

# The Central Question of Economic Life

*A lecture by Rudolf Steiner in Oslo, Nov. 30, 1921*

First of all I wish to thank the honorable chairman for his warm words and ask you above all to note what I assure you with equal warmth, that it gives me deep satisfaction to be allowed to expound here some aspects of the social endeavors to which I have devoted a great deal of my time. But of course I have to apologize immediately, because to speak about the social question today is extremely difficult. In a short lecture one can actually only give a few aspects and perhaps indications, and I ask you to make allowance for this.

Perhaps there could be the assumption that someone who in the main devotes himself to the popularization and spreading of anthroposophical spiritual science could only talk of otherworldliness—maybe of fantasies or even utopia—when he treads on social ground. But just what I have learned from anthroposophical thinking in regard to the social question differs from much which at present is talked of in this direction, in that it wants to engage with practical life and actually doesn't just want to discuss social theories.

During a number of decades I have gained, by direct observation of social life from various sources, the view of the social question of which I'd like to share some aspects. From these sources I have seen that the social question, and specifically the economic question, is today actually a general human question. It announces itself when one studies it in real life, not in theory, as a question which doesn't actually consist of only economic aspects, but today erupts in such a volcanic way from purely human causes. And it will only be possible

to tackle this question in a practical way when one seeks the solution—and of course there can only be the question of an attempt at a partial solution—from a purely human aspect. And here I must characterize something quite different as the central economic question from what one would normally expect. Indeed, I shall not even be able—as life is richer than theories and ideas—somehow to answer this central economic question in a short sentence, but I shall be able to let it appear as something that goes like a thread through my observations today.

In the beginning I want to mention a very abstract view. It is this: that we live in a time when man to a great extent alienates himself from life, and from economic life in particular, by what he thinks and what he makes his principles. This view has shown itself especially through my working among the proletariat as a teacher in the most varied fields of knowledge, in the fields of history and economic questions. I could especially get to know the modern proletariat in their lives through the fact that I was privileged to conduct the teaching and exercises with the workers in free conversation throughout many years. There one gets to know how the people think, how they feel. And when one knows that especially the economic question depends on reintroducing the proletariat to the work in a way relating to the economic needs of humanity, then one will initially be obliged to look at the economic questions from the point of view of this human side. And there it became clear to me that if one tries to create an interest within the proletariat today for this or that, then the actual concrete economic questions—the comprehension of really practical economic life—actually awakens no interest in them. The people have no interest in concrete, individual economic questions. Today there lives in the proletariat—and in international life millions of human beings belong to this proletariat of which I speak—only an abstract economic theory, an abstract theory however which itself constitutes the content of life for

the proletariat. The proletarian worker is in his heart actually very aloof towards his work, towards the actual content of his work. He does not care about what work he does. He is only interested in how he is treated in his firm. And when he speaks about this treatment it is still from quite general, abstract points of view. He is interested in the relation of his wages to the value of the product he helps produce, while the quality of his product is absolutely beyond the scope of his interests. I have tried, especially in the teaching of workers, to create an interest in concrete branches of manufacture and industries by introducing history and natural science. But all this is something which does not interest the worker as such. He is interested in the situation of the classes, the class struggle, he is interested in that—which I don't need to characterize for you here—which he calls "surplus value." He is interested in the development of economic life in as much as he ascribes to it the reason for all human history. And he actually speaks of a theoretical region, which exists totally above that which he's involved in from morning till evening, and wants to form the reality from this. And one may say: What he accepts as his theory about the economic life again results from a theoretical way of looking at things. Most proletarians today are, as you will know, more or less modified from the original Marxists. They are followers of a theory which actually doesn't concern itself with the conditions of economic life as such, but works in the direction which I have just described.

This one gets to know within wide circles of the proletariat through practical association with them, by working among them. But that is, in a certain sense, only the reflection of an ever increasing distancing, during the last centuries, of purely human interests from the interests of practical life. One would like to say: The fact that our economic life has become more complicated has caused a kind of stupor, so that one can no longer dive down into the specific, complicated areas of economic life with that which one ethically

accepts as the good, and with that which one ethically accepts as the just. But if one does not speak out of practical life, but out of general abstract principles, one hardly touches on that which comprises the work of the day, the tasks of the day, with that which one always asserts as demands, as principles.

Just as I could share this with you out of my own life experience, so it can also be demonstrated by various examples from historical life. I would like to tell you a grotesque example for that which I want to say. It was 1884 when Bismarck, wanting to establish a foundation for his further handling of the core economic question, said in the German parliament that he acknowledges the right to work of every human being. Then he instructed the delegates thus: 'Let the community give to every healthy human being the work which sustains him, make sure that those who are sick or weak are cared for by the community, that the aged are cared for, and you can be sure that the proletariat will leave its proletarian leaders, that the social democratic theories which are being promulgated will find no followers.' Now that was spoken by Bismarck who, though he admitted in his memoirs that he had republican sympathies in his youth, you will surely acknowledge was a monarchist; you will surely not expect him to applaud if, at a proletarian meeting, the international social democracy was cheered.

I would like to draw your attention to another personality who stated the same thing with almost identical words, who however stood with his whole disposition—his whole human feeling—on another general human standpoint. That is Robespierre. When he wrote his "human rights" in 1793, Robespierre said almost the same—no, I want to say exactly the same—as what Bismarck said in the German parliament in 1884: 'It is the obligation of the community to provide work for every healthy human being, to look after the sick and feeble, to care for the aged when they can no longer work.'

The same sentences from Robespierre, from Bismarck, definitely from quite different human perspectives. And now comes the third thing which is also very interesting: Bismarck, when voicing his “Robespierre words,” which he definitely hadn’t learned from Robespierre, argued that these demands were already part of Prussian state rights since 1794. Now, one may surely not conclude from this that the Prussian state legislation, one year after Robespierre had written his “human rights,” adopted these human rights in its code of law. And surely the world will not think that the Prussian state had wanted to realize Robespierre’s ideas, according to its state laws, for almost a hundred years when Bismarck again stated these demands in 1884. There the question arises, in view of the historical facts: How is it that two such different people as Robespierre and Bismarck can say the exact same words and that, without a doubt, both imagine that the social milieu which they want to create with this is a totally different one?

I cannot see this in any other way than that today, when we speak in such strong abstractions about the concrete questions of life (which during recent centuries have become more complicated), we all actually—Bismarck from the extreme right, Robespierre from the extreme left—harmonize in relation to the general principles. In the general principles we all agree. But in life we immediately fall into extreme disharmony, just because our general principles are far removed from the particular of that which we do all day long. Today we have no possibility, just when it comes to practical life, to really accomplish in particular what we think in general. And the most abstract thing is that which in the proletarian theory is contained today as economic demand, for the reasons which I have tried to characterize.

This is how things are today. And one has to say: Through the whole development of recent times this state of affairs has come about. We see how the section of economic life which we can call the

production process has become more and more manifold through the complexity of technical life. And when I want to characterize it with a word which has already become a cliché—but one has to use such words—we see that the life of production has become ever more *collective*.

After all, what can an individual accomplish in our social organism within the life of production? He is connected everywhere with that which has to be done in community with others. Our way of production has become so complicated that the individual is caught up as in a big production mechanism. The life of production has become collective. That is just what appeals to the proletarian and he imagines in his fatalistic economic view that this collectivism will become still stronger and stronger, that the branches of production will amalgamate and that the time will come when the international proletariat will be able to take over the production themselves. That is what the proletarian is waiting for. So he gives himself over to the great delusion that the collectivism of production is a natural necessity—for he experiences the economic necessity almost as a natural necessity—and that this collectivism must be further established. Above all, that the proletariat is ordained to then occupy the chairs on which today’s producers are sitting, and that that which will have become collective will then be administered collectively. How strongly the proletariat believe in such an idea out of their economic interest, we can see from the sad results of the economic experiment in the East, for there, so to say, it was tried to organize the economic life in this way, albeit not as proletarian theorists had dreamed but out of the military circumstances. One can already see today, and one will see it more and more: The experiment will—quite apart from its ethical or other values, or from the sympathies or antipathies that one can have for it—by its own inner destructive forces miserably fail and bring unimaginable disaster to humanity.

Over against the life of production stands the life of consumption. But the life of consumption can never become collective by itself. In consumption the individual actually by natural necessity stands as an individuality. From the personality of the human being, from the human individual, the needs of the total consumption arise. Therefore, beside the collectivism of production, the individualism of consumption remained. And starker and starker became the abyss, deeper and deeper became this abyss between the production aiming for collectivism and the ever more demanding, just by contrast, ever more demanding interest of consumption. For one who can look through today's life with unprejudiced eyes it is now no abstraction, but for him the terrible disharmonies into which we are placed are founded on the wrong relationship which has been established today between the impulses of production and the needs of consumption in the way I've just characterized.

To be sure, one can only have an idea of the whole misery which in this regard troubles the deepest feelings of people, if one has for decades observed, not through study but through practical life, that which has caused this disharmony in the various areas of life. And now truly, not through any principles, not by theoretical considerations, but out of these life experiences, that has emerged which I put down in my book *The Core Points of the Social Question* [translated as *Towards Social Renewal* in English]. Nothing was further from my intention than trying to somehow find a utopian solution for the social question out of this life experience. However, I had to experience that contemporary thinking spontaneously leans towards the utopian side. Of course I had to condense that which I had come to out of the great manifoldness of life, which I would have preferred to discuss by giving single concrete examples. I had to condense it into general sentences which in turn are condensed in the term "threefolding of the social organism." But what these words signify—that had, at least, to be explained by some indications. One

had to say how one imagines that these things should be handled. That is why I have given some examples how the development of capitalism should proceed, how for instance the labor question could be regulated and so on. There I have tried to give concrete particular indications. Well, I have attended many discussions about these "core points of the social question" and I have always found that people in their utopian opinion of today ask: Now how will this or that be then in the future? They referred to the indications which I have given about specific things but which I never meant to be anything but examples. In real life one can demonstrate something that one is doing, that one arranges to the best of one's knowledge, but which obviously one could also do differently. Reality is not such that a single theory fits it. Of course, one could also do everything differently. But the utopian wants everything characterized to the last detail. And in this way the "core points of the social question" have often been understood by others in a utopian sense. They have often been transformed into utopia, whereas they were not meant in the least as utopia but have resulted from the observation of that which emerged from the process of production as collectivism, from the observation of how for production there is a certain necessity to flow into collectivism, but how on the other hand all strength of production depends on the abilities of the human individual.

In this way, by observing modern production, the eye of the soul could see with terrible intensity that actually the basic impulse of all production, the personal ability, was being absorbed by the collectivism which had been caused by the economic forces themselves and which continued to be caused by them. One realized on the one hand the tendency of the economic life towards collectivism and on the other hand the equally valid demand to let the individual strength of the single human being assert itself particularly just within the economic life. And one has to ponder how this basic demand of economic progress—the nurturing of individual abilities

—can be safeguarded in the ever more complicated processes of production (purely due to technical circumstances). It is this which on the one hand stands so vividly before one's soul: the real economic process and the necessary demands on the economic life so that it may prosper.

On the other hand that which we call the present social question doesn't actually arise out of the interests of production. When collectivism is sought for in the realm of production, then one finds this actually in the technical possibilities of economic life, in the technical necessities, as well. What one usually calls the social question is actually asked totally by interests of consumption, which again are based totally on the human individuality. And the strange fact emerges that, although seemingly something else is taking place, the call for social reform resounds through the world purely from interests of consumption. One can also see this when one practically follows up in discussions and in life. I have seen this during the lectures I started giving in April, 1919, and which were given again and again, and in the discussions following them, how unsympathetic those who are active as producers or entrepreneurs in practical economic life are towards the discussion of that which one calls the social question in the sense of how it is preached out of the interests of consumption.

On the other hand one sees how actually everywhere where the call for socialism appears, only the interest of consumption is focused on. So that here, just in the ideals of socialism, the will impulse of individualism is active. In actual fact, all those who are socialist strive towards socialism out of purely individual emotions. And the striving for socialism is actually only a theory which floats above the individual emotions. But on the other hand, by a serious observation of that which has developed more and more in our economic life over centuries, the whole, full meaning of that emerges which is popularly called "division of labor" in the teaching of economics.

I am convinced that many clever things have been written and said about this division of labor, but I don't believe that it has already been thought through to its final consequence in its full significance for the practical economic life. The reason why I don't believe this is because one would then have to realize that actually it follows from the principle of dividing labor that nobody can produce anything for himself in a social organism in which there is a full division of labor—and I am purposely saying "can produce." Even today we still see the last remnants of subsistence farming, especially looking at the small farms. There we see how the farmer retains what he and his family need. And what does it bring about that he can still be a supplier of his own needs? It brings about that he produces in quite a wrong way within the social organism which for the rest is based on division of labor. Everyone who today makes a coat for himself or who supplies himself with his own food grown on his own land, actually sustains himself too expensively, because, as there is division of labor, every product will be cheaper than it can be when one produces it for oneself. One only has to ponder this fact and one will realize its final consequence: that today nobody can produce in a way where his work can flow into the product. And yet there is the strange fact that Karl Marx, for instance, treats the product as a crystallized piece of labor. But today this is not in the least the case. The product today is in relation to its value—that is all that matters in economic life—and is least of all determined by labor. It is determined by its usefulness, that is, its consumption interests, by the usefulness with which it exists within the social organism that depends on division of labor.

All this asks of us the great questions of the present time in the economic realm. And from these questions it became clear to me that at today's time of human development we stand before the necessity to form the social organism in such a way that it more and more shows its three inherent parts. And as one of these three parts I have

initially to recognize the spiritual life, which rests mainly upon human abilities. When speaking of the threefolding of the social organism I do not only include the more or less abstract life of thought or the religious life in the spiritual realm, but I include everything which depends on human spiritual or physical abilities. I have to say this explicitly, otherwise one could completely misunderstand the demarcation of the spiritual realm within the threefold social organism. The one also who only works with his hands needs a certain skill for this work, he needs various other things as well, which in this regard does not let the individual appear as a member of pure economic life but as a member of the spiritual realm.

The other realm of the social organism is that of pure economics. In pure economics one is only concerned with production, consumption, and the circulation between production and consumption. But this means nothing else than that in pure economic life one is only concerned with the circulation of the produced goods which, as they are circulating, become commodities. One is concerned with the circulation of commodities. An item which, because it is needed within the social organism, attains a certain value which is reflected in its price, such an item becomes a commodity.

But now the following transpires (of course I can only make indications of those things I want to assign to certain realms, otherwise this lecture would become far too long): It now appears that all that which is commodity can have a real objective value, not only in connection with the economic life but with the whole of social life. Simply by that which a product means within the life of consumption it attains a certain value which definitely has an objective significance. I now must explain what I mean by “objective significance.” By “objective significance” I don’t mean that one could immediately determine the value of a product through statistics or such like. For the circumstances by which a product gets its value are

far too complicated, far too manifold. But apart from that which one can immediately know about it, apart from our perception, every product has a specific value. When a product has a certain price in the market place, this price can be too high or too low in relation to its real objective value, or it can coincide with it. But as irrelevant as the price is which appears to us outwardly (because it can be falsified by some other circumstances), so true it is on the other hand that one could ascertain the objective value of a product if one could ascertain all the thousands of single conditions by which it is produced and consumed. From this it is clear that that which is commodity has a very special relationship to economic life. For what I now call the objective economic value can only be applied to commodities. It cannot be applied to anything else which today has a similar relationship to our economic life as commodities have. For one cannot apply it to land or to capital.

I don’t want to be misunderstood. For instance you will never hear characterizations of capitalism from me as one nowadays hears them so often and which come from all sorts of clichés. It is obvious that one does not have to elaborate on the fact that in today’s economic life nothing can be achieved without capital and that polemics against capitalism are economically amateurish. So it is not that which one can nowadays hear so often which I now have to say about capital and about land, but yet something else. If one can state for every product that its price is above or below a mean which admittedly cannot be immediately determined but which is objectively present and which alone is healthy, one cannot apply it to that which is nowadays treated like commodities: land. The price of land, the value of land today is subject to what one can call human speculation, what one can call anything but social impulses. There is no objectivity in the determination of the price or value of land in an economic sense. That is so because a product once it exists—never mind whether it is good or bad (if it is good it is useful, if it is bad

then it is not useful)—can by itself determine its objective value by the manner and intensity in which it is needed.

That cannot be said of land and capital. In the case of land and capital the manner of how it is productive, how it is positioned within the whole social and economic structure, is absolutely determined by human capabilities. They are never something finite. If I have to manage land I can only manage it according to my capabilities and because of this its value is variable. The same goes for capital that I have to administer. Someone who studies this fact practically, in its full significance, will have to say: This radical difference between commodity on the one hand, and land and capital on the other, definitely exists. And from this can be deduced that certain symptoms which appear in our economic life, and which clearly seem to us unhealthy symptoms of the social organism, must be thought of in some connection with that which is caused in economic life by the fact that in practice one treats with the same money, that is with the same appreciation of value, that which in actual fact cannot be compared. In other words, one throws together (and indirectly, through money, exchanges with one another—brings to economic interaction) what is quite different in its intrinsic nature and therefore would have to be treated differently in economic life.

And when one further studies practically how the same treatment (that is, payment with the same money) for commodities, for consumables, as for land and capital (which has actually also become an item of commerce as anyone knows who is familiar with economic life) has entered our social organism, and when one studies the historical development of humanity, one can see that today three realms of life, which come from totally different origins and only have a connection in social life through the individual human being, are working together in our social organism in a way which is not organic. That is first of all the spiritual realm, the realm of human capabilities which man brings with him to the earth from spiritual

realms, which comprise his talents, which comprise that which with his talents he can learn, which are very much something individual and which are developed more intensely the more the single human individuality can assert himself in social life. One may be a materialist or whatever, one will have to admit: What is achieved in this realm the human being brings into this world through birth. It is something which depends on the single individuality if it is to prosper, from the physical skill of the craftsman to the highest expressions and revelations of the faculty of invention.

Something else holds good in the realm of economic life. I want to explain what I want to say about this by a fact. You all know that at a certain time during the 19<sup>th</sup> century here and there the ideal of a universal gold currency arose. If one follows up on what was said by practical economists, by economic theorists, by parliamentarians during the time when, here and there, there was a striving for the gold currency—and I say this definitely without irony—it is very clever. One is often very taken by the sense that was spoken and written in parliaments, chambers of commerce, and other associations about the gold currency and its blessings for economic life. One of the things that was said and what especially the most prominent people, at least many of the most prominent people, emphasized, was that the gold currency would result in the blossoming of economically beneficial free trade everywhere, that the economically harmful political boundaries would lose their economic significance. And the reasons, the arguments which were quoted for such assertions, were very clever. And what has happened in reality? In reality it has happened that just in the areas where one had expected that the economic boundaries would fall because of the gold currency, they were after all to be found necessary or at least have been declared necessary by many. From economic life the opposite emerged from that which from theoretical considerations was predicted precisely by the cleverest people.

This is a very important historical fact which happened not so long ago and from which one should draw the necessary consequences. And what are these necessary consequences? It is these which one always finds when one looks at the real practical economic life: that in the realm of actual economic life, which consists of production, circulation, and consumption of goods—let me say this paradox, I believe it to be the truth which really is revealed to the unprejudiced observer—the cleverness of the individual can be of no use to him. One can be ever so clever, one can have ever such clever thoughts about economic life, the evidence can be absolutely sound, but it will not be realized in economic life. Why? Because economic life can in no way be circumscribed by the consideration of the individual, because economic experience, economic perception, can only come to valid judgement by the agreement between persons interested in economic life in various ways. The individual can never gain a valid judgement, also not through statistics, how economy should be conducted, but only by agreement say of consumers and producers who form associations, where the one tells the other what the needs are and, vice versa, the other tells the one what possibilities there are for production. Only when a collective decision comes about through agreement within economic associations can a valid decision for the economic life be found.

To be sure, we here touch on something where outer economic perception borders on, let me say, economic psychology. But life is a unity and one cannot omit human souls when one really wishes to speak of practical life. What this means is that a real economic judgement can only result from the agreement of those who participate in the economic life out of the knowledge which they gather as partial knowledge and which only becomes valid judgement when the individual knowledge of the one is modified by the individual knowledge of the other. Only discussion can lead to a valid

judgement in economic life. But with this we talk of two radically different realms of human life. And the more practically one regards life, the more one finds that the two realms differ from one another, for instance production—which requires knowledge about how to produce, how one works out of human capabilities—needs the human individual, but that everything to do with commodities, with the goods when they have been produced, is subject to the collective judgement.

Between these two realms there is a third where the individual is not there to unfold his capabilities, which he has brought into life by his birth, nor is the individual able to associate with others in order to modify his economic judgement and bring about a collective judgement which holds good for the practical economic life, but where the individual faces the other human being in such a way that this encounter is a purely human one, a relationship from man to man. And this realm includes all relationships in which the individual human being directly encounters the individual human being, not as an economically active being but as man, where he also has nothing to do with the capabilities with which one was born or which one has learned, but where he is concerned with what he is allowed to do within the social organism or what his duties are, what his rights are, with that which he signifies within the social organism by his pure human relationship with the other man despite his capacities, despite his economic position. This is the third realm of the social organism.

It might seem that these three realms were cleverly thought out, but that is not the case. It seems as though they are not taken from practical life, but that is just what they are. Because that which is specific to them is just what is at work in practical life. And when these three realms work together in a wrong way, then damage to the social organism occurs. In my *Core Points of the Social Question* I have used the example (not in order to prove something—I know very well that one can never prove anything by analogies—but in

order to explain what I had to say) of the human organism, which is definitely a unity but which, if one analyses it with true physiology, all the same consists of three realms. We distinguish clearly in the human organism the nerve-sense organism which, though working within the whole human being, is mainly situated in the head. Furthermore there is in the human being the breathing and circulation rhythm, the rhythm organism as a relatively independent organism. And as a third organism there is the metabolism-limbs organism, all that depends either on the inner functions of metabolism or the consumption of the products of metabolism by the outer human activity, which starts with the movement of the human limbs by which metabolism is used.

Indeed, man is a unity, but just because of the fact that these relatively independent members are working together harmoniously. And if one were to wish that instead of this organic working together man should be an abstract unity, then one would be wishing for something foolish. Each of these members has its own openings towards the outside world—the senses, the openings of breathing, the opening of nutrition—relative independence. And just because of this relative independence these members naturally work harmoniously together in the right way, in that each member unfolds its own specific strength and thereby something unified comes about. As I was saying, I know that one cannot prove anything by an analogy. And I don't want to prove anything but just to illustrate something: he who observes the social organism as objectively as this physiology of the threefoldness of man is observed, will find that by its very own qualities the social organism demands an independent (a relatively independent) working of the economic organism, the state-political or rights organism, and the spiritual organism within the boundaries which I have indicated.

Through a misunderstanding of the threefolding of the social organism it has often been asserted that in the last resort this

separation cannot take place, that for instance the rights relationships constantly play into the economic life, that the spiritual relationships play into it too, and that it would therefore be nonsense to wish for a threefoldness of the social organism.

In the natural human organism the three members work together as a unity just because each one of them can work in its specific way, and it is definitely so that the nerve-sense organism is fed, that it has its specific nutritional needs and that the nerve-sense organism also has its importance for the metabolism. That the three members are still relatively independent is shown by a healthy physiology.

A healthy social physiology will also show that the three realms, the realm of the spirit, the realm where man simply relates to man (that is to say the legal-state-political realm), and the economic realm where man has to become a member of associations, of communities in the indicated way, that these realms can work together in the right way if they are allowed to develop their intrinsic qualities relatively independently. This is by no means an adaptation of, for instance, the old platonic threefoldness—teaching, military, economics—for there people are divided into three classes. In our time there can be no question of such a structure when we talk of the threefolding of the social organism, but only of a structuring of the administration, of the external formation, of the three realms of life.

The spiritual realm should only be administered out of its intrinsic principles. For instance those who are teachers should also be the administrators of the education system, so that there is no division between pedagogical science on the one hand and the political organism's prescriptions for education on the other. All administration in the area of the spiritual realm must come directly from the spiritual realm, from that which is pedagogical-didactic science. In the area of the political state everything can be regulated from man to man in the relevant administrative and constitutional bodies. In the economic realm associations will have to be formed

where people will participate for the reasons I explained today. What must these associations in the economic realm see as their main task? Well, in the structuring of this task the specific thing which I have tried to explain in my *Core Points of the Social Question* can be shown. In these *Core Points of the Social Question* it was nowhere stated that in this way or that social structures should come about, that this or that would be the very best. For me that would already signify something utopian. For whoever knows human life today knows that even when one thinks up the best theories, practical life benefits very little from these theories. I am even convinced that if one were to convene twelve or more, or less, not even particularly clever people, one could get wonderful programs about everything, for instance for the organization of the primary school—programs against which nothing could be said. Point 1, point 2, point 3—when all that were to become reality there would be an ideal school. But it cannot become reality because, although man can think up the most ideal situation, what can be achieved in reality depends on quite different conditions.

We have tried to find something as far as is possible in our time in the Waldorf School in Stuttgart which is not built on programs but only flows out of pedagogy and didactics. The Free Waldorf School has a number of teachers. They would, if they met together, be able to think up ideal programs for the school, for which I would not particularly praise them. But that we don't need. The people, the living human beings constitute the staff. And what they are able to do, the best that can be elicited from them, that should be developed. All ideal programs are dismissed, all prescriptions are dismissed, everything is placed into the immediate impulse of the individual ability. No prescription disturbs him who is to act—and that is just the task of the individual human being—out of pedagogy and didactic in a certain area of spiritual life.

Of course today one can only realize such things up to a certain point. In practical life one can nowhere realize an ideal, but one must do what is possible in the circumstances of life. In the same way everything else from my *Core Points of the Social Question* must be treated. Nowhere has it been attempted to show how the different institutions should be. Not as a demand, not as an ideal, but as an observation of that which the human being in his present historical becoming wants, it is pointed out that human beings—although they are just as they happen to be—would be able to act differently from how they are acting today, if they were situated in their right place. Therefore I do not give actual proposals how this or that institution should be but turn directly to the human beings and say: When human beings work together in the right way and in the right way find the aspects from which they have to view the social question, then the best which can come about will come about. And I just believe that the best structuring of the social organism out of the human being is this: that every single person, I should say, in a separate association thinks and works in the spiritual realm, in the rights-state or political realm, and in the economic realm. Every person can for instance be active in all three realms if he has the strength for it—the social organism is not divided into classes. The point is not that this or that person is active in this or that realm, but that objectively, apart from man, these three realms are administered independently out of their intrinsic conditions, so that a person can belong to all three or to two or to one, but administers it out of the principles of that realm. If one considers how through this the harmony of the three realms comes about, one will see that in this threefolding it is the unity that matters, not the separation, as misunderstood criticism and discussions assert.

And so it is especially important in the economic realm that solutions should not be found by some prescriptions, let us say, from the study of statistics or the like, but from immediate life. I will give

an example. As everyone knows, a commodity in economic circulation becomes too cheap if a great number of people produce the same thing, when there is overproduction. And everyone knows, that a commodity becomes too expensive when it is produced by too few people. Through this we have a measure where the objective mean is that of which I have spoken. This mean—the objective value—this objective price cannot be fixed as such. But when associations come into being which see their activity in practically getting to know economic life, to study it in every moment, in every present time, then the main observation can be how prices rise, how prices fall. And because associations occupy themselves with this rising and falling of prices, it can be accomplished by negotiations that a large enough number of people can be formed for an economic entity, a large enough number of people is active in a branch of production, that through negotiation one can bring the right number of people into a branch of production. This cannot be worked out theoretically, this can only be determined by people being in their appropriate place, so that these things are determined by human experience. Therefore one cannot say: This or that is the objective value. But when associations work in economic life in such a way that they make it one of their tasks to gradually eliminate businesses which make the prices too cheap as is customary, and to inaugurate others in their place which produce something else, then enough people will take part in the various branches of production. This can only be accomplished by a truly associative life. And then the price for a certain product will become closer to the objective price. So we can never say: Because of such and such conditions the objective price must be this or that. But we can only say: When the right human association comes about, then by its work in the immediate life of the social organism the correct price can gradually emerge. The point is not to state how institutions should be so that the socially right thing happens, but to bring people into such a social connection that from

the collaboration of the people the social question can gradually be solved. For whoever understands the social question rightly cannot see it as one that has come up once and could be solved by some utopia, but the social question is a result of modern working together and will in the future be increasingly present. What is needed is that people observe the social currents from their economic viewpoint and then through associations, through which alone an economic judgement can be formed, bring economic life into the right streams—not by laws but out of immediate life, by direct human negotiation. The social life must be based practically on the human condition.

Therefore *The Core Points of the Social Question* is not concerned with describing some social structure, but with indicating how people can be brought into a relationship in which they can, through working together, from time to time do what is needed for the social question, not in the way which is sometimes dreamed about. As one can see from this, these associations will primarily be concerned with the actual economic life. In actual economic life commodities are circulating. Therefore the associations will primarily have to further the tendency towards the correct price out of immediate life, so that everyone can actually purchase what he needs for his maintenance out of his own producing. I have once tried to bring into a formula what such a just price would look like. That does not mean of course that it should be determined abstractly; it is determined out of real life as I have indicated. But I have said: The price for any product in social life—that is, for a commodity—is this, that it makes it possible for a person to provide his keep and all his needs for himself and his family until he has produced the same product again.

I don't state this as a dogma. I don't say this must be so, because one would never be able to implement this, as one cannot implant such theories into reality. I only say that that which will appear as the correct price through the associative working together will tend

towards this direction. So I just want to state a result. I don't want to draw up a dogma, some economic dogma. And in my view this is just what is essential for today's economic thinking, that one bases it everywhere on human foundations, that one recognizes again in what way the human being must everywhere be the driving force of economic life, that one does not think of organizing a social organism somehow out of institutions that come out of theoretical thinking, but that one tries to discover how human co-existence should be so that the right way comes about. I want to illustrate this still with the following analogy. In the realm of nature there exists this: that in the conditions which are created by people there is something which comes out of a basic human sensing but which doesn't intend to fix something which comes into being in outer social life. For in recent times there has been talk of how human embryonic development could be influenced so that one could in a certain sense have a choice of whether to bring boys or girls into the world. Of course, I don't want to discuss this question today in theory, but I consider it fortunate if this question cannot be practically solved. For even though human beings cannot determine abstractly what would be the best distribution of male and female gender in the world, this does happen more or less without people being able to influence it. There are objective laws which take effect when man, out of quite different conditions, simply follows his basic impulses. And in this way, when the associations work in the right way and out of the experiences of life (without dogmatically saying that the just price has to be such and such), this price will appear through the associative working. I call it associative working, because the human individuality should be present in associating, that is, in the combining of the strengths of the one with the strength of the other the individuality is preserved. In the coalition, in the unions, the individuality disappears. This is what in my view can lead to realistic, not dogmatic, economic thinking.

And one can think of further tasks for these associations. If we look again at the analogy with the human organism we can say: from this or that symptom we can notice the human organism is sick. Out of a combination of symptoms we can gain knowledge about the illness, about the process of the illness. It is quite similar with the social organism. Today we see obvious symptoms of disease in the social organism. Associations are the health bearers. Associations work towards the harmonizing of interests, so that the interests of producers and consumers are harmonized through working together in the association, and that other interests are harmonized, above all the interests between employers and workers. Today we see how, out of a diseased economic body, the opposite of associative life is created—we see how passive resistance, lockouts, sabotage, and even revolutions arise. No one with a healthy mind can deny that all this works in the opposite direction of the associative principle. All this—sabotage, lockouts, revolution, and so on—are symptoms of disease in the social organism that must be overcome through that which works in a harmonizing way. But for this the social organism needs a truly meaningful form, just as the human threefold organism naturally has a meaningful form.

And now I come back to what I said, that land and capital cannot be considered as commodities, for their value depends on human capability. If we have something abstractly uniform as it has more and more come to the fore in recent times, but also bearing within it the described symptoms of disease and others as well, then it tends to result, through this abstract uniform treatment, that land, capital, and lastly also labor are treated as commodities.

When there is a threefold organism, the forces of the individuality work in the realm of the spiritual life. Therefore all that has to do with the unfolding of the individuality in economic life—that is, that which is connected with land and with capital—is actually part of the spiritual realm of the social organism. That is why

I have described how the management of capital, the management of land, has to be dealt with in the spiritual realm of the social organism.

He who criticizes me for tearing the three realms apart is not aware that—as I described it myself—the spiritual organism, which is built on individual strength, takes on the management of capital and land as a matter of course when people are put in the right place. But that which is labor in the social organism is a service which man performs for man; that is something that can never thrive if it is rooted in economic life alone; that is why regulation of labor belongs to the realm of rights, to the political realm. And just because, from a totally different premise from today, time and measure of work can be regulated by relationships between man and man (quite apart from economic agreements that are determined in economic life through associations) something will come about that will be of utmost importance: The economic life will be placed on a healthy basis by having nature, with its conditions, on the one side and man, with his conditions, on the other.

It would be strange indeed if today we would sit together with a small committee to determine how many rainy days there must be in 1922 in order for economic matters to proceed according to our wishes. One has to take nature as it is, and only on the basis of accepting nature can the economic life be structured. That is the one side. In the threefold social organism man stands in relationship to man and not as an economic object—over against the independent, relatively autonomous associations, autonomous even to the structuring of the money side. And as man he develops labor laws. And now one will not determine labor out of economic conditions— from which only the prices of commodities, the relative values of commodities, i.e. something purely economic must be determined— just as one cannot determine the productivity of nature out of economic conditions. But only then will one have based economic life on purely human as well as purely natural conditions.

It will then however not be possible for utopia to come about. But what good would it be to think about how man could be better constituted than he is? One can only study him as he is. Therefore it can be said that it would be very nice to talk of some future worlds in which man would be as well as one could wish for, but it would be fruitless; for one could think up all sorts of ideas of how the social organism should be structured. But that can never be the question. The question can only be this: How is it possible to structure it? How must its members work together, not that it is the best, but the one which through its own strengths is the possible one, which will have the least of the indicated disease symptoms and can develop in the most healthy way possible? I think that maybe as time goes by one will come to an understanding about this cardinal question of economic life which I have indicated, when one wants to understand this through a true realization of the social conditions of life. This cardinal economic question which has lived in all my deliberations and which I don't want to lay down in an abstract, dogmatic, formal way. But today the most terrible battles which assail the economic life in the end come from the fact that one does not study economic life with the same good will, does not follow up its conditions within the social organism as one does for instance in regard to the natural organism. And only when one will learn to proceed with regard to the social organism as one does with biology, physiology (and their therapy), one will discover what possibilities there are, and then it will be possible to ask the social questions in the right way. With this they will be able to be brought back to the human level. That is why it seems to me to be of the greatest importance that as many heads and hearts can be won for an appropriate understanding of the social organism as possible, for an understanding which can look at the social organism in respect of health and disease just as natural science attempts to do with regard to the human organism. And I believe that today one can realize that indeed it must also be said with

regard to the cardinal question of economic life, that the threefolding of the social organism can throw light into the realms of purely economic life, the rights, state, or political life, and the spiritual life. For these three realms should not be separated, but each one should be able to work harmoniously together with the others by virtue of being able to develop its strong powers in relative autonomy. And the core question of economic life is this: How must political and spiritual life work independently into the purely economic life in relation to capital, land, and the measuring and valuation of human labor, so that, by the structuring of associations in economic life, not indeed an earthly paradise but a possible social organism can be created?

And one can believe that when one thinks in such a true-to-nature way about the question, then such a question, which one must call the core question of the economic life, can be asked in the right, close to life, practical way. And it often happens in life that the greatest mistakes are made not because one strives for wrong solutions (usually they are utopian solutions) but by already asking the wrong question, that the questions are not asked out of real observation of life and real knowledge of life. But this seems to me today the most significant question particularly in regard to the economic life, that the questions are asked correctly and that life be structured in such a way that not theoretical answers are given but that life, the total human and historical reality itself, gives the answer to the correctly put questions. If the questions will be asked out of the historical background, life must truly give a direct answer. No theory can give this answer, but only the full practical reality of life.

*\* This lecture was translated by Luise M. Boeddinghaus on the Rudolf Steiner Archives and lightly edited by Seth Jordan*