this breakthrough enables Mankind to have at her disposal the material means to greatly enhance the unfolding of the potential of human nature. All these issues have already been alluded to in previous chapters.

In this essay, it has been argued, then, that Social Liberalism, associated to a state of Natural Liberty, is grounded on the Catholic vision or *Weltanschauung*. More concretely, this could

be Jacques Maritain's *Nouvelle Chrétienté*. This would in fact represent a new synthesis on a Christian-Catholic basis, synthesising the Christian Middle Ages – the thesis - and the positive results of the Great Transformation, from 1500 to 2000 broadly speaking – the Modernist anti-thesis. In this social liberal state of the world all the results of history would be preserved, *aufgehoben* in Hegel's sense. Given all this, Catholicism can cope best with Modernity through becoming its foundation.

Perhaps, Nikolaj Berdiajew was right: we need a new Middle Age. In essentially being profane, this new age would broadly realise Jacques Maritain's Humanisme Intégral associated to his Nouvelle Chrétienté. The Sacred would underlay and penetrate the profane sphere.

In Voegelin's terms this would imply that the Church would have to exercise spiritual leadership again. On this spiritual basis, Natural Liberty would prevail in the natural and in the moral sciences, the social and political sciences to wit. Each country and each region would freely choose its way of life based upon its specific historical heritage. Given this, the fundamental Christian-Catholic aims of Goodness, Beauty and Truth, objectively given by Creation, would be approximately realised in very different ways in the cultural and religious domains and, equally, in all spheres of individual, socio-economic and political life. This would, probably, also be in line with Jacques Maritain's *Nouvelle Chrétienté*. However, on the basis of this *Nouvelle Chrétienté* the Church would also have to accomplish a crucially important civilisatory mission. It has been suggested in the above that this should go on, not through exercising any coercion, simply through giving the example through good societies and the good life to be realised in Christian states in very different ways; both the good society and the good life would comprise the socio-economic, political and cultural domains, as well as the sphere of the natural sciences, upon which the Creationist vision will have a crucial impact, too. This differing ways of realising fundamental values in these spheres would be shaped by the very different ways of life in the various countries and regions as have developed historically. Given this, the way of life in line with the good society and the good life of the social individuals would be entirely different in the Chinese, Indian and African regions, to give some prominent examples. In this essay it has been insisted upon time and again that the diversity of the ways of life is absolutely essential in a social liberal world order of natural liberty. Worldwide standardisation along materialist Western-American

lines would be a deathblow to modern civilisation as has developed since the *Great Transformation* in the second half of the 18th century.

Both missions of the Church, the spiritual and the civilisatory, are associated to Eric Voegelin's call for a philosophy of history, which ought to give a *meaning* to historical situations and to historical change. In this essay it has been attempted to do the preliminary work for an outline of a philosophy and theory of world history. Here, the Judaeo-Christian tradition in general and the Roman Catholic Church specifically, stand at the center of considerations. It has indeed been suggested that the Judaeo-Christian tradition, which starts from about 2000 years B.C. (Abraham) until the present, about 2000 years A.C. could be regarded the *backbone* of world history. Moreover, it has been argued that Christianity initiated the movement away from the natural as determinism, with the efficient cause ruling, to the natural as a *telos*, with the final cause moving to the fore, which, through the free will, is associated to what we have called Natural Liberty. In this gigantic historical process the Roman Catholic Church has played the crucial role. This conclusion is, as has been insisted upon, not of a theological nature, but emerges from reasoned historical considerations (*histoire raisonnée*).

In broad accordance with Jacques Maritain and Eric Voegelin, the philosophy and theory of history very broadly and tentatively outlined here, can probably be linked to Sacred History in particular, and to Theology in general. This would enable the Church to fulfil its spiritual mission more fully in the sense that a concrete meaning of history, historical situations and historical developments could be provided from a theological perspective. This could be very attractive to the believers.

However, as Voegelin notes, the Church has, in addition to the spiritual mission, also a civilisatory task, through the *magisterium* to wit. Again, the philosophy and theory of world history set out in this essay may, perhaps, contribute to give a new impetus to the teaching of the Church. The civilisatory mission of the Church concerns, in turn, two wide spheres. First, there are the human, and the social and political sciences, dealing with the social individuals, living within society and the state. And second, there would be the natural sciences, considering inanimate and animate nature. Teaching in both spheres would be based on the Catholic vision or *Weltanschauung*. In the sphere of man and society, there would, first, be the teaching on the ethical foundations of the good life, and, second, the teaching on the good and well-organised society and the state. This second kind of teaching would comprise the social and political sciences, that is, social philosophy and social ethics, political economy, law, sociology, and, most importantly, politics. In this context, it has already been suggested

that the social philosophy of Social Liberalism rests on the Catholic *Weltanschauung*, and based on Social Liberalism, a system of social and political sciences may be erected. Here, post-cum-classical-Keynesian political economy is of particular importance, on account of political economy being the key social science of Modernity (on this see Bortis 1997/2006 and 2003a).

The teaching of the Natural Sciences would, in accordance, with the Catholic *Weltanschauung*, be based on the *Creationist* vision, and *not* on Evolutionism. Given this, Nature as a whole, and all the elements of Nature, the human body in particular, would now appear as immensely complex entities, in fact, as *marvels* shaped by a subtle harmony; simultaneously, the Medieval awe, the deep respect for Creation would naturally be enhanced through the Creationist vision. Given this, the natural sciences might become much more complex and interesting, because part-whole relationships would have to be persistently considered. One particular problem emerging from the Creationist vision concerns genetic manipulations on human beings, animals and plants. As a rule, genetic manipulations should only be aimed at *repairing* some biological damage, and *never* should genetic manipulations be put to use in order to *modify* nature, in whatever sphere, simply because knowledge on the functioning of immensely complex *system* of nature as a whole will always be lacking to a greater or less degree; this is also true of parts of this system, the human body perhaps most importantly. One need not be natural scientist to guess the unpredictable and disastrous consequences genetically modified plants might ultimately have on the human body. Indeed, when complex entities are considered, knowledge is bound to be probable to a greater or less degree, and certainty can, perhaps, never be achieved. This certainly holds for the social and political sciences, but, probably, also for the natural sciences. In this context, we should remember that John Eccles, supported by Karl Popper, upheld the Creationist vision, also because the coming into being of Life has not been demonstrated scientifically, and, probably will never be. Given this, the Creationist hypothesis seems far more plausible than the evolutionist postulate.

Considering the above and, in fact, this essay as a whole, a conclusion irresistibly emerges. After the failure of the immanent *corpora mystica* (Voegelin), Socialism and Capitalism to wit, the great religions only are capable of providing an alternative. Without diminishing the merits of other religions, it would seem that the Roman Catholic Religion possesses *by far* the most solid spiritual and intellectual foundation to lead Mankind into the direction of the natural state within and between nations, potentially enabling all social individuals of this world to prosper. It has been suggested that the Roman Church has moved into this situation

on account of an immense and intense intellectual and spiritual *social* process stretching over two thousand years, and based upon the entire Old Testament Hebrew spiritual tradition.

Given this, Catholicism, underlying Social Liberalism and the associated social and political sciences, provide, at present, the only solid and complete spiritual-intellectual doctrine, capable of leading Mankind to a natural order within and between nation and nationalities states, associated with Natural Liberty, and the possibility for all individuals to prosper. This natural state would also imply a drastic reduction of alienation. However, in this essay, the alienated alternative to Catholic Social Liberalism has also been alluded to. It is, in fact, the Orwellian situation, with power blocks struggling for economic, political and military on a world level. And the ideology, which could eventually rise to dominance, above all in times of deep economic crisis, could be Fascism. It would indeed seem that signs on the slow but persistent rise of Fascism are multiplying. To be sure, these movements go on below the surface, in the underground so to speak, but from time to time unmistakable evidence rises to the surface. Given the multiplying indications pointing to a rise of Fascism, Eric Voegelin is, once again, entirely right: When the transcendent *corpus mysticum* is eclipsed, immanent and alienated *corpora mystica* will immediately step in and fill the spiritual vacuum.

Voegelin's, Jaspers's and Haas's, considerations, briefly taken up in this essay, now lead on to a wider view. Karl Jaspers's *[first] axial age* (800 B.C. – 200 B.C.) brought the breakthrough to the problem of Truth. This went along with a shift of the mind from Myth and Magic to Reason and Analysis. Subsequently, Christianity went on to synthesise the two realms. This synthesis found a harmonious expression in the Scholastic (Thomistic) balance between Faith and Reason. This harmony was disrupted in the course of the 16th century to culminate in Enlightenment, completely dominated by Reason, with Faith, that is, the Transcendent and Mythical, eliminated (Voegelin). In this context, Joan Robinson, in her *Economic Philosophy*, spoke of 'our propensity to rationalise', and Max Weber coined his famous *Entzauberung der Welt*. But William Haas argues that the Myth and Magic of pre-Christian times, or the Transcendent and Mythical of Christianity, can be suppressed, but cannot be eliminated. Given this, Voegelin now rightly argues that the suppression of the Christian Transcendent and Mythical through Deism and Atheism lead to the rise of alienated mythical constructions: the harmonious and self-regulating world of Liberalism, with progress being all-pervasive; Marxist-Communist Eschatology, and the National Socialist *Tausendjährige Reich*. And, as insisted upon in the above, Voegelin rightly goes on to say that, to eclipse the Church, the true and transcendent *corpus mysticum*, inevitably leads to the rise of alienated and immanent *corpora mystica*.

Hence the shift from myth and magic to reason and analysis in the course of Jaspers's [first] *axial age* culminated in the total triumph of Reason in the age of Enlightenment, first in the West and, subsequently, in the entire world. With Christian spirituality largely eliminated, non-Christian spiritual values gained in importance. Without reducing the significance of these values, *a Christian-Catholic spiritual counter-revolution seems needed now*, because, again without diminishing the importance of other religions, only the Catholic Church is truly universal and comprehensive in that she takes *full* account of the natural and supranatural dimensions of the invariable nature of Man and its potential to be realised in history, and of his ultimate destiny, which consists in the salvation of Mankind as a whole (Jean Daniélou 1982 / 1953).

The uniqueness of the Catholic Church arises from the fact that she, the *corpus mysticum*, is essentially a *social* entity. This *crucial* point has been insisted upon in the above to explain the immense performance of the Church in the intellectual-spiritual domain on the basis of Eric Voegelin (2008). Indeed, as is implied in this book, through social activities in the spiritual-intellectual domain – cooperation, mutual exchange of ideas, taking account of tradition, dealing with alternative doctrines and with contradictions – the Church has, in the last two thousand years and always under firm direction, established a very solid body of principles of Faith, as would have been impossible even for a very great number of more or less isolated individuals.

In this essay, it has also been suggested that the *social* is at the center of the social philosophy of Social Liberalism, which is indeed based on the Aristotelian-Thomistic vision of Man as a *reasonable* and *social* being (see also Bortis 1997/2006, specifically chapter 2). And the *social* process of production and the production of the *social* surplus stand at the center of the economic theory of Social Liberalism, that is, Classical-Keynesian Political Economy (Bortis 1997/2006 and 2003a). Given this, in this system of political economy, the processes of value and price formation, of income distribution and of employment determination are all of an *essentially social* nature; and money is also an essentially social institution. All this suggests that Social Liberalism and Classical-Keynesian Political Economy may be plausibly called the social philosophy and the political economy of Catholicism. The crucial importance of the *social* for *Catholicism* has been put to the fore by the French theologian Henri de Lubac in a great work, *Catholicisme*, published in 1938, just at a time when alienation reached its peak through Stalin's Soviet Union and Hitler's Germany. This book will be very briefly considered in the last section of this final chapter.

Some additional suggestions on the meaning of history

It has already been mentioned that human history seems to start with man as part of nature, with natural laws prevailing deterministically; here, the efficient cause dominates. In the course of history, the unfolding of human nature, beginning with consciousness about his existence, seems to gradually lead Man on to a natural state of liberty where the final cause dominates. In this section we mention some landmarks that have shaped the course of history and have directed it towards the state of natural liberty, giving thus history a specific meaning. On account of the alienation still prevailing, this state of natural liberty is only partly and very imperfectly realised at present. But it seems to be definitely emerging.

However, an important question remains. Can the state of natural liberty be realised, approximately and imperfectly though, in this world or is this a matter for the next, supranatural world? In this essay we have adhered to Aristotelian-cum-Catholic optimism represented by Keynes's *Social Liberalism*, which is about creating the social and economic conditions for natural liberty enabling the prospering of individuals on this earth. However, Platonian-cum-Orthodox pessimism, as is pictured, for instance, in the legend of the *Grossinquisitor* set out in Dostojewskij's *Die Brüder Karamasow*, is a real possibility that has to be taken very seriously. Before tackling, very briefly, the issue of an optimistic or a pessimistic scenario regarding the future course of history, some landmarks that have shaped alienated past history are considered.

Karl Jaspers's first *axial age* – the breakthrough to the problem of Truth in our view - was certainly *the* crucial landmark before the birth of Christ and the foundation of the Roman Empire. As Haas rightly remarks, this momentous event decisively weakened the link between Man and Nature, much more so in the West than in the East.

In line with Jaspers it has been mentioned that the turbulences of the first *axial age* were followed by the formation of large and powerful empires. Historically, most important perhaps were the foundation of the Chinese Empire in the East and the coming into being of the Roman Empire in the West. Konrad Seitz and Joseph Needham have pointed to the degree of perfection reached in traditional China in the fields of ethics and science. However, as Haas notes, these great achievements were still very much embedded in nature with its deterministic laws. This shows up, for instance, in the fact that, in traditional China was, very profoundly, an agrarian society, in which immense care was taken to maintain the fertility of the land. In the above, mainly in the chapter *Konrad Seitz: The sequence of events in China* it

has been argued extensively why the breakthrough to Modernity could not have taken place in China.

The power and the splendour of the Roman Empire, however, went along with deep-going alienation: slavery, gladiators who had to fight each other in the arenas, frequently, the ruthless exploitation of some provinces, and the far-going deforestation of Sicily and North Africa leading to heavy damage done to nature. In this alienated and hostile Roman environment, the great miracle of the three-century long survival of Christianity took place.

A fact of crucial importance now emerges. Christianity almost immediately established very close links with the results produced by the first *axial age* as occurred in Europe, in Greece to wit. Plato was the dominating figure in the Early Church, with his influence culminating in the work of Augustine. Aristotle gradually gained momentum, specifically after 1000 A.C. and was incorporated into the Scholastic system of thought, which, in the hands of Thomas Aquinas, really became a synthesis between Classical Antiquity, Aristotle foremost, and Christianity, *which, in turn, builds on the Judaic heritage.*

On the link between Judaism and Christianity, the Old Testament and the New Testament, and the wider and deeper implications of the Judaeo-Christian Tradition, Christian Faculties of Theology all over the world have done an immense amount of most important work, a representative and outstanding example being the Faculty of Theology of the University of Fribourg in Switzerland, founded in 1889. Moreover, in this essay the overwhelming importance of the ecumenical movement for Modernity is repeatedly alluded to. Here, too, Fribourg occupies a leading position through the Institute for Ecumenical Studies.

Looking far ahead, one may reasonably argue that modern science, and finally technology, emerged, as William Haas suggests, from an application of the Scholastic method to the phenomena of nature, with the philosophical and theological foundations gradually receding into the background. Similarly, the Scholastic idea of a natural order was present, explicitly or implicitly, and in widely differing shapes in the great systems of Liberalism and Socialism; and, as has been extensively argued in the above, the Scholastic Aristotelian-Christian vision of man and of society also underlies Keynes's Social Liberalism, and, specifically, Classical-Keynesian Political Economy. In a way, Christianity made use of the results of first *axial age* in Europe to initiate the exclusively European second *axial age*, which brought the breakthrough to Modernity.

Now, in a very important, and also fascinating book, Sylvain Gouguenheim convincingly argues that the link between Greek Antiquity and Western Christianity was *direct*, Greek-Latin to wit, *not indirect*, that is Greek-Arab and Arab-Latin. The title of his 2008 book is indeed revealing: *Aristote au Mont Saint-Michel – Les racines grecques de l'Europe chrétienne*.

The subtitle of Gouguenheim's book could give rise to a misunderstanding, however. The term roots (racines) should, in fact, apply only to the domain of the intellect (reason and power of analysis) and the 'products' of the intellect resulting from the first (European) axial age in Greece: systems of philosophy, systematic thinking in the natural and in the social and political sciences. In the fundamental sphere of religion and faith the roots of Christianity are of course Judaic; there is inevitably the basic Judaeo-Christian tradition alluded to in the above. Both Israel and Greece have, in turn, been heavily influenced by Egypt and Mesopotamia, as, for example, Jaspers emphasises. This way of looking at things is in the spirit of this essay, which is anti-reductionist, and positively speaking, all encompassing. As has been suggested in the chapter on Setting the Stage, an attempt is made to put all elements put to use here – religious and philosophical, scientific and historical – at their approximately right place to provide a reasonably balanced, though very sketchy and tentative picture of the Philosophy and Theory of World History.

Western – Roman - Christianity has thus Greek roots *on the level of the intellect (Verstand und Vernunft)* and its philosophical activities in the widest sense, which, according to Gouguenheim, have never been broken, particularly not after the breakdown of the Western part of the Roman Empire, and the ensuing – partial - chaos in the West. Specifically, the link was *permanently* maintained through scholars originating from the Eastern part of the Roman Empire (Byzantium – Constantinople) and through Christian scholars who had left formerly Christian territories conquered by the Arabs. However, since Greek was less and less spoken in the West after the breakdown of the Western part of the Roman Empire, Greek manuscripts, Aristotle's works in the main, had to be translated into Latin. This, Gouguenheim argues, was achieved by *Christian scholars*, mostly originating from Byzantium and from formerly Christian territories, now under Arab control. The translations from Arab into Latin were of secondary importance and used, in some instances, to check the Greek-Latin translations performed earlier, or vice versa; specifically Guillaume de Moerbeke checked all the Arab-Latin translations carried out in Spain (Gouguenheim 2008, p. 104). All

in all, Gouguenheim's argument is extremely robust, as such very plausible, and, consequently, highly convincing.

To avoid a further possible misunderstanding it should be mentioned here that Gouguenheim's book does not diminish the great achievements of Islamic civilisation at all. This directly follows from the spirit of this essay, which puts, as far as essentials are concerned, all civilisations at the same footing, although the realisations of the various civilisations may be very different; in this context we have spoken of the very high degree of perfection achieved in various domains by the Egyptian, Chinese and Islamicate civilisations in the Agrarian Age. Now, each great civilisation embodies immanent forces that fundamentally govern its development; these immanent elements also provide a specific identity to each civilisation. This does not exclude interactions between civilisations. Specifically, we have argued that Europe had the unique opportunity of two new starts; indeed, after the sudden disappearance of the Bronze Age cultures in Greece around 1200 B.C. (Burkert 2003, pp. 13-14) the Greeks had the chance of a new start, and subsequently made creative use of Middle Eastern ideas (Burkert 2003) to produce the European first axial age; the opportunity for a second new start in Western Europe arose after the breakdown of the Roman Empire in the West and was realised through the Carolingian Empire which set Western Europe on the way to Modernity; in the course of this second axial age, Christianity, building upon the Greek intellectual heritage, played the crucial role (on this see the above chapter Michael Mitterauer: Europe sets the stage for the road to Modernity). This comes to say that Gouguenheim's Greek-Christian axes provided the crucial immanent factor governing Europe's way to Modernity; now this specific way of European development was influenced, and eventually, modified by outside forces; as John Hobson argues, Europe greatly benefited from the Chinese and the Islamicate civilisations (see the above chapter John M. Hobson: Asia influences Europe but does not dominate her); there is no problem to include the translation of Greek authors from Arab into Latin among these outside forces having eventually modified Europe's way to Modernity as was essentially carried by Greek-Christian forces, and also by dialectic reactions to these forces. As Mitterauer convincingly argues these forces provided the foundations of Europe's specific way – die mittelalterlichen Grundlagen des europäischen Sonderwegs (Mitterauer 2003). In the above, it has been suggested that Europe might be called the Laboratory of World History, which is certainly an appropriate way to express the particularity of Europe.

To conclude, Gouguenheim's book implies that the link between Western Europe and its immanent Greek forces were only weakened through the breakdown of Roman Empire in the West, not entirely cut. Hence Arab help was not needed to re-establish this link, since it had not been broken. However, the translations of Greek texts from Arab into Latin may have strengthened the link between Western Europe and her Greek heritage. All this is by no means to diminish the greatness of Islamicate civilisation, which is essentially produced by factors immanent to this civilisation, to which the translation of Greek texts into Arab may belong, and not through its impact on another civilisation.

Hence, in Gouguenheim's view, the Greek heritage, Aristotle foremost, has not been submerged and forgotten in Western Europe in the Early Middle Ages, and preserved by the Arabs through Greek-Arab translations, to be subsequently transmitted to Europe through translations from Arab into Latin. The crucial point now is that most of the works of Aristotle were translated from Greek into Latin about forty years *before* the translation from Arab into Latin. Indeed, Jacques de Venise started his Greek-Latin translations at the Monastery of Mont Saint-Michel before 1127; the Arab-Latin translation, undertaken by Gérard de Crémone at Toledo, took place after 1165 (Gouguenheim 2008, pp. 106-07). And very importantly, Thomas Aquinas entirely relied on the translation of Aristotle's *Metaphysics* by Jacques de Venise and other, unknown, translators. In fact, Aristotle's *Logic*, *Metaphysics* and *Physics* were made available in the first half of the twelfth century to the great thinkers of the West. Aristotle's *Nicomachean Ethics* and his *Politics*, neglected by the Arabs because they were not compatible with the *Koran*, were translated from Greek into Latin by Guillaume de Moerbeke (1215-1286) (Gouguenheim 2008, p. 104). In this way, a kind of rational theology was created. The Medieval Theologians needed, first Platonian and, subsequently, Aristotelian philosophy to present clearly and in an orderly way the mysteries of the faith: "la foi recherche intelligence" (Gouguenheim 2008, p. 55). Out of philosophy the natural, human, social and political sciences gradually developed. *Hence, as already suggested, Christianity took up the result of first 'axial age' in Europe (Greece), the breakthrough to the problem of Truth, in a mode specific to Europe, to prepare the way for the breakthrough to Modernity on a world scale, performed in second 'axial age', on all levels, intellectual, scientific-technological and social-political. The second axial age, in turn, has led Humanity to the threshold of the – natural – social liberal world order alluded to in the above. Once again, the birth of Christ and the simultaneous foundation of the Roman Empire emerge as the turning point in world history.*

However, from the 16th century onwards, philosophy gradually lost its metaphysical basis grounded in theology. The way was clear for 'value-free' modern science, as had definitely come into being in the age of Enlightenment. There is, perhaps, a change of direction taking place at present. Indeed, as has been suggested in the above, John Eccles for the natural sciences and Maynard Keynes for the social and political sciences, have convincingly argued that theories dealing with complex phenomena are, explicitly or implicitly, based on a vision, of nature, and of man and society, respectively.

Hence, as has been extensively argued in the above, mainly in the chapter *Michael Mitterauer: Europe sets the stage for the road to Modernity*, Christianity laid the basis for the breakthrough to Modernity in the course of second *axial age* through the institutions of the Carolingian Empire and increasingly relying on a synthesis between Christian Faith and Greek Philosophy. In this way, Christianity took the decisive steps to reduce the significance of the natural in the sense of the original and to implement the natural as an aim, as a *telos*, and prepared the way to greatly augmenting the means to reach aims. An attempt to implement the good state was undertaken in the Carolingian-cum-Holy Roman Empire; institutions, which are independent of persons, were created by the Empire and by the Church. Conceptually, the idea of the good state was developed by Thomas Aquinas, based upon Aristotle, in the main. The Christian hostility towards descent led on to the conception of the 'Western Family' (Mitterauer). Moreover, under Charlemagne education was based on performance, not on descent. Through the Western education system, in principle based on performance, not on descent and power, the Church became a powerful factor of social mobility.

In fact, in the High-Middle Ages, the struggle for the natural social and political order in view of establishing the good society went on two levels. First, there was the conceptual or philosophical level. The Scholastic system came into being, culminating in the work of Thomas Aquinas who dealt with the good society, based on Man as a reasonable *social* being, and coined the notion of the Common Good. Second, there was also a political-theological struggle for the natural social and political order; most importantly, there is the Reform of the Church (*Pope Gregor VII*) and the conflict over the investiture of Bishops (*Investiturstreit*). The latter had indeed been denoted a 'struggle for the right and natural order of the world' (Goez 2000).

After the break-up of the Medieval Order and the gradual rise of the nation state the search for the natural order within and between states relentlessly went on after the Great Discoveries, with the *Zeitgeist* being shaped more and more by Humanism and Renaissance, with Religion gradually pushed into the background. In a common Graeco-Roman vein, the natural was again defined as a *property of nature*, not as aim, a telos, in line with the *finality of human nature*, as Aristotle and Aquinas had done. Thomas Hobbes put forward a pessimistic view on the natural state: *homo homini lupus*. A strong law-and-order state only could bring in some order and higher levels of civilisation through a solid legal system, accompanied with harsh punishment in case of violation of the law. This required a strong state. Absolutism was born. In the corresponding economic system, Mercantilism, the economy still stood in the service of the state, in fact of the Prince. ‘The merchant is the servant of the King’, Thomas Mun still said. Things changed with rise of the Bourgeoisie, which rose to economic and political power through the English Glorious Revolution and the Great Revolution in France. A new, fundamentally optimistic vision of the natural state (*Naturzustand*) came into being with Enlightenment. Locke and Hume, Montesquieu and Voltaire, Goethe and Schiller all emphasised important characteristics of this new vision of nature: reason, science, liberty, equality, and fraternity. And very importantly, the political economists, Adam Smith in the first place, conceived of the economy as being self-regulating. In fact, the self-regulating *markets* were considered *part of nature*, and the law of supply and demand had, in competitive conditions, the same function in the economy as had the law of gravitation in the universe. On the political side, representative democracy constituted the natural complement to the self-regulating market system. Moreover, the optimism of Enlightenment heralded unlimited progress, scientific in the main, but also social and moral. Broadly, all this implied the Protestant (Calvinistic) view of man and of society, based on Deism. God had created the perfect world, and then retired. It was up to Man *alone* to go on shaping the future.

The doctrine of Enlightenment brought the total separation between the natural, social and human sciences on the one hand, from metaphysics and theology on the other as Jacques Maritain has perceived with unsurpassable clarity. Progress, in the natural sciences and in technology, but also in the human and social sciences, took place on the level of phenomena. More and more, Man was considered the measure of all things. Goethe’s *Faust* emerged alongside with Marx’s *Prometheus*, Hegel’s *Spirit* embodied in great historical individuals, and Nietzsche’s *Übermensch* entered the scene.

To master the immensely complex socio-economic and political situation as had emerged after the Great Transformation, to great doctrines emerged, Liberalism and Socialism, realised

in various shapes through Capitalism and really existing Socialism. Both implied that the natural society was implied and *immanent* in nature in general. Joseph Schumpeter explicitly states that Liberalism represents the last natural law system; indeed Adam Smith systematically opposes the natural state to the positive state, as does François Quesnay, and all great liberal authors, explicitly and implicitly; for example, Ricardo spoke of the natural wage and John Bates Clark considered the marginal productivity theory of distribution as a natural law associated to social harmony. And, at this stage it should be recalled that Marx equated Communism with Humanism and Naturalism. The communist natural state, resulting from alienated natural history, would be free from alienation.

Now, as Marx has perceived with unsurpassable clarity, the breakthrough to Modernity brought an immense amount of alienation. The condition of the working class in the 19th century gave rise to the social question. Since the first oil price shock and, above all, since the breakdown of the Socialist countries, neoliberal globalisation has come to dominate, resulting in increasing world-wide poverty and misery, and involuntary unemployment. These developments now culminate in rising food prices with the threat of famine emerging again. Moreover, the presently ongoing 2008 financial crisis is likely to become a crisis of the real economy as well. To all this, environmental problems add; global warming and the resulting climate change might result in an environmental catastrophe.

However, historical experience has shown that there was not only capitalist alienation. Socialism produced a type of alienation of its own; Marx's alienation-free communist society proved to be utopian, too.

The failure of both Liberalism-Capitalism and Socialism suggest that the natural *cannot* be realised on an *immanent* basis, with the natural embedded in nature as is implied, in very different ways though, in Liberal-Protestant Deism, in Hegelian Pantheism, eventually implied in Fascism, and, in association with Gobineau and H. St. Chamberlain, and, eventually, Nietzsche, in National Socialism, and, finally, in deterministic Socialist Historical Materialism. With the modern answers to the immense complexity brought about by the Great Transformation, alienation and determinism continue to prevail.

Given this, the natural as an aim, the finality of the human nature to wit, must be transcendent and, as such be objectively given, with the fundamental values immutable, though capable of realisation in widely differing ways. What the finality of human nature is, can only be worked out through an all-encompassing social philosophical-cum-theological argument. In this domain Aristotle, Thomas Aquinas and Jacques Maritain have certainly done fundamental work. And Jacques Maritain has also worked out a social ethical system in his *Humanisme*

Intégral. This Aristotelian type social philosophy is broadly in line with Keynes's *Social Liberalism*; in fact. Maritain's *Humanisme Intégral* puts Keynes's *Social Liberalism* into a wider context. However, as Jacques Maritain notes, a sound philosophy of history is also needed. In this essay, it is precisely attempted to provide a starting point for a philosophy of history on Catholic-Theistic lines, necessarily associated to Creationism. The various manifestations of life, particularly Man as a social and reasonable being, capable of perceiving fundamental values in the realms of Goodness, Beauty and Truth, cannot be the result of evolution but must have required outside interference. Moreover, as Aristotle noted, the whole must always exist before its parts.

However, to master the complexities of Modernity, a social philosophy and a philosophy of history must be complemented by a system of social and political sciences, with political economy, the key social science of the Modern era at the center. In this essay, it has been insisted upon that Metaphysics and social – and natural science – must be combined to come to grips with the immense complexities of the Modern age. This implies that, as Schumpeter explicitly states, theoretical reasoning is, by necessity, always based upon a vision of Man and of Society. Moreover, the presence of Metaphysics in the social and political sciences allows the scientists to establish links with Theology. And the philosophy of history broadly outlined in this essay enables to set up links with Sacred History.

In this essay, an optimistic stance has been taken. This means adopting the Aristolian point of view that the natural as a *telos*, an aim to be achieved, may be realised in this world, as is in line with the vision of Thomas Aquinas's, and also with Jacques Maritain's *Weltanschauung*. In a way, the natural as a *telos*, set by a supranatural instance, is in the world, potentially capable of unfolding through being implemented through Humanity. This would mean eliminating alienation as far as this lies within human possibilities. Given this, the aim would not be to create the perfect society, which is outside the reach of human beings. We must be content with bringing about a reasonably good society and the reasonably good state, in which the social individuals may prosper to the widest possible extent, and where the scope of freedom is the largest possible. Politically, the optimistic view would imply that insight and statesmanship would prevail to bring about a world made up of a family of nations, structured through historical-geographical federations. It has been insisted upon repeatedly that statesmen and stateswomen can only courageously act, if they may rely on very solid theoretical conceptions, Keynes's *Social Liberalism* and the associated system of Keynesian and Classical-cum-Post-Keynesian Political Economy. Moreover, as has been alluded to at the outset of the first chapter of this essay, Keynes's notion of *probability*, linking premises

and conclusions, gives a new impetus to Aristotelian realism, enabling us to tackle very complex problems; for instance, we may ask what, in principle, the natural order within and between nation and nationalities states probably is. Hence Maynard Keynes's new – social liberal – political economy and his realist Aristotelian type theory of knowledge enables us to come to grips with the immense complexities of the modern world and sheds light on the way to the natural world order we should aim at. All this puts Keynes's immense intellectual performance into a world-historical perspective.

However, there is also a pessimistic view on the ultimate course of world history. Indeed, in his *Great Inquisitor* Dostojevskij suggests that Man, thrown into a complex world, as had emerged after the Great Transformation, is, as a rule, not capable of Liberty. Indeed, in a complex world making judgements and decision taking may become agonising. Above all, this is true for the moral level, but also in the logical-scientific and in the aesthetical sphere. To this would add the objective uncertainty and instability of modern life brought about by involuntary unemployment as might come into being in heavy economic crises. Moreover, great inequalities of income distribution might condemn large parts of the population of a country to a miserable existence. Man therefore wants a quite life, made up of happiness, above all material security; *Man wants Bread, not Liberty*, Dostojevskij states. Given this he is ready to submit to an absolute authority, the totalitarian state who regulates his life in all domains, material and intellectual, with spirituality and faith, associated with uncertainty and doubt, largely eliminated – incidentally, such a state came into being in Russia about 40 years after Dostojewskij's death in 1881; given this, Dostojevskij definitively appears as visionary. However, Dostojevskij obviously has in mind also the Catholic Church, who after the Reform, and after the Great Transformation, took – undoubtedly with good intent - a very strong grip on the mind of the faithful, to preserve the fundamental Christian values against the tide of individualist Modernity, with its tendency towards *relativism*, *nihilism* and *materialism*.

The Lithuanian philosopher Antanas Maceina wrote an excellent book on Dostojewskij's Great Inquisitor and its implications for the philosophy of history (Maceina 1952). In an equally important postface to this book the Slavist Vladimir Szykarski writes on the relation between Dostojewskij and Solovjev, also regarding the Catholic Church. Szykarski argues that Solovjev inspired Dostojewski to write on the Great Inquisitor, with its evident attack on the Roman Church. However, immediately after Dostojewskij's death in 1881, Solovjev started to change his mind. In an already mentioned passage Szykarski writes: "In the next two

years he [Solovjev] gradually came to the conviction that the historical ways of Rome were not wrong at all, this in spite of inevitable human weaknesses which are present in any Church. With the greatest enthusiasm Solovjev now pictures the immortal and unique achievements of the Roman Church, regarding the shaping of the Christian Body of Principles of Faith, and in the direction of the entire life of Western Christianity” (Szykarski, in Maceina 1952, p. 324; a. tr.). And, very importantly, Szykarski goes on to say: “The argument of Dostojewskij’s *Great Inquisitor* need not be advanced by a representative of the Roman Church at all. The *Great Inquisitor*’s case could equally be made by any worldly power, having nothing to do with the Roman Church; in fact, the worldly power in question could even be engaged in a life-or-death struggle with the Roman Church [perhaps Szykarski, who taught Slavic languages at the University of Bonn in Germany, thought of the situation of the Catholic Church in Nazi-Germany; almost certainly he had also in mind Stalin’s Soviet Union who, at the time, ruled over Catholic Hungary, Lithuania and Poland]. Therefore, even if the attack on the Roman Church is eliminated, Dostojewskij’s *Legend of the Great Inquisitor* continues to keep its profound meaning and its immortal significance” (Szykarski, in Maceina 1952, p. 324; a. tr.).

The pessimistic line of the course of world history runs from Plato to Augustine and is, perhaps, also strongly anchored in Russian Orthodoxy. At the center of the pessimistic view stands Augustine’s *De Civitate Dei*, which, in a Platonian vein, represents the Christian ideal society. As is very likely, Augustine thought that the Christian ideal society is definitely not of this world. Hence, all the historically existing societies would, in a Platonian vein, always be pale and shadowy reflections of the ideal society. Only the strong and absolute ruler – possibly instituted by God himself - *von Gottes Gnaden* - is able to reduce somewhat the gap existing between the ideal and the really existing, that is, to reduce alienation to some degree. In these circumstances religion runs the risk of becoming a tool of the state. But alienation, and social suffering, would remain essential features of earthly polities – given this, as already mentioned, Iwan Karamasov wants to return the entry ticket to the world theatre to the Creator of this dreadful world of suffering. In terms of what has been said in the above, the pessimistic view would be in line with the Orwellian scenario, with large power blocks fighting each other on various levels, economic, financial, technological, political and, even military, for raw material, energy resources and agricultural products, as well as for outlets for final products. Asia and Russia on the one hand, and Europe and North America on the other, could constitute these future power blocks. It would seem that Jacques Sapir (2008) and the

present Russian leadership consider the pessimistic – Orwellian – scenario the most probable. Given the respective historical experience, the pessimism of Augustine and of the actual Russian leaders is understandable. Augustine witnessed the agony of the Roman Empire, and the Russian leaders have certainly in mind the economic collapse of the country in the 1990s and the ensuing armaments race, and perhaps also Russian history from the Mongol invasions in the 13th century to the Apocalyptic Age 1914-1945. Indeed, in these 31 years Russia lost around 70 million people out of a population of less than 200 million.

Michael Ellman (1994, 2000) gives an impressive account of the worsening social situation in the Soviet Union in the late Perestroika period (1987-1991) and in the Russia of the 1990s in terms of increasing morbidity and alcoholism, high mortality and increasing poverty; the hopes of large parts of the population had been bitterly disappointed. A fundamental reason for the failure of the reforms was certainly the strict application of an entirely inadequate economic theory, liberal-neoclassical theory to wit, building on the idea of economic self-regulation. Once again the importance of being as clear as is possible for human beings about the basic issues of economic theory emerges. As has been suggested repeatedly, political economy had become and has remained the key social science of the modern era.

If the pessimistic view prevailed, the meaning of World History would remain what Augustine suggested, a struggle between the Worldly – Power and Splendour - and the Divine – the natural order of liberty and the associated prospering of the social individuals. Alienation would remain on a high level, and the Orwellian scenario, implying economic, technological and even military wars, would go on prevailing. And the threat of socio-economic and environmental catastrophes would remain permanent.

However, Aristotle, Aquinas, Maritain and Keynes also experienced most difficult historical periods. For example, Aristotle witnessed the aftermath of the Peloponnesian War, which had destroyed the Greek world, and Keynes and Maritain had both lived through the Apocalyptic Age. Nevertheless, they were all optimists. But why, for example, Maynard Keynes and Jacques Maritain could have been optimists, given the terrifying tragedies both have witnessed? In our view, they remained optimists because both undertook a tremendous intellectual effort to understand the complexities of the modern world, enabling them to make constructive propositions for shaping a better future. Indeed, both ended up with all-encompassing systems of thought in political economy and in social philosophy respectively that will enable statesmen and stateswomen to approximately come to grips with these

complexities. This is why, in the chapter on *Concluding Remarks*, a section on *the necessity of theorising* has been included. It is indeed theorising – on a metaphysical basis – about complex issues in the social and political sciences, as well as in the natural sciences, that may overcome Plato's, Augustine's, Dostojewskij's and Russian-Orthodox pessimism.

Hence, based upon solid theory, most importantly a solid system of Political Economy, the key social science of the modern era, insight and statesmanship, assisted by chance or guided by Providence, may bring about Keynes's *social liberal* world order broadly sketched in the above. This would go along with a reduction of large-scale system caused alienation to a minimum achievable by human beings. Maritain's *Humanisme Intégral*, which puts Keynes' *Social Liberalism* in a wider perspective, could become a serious possibility. The social individuals of all polities would, potentially, be able to prosper. In the above, we have alluded to the fundamental role of *education in line with human nature* if Maritain's *Humanisme Intégral* is to be realised; indeed, appropriate *curricula* on all levels of education should lead on to openminded and emancipated thinking, rendering superfluous a paternalistic or even totalitarian state and also Dostojewskij's *Great Inquisitor*. And the *Western type family* (Mitterauer) and Keynes's *social liberal state and society* based upon a well-organised *monetary production economy* with full employment and an equitable distribution of incomes and wealth, are also essential components – *preconditions* would be perhaps more appropriate – of *Humanisme Intégral*.

In the above it has been suggested that realising Maritain's *Humanisme Intégral* would mean bringing in the harvest of human history. Subsequently, history would be shaped by the finality of unfolded human nature, with the decisive steps in the unfolding having taken place in the heavily alienated context of the two *axial ages*. And the unfolding of human nature would of course go on, largely on natural paths, in the course of history proper, with alienation greatly reduced.

If the optimistic Aristotelian-Catholic view were to prevail, world history would have a definite meaning. Human History would be a movement from the determinism of nature, with the efficient cause prevailing, to a state of natural liberty, associated to the domination of the final cause, with the natural becoming a *telos*. In a wider view, Man would, in the course of history, complete Creation through unfolding his nature, giving thus History a definite meaning.

The essentially social nature of Catholicism and the meaning of history – Henri de Lubac

In view of the rising tide of Neoliberalism since the 1970s and culminating with the breakdown of Socialism in Central and Eastern Europe around 1990, the theologian and teacher of social ethics at the University of Fribourg - Switzerland, Arthur Fridolin Utz, suggested that the centuries long gigantic battle over the *social* was reaching a climax at the end of the 20th century. It would indeed seem that the *social*, as a concept, a doctrine, or as a dimension of socio-economic and political reality constitutes the core of discussions on theoretical and practical politics, in fact, in the social and political sciences in general, or applied to particular spheres, the economy for example, or the legal sphere. And the *social* also plays a fundamental role in the spiritual sphere as emerges from Henri de Lubac's great work on *Catholicism*.

In this essay we have alluded to the *social* in various instances. However, to be able to deal with the subject of this section on *the essentially social nature of Catholicism and the meaning of history*, based on a work by Henri de Lubac, some definitional remarks have to be recalled. The aim is to specify the very general and theological notion of the *social* put to use by Henri de Lubac so as to be able to link it with the social and political sciences. This will enable us to deal with the problem of this section.

Evidently, the notion of the social is inextricably linked to the question as to what society is. A tentative answer to this question is indispensable to organize systematic thinking in the social and political sciences, and to link these sciences with de Lubac's spiritual notion of the *social*. This, in turn, requires attempting to come to grips with the nature of society, i.e. with the fundamental conceptions of society, which exist. In trying to grasp the basic constitution of society theorizing must go on at the most fundamental level, that is, on the level of principles. The raw material for reasoning is provided by the history of social and political facts, ideas and theories. Of course, the knowledge of principles so obtained is always probable in Keynes's sense (Keynes 1973/1921), that is, the intersection between the systematic thinking of the subject and the objectively given essences is necessarily partial and fragmentary, above all if the phenomena considered are complex. Given this, probable knowledge depends on the evidence in the widest sense we possess of a subject: philosophical or metaphysical, scientific, empirical and historical, i.e. the history of facts and theories (Keynes 1973/1921). In the process of obtaining knowledge historical considerations, specifically those relating to the history of theories, are very important: deeper knowledge

obtains from comparisons of divergent or even opposed theories and eventual syntheses that may be established. Metaphysics, which deals with the essential properties of all the existing, is fundamental. According to Aristotle metaphysics is the architectonic science, which enables scientists to bring order into scattered pieces of knowledge, i.e. to build up broadly ordered systems of knowledge or bodies of science.

Two meanings of the *social* may now be worked out to prepare the way to elaborate social theories. It has already been mentioned that each social theory rests on a preanalytical vision (Schumpeter 1954, p. 41) which, in turn, implies a social philosophy, whether this is made explicit or not. To characterize social philosophies, the notion of the *social state of affairs* or, for simplicity, the *social* is fundamental. "It would seem that two basically different meanings of the social are conceived of and used in a great number of varieties and combinations in systematic thinking on social matters. With the first meaning, the social denotes relationships and interactions between formally equal, autonomous and self-contained individuals and collectives striving at individual aims; specialization, competition and substitution characterize these relations. Social phenomena come into being through explicit and implicit contracts between individuals and collectives. The relationship between sellers and buyers would be a social phenomenon in this sense.

The second [- more fundamental -] meaning of the social stands for the relationship between unequal, incomplete and therefore mutually dependent individuals who require each other to be able to reach common aims, on the one hand, and social [...] entities, including society as a whole, on the other. Such part-whole relationships are characterized by complementarity between various functions, which in turn requires co-operation and co-ordination. [...] Examples for this meaning of the social are the position and the function of individuals or groups in some enterprise within which a sophisticated division of labour prevails, the determination of shares in a given national income, the structure of wages in a monetary production economy, [and the social process of production as is pictured by Leontief-Sraffa models]" (Bortis 1997/2006, p. 21). These two notions of the *social* may be used to bring to the open the basic features of social philosophies. In fact, "the meaning and the significance of the term *social* [...] determines the property of social philosophies and the systems of social science ensuing therefrom" (Bortis 1997, p. 27).

At the level of principles, there are three conceptions of society associated to corresponding social philosophies: *liberalism*, *socialism* and *social liberalism* [called *humanism* and *comprehensive humanism* in Bortis 1997/2006]. Liberalism and socialism have become familiar since the French political revolution and the English industrial revolution, the former

emphasizing the individual, the latter society. Social liberalism, however, builds on the social dimension of man, whereby the *social* is used in the second, more fundamental sense defined above. In this doctrine, the individual emerges as a social individual, and, on a higher stage, a person or even a personality: the individual is enriched through social activities in the socio-economic, political, intellectual and spiritual domains.

In the social philosophy of *liberalism* "the autonomous individual is primary, social phenomena are derived and come into being through explicit and implicit contracts between individuals. This holds for social groupings such as the family and the various economic, social and cultural associations to be found in a society. Some liberal philosophers even claim that the state has come into existence through a contract between individuals" (Bortis 1997/2006, p. 30). Liberalism thus rests on the principle of individualism; individuals are, in principle, self-contained and autonomous, and the primary aims pursued are thus individual. Social institutions - associations of some kind - are merely vehicles, which enable individuals to reach their aims more easily and more completely. Liberalism also postulates the existence of automatic mechanisms, which are supposed to deal with specific social problems. Competitive markets are expected to solve economic problems, voting procedures political issues. In a liberal view, the social sciences in a broad sense ought to explain economic, social and political phenomena on the basis of the behaviour of individuals. Specifically, this implies that liberal economics, that is, neoclassical theory is based upon the social philosophy of liberalism.

Socialism in its totalitarian form is based on the principle of holism. Society is considered a tightly organized entity, similar to a complex organism or a huge machine of which individuals are parts, defined by the functions they exercise within society. The isolated individual is as useless as are the individual parts of a machine. Consequently, society and social goals - military strength for example - are basic and all-encompassing, and individuals and their aims are secondary and integrated into the totalitarian society; individual liberties are sacrificed in favour of social duties. In fact, individuals do not count and can be replaced as are the defective pieces of an engine. This holds for totalitarian socialism of the right and of the left type. Central planning of prices and quantities is characteristic for totalitarian socialism. Given this, the political economy of centrally planned socialism is of a distorted or alienated nature.

Social Liberalism considers Man a social individual. "This double dimension of man makes each individual a unique person who has duties towards society and simultaneously possesses personal dignity, associated to individual rights" (Bortis 1997/2006, p. 33). The *social* is taken

here in its fundamental, second, meaning: common aims are pursued by unequal and incomplete individuals, exercising complementary functions, requiring co-operation and co-ordination. The social emerges most forcefully in the social process of production - pictured by Leontiev-Sraffa models - and within enterprises; however, the social is present in all spheres of life: for example, orchestras or literary circles are social institutions pertaining to the cultural domain. Within institutions social and individual aims are permanently pursued; all institutions taken together form the social structure or society. A double-sided relationship exists between society and individuals. On the one hand, society - the economy, the legal system, social and cultural institutions - provide the social foundations within which individuals act; society is, in a way, ancillary and thus stands in the service of the individuals composing it. On the other hand, the social individuals reach higher degrees of perfection in performing social activities. That is, social activities enhance the unfolding of the potential contained in human nature. This is a crucial point: the *social* emerges as the main vehicle of the unfolding of the potential of human nature.

Social liberal social philosophy is fundamentally ethical. The fundamental concept of social ethics is the *common good* which is broadly equivalent to the *public interest*. This notion encompasses the social foundations required for the prospering of all individuals through social activities, most importantly full employment and a socially acceptable distribution of incomes and wealth.

The complementary principles of *solidarity* and *subsidiarity* specify the relationship between society and individuals. The principle of solidarity states that society should take care of all the individuals composing it, that is there should be no exclusion: full employment, implying the right to work, and a fair access to education - to ensure social mobility - are essential elements of solidarity. The principle of solidarity thus requires political and social interventions, which, however, must be minimized in order to bring about a maximum scope of freedom for the social individuals. This is ensured by the principle of subsidiarity, which affirms that the state and higher-order social entities should intervene only if individuals or lower-order social formations, for example families or associations, are not able to deal with some problem.

Social Liberalism is closely associated with the vision of man and society expounded by the Social Doctrine of the Church, which, in turn, is based on Aristotle and Aquinas. The application of social liberal principles to complex social problems requires knowledge, which is to be provided by the science of political economy. It has already been mentioned that in Classical-Keynesian Political Economy all the important problems, most importantly, value

and price formation, distribution of incomes, employment determination, are all social problems and money is a social institution.

Let us now very briefly compare the three social philosophies considered here, and the notion of the social associated to them. In fact, the social in the liberal sense has dominated since the advent of modernity. While the results of Liberalism-Capitalism are very impressive on the individual-behavioural level, above all in terms of science and technology, the system as a whole has not worked in a satisfactory way, mainly because of the fact that capitalist economies are not self-regulating. In fact, the Liberal-Capitalist system has led to very heavy crises, which, in the 1930s have almost deterministically resulted in totalitarian societies. Hence the social in the liberal sense is an inadequate principle to organise very complex monetary production economies, and therefore, the liberal *social* is of an alienated nature.

On the other hand, it should be evident that the *social* is heavily alienated with totalitarian Socialism, whether of the right or the left type. Here man is just a piece of the social machine, and can, as such, be substituted at will. The totalitarian social is, as a rule, at the basis of some power system, military and political for example.

It may be added here that the notion of the social implied in humanist Socialism might also lead to a harmonious society. It is likely, however, that such a society would be materially far less well off than a social liberal one, mainly because of the absence of private property. This would also imply a lack of means in view of reaching socially appropriate aims, and the principle of Subsidiarity would be inadequately realised only. As a rule, common property can, as a rule, not be sustained. Important exceptions are possible, however. For example, geographic and climatic conditions may render common property necessary, at least in part, as is the case for example in Russia. In India, too, land has been common property of the villages until the beginning of the British dominance at the end of the 18th century; at this time, Indian land gradually became private property through the Permanent Settlement Act: the Zamindars, former tax collectors, became the owners of the Indian land.

In this essay it has been argued that Social Liberalism and the underlying notion of the social are, probably, most closely in line with human nature, that is, Man as a reasonable and social, and also a spiritual being. Given this, Social Liberalism and the social and political sciences that may be erected upon this social philosophy, specifically Classical-Keynesian Political Economy, are capable of leading the various polities towards a state of broad harmony, which, in turn, is a precondition for harmony between polities.

With these considerations, the way has now been broadly prepared to deal with Henri de Lubac's *spiritual* notion of the social, and some of its implications for the meaning of history. He starts by quoting a fellow theologian: "Il y a au fonds de l'Évangile la vue obsédante de l'unité de la communauté humaine"(de Lubac 1983/1938, p. IX). Given the fact, that Mankind forms a community, Catholicism is essentially social, not only because of its applications in the domain of natural institutions [the family and the state], "mais d'abord en lui-même, en son centre le plus mystérieux, dans l'essence de sa dogmatique" (p. IX). A possible misunderstanding has immediately to be dealt with. In fact, the social as leading on to the unity of Mankind has no totalitarian implications at all, for example, the individual as part of an organism, having no autonomy at all. The contrary is true. The social in the Catholic sense is the spiritual equivalent of the social underlying Social Liberalism and the associated social and political sciences, as has been alluded to in the preceding definitional remarks. Social activities in all spheres of life – economic, socio-political, intellectual, cultural and spiritual – enrich the individual, who becomes a social individual, a person or, eventually, a personality. This reflects Aristotle's vision of man as a reasonable and social being, who can prosper only within, that is, based upon, and through society and the state.

In this view, Mankind appears a structured unity, which is the richer, the more diversified its parts are. This appears very clearly in chapter IX of de Lubac (1983/1938). Given this, Catholicism applies the social in the sense proper, as a part-whole relationship, to the spiritual domain. This implies relations between social individuals or social formations and society as a whole.

Hence, in the spiritual view, Mankind forms a harmonious, though diversified unity (de Lubac, pp. 5-10). Now, "fundamental alienation [this notion is preferred to that of *péché originel* used by de Lubac] breaks up this unity to result in separation and fragmentation; one could even say that a kind of individualisation occurs" (p. 11). With alienation persisting, individuals, clans and tribes, later on city-states, larger polities and empires come into being, with war and conflict always raging more or less intensely. Hence, according to de Lubac, fundamental alienation is given by the destruction of social harmony, the social unity of Mankind. And this alienation goes on to persist through history. This has not only negative aspects. Indeed, in the preceding chapter on progress and alienation and in many other passages it has been suggested that alienation may be a source of progress, that is contribute to the unfolding of the potential of human nature. In particular, the two *axial ages* were epochs of political fragmentation, conflicts and wars. And yet, Jaspers's first *axial age* brought the breakthrough to Truth, and the second *axial age* resulted in the breakthrough to

Modernity in Western Europe and, gradually, worldwide; in the crucial-time period of this breakthrough, Enlightenment has played the central role; autonomous human reason was applied to the natural sciences, the social and political sciences, and in the Humanities; however, as Eric Voegelin remarks, the great Western Spirituality of the Catholic Church has gradually been pushed into the background and, in part, replaced by other spiritualities.

In the above, it has been suggested that, by now, time has come to consolidate what has been achieved and to gradually establish a natural order within and between states as has been suggested in preceding chapters. Fundamentally, this natural order would mean implementing the social in the sense proper, which implies taking a holistic view of social phenomena, and the ideal of which is social harmony. In the socio-economic and political sphere social harmony would be approximated by bringing about a world as a family of nations, structured through historical-geographical federations. The underlying social philosophy would be Social Liberalism, with Classical-Keynesian Political Economy as the economic theory associated to this social philosophy. This all-encompassing social harmony would be completed through a harmonious spiritual basis as is precisely set forth in Henri de Lubac's *Catholicisme*. One may perhaps add here that this harmony would not be uniform and standardised, but rich and diverse, fully preserving past achievements, that is, the results of history. Aristotelian-Keynesian philosophy and Catholic spirituality would be powerful ordering factors. Both doctrines are, most plausibly, in line with human nature and, as such, universal.

This potentially possible movement towards an all-encompassing, socio-economic and political, intellectual and spiritual harmony provides an alternative perspective on the meaning of world history. At the end of the preceding section human history has been conceived as a movement from the determinism of nature, with the efficient cause prevailing, to a state of natural liberty, associated to the domination of the final cause, with the natural becoming a *telos*. In this view, Man would, in the course of history, complete Creation through unfolding his nature, giving thus History a definite meaning.

The argument of this section specifies what is, more concretely, meant by the unfolding of human nature. Based on Henri de Lubac's *Catholicisme* and on Keynes's *Social Liberalism* and its elaborations, post-cum-classical-Keynesian political economy in the main, it may now be suggested that the unfolding of human nature basically consists of unfolding the *social*, that is, the *social activities of Man in all spheres*, economic-technical, social-political, intellectual, ethical, aesthetic, and spiritual. Indeed, the isolated individual can achieve very little, the social individuals taken together can produce truly immense results. This is just

another way of saying that society is much more than the sum of the individuals composing it. Given this, outstanding social individuals, Aristotle, Cyrus the Great, Charlemagne and Alcuin of York, Albertus Magnus, Thomas Aquinas, Descartes, Newton, Einstein, François Quesnay, Marx and Keynes, to give but a very few examples, were able to make *creative* use of the work done by others, so as to open up new perspectives and directions in their sphere of activity. In this essay, two great stages of this unfolding of human nature on the basis of the *social* have been alluded to very sketchily.

The first stage is provided by Karl Jaspers's first *axial age*, which brought the breakthrough to Truth. Here, as far as the West is concerned, the notion of the *social* is *crystallised*, so to say, *in Aristotle*, who could rely on Middle Eastern ideas creatively taken up by Greek natural philosophy (Walter Burkert), the results produced by this natural philosophy, and, above, his great predecessors, Socrates and Plato (Johannes Hirschberger). It has been suggested in the above, that Aristotle, stood at the end of the chain and was able to bring in the harvest. In a way, first *axial age* provided Humanity with the intellectual tools required to unfold human nature on the basis of the *social*.

The second stage is the breakthrough to Modernity, which was a huge and almost global social process, given dramatic speed through 18th century Enlightenment as well as the English Industrial Revolution and the Great Political Revolution in France, and bringing about the breakthrough to Modernity in the time-period 1750 to 1830, broadly speaking. The breakthrough to Modernity dramatically enhanced the *means* put at the disposal of Mankind to reach most various aims in the sphere of Goodness, Beauty and Truth. This immensely increased the *social* potential of Humanity. However, the dangers of Modernity have also been alluded to. In fact, the means may move to the fore, the ends in the spheres of Goodness, Beauty and Truth, receding into the background. This is bound to create a tendency towards Nihilism. Given this, it has already been suggested that a *spiritual counterrevolution* is required to set the intellectual as well as the socio-political and technical institutions and structures on the way toward the natural order within and between states sketched in the above. In fact, religion and spirituality must become the basis, which penetrates all the spheres of social and individual life. This spiritual penetration will, however, not be associated with regulations and coercion, but will bring about a state of Natural Liberty. Here the great scientific and technical *means* brought about by Modernity will be put to use to reach the ever-present fundamental *aims* associated to the fundamental values of Goodness, Beauty and Truth in most diverse forms. It has already been suggested that a rich and

diversified present will preserve the achievements of History in all domains in the spirit of Hegels *Aufhebung*.

A spiritual counterrevolution can, however, not be produced at a stroke. Perhaps, the philosophy and theory of world history tentatively suggested in this essay might be an appropriate starting point to gradually enhance a general interest in spiritual matters, specifically as set out in Henri de Lubac's Catholicisme and in Jean Danièlou's Essai sur le Mystère de l'Histoire, and, certainly, exhibited in a great number of other works. On the other hand, the philosophy and theory of world history put to the fore here might lead on to reasoning in the social and political sciences on the basis of the social philosophy of Social Liberalism, grounded, in turn, on the Catholic Weltanschauung. Moreover, Creationism might provide the vision underlying the Natural Sciences on the basis of a greatly increased respect for the wonders of Creation, specifically, the human body, and, of course, of Creation in general, above all the necessity to maintain a broad harmony between the various parts of Creation, precisely to preserve Creation.

Hence Henri de Lubac's disruption of the social as originally embedded in nature has led on to social and political fragmentation and division, and to profound alienation in the course of history. However, alienation also became a source of progress. The potential of human nature was immensely widened and deepened in times of alienation. This is not only reflected in the greatly increased intellectual and technical means brought about by alienation, but also in a socially, culturally and spiritually very diverse and hence immensely rich world. In Henri de Lubac's view the unity within polities and harmonious relations between polities would be brought about through the *social – coordinated cooperation* - in the intellectual, socio-economic and political domains. In this essay it has been suggested that the result would be the world as a family of nations structured through historical-geographical federations, which would preserve the heritage of history and elaborate it creatively in the socio-economic-political and intellectual-cultural domains through social processes. Underlying these secular social processes, the *social* in the spiritual domain would produce unity for Humanity as a whole on the basis of a universal religion in line with the natural and supranatural dimension of Man, constituted by the invariable Human Nature. Again, the unity of Mankind would be rich and diverse and structured by the *social*, which, precisely, unites the diverse, that is, unites peoples and polities of all epochs to bring about the unity of Humanity.

It must be insisted upon that this conclusion, as has emerged more and more clearly in the later stages of writing up this essay, has been arrived at from the *point of view of reasoned history*, that is, historical reasoning on the basis of the social and political sciences in the Keynesian tradition and grounded upon a realist, Aristotelian-Keynesian, theory of knowledge. It has already been suggested that, in his 1938 *Catholicisme*, Henri de Lubac arrives at the same conclusion from a *theological* perspective, as is particularly evident from the statement on the backpage of his book:

“Comment une religion qui se désintéresserait de l’avenir terrestre et de la solidarité humaine offrirait-elle un idéal capable de rallier les hommes du XXe siècle? Critique lucide des cheminements de l’humanisme athée, le Père de Lubac connaît le sérieux de la question, et il définit dans ce livre, paru en 1938, la réponse que lui a donnée l’Eglise de Vatican II: l’Evangile est traversé par la recherche primordiale de l’unité de la communauté humaine; l’Eglise, au coeur de l’histoire, est le creuset où s’inaugure la réconciliation universelle. Bonheur individuel et salut du genre humain ne peuvent être séparés.

Cette septième édition offre de nouveau aux lecteurs ce que le Père de Lubac appelle avec modestie *un certain accent de jeune enthousiasme, faible echo de cette allégresse qui se dégage des premiers écrits chrétiens, et dont le miracle se reproduit de siècle en siècle, au sein même des pires calamités*” (de Lubac 1983/1938, backpage comment).

While Henri de Lubac’s Catholicisme is certainly grandiose, many members of the clergy and of the lay public did not agree with all the decisions of Vatican II, substantially influenced precisely by Henri de Lubac. For example, considerable Catholic forces were in favour of maintaining the Latin Ritual, since this ritual expresses most appropriately the mysteries of Faith, and, as such, remains an essential part of the spiritual heritage of the Church. Moreover, the Latin Ritual constitutes a powerful testimony of the universality of the Church. Given this, the Modern Ritual could coexist with the traditional one.

However, in an ecumenical spirit, it was certainly appropriate to give the Modern Ritual preeminence. In the spirit of the essentially social and universal character of Catholicism the ecumenical movement is obviously of fundamental importance in the modern world. In this context one should always remember that the social does not mean standardisation and domination, but diversity, cooperation, dialogue and mutual understanding, and mutual enrichment. Hence, the basic aim of the ecumenical movement, the unity of Christianity, would imply a unity in diversity and mutual understanding and enrichment. On a higher level

and on the basis of their respective positions, the various religions - Christianity, Judaism, Islam, Buddhism, Hinduism – could cooperate and enrich each other in the spirit of Henri de Lubac's Catholicisme. In this context, it is evident that the dialogue between Christianity and the sister religion of Judaism is of primary importance, given the Judaeo-Christian tradition, stretching over thousands of years. In the above it has been suggested that this great religious tradition might plausibly be considered the backbone of World History.

This thread of thought may be carried on further, always in the spirit of Henri de Lubac. One might imagine that there be various of kinds of Catholic Theology: African, Islamic, Hindu, Chinese, and others, all expressing in different ways the same fundamental Truths, and all having their own ritual. In collaboration with all regional Churches, Rome would always deal with preserving the invariable Fundamentals and with maintaining the unity of the Universal Church, which, as a consequence, would appear in various forms all over the world. To this theological edifice would correspond, on the level of the ritual, the fundamental and universal Latin Ritual, providing the basis, upon which the Modern Regional Rituals could be established. This unity in diversity would appropriately express the social nature of Catholicism put to the fore by Henri de Lubac. Ultimately, this way of organising the Roman Catholic Church would reflect the unity of a rich and diversified Humanity. But a rich and diversified Humanity would also be a living entity, within which the social individuals of all nations and continents could prosper and mutually enrich each other on the basis of Natural Liberty. In this way the social nature of Catholicism would decisively contribute to unfolding human nature worldwide.

Moreover, other problems would have been of equal significance in relation with adapting the Church to Modernity. For example, it would have been of great importance for the Church to step beyond Catholic Social Doctrine and to move into the sphere of the social and political sciences. In fact, a catholic social philosophy and an associated system of social and political sciences, most importantly a system of political economy, in line with the social aspect of Catholic doctrine, as set out in Henri de Lubac's Catholicisme, was and is greatly required. The teaching in these domains should have become part of the Magisterium of the Church, with the end of shaping economic and social policies universally. However, in the 1960s a fully blown alternative to the economic theories of Liberalism-Capitalism and Socialism – with Central Planning - did not yet exist. Such a system is gradually emerging only now, in the shape of post-cum-classical-Keynesian political economy, based on the social philosophy of Social Liberalism (Bortis 1997/2006 and 2003a). In this last section of the present essay, it has precisely been attempted to show that these doctrines are in line with the social aspects of

Catholic doctrine as are set out in Henri de Lubac's Catholicisme, and can, as such, become part of the Magisterium of the Catholic Church.

In any case, the splendid text commenting on Henri de Lubac's *Catholicisme* on the backpage of his book is going to be valid in the 21st century, too, and probably very far beyond. Again, the situation at the outset of this century is a very difficult one, and firm leadership based upon a clear conception will be required to lead Humanity out of this situation on the way to the Keynesian Social Liberal Order of Natural Liberty. In this context, let us recall that the Roman Church took this firm leadership in the chaotic situation that prevailed after the breakdown of the West Roman Empire. The result was the Carolingian Empire and Medieval Christianity, which set Europe, and subsequently, the whole world on the track to Modernity, as Michael Mitterauer convincingly argues.

Could it be that the Roman Church has to step in again at present? In fact, no other possibility seems to exist. No political force is presently able to set the world on the track towards a social liberal natural order as sketched in preceding chapters. The Roman Church only has the solid institutional structure, established worldwide, and the strong leadership required to get in touch with *all* social and political forces at work presently, including, for example, revolutionary and terrorist groups and Mafia-type organisations, all of which are also fighting against, or, like the Mafia, are a consequence of the presently ruling neo-liberal system of Monopoly-Finance Capitalism; the aim would be to reconcile and to reintegrate so as to strengthen the forces working for a *peaceful* transition from neo-liberal capitalism to humanist Social Liberalism. Only a *supranational* institution without any selfish aim and working entirely for the Common Good of Humanity on the basis of clear and thought out conceptions can undertake the huge task of setting Humanity into motion in the direction of the Keynesian Social Liberal Order of Natural Liberty. Indeed, once there is a movement in the right direction, politics would naturally take over to complete the task and the Church would step back to concentrate on fulfilling her original spiritual and pastoral tasks, to which the educational task, the *magisterium* would add. Most of the teaching would, of course, be indirect, that is, effected by the laity active in public schools and state-run universities in the main, as would certainly be in the spirit of Jacques Maritain. The teaching of the social and political sciences would be based upon a social philosophy, Social Liberalism to wit, grounded, in turn, on the Catholic *Weltanschauung*, specifically the social aspects of Catholic doctrine. Presumably, this would be in line with Henri de Lubac's vision, set out, precisely, in his work on *Catholicisme*.

As already alluded to in the above, Henri de Lubac's *Catholicisme* opens up new perspectives as to the meaning of World History. Henri de Lubac in fact conceives of the original natural state of Man as a state of social harmony. This original natural state also implies determinism in the sense that the efficient cause prevails. In fact, Man, still unconscious, is governed by the instincts of the subconscious. When Man becomes *conscious* the social harmony of the original state of nature breaks up. This break-up results in *fundamental alienation* (de Lubac's *péché originel*), showing up in individualisation and the coming into being of antagonistic social formations, for example, clans, tribes, later on, states and empires. Conflicts and wars occur. In a way, Man errs in the dark – in fact, in the darkness of alienation –, only gradually becoming aware of the values he should pursue. In this context, the *Old Testament*, specifically the *Pentateuch*, provides ample evidence on Goodness being imposed through coercion, in fact, coercion by the Law established by the Deity. As emerges from the Old Testament Books in general, this went along with imposing Monotheism through force and destruction, even ruthless destruction for all those worshipping other gods than the unique and almighty God, the God of Israel; this is particularly evident from the *Book Esther*, where it is told that the Jews ruthlessly destroyed their enemies by permission of the King of Persia. The determinism associated with legal coercion and the exercising power uncompromisingly rendered possible the survival of the people of Israel, the carrier of the eschatological hope for the establishment of orderly polities worldwide, broadly in line with Natural Law, with system-caused alienation largely eliminated. In modern times, the work of Karl Marx, his *Frühschriften* in the main, but also his *Kapital*, perhaps represents most impressively this eschatological hope. Ernst Bloch's *Das Prinzip Hoffnung* might be added here.

A fundamental change, laying the basis to realise the Jewish hope, occurs with Christianity and the New Testament. The *social* becomes normative, that is, an aim or a *telos* to be realised through continuous efforts. Social harmony, implying the realisation of the Common Good, characterises the Good Society, which is a precondition for the full realisation of the Good Life by the social individuals. This is the natural state *within* a polity, enabling the social individuals to prosper. Moreover, in the above, a natural state *between* polities has been conceived of: the world as a family of states, eventually to be structured through historical-geographical federations. In principle, the realisation of these fundamental social values, and, in fact, of the fundamental values of Goodness, Beauty and Truth in all domains, should go on in conditions of Natural Liberty, with alienation reduced to a minimum. And the social state of affairs represented by a world consisting of a family of nations, structured by historical-geographical federations, would be rich and diversified. Hence in the New Testament

Christian-Catholic era, individualisation and diversification ideally do not appear as a source of conflict, as was the case in the pre-Christian, Old Testament age, but as mutual enrichment and increasing material as well as intellectual and spiritual wealth, both rendered possible by the two *axial ages*, linked by Christianity. The two *axial ages* have indeed contributed tremendously to the unfolding of the potential of human nature.

Given this, in Henri de Lubac's, terms world history may be conceived of as a movement from the social harmony deterministically imposed in the original natural state to a rich and diversified social harmony, appearing as a *telos* to be aimed at in conditions of Natural Liberty, and enabling a further development of the potential of human nature in peaceful conditions. Within both natural states alienation prevails to a greater or less degree. In a way, alienation implies that Man is not with himself, that is, with his nature, but is outside, abroad, and, as such, Man is alien to himself, as Marx, starting from Hegel, beautifully suggested, in a spirit, though, of what has later been called *atheistic humanism*.

However, it would certainly not be correct to consider Marx an atheist, although, in the Ökonomisch-Philosophische Manuskripte aus dem Jahre 1844 he attempts to prove that Nature is eternal, which, in any case, would imply a kind of Pantheism. Here, Marx is on a familiar terrain, because he had written his doctoral thesis on Greek Natural Philosophy. However, Marx breaks off the argument, probably because he feels that he is unconvincing. In this context, a German theologian said in 1983, a hundred years after Marx's death, in a television documentary: 'Karl Marx was not an atheist; he was an anti-theist who could not accept the dreadful world of suffering God had created. Man himself, Prometheus to wit, Marx's hero, must, therefore, become master of his own destiny and forge a new and better, Communist, world' – with Communism being equal to Humanism and Naturalism. In a way, Marx broadly joins here Dostojewskij's Iwan Karamasov.

Hence, in the course of World History, Man leaves his original very simple and natural home for the wilderness of alienation, which permanently prevailed to a greater or less degree, culminating in some instances, for example in the course of the Apocalyptic Age 1914-1945. The events that occurred during this modern Apocalyptic Age suggest that no expression characterises more appropriately a state of alienation than the German *Gottferne*. Nevertheless, through suffering and overcoming challenges, alienation enables Man to build a new, rich and diversified home. When time is ripe, as it seems by now, Man has the possibility to fully enter this new, rich and diversified residence, which he may go on

improving and perfecting through pursuing the fundamental values of Goodness, Beauty and Truth in all spheres of social and individual life. This amounts to completing Creation through unfolding the immense potential of his nature.

Indeed, time seems ripe to implement Keynes's Social Liberalism. Once the movement is launched, things might move on speedily, because, as Gregor Gysi recently said: "Nichts ist mächtiger als eine Idee, deren Zeit gekommen ist [orig. Victor Hugo]."

It would indeed seem that there is growing resistance to the dominance of the economic and, above all, of finance, which characterises the world of neoliberal Capitalism. In the face of an economic, financial, humanitarian and ecological crisis, a fundamental change in the value system is, perhaps, gradually making its way. The traditional bourgeois values – professional success, consumerism, getting rich, money making – might gradually lose their attraction, and give way to the rise to dominance of the fundamental values of Goodness, Beauty and Truth to be pursued in all domains. However, two important – Keynesian - preconditions would have to be fulfilled to fully enable this change in the value system to take place: first, a well-organised economy, with near full employment (absence of involuntary unemployment) and a broadly 'fair', and, as such, socially acceptable distribution of incomes; and, second, an education system primarily based upon the acquisition of fundamental knowledge, with specific, and applied, knowledge becoming secondary; this would mean taking up in a modernised form the great tradition in education as has developed in Europe since the Early Middle Ages in the Carolingian Empire, greatly enriched by Humanism and Renaissance, the establishment of Catholic grammar schools from the seventeenth century onwards and by the fundamental reforms initiated by Wilhelm von Humboldt in Prussia. Both preconditions would make up the core of Keynes's Social Liberalism: the economy taking up its ancillary role again, to enable, by the intermediation of education, the realisation of the fundamental values in all domains, as far as this is possible for fallible human beings.

Should Humanity succeed in reaching approximately the *telos* of the natural state within and between nations, the immense suffering endured in heavily alienated epochs and the sacrifice of all those who died on battlefields would not have been vain. This vision might contribute to a deeper understanding of the historical sense of social suffering. Given this, the present generations have a duty towards the earlier generations to bring state and society and the international order into line with human nature. And Human History would, in the spirit of Henri de Lubac, be a movement from the social harmony of the original deterministic natural

state, across the desert of alienation where diversity has frequently been a source of conflict and war, to the social harmony in diversity of the ethical and civilised natural state, the natural as a *telos*, where Natural Liberty prevails and where diversity is a source of mutual enrichment. In the ethical and civilised natural state, the unity of Mankind would be broadly realised through historical-geographical federations cooperating in the material and intellectual sphere within and between continents on the basis of the spirituality of a universal religion appearing in most diverse forms, with all these forms building on invariable principles in line with human nature and being based upon the immutable fundamental values of Goodness, Beauty and Truth.

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