

FIRST SECTION.

DIAGNOSIS OF THE WORLD CRISIS.

INTRODUCTION.

So much has been written already about the world crisis even by very competent authors, that a further work on the same subject might seem superfluous, either because it presumably only repeats that which has been said before by others, or because, if it does contribute new ideas on the subject, these ideas cannot presumably be considered correct. I leave it entirely to the reader to decide whether either alternative is applicable to my work. In any case the catastrophe threatening mankind is of such serious moment that I consider it the duty of everyone who thinks he can contribute towards warding off the danger by a statement of his views on the subject, to do so and make his views known to the general public.

We are confronted not merely with a temporary crisis, but with the imminent danger of a complete collapse of our economic institutions, if a free course is left to further unfavourable developments. That would mean a catastrophe for the whole of mankind which not even the fanatic opponents of the Capitalist system could desire or rejoice at. If the present Capitalist basis of society is unsuited to the new forms of economic life, let us reform it, but let us avoid violence or destruction.

Being destined both for the general public and for the expert economist, this book is perhaps written at greater length than would otherwise be necessary, for I have tried to be as explicit as possible

on certain points of theory. But I have also tried to state my views in as popular and concise a manner as possible, in order to enable even the busy man to peruse this work without too great a loss of time. It is indeed the duty of everyone to try to obtain a clear idea of the causes and symptoms of the present grave economic crisis: Governments alone will be unable and powerless to act without the co-operation of world public opinion.

Man is, so far, powerless only in the face of elemental calamities. On all other matters he may exercise a certain influence by his will and deeds. Should the economic disturbance lead to a catastrophic end of the welfare of all mankind, it would be the fault of man alone. For this crisis is not due to any lack of commodities, but to a lack of proper organization. Either man has not acted where he should have acted, or else he has adopted the wrong measures. A complete lack of action at the present time would hardly be pardonable. But should he act in the wrong way, the fault would lie obviously in the false diagnosis of the actual economic disorder. I have therefore made an attempt at providing a diagnosis which can at least serve as a basis of discussion.

The crucial point of my treatise will thus consist in the diagnosis. I have added certain suggestions on the possible cure of the crisis, but I am well aware that the importance and the proficiency of a theoretician do not lie in the practical solution. A correct diagnosis, however, is an indispensable condition of a correct cure; hence its great significance and urgency.

Nevertheless even the question of treatment is very urgent. Remedy and help must no longer be delayed. Every protraction and vacillation may mean an irreparable damage. The Hoover plan could have proved very beneficial, had it come in time, but unfortunately it came too late.

It seems altogether a pity that decisions are often made in such a way as to cause ultimately more harm than would be otherwise necessary. For people keep on hoping that the imminent calamity

will not materialize, and therefore they bide their time and put off the search of a remedy. But in the end the calamity does take place, and they suffer a damage which often is irreparable and in any case greater than the original menace. This is true not only of human health, but of human life in general. In this struggle against the world crisis it is therefore imperative to do everything in our power to prevent a repetition of the experience made with the Hoover plan.

Let me at once emphasize that my work must not be understood either as an apology for the individualist or Capitalist basis of society, or as an eulogy of the Bolshevik or Communist order. An uncompromising neutrality is not only necessary and desirable, but also possible. Both these systems of political, social and economic organization have so many protagonists that, in addition to the publications of those bound by their interests with this or that party, the world can surely afford the luxury of independent views, serving nothing but the truth. All my arguments are only the results of cool, logical and unbiased observation and reasoning; unlike socialist theories, they are not based on any moral or ethical grounds (for instance on the grounds of higher justice). It has been my intention to turn this drawback into a positive advantage of this work.