

Down to Earth

A guide to home economics



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Chapter 1: Finance and the Real-life Economy

“Does it seem odd to think of money as a socially acceptable addiction? ... But what else would you call a substance or activity that we reach for compulsively even though it doesn't bring fulfilment? What else would you call something we are convinced we could not live without? Indeed, the very thought of not having it fills us with fear? What else would you call a need that is intense, chronic and seen as essential to our sense of wholeness? What else would you call something that goes beyond a rational concern, that fills our daydreams and our nightdreams as well? What else would you call something that becomes more important to us than our relationships with family and friends, the acquiring of which becomes an end in itself? What else would you call something that we hoard, building up unreasonably large supplies in order to feel secure? An addiction is a need that's gotten out of control, that's become a cancer, migrating into healthy tissue and eventually consuming its host.”¹

Nothing has changed in this respect over the two decades since Joe Dominguez and Vicki Robbin published *Your Money or Your Life* except, perhaps, that the addiction has become even more all-pervasive. We continue to acquire money exactly as described in the book, so that we can surround ourselves with the material trappings of status associated with our earning power: the house in the select area near selective schools for our children, the cars and other necessities for the journey to work, the ready meals, the restaurant meals, the clothes, the shopping sprees and the holidays to compensate for the stress of work. Surrounded by many things, we have too little time for the things we really want to do. Leisure is luxury, the only time when we can think for ourselves. Where money and work are inextricably intertwined, even the vocations to teach, to farm, to care or cure may be crippled. As farmers, artists, teachers, preachers, nurses, doctors and carers working for money we find ourselves trapped in form filling, meeting targets, taking care not to be controversial, and perpetually raising funds to enable the work to continue. Addicted to getting and spending money, we have no time to take stock of our own role in sustaining the unsustainable money economy.

This Study Guide examines the pickle we are now in, asking how we got into it in the first place. The whole text is designed to enable the reader to answer the following conundrum. Families whose members engage in one particular set of activities – those associated with the design, production and use of weapons of mass destruction, armaments, military hardware of all descriptions, and the supporting electronic technologies – have no difficulty in securing comfortable financial incomes. But those families whose members seek to farm the soils sustainably, to produce wholesome foods and live healthy lifestyles – to live in a state of sufficiency – are starved of finance. Why do members of farming families have to supplement the income of a small farm by working in care homes and the like in order to keep the farm financially solvent? To find answers to this puzzle, it is necessary to examine the way money and finance operate, not only in economics, but also in education and the media, and in the political sphere.

The real and the financial economies

The word ‘economics’ is derived from the Greek word ‘oikonomia’, which means efficient management of the resources of a household for the benefit of all its members. Hence in theory one might assume that the study of economics is concerned with the efficient management of the resources available to humanity. These would include all the material resources of the land, its soils and minerals, its plants and animals, and the waters of the lakes, rivers and seas. It would include the education and learning systems, the culture, technologies, shared values, institutional framework, language and history. It would include the buildings, machines, means of transport and infrastructures. On their own, isolated from the rest, none of these resources are of the slightest use

to individuals, groups, communities or nations. Throughout recorded history, these resources have been created in common. They can only exist within a united commons.

The Greeks had a second word for a very different 'economy'. The term '*chrematistics*' was used to describe a political economy motivated by a desire to enrich oneself at the expense of others. Within the money, or financial, economy, one could claim rights without accepting any corresponding responsibilities. One could maximise one's short-term personal gain in disregard of the needs of others, and regardless of the damage to the natural world and the environment. The financial economy is concerned with the personal ownership of property, and its manipulation so as to maximize the short-term monetary exchange value to the owner.

There is no *necessary* relationship between the real economy, as described above, and the financial economy which currently lays down the law. On the contrary, what is financially sound may well be ecologically disastrous. Nevertheless, teachers of economics in the world's schools, colleges and universities are today convinced that the study of the *financial* economy (*chrematistics*) is the same thing as the study of the management of the *real resources* available to human communities. Economics undergraduates are taught that there is no need to cultivate concern for the conservation of natural resources or to consider matters of common concern. The free market operating on the basis of rational self-interest will secure the common good in the long run. In this 'free-fox-in-the-free-henrun' scenario, no mention is made of the fact that powerful corporations can influence political and legal outcomes in ways that are not open to the individual worker, consumer or local small or medium-sized business (SME).

Two philosophies of life

The formal education system trains citizens not to question the underlying philosophy of consumerism, so that workers and consumers rest content to serve the institutions of big business, politics and academia. In recent decades, the alternative culture of the commons, of the common cultural inheritance and the acceptance of the natural world as an entity to be worked with and respected, has been forced to the very fringes of serious debate.

Serious debate on these two rival philosophies of life has, until recently, been very rare. The one philosophy believes in exploiting natural resources, if necessary to the point of exhaustion; the other in conserving them by managing them sustainably. The one believes in subjugating nature; the other in co-operating with the natural world around us. The one uses chemical and inorganic processes modelled on linear urban factory methodology (degrading resources and spewing out wastes); the other uses biological and organic methods derived from the observation of nature as a whole. The one regards the worker as a unit of production, directed from above by a system of line management modelled on the military; the other regards the human being as a responsible agent with the freewill to choose between the good and the bad. The one sees man as self-sufficient in himself, with the right to take from nature without the need to be accountable; the other sets humanity within the divine creation of the natural world. The one philosophy is dominant and possesses all the power; the other is in possession of the truth.

External and internal goods

In theory, economic growth is all about producing goods which give rise to feelings of satisfaction, of well-being. In practice, the economy expands as production of items for sale expands, and the

items are sold. A certain amount of subsistence necessities – food, clothing, shelter – are essential for workers to survive. But the twentieth century has seen a massive rise in the production of non-essentials, all of which ‘count’ as having financial value, but most of which are at best neutral in their capacity to produce well-being in the consumer. Processed foods, fashion clothes, houses, cars, holidays and so on are often valued as status symbols, although their consumption can be harmful to health. The production and use of armaments and military equipment is highly profitable to the financial economy, and registers as economic growth. But these activities are harmful to the human community and to the natural environment. Equally, many ‘products’ which register as ‘economic growth’ are purely financial. Although trading in financial ‘products’ makes money out of money for the traders, it does not increase the real wealth of the community in any sense whatsoever.

In her book *Social Philosophy and Ecological Scarcity* (1989) philosopher Keekok Lee introduced the notion of ‘external’ and ‘internal’ goods. External goods bring material satisfactions, prestige and status, through competition. They sell readily for money. Internal goods require some limited material consumption. But the acquisition of them does not impoverish the community as a whole, and does not make anybody worse off. On the contrary, the more the merrier. The ability to tell stories, play music, speak several languages and so on, can be shared indefinitely with minimal outlay of material resources whilst at the same time improving the welfare of all.

Over the modern era we have become mesmerised by the notion that production must rise, that more and more things must be made. It is time to look again at the phenomenon we call ‘economic growth’ and the financial system which currently governs policy formation throughout the economic, cultural and political spheres of the social order.

Rural and urban economies

Historians of politics, economics and society have so far failed to account for the existence of two parallel economies – the rural and the urban. Throughout human history, the rural economy could have existed perfectly well without towns, cities, fortifications, roads, railways, sea-going galleons, armies, warfare, new electronic means of communication and all the paraphernalia of so-called ‘civilisation’. The same cannot be said for the urban economy. No civilisation, however sophisticated, can survive in complete independence of the rural village economy. For the small-scale city states of the type described by Leopold Kohr², the dependence of the urban upon the rural could be taken as read. Accordingly, respect for the rural hinterland was built into the political-economic institutions of the city-state.

Large-scale empires such as that of the Romans, appeared to be able to pluck slaves, soldiers and skilled servants from the rural village economies of the lands they conquered. Indeed, they took land directly into *latifundia* cultivation, using forced labour, whilst creating wastelands. For all its apparent sophistication, the political economy of the Machine Age also fails to take into account the need to manage the physical resources of the planet using the ages-old principles of sustainability and returns to the soil.

Peasant houses and households

Throughout history urban developments – cities and civilizations, with their armies and fortifications – have depended for the means of subsistence upon the enduring knowledge of peasant cultivators. Within the peasant household knowledge of soils, seasons, and all the necessary practical skills

for survival have been handed down in unbroken line from generation to generation since time immemorial. No civilisation has ever survived in complete independence from its roots in the soil. Human communities can live in a wide range of environments, eating a vast range of foodstuffs. But we remain dependent upon a bedrock of peasant knowledge of the natural world in specific places and times.

For millennium after millennium, the household hearth has been the place where the child would acquire the inherited skills and wisdom of the community. From infancy to maturity, they could all learn the practical crafts of farming, building, carving, creating fabrics, weaving, cooking, caring, tending plants and animals, of obtaining sources of food, of decoration, story telling and knowledge of the spiritual world. When raised in this way, the adult develops, in maturity, the ability to take full responsibility for the natural, physical, intellectual and spiritual resources under their command. Studies of peasant households can be found in books and museums all over the world. These records will, in the future, have far more than mere curiosity value, nostalgia for a bygone age. They may, very likely, provide the essential lifeline enabling humanity to survive beyond the Machine Age.

The cult of materialism

Today, the real-life economy is ailing. No matter how many platitudes are trotted out, it cannot be seriously denied that the social framework looks and sounds sick. Wars and violence abound. Cancers, heart disease and psychological disorders are rampant, the soils, rivers and seas are polluted, wars abound, and the financial system is on the blink. All are uneasy. Few can see a way out of the maze, because people across the world have been indoctrinated in the belief that there is no alternative to the economics, politics and cultural belief system of materialism.

The culture handed on through the *salaried, i.e., financially rewarded*, employees of educational systems, press, mass media and the Internet teaches individuals to conform to the culture of materialism. One grows up to take one's place in a finance-driven economic system. That is, one must go to work to earn the money to buy the consumer goods produced by the system. One's personal religious beliefs, artistic tastes, desire for a healthy environment or quest for justice and peace must be relegated to a leisure activity to be pursued in one's 'own time'. The cult of materialism is as dogmatic as any fundamentalist religion, as it pervades the arts, sciences and the larger organised religious bodies.

The real economy is presently governed by the financial economy. One acquires things, consumer products, by going to work to earn the money to buy those things already in the production pipeline. Centralised bureaucracies design machines, products and advertising to sell the products. The worker fits into that system.

The political sphere is equally subject to finance. Rights of ownership, and hence use of, land, property and the means of production as a whole are determined by a political and legal system which has long given up the pretence of guaranteeing the rights of the local people.

It is scarcely surprising that individuals see nothing wrong in accepting a fat salary for working within a centralised bureaucratic system which they suspect may be morally suspect. The strength of the system is its apparently logical consistency. The culture, economy and politics of the Machine Age are mutually reinforcing. Ideas for the healing of society will not, therefore, come from above, from the centralised bureaucracies of business, academia or political parties. The State cannot make

people ethical. The source of all social change, of all ethical conduct in a healthy society, comes from the individual alone.

The task, therefore, is to set about educating ourselves, so that we can take full responsibility for the social framework and the natural resources of the planet. The following chapters of this study guide spell out the history of the evolution of the Machine Age, explaining how we have come to be in the present predicament. Chapter 2 portrays the culture of the pre-Reformation English village, where local people held full rights and responsibilities for local resources, free from the demands of absentee landlords and an all-encroaching bureaucratic State. The processes whereby local resources were commandeered for personal power and financial gain, under the authority of a centrally controlled military state, are outlined in Chapter 3. The following three chapters raise several issues requiring detailed discussion if the nature and workings of the financially controlled economy are to be understood by the ordinary citizen. And finally, new ways of matching theories of society, and our role within it, are sketched out very briefly in the final chapter.

The final two chapters outline steps already being taken in the quest for a saner and healthier future.

¹ Joe Dominguez and Vicki Robin (1992) *Your Money or Your Life: Transforming Your Relationship with Money and Achieving Financial Independence*, Harmondsworth, Penguin, pp78-9.

² Leopold Kohr, *The Breakdown of Nations*, RKP, 1957.

Chapter 2: The Real-life Economy of the English Village

Dreams of a return to an idealised peasant village society of the past are completely impractical. Nevertheless, there are many lessons to be learned from history about the potential for local control over local resources.

Village economy

Over the thousand years of the 'middle ages' (roughly 5th to 15th centuries) the English countryside evolved into a patchwork of village communities. Clustered around the Church, the cottages and common fields were surrounded by open wastes and forests, to which all had rights of access. The lands of each parish came to be managed according to a set of constantly changing codes and practices, built upon experience and knowledge of the past. To this day, the remains of monastery and town buildings, including abbeys and cathedrals, provide evidence of the existence of a settled civilisation where culture and learning thrived. The coming of the Machine Age brought unprecedented social change. As families were driven from the countryside to work in the "dark satanic mills" of the growing industrial settlements, country wisdom came to be regarded as archaic and irrelevant in the age of modernity.

Official histories tell of wars and intrigues, as successive rulers battled for worldly power and prestige. They ignore the role of farmers, craftspeople and parents in providing the essential material and intellectual conditions under which humanity can live. Each society offers evidence of having developed customary land tenure practices based upon family holdings of individual plots, within a complex system of community farming. To this day, traditional agricultural systems the world over respect the rights of individual families to obtain a living from the soil.

Combined with the culture of Christianity, the English village or 'cottage' economy formed a unique blend of culture and agriculture. The three-field medieval system of agriculture has, however, in recent times, been dismissed as hopelessly archaic by advocates of commercial mono-cultural practices. A reassessment of the evolution of medieval English political economy is long overdue.

Alfred the Great (849-899) and Common Law

When Viking invasions laid waste the lands of the North, Wessex was one of the kingdoms of England coming under threat. However, King Alfred of Wessex (849-99) was prepared to lead his volunteer army of farmer-warriors to eventual and final victory against the marauding Vikings. In doing so he sought more than the usual victory in battle and enjoyment of the spoils of war. His vision was of a civilization where the love of wisdom and the pursuit of learning could flourish.

Over the following centuries 'might is right' increasingly gave way to the English system of Common Law rooted in the teachings of Christianity. Belief in a system of constitutional rights belonging to all citizens, as first established by Alfred, was built upon by Magna Carta (1215). Such notions are based upon the fundamental tenet of Christian teaching, which determines that all are equal before God and under the law of the land. Since governments rightly derive their powers from the consent of the people, the rule of law cannot be justly imposed from above. It follows that whenever any government becomes destructive of the rights and liberties of the people, it is right and just for the people to change or abolish that government. But if the will of the people is to preserve justice and fair play, widespread ignorance and superstition, secular or cultish, must be dispelled.

King Alfred was a key figure in the wider movement which laid the foundations of medieval English society. His great interest in culture led to the revival of clerical learning, and to the establishment of Old English prose. He translated many works from the Latin, and inspired others to follow suit. The accounts of English history known as the Anglo-Saxon Chronicle were established under Alfred the Great around the year 891, offering varied accounts of English history, including the Danish invasions.

Christian culture

During the middle ages parishes were founded when a local squire or lord of the manor applied for a priest to be sent for, so that a ‘parish’ or priest-ship could be founded. That necessitated the building of a church and a house for the priest, and the granting of land to the parish church. Once the land was granted and the priest installed, nobody, not even the squire himself, could reclaim the land or dismiss the priest. The village Church, its priest and its possessions were sacrosanct. Together, they formed the central resource of the village community.

The term ‘monastery’ is used here to denote all forms of Christian community entered by individuals taking vows of poverty, chastity and obedience. That is, new members entering a monastic order such as a priory, convent or monastery took solemn oaths to renounce all personal claims to wealth, to remain celibate, and to accept the rules of the community – for the rest of their life. Through this system, lands granted to a religious order were given to the Church in perpetuity. They were not the property of individual members of the order, and could not legally be sold or given away. They could only be stolen by individuals who were not a part of the community and who took them by force, as happened during the Viking invasions and during the Protestant Reformation.

When lands were given to the monasteries they were often already occupied by villagers who held inalienable rights to livelihood from the land. These peasant farmers continued to farm according to traditional practices, giving produce to the monasteries through a system of tithes. The monasteries were centres of prayer, learning and culture, where an order of the day was followed, and scribes made copies of the Bible and texts derived from learned authorities. They provided services to the local communities, offering schooling for all children who sought learning, hospitality to travellers and care of the sick and destitute.

The medieval parish

The medieval parish formed a system of local government based upon common sense and common law. There were no absentee landlords raking off financial profits from the work of others. There was no usury, no making of money out of money. Finance capital was not invested in the means of production from desire to derive *personal, private financial* gain from the common resources of the community. Looked at objectively, setting aside notions of ‘economic growth’ measured in terms of finance, the agronomic society of medieval England raises many points of interest.

Local labour produced locally needed goods, using local skills, knowledge and physical resources. The commodities so produced were distributed according to established customs which balanced rights with obligations. There was enough for everyone’s needs. Though material standards were perhaps low in comparison with twenty-first century England, the cultural, social and spiritual life of the community was rich and varied. All the evidence suggests that under these conditions, a spirit of learning could flourish.

In the parish, ways of working together within the local economy, ways of determining rights and obligations, and the local cultural belief system formed a coherent whole. The entire acreage of the church, manor and village, and the surrounding fields, woods and commons came under its auspices, and it was communally managed according to the rhythms of life. The birth, marriage and death of each member of the parish was noted and respected by appropriate ceremony. The cycle of the day was marked in the church by matins, the midday angelus and evensong. Mass was celebrated in style on Sundays and saints' days, which were marked as holidays or 'holy days'.

The changing seasons, evident in the fields and lands of the parish, were marked with liturgical variation and celebration; Easter, Midsummer, Harvest, Christmas were recognised as times of celebration. Processions through village and countryside marked the unity of the people more powerfully than any modern protest demonstration. Parish guilds organised the provision and maintenance of the church and its contents, whilst the manor provided arbitration for settlement of disputes. Until the late Middle Ages there were no paid lawyers, willing to set aside custom for a financial consideration. Small wonder that the changes started in the days of Henry VIII were resisted by the people of the parishes, and had to be introduced through measures of unprecedented physical violence made possible through recruitment of mercenaries and the employment of standing armies.

English political economy

In the later Middle Ages the institutional framework consisted of the Village, the Church, the 'Castle' and the Guilds. Resources came from the natural world, and from the people who worked directly on the land. Since the entire framework of spiritual beliefs, arts, learning and right judgement of duties and obligations was derived from the Church, the whole parish formed a web of cultural unity based on the common sense of the common people. Although single individuals may have spent all or part of their adult lives in religious or military associations, all, without exception, grew up in the village as part of a family where male and female tasks, roles and duties were mutually respected.

The Village: The fields, commons and wasteland supplied the basic necessities of life, forming a single local economic unit. Economic activity centred on the homestead, where the children who would occupy the land in the future were reared and educated in the skills necessary to manage the resources skilfully. Since these tasks required the use of both the masculine and feminine qualities of human nature, work centred around the household comprising men, women and children. The village homestead was not a place set apart from the wider society. On the contrary, each household formed a crucially central part of the wider community within which it existed. Each extended family had its customary allotment of fields, rights to use the commons, and access to the 'waste' lands or forests. And those rights were allocated according to custom and administered by common agreement of the common people.

The 'Castle': Whenever men have gone into battle, their leaders, the knights, lords or commanders, have always been somewhat reluctant to soil their hands by coming into direct contact with the tilling of the earth and the rearing of the children. With a group of loyal retainers, warlords could often maintain a somewhat detached existence in a castle, keep or manor, where menial tasks were undertaken through the conscripting of retainers and domestic servants from the local village communities. Ornamentation of himself and his women symbolised the leisured distinction of the local warlord. However, in medieval England notions of knightly chivalry in defence of justice and peace still, more often than not, united the 'castle' with the surrounding peasant community.

The Church: As Christianity spread peacefully across the land, monasteries and churches were endowed with lands donated to the Church in perpetuity. The religious houses were centres of learning and culture, the sole requirement for entry being love of learning in a child¹. The priesthood, too, was open to all men. Entry to the Church as monk, friar, nun or priest demanded a vow of celibacy, and that rule made social, legal and economic sense. Although the religious communities often farmed the land, they did not have families requiring provisioning from the land. They had no personal stake in the resources of the monastery, so the community remained intact on their deaths. Furthermore, from the resources available to them they were able to provide a variety of services to the world at large. They were devoted to prayer, the development of culture, to music, the arts, hospitality and charity, able to offer refuge to the poor when displaced from home villages by prolonged military or domestic service.

The Guilds: By the late Middle Ages craft guilds were a familiar feature of the growing towns. Guilds came into existence as the means to build the local church, and to supply it with the vessels, vestments, books and icons necessary for the cultural life of the community. The arts of architecture, ornamentation and craftsmanship were developed through the different guilds, which passed on their expertise from generation to generation. As abbeys, monasteries and cathedrals were built, they provided for the cultural needs of the people as a whole, not just for private individuals. However, as guilds specialised in the various crafts, production for trade and exchange became part of the pattern of the emerging urban way of life.

The eve of the Reformation

On the accession of Henry VIII the English village based upon the central feature of the parish church, was in evidence across the length and breadth of the land. The unique combination of the culture of Christianity, with the socio-economic customs of the Commons, and with the constitutional concept of Common Law, gave the English-speaking people their distinctive characteristics. The culture of the commons was formed from a unique blend of theology, philosophy, common law and agronomic cultivation. Right practice was governed by right thinking, based upon a sense of place and community, each with its own particular stories and traditions.

Already, however, as Thomas More shows in *Utopia*, the ‘excellent lawyer’ is beginning to emerge, able to establish personal property rights to self-seeking individuals in defiance of the common good². Since that time, the powers-that-be of the modern world have put a great deal of effort into educating rational self-interested economic man. An essential ingredient in that indoctrination process is the belief that village life in medieval England was restrictive on individual enterprise. A revision of this misleading view of history, long overdue, is essential in order that a sane, commonsense approach to the social order of the future may have a chance to emerge.

¹ See, for example, Bede *Ecclesiastical History of the English People*, written in AD 731, Penguin Classics, 1990 edition.

² A study-read of *Utopia* is highly recommended. The work is widely available. See also Rudolf Steiner *Karma of Untruthfulness I*, Rudolf Steiner Press, 2005 edition, and Eimar O’Duffy’s *Asses in Clover*. Jon Carpenter, 2003 edition.

Chapter 3: From the Real-life to the Financial Economy

The Reformation in England and Ireland broke ages-old rights of access to the land, to the produce of the natural world, and to the spiritual life of the community. The legal changes which flowed from the Reformation paved the way for the revolutionary 'reforms' of the Agrarian and Industrial Revolutions. In the centuries that followed, the inalienable right to subsistence from the land was transformed into the duty to 'work', *i.e.*, to seek out a money wage or salary from an employer. As a result, the cultural, political and economic institutions of the world economy came to be governed exclusively by the 'rational', man-centred laws of finance.

Henry VIII's break with Rome in 1534, led to the Church being subsumed within the State. New forces of law and order cemented the power of an increasingly centralised political authority. Above all, the Reformation in England paved the way for the founding of the Bank of England in 1694, the precursor to the establishment of international finance based upon the system of waged/salaried slavery. In their entirety, the changes wrought over the course of those 160 years transformed the constitutional framework of English society out of all recognition. The following brief review of the history of those years (1534-1694) is designed to set the key socio-economic institutions of the twenty-first century in their historical context. The historical period covered here – the time of the Tudors, Stuarts and Cromwell's Civil War – saw the changes in customary practices which facilitated the evolution of the world banking and military/industrial complex.

The Henry VIII and the Reformation

By the early sixteenth century, the times were already changing. In his fictional work *Utopia* (1516), Thomas More had written of the injustice of the public hanging of vagabonds in their dozens for the crime of theft, when dire necessity drove them to steal. More observed that people will steal and risk death if they have nothing to eat. It makes more sense to discover why they have been displaced from their home villages. It had become possible, More noted, for certain rich individuals to employ lawyers to secure lands upon which families had traditionally lived and farmed for generations. The enclosure of village lands, and the closure of the monasteries, which followed from Henry VIII's decision to break with Rome, escalated this process and led to a vast increase in the numbers of landless families in England.

In order to build support for his bid to secure the succession, Henry VIII took the vast acres of monastic lands in England and delivered them into the hands of powerful figures who were prepared to endorse his position as Head of the Church in England. The Dissolution of the monasteries was achieved by force; the State used violence against holy, peace-loving and cultured communities who had been entrusted with lands and sacred possessions in perpetuity. As the lands of the monasteries were privatised, the numbers of landless, and hence destitute, vagabonds were vastly increased.

Powerful and respected figures such as Cardinal John Fisher and Chancellor Thomas More, who refused to accept the unity of Church and State, were barbarically hung, drawn and quartered in public on the authority of Henry VIII. Literally tens of thousands of people would be condemned to such violent deaths, simply for following the faith of their fathers, a faith which was established across England through peaceful means over a period of one thousand years.

Edward VI

The sickly but sole male heir to Henry VIII succeeded him on the throne in 1547. Born in 1537, Edward VI became the 'Supreme Head of the Church of England' as a boy of 11 years of age. From the outset it was apparent that his reign might not be long, and that he might be succeeded by a Catholic. Those gentry who had benefited from the distribution of monastic lands on the Dissolution of the monasteries had to consolidate their position or risk losing their land and possessions. Hence Parliament passed the Act of Uniformity, which declared Catholic forms of worship illegal, outlawed the Mass and imposed Thomas Cranmer's *English Book of Common Prayer and Administration of the Sacraments* in 1549. The new Prayer Book, and new form of worship, were introduced by Acts of Parliament, Acts which had to be enforced by the military power of the authorities.

In the space of little more than a decade, the Christian Church, which lay at the heart of the village economy, lost its familiar character. To declare the *Book of Common Prayer* heretical, and criticise the wholesale destruction of icons as sacrilege, was to risk violent death. The new legislation was not introduced through agreement with the people, in accordance with the Common law of the land: it was enforced by soldiers retained by the new landed gentry¹.

Mary Tudor

Edward was succeeded on the throne in 1553 by the sole legitimate surviving child of Henry VIII, Mary Tudor. As she was born in wedlock and remained a Catholic, her accession was duly recognised by the Pope and the Catholic Church was officially reinstated in England. Rather than risk civil war by demanding the return of the monastery lands to the Church (the legitimate owner, since they had been given and dedicated to God in perpetuity), Mary agreed that all who confessed their heretical transgressions, pronounced the *Book of Common Prayer* heretical and returned to the Catholic liturgy, could retain their plunder. Cardinal Pole was sent to Rome to secure the Pope's forgiveness on behalf of the people. Leading figures, both lay and clergy, now declared the *Book of Common Prayer* heretical. Throughout the land the altars were restored, and Mass was once more celebrated in accordance with Catholic tradition.

Elizabeth I

On the death of her sister in 1558 Elizabeth claimed the throne. As the illegitimate child of Henry VIII, and therefore having no claim to the throne in the view of the Catholic Church, she re-instated the *Book of Common Prayer* and the Protestant forms of worship. All citizens were asked to take an oath of supremacy, declaring Elizabeth to be the Supreme Head of the Church in England or suffer a horrible death. It was high treason for a priest to say Mass, or for a person to harbour a priest. For those who were able to remain on the land, village life continued in its old routines. But the Church had changed. Seasonal processions were banned, as the clergy now celebrated forms of service in which the integration of society with its resource base in the natural world was becoming less and less evident.

By the end of Elizabeth's reign, England was a protestant country, where society was becoming less important than the working-for-money ethic. Notions of giving service to God and community in and around the homestead, in the cultivation of the fields, were giving way to a very different social order. England was emerging as a sea-going nation of merchants, sailors, shipbuilders and absentee landowners. It was a land where rights were no longer necessarily balanced by duties and

obligations, where the natural world was no longer respected, but seen as a challenge to be overcome.

The new leisured class of landowners had no working connection with the land. New generations came to adulthood with no knowledge of the old customs of the commons.

The Elizabethan Poor Laws marked the evolution of a landless working class, to be assisted from the Poor Rates or cashiered into military service to put down insurrections. Processions marking the change of seasons, which once united the community, were now regarded as signs of insurrection, to be suppressed by the standing militia. The unity of Church and State meant that the Church of England was itself part of the Establishment, enforcing law and order on the common people. Often linked in family ties to the newly rich Protestant leisured class, the married clergy often shared the privileges of education and culture now appropriated by the wealthy.

The Stuarts and Cromwell

James I, son of Mary Queen of Scots, was the next in line of succession when Elizabeth died without nominating an heir. His reign was marked by a Parliament torn in contest between Puritan 'Dissenters' and the Protestant landowners and clergy. The removal of the acceptance of one clear source of 'catholic' theological authority had spawned a number of movements who did not accept the unity of Church and State. Labelled 'Dissenters', these had been outlawed like the Catholics. In 1620 a group of Dissenters known as the 'Pilgrim Fathers' sailed in the Mayflower to form the first English-speaking colony in North America.

Charles I, who succeeded to his father's throne in 1625, claimed that the divine right to rule took precedence over Parliament's legislative rights, especially over taxation. The Civil War followed². When Cromwell's Puritan New Model Army succeeded against the Royalists, Charles I was captured and beheaded on a charge of treason. Cromwell and Parliament ruled England and Ireland (1649-60). Opposition to Cromwell was strong in Ireland, where the common people were determined not to lose their Church and their land rights. The Republican Protectorate, which followed the Civil War, enforced law and order by means of a paid militia under the dictatorial authority of Cromwell.

The return of the monarchy was popular amongst the people, who retained in their homes many aspects of the Catholic culture of former times. James II sought religious toleration, but the powers in the land feared the possible return of the Catholic ethos. The "Immortal Seven"³ encouraged the Dutch *stadtholder* William III of Orange-Nassau (William of Orange) to proceed with his plans to invade England with a Dutch fleet and army, in order to depose King James II. The "Glorious Revolution" led to William ascending the English throne as William III of England jointly with his wife Mary. Unable to speak English, King William remained unfamiliar with the ways of the common people. Although William's supporters claimed James II had abdicated, William had to fight the Battle of the Boyne to finally establish Protestant rule over the British Isles.

The Bank of England and the National Debt

As King William was a foreigner, his accession to the throne was not popular amongst the people, so his authority had to be established by forceful means. The spiritual and temporal authorities of state who had invited him to become king recognised that war with France was essential to protect his seizure of the throne of England, Scotland and Ireland. Maintaining a standing army to fight wars

abroad, and to keep the peace at home, is a costly business, beyond the private means of a monarch reigning at the behest of Parliament. Since the expense of such a war was beyond the means of currently available sources of taxation, a scheme for the financial exploitation of the people was passed by Parliament. Writing in the 1820s, William Cobbett explains:

“An Act of Parliament was passed in the year 1694, being the 5th year of William and Mary, the title of which act is the following words, words that every man should bear in mind, words fatal to the peace and the happiness of England, words which were the precursor of a scourge greater than ever before afflicted any part of God’s creation: ‘An Act for granting to their Majesties several rates and duties upon tonnage of ships and vessels, upon beer, ale and other liquors, for securing certain recompenses and advantages in the said Act mentioned to such persons as shall voluntarily advance the sum of fifteen hundred thousand pounds towards carrying on the war against France.’ This act lays certain duties, sufficient to pay the interest of this sum of £1,500,000. Then it points out the manner of subscribing, the mode of paying the interest, or annuities, and then it provides that, if so much of the whole sum be subscribed by such a time, the subscribers shall have a charter under the title of ‘The Governor and Company of the Bank of England’!

“Thus arose loans, funds, banks, bankers, bank notes, and a national debt; things that England had never heard or dreamed of before this war ‘for preserving the Protestant religion as by law established;’ things without which she had had a long and glorious career of many centuries, and had been the greatest and happiest country in the world; things which she never would and never could have heard of, had it not been for what is audaciously called the ‘Reformation,’ seeing that to lend money at interest, that is to say, for gain, that is to say to receive money for the use of money, seeing that to do this was contrary and still is contrary to the principles of the Catholic Church, and amongst Christians or professors of Christianity such a thing was never heard of before that which is impudently called ‘the Reformation.’ The Rev. Mr. O’Callaghan, in his excellent little work, which I had the honour to republish last winter (1828), ... has shown that the ancient philosophers, the Fathers of the Church, and the decisions of Pope and Councils, all agree, all declare that to take money for the use of money is sinful.”⁴⁷

The financial system of the modern age and the money economy which flowed from it, were born out of the desire to finance wars for the purpose of securing power over the earth’s resources, land, labour, skills and knowledge. Production for war was central to the growth of the formal, market economy, and remains the most profitable form of *financial* investment.

The Capitalist Revolution

The 1694 Bank of England Act enthroned the ‘protestant ethic’ as the ‘spirit of capitalism’. The initial capital for the founding of the Bank was provided by rich landowners, those whose families had benefited from the destruction of the traditional Church in England, a tradition which held that usury was contrary to the welfare of the common good, as was the making of money out of money. Thus the financial reforms outlined by Cobbett in the above quotation were enshrined in the law of the land. The entire edifice of economic theory is based upon the notion that the ban on usury was ethically unsound because it stood in the way of economic ‘progress’. According to the ‘laws’ of economics, it is right and proper “to take money for the use of money.”

The founding of the Bank of England and the establishment of the National Debt facilitated the employment of loan capital, which in turn facilitated industrialisation. In order to keep the wheels of industry turning, the supply of loan capital had to be maintained. By these means it became common practice, established in law, and backed by economic theory, that capitalists should fund the production of goods for profitable financial sale through means of the paid labour of others.

Working for money wages became the sole driving force of the modern economy. Regardless

of the real cost in terms of human wellbeing and the welfare of the land, whatever is profitable to the money lenders can be produced. Conversely, whatever is not profitable is of no economic importance.

¹ See William Cobbett, *Legacy to Parsons*.

² Space does not allow pursuit of this topic, save to mention that Cromwell's forces were largely (entirely?) paid militia, whereas the Royalists were almost exclusively a volunteer army.

³ The so-called 'Immortal Seven' wrote a letter of invitation to William of Orange encouraging him to carry out his existing plan to attack England by landing with a large Dutch army. The invasion culminated in the 'Glorious Revolution' (1688-9) during which the reigning English monarch, James II, was deposed and replaced by William and Mary as joint rulers. William asked for such an invitation to be given, within the context of a secret correspondence since April 1687 between them and several leading English politicians, discussing how best to counter the pro-Catholic policies of James. (Source Wikipedia)

⁴ William Cobbett *A History of the Protestant Reformation in England and Ireland*, p337-8.

Chapter 4: Finance and the War Economy

The Machine Age might have been expected to bring in an age of leisure. Instead, human beings have allowed themselves to become enslaved by a wages and salaries system which makes sense only in financial terms: by any other standards it is anathema. The wages and salaries paid out for contributions to the financial economy can sometimes be very high indeed, facilitating a most comfortable lifestyle. For untold millions in the third world, however, the industrial machine has gobbled up their land and degraded their labour in order to supply all the demands of the mass market so that the military/industrial complex can continue to be supplied with willing workers. Far from rendering long hours of drudgery unnecessary, the Machine Age forces employees to demand more paid employment because there is no other route to securing a livelihood.

Waged and salaried workers sell their time and talents to an employer because they have no access to land sufficient to live comfortably and to raise a family. As farming lands across the world have been privatised, it has become common practice to expect that some form of money income will be paid in the form of a wage, salary, pension or benefit. This raises some fundamental questions – What exactly *is* money? – And how do you explain what you are doing when you enter into a waged or salaried contract of employment, in effect selling your time for money?

Money in bygone times

Money is nothing new. It has existed since ancient times, for trading luxury items, calculating debts and so on. And yet, if we could spirit ourselves back to two thousand years ago, we would be astonished to find how very rarely money featured in the everyday lives of ordinary people. People did not work *for money*. Food, furnishings and utensils – the material ‘outer’ goods necessary for human existence – were created, consumed and recycled as waste, all in the same locality. ‘Inner goods’, goods which rendered spiritual and artistic satisfactions, were produced and used without recourse to money.

Throughout history, the vast majority of exchanges of goods and services were barter-style agreements between locally known actors or agents. Family X have more fish than they need, so they share the surplus with others, knowing that at some time in the future similar generosity will flow from Families Y and Z. Sometimes a traveller or stranger may wish to procure some artifact for which he offers ‘money’. However, this rarely took the form of paper money. Most trade was conducted with precious metals, precious stones, silver, gold or copper, substances which had value in their own right. Very few workers on the land, or in domestic service, would be paid entirely in gold or silver coins. Until well into the industrial revolution, most payments were in kind rather than cash, so that, as the twentieth century approached, increasingly awkward questions were being raised about the ability of some individuals to make money out of money. Equally puzzling was the necessity of the many to seek work which would pay a money wage, simply because they had no rights to land which they could cultivate in order to put foods on the table, and nothing else to sell.

Economics

As the Agrarian and Industrial Revolutions ran their course, the modern political economy took shape. By the late nineteenth century it was difficult to ignore the fact that financial institutions were now central to the functioning of ‘the economy’. Would-be statesmen and politicians were therefore sent to study economics at the newly-founded (1894) London School of Economics (LSE) so that

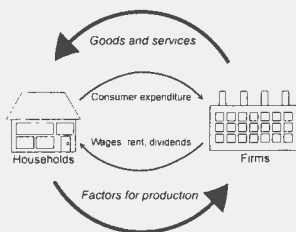
they would not fall into error by threatening big business and financial interests with outlandish ‘uneconomic’ schemes.

Such schemes might have drawn attention to the fundamental, logical flaws in the financial economy. They would have pointed out that mainstream economics is concerned only with the study of the *financial* economy. Those parts of the real economy upon which no money or financial value has been placed, simply are not accounted. The soils, the earth, the sun, water sources, life itself – are of no interest to the economist. Unless or until a money price is put upon them, they do not exist. Conversely, financial instruments, *e.g.*, insurance policies, which have no real existence, merely yielding financial returns to the owning individual or corporation, do exist to be counted and studied.

Economics textbooks date back little more than a century. They divide the study of economics into two sections, ‘micro-economics’ and ‘macro-economics’. Micro-economics studies the relationship between “the Firm”, the unit of production, and “the Household”, the unit of consumption. Macro-economics studies the bigger picture, that is, the broad sweep of the world financial economy. In this way, the issue of the relationship of the real economy and the financial economy is neatly sidestepped. Micro-economics deals with tangible things like land, labour and capital. Macro-economics deals with financial matters. Search as you may, you will find that the relationship between the two is never explained.

Micro-economics

Professional economists - that is, any economist who has held a tenured, official paid position in service of the university as an employing body - base their teachings of micro-economics on the ‘Circular Flow’. According to this body of theory, Households supply Firms with the resources Firms need to produce wealth, so that, in return, Firms supply Households with what they need. Households have what Firms need, and Firms produce what Households want.



The Circular Flow

Citizens, in their capacity as economic agents, leave their Households and go to work in a Firm. They are employed as labour, as landlords or as investors in order to produce the ‘utilities’, the goods and services which the Firms can then sell on ‘the market’. The workers, as labour, landlords or investors, receive an income for their sacrifices to the Firms. Incomes take the form of wages, rent or dividends. Each Household then goes to the market, shopping from the goods supplied by the Firms for a basket of goods that yields personal satisfaction. They buy food, clothes, cars, holidays and so on. Thus the ‘utilities’ created by the productive process are destroyed by consumption, and they go ‘back to the treadmill’ for the next cycle of production and consumption.

In this model, unfortunate facts must be twisted to suit the theory. Nowhere is it ever explained how

it is that some 'Households' have a legal title of ownership to land, or to capital goods (factories, machinery etc.). In real life the original distribution of property access changes the nature of the entire game. Some Households own nothing but their labour which they are forced to try and sell to stay alive.

Furthermore, the Circular Flow presentation of the economy at micro-level assumes that money acts as a neutral measure of value. It is as if a series of barter-like exchanges were taking place. However, in any exchange involving money, money does not act as a neutral measure of value. Far from it. Money always acts as a third party to the exchange. If I have an apple and you have an orange, we can agree a direct, barter-style swap according to our own personal evaluation of the worth of the two 'goods'. If, however, money enters into the equation, the whole situation changes. Now I can sell you the apple for £2, buy the orange for £1, and end up £1 better off. There is no *necessary* relationship between the money value of the apple and the money value of the orange. All depends upon the original allocations of the money and the resources prior to the transaction.

This observation is of crucial importance. If money was indeed nothing more than a convenience, easing the path of barter-like exchanges, a socially sane and ecologically sustainable economy could emerge. Making money out of money would become a thing of the past.

One giant confidence trick – macro-economics

Within the economy of the Machine Age, people go to work to earn the money, in order to spend it on the goods and services produced through economic activity. It therefore becomes necessary to account for the presence of money in the economy. Hence the invention of macro-economics. Money is created by financial institutions which are backed by the force of law. Currently, banking and financial institutions determine the choices made available to every individual citizen the world over¹. Money does not have any intrinsic value. It is not gold, nor is it backed by gold. Even when it was backed by gold, it was a very tenuous relationship, giving the illusion of a solidity which simply was not there. Whether the world economy is backed by gold or some reserve currency matters little. It remains one giant confidence trick.

The task of macro-economics is to restore confidence when world finance is blatantly seen to be failing to deliver the goods. Hence errors are explained away in terms of a mass of statistics purporting to show how inflation causes unemployment, without attempting to explain why war creates employment and a strong economy, whilst peace causes economic stagnation and unemployment. Quite simply, and in short, economic theory is taught to maintain the money illusion.

The money illusion

Reams and reams have been written on the subject of money, and it makes interesting reading². Money can, by definition, be exchanged for real things. But *it has no intrinsic value whatsoever*. It is merely the general agreement to accept it as money in a specific context. US dollars, the Euro and UK pounds may be acceptable in the world marketplace, as things stand at the moment. But they have no real, tangible existence. You cannot touch them, weigh them, feel them. They are ephemeral. Before the Agrarian and Industrial Revolutions, money was used for military purposes or for trade in luxury goods: it did not form a central feature of everyday life. Moreover, at that time money took the form of tangible, desirable precious metals. These could be seen, weighed and exchanged by agreement between the two parties concerned. Literally, a pound's weight was worth a pound.

The Bank of England was established in 1694, as we have seen, to administer the National Debt. Although gold and silver coins of the realm continued to circulate, stamped with the head of the monarch, from that time forward an ever-increasing percentage of financial transactions took the form of pledges and redemption of debt, transactions in which no actual, tangible, material item was involved. From that day forward, money has been created as debt, and remains nothing but a belief that the debt will be repaid in some acceptable form. Today, money takes the form of belief in blips on computer screens.

In short, money is a matter of pure faith. It is a profound, all-embracing confidence trick, an illusion on a grand scale. Only a tiny proportion of transactions – perhaps 3% of the total – take place in the form of cash, notes and coins which can be passed from pocket to pocket in exchange for real goods and services. 97% of transactions are conducted through computer transactions³.

Money and the war economy

Throughout the centuries since the founding of the Bank of England, the world financial economy has grown in size and sophistication. The entire macro-economy is based upon debt-financing, a form of financing which bears no relationship whatsoever to the real economy, *i.e.*, the management of the earth's real resources by human beings working on the land. The most profitable form of financial speculation is war. When war breaks out, finance is necessary to recruit the soldiers, and to produce the uniforms and armaments necessary to facilitate mass slaughter. The financial economy goes into full swing. However, until the time of the Napoleonic Wars, the amount of gold in a country limited the amount of debt financing necessary to expand economic activity. Without going into the finer points of fractional reserve banking⁴, Britain officially 'left the Gold Standard' for the first time in 1797, in order to prepare for war.

Preparation for the war against France in 1797 involved the government borrowing from the banks in order to build up stocks of the supplies necessary for the conduct of war, and to recruit a standing army. The national debt rose. In this period, as during the war itself, employment rose, *i.e.*, men were drawn off the farms and off the streets into 'employment'. At the end of the war, however, as the government sought to pay off the national debt, the money supply was drastically reduced. Workers in mills, armaments manufactories and the military were laid off, so could not afford to buy such produce as was available for potential sale on the market. Deprived of access to land, and of the skills necessary to support themselves from the land, the unemployed literally starved.

The official version of the history of the political economy purports to tell of more enlightened times, as various forms of poverty relief were introduced. But as the financial economy became increasingly divorced from the real economy of the land, the natural world and the common people, poverty relief became increasingly essential to combat ever-increasing levels of poverty. Throughout the nineteenth century, economic progress and prosperity was generated through preparations for war. Peace brought inflation, stagnation, depression.

At the outbreak of the First World War, a paper £1 note was still a 'promise to pay the bearer', and could indeed be redeemed in hard gold on request. The financial system operated on the assumption that only a small fraction of transactions would ever involve an actual demand for gold. When war was declared, however, a wholesale demand for specie was anticipated. The run on the banks was prevented by closing the banks, so that a new paper money could be issued, one which was not redeemable in specie. Such was the buoyancy of the war economy that trade prospered. The new,

entirely worthless, paper money was fully accepted as legal tender in settlement of debts, including the payment of wages and salaries. Finance was all set to dominate social policy throughout the twentieth century.

By the mid-twentieth century, following the horrors of World War II, it might have been possible for humanity to embark upon an age of leisure. Instead, the Cold War was deliberately engineered to simultaneously increase military power and the financial economy through which such power is achieved. Beginning in 1950, under the Truman Administration, and continuing with all administrations since, the United States became the first known industrialized nation to explicitly and permanently, although secretly, to maintain an *increase* of hours of employment. To maintain the military-industrial requirements of the Cold War, the authors of the then secret National Security Council Document 68⁵ proposed the US government deliberately escalate the Cold War by introducing a massive rearmament programme. In order to sustain the ongoing military build up, ostensibly to contain the Soviet Union, a permanent national economic expansion was deemed necessary. Through financial measures, the United States increased the allocation of real resources to a build-up of the economic and military strength, without suffering a decline in its real standard of living. In short, the population were bribed into working longer hours over a lifetime in service of the military/industrial complex. Their reward was an increasing array of consumer goods in the form of ersatz food, culture, leisure and all manner of designer consumption. The potential age of leisure was diverted into the age of the leisure industry, in which the citizen has lost all semblance of political control.

¹ For an example, see Frances Hutchinson, *What Everybody Really Wants to Know About Money*, Jon Carpenter (1998), p159-60. See also the Appendix to the same book, for expanded discussion of the main schools of economic thought.

² See e.g., Glyn Davies *A History of Money: From Ancient Times to the Present Day*, 1994. Edward G Griffin *The Creature from Jekyll Island: A Second Look at the Federal Reserve*, (1994)

³ See Andrew Jackson and Ben Dyson, *Modernising Money*, Positive Money, 2012)

⁴ See Hutchinson et al, *The Politics of Money* (2002) , Chapter 3 Money, Banking and Credit.

⁵ <http://en.wikipedia.org/wiki/NSC-68> and see also http://en.wikipedia.org/wiki/Working_time#United_States

Chapter 5: Wage Slavery in the Machine Age

As the Industrial Revolution progressed the peasant farmer ceased to be an independent and responsible member of the village community. He became instead a wage slave in a vast industrial economy. Rational Economic Man (REM) has no understanding of how to harness the natural resources of the earth. Hence he cannot be consciously aware that his actions, as worker and consumer, have dire impacts upon other people's life chances, on those of his own children, and of the entire human community. All he has to do is to pass exams, become an expert in one narrow chosen field, work for the highest money reward offered by the system, and with that money buy whatever he pleases. The only restraints are externally imposed laws of which he has had no hand in the making. REM, the economic agent, earns and spends money, rather like an immature infant, demanding more and more without taking mature responsibility. He can only do as he has been taught.

The wages system

Under the wages system, the worker has no say in the planning of the work or in the conditions of work. He or she has to follow orders given by a superior. The worker is rewarded by a money wage or salary which is taxed according to the rules determined by the powers at the top of the centralised pyramids of the big banks and the big corporations of bureaucratic capitalism. As Guild Socialists Maurice Reckitt and C.E. Bechhoffer explained a century ago:

“The fundamental basis of the revolutionary case against Capitalism is not that it makes the few rich and the many poor – though this is true; not that it creates social conditions which are a disgrace and an amazement in a civilised community – though this is also true; not that it brutalises the rich by luxury, stifles beauty, and frustrates the hope of craftsmanship for the worker – though, indeed, it does all these things; but that it denies and degrades the character of man by the operation of a wage system which makes the worker of no more account than a machine to be exploited or a tool to be bought and sold. The seed of all our glaring social failure and distress today lies not in any imagined ‘problem’ of poverty, nor in any inevitable ‘stage’ of economic development¹, but in a vile conception of human relationship that has entered into and now dominates all our social life and has invested it with its character of injustice and insecurity. This spiritual failure to which we have come finds its concrete expression in the wages system. Its assumptions and even its ideals (if we can call them so) have won so great a victory over the minds and wills of every section of our countrymen that its creed is the credo of England today. Few challenge it; few have the spirit even to desire an alternative, far less to struggle for one. That men should be forced by the menace of starvation to accept a price for the labour which is all they have to sell, to subdue all their purposes and all their gifts to the purpose of others (*and that purpose profit*), to lay claim to no right of control over the conditions of their working lives, nor any power of government over those who direct them in the workshop, to be divorced from responsibility and all the attributes of free status, to have upheld before them no standard but that of gain, no incentive but the bribe (often fallacious) of higher wages – this pathetic distortion of human fellowship, this vile and perilous imprisonment of the human spirit, is actually accepted as natural, and even providential, by nearly all those who triumph by means of it, and by the vast majority, indeed, of its victims.”² [Emphasis added]

Under the finance capitalism system, people leave their Households and put their resources into the service of the Firms. The Firms make the products, so that the Households can buy them back. In theory there is a ‘free market’. But in practice policies are dictated outside the Household. Distant bureaucracies, governments and financial institutions determine what can be produced and consumed. Very few Households require military products. Yet these form the backbone of the financial economy. In other words, control of the real economy of the earth's resources and human labour lies outside the control of the worker class, that is, virtually *all* employees of the system, from

the very highest paid executive to the most menial dogsbody.

The mass market economy

The massive scale of corporate world production relies on REM following orders for a money wage, and asking no fundamental questions. Human survival, on the other hand, is dependent upon a dawning realisation that there are limits to the degree of urbanisation that can be tolerated by the natural environment and by the human body. The natural limits to growth call for new forms of farming communities working on the land, drawing inspiration from students of William Cobbett's vision of 'cottage economy'.³

The wages/salary system could end overnight, if some electronic, financial or social crisis escalated totally out of control. That would certainly put an end to the power of the Firm, the corporate world, to dominate policy formation. Military forces would not perform their duties if they were not paid to do so. Indeed, they could not 'work', because they would have no armaments, no transport systems, no intelligence systems, no food, no clothing, no information networks and no 'leisure' facilities, because nobody would go to work for the corporate world to provide them. The tourist trade would collapse, the mass media would disintegrate and leisure industry would cease to exist.

However, as people found the chain stores empty of food, clothes, household furnishings, tools and equipment, and fuel sources dried up, the ensuing chaos would be unimaginable. It would take considerable time for people to learn again how to farm the land locally, to develop sustainable cultures, customs and belief systems, and to educate themselves and their children into practical alternatives to their present subservience to world finance. As things stand, the World Economy is presently sustained by workers reared in Households entirely divorced from the land. Generation after generation has regarded working for money as their primary goal. The result is an unprecedented ignorance about the ways of the natural world, coupled with the incalculable loss of traditional knowledge and practical skills. All that is left is a vague residue of notions about constitutional rights, Common Law, the Rights of Man.

The Machine Stops – the story

A century ago, just before the First World War, E.M. Forster wrote a novella entitled *The Machine Stops*⁴. In common with Orwell, Huxley and most other writers of dystopian fiction, Forster ignores the role of finance as the key motivating power driving the constructions of the technological machine age. However, in many other respects the story is highly prophetic.

In 1909 – when *The Machine Stops* was written – the fastest mode of travel was by rail over land, and by steamship across the oceans. The twentieth century use of planes in commercial airlines, and as military means to drop bombs, was as yet in the future. Electric lighting, and the use of electricity generally, was uncommon in the average household, and the Internet was way off into the distant future. The urban dweller could walk into the surrounding countryside and see the mixed farming that would supply the local grocer, green grocer, dairy and butcher with produce for his table. Already, news travelled across the world via telegraph and telephones, so that the local paper could be the medium for carrying national and international news. But the editors of the main news media were known individuals whom one might bump into in the street. One could walk into the local bank, and attend the meetings of the local council responsible for the administration of local government. Forster's perception of the trend to increasing ignorance and powerlessness of the

individual is, however, uncannily accurate.

The story is set in a future age when mass transport by air has been and gone. The improvements in technological communications make it now unnecessary for people to leave their homes. All necessities are supplied by the Machine at the touch of a button. All over the world, individuals live, each in their own identical cell located down passageways deep underground. The air is constantly renewed and kept at a constant temperature. All communication is electronic.

New foods with different flavours and textures are constantly being manufactured, to be tried on request. Mechanisms supply water for bathing, and prepare the bed for sleep. The occupants of each cell can surround themselves with the electronic music of their choice, and spend the whole day on the public airways, chatting and exchanging ideas, and listening to public lectures by 'experts' on every topic under the sun. Physical contact with other individuals or with the natural world is to be avoided unless strictly necessary. Medical intervention is administered mechanically, according to the symptoms as described over the telephone, the patient being manhandled by the 'apparatus' controlled by some distant, unseen medical practitioner. Life is about exchanging second-hand ideas in an artificial world which demands nothing from the citizen/consumer save that he/she follows the rules laid down by the distant, anonymous 'Committee of the Machine'.

God has been abolished by decree of the Committee of the Machine, and there are no books. Only The Book, the instruction manual of the Machine, sits on the bedside table, to be kissed, stroked and caressed as things begin to go wrong. The manual tells the user how to operate the Machine, in order to get the entertainment they desire, and the things they need to survive – food, air, water and light. But it does not tell how the Machine was built, or how to repair it. Once things start to go seriously wrong, there is nobody left alive who has any idea how to prevent it from disintegrating.

Kuno is a rebel. He asks fundamental questions, such as who built the Machine? How? And why? Who dug out the passages, and fitted all the tubes and wires of the now constantly humming machine? How did they live? His researches take him physically into the (forbidden) open air of the Wessex Downs, and historically to the pre-modern times and circumstances of Alfred the Great. As the Machine starts to break down he is in a position to realise that, brilliant though each separate area of technological development might have been, nobody on earth has the beginnings of a clue as to how the artificial world of the Machine came about in its totality. Each separate area of professional expertise, though excellent in its own right, cannot connect with other areas in the totality of the systems of the Machine.

The Machine disintegrates, and human beings across the world expire in total helplessness. The dying Kuno reflects that it will be up to survivors on the earth's surface to create a sane and sustainable society.

Understanding The Machine

The scenario presented by Forster is a neat description of the type of dystopia likely to result from the continued dogmatic pursuit of technological excellence in a social, cultural and spiritual vacuum. Such single-minded devotion to secular materialism must be at the expense of human health, happiness and sanity.

A diet of purely synthetic foods, as depicted in *The Machine Stops*, would further escalate the

incidence of obesity, cancer, diabetes, Alzheimer's and other degenerative diseases, already reaching epidemic proportions. No amount of medical technofixes *after* the damage is done can restore the body to the normal conditions of fitness found amongst indigenous subsistence farmers. Practitioners of sustainable agriculture, organic farming and permaculture are well aware that eating is an agricultural act, and healthily sourced food is a vital part of good health.

Forster's vision of underground cell-dwellers submitting their minds and bodies to the dictates of the Machine is hauntingly plausible. A century ago, when Forster wrote, it would have been unthinkable to allow a medical apparatus to overpower one's body and administer unknown drugs without one's understanding, and hence full consent. It would have been unthinkable to have to endure the endless hum of the Machine, to be deprived of access to the open air, the smells of the soil and the living earth, the sunlight, the wind, the rain, the moon and the stars above. Yet a fear of the wild, natural world is now widely in evidence. Many homes cannot function at all without electricity, and many individuals live through TV and the Internet.

Forster leads the reader into a very plausible scenario. As the story opens, the Machine still allows access to the natural world for research purposes. However, only rebels, those who ask serious questions about the nature and purpose of the system, are interested in obtaining the necessary permission to visit the natural world. As the story proceeds, visits to the earth's surface are banned. The desire to question the system is pronounced 'un-mechanical', a heresy, a sign of insanity. When the Machine starts to break down, and the mechanisms no longer function properly, the cell-dwellers at first voice polite complaints. They are content with replies assuring them that the 'Committee of the Machine' is looking into the matter and will rectify it as soon as possible, until finally panic sets in.

The highly skilled workmen and technicians who constructed the Machine were perfectly sane. They merely followed orders as waged workers without giving a thought to the blueprint of the over-all system they were constructing. The sane employees of the financial system as we know it today – *i.e.*, all waged and salaried workers who follow instructions in return for the perks of modern living – have indeed abdicated their civil rights and responsibilities. They – we – have ceased to think logically about our constitutional rights and how the exercise of our rights relate to the common good. Over the course of the twentieth century local democratic controls over land use and rights of ownership were progressively usurped by the corporate, commercial world. The total absence of constitutional considerations in the processes of urban construction is the result. Undeniably, this is a matter requiring urgent attention.

¹ The reference is to the Marxist claim that capitalism is a stage towards the inevitable evolution of the communist worker-state.

² Maurice Reckitt and C E Bechhoffer (1918) *The Meaning of the National Guilds*, Cecil Palmer, London.

³ William Cobbett *Cottage Economy*. See also G. K. Chesterton's *William Cobbett*,

⁴ The text of the story is widely available, being in print (Penguin) and also on the Internet.

Chapter 6: Taking Stock

The ‘business-as-usual’ corporate world can focus on finance, whilst completely ignoring humanity’s dependence upon the natural and spiritual worlds. But that can only continue up to a certain point. Thereafter, something very like the scenario predicted in *The Machine Stops* is unavoidable. The stark truth of the matter is that if the electronic money system were to suddenly disintegrate tomorrow, through unknown and unforeseen factors, there is very little that we ordinary people could do about it. What is more, there is very little that we ordinary people would be able to do *at all*. Without the food, clothing and wherewithal currently being supplied to us through the electronic banking and delivery systems¹, every single one of us is as helpless as a babe in arms.

The foregoing chapters present the history of the money economy as we know it. The question now is – where do we go from here? The quest for reform of the economic and political systems under which humanity lives at this point in time hangs on the crucial question of the motive force behind the quest. For fear of the unknown, we may seek to put the financial economy back on its feet, so that the corporate world can continue to spew out the material goodies necessary to keep the people in the condition of wage/salaried slavery. But that could only be sustained through violent physical and psychological controls of the type envisaged by Orwell, Huxley and others². For any realistic reform to take place, a revolutionary change of heart and mind on the part of the ordinary householder is essential.

Spiritual life, civil rights and the real economy

Fortunately, we do not have to reinvent the wheel. Throughout the twentieth century, progressive thinkers have provided the serious inquirer with food for thought. In *The Threefold State*, published in English in 1920, Rudolf Steiner presented the case for thinking in terms of a threefold state or ‘commonwealth’. In all societies one can observe three spheres working together:

- (1) There is **an economic** sphere having to do with everything necessary for man’s regulation of his relationship with the material external world.
- (2) There is a **political or equity** sphere dealing with the social rights and relationships between man and man.
- (3) And there is a **spiritual or educational** sphere covering all that must come from the individual person, all that proceeds from the human personality and makes its way into the structure of the society.

Arnold Freeman, well-known educationalist and student of Steiner observed that people can put forward ideas for political and economic change. But to put ideas into practice it is necessary to free “science, religion and art – education in all its forms – from dependence upon industry and politics.”³ Charles Waterman further amplified Steiner’s thoughts on the threefold commonwealth:

“For the purposes of analytical description we are compelled to speak of the spiritual, political and economic spheres as though they were separate: rather as a lecturer on physiology has to single out the nerve system or the vascular system. But this he does only on the conceptual level; he cannot go to an actual living body, isolate part of it and say, ‘Here is the nervous system’, or ‘Here is the vascular system’. For almost everywhere in the body he will find nerves and veins conjointly present. Similarly, although on the conceptual level we can and must speak severally of the spiritual sphere, the political sphere, and the economic sphere, we never encounter one of them alone. They

interpenetrate always, and must do so; for it is the activities and relationships of human beings which constitute the three spheres; and wherever we find human beings living in society, there we find, inseparably interwoven, a spiritual life, a political life, and an economic life.”⁴

Because it controls education and the popular media, the all-powerful global financial system has had a free hand to dictate policies in farming, industry, health, education and all the institutions created by the military/industrial complex. But signs of change are just beginning to emerge. Based on the principle that small is beautiful and local is best, systems of financing local SMEs (Small and Medium-sized Enterprises) to provide local people with local services, through local employment have all too briefly appeared in the news media. Inadequately reported by the mainstream press, such schemes nevertheless offer imaginative ways out of the financial quagmire.

The economy of survival

For humanity to survive into the foreseeable future three considerations must be taken into account: the health of the human body, the fertility of the land, and the survival of the natural world.

The health of the human body depends upon healthy eating, that is, on the consumption of unprocessed, unadulterated fresh foods. The food ‘industry’ has been at great pains to disguise this truth from the general public. Since the end of World War II the consumption of a high meat diet, and refined foods high in processed fats and sugars, grown mono-culturally on land gradually denuded of its humus and organic matter, has been encouraged by the big corporations. At the same time, healthy farming practices designed to produce healthy foods, have been financially and legally priced out of the market. The result has been a sharp escalation in cancer, heart disease, diabetes and other forms of diseases which are noticeable by their absence in traditional farming communities⁵.

The fertility of farmland requires cyclical policies, where wastes are recycled as inputs. The financial economy, however, operates on a linear model, taking wealth from the land and spewing it out elsewhere as contaminating wastes.

The survival of the natural world is essential to the continued productivity of the land. Wild varieties of plants, including trees and hedgerows, pollinating insects, fish, birds, and wild mammals, all supply essentials to the farmland, essentials which cannot thrive under conditions of mono-cultural cash cropping. A clean, healthy and flourishing natural environment is essential to the survival of humanity, not only in the material sense but also in terms of artistic and spiritual values. The essential nature of the cycles of the seasons and the beauty of the productive landscape have been recognised by writers with practical, hands-on farming experience, from William Cobbett to H.J. Massingham and Wendell Berry, the farmer-poet⁶.

Sustainable Development

By the end of the twentieth century many of us were convinced that the greening of industry was on the agenda of industrial corporations, governments and a growing number of consumers. It was only a matter of time, it seemed, before ‘sustainable development’ would become mainstream. In the 1989 European Elections Green Parties in Germany and elsewhere emerged to demand legislative curbs on the most polluting industries. Although the first-past-the-post electoral system denied the UK Green Party any representation in the European Parliament, the 15% of the vote gained by the Green Party indicated widespread popular support for the policies put forward by leading media figures in

the party, notably Sarah Parkin and Jonathon Porritt. Subsequently some ‘green’ regulatory statutes were introduced in Europe, ‘sustainable development’ appeared on the university agenda, and it seemed that genuine progress was being made. In the mid-1990s, as my son Andrew completed the research for his PhD at Plymouth Business School, we collaborated in presenting joint papers at ‘sustainable development’ conferences. And we were even commissioned by McGraw-Hill to write *Environmental Business Management: Sustainable Development in the New Millennium*, a textbook for use in Schools of Business Management. For a while, we were beguiled into the belief that built-in obsolescence was on its way out, and that sustainable ‘cradle to grave’ planning of all industrial products was on its way in.

It was all an illusion. As the Head of Environmental Sciences at Bradford University told me quite frankly when the book was published: “If we adopted your book in our Department we would end up with a load of unemployed graduates”. Like Clifford Hugh Douglas before them, and William Cobbett earlier, Jonathon Porritt and Sarah Parkin ceased to be household names. Once again, the ethically sane, ecologically sustainable human-scale approach to political economy has been eliminated from public consciousness.

Green austerity and the well-to-do

Over the course of the twentieth century, the corporate world replaced political, theological and philosophical studies with the study of the materialistic sciences as ends in themselves. Thus scientific research has been more concerned with devising military hardware, nuclear power, big dams, pharmaceutical products for agricultural and medical use, and all the paraphernalia of disposable consumer technology, than in promoting a sane social order based upon a balanced relationship between the economic, the cultural and the political rights spheres. Higher education trains youngsters for the well-paid, highly mobile careers offered by the corporate world. If they have to wreck good farm land, to disrupt local communities or create waste lands, they feel that the size of the salary indicates that their acts can be justified in the name of “industrial progress”. In short, the sole purpose of the universities and colleges of higher education, and the mass education system as a whole, is to churn out the ‘experts’ needed to run the military/industrial machine.

Ironically, so-called ‘alternative’ thinking has, on the whole, been confined to the same affluent families who have done very well out of the system as it is. This “powerful class of itinerant professional vandals” can afford organic foods, ethical consumerism, the products of biodynamic farming, fuel-efficient homes and Steiner-Waldorf education for their children. In the meantime the masses find themselves rooted in their local communities, performing the low-paid menial tasks, politically powerless, culturally deprived, and living in squalor, ignorance and chronic financial uncertainty.

Rothschild principles

It seems very likely that we have reached the stage where protests at injustice, and demands for constitutional rights, fall on the deaf ears of senior salaried employees of the State/ Machine/ Corporate World, call it what you will. Scientific, medical and engineering research in universities is funded by big corporations, by the pharmaceutical companies, oil giants and armaments manufacturers. These powerful corporations can sift out what is financially profitable from what is ecologically sustainable and socially just, and wipe the latter groupings off the agenda. Hence all decisions as to what should be produced, and by what methods, have been taken clean out of the

hands of the ordinary citizen, and vested in salaried employees of the corporate world. The worker class slavishly follows orders, on the basis that if a job is worth doing, it is worth being *paid* to do it.

One of the many the twentieth century whistle-blowers who drew attention to this trend was Kenneth Mellanby. Director of the Monks Wood Experimental Station at Rothamstead. A fearless and lucid critic of inefficiency and humbug in government and academic matters, he criticised unnecessary secrecy in government research, highlighting the disorganisation of research following reforms initiated by Lord Rothschild. At the time of the publication of *Can Britain Feed Itself?*⁷, Mellanby was described as “the leading ecologist in Britain”. He warned of the dangers of urban sprawl and tarmac over the countryside and examined the flawed policies of expanding meat production through use of grain feeds to cattle. Although he was aware that all was not well in farming policies, he was nevertheless a progressive thinker, regarding much new research as a ‘good thing’, and financial viability as a necessity. Subsequently, however, it has become increasingly apparent that the exclusive focus on *financial* viability spells disaster in terms of the health of farm lands, of the natural environment and of the local population.

Traditional farmers have always been conscious of the necessity for returns to the soils on all three counts - for soil fertility, for the health of humans and livestock, and for the preservation of the natural world without which humanity cannot survive. However, these concerns are ignored wholesale by the commercial interests which currently fund research in the formal education system. As the writer of Kenneth Mellanby’s 1994 obituary in *The Independent* put it:

“The Rothschild principles of government departments as ‘customers’ and research organisations as ‘contractors’ were already being implemented: he [Mellanby] was totally opposed to them and made his views known. He undoubtedly upset the Establishment and this can be the only reason why his outstanding efforts at Monks Wood were not recognised with further honours”⁸

The funding and character of university research was already shifting in the direction of ‘contract research’. Those purchasing such research have been able to claim ownership and control over its conduct, its publication and its application to commercial ends.

In short, to put it plainly and simply, but bluntly, the institutions of the Machine Age are designed to give power to a small elite sitting at the top of a pyramid of power. The person-in-the-street plays no more than an allotted role within the institutions of learning, of politics and of economics. And yet, if all the ordinary people began to wake up and view society honestly and impartially, the powers-that-would be rendered powerless.

The City State – small is beautiful

The small person, operating within the manageable parameters of an individual locality can be a powerful force for change. The concept of ‘small is beautiful’ has been around for some time now. Its pioneer, Leopold Kohr was born in 1909 in Oberndorf, a village of 2,000, situated fifteen miles from the Austrian city of Salzburg. The cultural climate of the once independent city state of Salzburg formed a model which influenced his thinking throughout his life. As he was later to describe it:

“The rural population that built this capital city of barely more than 30,000 for its own enjoyment never numbered more than 120,000. . . . Yet, single-handedly they managed to adorn it with more than 30 magnificent churches, castles, and palaces standing in lily ponds, and an amplitude of fountains,

cafes, and inns. And such was their sophisticated taste that they required a dozen theaters, a choir for every church, and an array of composers for every choir, so that it is not surprising that one of the local boys should have been Wolfgang Amadeus Mozart. All this was the result of smallness, achieved with not an iota of foreign aid. And what a rich city they made it into.⁹

The City of Salzburg was very much like the city-state Kohr came to admire and advocate. Today, however, the global chain stores and fast food outlets litter the ancient streets of the old town. Designed, managed, manned and patronized by the 'worker' class of waged and salaried workers, these retail establishments bear witness to the cultural climate – the spiritual values - of the Machine Age.

However, the population that built the City of Salzburg continued to maintain contact with its rural roots. Until well into the twentieth century the mountains, fields and forests surrounding the city provided food, fuel and the natural materials for building and furnishing homes according to ages-old traditions and customs. The natural setting of the city was also a common cultural inheritance, the setting for the folk stories of the surrounding mountains, forests, fields and villages.

During the Middle Ages city states were built all over Europe. The scale of each local government area was such that the economic management of natural and human resources, the body politic and the cultural sphere could be comprehensively reviewed and participated in by the ordinary citizen. Large scale specialization was neither possible nor desirable. Hence all three social spheres – the cultural, the economic and the political - related to each other comprehensively.

It was in the English-speaking British Isles that the new culture of the Machine Age first emerged and took shape. As we have seen, the cottage economy of William Cobbett, and the village economy of Tolkien's Shire, were swept aside to make way for the modern political economy which would allow the new technologies of the industrial age to be developed. History cannot be changed. But the official story told may be nothing but a pack of lies. The task ahead is to sift for the truth about where we are, and how we got here.

¹ Andrew Jackson and Ben Dyson, *Modernising Money*, p 279.

² See Aldous Huxley, *Brave New World* and George Orwell, *Nineteen Eighty-four*. See also Phillip Day, *The Mind Game*.

³ Foreword to reprint of article by Rudolf Steiner entitled "Spiritual Life, Civil Rights, Industrial Economy", Rudolf Steiner House, 1922.

⁴ Charles Waterman, *The Three Spheres of Society*, Faber and Faber (1946).

⁵ See, e.g., the many sources referenced in *The Gaia Atlas of Planet Management for today's caretakers of tomorrow's world*, Norman Myers (ed) Pan Books 1985. Also Phillip Day, *Health Wars*, Credence 2001.

⁶ See Appendix 1

⁷ Kenneth Mellanby *Can Britain Feed Herself?*, The Merlin Press, 1995.

⁸ See <http://www.independent.co.uk/news/people/obituary-kenneth-mellanby-1406138.html>

⁹ Cited by Kirkpatrick Sale in his Introduction to the 1978 edition of *The Breakdown of Nations*.

Chapter 7: The Hotbed (Agronomic) University

Modern society has made the bank account the standard of values.

When this happens, the banker has the power.

When the banker has the power, the technician has to supervise the making of profits.

When the banker has the power, the politician has to assure law and order in the profit-making system.

When the banker has the power, the clergyman is expected to bless the profit-making system or join the unemployed.

When the banker has the power, the Sermon on the Mount is declared impractical.

When the banker has the power, we have an acquisitive, not a functional, society.¹

A very little elementary research is all that is necessary to discover that the modern education system in general, and the university system in particular, is in the vice-like grip of finance. Over recent decades the Corporate World Order has trained workers to undertake waged or salaried employment, offering them more and more material goods – more cars, fitted kitchens and bathrooms, designer clothes and technological toys of every description – so that they will continue to produce profitable pharmaceutical products and military equipment, whilst giving no thought to the power of the banker. The Corporate World Order has never encouraged people to accumulate more ‘internal’ goods², to read, to study or to think for themselves. As a result, learning has been reduced to rote learning, the ability to regurgitate received information for the purpose of acquiring the certificates and paper qualifications necessary to slot into a salaried position, working for the corporate world.

It is now necessary to *educate our children* so that they will be able to apply common sense solutions to the real-life, practical, hands-on situations in which they will find themselves in the localities where they will live and work. In future, it will be neither practical nor desirable to remain dependent upon the fluctuating finances of international banking and the corporate world. New ways of thinking about life, money and our own personal role in the overall scheme of things will, in the not-at-all distant future, cease to be a personal whim, becoming instead the hallmark of the responsible citizen. In order to educate our children, it is first necessary to educate ourselves.

The ‘Agronomic’ or ‘Hotbed’ University

The way forward would therefore seem to be to develop forms of mutual self-help in adult education rooted within the local communities in which we live and work. Peter Maurin, author of the opening quote to this chapter, grew up in a peasant household in southern France. Way back in the 1930s he encouraged ordinary men and women to educate themselves (as he had done) in the arts, sciences, politics, theology and philosophy. He used the phrase ‘agronomic university’ to indicate a particular blend of theory and practice based upon the knowledge and skills necessary to work the land. With Dorothy Day, he envisioned farming communes and crafting communities as places where “workers can become scholars, and scholars can learn to be workers”.

As the Peter Maurin quote indicates, by the twentieth century finance had come to dominate all aspects of society. The ‘technicians’, i.e., the workers in the real-life economy, must be concerned with making financial profits. The politicians, i.e., those who make the laws of the land, are governed by the primary necessity to secure rights of property ownership (including intellectual property), so that finance can prosper. And the ‘clergymen’, i.e., all teachers in the ‘spiritual’, cultural and artistic sphere must make all understand that working for money and ‘making’ financial profits, are essential

features of social interaction.

When the three aspects of society – the real-life economy, the political or rights sphere, and the cultural/educational spheres – are all dominated by finance then we do, indeed, have an acquisitive society. What's in it for me? What can I personally get out of it? I haven't time to tell a story to a group of children, and they have no time to listen. I have no time to visit the sick, or to attend to my own physical, mental or spiritual welfare, because I have got to work for my money. The real-life economic footprint of the local economy, the workings of local government, the welfare of the natural world around me, the pursuit of the arts, the sciences and the cultural and practical skills of living in community, these aspects of real life must be set aside for the time being, if not for ever. Sorry! I just haven't time. And so, society and the planet's life support systems crumble before our very eyes.

A Functional Society

Of one thing we can be absolutely certain. International finance will never produce a functioning real-world economy. It can only produce more of the same. Over the past century so many writers and thinkers have been excluded from 'mainstream' debate because they did not teach that financial viability is the litmus test for all valid social interaction.

Peter Maurin recognized the necessity for a functional society to be based upon the ability "to learn how to grow our own food, build our own homes, think critically, treat one another compassionately, and deepen our commitments to a spiritual tradition – in short, to experience the fullness of what it means to be human."³ Such thinking is in line with that of Joe Dominguez and Vicki Robbin, as quoted in Chapter 1, with that of Wendell Berry and so many others.

If we feel anxious, short of money and short of time, if we are constantly going down with bouts of illness, if our children are persistently stressed, or a source of stress, if throwing money at the situation makes no difference, or if money is simply not available, then it is time to do something about it. And the only people who can sort things out are the members of the particular household in question. There is no alternative but to take stock by having a re-think on the lines suggested in the above paragraph.

The Corporate World Order needs you far more than you need it. As these chapters have shown, alternatives to waged and salaried slavery in the service of finance are all around us. It is simply a matter of taking time to study and think things through. In 1987 Wendell Berry, farmer, philosopher and poet, published a series of essays under the title *Home Economics*. He speaks of his own task as being to make himself "responsibly at home in this world and in my native chosen place". His title reminds us that the very root of economics is stewardship, household management. "To paraphrase Confucius, a healthy planet is made up of healthy nations that are simply healthy communities sharing common ground, and communities are gatherings of households." According to Wendell Berry, the healing of the planet must begin at home, within the household. A short extract from *Home Economics* is included as an appendix to this chapter as a basis for preliminary discussions in your "native and chosen place".

Culture, economy and rights

For some decades a subterranean movement has been gathering steam. It quietly questions the sanity

of the politics, the practicality of the economics and the cultural values of the Machine Age. In their own localities across the globe, individuals have sought out others of like mind, in order to engage in practical schemes growing local food for local use, whilst providing education, banking, caring and other services for themselves, their families and their local communities. Local learning networks are beginning to form into a more systematic exploration of the potential for building from the local base, from the grass roots, upwards.

As noted in Chapter 6, three elements can be detected as having a separate but interdependent role to play in every society. The task for the future is to untangle the local economic, spiritual/educational and political spheres from the all-pervasive networks of the Corporate World Order.

Local small and medium-sized businesses (SMEs) can serve local needs in ways which can never be achieved by massive corporate bodies. But there is a long way to go if such initiatives are to survive. Over recent decades theory in the universities, and practice in law and finance, have weighed on the side of size. The so-called 'economies of scale' are a complete illusion, nothing more than theory manufactured deliberately to disguise the truth. It is a matter of indisputable fact that the big corporation can employ financial and legal clout to wipe out the small local operator.

Local SME pioneers

When Dave Fishwick, self-made millionaire, observed that local SMEs in his home town of Burnley were being starved of finance by the high street banks, he set up a bank to solve the problem. With a small team of helpers, he secured an empty shop and started taking in deposits from local people, offering them interest at 5% AER regardless of the size of the deposit. With due safeguards in terms of insurance and personal vetting procedure, he then offered relatively small loans to local businesses with sound ideas but who were strapped for cash. The idea caught the imagination of local people, so that deposits and requests for loans came pouring in. The idea also caught the attention of the Financial Services Authority (FSA), who did not like it and told them to close down operations as they were breaking the law. After months of battles, taking the matter to Westminster, and examining similar small local banks in Germany, the opposition of the FSA suddenly evaporated into thin air. That leaves us in a 'watch-this-space' scenario. How many local town communities can find a Dave Fishwick and follow suit by setting up their own local Savings and Loans community bank? How many local family businesses – farms, shops, restaurants and so on - will continue to go to the wall for lack of the finance and legal clout of the corporate world?⁴

Down-to-earth theory

As the Adam Smith Institute notes in relation to the Bank of Dave phenomenon (see Appendix 2: "The Bank of Dave and our Broken Banking Laws"), the regulators and big business are in cahoots with each other, in opposition to the rights of the small operator. In fact, across the board, regulations on food, medicines, property rights, citizens' rights, copyright laws, health and safety and so on, all operate in favour of the centralised bureaucracies and against small and local forms of self-government and organisation. What is therefore called for is study and informed debate on these issues at the most local level.

Every single one of us alive today has been indoctrinated into the cultural framework, the overarching belief system, of the Machine Age. We have seen, in these pages, how and why political and economic history took the turns it did to land us in the present predicament. And predicament it is, make no mistake about it. The results of technological progress are impressed upon the landscapes

of the world. They impact upon the bodies and minds of every producer and every consumer of the products of industrial processes. Disease is rampant. Only the very well paid 'itinerant professional vandals' described by Wendell Berry (see Appendix 1) constantly deny the fact, because their acquisitive lifestyle depends upon pretending that society no longer exists. The truth of the matter is that ordinary people of independent thought, outside professional career structures, can no longer rely on being told what to do by specialist 'experts', because experts cannot be trusted.

Adult self-help education

Up to a certain point, we can educate ourselves. Using the Internet, we can pursue an interest in finance, law, civil rights, politics, art and so on. But the strength of the corporate world lies in its ability to fragment loyalties and destroy any sense for local community. This is where the concept of the 'agronomic' or 'hotbed' university comes into play. You cannot learn farming, business acumen, local government, health matters or arts and crafts from books, or from the Internet, isolated in your own household. But group study of a particular book – a work of fiction, or a non-fiction document, fulfils several functions simultaneously. It enhances comprehension, brings out ideas to be shared, cements relationships and leads to the creation of networks of mutual support.

An 'agronomic', 'down-to-earth', common sense' or 'hotbed' local learning environment, making local knowledge available to local people working on the ground, wherever they live, is now a vital necessity. The term 'Agronomic University' denotes an adult learning environment linked to the soil. Small, local family farms and market gardens have been particularly severely hit by the centralised culture, politics and economics of the Corporate World Order. Hence there is great potential for individual households to work together with local SMEs. By combining theory and practice imaginatively, it becomes possible to create new, decentralised social structures capable of fighting free from the centralised bureaucracies.

Agronomy is 'the branch of economics dealing with the distribution, management, and productivity of land'. The key word here is 'management'. Over the centuries of the industrial revolution the management of the real-life economy has been taken out of the hands of the local people and placed in the hands of financial interests. Instead of managing their own time spent on using, and conserving, their own resources within a 'household' or small business, trading surpluses or specialist items, workers have been forced to work in bigger and bigger enterprises where their organisational skills are rendered redundant. The result is growth in 'the economy', *i.e.*, the financial economy. However, in terms other than financial, in terms of the real-life economy, the result must come under increasing scrutiny. Lives spent, and resources consumed, in building bigger and bigger armaments factories, aircraft and container lorries so that more and more consumer goods can be consumed and disposed of as waste, produce satisfactions which are very difficult to quantify. The real-life economy needs to be evaluated at local level across the world, so that new ways of thinking can evolve about the way we manage resources. And that requires local people to come together to study the way resources are used and managed in their own localities.

Perhaps a happier term for use in the present day might be 'hotbed university', implying not only a practical method of early propagation of vegetables, but also the place of revolutionary learning, the precursor to revolutionary change.

The term 'hotbed' is taken from a recently published book by an experienced horticulturalist who has pioneered, developed and fully tested methods of using local waste resources to replace fossil-fuel

energy and elaborate equipment. Jack First's low-cost, year-round, eco-friendly gardening system opens the doors to new thinking about local independence based upon the new home economics⁵.

Down-to-earth in practice

Fortunately, there is no need to re-invent the wheel. Wherever you live at the moment, much expertise already exists in your local area. A key factor in Jack First's development of the hotbed idea is that his work has been carried on *in community*. Many examples of similar schemes can be found, where local volunteers work with children, with migrant workers and with people of disability. Wherever peasants are forced to move into urban settlements to find paid employment, invariably the first generation seeks out plots of land to cultivate some vegetables for their households. In the North of England where we live, workers in the mills, mines and factories put pressure on their local authorities until they were granted the legal right to plots of land called 'allotments'. Similar rights of access to plots of land can be found right across Europe and Scandinavia. In many places clusters of 'garden houses' provide families with ample space to grow fruit and vegetables, allow for children's play and overnight chalet accommodation for the summer months. Such schemes may have communal accommodation, where information can be exchanged and entertainment provided, offering a low cost alternative to family days out at theme parks and the like. The key secret to this provision is that it is self-help. Where people work together as volunteers on a not-for-money basis, new group management skills become essential. This is where true freedom lies.

¹ Peter Maurin, *Easy Essays* (1949), reprinted variously and available on the Internet as *The Green Revolution*. Quoted in Far East: *Magazine of the Columban Missionaries*, December 2010.

² See the work of Keekok Lee, as mentioned in Chapter 1.

³ Anglana *op cit*.

⁴ On 1 April 2013 the FSA was abolished, the Prudential Regulatory Authority (PRA) was established, the Bank of England took over the FSA's responsibilities, and a statutory Financial Policies Committee (FPC) was established.

⁵ Jack First, *Hotbeds: How to grow early crops using an age-old technique*, Green Books, (2013)

Appendix 1

Higher Education and Home Defence

Wendell Berry

Everywhere, every day, local life is being discomforted, disrupted, endangered, or destroyed by powerful people who live, or who are privileged to think they live, beyond the bad effects of their work.

A powerful class of itinerant professional vandals is now pillaging the country and laying it waste. Their vandalism is not called that by name because of its enormous profitability (to some) and the grandeur of its scale. If one wrecks a private home, that is vandalism, but if, to build a nuclear power plant, one destroys good farm land, disrupts a local community, and jeopardizes lives, homes and properties within an area of several thousand square miles, *that* is industrial progress.

The members of this prestigious class of rampaging professionals must meet two requirements. The first is that they must be the purest form of careerists – “upwardly mobile” transients who will permit no stay or place to interrupt their personal advance. They must have no local allegiances; they must not have a local point of view. In order to be able to desecrate, endanger, or destroy a *place*, after all, one must be able to leave it and forget it. One must never think of any place as one’s home; one must never think of any place as anyone else’s home. One must believe that no place is as valuable as what it might be changed into or as what might be taken out of it. Unlike a life at home, which makes ever more particular and precious the places and creatures of this world, the careerist’s life generalizes the world, reducing its abundant and comely diversity to “raw material.”

I do not mean to say that people with local allegiances and local points of view can have no legitimate interest in energy. I do mean to say that their interest is different, in both quality and kind from the present *professional* interest. Local people would not willingly use energy that destroyed its natural or human source or that endangered the user or the place of use. They would not believe that they could improve their neighbourhoods by making them unhealthy or dangerous. They would not believe that it could be necessary to destroy their community in order to save it.

The second requirement for entrance into the class of professional vandals is “higher education.” One’s eligibility must be certified by a college, for, whatever the real condition or quality of the minds in it, this class is both intellectual and elitist. It proposes to do its vandalism by thinking; in so far as its purposes will require dirty hands, *other* hands will be employed [i.e., landless labour].

Many of these professionals have been educated, at considerable public expense, in colleges or universities that had originally a clear mandate to serve localities or regions – to receive the daughters and sons of their regions, educate them, and send them home again to serve and strengthen their communities. The outcome shows, I think, that they have generally betrayed this mandate, having worked instead to uproot the best brains and talents, to direct them away from home into exploitative careers in one or other of the professions, and so to make them predators of communities and homelands, their own as well as other people’s.

Education in the true sense, of course, is an enablement to serve – both the living human community in its natural household or neighbourhood and the precious cultural possessions that the living community inherits or should inherit. To educate is, literally, “to bring up,” to bring young people to a responsible maturity, to help them to be good caretakers of what they have been given, to help them to be charitable towards fellow creatures. Such an education is obviously pleasant and useful to have; that a sizeable number of humans should have it is also probably one of the necessities of human life in this world. And if this education is to be used well, it is obvious that it must be used *somewhere*; it must be used some *where*; it must be used where one lives, where one intends to continue to live; it must be brought home.

When educational institutions educate people to *leave* home, then they have refined education as “career preparation.” In doing so they have made it a commodity – something to be *bought* in order to make money. The great wrong in this is that it obscures the fact that education – real education – is free. I am necessarily aware that

schools and books have a cost that must be paid, but I am sure nevertheless that what is taught and learned is free. None of us would be so foolish as to suppose that the worth of a good book was the same as the money value of its paper and ink or that the worth of good teaching could be computed in salaries. What is taught and learned is free – priceless, but free. To make a commodity of it is to work its ruin, for, when we put a price on it, we both reduce its value and blind the recipient to the obligations that always accompany good gifts: namely to use them well and hand them on unimpaired. To make a commodity of education, then, is inevitably to make a kind of weapon of it because, when it is dissociated from the sense of obligation, it can be put directly at the service of greed.

Extract from Wendell Berry, *Home Economics*, North Point Press, San Francisco (1987) pp50-52.

Appendix 2

The Bank of Dave and our Broken Banking Laws

1 March 13

Channel 4's follow-up to the "Bank of Dave"¹ made for highly enjoyable viewing. The programme was subtitled 'Fighting the Fat Cats', but it was bureaucrats rather than Fat Cats that caused the problems.

The show followed the experience of Dave Fishwick's Burnley Savings and Loans community bank. The bank offers 5% Annual Equivalent Rate to savers and small loans to local businesses, with profits given to local charities. In many ways, the concept has much in common with the old Credit Unions, Mutuals and Co-ops as well as the German Sparkasse (which, as the programme showed, have had similar struggles with regulation). Without knowing the full details of the business, it seems that Fishwick had a very successful model and a very low rate of non-performing loans.

As the programme portrayed it, however, Fishwick was lucky to survive a heavy-handed assault by the FSA. The regulator appeared to object to the simple business model and tried to impose a greater level of complexity of the savings accounts. This is typical - regulators want all banking institutions to conform to a chosen model, which may well be inappropriate. How is a regulator to know what customers want and which is the best means for suppliers to provide that? Fortunately, Fishwick is a charismatic character and was able to motivate public support and win some influential backing, particularly the support of the excellent Steve Baker MP.

This serves to demonstrate exactly why there is so little competition in the UK retail banking sector and why there have been so many financial scandals (PPI, Libor). In banking, as in any other market, regulation creates barriers to entry to small businesses. Not every small bank is lucky enough to have a crusading Dave Fishwick, but they should not need to. The regulatory barriers to entry drive consolidation and prevent small businesses entering and outcompeting established players. It is this which allows uncompetitive practices and harms the consumer. Big businesses have a symbiotic relationship with regulators and there is frequently a revolving door between the two. This is why we have ended up with banks that are too big to fail², but yet we still have the cry of 'more regulation'³.

We should remember that, with the possible exception of energy, banking is the most heavily regulated sector of the UK economy. Moreover, it is one of the few sectors where the prices are controlled by the state - the nominally independent Bank of England in this case. It is ironic that populist demagogues such as Vince Cable and Ed Balls jumped on the Fishwick bandwagon, as it is they who advocate heavier regulation of the banking sector.

Competition in banking, as in any area of the economy, can only come from deregulation. Lowering barriers to entry, allowing small banks to enter and allowing *caveat emptor* by both savers and lenders (together with the re-introduction of sound money and privatisation of the Bank of England) is the only way to fix the broken banking sector.

Source URL: <http://www.adamsmith.org/blog/money-banking/the-bank-of-dave-and-our-broken-banking-laws>

¹ <http://www.channel4.com/programmes/bank-of-dave/4od>

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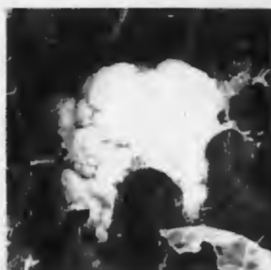
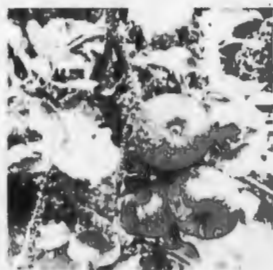
This booklet is designed to raise questions. Answers cannot be given, but must be sought out by people in the communities in which they live and work. The time has come to reclaim our understanding of the money system, and our role in maintaining things the way they are. Nothing will change until we reform our own relationship with money. And that means coming down to earth by managing our own households according to our own principles of freedom and responsibility.

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Once upon a time people were able to provide for themselves, using the resources of the natural world and their own skills and knowledge. Now we are governed by an incomprehensible machine technology, under a dictatorial financial system. How this situation came about is explained in this short booklet.



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ISBN: 978-0-9542337-1-6

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