

THE ECONOMIC THOUGHT OF DR. JANEZ EVANGELIST KREK

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I. Introduction

Dr. Janez Evangelist Krek (1865-1917) was probably one of the most influential national leaders in Slovene history, with a large number of very committed followers. His leadership lay not in the realm of theory but in social action. He felt in himself that his lifetime mission was in his commitment to the reform movement, his quest for social justice and the economic emancipation of the Slovenes. He was a theology professor, an organizer, a politician, and a Representative in the Viennese parliament. His expertise was not in economics; yet his interest in finding an appropriate way to help the peasants and workers forced him to investigate economic factors related to the production and distribution of economic goods and services. This short paper is intended to present some aspects of Krek's criticism of the capitalist system and his personal proposals on how to correct the injustices, as well as how to shape a new social and economic order, at least in his own native land.

II. Production and Distribution

The cornerstone of Krek's economic analysis was God-given natural law, which spelled out man's rights and duties toward himself and his neighbors. According to this law we are all equal, and there exist special individual rights which can neither be denied to anybody, nor impinged upon.

Opposed to this divine design, in Krek's view, there existed a major evil in the form of the capitalist system, with its Manchesterian liberalism and free market mechanism. Among the contestants within this system the struggle for survival and a fair share of the product were uneven. The suppliers of labor, who comprised the vast majority, were subjected to the overwhelming power of the owners of capital and suppliers of credit. Market power was always biased in favor of those who possessed the greater purchasing power: they held the advantage of multiple choices, and a greater share of material wealth. They were able to enjoy much more freedom than the rest, and to abuse it to the great discomfort and even the suffering of the less fortunate market participants. The result was an unjustifiable inequality in society: great wealth for a relative few but unpardonable misery for the many. This vast discrepancy between the actual and the desirable sharing in the current flow of income was the root of the so-called "social question," Krek's paramount concern. He judged to be erroneous the contemporary economic theory which emphasized the pre-eminence of production. In contrast, he attached great importance, at least from a moral viewpoint, to the distribution of goods produced.¹

Krek defined the outcome of production as "gross income." When this is reduced by the cost of production, we arrive at net income. Krek's concept of production costs was peculiar in that it included all the material costs yet excluded all the payments to people associated with the immediate production. Net income had to be "equitably divided among those who cooperated in production" in the form of entrepreneur's profit, worker's pay, and the capital's interest. He disregarded land itself as a special factor of production, simply grouping it with capital.² A second phase of income distribution, he maintained, must take care of those engaged in rendering services (office workers, scientists, artists,

and so on) and of transfer payments (i.e., to the impoverished.) As to how to proceed with this distribution of income, there was no hint in his writings. He did mention another distribution of income, which was processed “by force,” like gambling and swindling.

Krek’s basic approach to the distribution of goods follows ethical principles rather than market forces. Every human being could not preoccupy himself with everything he needed for existence; therefore, people specialized. “Because of that, there must be a certain order in the circulation and exchange of produced goods so that an individual can obtain what he needs.”³ Consequently, in order to serve human beings, the production, distribution and consumption of material goods had to be based first and foremost on ethical laws and certainly not on physical laws alone. In economics, consumption must be recognized as being the most important, and must be given priority.⁴

A worker’s pay must be sufficient to permit proper support of one’s family and a carefree retirement. Minimum wages, determined by the state, could prove beneficial to workers, provided that proper attention were paid to the actual circumstances and possibilities of the time, and responses were made to changes over time. State intervention should correct the present immoral system in which labor is treated as merchandise, whereby its price results from the interplay of demand and supply. Workers themselves must be aware that their pay has its natural limits; if they pushed it beyond these limits they would only hurt themselves. “Intellectual and moneyed capital would [then] be withdrawn from enterprises, offering insufficient profit. Jobs would then be lost.”⁵ Moreover, even a relatively high level of pay would be of little benefit unless the worker was thrifty and moderate in his spending.

In addition to a just wage, workers had a right, according to Krek, to healthy living quarters whose rent should never exceed one-fifth of their pay. Possibly, the author was undecided or unsure in pointing out to whom the obligation of providing this proper housing should belong. He did indicate that the local or state governments should supervise workers’ accommodations for their suitability, and assist workers to acquire the right accommodation they needed for their families. He skipped over the financial aspect of this proposed solution with respect to housing for the workers.

Besides labor there was also capital which was involved in production and distribution. And what was it? Krek’s answer seemed to vary from time to time. Capital was nothing else but material goods which were used to further production. In spite of its usefulness, the productive power of capital depended entirely on human labor. The presently accepted productivity of capital was unreal because it was measured by its present returns. Capital obtained not only what in reality it deserved, but much more than that, simply by reducing labor’s share in the net product. “The productivity of capital cannot be immediately eliminated. It can however be weakened by means of labor-protecting laws. Whatever labor gains will be taken away from capital, and thus the interest rates will necessarily decline. To attain this, positive laws against usury must also help.”⁶

Krek distinguished between productive capital and consumption (*užitni*) capital.⁷ “The capital which helps us to obtain a new value is productive, while consumption capital is the one from which one gets interest only.”⁸ Consumption capital was characterized as a source of interest payment. He retained the view, at least in principle, that money was not productive, and that interest payment was consequently unjustified. “The productivity of money consists in our taking from the general income a certain amount of money, which actually belongs to labor. The more we are concerned about better remuneration for labor, the lower falls the interest rate.”⁹

If profit is regarded as a return to invested capital and to entrepreneurial activity, then there is limited acceptance of such an income in Krek’s writings. More or less, all income

attributable to property is somehow indiscriminately called “profit,” “interest,” “dividends” and so on by him. He seems to tolerate these kinds of income while not being able either to justify them or to repudiate them.¹⁰

III. Money and Credit

In Krek's opinion, the root of all contemporary miseries lay in the changing perception of money and of its role in a society. The original function of money had been to serve as an intermediary in exchange, as a helpful instrument in promoting trade. But gradually this primary role lost its original meaning; and subsequently money became increasingly to be regarded as a commodity. In this capacity, or with this quality, money could be exchanged for anything—be this land, houses, or even human labor. The more that money gained in social respectability, appreciation, and desirability, the greater was the loss to human personality. The essence of capitalism was that within this system money and capital attain power over human personality.¹¹

If capital, when associated with labor, had some productivity, then money was nothing else but an instrument that was helpful in the circulation of goods. “Money is therefore unproductive and cannot become productive. By itself it produces nothing, and so if it acquires any profit, this must be taken away from someone else.”¹² Command over large amounts of money gave certain people enormous power over those who lacked monetary income. And, along with this abundance of money came speculation in many areas; this represented an enormous undeserved gain for some, and even greater poverty for many of the poor. In the process of speculation no value was created. If a crafty man earned in one day even one million gulden, this would not have increased the value of the world by even a single kreutzer.¹³ “It is clear that money, with its [returns in the form of] interest and interest-like profits, [achieves them] by taking away from compensation for labor. Deposit one crown in a savings institution: what it will gain for you one year later will not be its own gain, will not be born from it, but will be taken away from somewhere else. . .”¹⁴

“Credit does not create any new capital; it strengthens production, but has not productive power.”¹⁵ Krek was greatly confused about all problems that were proximately or remotely associated with money. For that reason he was not consistent in his use of the proper terminology. He apparently used, indiscriminately, the terms “money,” “credit” and “capital” so that, at times, “money” denoted not only *an intermediary in exchange* but also *credit*, and/or even *capital*. At one point he distinguished credit according to the criterion of its being productive or not: if granted for consumption, credit was not to be considered productive, while if it was given for financing production, it could be so considered. In this last instance, productive credit “provides an opportunity to increase borrowed capital. . .”¹⁶ So, implicitly at least, its productivity depends on its use.

Credit was economically beneficial, but not under all circumstances. If a merchant borrowed at 6 percent, he might be able to perhaps achieve a twenty percent return by expanding his business. To reach that level of profitability, however, he must be able to acquire exceptionally good merchandise, have a good clientele, and know his buyers and their tastes. A peasant was in a much more difficult position. If he wanted to raise the productivity of his operation, he was dependent on many factors, not all of them under his own control. For instance, he was subject to objective conditions like the weather and the soil; moreover, he needed to have a wide technical knowledge, wisdom, and a good understanding of the trickiness of the market. Land yield fluctuated widely and often, while the interest rate remained constant and high.

Krek observed that in countries where credit was abundant there was economic devel-

opment; factories were being built, transportation was being expanded, and new jobs were being created. Moreover, savings and loan institutions, as well as the insurance business, were prospering. He pointed out that, occasionally, in some world markets investment returns dropped to 2.5 or even 2 percent; he wished that such a low rate could be made available to the Slovene peasants. If peasant loans carried a 5 percent charge at the time, half of the instalment payment would be used to pay the interest, and the other half would gradually amortize the principal. In that way the debt would be repaid in twenty-five years, and a father would then pass a debt-free holding on to his son.¹⁷ If the market could not permit such a low interest rate, the government should subsidize credit to peasants in order to bring debtors' costs down to a bearable level.

On the other hand, in those areas where credit was not well developed, where usury prospered and the interest rates were generally high, poverty and a lack of development were rampant. It is interesting to note that the quantity of liquidity in an area was not *per se* the determining factor of the availability of credit, or of its price. "Regions with plenty of money yet nonetheless having a high interest rate are in an abnormal situation: they give proof of their poverty and non-development." An example of an unusual circumstance of this kind, according to Krek, was Carniola. The province had so much "money" that it could not invest all of it at home; and savings flew out of the home region. And in spite of a relative abundance of cash, the interest rate in the province was high, while the province itself was poor.¹⁸

Is it then possible to imagine that one day interest rates might be completely eliminated? Krek was not sure about this, nor was he sure as to what should be the proper share of capital and labor in the total product. "We cannot say how all of this will work out."¹⁹ He was not very certain in his belief in the sterility of money. He did acknowledge its productivity for the banking and insurance businesses; why? Because both engaged "in an activity which had made possible the use of money." And that activity was considered by Krek to have been productive because money was considered a commodity and, as such, an instrument for enabling the circulation of goods.²⁰

IV. Krek on Henry George

Krek strongly criticized George's "agrarian communism." First, labor was not the only source of private property; there were many other ways for the rightful acquisition of property. The right to exist did not by itself convey the right to own land. People had varied means of supporting themselves and their existence. George was, according to Krek, confusing the right to personal compensation with the right to the entire product.

Annual output was divided among landowners, workers, and owners of mobile capital. Land was perennially fixed in supply, while the demand for it was increasing, as the growing population needed more land for cultivation, for building houses, factories, roads and so on. Without any personal effort landowners were acquiring the benefit of ever-increasing land values. Land rent was rising at the expense of income accruing to the two other factors; and the result of such a skewed distribution of income was the misery of the working class. Krek argued, against George, that there was no proof of a falling interest rate; besides, a substantial portion of the interest received was reinvested, a fact which by itself gave rise to the total volume of interest paid. Similarly, total wages were increasing from year to year, if not because of higher wage rates, then at least as the natural result of the growing labor force. As this argument failed, George's entire theory disintegrated.²¹

Nevertheless, there was still a detectable influence on Krek's thinking from George's criticisms regarding the current distribution of national income. While rejecting the social-

ization of land, Krek sought a way of forcing landowners to share their higher rental income with those who were contributing to the ever-rising level of rents by raising the demand for land services. The landowners were entitled to their fair share of total income. The state should prevent them from receiving anything more than what they deserved. Sensing, perhaps, the difficulty of establishing what share, or what return, would be "fair," Krek then proposed to separate land ownership from ownership of buildings. Land ownership should be transferred from private hands to public bodies.²² The result of this would be that any price increase in land would accrue to the public domain and thus contribute to the general welfare.

V. Public versus Private Ownership

As strongly as Krek defended private property against socialists, he believed in the public ownership of utilities and basic industries. In a similar vein he praised the former practice of maintaining common ground, which permitted even poor cottagers to keep one or more cows. But he drew the line in his admiration for common ownership in agriculture. With the end of extensive agriculture, and the concurrent shift to intensive cultivation, private ownership was required. "Who would manure, if he were uncertain whether the field would still be his the next day?"²³

Surprisingly, the same consideration that he deemed valid for agriculture was not admitted for manufacturing or mining, where ". . . the principle of socialization of the means of production is much closer to justice than the capitalist principle. . ." ²⁴ One receives the impression, however, that Krek's long-term goal was to replace the private ownership of business firms, outside of agriculture, with public ownership; the bearer of this ownership did not necessarily have to be the state, but rather communal (municipal) and provincial authorities under a system of decentralization, which he greatly favored. An equal right to own businesses belonged to cooperatives. He nurtured, very earnestly indeed, the hope that such a change would eliminate the abuses of complete freedom, and at the same time the concomitant competition in business. He viewed competition to be a destructive practice with no benefit to society.²⁵

Krek did not advocate egalitarian distribution. Using the principle of distributive justice, he stressed that "society is obliged to give individuals whatever belongs to them, on the basis of their relationship to the goal of the society. The greater their importance for the general well-being, the more they deserve."²⁶ By making a statement of this kind he opened up an even more complex problem, namely how to evaluate a person's contribution to the society's standard of living; a question of value judgment is difficult for anyone to answer.

VI. The Role of Government

The government role in income distribution could be a substantial one, if only the government were to choose to act and use its potential. An important area of government influence upon disposable income was its taxation power. The tax structure *per se* reflected the government's intent in apportioning tax burdens and benefits, and also revealed in whose hands the political power rested. If political power, and with it also taxation power, was in the hands of rich people, the tendency was to collect much of the tax proceeds through indirect taxes. Fiscal policy had the power to shift the burden of supporting social outlays and thus indirectly affected individual spending ability. "Taxes are the clearest proof of the state's political thinking."²⁷ Austria needed a major change in its tax system, away from indirect taxes and toward direct taxes. In Krek's opinion, the most important

source of tax income should be personal income. He was in favor of a strongly progressive income tax; he acknowledged, however, the difficulty of finding out the exact size of a person's income, for there were many possible ways of hiding a substantial portion of income to avoid paying taxes. In Krek's era, Austria set 4 percent as the highest income tax rate. He favored a strong progressive tax on mobile capital, while the tax on net profit should in his opinion go as high as 90 percent.²⁸ If these changes were implemented, the burden imposed on the poor, and especially on the peasants, could be significantly alleviated. On the other hand, the more the state relied on indirect taxes, the more it revealed its "plutocratic character."²⁹

Another important role of the government was in providing protection for domestic producers, the industrial as well as the agricultural, against foreign competition, through appropriate customs laws, which, he wrote, "should have no trace of a fiscal character."³⁰ How are we to interpret this clause? Most probably, he meant that a protective law should merely prevent any competitive imports and not seek any additional revenue for the government; legislation, in other words, should be merely prohibitive. Evidently Krek overlooked any consequences which such reductions in competition might have on the level of prices, on purchasing power, and on the well-being of the population at large. When he discussed the ways in which the market price of goods is determined, he mentioned that in certain cases the state should fix the price of a given type of goods. This should be the case for "all those goods which are absolutely necessary for men in order to prevent the damaging influence of the monopoly of individuals," and whenever competition between buyers and sellers is virtually impossible.

VII. Reform Policies for Slovenia

How was the "social question" to be solved? In his speeches and writings Krek always inserted at least some hints about his own ideas on the appropriate reforms. All his proposals were proffered not in an elaborate argumentative form but rather in manifesto style. Such a format was consistent with his temperament and was perhaps the most efficacious way of reaching his intended audience.

Krek studied the many varieties of socialist thought and plans for reform, and said "No" to all of them. His opposition to the socialists centered on their materialistic philosophy. He was not, however, radically antagonistic to socialist proposals with respect to social ownership and the management of big businesses. He felt that any reduction in the power of capital would automatically improve the well-being of the workers. As far as agriculture was concerned, however, no form of socialism was acceptable to him. In his time most Slovenes were directly or indirectly engaged in the production and marketing of agricultural products. Most of Krek's followers were peasants, and his associates among the Slovene clergy were pastors in rural areas. His preoccupations therefore centered on the plight of the peasantry: how to provide peasants with the necessary credit at low interest rates and thus free them from exploitation by moneyed capitalists; how to counter the peasants' inability to have any influence on the prices of agricultural produce and livestock; and how to guarantee the transfer of viable peasant holdings from generation to generation and thus prevent their fragmentation caused by problems associated with inheritance and indebtedness. This approach of Krek's was not opportunistic, nor was it motivated by, say, a political strategy that catered to the majority of voters while neglecting the less numerous workers in the non-agricultural sector. He assumed that he had an excellent opportunity to succeed in agriculture; and that once people working in that sector had been economically strengthened, he would have the financial power to move into other sectors where

he could then carry out his reform goals. At that time the power he wielded was only moral; he had the opportunity to propound social and economic reforms in the non-agricultural sector, but he lacked any leverage whatsoever to initiate any actual reforms for the benefit of non-agricultural workers.

Krek despised money and the power it had acquired in the modern capitalist economy; yet he could not visualize any acceptable alternative economic system which would dethrone money from its established position.³⁰ While accepting the monetary system as a fact of life, he wanted it reshaped to serve his goals, to use its power to inaugurate a more just process of distribution. He believed that it was not enough to have moral authority in order to govern a nation; the real power of government lay in those hands which managed and controlled the nation's "money," i.e., its finances. It was therefore clear to him that there could be no future for Slovenes as an independent nationality unless they developed their own financial institutions. By so doing Slovenes would be able to gradually gain control over their own economy and liberate themselves from many of the alien pressures coming from a socially and ethnically inimical capitalist power. Facing this double jeopardy, and being without political or economic leverage to correct injustices, Krek searched for a solution which could provide maximum protection from the political, social and economic pressures exercised by the system against the Slovenes. There was no way to escape from the system; however, protective measures could offer at least some shock-absorbent devices. Krek found the vehicle to carry out his project in the cooperative movement, which seemed to him to be the most democratic form available, in that it permitted its members to exercise their rights, promote their interests, and accept their responsibilities. Cooperatives by their very nature placed the common interest ahead of selfish individual goals. If these altruistic ideals could be achieved, then the cooperative movement could really serve the social and national purpose of Krek's long-term reform plan.³¹

Jože Dolenc, probably the best student of Krek's life and ideas, summed up what he thought was Krek's main goal: he expected every Catholic parish to organize its own savings and loan cooperative.³² If this plan had been carried out, every Slovene could have been reached, and induced to use the services supplied by Slovene cooperatives. Locally-collected funds would have been linked to a central cooperative bank, which could then shift liquidities from the surplus to the deficit areas. Such an organized collection of savings and systematic placement of funds would have permitted Slovenes to develop their own economy, and a stronger economy would have provided investment outlays for educational and cultural progress. Slovenes would have then benefited from an efficient *de facto* national autonomy, based on the strength of their economy, which would have permitted them to reduce their dependence on Vienna and other foreign centres of power.³³

VIII. Conclusion

Krek tried to discover the best possible solution to the existing economic problems—a solution which would preserve individual freedom and provide for social justice. He failed to discover for himself a consistent and a convincing economic system which would avoid all that he criticized in capitalism and in socialism. One of the major reasons for his failure in this attempt was his primary orientation toward the practical and his superficial treatment of theoretical matters. He possessed no patience for delving into the theoretical aspects of many social and economic issues that puzzled or bothered him.³⁴ Furthermore, he was temperamentally unprepared for a cool methodological analysis of the complex problems associated with the philosophies of many protagonists.³⁵ He believed that the shortcom-

ings of capitalism and of socialism had been sufficiently exposed. What could have replaced them remained in limbo because he could devise no system to fully satisfy his economic and social goals. Moreover, he felt that the pressing social needs demanded immediate action, which could not be postponed or wait to be contingent on a fully developed theory.

His cooperative system offered a micro-solution within the existing economic structure. This novel approach, based on mutual trust and help, could be integrated within the current market economy and even benefit from it wherever possible, while it could simultaneously protect its members from the excesses of capitalism. If we follow this train of thought, then perhaps it becomes clearer why he felt easily satisfied with his rather cursory forays into economic theory.³⁶

The sad part of his orientation was that he allowed far too large a portion of his intended reform policy to be based on a trial-and-error approach at the expense of a refined understanding of the link between production and distribution. His exalted view of an almost all-encompassing cooperative system overlooked many human failings which could badly compromise the democratic and economic excellence which he anticipated it would achieve.³⁷ Unfortunately, his cooperative system was never fully implemented, and his vision was never tested in the crucible of reality. As a result, his ideas have retained to the present day more glamor than could be theoretically or historically justified.

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NOTES

1. "Therefore, as far as the well-being of a certain state is concerned, of great importance is not the first part of the national economy, the production of goods; nor the second part, the circulation of goods; but the third part, the distribution of goods." From a speech at Brezje, September 29, 1895; in Dr. Janez Evangelist Krek, *Izbrani spisi* II, 2 (Celje: Mohorjeva družba, 1929) 246.
2. See [Dr. J.E. Krek], *Narodna ekonomija* (Ljubljana, 1906) 139. (On the authorship of this work, see note 7.) Elsewhere he stated that distribution involved: land rent, entrepreneurial profit, interest and labor wages; see J.E. Krek, "Etiški temelji gospodarske vede," *Katoliški obzornik* 7 (1903) 379.
3. "Etiški temelji" 377.
4. "Etiški temelji" 376.
5. J.E. Krek, *Socializem* (Ljubljana, 1911) 414.
6. "Etiški temelji" 379.
7. Two publications often quoted in the present article—*Narodna ekonomija* and *Dostavki k socializmu*—were not written by Krek himself, even though they purportedly contain nothing but his ideas. Both were prepared by seminararians on the basis of their voluntary stenographic notetaking from his lectures. It is quite possible that the students occasionally missed some of the important points made by their teacher, or that they misunderstood the sequence of his ideas. In other words it is almost impossible to detect where any lack of clarity that is found in the texts originated: it could have been due to the lecturer himself, or to his students. For instance: "From the technical viewpoint, every capital which brings some profit [*le nekaj dobička*] is productive; from the economic viewpoint, the only productive capital is the one which brings back to the producer everything that was used [*povrne producentu vse, kar se je porabilo*]. Because of that, it is true that the real capital is obtained through saving only [*da se do pravega kapitala pride le z varčnostjo*]," *Narodna ekonomija* 70-71.
8. *Narodna ekonomija* 70.
9. *Narodna ekonomija* 143.
10. The entrepreneur provided capital and work; for this service, he was entitled to a profit. "It is pointless to argue its justification," *Narodna ekonomija*, 139. However, Krek questioned the

- right to profit of those who had invested in cartels and trusts, since these were free of any risk. The state should socialize these enterprises, and provide capitalists with an "appropriately small profit;" see J.E. "O kartelih in trustih," *Čas* 3 (1909) 43.
11. "Etiški temelji" 377.
 12. "Etiški temelji" 379.
 13. *Socializem* 13-14.
 14. *Narodna ekonomija* 61.
 15. *Narodna ekonomija* 116.
 16. *Narodna ekonomija* 109.
 17. *Narodna ekonomija* 111.
 18. *Narodna ekonomija* 115.
 19. *Narodna ekonomija* 143.
 20. *Dostavki socializmu* 18.
 21. *Socializem* 72.
 22. *Narodna ekonomija* 144-46.
 23. *Dostavki socializmu* 18.
 24. *Dostavki socializmu* 17.
 25. *Socializem* 13.
 26. *Narodna ekonomija* 33.
 27. *Dostavki socializmu* 121.
 28. J. Sovran [= J.E. Krek] *Črne bukve kmečkega stanu. Jedro kmečkega vprašanja* (Ljubljana: Samozaložba, 1895) 248-249.
 29. *Dostavki socializmu* 119-20.
 30. Krek had a nostalgic longing for a natural economy which had prevailed in the past, especially in the rural areas. With great satisfaction and even pride he pointed to the Catholic Church's practice of collecting tithes in kind from its parishioners. Yet he realized that the trend toward a completely monetary economy was already irreversible.
 31. Anton Kralj, "Iz zgodovine slovenskega zadružništva," *Ob dvajsetlemici Jugoslavije* (Ljubljana: Jubilej, 1939) 537-51.
 32. "It is our conviction that cooperatives are the only vehicle to achieve the economic liberation and progress of the Slovene people. Cooperatives will straighten out the credit system and thus alleviate the burdens imposed by capitalism on our people. . .," in a speech by Krek on April 6, 1903; quoted from Kralj, "Iz zgodovine."
 33. J.E. Krek, *Izbrani spisi* IV, 33.
 34. "Dr. Krek was not made for pure science. He felt deeply his own social mission. His writings bear a greater or lesser vestige of improvisation," Aleš Ušeničnik, "Dr. Janez Ev. Krek sociolog," *Čas* 20 (1925/26) 97-121.
 35. "His temperament was too strongly sentimental and impulsive, so that his agitational power should burst out even in his scientific work. He himself was well aware of this," Ušeničnik, "Dr. Janez Ev. Krek."
 36. Dr. Aleš Ušeničnik, who was one of Krek's contemporaries and his colleague in the Ljubljana Catholic Seminary, pointed out the truly unsatisfactory analysis of capitalism within Krek's works. In particular, the existence and function of profit and of the interest rate in a capitalist economy were not properly discussed. "At any rate, these questions were not scientifically treated by Krek, just as most other questions were not," Ušeničnik, "Dr. Janez Ev. Krek."
 37. Krek himself was disturbed when he realized how much personal freedom and independence people were willing to forego in order to cull some tangible material benefits from the government. "I am longing for those great people, for those spiritually potent individuals who would proudly proclaim: 'If we are hungry, it is our own business.'" He wished that all Slovenes would be so strong in character that they would prefer to survive miserably on oat bread rather than beg the government for breakfast or wait for pensions promised by the government. Unfortunately, such principled people did not exist. It was clear to him that all people, especially those raised in misery, were inclined to beg, to beseech, to solicit whatever aid could be obtained. If such an attitude persisted and became widespread, then socialism could not be avoided. That was his conclusion, and a very meaningful one; see Krek, "O kartelih." Since he was fully committed to economic and social reform based on self-administered cooperatives, he was compelled to believe and hope that participation in their management would educate their members, develop their self-confidence, and thus raise their skills to a level for handling their own problems.

POVZETEK**GOSPODARSKA MISEL DR. JANEZA EVANGELISTA KREKA**

Dr. Janez Evangelist Krek si je prizadeval izboljšati socialni in gospodarski položaj slovenskih kmetov in delavcev. Položaj se je slabšal zaradi krivične mehanske delitve dohodka preko tržnega mehanizma. Krek se ni ukvarjal s problemi proizvodnje, temveč le z delitvijo dohodka, v želji, da bi našel pot, po kateri bi delež dohodka iz dela raste in delež dohodka iz lasmine pada. Očividno je bil prepričan, da bi združništvo pripeljalo Slovence na to idealno pot. Poln optimizma je tudi predpostavljaj, da bi spremembe pri delitvi dohodka ugodno vplivale na proizvodnjo. Ob branju njegove pisane besede je zaradi mnogih nejasnosti v tekstu težko razbrati njegovo kritiko tedanjega gospodarskega sistema in najti prepričljivo zagotovilo gospodarske uspešnosti njegovega reformnega načrta.