

# The Living Nature of Liberty

A Study in Libertarianism, Natural Science and Austrian Economics



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# Contents

1. Introduction	3
2. The Assumptions of Liberty	4
3. The Age of Machine-thoughts	7
4. The Crisis in Natural Science	11
5. The Crisis in Philosophy	16
6. The Century of Struggle	21
7. Living Liberty	27
8. Appendix A: Chronology (1916-1919)	33
9. Appendix B: Reference List	37

# Introduction

In the midst of the chaos prevalent today, it is quite clear that the time calls for some quite fundamental transformations among the people of the world. In contrast to pursuits which many might take up at their own leisure, and rightfully so, there are also some situations especially in the economic situation of today, that have almost acquired the nature of medical emergencies, where unless action is taken swiftly and accurately, things could take a definite turn for the worse.

There are a number of movements in society which are beginning to address that need. More specifically, when one looks at the Libertarian movement that is growing in many parts of the world, it is also clear that not merely different actions, but a different philosophy, a different way of thinking is being called for. The treatment of economy on its own basis, as a science of human action, as well as a renewed interest in the works of classical liberals has given this movement a greater range and depth of consideration, than many of the short-term principles being used in current economic or political life. It draws on the works of philosophers as much as it does on the works of economists and statesmen, bringing it within the reach of the common man as well as the expert.

In the process, many streams of thought have been drawn into the movement. We have thinkers of the classical liberal stream, (John Locke, Adam Smith and Frédéric Bastiat), which has been renewed by the school of Austrian economists such as Carl Menger, Ludwig von Mises, Murray Rothbard, Friedrich Hayek and Henry Hazlitt. We have seen fundamental contributions from those fully involved within the political process, such as Ron Paul, and also those who had been fully out of it, such as Ayn Rand. In addition, there are numerous differentiations within the Libertarian movement, depending on where they are placed within the conventional political spectrum or chart, and also those who claim to be out of the spectrum altogether. If one adds to this works written by John Keynes, Karl Marx or Friedrich Engels, and innumerable discussions by other authors for and against the authors above, this gives indeed a bewildering array of approaches to our fundamental social questions. It is quite easy to get lost in all the shades of meaning.

A second fundamental feature of the libertarian movement is its relationship to natural scientific thought, or the “hard sciences”. Thinkers frequently begin with the question of natural rights, in place of the conventional approach of the sciences to begin with the laws of fundamental forces or reactions. In a world that is sprouting new forms of technology every other day at an unprecedented rate, it is indeed worth investigating, to see how the movement addresses this feature, and to what extent it is adequate.

These bring up certain questions: Is it possible to clearly recognize a specific theme, underlying the categories of Libertarian thought? How does this theme relate to Natural Science? And most important of all, in a philosophy of liberty and economics that opens up discussion all the way back to Aristotle, which aspect of it is fruitful, new, and points towards the future? The search for answers to these questions will form the content of the following chapters.

## The Assumptions of Liberty

Euclid taught me that without assumptions there is no proof. Therefore, in any argument, examine the assumptions.

- E. T. Bell

In the midst of activity, which calls for immediate and specific responses to the events going on in the world around us e.g. an unfair law, an economic crisis, an unexpected war, unemployment, medical care, or even a local social issue, it is not inviting to go digging once more into the foundations of all that one believes in. One often gets the impression that there is a retreat from reality taking place, where it is easy to get lost in speculations or hair-splitting which have little effect for daily life. On the other hand, when questions remain about certain key areas of any worldview, questions that could potentially alter the worldview itself, and in turn cause visible social changes, then it becomes a necessity to go looking for the foundations, no matter how abstract, convoluted or forbidding it might appear, to the best of our ability, and really ask those questions.

One of the questions that would occur to a person who studies libertarian concepts, particularly those of the classical liberals, is the question of timing. What does it mean, for a person today, to attempt to revive the ideals of the likes of Adam Smith and Bastiat? Does it mean that we have lost our way for a while, and have to fall back on to the right track? Does it mean that the very ideas were so far ahead of their time, that they could not be implemented until today? Why, indeed, does one refer *back* to certain ideas? Political theorists and historians identify certain historical incidents, such as the rise of Otto von Bismarck's policies as probable reasons for the end of the classical liberal era, but however, ideas stand on their own, even among the worst tyranny, and we are led to ask what aspect of the idea prevented it from taking hold for such a long time? What obstacles have prevented those ideas from taking root effectively?

When one compares the age of the classical liberals, around the second half of the 18<sup>th</sup> century, to the beginning of the 21<sup>st</sup> century, one key difference in lifestyle has been due to the massive influx of technology into everyday life. This technological development picked up almost parallel to the development of classical liberal philosophy, and for almost the next two centuries has penetrated not merely our outer lives, but also our innermost thoughts. None can argue with the visible successes of this field of human endeavor, and also with the fact that the permeation of technology into our everyday lives is a unique situation, not faced to the same extent by any of the classical liberals.

Taking another look at the revival of the age of classical liberals in the light of this fact it becomes clear that the primary efforts of workers in this field, particularly in the past century has been to come to terms with looking at man and society in a way distinct from the natural scientific approach. For example, Ludwig von Mises' magnum opus, *Human Action*, seeks to establish a full science of economics taking as its basis man's action, instead of the action of natural forces. He treats the two approaches, that of humanly-willed action (teleology), and that of mechanistic causality as two distinct approaches:

There are for man only two principles available for a mental grasp of reality, namely, those of teleology and causality. What cannot be brought under either of these categories is absolutely hidden to the human mind. (pg 25, *Human Action*)

The latter approach is preferred by Mises:

However, the sciences of human action differ radically from the natural sciences. All authors eager to construct an epistemological system of the sciences of human action according to the pattern of the natural sciences err lamentably. (pg 39, *Human Action*)

Consequently, this science of human action, referred to as praxeology and used in economics, has been preferred to the science that has a mathematical basis:

Economics does not follow the procedure of logic and mathematics. It does not present an integrated system of pure aprioristic ratiocination severed from any reference to reality. (pg 66, *Human Action*)

A slightly different approach is taken by Murray Rothbard, who distinguishes the approach of rational thought, or science *as such*, from “scientism” that extends determinism to the area of human activity:

Scientism is the profoundly unscientific attempt to transfer uncritically the methodology of the physical sciences to the study of human action. (pg 1, *The Mantle of Science*)

This is then followed by the results that show that a quantitative science is not possible with economics, and a purely qualitative one will have to do with the science of human action. Nevertheless, the system of mathematical axioms is still given a marginal role:

It goes without saying that the axiomatic-deductive method has been in disrepute in recent decades, in all disciplines but mathematics and formal logic—and even here the axioms are often supposed to be a mere convention rather than necessary truth. (pg 11, *The Mantle of Science*)

In other words, while both Mises and Rothbard reject the mathematical mode of thinking quite entirely, due to the qualitative nature of the values involved, Rothbard points out the fact that the science of human action is nevertheless still built on axioms:

The fundamental axiom, then, for the study of man is the existence of individual consciousness... (ibid)

Hence, the two clearly identified paths - that of praxeology (human teleology) and mathematical natural science are still unified in their *approach* - they start with fundamental axioms, and then proceed to build up the logical consequences of these axioms. This aspect of the issue has to be understood quite clearly, that while praxeology opposes scientism regarding the issue of being able to calculate all of human action, at the same time the form of reasoning used to justify this opposition is still the same one: that of reasoning out a system of understanding based on some specific axioms. One could say that in one system, a house is made of bricks, while in the other, that the house is built with human activity. Bricks are a clear quantitative measure, while human action is not directly quantifiable, but the method of both processes is a clear and logical progression and the execution of the blueprint: the design for the house.

The philosopher Ayn Rand takes her basis on a fundamental axiom of the ancient Law of Identity:

The source of man's rights is not divine law or congressional law, but the law of identity. A is A – and Man is Man. (*Capitalism, the Unknown Ideal*)

A current writer on the subject, Tom Palmer, who has played a significant role in popularizing ideas of liberty, puts it very plainly in his essay *Why be Libertarian?*:

A libertarian is someone who believes in the presumption of liberty. (pg 21, *Why Liberty?*)

Hence, to summarize, a constant underlying theme in the efforts of economists, philosophers and others interested in libertarianism is the notion of starting somewhere... a logical axiom, an assumption, a belief, a definition... whatever one may call it, and a form of reasoning employed which is common with that of inductive science. One brick is laid upon another, and the system is built up. It is now easier to see one of the main reasons that classical liberal thought had been shunted to the side before its resurgence during the time of the world wars – the achievements of natural science had convinced the majority of the people of its validity, hence obscuring the previous efforts of classical liberals who based their knowledge on direct human experience. The separation of the modern natural scientific stream of thought from the previously existing stream of classical liberalism has occupied the attention of Austrian Economists for the past century. The follow-up question to this fact is: Has the separation been fully accomplished? That is the question which will be explored further.

## The Age of Machine-thoughts

*As in other departments of science, so in politics, the compound should always be resolved into the simple elements or least parts of the whole. We must therefore look at the elements of which the state is composed.*

- Aristotle, *Politics*

*A free government is a complicated piece of machinery, the nice and exact adjustment of whose springs, wheels, and weights, is not yet well comprehended by the artists of the age, and still less by the people.*

-John Adams to Thomas Jefferson, May 19, 1821

Following through on the idea of separating out the traces of natural science, one can now examine the development of this natural scientific stream side by side with that of praxeology. The above quote by John Adams shows quite clearly the kind of image regarding the government, or even the economy (as touted by various economic policies), that is generally carried at the back of the mind, not only by the framers of the American Constitution but even by people today. Regardless of the actual written content of most constitutions, the essential element is the axiom or assumption behind their writing: that of providing a framework, blueprint, or an outline for the setting up of a system of governance.

Curiously enough, all the metaphors being used in the previous sentence have their basis in long experience derived from the setting up of buildings or the designing of machines and instruments. It is an everyday experience to refer to things running smoothly and efficiently, “like clockwork”, or even as “working well”. If one adds to this the ubiquitous notion borrowed from engineering: “If it works well, that’s all that counts”, or “if it ain’t broke, don’t fix it”, it is quite obvious to see that regardless of the actual form of approach one might use for governments or economies, in actual reality the ideas borrow heavily from our technological experience. Today, if someone proposes a new idea, economic system, or even a new name, it is quite common to ask “Will that work?” without causing any concerns or ruffling feathers, as the phrase has found its way into the very way one thinks. If a system “works”, then its use is recommended, and if not, it is said to be a “broken system”. This somewhat vague pointer through language does help one to identify the way in which the fundamental axioms are treated, and their similarity to mechanical laws.

A second feature of this mode of thought is that which produces a multitude of definitions. It is quite common to start with a specific set of axioms, and derive from them a series of lemmas and corollaries in a mathematical system. When a similar procedure of choosing slightly different axioms is applied to the understanding of libertarian philosophy, then one immediately has a proliferation of themes within the philosophy, ranging from left libertarians, right libertarians, bleeding-heart libertarians, anarcho-capitalists, libertarian socialists, neo-libertarians etc. Following the same logic of mathematics, an inherent tendency of graphing the relationship between two variables is carried over into the representation of the philosophy, such as the Nolan charts or representations of the political spectrum. As

a matter of fact, even the concept of a political “spectrum” is a direct transference of the physical spectrum of light into political thought. This tendency to spatially represent the various views in sharply pigeon-holed boxes can also be observed to derive directly from a mathematical treatment of the axioms.

Finally, once a particular set of assumptions are chosen as the basic assumptions, and elaborated into a system of knowledge, what follows then is a plan of action. If the setting up of a basic system of axioms can be compared to the knowledge of basic laws of a given machine, such as gravity, electricity and magnetism, then the elaboration of the theory can be compared to the design of the instrument, as each part is machined and put together step-by-step. From this comparison, what one would expect to have in hand at the completion of the instrument is a manual with specific instructions to its operation, with clear bullet points about each step in the operation. Hence an operational checklist for the operation is a primary requirement in case of any instrument.

This feature is also not hard to find, as it is seen that the various recommendations given out of any particular brand of libertarianism does possess the nature of a checklist, e.g.:

1. End the Federal Reserve
2. Limit government powers
3. Reduce foreign involvement
4. Remove infringement on personal rights
5. Allow free market operations
6. Reintroduce gold standard
7. Repeal laws against victimless crimes

It is important to note that it is not the merits or demerits of the recommendations in themselves that are of concern here, but rather the form of thought that they represent. One can see this form of goal-setting not merely among libertarians in particular, but among the general society as a whole. Another essential aspect of these approaches is their *abstract* form, in definitions, in boxes, “building blocks”, flowcharts and graphs, which gives the appearance that the system is “out there”, which one can then manipulate – a direct inheritance of the experimental method in science which abstracts the observer from the experiment being conducted.

Putting these facts together, one can observe that whether the Axioms-Corollaries-Deductions approach is taken in a purely natural scientific sense, with quantitative attributes, or in a qualitative sense, as in the subjective values and natural rights that form the basis for Austrian economics, one is still following the mechanical analogy in terms of the reasoning involved. This is unavoidable, as *both* inductive and deductive logical developments have been derived from, and are properly suited to, the natural scientific domain. For instance, the philosopher Gottfried Wilhelm Leibniz had developed a complete system of looking at the world using zeroes and ones, with analogies of marble movement as a parallel to today’s shift registers (a kind of digital circuit), and giving rise to the complete system of logic used in computer technology today. While it is possible to appreciate the sentiment of Rothbard regarding this form of thinking:

It goes without saying that the axiomatic-deductive method has been in disrepute in recent decades... (pg 11, *Mantle of Science*)



It is a different matter altogether when the rise of the computer industry is observed, with its basic axiom being a switching between zero and one, and the logic being that of Boolean algebra. Regardless of the disrepute, the axiomatic-deductive method has produced immense fruits over the past century in the technological realm, a fact that cannot be brushed away. This highlights quite clearly that the deductive approach is quite at home in natural science, and except for the fact that it is used in a quantitative fashion, the forms of reasoning is exactly the same that is used in the rigorous treatment of the subject matter by Austrian Economists, Objectivists and others.

What this means for our study here is the fact that even though it has been rightly identified that human action cannot be calculated and hence does not allow for a mathematical theory of economics or government to be formulated, it is nevertheless true that the legacy of natural science is still very strong in the arguments put forward by the Libertarian movement, just as this legacy is strong in every other section of today's society. That is a situation that everyone is immersed in, a situation that shows the uniqueness of our own time. So if there is to be a proper separation of the notions of natural science, and those notions that have to do with human values and actions, it is quite important to separate out *all* aspects of natural scientific thinking, and bring to completion the struggles begun more than a century ago in the approach to economics. If axioms, even abstract ones, are allowed to be present at the back of the mind, it will not take long for the axioms to be elevated internally to the status of beliefs, followed by absolute beliefs, and culminating in a dogma. This is due to no fault of the theory, but from the reality that the human being has aspects other than reasoning within his/her sphere, which tend to envelop and fill whatever he/she does with this content.

This brings one to a boundary that is by no means an easy one to cross. This form of thinking which begins with axioms and definitions, and deduces all the categories of knowledge from them, has been the foundation for natural scientific development, and it has a path of development that reaches all the way back to Aristotle's Laws of Identity and Contradiction, hence developing the way for what we call "logic" today. It is even enmeshed in the very structure of this sentence you are reading now. The importance of this has been observed multiple times by many leading philosophers, e.g. by Ayn Rand:

Aristotle may be regarded as the cultural barometer of Western history. Whenever his influence dominated the scene, it paved the way for one of history's brilliant eras; whenever it fell, so did mankind. The Aristotelian revival of the thirteenth century brought men to the Renaissance. (*The Objectivist Newsletter*, May 1963, 18)

Aristotle (via John Locke) was the philosophical father of the Constitution of the United States and thus of capitalism (*The Objectivist Newsletter*, May 1963, 19)

In addition, Harry Veryser explains the connection of praxeology to history:

Of course, praxeology was not really a new area of study in the twentieth century. Mises, like his Austrian predecessors, drew on a great tradition that extends back millennia, one that places economics in its proper context. The Austrian School recognizes what Aristotle, Aquinas and other giants observed centuries ago: economics is a practical science that deals with human nature. (pg 192, *It Didn't Have to be This Way*)

To summarize, our initial attempts to look for the obstacles in the way of a proper understanding of Austrian economics highlighted the fact that technical knowledge has been a working force in today's society, whose origins lie in natural scientific thinking. The experience gained with this technical knowledge has given rise to a certain assurance in using the same form of thinking to social and economic questions as well. However, if this baggage is retained, if it is not fully clear where natural scientific thinking stops and where a different rational system of approach begins, then we would be hard-pressed to deal with the full reality of the current situation.

It also brings another important question into view: that of the Constitution of the USA. If, in line with a mechanical worldview, one were to treat the Constitution as a blueprint for the "working of the Government", then one has to immediately deal with the question of amendments. The simple fact that amendments are possible to the Constitution shows that there is a different basis for thinking and knowing, a completely different basis, *based on which* one can then amend the Constitution. And where does one find this basis?

Samuel Adams, one of the Founding Fathers of the American Constitution, had this warning to give:

Neither the wisest constitution nor the wisest laws will secure the liberty and happiness of a people whose manners are universally corrupt.

Thus, the luxury of having a hard-and-fast, mechanical plan of work, is seen to give way to an understanding of moral qualities. Does this mean one should jump over from one set of axioms (the Constitution) to another set of axioms (moral code/manners)? Similarly, the question of the Constitution being a "living document" has led to an enormous amount of debate for nearly two centuries. What does it mean to be able to say that the Constitution can be changed and interpreted? What basis, if not the basis of axioms, can there be for such a document, and also for principles of liberty? These will be the questions that make it necessary to bypass the mechanical analogy completely, and seek for a realistic basis.

To approach this, it is important to pay attention to the way the natural scientific mode of thought gained power over our thinking, to clarify its validity, and in particular to digress right into the middle of a little-known crisis in natural science. It is not the first time that the strict application of mathematical thinking towards all branches of knowledge has been challenged, as by Austrian Economists. One will have to go back to the era of the Constitution itself, to find evidence of this struggle.

# The Crisis in Natural Science

“Our senses don't deceive us: our judgment does”  
- Johann Wolfgang von Goethe

In 1687, one of the most defining works of natural science was published: the *Principia* by Sir Isaac Newton. To this day, in spite of the emergence of new theories and paradigms, such as Relativity and Quantum Mechanics, the foundation laid by Newton's laws of Kinematics and Mechanics continues to hold good in the vast majority of physics calculations. It starts with 8 definitions, and then proceeds to build axioms, or the famous Laws of Motion, upon which the entire super structure of Mechanics was built up for the first time. This gave coherence to the various pieces of working rules in existence at the time.

Within this *magnum opus* of Newton, the fundamental assumptions were so primary that he had difficulty even defining them:

I do not define Time, Space, Place and Motion, as being well known to all. (pg. 9, *Principia*)

Following the success of this work, Newton proceeded to write another monumental work: *Opticks* (1703). Once more, there are 8 fundamental definitions; however they are now supplemented with experiments while the axioms are developed further. In his analysis of the experiments, Newton proceeded with a certain set of ideas, and then went on to ask whether the experiments fit the theory, an approach which has taken root as “the scientific method”. One of his major theses was the idea that the refrangibility (bending capacity) of light depends on its color.

Lights which differ in Colour, differ also in Degrees of Refrangibility. (pg 20, *Opticks*)

He thus connected a geometrical property, that of angles, to a qualitative perception, that of color. The first was assumed to be the real primary property, while the second, color, was something that was a by-product. Based on this idea, the understanding of various properties of light was attempted. The key experiment used for this hypothesis was that of sending a light beam through a prism, inside a dark room, and seeing the color spectrum on a screen.

All was not well, however. If, according to Newton's ideas, white light contained all the colors with different degrees of refrangibility, then instead of a light beam in the dark, if the opposite was done and a dark object seen through a prism, there ought to be no such refraction. However, this is not true and one does get a different spectrum with the dark object, with a new color *never* seen in the Newtonian rainbow:

magenta (peach blossom). It was this fact which was observed a few decades later by Johann Wolfgang von Goethe, the famous poet-scientist of Germany, and which was seized upon by him to oppose Newton's approach.

Goethe was the first person to strongly critique the Newtonian approach to colors. This was in no way a dilettantish reaction, as Goethe was quite familiar with the developments in optics of his day, and due to his artistic temperament, was quite familiar with the way the artists dealt with color as well. However, the key point that comes across in Goethe's line-by-line critique of Newton's optical theory is that, for Goethe, the mechanical/mathematical rules must not be superimposed directly onto the perception of color. Instead, colors must be understood *on their own basis, through direct experience*. Instead of looking at lengths, angles of refraction and other geometrical properties as primary, and building up color perception as a secondary appendage of vibrations or other motions of light, he preferred to pay attention to the simplest phenomena of colors directly e.g. how yellow and blue arise, and how darkness and brightness interact. This phenomenology of colors published as *Farbenlehre* (A Theory of Colors-1810), which was developed after nearly twenty years of research, was built entirely on a non-mathematical basis:

The author of this work has endeavoured throughout to keep the theory of colours apart from mathematics, although clearly, certain points arise where the assistance of the art of measurement would be desirable. (Sec. 727 *Farbenlehre*)

And his reason for doing so is quite clear as well,

The theory of colours, in particular, has suffered much, and its progress has been incalculably retarded by having been mixed up with optics generally, a science which cannot dispense with mathematics; whereas the theory of colours, in strictness, may be investigated quite independently of optics. (Sec. 725 *Farbenlehre*)

While Goethe's approach was discarded by most mathematicians and physicists mainly for not being mathematical enough, it was picked up by physiologists and even artists, as being in line with their experience. It was also in harmony with the observations of both Leonardo da Vinci and Aristotle, something which is brought out in several pages of comparisons in the notes of Section 177, *Farbenlehre*. In fact, even today, if one were to reproduce all the experiments described by Goethe in his Theory of Colors, the results would show the accuracy of his observations. Hence, the Theory of Colors was produced on a non-mathematical basis, and was yet in confirmation with known experimental facts. This aspect of it stands to this day. Anyone who has researched the science of colors knows how complicated the matter gets when one tries to give it a quantitative basis, and one gets very quickly redirected to the intricacies of human physiology, especially with regard to the color magenta which doesn't lie on any Newtonian spectrum. Modern science has still not come out of the habit of constraining colors within the mathematical framework, and in spite of the complexities involved in continuing with this framework, has for the most part ignored Goethe's fundamental contributions.

What does this have to do with our ideas on Libertarianism? Consider the monumental work of Ludwig von Mises or the numerous writings on economic principles by Frédéric Bastiat. It is this *phenomenological approach* that is taken up quite clearly, with respect to human action by Mises, and

with respect to the importance of the *unseen* human action, by Bastiat. Austrian Economists have predominantly decided to base their theories on a direct perception of human behavior, and of the mutual relations between commodities created by this human behavior, rather than starting with specific mathematical rules and trying to build a superstructure with them. Carl Menger, the founder of this School of thought, was similarly specific in his identifications for exact research:

... the determination of strict laws of the phenomena, of regularities in the succession of phenomena which not only present themselves as exceptionless, but which, when we take account of the ways in which we have come to know them, in fact bear within themselves the guarantee of their own exceptionlessness (pg. 59, Menger 1883)

However, what of the axioms? Isn't it true that even with phenomenological thought, there are a few basic phenomena that have to be taken as axioms? As examined in the previous chapter, even the most rational theory of human action has had its basis in a specific set of axioms. To answer this question, it is important to understand clearly a specific concept used by Goethe: the *Ur-phenomenon* (*archetypal phenomenon*), which was in fact the real essence, and the true substance of Goethe's scientific work. Instead of a definition or a formula, an actual *phenomenon of experience*, which contains the key to all related phenomena, was what was looked for. It mirrors quite accurately a similar search by the Austrian School for the archetypal phenomena in economic activity, more than a century later.

It might be worthwhile to inject a few details before exploring the quality of Goethe's work, as the person himself is not well known outside of the Central Europe. Even if he is, he is mainly associated with his literary works, such as *Sorrows of Young Werther* or the magnificent work *Faust*, whose only parallel in today's consciousness is perhaps Tolkien's *Lord of the Rings*. And correspondingly less is known about his scientific works, which Rudolf Magnus attempts to correct in *Goethe as a Scientist*:

Let us point out in the strongest terms at the very outset that the man who enriched the German language with his finest poetical works did not gain his scientific findings as the occasional by-product of his creative imagination. Invariably he engaged in the most painstaking and detailed studies before he arrived at his often revolutionary generalizations... It thus came to pass that many of the results Goethe produced in the various branches of science became basic to the further evolution of these sciences. Indeed, it is possible to trace a whole series of important discoveries straight back to Goethe. (pg. 2, *Goethe as a Scientist*)

Apart from his contributions to the Theory of Color, which basically inaugurated the field of physiological optics, Goethe's work in meteorology, mineralogy, geology added considerably to the inorganic sciences. It was in the organic sciences, however, where the real successes came through – the study of plant morphology, the creation of the science of comparative anatomy (a precursor to ideas about physical evolution in the 19<sup>th</sup> century), important advances in osteology and fossil studies.

With this considerable amount of experience in the organic sciences, the idea of an archetypal principle in living plants, which can serve as a basis for deriving all plant formations, was the holy grail for Goethe. The equivalent of a definition or an assumption, but which is valid for living systems like plants, was finally found in his notion of *Metamorphosis*. What is metamorphosis? It is a concept of change (which is the right concept to be associated with living beings) that determines the form of a living being. This

change, or transformation, however, is not arbitrary; it follows an intrinsic “law”, which is precisely what Goethe called metamorphosis. This is a particularly tricky aspect to understand, as it is a shift from *thinking about living organisms with static concepts*, to *thinking with living concepts*.

Consider the very static basis of Aristotelian logic: **A is A**. Whatever the category A refers to, it does not of itself permit any change. This form of logic had so far been used very effectively by natural science with respect to the mineral world, simply because, a stone is a stone. Whatever rules had to be used in the mechanical regime were seen as external to the objects, hence if two stones collide, certain changes would follow based on these outside rules. However, with plant life, Goethe points out that the logic does not hold in the same way: the object itself contains the rules. A seed becomes sapling, the sapling a stem with leaves, followed by flowers and fruits, all the while still coming under the *definition* of “plant”. This essential nature is shown more by **A becomes not-A**. Yet, just as different forms of a single plant can be defined by the same name, say *rose*, Goethe looked for the essential plant which would define *all* plants, an idea called archetypal plant, with its primal phenomenon (“law”) being metamorphosis. This law is as valid for life and for living beings as the law of gravity by Newton for masses. Further, this identification was not a mere analogy, it was an exact experience. Almost a century later, people were trying to come to grips with it as “laws of evolution”, not realizing that the very basis of thinking about plants was altered by this approach, in contrast to the innumerable categories and classifications pursued by his contemporary botanists and taxonomists. This was, hence, the first step taken beyond Aristotelian logic, for the realm of living beings. Aristotelian logic remains true for the mineral world, while this living conception is required for the living.

A living concept does not permit the same pigeon-hole process that is quite easy to do with mechanical concepts. It is quite clear that when one separate out a stone, from its environment, one can clearly conceptualize “stone” and “not stone” as distinct categories, both via perception and in logic. However, when a “plant” is referred to, it does not permit the same sharp distinction, as it constantly circulates minerals through its vessels and leaves, and releases substances to the environment, making it an open system of which no rigid spatial boundary can be drawn. This does not make the plant melt away into its surroundings - there is still an identity, but one that is continuously transforming. In addition, the *full* plant is potentially contained in all parts of the plant, even the seed. This puts it in a sharp contrast to objects that are built up based on assembling their parts. A mechanical system might “work” or “not work”, but a plant either brims with life, or withers away and dies. These are the differences in the phenomena, which demand a difference in thought as well.

Hence, it is not simply a matter of applying a rational thought process, it is important to identify whether the basis is a set of static assumptions or a series of *living* principles, only then will a proper separation between natural scientific thinking and a higher form of thinking be possible. This explains the difficulty most scientists have had for many years in trying to “define” life. It is an impossible prospect, as no combination of static concepts can ever give rise to a concept that is intrinsically changing. This feature has also penetrated popular culture, for instance in Michael Crichton’s *Jurassic Park*, the mathematician who is a proponent of chaos theory quips: *Life will find a way*. Many have long felt that living systems are not easily grasped by man - some have claimed that it is truly impossible while others insist that everything is explained by natural laws and mechanisms. But in this confusion, the event of clearly identifying a different way of thinking, and associating it with living organisms, an achievement

completed in the 1790's, was somehow missed by the majority of the scientific world. The notion of identifying an archetypal phenomenon, when applied to the world of light, gave the Theory of Color, and when applied to the living plant world, produced the idea of Metamorphosis of Plants. This aspect was not clearly grasped at the time; instead, a break appeared, with the ideas of Newton gaining stronger ground by the day until this approach dominated natural science for the next two centuries. Even today, more scientists know more about the Leibniz-Newton controversy over calculus than about this conceptual controversy between Goethe and Newton.

This brings the digression into natural science to a conclusion. A different view is now possible of praxeology, which is nothing but phenomenology of *praxis*, or human action. This phenomenology, while retaining the same form as that which Goethe used for his studies of color, has to receive a significant upgrade when one starts dealing with living beings, such as human beings. This means that the principles have to be living and developing principles, and not static theorems. It does not mean, however, that things are illogical with an "anything goes", or "everything depends on the situation" attitude. The task is rather to identify key principles with respect to human life, which retain their identity and are yet capable of transformation, instead of being boxed conveniently into checklists or dogma.

One of the key principles that we are trying to come to terms with, is of course, human liberty or freedom. And when one applies this enlivened thinking, to the question of human freedom, what that requires is a philosophy of freedom to be elaborated clearly. So far, the approach had been to base things on the presumption of liberty, which as a presumption had been fraught with lack of clarity as pointed out by Lincoln 150 years ago:

The world has never had a good definition of the word liberty, and the American people, just now, are much in want of one. We all declare liberty, and in using the same word, we do not all mean the same thing... The shepherd drives the wolf from the sheep's throat, for which the sheep thanks the shepherd as a *liberator*, while the wolf denounces him for the same act as the *destroyer* of liberty... (April 18, 1864, *Sanitary Fair Address*)

Hence, to identify how to treat the idea of liberty in a human being, especially after taking into account the significant jump from traditional logic taken by the work of Goethe, was a task that fell to philosophy. To understand this crucial step much closer to our own times, a final digression into philosophy is necessary.

# The Crisis in Philosophy

It is thinking that turns the soul, which the animals also possess, into spirit.

- Hegel

To begin with, there are two key ideas facing us, that of the human being, and that of liberty. When one pursues the manner in which these themes were taken up after Goethe's lifetime, one finds oneself in quite turbulent times. The stalwarts in Europe of Goethe's time, such as Kant, Fichte, Schelling, Hegel, Schopenhauer, Gauss, and Schiller had left behind a considerable body of work, which their successors were trying to classify into streams, for instance that of the German Idealists culminating in Hegel. It will lead one too far to examine what became of these streams, but there is one context which to focus on in the midst of this turbulence: the School of Franz Brentano (1860's), which was the birthplace of Austrian Economics (see *Austrian Philosophy, the Legacy of Franz Brentano*, by Barry Smith).

So what was, in essence the stance taken by Brentano? It was essentially the idea, contrary to Kant, that the world *can* be known, and contrary to Hegel, that one *can* identify key empirical principles for certain fields of knowledge. His most important work, *Psychology from an Empirical Standpoint*, hence deals through *direct experience* with the psychology of the mind, and gives a basis for subjective valuing which has been used by Menger and others of the Austrian School since then. It also highlights another stream that has been keeping track of, that of reading the psyche directly, via phenomenology and experience, as opposed to starting with a specific theory. The influence of this School has been far-reaching... apart from Menger, other students influenced by Brentano were Sigmund Freud, and Husserl (the founder of phenomenological movement). Hence, although Goethe used phenomenology throughout his life, it was only with the Brentano School that the philosophy took root as well.

It is necessary to pause here, and examine the contribution of Hegel, whose dialectic method is often much maligned for leading to many social ills. What, in reality was the stance of Hegel? Hegel was seeking the primary idea, from which all ideas can be derived, and tried to codify it in his thoughts in this way:

Thesis → Anti-thesis → Synthesis.

A → not A → Organic Unity

That, in essence, is what is referred to as the dialectic method, from which one can spin off one concept from the previous. If this appears very similar to what was earlier mentioned with respect to Goethe as **A becomes not A**, it is no coincidence... indeed Hegel realized that with Goethe he had found a kindred soul, someone who was seeking the fundamental organic basis for phenomena in the plant world in the same way that he was seeking the fundamental idea behind all possible ideas in the world. Hegel was a true idealist, and he saw a reflection of his ideas in Goethe:



The simple and abstract, which you very strikingly call the basic phenomenon, you place at the summit; then you show the concrete phenomena as arising out of the addition of further modes of influence and circumstances, and regulate the whole process in such a way that the order proceeds from the simple to the more complex conditions; and, thus ordered, the complex now appears in all its clearness as a result of this analysis. (Hegel to Goethe, Feb. 20, 1821)

Like Goethe, Hegel had arrived at an *organic thinking*, which is where his notions of organic unity stem from. With Hegel, one idea gave birth to another, and he followed it through to the end. He did not regard contradiction as something fatal to a thought process, like Kant, but strived to create an organic unity over and above contradictions. This is why it is so tricky to understand Hegel's ideas today, when the average person fundamentally has a mind trained in the mechanical and mathematical path to avoid logical contradictions, and Hegel's ideas would appear quite nonsensical when seen in that context.

However, in spite of the similarity of approach with Goethe's phenomenology and Hegel's dialectics, where both strived to go beyond traditional logic by making thinking itself living, Hegel committed one major mistake: he left the human being out of the picture! At no point did he consider that, it was he, as an individual human being, who was the source of all these ideas, but instead placed the human being *below*, subservient to this world of ideas he had created. This is the basis for his placing the human being subservient to the State, an abstraction which he understood in the same sense as his world of ideas. In other words, all of Hegel's attention was directed to how one concept arises from another, but none was directed to see how concepts arise from the human being.

This was the caveat noticed by another who attended Brentano's lectures: Rudolf Steiner. He observed for instance, that interest in Aristotle was strongly revived by Franz Brentano, (see *Aristotle and His Worldview*, F Brentano 1911), hence there was a strong tradition of logic and thinking that was adhered to, and in a clear and direct phenomenological approach. He also observed the fact that Goethe was truly one of the few who was able to take this thinking to its next stage, in terms of looking at living beings. Hegel, who develops a wonderful synthesis of how ideas are born, and are derived organically as a flower from the leaf, and a fruit from the flower, was seen to stop short at applying this phenomenology of ideas to the thinking human being. Another philosopher, Fichte, had managed to identify that the individual human being was at the center of all activity, but had failed to determine what activity is really possible by this individual. Hence in the midst of these streams, Steiner resolved to look directly at the thinking human being and ask if he is free, and to treat this thinking human being phenomenologically, and the result of this work was *The Philosophy of Freedom* (1894).

It is important to understand the uniqueness of this approach. So far, all philosophers had categorized the world into various halves, such as the known and the unknown, subjective and objective, material and spiritual. In the various arguments, and counter arguments, of philosophical thought, one could always find that everyone assumed certain things, such as logic and consistency, based on which things were elaborated. Even with regard to freedom, one thought that man was free, another thought otherwise. Thinking was directed at everything in the world, but not at the thinking individual as a direct experience. This thinking about thinking, which was done axiomatically by another giant of the past, Descartes, and was left incomplete by the German Idealists, was now for the first time, approached by Steiner as the fundamental core fact with which all of modern philosophy stands or falls:

We must first consider thinking quite impartially, without reference to a thinking subject or a thought object. For both subject and object are concepts formed by thinking. There is no denying that *before anything else can be understood, thinking must be understood*... As long as Philosophy goes on assuming all sorts of basic principles, such as atom, motion, matter, will, or the unconscious, it will hang in the air. Only if the philosopher recognizes that which is last in time as his first point of attack, can he reach his goal. This absolutely last thing at which world evolution has arrived is in fact *thinking*.

There are people who say it is impossible to ascertain with certainty whether our thinking is right or wrong, and thus our starting point is in any case a doubtful one. It would be just as sensible to doubt whether a tree is in itself right or wrong. Thinking is a fact, and it is meaningless to speak of the truth or falsity of a fact (Ch. 3, *The Philosophy of Freedom*).

The path to this is also very relevant. When one asks the question “Is man free?” then one has to identify what freedom is, in which case knowledge about compulsions or motives is needed, which brings one to the question of knowledge of the human being. And since we gain knowledge by thinking about experiences, it directs us straight to thinking. One can see concept leading to concept in the manner of Hegel, but since it is now directed at individual thinking activity, the whole process gains ground for the first time.

Having now identified this fulcrum, Steiner then proceeds to develop the consequences of looking at this experience of thinking. There is one side of experience, which is simply given to one, which is called “percept” by Steiner. The world is observed. Now, for every percept, one does not rest content but seeks to add something more, of one’s own creation, gained through the inner intuition which has nothing to do with the senses: the concept. Providing a concept to the percept is the goal of the activity of thinking, and when this activity completes its goal, one has knowledge, and hence a complete experience. Giving adequate weightage to both sides of the process is essential to this understanding:

A man who lacks all power of intuition is not capable of acquiring experience. He loses the objects again when they disappear from his field of vision, because he lacks the concepts which he should bring into relation with them. A man whose faculty of thinking is well developed, but whose perception functions badly owing to his clumsy sense organs, will just as little be able to gather experience. He can, it is true, acquire concepts by one means or another; but his intuitions lack the vivid reference to definite things. *The unthinking traveler and the scholar living in abstract conceptual systems are alike incapable of acquiring a rich sum of experience (italics mine, GKV).*(Ch.6, *The Philosophy of Freedom*)

Hence, in thinking the two halves are brought together. The very fact that one can think about thinking, shows that it is possible for thinking itself to act as a percept, thus justifying its pivotal role. In this, the one-sidedness of Hegel is bypassed, who thought of concepts containing all of reality. In a similar way, the one-sidedness of those who thought that knowledge can be obtained by observation alone, such as sense perception alone, is also refuted:

If one demands of a “strictly objective science” that it should take its content from observation alone, then one must at the same time demand that it should forego all thinking. For thinking, by its very nature, goes beyond what is observed. (Ch. 4, *The Philosophy of Freedom*)

So much for thinking. How does one approach the human individual, whose freedom was our original quest? How does that come about? For that, another phenomenon must be followed, a “percept”, that

accompanies thinking... that of feeling, which through likes and dislikes points to a certain percept which continues to exist at all times: the human individuality, or “I”. Hence, this identification shows a different take on the position of the individual:

The activity exercised by man as a thinking being is thus not merely subjective. Rather is it something neither subjective nor objective, that transcends both these concepts. I ought never to say that my individual subject thinks, but much more that my individual subject lives by the grace of thinking. Thinking is thus an element which leads me out beyond myself and connects me with the objects. But at the same time it separates me from them, inasmuch as it sets me, as subject, over against them.

It is just this which constitutes the double nature of man. He thinks, and thereby embraces both himself and the rest of the world. But at the same time it is by means of thinking that he determines himself as an individual confronting the things. (Ch. 4, *ibid.*)

And most of all:

Thinking and feeling correspond to the two-fold nature of our being to which reference has already been made. Thinking is the element through which we take part in the universal cosmic process; feeling is that through which we can withdraw ourselves into the narrow confines of our own being... A life of feeling, wholly devoid of thinking, would gradually lose all connection with the world. But man is meant to be a whole, and for him knowledge of *things* will go hand in hand with the development and education of the life of feeling. Feeling is the means whereby, in the first instance, concepts gain concrete *life*. (Ch. 6, *ibid.*)

Thus, it is established that through a direct look at the process of thinking, one is able to recognize the presence of the individual, show that there is a role for the individual in every instance of thinking as the person is responsible for uniting the two worlds, the one obtained as it is and the one created from within.

These ideas clear the way to an understanding of freedom. For those who would insist that there is no such thing as the human individual, as it is merely an illusion created by nerve responses and electrical signals, they will also have to admit that they have determined the concepts “nerve responses” and “electricity” *by thinking about it as individuals!* On the same lines, if what a person thinks is asserted to be chemical reactions in the brain, it must be acknowledged that both the idea of a brain and chemical laws are once more *thought out by a person*. There is indeed no getting away from the living phenomenon: that of individual thought. Hence there can be no question of natural laws determining individual thinking, as individual thinking has generated the notion of natural laws. This shuts the door towards natural processes determining thinking, and opens the door towards *individual choice*.

Just as for a given percept, an individual draws out the corresponding concept, in the same fashion, an individual can select a particular concept, brought forth from her intuition, and convert it into a percept i.e. *act freely*. Just as previously, with every percept a feeling of like or dislike is generally felt automatically, in action the situation is reversed: a concept or an intuition can be put into action only if I, as a person, love it before I act on it:

While I am performing the action I am influenced by a moral maxim in so far as it can live in me intuitively; it is bound up with my love for the objective that I want to realize through my action. I ask no man and no rule, “Shall I perform this action?” — but carry it out as soon as I have grasped the idea of it. This alone makes it my action. If a man acts only because he accepts certain moral

standards, his action is the outcome of the principles which compose his moral code. He merely carries out orders. He is a superior automaton. Inject some stimulus to action into his mind, and at once the clockwork of his moral principles will set itself in motion and run its prescribed course, so as to result in an action which is Christian, or humane, or seemingly unselfish, or calculated to promote the progress of civilization. Only when I follow my love for my objective is it I myself who act. I act, at this level of morality, not because I acknowledge a lord over me, or an external authority, or a so-called inner voice; I acknowledge no external principle for my action, because I have found in myself the ground for my action, namely, my love of the action. I do not work out mentally whether my action is good or bad; I carry it out because I love it. My action will be “good” if my intuition, steeped in love, finds its right place within the intuitively experienceable world continuum; it will be “bad” if this is not the case. Again, I do not ask myself, “How would another man act in my position?” — but I act as I, this particular individuality, find I have occasion to do.

An action is felt to be free in so far as the reasons for it spring from the ideal part of my individual being; every other part of an action, irrespective of whether it is carried out under the compulsion of nature or under the obligation of a moral standard, is felt to be unfree.

Man is free in so far as he is able to obey himself in every moment of his life. (Ch.9, *ibid.*)

This, in essence, establishes the reality of freedom in human life, on a basis which does not depend on axioms, codes, postulates, beliefs or assumptions, even if that assumption is “one must exclusively do what is beneficial to oneself”. It clearly separates the fallacies of natural science as applied directly to human action, and also provides a *living* definition of liberty, as something that is strived for increasingly, rather than being a static maxim. It also shows its all-encompassing nature, rather than being merely the liberty of the wolf or the sheep, since the motives are chosen by the human being based on his understanding. Since this is the direct nature of freedom in individuals, when one errs on the fundamental understanding of it, when there are errors in moral intuition, the other part of reality (the percept) can now act as the corrective, educative factor. This learning from life is an essential part of developing freedom. Moral life is also given its independent due, showing that the more the intuition is derived from the world of concept, *as a moral imagination*, instead of being based on what is immediately present to the senses, the more all encompassing and relevant it would be. In the words of Bastiat, the better a person develops his capacity to identify the *unseen*, the better his worldview would be.

With this development of the notion of freedom, Steiner determined that the human being, taken as an individual, must necessarily stand at the basis of any social community:

The human individual is the source of all morality and the centre of earthly life. State and society exist only because they have arisen as a necessary consequence of the life of individuals. (Ch. 9, *ibid.*)

It has been shown how, in contrast to the Brentano School that led to the development of Austrian economics, the concepts of both Hegel and Goethe are united in this treatment, and given their proper place, and in addition, a real basis for free human action is established, one neither untainted by determinism nor by, as Mises refers to it, “polylogism” (situation-based logic). The development of the Austrian School itself was not well known or understood at the time, and it remained underground for many decades. Steiner’s exposition was not much better received at the time, and for the next nearly hundred years, the upheavals had all but eclipsed its existence. That aspect shall be examined in the next chapter.

# The Century of Struggle

If there is a word that most aptly describes the nearly one hundred years from 1914 to the present day, it is *chaos*.

- Harry Veryser, *It Didn't Have to be This Way*

After the flourishing of philosophic thought at the end of the 19<sup>th</sup> century, the beginning of the 20<sup>th</sup> century brought with it an unwelcome guest: the World War. *La Belle Époque* proved to be the calm before the storm and ended as abruptly, forcing the attention of the masses towards the gruesome reality of war. In the midst of this war, as nation rose against nation, many of the contributions to the cultural life of humanity got masked, and failed to take proper root in the minds of the people.

As noted earlier, it was the endeavor of many cultural figures to find a place for human action within the mechanical and technological setting that was growing by the day. It was necessary to establish a place for natural science, and yet deal practically with questions of human action, with respect to the working of individual nations, states, and economies. In fact, for the first time, a world economy had already established itself over and above national economies due to the colonial presence of Western Europe in the rest of the world, making it imperative that the thoughts of the people must be adequate to the situation, and be able to consider things from a human basis rather than being regionally isolated.

There were considerable barriers to mutual understanding as well. Even the foremost statesmen of the American continent, for instance, were unaware of the depth of transformation that had occurred at the heart of Europe, and remained restricted to mainly English thought. For example, for Goethe's contemporary, Thomas Jefferson:

Bacon, Locke and Newton, I consider them as the three greatest men that have ever lived, without any exception, and as having laid the foundation of those superstructures which have been raised in the Physical and Moral sciences.

This is not a problem in itself, but when in the next century there was little understanding of European philosophy over in the New World, the ideas continued to follow the same trains of thought. This situation continued on during the first half of the 20<sup>th</sup> century. This fact is being remedied only recently as interest in Austrian Economics has been rekindled due to the necessities of the time.

In the midst of the World War, a philosophy that was a distorted form of Hegelian Idealism was revived, originally called by Marx: Dialectic Materialism. Materialism was the extreme form of what we might call "scientism" today, that man's complete life is organized based on natural laws alone – and when this form of thinking combined with Hegel's, where every concept is born out of the previous, it gave rise to the theories of Engels and Marx. In spite of his later vehement criticism of Hegel's ideas, his essential picture of the human being can be seen to directly related to Hegel:

Society does not consist of individuals, but expresses the sum of interrelations, the relations within which these individuals stand. (Marx, *The Grundrisse* 1857)

Treating the economic life as the only reality in human life, a false dichotomy was created -- that between the owners of production and the workers. This thread of philosophy, after a series of modifications by Mach and Avenarius, led to Russia in 1917 via Germany, in the heads of Lenin, Trotsky, and others, and there began the Bolshevik Revolution marking the rise of Communism, leading to decades of state oppression. Thus, even the most down-to-earth practical man was forced to admit that the ideas produced by cultural leaders have to relate to human reality; else the negative effect on human life can be pervasive and far-reaching.

Real life gave the answer to these “experiments in Socialism”: fences around the Socialist states were crossed almost exclusively towards the outside, rather than the opposite. More than any logical argument or theoretical flaw, this fact served as the great corrective, as an admonition to the people of the day: You do not know how the individual human freedom is related to the State, and you do not know how the State is related to the economy.

All the while, technological progress continued at the same speed, furthering the illusion that one merely has to find the ideal “working system”, and then everything would work smoothly, in the social domains as well. This is clear from the sheer number of static party programs and “isms”, each with their own checklist, which cropped up in this situation. Originally taking its start from the French Revolution in 1789 (the Left and the Right), by the middle of the twentieth century there were a plethora of positions e.g. progressives, conservatives, social-liberals, social-democrats, anarchists, left-libertarians, right-libertarians, capitalists, nationalists, neo-liberals, monarchists, and the most destructive of them all, the Nazis. In all this, thinking fell woefully behind two fundamental facts, that life would not “work” based on a set of rules, creating a Utopia, and human freedom required ideas applicable to society as a whole, and would need to be *developed*, not postulated. This transformation from “goal setting” to “development of an ideal” was mostly relegated to the background.

At this point, it is worth considering: What are the *real* results of the form of thinking which, following the contributions of Goethe and Steiner, put the living human being at the center of life? How does it develop the notion of a State, or economic policies? For that the thread of the last chapter has to be followed a little further. From a direct look at the experience within the human being, one could clearly identify the two streams: One stream, where the human being encountered the world, and through one’s activity originating in intuition provides the conceptual content, via thinking. Through this stream man has identified a concept with the experience of oneself viz. “I”, and hence effectively placed himself within the world. Yet, man is not content with this concept of himself, and through his very activity, now gives rise to the reverse stream, where he acts on the world based on his individual moral intuition, at whatever stage it is at. An ideal, or a mental picture of it, drawn out from him then proceeds towards his *will to act*. In the first stream, man was able to identify his individuality by following his feeling of likes and dislikes to the outside world, in a similar fashion, man gives his action his own individual stamp with the feelings which he attaches to his activity. The two streams of individual activity are hence mediated by feeling.

This gives rise, via the direct experience of its living nature, to the three functions of man’s individuality: thinking, feeling and willing. Thinking is the first stream, which makes the world comprehensible to man, and willing is man’s action on the world, while feeling is called up in the individual in both directions.

And since these activities are felt in their living nature, they cannot be categorized into boxes as one can do with mechanical realities. Consider a leaf: there is also a certain connection of the root with the leaf, and vice versa, and a leaf by itself has no life. In a similar fashion, thinking has elements of feeling and willing, feeling has elements of thinking and willing, and willing has elements of thinking and feeling. Here is where the transition in understanding really occurs, which seems so utterly alien to our normal modes of thought, a transition where "... *there must be unity without confusion and distinction without separation.*" (V. Solovyov, *The Justification of the Good*). This distinguishes it from mere classification. Even Aristotle and Plato, in their time, had identified this triad of the *nous* (soul), but it was only in the 20<sup>th</sup> century, with the necessary philosophical development behind it, can one give a new meaning to these human characteristics: thinking, feeling and willing.

And since the society is the counter-image of the human being, one has to -- as it were -- turn these functions inside out to obtain the corresponding "systems" in society: the Cultural life, the State or political life of rights, and the Economy or economic life, as the images of thinking, feeling and willing respectively. One can identify the cultural life as everything that leads to the individual, such as scientific, artistic, and religious, ethnic or other community activities, where individual initiative and freedom are the core features, just as it is entirely via individual initiative that man creates concepts and thinks. The life of economy is determined mainly by the individual acting for the world, by offering his labor in productive activities and exchanges. The political life, or the life of rights, has its origin in how one individual meets another as an equal, and determines mutual contracts and rights that are to be protected. In all this, the individual is never taken out of the picture. This is the basis of the *Threefold Social Order*. These three divisions intermingle in the same sense as that of thinking, feeling and willing, and the ideals are derived from the nature of these processes: individual freedom, equality and cooperation.

Steiner and his colleagues worked from 1916 to 1919 to bring forward this concept to the senior German statesmen of the day (see Appendix A). Steiner's work *Towards Social Renewal* (1919) was widely read and was:

... perhaps the most widely read of all books on politics appearing since the war. (London Quarterly Review, W F Lofthouse, 1923)

However, the response of the leaders of the different domains was not adequate, and different paths were hence chosen. In particular, to clearly show how education can be carried out independently, without direct regulation of the State, the first Waldorf School was started in 1919, which has grown through the decades to a worldwide movement. The Threefold idea was, for the time being, soon forgotten by the mainstream.

Let us keep this development in mind while further examining the milieu of the 20<sup>th</sup> century again. The identity of the Nation and the State, first begun with the French Revolution and reinforced by the Weimar Republic of Bismarck, was later given a solid support with the idea of Hitler's *Volksstaat* after the collapse of the Weimar Republic. The Treaty of Versailles, meanwhile, had divided up areas of the world creating nation-states all over, ignoring or even manipulating ethnic boundaries – a feature that plagues the former colonies to this day. With respect to the cultural life, the spirit of cosmopolitanism that could have developed on the essentially human ideals, as that of liberty, received a huge setback with the influx of nationalistic thinking. From the focus being on the human race, it shifted down a notch to the *Aryan*

*Race...* with results that were devastating. War efforts sucked up the efforts of the best minds of the day, encouraging gigantic technological leaps over the next couple of decades: the origin of the computer, the production of the nuclear bomb. Cultural life was not even acknowledged as a sphere of influence, and it hence took a side stream called “entertainment industry”, as everyone’s focus of real-world action was either the government or the economy, not the life of ideas.

On the economic side too, things were far from perfect: it was in 1913 that via the Federal Reserve, one of the most intimate alliances between the banking community and the government, had been forged. Steiner did not tire of repeatedly stressing the dangers of Wilsonian policies in the period following World War I, highlighting them in the human context:

The program of a Woodrow Wilson speaks of human beings in general, but this generalized human being, the abstract man, does not exist. What exists is always the single, individual human being. We can become interested in him, in turn, only through our full humanity, not through mere thinking. When we Wilsonize, sketching an abstract picture of a human being, we extinguish what we should develop in the relationship of man to man. (*Challenge of the Times*, Dec 6, 1918)

The philosophical context, where Wilson showed traditional mechanical thought about man:

I might give Woodrow Wilson's idea of freedom; an extraordinary one, but very characteristic of the culture, the civilization of our age. He is honest in his demand for freedom for the political life of the present day. But what does he mean by freedom? We arrive at an understanding of his meaning when we read words like the following: ‘A ship moves freely,’ he says, ‘when it is adapted to all the forces which act upon it from the wind, from the waves, and so on. When its construction is exactly adapted to its environment, no hindrance to its progress can arise through the forces of wind or wave. Man must also be able to motive freely through life, by adapting himself to the forces with which he comes in contact in life, so that no hindrance may ever come to him from any direction.’ He also compares the life of a free human being with a part of a machine, saying: ‘We say of a part, built into a machine, that it can move freely when it has no connection with anything anywhere; and when the rest of the machine is so constructed that this part runs freely within it.’ (Ch. 4, *The Social Future*)

Or even the political thought:

It will be a long time yet before people will feel embarrassed at taking seriously the grammar school level policies of Woodrow Wilson.(27 Oct, 1917)

Which turned out to be true:

The idea that it is our government’s duty to serve the world and that we have great tasks to perform throughout the world, is an example of an outrageous and irrational idealism. (on Wilson, pg. 47, *Freedom Under Siege*, Ron Paul)

Nevertheless, the Reserve was established, as was the League of Nations, which did not succeed in preventing the Second World War. All through the horrors of the Nazi purge, those of the Austrian School continued their works on economy, basing their experiences on both the War and on those countries which were unaffected by war, such as Ropke’s experience in neutral Switzerland, and Mises’



work in the same neutral country. Hayek's *Road to Serfdom* identified the mistakes in rigid central planning for economy, which would tend to lead mankind backwards economically. In spite of the fact that Hayek won the Nobel Prize for his work in 1974, there was little direct effect on public policy worldwide, which continued more or less along the same lines.

Towards the end of the Second World War, there appeared another monumental effort to bring the human individual back into focus again – by Ayn Rand, supported by the independent works of two other women (Rosa Wilder Lane and Isabel Peterson). Raised under the shadow of Soviet Russia since age 12, a precocious Rand clearly felt the pressure on the individual's freedom well through to her adulthood, when she migrated to the United States. From her understanding of social pedagogy and study of the philosophy of Aristotle, Aquinas, Nietzsche, Dostoyevsky and others... she was able to put the human being back in the center of human life. She argues for the importance of the self, and individual motives for action:

“And isn't that the root of every despicable action? Not selfishness, but precisely the absence of a self.” (Howard Roark, *Fountainhead*)

“To get things done, you must love the doing, not the secondary consequences. The work, not the people. Your own action, not any possible object of your charity.” (Howard Roark, *Fountainhead*)

The last sentence, in particular, is a clear echo of the principle in *The Philosophy of Freedom*. Rand's view of the world was strongly rooted in traditional logic: “Existence exists,” and that “Man is man”. From these assumptions, and a corresponding clear look at the reality of the world, the Objectivist philosophy was crystallized. One of her innumerable contributions was that she put not only man as man, but even philosophy back into public consciousness, as with her essays on *Philosophy: Who needs it*. Her stance regarding the role of the State was also very clear:

I advocate the separation of state and economics. The government should be concerned only with those issues that involve the use of force. This means: the police, the armed services, and the law courts to settle disputes among men. (*Playboy* Interview, 1963)

Yet, while placing the individual in the center and creating a philosophy to support it, Rand's view had one fatal flaw, and that was it neglected the fact that Man is not only Man, but Man *develops into* a higher Man. This change in Selfhood was not acknowledged. Additionally, it was not clear to Rand that Man and Society are not isolated divisions where, like ice in water, Society always threatens to melt away the Individual Man. Hence, in place of the primacy of individuality, she placed the primacy of selfishness i.e. individuality with selfishness as the only virtuous motive. She asserted man's freedom to act, but did not provide him the same freedom to choose his motive for action, which was determined to be selfishness alone. The hard and fast distinction between Society and Man, made every action directed towards the Society a threat to the Self, and this led her to oppose altruism on principle. Nevertheless, in spite of her commentary on political and economic issues, it was predominantly the desire to set up a system of ethics, and to educate people about it as a basis for culture, art and creativity that was at the heart of her efforts.

It is clearly one of the greatest tragedies of the 20<sup>th</sup> century that Rand's work came so close to comprehending the philosophy of freedom in a direct wholesome way, but perhaps due to a lack of

familiarity with certain trends in philosophical thought that all too often get buried, her efforts took a strange turn, especially towards the later part of her life. In his book *Capitalism and Work*, Robert Bradley Jr. who worked with Enron, brings out this aspect of her life clearly (Appendix A, The Ayn Rand Problem). It is worthy of note, as Ayn Rand was one who attempted to truly live her philosophy in all aspects of her life, and when her usual boundaries of objective thought clashed with the living reality of her personal relationships, an upheaval followed that went so far as to split the institute she had set up into two. This goes to show how, with those who have immense contributions to mankind, even their errors serve to guide and educate as much as the parts they get right.

Rand's contemporary, Murray Rothbard placed the free-market at the center of society, and also noted that the government's role in maintaining equality went beyond that of maintaining equality before law, leading him to criticize the very existence of the government. Being a skeptic of the full force of the egalitarian principle - which mandated universal rights and also universal enforcement of rights - Rothbard was of the opinion:

Rights may be universal, but their enforcement must be local. (*Two Just Wars*, 1994)

Thus, a check on the power of the state was suggested, by increasing the powers of individual groups of people to encompass duties traditionally taken up by the state. This in essence brings down the effect of the State to a minimum, making it virtually disappear.

These ideas are developed, a bit curtly but yet in a clear fashion by Rothbard in his work *For a New Liberty*, showing the effect on decision making in everyday life when government is reduced in this fashion. In particular, he calls for an uncompromising stand on the principle axiom of liberty:

THE LIBERTARIAN CREED rests upon one central axiom: that no man or group of men may aggress against the person or property of anyone else. This may be called the "nonaggression axiom." (pg. 22, *For a New Liberty*)

It is inspiring to read the Epilogue of this work, where Rothbard ties together the whole story and identifies the key element of *timing*: of how the stage is set by both the free Industrial economy and free society, by the end of the 20<sup>th</sup> century, to make the revival of Libertarianism a historical necessity. In particular, he eschews any gradual development of a Libertarian Society, and calls for immediate action:

In short, the libertarian must never advocate or prefer a gradual, as opposed to an immediate and rapid, approach to his goal... The libertarian, then, should be a person who would push the button, if it existed, for the instantaneous abolition of all invasions of liberty. Of course, he knows, too, that such a magic button does not exist, but his fundamental preference colors and shapes his entire strategic perspective. (pg. 309, *For a New Liberty*)

While this ideal still contains relics of the machine age, of setting up a system, hitting a button and letting it work, the *principle* underneath this call is something that one can agree with, that when the time to act has come, it is best that action is taken. As predicted by Rothbard, this resurgence of Libertarianism arrived pretty soon after the start of the 21<sup>st</sup> century, which brings us now to the present day.

## Living Liberty

...our moral life is not comparable with the life of the organism. The functioning of the organism occurs without any action on our part; we come upon its laws in the world ready-made and can therefore seek them and apply them when found. Moral laws, on the other hand, are first created by us. We cannot apply them until we have created them.

- Rudolf Steiner, *The Philosophy of Freedom*.

It was seen that to approach the central ideas of Libertarianism and Austrian Economics, required a clarification of our assumptions, which in turn brought up the issue of the necessity for assumptions in the first place. Examining this problem led us to identify the step-by-step deductive method to be at the root of the philosophy, which, while different from the inductive approach taken by many experimental scientists, still has a lot in common with natural scientific thought, especially mechanical thought.

While surveying the course of the struggles for the past one hundred years, since the beginning of the War, it is clear that this mode of thinking has become, on the whole, much stronger than it was formerly. More than ever, thinking habits still tend to start from assumptions and definitions, or even beliefs. As the origin of these assumptions was examined and traced back to the Newtonian era, a side stream of thought of Goethe and German Idealism came into view that, when viewed aright, gives a way for us to vitalize our thought to meet living reality face to face. A further development of these streams at the end of 19<sup>th</sup> century gave a direct philosophical basis for man's freedom, as a developing ideal. Without falling into the trap of simply thinking externally *about* organisms (as shown in the quote above), but by using the living nature of thinking itself, one finds an understanding for human thinking, human feeling, and human action; not as mere categories, but as three independent living principles that interpenetrate each other, much like the digestive, circulatory and nervous systems in the human body.

As the ideals of these three distinct, yet interdependent features - freedom in the cultural realm, equality in human rights and their protection, and mutual cooperation in the economic realm. This three-folding of human capacities referred to in the last chapter is not a mere theory, belief, or even a "model that works", but the *reality* of the situation, and is being drawn out into civilization in stages for more than two centuries. Just as one who clarifies the law of gravitation cannot be said to be unrealistic or Utopian, neither is the one who identifies intrinsic social laws with the same certainty. In 1789, with the occurrence of the French Revolution, the three ideals were first clearly recognized in the world: Liberté, Egalité, Fraternité. Just two years previously in 1787, in America, the Constitution was signed which incorporated the "separation of powers", in Articles II, I, and III respectively, which is a reflection of the three-folding within the sphere of government. Separation of the Church and the State, along with other individual freedoms were well on their way in the classical liberal era in America, and so was it in Europe with the example of the laïcité in France (1905). Austrian economists have spent considerable effort, particularly with the focus on human action, to show that the State and the Economy must start separating as well. While this separation could have been achieved 100 years ago, it was not... leading to a long period of chaos, where the three realms got mixed up again due to the World Wars, and were continued in the same form leading to the Nation-State's military excesses, as well as economic upheavals.

As one looks around today, in 2014, and observes the rise in the Libertarian movement, one can observe that almost all aspects of the three-folding are being brought out by contemporary writers. The ideas are virtually identical. Take for instance, the very nature of three-folding itself, and the fact that the three ideals are mutually interdependent, and stand or fall together. In addition to the tripartite division in the State already determined by the American Constitution, in economics one has a similar reflection:

Each one of us, in brief, has a multiple economic personality. Each one of us is producer, taxpayer, consumer. (pg. 125, *Economics in One Lesson*, H. Hazlitt)

And as to the interdependence of ideas:

A chair with just one leg will fall over. Add another and it's marginally more stable, but it will still fall over. Add a third to make a tripod and each will reinforce the others. Ideas can be like that, too. Ideas—about rights, justice, social order, law—don't just stand on their own. They fill out each other's meaning. Like the legs of a tripod, they lend support to each other. (pg. 31, *Why Liberty*, Tom G Palmer)

Let us now examine things a bit more closely. The realm of individual freedom, responsible for education, creativity, ideas, cultural and spiritual activities, all drawn out of individual initiative, was brought into the fore by the originators of Modern Libertarianism, such as Ayn Rand. In spite of her insistence on traditional reason, living contradictions and the need for holistic thinking are being noticed by looking at reality:

Indeed, as discussed below, it is people *competing to cooperate* (italics mine, GKV) ... opponents of classical liberalism have been quick to accuse liberals of favoring "atomic" individualism... In our time this canard – about isolationism and atomism – has been very damaging to the advocates of the market process. We ought to make it clear that we agree with George Soros that "cooperation is as much a part of the system as competition". (pg. 32-33, *Morality of Capitalism*, article by David Boaz)

The system of natural liberty founded on property and freedom of contract fosters two seemingly incompatible forces: competition and social cooperation. (pg. 100, *Why Liberty*, article by Sloane Frost)

To see the problem as a whole, and not in fragments, that is the goal of economic science. (pg. 199, *Economics in One Lesson*, H. Hazlitt)

The difference between politics and ethics is also quite clearly formulated, for instance:

Ethics begins with the individual moral agent and asks, "How ought an individual act because she is a moral agent?"... It is a social philosophy that seeks to articulate how people ought to treat one another from the perspective of interacting with others. It asks the question: "How ought an individual act because she is interacting with other individuals?" In other words: the origin of morality is the self: how people ought to act because they, themselves are human beings. The origin of political philosophy is others: the requirement to treat others justly because other people are human beings. (pg. 53, *Why Liberty*)

In addition, when focusing on the economic realm, the ideal held by the Threefold Social Order is that of mutual cooperation, where economic decisions are made on the basis of voluntary associations between individuals. Currently, one can observe that the Invisible Hand, which moved the economy while the people were focused solely on the default profit motive, is being made more visible, as the motive for cooperation is being given its due:

The whole argument of this book may be summed up in the statement that in studying the effects of any given economic proposal we must trace not merely the immediate results but the results in the long run, not merely the primary consequences but the secondary consequences, and not merely the effects on some special group but the effects on everyone. It follows that it is foolish and misleading to concentrate our attention merely on some special point—to examine, for example, merely what happens in one industry without considering what happens in all. (pg. 103, *Economics in One Lesson*, H. Hazlitt)

It is but a step from “special group” to “individual”, bringing back the notions of mutual benefit:

Self-help and charity are not the only alternatives to the welfare state, as has often been asserted. Mutual aid, as instantiated by the friendly societies described by historian and political scientist David Green, provided solidarity, assistance, medical and other welfare benefits, and a framework for propagating moral values. (pg. 55, preface to *Evolution of Mutual Aid, After the Welfare State*)

Another crucial feature, the capacity to develop sense-free imaginations (and not any wild fantasy) in thinking, has been stressed not only by Bastiat in his *What is Seen and What is Not Seen*, but also by Mises:

The specific method of economics is the method of imaginary constructions...An imaginary construction is a conceptual image of a sequence of events logically evolved from the elements of action employed in its formation. It is a product of deduction, ultimately derived from the fundamental category of action, the act of preferring and setting aside... It would be a serious blunder to look for analogies to the imaginary constructions in the field of the natural sciences. The imaginary constructions of praxeology can never be confronted with any experience of things external and can never be appraised from the point of view of such experience. Their function is to serve man in a scrutiny which cannot rely upon his senses. (pg. 237-8, *Human Action*, L. v. Mises)

And finally, the living element has been hovering over all current thinking about social problems:

When we allow the seeds of government intervention to be sown, they grow and spread as bad weeds do in an unattended garden, destroying the useful crop... the process may proceed slowly at first, but eventually the entire system will crumble due to the inevitable “root-rot” that will develop. (pg. 35, *Freedom Under Siege*, Ron Paul)

Like cancerous tumors, welfare states continue to metastasize, to grow in size, and to threaten the health of the societies from which they draw their sustenance. Like any threat to society, they deserve additional study. (pg. 137, *After the Welfare State*, Tom Palmer)

This brings us finally to the essential core of this study: *health of human social life*. As examined earlier, the notion of looking at the society as a mechanical “system of checks and balances” - a relic of the era of mechanical thought - must give rise to looking at what can promote the health of human communities. With a system, one can talk of it working or not working, but with human life itself, one must ask if it is healthy or decaying. With a system, one can have the luxury of starting with assumptions, and then checking if it works, but with a living reality, one must start with observations of that very same reality. With a system, once it is set up, one can let it run smoothly, perhaps with occasional maintenance, but with our own society, we are constantly organizing it from within, even as we ourselves grow as moral individuals. With a system, one can talk of establishing a universal standard without further delay, and any gradualism can be given up as a compromise. But no living activity develops overnight, and recognizing this aspect is not the same as promoting gradual changes. No medical treatment, howsoever urgent it might be, neglects the inherent healing capacity of the human body. With building a system, it is invariably a utopia, which one might call “the Libertarian World”, on the same lines as a society where everyone speaks the truth. With a three-folding of the social organism, we *participate in healing* the social ills at every opportunity.

The concepts and ideas that are used to address the problems, have to be alive, and not in the form of innumerable categories or stances. It is perhaps no coincidence that a medical doctor with decades of experience in bringing human beings to life (as a gynaecologist), was instrumental in entering the political process and creating a massive resurgence in Libertarian thought (Ron Paul). For what sense does it make, for one to take the stance for carbohydrates, another a stance for minerals, and third a stance for fats in the human diet? How can one even take a stance against the supply of snake venom, which can serve as an antidote when properly prepared? The different stances and positions, whether it is left, right, center, progressive, conservative, anarchic, or minarchic (minimum state), would mean much less than the question of what the current ailment is, and what support it can be given due to our knowledge of health. Any of the different positions taken, every single one of them can turn into social ill if taken in a static fashion, just as even benign water, when taken into the lungs can kill us. We hence no longer have the luxury of splintering the Libertarian ideals into different camps, each with its own checklist and agenda, with little idea about how that specific action relates to the whole. Nor is it possible to ignore the cultural situations in different parts of the world, which would determine to what extent one can affect any of the three streams of social life. Just as different patients have different pulse rates, and would require different doses and treatments, in spite of healing being at the core of both actions, different human communities would be able to apply threefolding to different extents, without resorting to polylogism as Mises claims, or compromising on our morals.

Indeed, these issues are welling up with the Youth Libertarian movement sprouting across the world today. Being a cosmopolitan ideal, as all real human ideals are, this movement is characterized by its immediacy to real life: students and young people are quite involved in the social upheavals going on in their respective countries. Student debts, unemployment, constant wars, bureaucratic corruption and poverty remain as constant threats for most of the Youth, and mutual knowledge about the situations has grown in leaps and bounds thanks to the internet.

This understanding also answers a question that had been posed right at the beginning, regarding the timing of this resurgence of Libertarian philosophy. One can now see that it could not have been

otherwise due to the events that occurred in the past century, as the wars shunted soundness of philosophy to one side, causing a collective amnesia of the lessons learned until then. Focus was entirely on the machinations of Economics and State, until the rise of Libertarianism put the life of ideas, morals and philosophy back into the mainstream. One can also see how technological progress, while being wholly useful in the sphere it works in, also programs thoughts to follow mechanical analogies, rather than to come to terms with a living form of thinking. This was a fact that remained buried almost through the entire century. It helps to come to grips with all our National and International documents being secondary to our living understanding of them, showing why constitutions can be changed, and on what basis they can be changed. In short, one cannot, and must not, go *back* to the era of classical liberalism holding a list of policies, but move *forward* to a self-created healthy social life, with full responsibility.

For that, in essence is the task that falls on the individual, the task with which one can plant both feet firmly on the ground of today: ***the task to bring the Libertarian Movement alive, through and through.*** It is a task which will demand a lot of effort, not least because even ideas about the difference between “living” and “mechanical” movements are hard to find in contemporary society. Even to recognize the task is a task in itself! But it is crucial to see that this element of life, this capacity for adapting to the situation and yet not succumbing to compromise, this capacity to think of the whole life of a community, is a vital necessity that has to be developed. It must be recognized that the life of the Libertarian Movement must not remain merely metaphorical or an analogy, but become a real force willingly developed by every individual who wants to freely work for it.

We have witnessed the demise of the Occupy Wall Street movement, which provided a prime example of what happens to a simply mechanical movement that fails to start with a real philosophy. In a similar way, specters of old modes of mechanical thought, tendencies to merely follow externally determined programs, short-sightedness, sectarianism and dogma constantly threaten the progress of even the most well-intentioned movement. In addition, one can notice that many people can get lost in various intellectual arguments about which point of view is right, and which is wrong, instead of paying attention to the limitations of logic, in which case a lot of energy can be drained away in endless discussions with varied assumptions. The human being would not be as isolated from the “social system” as formerly, and side-by-side with the attempts to change the society, to remain balanced, one will also have to plumb the depths of one’s own moral development. It will be necessary to combat the argumentative tendency with the capacity to think with the exact opposite set of assumptions than the ones being used habitually. It is with this sort of self-education that one can cultivate a thinking that understands that with correct knowledge, a poison can heal.

The biggest threat facing the Libertarian movement is that rather than taking a stand on the actually existing three activities of a human being, one can lapse back to creating two groups of people: into “us” and “them”. If this happens, in the way Marx created a false dichotomy, and hence a class struggle, between the “capitalists” and the “worker class”, then one might end up creating a similar division between the “individuals” and the “state” or “government”. It is also a relic from Ayn Rand’s philosophy. This tendency is already widespread, as the fact that every outside system is a reflection of inner human capacities is not properly recognized, and it is easier to project problems outwards to an abstraction. The way to bypass this is to refrain from dividing humanity into groups or classes, such as statists or free-enterprisers or even, for that matter, libertarians and non-libertarians. Instead, the only worthwhile focus

point is to see if the ideas, and the actions being taken, are promoting individual capacities, or making them wither away. If class struggles are brought in again, that would be an infection that would weaken the movement from within, and even the utmost zeal might lead to another catastrophe as it happened in the case of Communism. Hence it is of utmost importance that efforts are put to really acquire this new way of thinking.

For it is a fact that none of these ideas are mere “will-o’-the-wisps” – a fact that has been highlighted by the experience of the last century. Even the most abstract program argued about in coffee shops have a very real effect when put into practice, many times an effect not foreseen. The fact that people can get unemployed, creativity can be stifled, egoism can be taken to extremes, and wars can be caused due to flaws in philosophy serves to show us the moral seriousness with which to take up the tasks. It really is no trifling matter. It has been one hundred years since the beginning of the First World War, and now a situation is arising where this understanding of a renewal can again take root, a renewal that was not possible previously. And it is up to me, and up to you, as individuals... as to how we take it forward.



## Appendix A

*From “Education as a Force for Social Change” Rudolf Steiner, Anthroposophic Press, 1997.*

### CHRONOLOGY OF EVENTS

(Events of Social Threefolding, leading to the foundation of the First Waldorf School)

STUTTGART

December 1916 to September 1919

Of all the myriad events between the December, 1916, German peace initiative and the opening of the first Waldorf School in September, 1919, certain events are particularly important in understanding Rudolf Steiner’s original goal of social reformation, and how it transformed into the founding of the Waldorf school in Stuttgart. This metamorphosis in the face of overwhelming historical reality teaches that we must all move toward a greater understanding of truth and set our intentions accordingly.

— *Robert Lathe and Nancy Whittaker (some explanations omitted for brevity’s sake: GKV)*

DECEMBER, 1916: Germany sends peace note to allies; President Wilson sends peace note to all aggressors.

JANUARY 22, 1917: In a speech, President Wilson replies to the German peace initiative by stating that the basis of a peace must be freedom, democracy, and self-determination.

JANUARY 30, 1917: Steiner characterizes Wilson’s proposal as unrealistic.

FEBRUARY, 1917: Steiner travels to Berlin and remains there until September. Steiner writes the book, *Riddles of the Soul*

FEBRUARY–MARCH, 1917: The Russian Revolution begins; the United States enters the war.

MARCH 15 AND 17, 1917: Rudolf Steiner describes the relationship between body, soul, and spirit.

APRIL, 1917: Vladimir Lenin travels with other socialists in a sealed train through Germany, reaching Petrograd on April 16 to lead the Bolshevik Revolution in Russia.

MAY, 1917: Otto Graf Lerchenfeld, a member of the Bavarian Royal Cabinet, recognizes the futility of the war and asks Rudolf Steiner for advice.

LATE JUNE, 1917: Steiner begins work with Lerchenfeld to articulate the threefold social organism. From Lerchenfeld’s journal:

Three hours with Dr. Steiner today. The solution to everything lies before me. I know that there can be no other. He calls it “threefold social organism” and placed it before me like the egg of Columbus. He wants to work out the details with me in the next few days, but that will probably take weeks.... More than three weeks of daily working for hours followed the first meeting. Weeks of greatest experiences, intensive learning, learning what the logic of life means in truth. Learning about growing and dying. Learning how logic must include art so that it is not rejected by genuine life thereby becoming illogic. Politics is an art, not just science and where it is only science, the social organism becomes ill because it is treated as something dead.

JULY 1917: Graft Polzer-Hoditz of Austria joins Lerchenfeld and Steiner in their discussions. Steiner meets with the German ambassador to the United States to present the threefold ideas, but they are rejected. Steiner then prepares memoranda for Polzer-Hoditz to present to the Austrian Minister of Foreign Affairs, who also rejects them. Arthur Graf Polzer-Hoditz had discussed the threefold idea with

the Austrian Cabinet and prepared a memorandum proposing a process of social reorganization based on the principles of the threefold social organism; it was sent to the Austrian Emperor.

NOVEMBER 7, 1917: October Revolution; Marxist Bolsheviks under Vladimir Lenin come to power in Russia.

NOVEMBER, 1917: Rudolf Steiner indicates that addressing the problem of evil is *the* task of the present time.

DECEMBER 22, 1917: Peace talks between Germany and Russia begin at Brest-Litovsk where the German Secretary of State Kühlmann does not mention the threefold memorandum (though he has it in his possession).

JANUARY 7, 1917: Hans Kühn requests audience with Prince Max of Baden to present the concepts of the threefold social organism. Prince Max requests the earliest possible meeting with Steiner.

JANUARY 8, 1917: Woodrow Wilson presents his Fourteen Point Program for World Peace.

JANUARY 20 OR 21, 1918: Rudolf and Marie Steiner meet with Prince Max of Baden to discuss the threefold idea. Prince Max, though interested, does not see any possibility of actually using these ideas.

FEBRUARY 11, 1918: Wilson presents four points regarding self-determination.

FEBRUARY, 1918: Steiner writes an introduction to an edition of the *Mission of the Folk Souls*, which is presented to Prince Max.

MARCH 3, 1918: Germany demands that Russia sign the peace treaty. Russia signs under protest.

MARCH 21, 1918: The German army begins the Spring Offensive against English forces.

JULY 4, 1918: President Wilson presents further points of his peace program concerning the rule of law and democracy for everyone.

AUGUST 8, 1918: The German army is defeated.

SEPTEMBER 27, 1918: President Wilson presents points concerning justice and equality for all.

OCTOBER 3, 1918: Prince Max becomes the German Chancellor and offers peace to President Wilson based on Wilson's peace program.

END OF OCTOBER, 1918: Germany peacefully becomes a constitutional monarchy.

NOVEMBER 3, 1918: The German fleet at Kiel experiences mutiny, which spreads to Berlin.

NOVEMBER 9, 1918: Karl Liebknecht, leader of the Spartacists, prepared to proclaim a Soviet republic in Germany. Prince Max tries to counter this by proclaiming the abdication of the emperor.

Emperor Wilhelm II flees to Holland. The Social Democratic Party proclaims a republic in anticipation of Liebknecht. Prince Max transfers his office to Friedrich Ebert, a Social Democrat. The Social Democrats and the German High Command join unwillingly to create the German republic.

NOVEMBER 7, 1918: Rudolf Steiner begins to work with Carl Unger to form a holding company based on the threefold social organism.

NOVEMBER 10, 1918: Workers' and soldiers' councils in Berlin give a revolutionary blessing to Ebert's regime.

NOVEMBER 11, 1918: Armistice between Germany and the Allied forces.

LATE NOVEMBER, 1918: Due to the economic and political collapse of Germany, workers have free time, which Emil Molt attempts to fill with meaningful activity by providing adult education at the Waldorf-Astoria Company. Emil Molt is approached by one of the workers at the Waldorf-Astoria Company about forming a school for the workers' children.

DECEMBER 19, 1918: Ebert persuades Congress of Soldiers and Workers to fix elections for January 19.

DECEMBER 23, 1918: Revolutionary sailors respond by occupying the chancellery and taking Ebert prisoner.

DECEMBER 24, 1918: Ebert is rescued by troops from Potsdam garrison.

DECEMBER 29, 1918: All three Independent Socialists resign from government to protest Ebert's counterrevolutionary policy.

NOVEMBER, 1918–JANUARY 1919: Steiner spoke extensively about the causes of the war and the need for a new social impulse.

JANUARY 4, 1919: Robert Emil Eichhorn, an Independent Socialist and police president is dismissed, leading to mass demonstrations that do not overthrow the government.

JANUARY 11, 1919: Gustav Noske's Majority Socialist (anti-revolutionary) Volunteers enter Berlin and forcibly end the demonstrations. Karl Liebknecht and Rosa Luxemburg (Spartacists) are both arrested and murdered by Volunteer officers.

JANUARY 25-27, 1919: Detailed discussions involving Rudolf Steiner, Emil Molt, Roman Boos, and Hans Kühn result in the decision to write "The Call to the German People and the Civilized World." It is an appeal for honest national reflection and conscious restructuring of social relationships according to the principles of the threefold social organism. This appeal was later signed by a number of notable people from Germany, Austria, and Switzerland, including Hermann Hesse, Emil Molt, Carl Unger, Dr. Lautenschlager (mayor of Stuttgart), Count Otto von Lerchenfeld-Köfering, and Frau Vacano (writer and translator of Vladimir Solovyov). They also decided to establish a school, and to publish Moltke's memoirs as a way to present the causes of the war.

JANUARY 27, 1919: Emil Molt discusses the formation of a school with Steiner, who agrees but emphasizes the necessity that its formation should occur as an independent social action and not as his own creation.

FEBRUARY 3, 1919: Steiner begins to lecture publicly about the threefold social organism.

FEBRUARY 6, 1919: German National Assembly meets in Weimar. Work begins on a new constitution for Germany, the result of which will be the Weimar Republic.

MARCH 5, 1919: "The Call to the German People and the Civilized World" is published in a large number of newspapers in Germany, Austria, and Switzerland. Steiner continues to speak publicly about the spiritual background of social issues.

APRIL 5, 1919: Rudolf Steiner tells Carl Unger that he would be willing to give a course on pedagogy for an independent school.

APRIL 13, 1919: Karl Stockmeyer joins Emil Molt in working on a plan to form an independent school.

APRIL 22, 1919: The Union for the Threefold Order is formed. With the formation of this association, Rudolf Steiner begins a series of lectures over the next three months to workers in various industries primarily in and around Stuttgart.

APRIL 23, 1919: At 11:00 a.m., Steiner speaks to workers at the Waldorf-Astoria Company. Because of that lecture, the workers pass a resolution that they be sent to the government of Württemberg to ask that Steiner be made a member of the cabinet. The intention is that he would work to implement the threefold social organism in the state of Württemberg. The resolution was signed by ten to twelve thousand workers of the Stuttgart area. According to Carl Unger, the resolution was misunderstood, because people thought Steiner wanted to join the present government, something he did not consider, since, in his opinion, if he was called by the government, his first act would be to dissolve the government in its current form. Following the general meeting at which this resolution was passed, there was a meeting of the Waldorf-Astoria Company Workers' Council, where Molt spoke about his decision to create a school. He had previously spoken with Minister of Culture Heymann, who had promised support for the school. Molt and members of the Workers' Council formally asked Steiner to direct the planned school, and he agreed.

APRIL 25, 1919: Following a lecture at the Daimler Works, Rudolf Steiner meets with Emil Molt, Karl Stockmeyer, and Herbert Hahn for a detailed discussion of the plans and curriculum for the Waldorf school. Karl Stockmeyer is sent throughout Germany to find appropriate teachers.

APRIL 28, 1919: Rudolf Steiner publishes *Towards Social Renewal*.

APRIL 30, 1919: Rudolf Steiner meets with the Minister of Labor to present his ideas of social reorganization. Nothing results.

MAY 11, 18, JUNE 1, 1919: Rudolf Steiner gives a short lecture cycle on public education reform.

MAY 13, 1919: Emil Molt, Karl Stockmeyer, and Rudolf Steiner meet with Minister of Culture Heymann and his assistant, Reinöhl. Minister Heymann approves the formation of the Independent Waldorf School. During the middle of 1919, Steiner signs an agreement with Minister Heymann that all children in the Waldorf school will meet the state standards of education at grades 3, 6 and 8; that all their teachers will be personally approved by Minister Heymann; and that the school will remain nonsectarian, while providing denominational religious instruction for those children whose parents desire it.

JULY 31, 1919: Rudolf Steiner concluded his work for a popular movement for social change with a public lecture in Schwenningen: "Socialization and Workers' Councils." Political parties and trade unions absorbed the movement for forming such workers' councils, rendering the formation of independent cultural committees impossible. Steiner was concerned that the movement for a reorganization of society according to the threefold ideas had become too "proletarian."

According to Molt's notes, Steiner remarked: "I have often asked myself what I could have done in order to reach the middle class. First, we attempted to reach the government, but without success. They were merely party members determined to carry out their old programs and had no desire to hear anything new—at least not in the cultural realm. Then we tried to reach the industrialists, also without success. People in those circles simply made fun of what we presented because of our worldviews. Although our first meetings occurred in a purely middle-class context in which people listened to us, our efforts were ultimately ineffective. The basic assumptions of the proletariat were different, however."

AUGUST 9-17, 1919: In Dornach, Steiner presents the lectures contained in this volume.

AUGUST 11, 1919: Weimar Constitution proclaimed. Had it been ratified before May, 1919, the Waldorf school would have been legally impossible.

AUGUST 20-SEPTEMBER 6, 1919: Steiner gives the basic course on pedagogy in Stuttgart to prepare for the Waldorf school.

AUGUST 31, 1919: Steiner holds a first meeting with the parents of the future students of the Waldorf school.

SEPTEMBER 6, 1919: Following the close of the pedagogical course, Molt and Steiner appoint the teachers for the Waldorf school. Molt discusses salaries with each teacher. "During the first year, the teachers will be employed and paid by the Waldorf-Astoria Company. We had no fixed salary scale, but instead began with the needs of each individual."

SEPTEMBER 7, 1919: Opening ceremony for the Waldorf school was followed by a gathering for the parents, teachers, and children at the school. In the evening, the faculty, the Steiners, and the Molts attend a performance of Mozart's *Magic Flute*.

SEPTEMBER 8, 1919: First faculty meeting with Steiner.

SEPTEMBER 15, 1919: First day at the Waldorf school.

## Appendix B

### Reference List

\*Note: Availability of the free ebook has been indicated by an asterisk.

- *Why Liberty?* Edited by Tom G Palmer. © 2013\*
- *After the Welfare State*, Edited by Tom G Palmer. © 2012\*
- *It Didn't Have to be This Way*, Harry C Veryser, © 2012
- *Morality of Capitalism*, Edited by Tom G Palmer. © 2011\*
- *The Economics of Freedom*, (Selected Works of F. Bastiat), © 2011\*
- *Capitalism at Work*, Robert L Bradley Jr. © 2009
- *Human Action*, (Schol. Ed.) Ludwig von Mises © 1998\*
- *Austrian Philosophy, the Legacy of Franz Brentano*, by Barry Smith © 1994
- *Freedom Under Siege*, Ron Paul, © 1987\*
- *Economics in One Lesson*, Henry Hazlitt, © 1979\*
- *For a New Liberty*, Murray N. Rothbard, © 1978\*
- *The Mantle of Science*, Murray N. Rothbard © 1960\*
- *The Road to Serfdom*, Friedrich von Hayek © 1945
- *The Fountainhead*, Ayn Rand, © 1943
- *Towards Social Renewal*, Rudolf Steiner, 1919\*
- *The Philosophy of Freedom*, Rudolf Steiner, 1894, Wilson translation © 2011\*
- *Investigations into the Method of the Social Science*, Carl Menger, 1883
- *Farbenlehre (Theory of Colors)*, Johann W von Goethe, 1810
- *Constitution of the United States*, 1787
- *Opticks*, Isaac Newton, 1704\*
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