

1 ***The End of Economic Man: The Origins of Totalitarianism***

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7 ***Introduction To The Transaction Edition***

8 *The End of Economic Man* was my first book, and at the
time of its publication I was still an unknown young man.

9 Yet the book received tremendous attention when it came
out in the spring of 1939, and was an instant success.

10 It was even more successful in Britain than in the United
States.

11 Winston Churchill, then still out of office, wrote the first
review, and a glowing one.

12 When, a year later, after Dunkirk and the fall of France, he
became prime minister he gave the order to include *The
End of Economic Man* in the book kit issued to every
graduate of a British Officers' Candidate School.

13 (It was, appropriately enough, packaged together with
Lewis Carroll's *Alice in Wonderland* by somebody in the
War Department with a sense of humor.) ...

14 Although this book was published more than fifty years
ago, it was actually written even earlier.

15 It was begun in 1933, a few weeks after Hitler had come
to power.

16 An early excerpt – the discussion of the role of anti-
Semitism in the Nazi demonology and the reasons for its
appeal – was published as a pamphlet by an Austrian
Catholic and anti-Nazi publisher in 1935 or 1936.

17 And it was finished between April 1937, when first arrived
in the United States from England, and the end of that
year.

18 It was the first book to try to explain the origins of
totalitarianism – its subtitle.

19 It has kept on selling.

20 Indeed it has been reissued several times before this
republication as a Transaction book, the last time in 1969
(the preface to that reissue is included in this volume).

- 21 And lately the book has again gotten a fair amount of scholarly attention. ...
- 22 But for a long time during the nineteen-sixties – and indeed, well into the nineteen-seventies – the book was pointedly ignored by the scholarly community.
- 23 One reason: it was not “politically correct” to use current jargon.
- 24 It fitted neither of the two politically acceptable theses of the postwar period: the thesis that Nazism was a “German” phenomena to be explained by German history, German character, German specifics of one kind or another or the Marxist thesis of Nazism as the “last gasp of dying capitalism.”
- 25 This book, instead, treated Nazism – and totalitarianism altogether – as a European disease, with Nazi Germany the most extreme, most pathological manifestation and with Stalinism being neither much different nor much better.
- 26 Anti-Semitism, for instance, appeared first as persecution and popular demagoguery in France, rather than in Germany, in the Dreyfus Affair of the eighteen-nineties.
- 27 And it was the failure of Marxism – rather than that of capitalism – as a creed and as a savior, *The End of Economic Man* asserted, that led to the “despair of the masses” and made them easy prey to totalitarian demagoguery and demonology. ...
- 28 But there was a second reason why the book did not fit into the scholarly climate of the postwar period.
- 29 It is the more important one, simply because the climate still persists.
- 30 This book treats a major social phenomenon as a *social* phenomenon.
- 31 This is still largely considered heresy (except by such fellow-heretics as the publishers of Transaction books and *Society* magazine).
- 32 Major social phenomena are treated either as political and economic history, that is, in terms of battles, armies, treaties, politicians, elections, national-income statistics, and so on.
- 33 (A good example for Germany and Nazism are the excellent books of the Stanford historian Gordon Craig, for example, his 1978 book *Germany: 1866-1945*.)
- 34 Such developments are also explained in terms of “isms,” that is, in terms of all-embracing philosophies.
- 35 The prototype and exemplar of this approach for our theme is the 1951 book by Hannah Arendt *The Origins of*

Totalitarianism which blames Hitler and Nazism on the systematic German philosophers of the early nineteenth century: Fichte, Schelling, or Hegel. ...

- 36 No matter how valid either approach, they are not adequate by themselves.
- 37 The stool needs a third leg.
- 38 Social phenomena need *social* analysis, an analysis of the strains, stresses, trends, shifts, and upheavals in society.
- 39 This, I would maintain, is what sociology was meant to do, was indeed invented for in the early years of the last century.
- 40 It is what the great men of sociology, a Max Weber (1864-1920) or a Vilfredo Pareto (1864-1923), did.
- 41 It is what Joseph Schumpeter (1883-1950) did when he identified the "innovator" as the social force that turns economies upside down; the innovator does not behave economically, does not try to optimize, is not motivated by economic rationale – he is a social phenomenon.
- 42 It is what this book tries to do. ...
- 43 "Society" is vague and impossible to define, argue my historian friends, my economist friends, my philosopher friends.
- 44 They are absolutely right.
- 45 But equally resistant to definition are history, economics, philosophy, nation, science, and poetry – indeed everything worthwhile thinking, talking, and writing about. ...
- 46 Yet all of us know what to do with these terms – "plus or minus 80%" as the statisticians would say – that is, adequate for operational purposes (despite everything the linguistic logicians say to the contrary).
- 47 *The End of Economic Man* treats society as the environment of that very peculiar critter, the human being.
- 48 History treats what happens on the surface, so to speak.
- 49 "Isms" – that is philosophical systems – may be called the atmosphere.
- 50 But society is the "ecology." ...
- 51 This book does not attempt to define "society."
- 52 It tries to understand it.
- 53 Whether it succeeds in this attempt readers must decide for themselves.
- 54 But this book was the first attempt to understand the major *social* phenomenon of the first half of this century,

that is, the rise of totalitarianism as a *social* event.

55 It is still, half a century later, the only such attempt.

56 This alone, hope, makes it worthwhile reading. ...

57 Peter F. Drucker

58 Claremont, California

59 October 1994

60 ***Preface To The 1969 Edition***

61 When this book first came out, in 1939 – thirty long years ago – it was shockingly unconventional and heretical.

62 It was, of course, by no means alone in its uncompromising rejection of the totalitarian creeds, or even in its firm conviction that Nazism was pure evil sans qualification or extenuation.

63 But the other – and there were hundreds of them – all explained away Hitler in those years before World War II.

64 They either came up with some pseudo-history of Nazism as a “manifestation of German national character,” or they depicted Nazism (and Fascism) as the “dying gasp of capitalism,” with Marxist socialism as the coming savior.

65 In this book, however, the “national-character” explanation is dismissed as intellectually shoddy; national character or national history may explain how a people does things, but not what things it does.

66 This book rather diagnosed Nazism – and Fascism – as a pervasive sickness of the European body politic.

67 And instead of proclaiming Marxism as the coming savior, I asserted that the total failure of Marxism had been a main reason for the flight of Europe’s masses into the fervency of totalitarian despair. ...

68 These views, and the conclusions to which they led, were so heretical in the nineteen-thirties that myself hesitated a long time before publishing them.

69 The first draft of this book containing its main theses was actually done when Hitler was coming to power in 1933; I was, however, so perturbed by my own findings, inescapable though they seemed, that I decided to hold the manuscript until I could test its conclusions against actual events.

70 But even after my predictions had been proven correct by the developments of the ‘thirties, no publisher was willing for a long time to bring out the book.

71 It was far too “extreme” in its conclusions:

72 that Hitler’s anti-Semitism would be propelled by its

inner logic towards the “ultimate solution” of killing all Jews;

73 that the huge armies of Western Europe would not offer effective resistance to the Germans;

74 or that Stalin would end up signing a pact with Hitler. ...

75 Only after Munich, in the fall of 1938, did the late Richard J. Walsh, Sr., then head of John Day, the publishers, accept this book.

76 He tried even then to make me tone down these “extreme” conclusions and imply them rather than come straight out with them.

77 Yet Richard Walsh, who was both a publisher and a leading liberal journalist of the times, was [singularly well-informed](#).

78 He was also a courageous man who took quite a risk in publishing this book, and was, indeed, sharply attacked by “liberal” reviewers, most of whom in those days deluded themselves with dreams of Marxist utopia. ...

79 Six months after this book had first come out, in the spring of 1939, Stalin did, however, (as I had predicted) ally himself with Hitler.

80 Another twelve or eighteen months later, in the bleak winter of 1940-41, after Dunkirk and the Fall of France, the British selected *The End of Economic Man* as the one political book to distribute to the young men preparing to be officers of the first nation that chose to fight the Nazi evil. ...

81 The word “alienation” was not in the political vocabulary of the nineteen-thirties and cannot be found in the pages of *The End of Economic Man*.

82 Still, that Western man had become alienated from Western society and Western political creeds is a central thesis of this book.

83 In some ways, *The End of Economic Man* anticipated by more than a decade the existentialism that came to dominate the European political mood in the late nineteen-forties and early nineteen-fifties.

84 Two key chapters of the book are respectively entitled, “The Despair of the Masses,” and “The Return of Demons,” terms that, though quite familiar today, were rudely foreign to the political rhetoric of the ‘thirties or indeed of any earlier period since the French Revolution.

85 *The End of Economic Man* was also, as far as I know, the first political book which treated Kierkegaard as a modern thinker relevant to modern politics.*

86 *Altogether he was so unknown then that the

publisher's copy editor had trouble verifying the spelling of his name.

- 87 Yet, in sharp contrast to the massive literature on existentialism and alienation since World War II *The End of Economic Man* is a social and political rather than a philosophical, let alone a theological, book.
- 88 Its first sentence reads: "*This is a political book.*"
- 89 To be sure, it considers doctrines, philosophies, political creeds.
- 90 But it treats them as data in a concrete analysis of political dynamics.
- 91 Its theme is the rise of a power rather than the rise of a belief.
- 92 It is not concerned much with the nature of man and indeed not even with the nature of society.
- 93 It treats one specific historical event: the breakdown of the social and political structure of Europe which culminated in the rise of Nazi totalitarianism to mastery over Europe.
- 94 Politics, society, economics, rather than spiritual agonies, form the plot of this book. ...
- 95 Yet, unlike every other book of this period, *The End of Economic Man* explained the tragedy of Europe as the result of a loss of political faith, as a result of the political alienation of the European masses.
- 96 In particular, it traces the headlong rush into totalitarian despair to the disillusionment with the political creeds that had dominated the "Modern Age" which had begun three hundred years earlier.
- 97 The last of these creeds had been Marxism.
- 98 And the final, the ultimate, cause of the rise of totalitarianism was the total failure of Marxism to make sense out of political reality and social experience.
- 99 As a result, the European masses were overwhelmed by a "return of the demons."
- 100 Central to the Modern Age had been the belief that society could be made rational, could be ordered, controlled, understood.
- 101 With the collapse of Marxism as a secular creed, society became again irrational, threatening, incomprehensible, menaced by sinister powers against which the individual had no defense.
- 102 Unemployment and war were the specific "demons" which obsessed the society of the inter-war years.
- 103 The secular creeds of Liberal Europe – and Marxism was

- their logical and ultimate formulation and their dead end – could neither banish nor control these forces.
- 104 Nor could any existing economic or political theory explain them.
- 105 Though human and social in origin and within society, they proved as irrational, as unmanageable, as senseless and capricious as had been the demonic forces of a hostile nature before which earlier men had groveled in impotent despair. ...
- 106 Yet twentieth-century men could not return to the rationality of the religious faiths that had given spiritual certainty to their forebears. ...
- 107 *The End of Economic Man* was perhaps least fashionable for its time in its respect for religion and in the attention it paid to the Christian churches.
- 108 Insofar as contemporary political analysis paid attention at all, it considered religion an outmoded relic and the churches ineffectual reactionaries.
- 109 Stalin's famous outburst: "How many divisions has the Pope?", shocked only the way a four-letter word shocks in the Victorian drawing room; it said bluntly what most people knew very well but covered up by polite circumlocution.
- 110 My book, however, has a chapter, "The Failure of the Christian Churches," which argues that the churches could have been expected to succeed, could have been expected to provide the new foundation.
- 111 In this chapter, the Christian churches are seen as the one potential counterforce and the one available political sanctuary.
- 112 The contemporaries, thirty years ago, still children of eighteenth-century Enlightenment and nineteenth-century Anti-Clericalism, tended to ignore the Christian dissenters – from Kierkegaard to the worker-priests of France – as isolated romantics, hopelessly out of touch with reality.
- 113 *The End of Economic Man* was, to my knowledge, the first book that perceived them the way we tend to perceive them now, that is, as hardheaded realists addressing themselves to the true problems of modern society.
- 114 This enabled the book to foreshadow both the emergence of Christian-Democratic parties that have been so prominent a feature of postwar Europe, and the "aggiornamento" of the Catholic Church under Pope John. ...
- 115 But *The End of Economic Man* also reached the conclusion that the churches could not, after all, furnish

the basis for European society and European politics.

116 They had to fail, though not for the reasons for which the contemporaries tended to ignore them.

117 Religion could indeed offer an answer to the despair of the individual and to his existential agony.

118 But it could not offer an answer to the despair of the masses.

119 I am afraid that this conclusion still holds today.

120 Western Man – indeed today Man altogether – is not ready to renounce this world.

121 Indeed he still looks for secular salvation, if he expects salvation at all.

122 And churches, especially Christian churches, can (and should) preach a “social gospel.”

123 But they cannot (and should not) substitute politics for Grace, and social science for Redemption.

124 Religion, the critic of any society, cannot accept any society or even any social program, without abandoning its true Kingdom, that of a Soul alone with its God.

125 Therein lies both the strength of the churches as the conscience of society and their incurable weakness as political and social forces in society. ...

126 There was much talk of “revolution” in those years.

127 What was meant by the term was, however, a game of musical chairs, that is, the replacement of the “capitalist bosses” by the Marxist “Dictatorship of the Proletariat.”

128 This book can claim to have been the first to realize that this would simply be exchanging King Stork for King Log, and that indeed the new rulers would be forced to freeze the existing patterns of power and institutions.

129 This is commonplace today after Orwell’s *1984*, Milovan Djilas’ *The New Class*, or the Russian invasion of Czechoslovakia in the fall of 1968.

130 But it was quite new thirty years ago when even the “anti-Communists” (indeed particularly the “anti-Communists”) were absolutely sure that communism would indeed revolutionize society rather than replace one rulership group by another, an infinitely more rigid and autocratic one. ...

131 One result of my findings that what was called “revolution” then – and is, of course, still called “revolution” in Moscow today – was a power grab and very little else, was the conclusion that the specific social and economic institutions of the system of production and distribution, that was known as “capitalism,” would

- survive and would, in all likelihood, prove itself capable of economic performance.
- 132 Marxism, however, because of its millennial nature, I concluded, could not survive the first doubt in its infallibility.
- 133 When I reached this conclusion thirty years ago, nothing was more "obvious" to anyone than that the traditional economy could not possibly outlast war.
- 134 The actual experience we have had since would have been unimaginable then:
- 135 the resurgence of an economically "affluent" Europe and of an expanding world economy based on economic entrepreneurship organized in privately owned and privately managed world-wide corporations. ...
- 136 But while realized that what to the contemporaries appeared as "inevitable revolution" was not likely to happen, I also realized that the new totalitarianisms, especially Nazism in Germany, were indeed a genuine revolution, aiming at the overthrow of something much more fundamental than economic organization: values, beliefs, and basic morality.
- 137 It was a revolution which replaced hope by despair, reason by magic, and belief by the frenzied, bloodthirsty violence of the terror-stricken. ...
- 138 *The End of Economic Man* was meant to be a concrete social and political analysis of a profound crisis.
- 139 It was not conceived as "history," and is not written as such.
- 140 But it also does not "report" events.
- 141 It tries to understand them.
- 142 It might, therefore, be read today as a portrait, perhaps a self-portrait, of the period and as a perception of those nightmare years between the two world wars.
- 143 What comes through perhaps most strongly are the pervasive realities of these years which to us today, thirty years later, are almost inconceivable. ...
- 144 The most surprising of these realities of 1939 to the reader of 1969 will probably be that Europe was then the stage of world affairs.
- 145 This book was written by a man living in the United States, at home there, and deeply enmeshed in its politics and economics.
- 146 Indeed by the time this book came out, I was actually teaching American History and American Economics.

147 I had also, by that time, begun to develop a deep interest
in Asia – in Japan, above all, but also in India.

148 (Indeed this interest in Asia was indirectly responsible for
the publication of this book in 1939.

149 For Richard Walsh, Sr., was not only the head of the John
Day Company and, as such, a publisher, but he was also
the editor of Asia magazine; and it was in the latter
capacity that first got to know him.)

150 And yet the book takes for granted that what happens in
Europe is what matters and decides.

151 Franklin D. Roosevelt's America is, of course, mentioned
many times in *The End of Economic Man*.

152 And it is clear, right from the beginning, that its author
hoped that America would prove immune to the infection
that was destroying Europe and would overcome it in her
own system and society.

153 But otherwise the United States is clearly relegated to the
rank of spectator.

154 Similarly, colonial problems are mentioned only to be
pushed aside.

155 The fate of the world was at stake in Europe and would be
decided there. ...

156 Today such a view would be almost unthinkable.

157 It is precisely because General de Gaulle believed in such
a Europe centered world that he smelled so strongly of
mothballs, even to his most fervent disciples.

158 And yet even General de Gaulle did not assume that
Europe today *is* the center.

159 He only believed that it should be the center and that no
other world center is right or even possible. ...

160 Thirty years ago, however, Europe was indeed the center.

161 It was not totally insane for Hitler to believe that he could
dominate the world by making himself master of Europe.

162 Actually, Hitler was more realistic than any of the other
European politicians of his time, Stalin included.

163 He realized that his was the last opportunity for a
European world empire and that the center of world
politics was about to shift away from Europe.

164 The others, including the non-Europeans, all shared de
Gaulle's belief that Europe's dominance and centrality
were ordained and part of the eternal order. ...

165 The second feature of the time portrayed in this book –
and hard to imagine today – is the star role of Marxism in
the constellation of movements, philosophies and
emotions.

166 I myself have never been attracted to any form of
Marxism.

167 And this book proclaimed – and tried to prove – that
Marxism had failed and had indeed lost all relevance for
the industrially developed countries.

168 Yet Marxism – to paraphrase the title of a book that
appeared almost twenty years after *The End of Economic
Man* – was “the God that failed.”

169 The creative era of Marxism had come to an end with
World War I.

170 In the decades before it had been the inspiration to all
creative thinking in politics, society, and economics on the
European scene.

171 Even the anti-Marxists of those days had to define
themselves in terms of their position towards Marx; and
“non-Marxists” did not exist in Europe during the decades
before World War I.

172 After the failure of the Socialist International to avert or to
settle World War I, followed by the failure of communism
to come to power in any single developed European
country despite the collapse and chaos which 1918 left
behind on the Continent among victors and vanquished
alike, Marxism rapidly lost its vigor and became a
ritualized but meaningless chant. ...

173 The intellectual elite which, before 1914, had been
mesmerized by Marxism, deserted it almost entirely after
1918 and flocked to new leaders and to new thoughts.

174 Max Weber in Germany, the Neo-Thomists in France, or
Freud in Austria – to mention only the most prominent of
the new intellectual lights – were not “anti-Marxist.”

175 They simply considered Marx irrelevant, by and large.

176 And Marxism itself, which had thrown up a galaxy of
thinkers and of political leaders before 1914, did not after
World War I produce one single figure, even of the
second rank. ...

177 But while Marxism rapidly lost credence and creativity for
the intellectual elite, it became popularized.

178 The vocabulary everywhere became Marxist, very much
the way the American popular vocabulary suddenly
became psychoanalytical in the mid-fifties.

179 Marxism, no longer the solid gold of the “highbrows,”
became the small change of the “middlebrows.”

180 Marxism itself could no longer organize effectively for
gaining power or even for gaining adherents, whether by
the ballot box or by revolution.

181 But demagogues could, with impunity, use Marxist

rhetoric and could, as Mussolini did, cover up their intellectual nakedness by an "anti-Marxism" itself composed posed of Marxist tatters.

- 182 This happened even in the United States.
- 183 During its creative period, Marxism had not had any impact on America.
- 184 There is not one American thinker or American politician, not even of the second rank, who was influenced by Marxism to the slightest degree.
- 185 But in its decay in the late 'thirties and early 'forties, Marxism suddenly began to supply the rhetoric of the pseudo-intellectuals and to serve them, for a decade, as a substitute for thinking and analysis. ...
- 186 In other words, Marxism, "the God that failed," dominated the European political scene more pervasively after it had become a corpse than it had done in its prime as a secular religion.
- 187 And this comes out clearly in *The End of Economic Man*, where the failure of Marxism rather than its threat or its promise is shown to be the central factor in the rise of totalitarianism and a main reason of the flight of the masses into totalitarian despair. ...
- 188 The last reality of the 'thirties which *The End of Economic Man* clearly conveys is the total absence of leadership.
- 189 The political stage was full of characters.
- 190 Never before, it seems, had there been so many politicians, working so frenziedly.
- 191 Quite a few of these politicians were decent men, some even very able ones.
- 192 But excepting the twin Princes of Darkness, Hitler and Stalin, they were all pathetically small men; even mediocrities were conspicuous by their absence.
- 193 The very villains, a Papen, a Laval, a Quisling, were pygmies whose foul treason was largely boneheaded miscalculation. ...
- 194 "But," today's reader will protest, "there was Churchill."
- 195 To be sure, Churchill's emergence as the leader in Europe's fight against the evil forces of totalitarianism, was the crucial event.
- 196 It was, to use a Churchillian phrase, "the hinge of fate."
- 197 Today's reader is indeed likely to underrate Churchill's importance.
- 198 Until Churchill took over as leader of free peoples everywhere, after Dunkirk and the Fall of France, Hitler had moved with apparent infallibility.

199 After Churchill, Hitler was “off” for good, never regaining his sense of timing or his uncanny ability to anticipate every opponent’s slightest move.

200 The shrewd calculator of the ‘thirties became the wild, uncontrolled plunger of the ‘forties.

201 It is hard to realize today, thirty years after the event, that without Churchill the United States might well have resigned itself to Nazi domination of Europe and of the still largely intact colonial empires of Europe.

202 Indeed even Russia might well not have resisted the Nazi invaders had not Churchill, a year earlier, broken the Nazi spell.

203 What Churchill gave was precisely what Europe needed: moral authority, belief in values, and faith in the rightness of rational action. ...

204 But this is hindsight.

205 Churchill appears in *The End of Economic Man* and is treated with great respect.

206 Indeed, reading now what then wrote, I suspect that I secretly hoped that Winston Churchill would indeed emerge into leadership.

207 I also never fell for the ersatz leaders such as Marshal Pétain to whom a good many well-informed contemporaries – a good many members of Roosevelt’s entourage in Washington, for instance – looked for deliverance.

208 Yet, in 1939, Churchill was a might-have-been:

209 a powerless old man rapidly approaching 70;

210 a Cassandra who bored his listeners in spite (or perhaps because) of his passionate rhetoric;

211 a two-time loser who, however magnificent in opposition, had proven himself inadequate to the demands of office.

212 I know that it is hard to believe today that even in 1940 Churchill was by no means the inevitable successor when the “Men of Munich” were swept out of office by the Fall of France and the retreat at Dunkirk.

213 But we do know now that several other men were considered as prime ministers and that one or two of them actually had the “inside track” and almost got the appointment. ...

214 Churchill’s emergence in 1940, more than a year after this book was first published, was the reassertion of the basic moral and political values for which *The End of Economic Man* had prayed and hoped.

215 But all one could do in 1939 was pray and hope.

216 The reality was the absence of leadership, the absence of affirmation, the absence of men of values and principle. ...

217 Hannah Arendt published in 1951 a book called *The Origins of Totalitarianism*.

218 It is a distinguished work on the history of ideas, and a moving one.

219 But it is remarkably apolitical, indeed anti-political, dealing almost exclusively with the decay and disintegration of the metaphysical systems of German classical philosophy.

220 Dr. Arendt identifies as one of the central weaknesses of the European, and especially the German intellectual, his disdain for the reality of society and government and his disinterest in power and the political process.

221 But she fully shares the tendency she herself deplures.

222 Yet hers is the only book, other than *The End of Economic Man*, to concern itself at all with the question: "what caused totalitarianism and what made it prevail?" ...

223 Not that we lack books on the Europe of the 'twenties, the 'thirties, or the 'forties.

224 No other period in history has called forth the flood of printed paper –

225 memoirs and biographies;

226 detailed monographs on election campaigns and on the myriad international conferences of the period;

227 books on campaigns, commanders, theaters of war and battles.

228 There are more than one hundred books alone on German-Russian relations in the two years between the signing of the alliance between the two countries and Hitler's invasion of Russia in June, 1941. ...

229 But there has not been one single attempt (except for *The End of Economic Man*) to explain the rise of totalitarianism.

230 There has been not one attempt to explain totalitarianism as a political and social phenomenon or to analyze the dynamics of its rise to political and military dominance.

231 Yet surely, no other event of recent Western history calls out more for analysis and explanation than the sudden emergence of a political creed that denies every single political value of the European tradition, and of a political system that, for the first time, at least in the West, totally denies the individual altogether. ...

232 What I have called here the "realities" of the 'thirties –

233 the assumption of a Europe-centered world;
234 the pervasiveness of a rotting Marxism;
235 and the absence of leadership of even medium
competency
236 – may in large part account for this signal silence.

237 We have been, until now, far too close in time to these
years to treat them as “history” and with detachment.

238 After all, we, the generation over thirty today – and
particularly those over fifty who are still occupying the
command positions in politics, society, and economics –
were actors or at least victims.

239 All our lives have been molded by these years.

240 Instead of asking,
241 “what did really happen?”
242 we still ask,
243 “how could we have prevented it from
happening?”

244 We are still trying to undo the past
245 rather than to explain it.

246 Yet we are also so far removed in experience from these
that we cannot imagine their “realities.”

247 They do not make sense to us.

248 They cannot fit in with the way we now see the world, with
what we now take for granted, with what we now know. ...

249 These years are, therefore, to us like a nightmare the
morning after.

250 We still suffer from it, may indeed never be able to shake
it off.

251 But we no longer suffer with it.

252 It has rather become incomprehensible to us how we
could ever have succumbed.

253 And this inhibits understanding, makes it even appear silly
to try to gain understanding.

254 For how can one explain or understand the totally
meaningless? ...

255 Today, however, the generation for whom the interwar
period, and especially the ‘thirties, are still
“contemporary,” the generation that lives in the morning
after the nightmare, is rapidly moving out.

256 To anyone now thirty or under, this period is already
impersonal, that is, “history.”

257 To them, therefore, the question how to explain the

period is a meaningful, an accessible, perhaps even an important question.

258 To them, the attempt made in *The End of Economic Man* might, therefore, make sense again. ...

259 Another reason why there has been no attempt to understand and explain the totalitarianism of the 'thirties, since *The End of Economic Man* first appeared, is probably that the attempt seemed unnecessary.

260 We thought we were finished and done with this particular disease.

261 This belief was not only common in the West and applied to Hitler and his Nazis.

262 In Russia too most people are apparently convinced that "the Stalin years can never come back again."

263 There are, God knows, enough dangers and horrors in the nineteen-sixties.

264 But the totalitarianisms of a Hitler and of a Stalin, those, it seemed to us, were surely not among them.

265 And what point is there in puzzling over something that will never come back? ...

266 But can we still be sure?

267 Or are there not signs around us that totalitarianism may re-infest us, may indeed overwhelm us again?

268 The problems of our times are very different from those of the 'twenties and 'thirties, and so are our realities.

269 But some of our reactions to these problems are ominously reminiscent of the "despair of the masses" that plunged Europe into Hitler's totalitarianism and into World War II.

270 In their behavior some groups – the racists, white and black, but also some of the student "activists" on the so-called Left – are frighteningly reminiscent of Hitler's stormtroopers –

271 in their refusal to grant any rights, free speech for instance, to anyone else;

272 in their use of character assassination;

273 in their joy in destruction and vandalism.

274 In their rhetoric these groups are odiously similar to Hitler's speeches and so is the dreary nihilism of their prophets of hatred from Mao to Marcuse.

275 Their direct ancestors are the German "Youth Movement" of the years between 1910 and 1930 – long hair, guitars, folk songs and all; and we might remember that the German Youth Movement started out as idealist "socialism" and ended up supplying Hitler with his most

fanatical hard-core followers.

276 But above all, these groups on the "Right" as well as on
the "Left," like the totalitarians of a generation ago,
believe

277 that to say "no" is a positive policy;

278 that to have compassion is to be weak;

279 and that to manipulate idealism for the pursuit of
power is to be "idealistic."

280 They have not learned the one great lesson of our recent
past:

281 hatred is no answer to despair. ...

282 *The End of Economic Man* does not attempt to analyze
the problems of today.

283 The problems with which it deals are clearly yesterday,
clearly history, clearly thirty years ago.

284 But it does show that evasion of these problems through
flight into righteous nihilism leads to the **paranoia of
tyranny.** ...

285 The totalitarian response, this book shows, does not solve
anything.

286 On the contrary, the problems are only made much worse,
and the world made more nightmarish.

287 To be sure, this world of ours – like probably all societies
before – is insane.

288 But paranoia is not the cure for an insane world.

289 On the contrary, what is needed to make life bearable in
an insane environment is sanity.

290 Maturity, to use a much abused word, does not consist of
trying to make the universe rational.

291 That attempt, the attempt of the nineteenth century, will
probably always end in frustration.

292 Maturity does, however, not consist either of trying to
outdo the irrationality of the universe.

293 It requires that we make our own behavior rational – and
this alone gives us the chance at a decent, a meaningful,
an achieving life and a decent society. ...

294 In *The End of Economic Man* did not attempt to defend
the society of the 'twenties or to explain away its
problems, its ills, its evils.

295 But I did try to show the consequences of a total
repudiation of the "establishment" (a term we did not
know thirty years ago, of course), the consequences of
believing that "no" by itself is an adequate answer, or
indeed an answer at all.

296 Understanding of the dynamics of the totalitarianism of
yesterday may help us better to understand today and to
prevent a recurrence of yesterday.

297 It may, I hope above all,
298 help young people today
299 to turn
300 their idealism,
301 their genuine distress over the horrors of this
world,
302 and their desire for a better and braver tomorrow
303 into constructive action *for*,
304 rather than
305 into totalitarian nihilism
306 as their predecessors did thirty years ago.

307 For at the end of this road
308 there could only be
309 another Hitler
310 and another "ultimate solution"
311 with its gas chambers and extermination
camps. ...

312 Though published thirty years ago, *The End of Economic
Man* is still being widely read and quoted.

313 But I believe that the time has come to re-issue this book
and to make it available to a wider reading public,
especially, of course, to the young people most of whom
were not even born when it first came out.

314 My own work has led me into many other fields:
315 the study of the new organizations of our pluralist
society –
316 government agency, business corporation, trade
union, hospital, and so on
317 – their structure and management;
318 the anticipation and analysis of trends in knowledge,
learning, and perception;

319 and the opportunities, needs and careers of the
educated young people in our "educated society."
320 Yet *The End of Economic Man* may, of all my books, be the
one most particularly relevant to young people today.
321 It should not only help them understand what we, their
parents, should have understood to avert the great
catastrophe of our lives.
322 It may help today's generation avert another such
catastrophe in their own lives. ...
323 Peter F. Drucker
324 Montclair, New Jersey
325 New Year's Day, 1969

326 **Foreword**

327 THIS IS A political book.
328 As such it does not lay claim
329 to the detached aloofness of the scholar
330 nor to the studied impartiality of the news reporter.
331 It has a political purpose to serve:
332 to strengthen the will to maintain freedom against the
threat of its abandonment in favor of totalitarianism.
333 And it is based upon the preconceived conviction that
there can be no compromise between
334 the basic principles of the European tradition
335 and those of the totalitarian revolution. ...
336 Just because I am aware that fascism and Nazism threaten
the basic principles of Europe, I have found myself unable
to accept the usual explanations and interpretations of
the totalitarian revolution.

337 [The Alternative to Tyranny](#)

338 They appear to me to content themselves with surface
phenomena.
339 Only too often they refuse to admit unassailable evidence
and cling instead to wishful thinking in a way pathetically
reminiscent of the self-deception in which all *ancien*
régime's have indulged in order to conceal that they had
actually died.
340 And this self-deception of the advocates of the old order
has always helped the new revolutionary forces more than
their own victories. ...
341 It has therefore seemed imperative to me to find an
explanation and interpretation of totalitarianism which is
valid and adequate.

342 Since there are neither "accidents" nor "miracles" in political and social life, and since political and social effects always have adequate causes, a revolution that threatens the basis of society can only be explained by fundamental changes within the basis of social organization itself.

343 It must be owing to a revolution of man's concept of his own nature, of the nature of his society, and of his own function and place in this society. ...

344 In this book have made an attempt to explain and interpret fascism and Nazism as fundamental revolutions.

345 This analysis confines itself intentionally to the social and economic sphere, though I do not believe in the materialist interpretation of history.

346 I believe that the material, far from being the foundation of human society, is but one pole of human existence.

347 It is of no greater, though of no less, importance than the other pole, the spiritual – corresponding to man's dual nature as belonging at the same time to the animal kingdom and to the kingdom of heaven.

348 Accordingly human developments and changes show as much in man's spiritual activity and in the arts as in society and business; to analyze a revolution would seem to call for an analysis of the whole.

349 But, in the first place, such an attempt is bound to come to grief and to end in a Spenglerian nightmare which, though it may not have overlooked the least little detail of human activity – cooking or sex rites, military tactics or cartography – has yet lost track of man himself in the process.

350 In the second place, the last centuries have been characterized by their efforts to make the spiritual serve the material sphere.

351 It would clearly be the most roundabout and wasteful way to try, for instance, to analyze the religious Reformation of the sixteenth century as originating in the social and economic sphere since the preceding centuries from the thirteenth onward had been characterized by the attempted subordination of the material to the spiritual sphere.

352 But it would be equally wasteful to start an analysis of the present revolution from the spiritual sphere.

353 Nevertheless, it should not be forgotten that my analysis of the changes in the social sphere gives only one-half of the picture. ...

354 My attempts to formulate this analysis go back to the halcyon days of pre-Hitler Europe when Italian fascism

seemed to be just a negligible annoyance in a democratic world which was fast approaching perfection.

355 But even then our peace of mind seemed unreal, and some catastrophe imminent.

356 This analysis had, accordingly, been completed in substance when Nazism came to power in Germany.

357 It has stood the test of the years since, in so far as it has enabled me to forecast the actual trend of events with some degree of exactitude.

358 Since I can claim, therefore, that it has proved itself to be more than a mere hypothesis, feel justified in publishing it. ...

359 Doing so, however, feel compelled to add one warning which seems so important to me that I repeat it in the book itself.

360 Though this analysis has been written in New York, and though it is intended primarily for American readers, its conclusions are not to be applied indiscriminately – if at all – to the United States.

361 Whatever the underlying forces are which will determine the developments in the United States, they are different from those in Europe.

362 The tendency to apply European patterns to American developments to which only too many of my American friends are prone, seems to me to be detrimental to the understanding of Europe as well as to that of the United States.

363 It would, indeed, run counter to all my intentions if my arguments and conclusions were to be used – or abused – for similar purposes. ...

364 Finally, I should like to express my gratitude to my wife, who has aided and assisted me throughout my work with advice, criticism, and suggestions.

365 I should never have been able to complete it but for her help and co-operation.

366 I should also like to record my indebtedness to Mr. Richard J. Walsh, who has revised the entire manuscript, and whose suggestions and recommendations have proved invaluable; and to Mr. Harold Manheim, who has given lavishly of his time and advice in connection with the final editing. ...

367 Peter F. Drucker

368 Bronxville, New York

369 January, 1939