Economics in Eden

The development of Carlyle's "dismal science", political economy, is usually associated particularly with the nineteenth and twentieth centuries. However, speculation on matters economic seems to go back to the beginning of human history—even of conjectural human history—and little real progress appears to have been made since then.

This fact is attested to by no less reliable a witness than John Milton, who, in Book IX of Paradise Lost, records that a major factor in the Fall of Man was disagreement between Adam and Eve on the subject of economic philosophy. Thus, Eve argues that their working together, because of many disruptions—mainly psychological, is inefficient; dailiance, she claims, "intemits/Our day's work, brought to little, though begun/Early, and the hour of supper comes unearned" (223-5). She, therefore, recommends: "Let us divide our labors" (not, of course, in the modern sense); subsequently, it is the solitariness wrought by this division that places her in a position of susceptibility to the serpent's blandishments.

Noteworthy in Eve's economic philosophy is her allegiance to the labour theory of values, her insistence upon the necessity to 'earn' one's livelihood. This view is particularly anomalous in Eden, where, if anything, the natural (unearned) abundance of the created world is irresistible: her view runs counter to God's bounty. In fact, Eve's "labors" constitute an effort to subdue or retard natural fecundity: "what we by day/Lop overgrown, or prune, or prop, or bind;/One night or two with wanton growth derides" (210-1). She, in essence, is the first economist of the scarcity school: confronted with plenty, she argues for the deployment of labor to restrict it, and thus justify the distribution of livelihood. She cannot accept what is freely given.

Adam takes a somewhat different view. Attempting to mollify his emancipated help meet, he defends her right to make economic pronouncements: "nothing lovelier can be found/In woman than to study household good" (economics < Gk. oikonomía, relating to household management). Nevertheless, he points out, the end which God intended for man is not unrelieved labour: "for not to irksome toll, but to delight/He made us, and delight to reason joined" (242-3). This assertion represents a radically different view of the nature of human economic activity: it is neither the end nor the justification of human life. Thus, what men and women need is "Refreshment, whether food, or talk between,/Food of the mind, or this sweet intercourse/Of looks and smiles" (237-9). Enjoyment of the fruits of natural fecundity, development of the mind, and love are nearer the true end of man than unremitting toil. Adam is arguing for the virtues of leisure.

However, as we all know to our pain, Adam lost that particular argument, and thereafter had to wrest his living, "by the sweat of his brow", from a recalcitrant earth. Over the centuries, however, through careful discovery of the principles of association, Adam's descendants have learned to multiply their productive efforts—often (as witness wars, planned obsolescence, and gadgetry) to superfluity. Yet, the voice of Eve still echoes in the great vacant spaces of economists' crania and politicians' assemblies: 'beware lest the hour of supper come unearned'. And the sabotage of potential abundance proceeds: we work overtime to convert the flow of creative energy to waste which poisons not only our bodily "refreshment" but our delight and love as well.
Spies

Readers of Orwell's *Nineteen Eighty-Four* will no doubt recall the nasty (if not utterly unwholesome) Parsons children—a boy of nine and a little girl of seven—who belong to a curious organization called the "Spies", the function of which is to train youngsters to recognize and report to the state any form of "anti-social behaviour"—notably, "thoughtcrime", or unorthodoxy. The Parsons girl, for example, proves her mettle by turning in her own father to the authorities.

The perversion of "normal" human relationships involved in this practice has at least three aspects. In the first place, of course, personal motivation is degraded to the level of fear and delusion: the children who act as informers are subject to control through the exercise of "force and make-believe" by the state. Second, interpersonal relationships come to be characterized by fear, suspicion, and mistrust: when everybody is spying on everybody else, cooperation becomes almost impossible. And, third, the notion is propagated that all power derives from centralized government— in this case, "Big Brother": persons are reduced to total dependency on the state.

Certain "innovative" institutions of our own society are disconcertingly evocative of what the "Spies" represent. Examples are the many government bodies (the anti-inflation board, the "office of the rentstalsh") which have recently proliferated with the objective of regulating as many economic relationships as possible. One practice that these boards encourage, of course, is universal "informing". Thus, shoppers are asked to report "unjustified price increases" to the anti-inflation board, and tenants are similarly invited to "turn in" landlords.

Now, as I suggested above, the way to get someone to act as an informer is to acquire power over him, and the essence of this power is generally force and make-believe. The government has gained power over individuals by (1) depriving them of economic sanctions, and (2) misleading them with propaganda. Thus, by encouraging economic programs of which inflation is an inevitable feature, politicians have rendered persons more and more impotent financially; the dollar I have saved from last year is now about 88% as effective as demand as it was

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Faith and Economics

For several reasons—perhaps the most important being the depreciation of the symbolism of their faith into grating or empty clichés by religious people themselves—religion has come to be associated with vague mysticism, unrealistic expectations, and mindless jiggery-pokery. At best, it tends to be related to warm but indistinctly defined ethical impulses and "common decency". However, religion is seldom invoked as a technique of dealing with the "real" world—where scientific exactitude and political pragmatism are hastily elevated above "metaphysical" considerations. The implications of this paradox—that religion is relevant only to a conjunctural world—are significant: religious "truth" is useless truth. If this is the case, then religion is interesting (and not very) only as a species of fairy-tale. If, on the other hand, religion does tell us something about reality, then it ought to be given heed. This series of articles examines some of the realistic implications of religious belief in the area of economics and suggests the close relationship between faith and policy.

II: Art and Mystery

C.H. Douglas, as we have seen, argues for a position based upon faith in what he calls a "canon", or in an objective, discoverable, and incarnate reality. The "correctness" of things he takes as evidence for the reality that underlies these things. This, as has been remarked, provides a criterion by which to evaluate our concept of reality: does it work out in its incarnations? "By their fruits," we have been cautioned, "we shall know them". If the correctness of things appears to contradict our conception of reality, then, perhaps we should re-consider our "religion". In purely "religious" terms, we do "pervert the right ways of the Lord", our faith must suffer. If "faith" contradicts the "canon", then it is logical to expect that we shall lose our faith, or, as has happened in Christianity, we shall have to "transcendentalize our faith"—dissociate it from reality". In either case our approach to reality is likely to suffer: faith will degenerate either to despair or to the dogma and obscurity that haunt Gaiten.

Writing in "Realistic Constitutionalism", Douglas observes that something like this dissociation of faith from reality occurred at "the fork in the road somewhere about the time of the so-called Reformation". It is not my intention to become involved in the controversy over "the Protestant ethic and the spirit of capitalism" with Weber, Troeltsch, Toennies, and their multifarious "critics", except to observe that, as in most speculations of this type, there is some truth, but that they tend to attribute too much to "accident" and too little to "design". My interest in the immediate post-Reformation period, for the purposes of this study, is simply that people at that time spoke more unabashedly of religion than they do now. Since phenomena that remain with us today were then verbalized in specifically "religious" language, their earlier manifestations offer significant parallels with current syndromes in the realm of "faith and economics". If history is not contingent, then at least it offers object lessons.

An Historical Example

In 1616, Godfrey Goodman, chaplain to Queen Anne of England, published a lengthy treatise entitled The Fall of Man, or the Corruption of Nature. His thesis is straightforward enough: he argued that nature (both human and external) was in a state of decay, and that the dissolution of the world was imminent. That he was wrong (at least in the matter of timing) is now obvious; what is important are his beliefs, and how he arrived at them. Significantly, as Victor Harris remarks in All Coherences Gone, "many of the disturbances which Goodman..."
records are reflections of an unsettled economy. To take one example, Goodman notices the enormous (almost modern) inflation that occurred in England during the century after 1530: J.B. Outhwaite records it at about 700 per cent. What is interesting to note is Goodman's inference from this observation: "To conclude, these excessive prices of things do well argue a great scarcity, that the whole world is turned bankrupt—an assertion that appears somewhat ridiculous in the light of the productive potential of the world that has subsequently been demonstrated. From his inference, Goodman further concluded that the whole situation was evidence of "the heavy judgements of God".

Goodman's logic is significant for its revelation of the complex psychology involved in the relationship between one's perception of reality and his faith. The first thing to note is that Goodman's perception of reality is mediated not by empirical observation of the real world, but by reading of a man-made measuring device: he draws an inference about economic reality ("scarcity of goods") from the financial indicator ("high prices"). We are reminded of I.C. Knights' observation that "the force of money in determining the course of the world's history meets us at every turn at this period". What is not mentioned is that money, because of its identification with commodities (silver and gold), was a highly misunderstood phenomenon. The idea of the intrinsic value of money interfered with its function as a facility for the distribution of real wealth; the problem, of course, was one of how correctly to incarnate "value". Price, which in fact is no more than a ratio—the ratio between consumption and production in a given period—had assumed a mystical significance largely because of the collapse of the "just relationship between the mind [ideas?] and things".

For Goodman's conclusion to be sound, his premise—that price was in fact an accurate indication of the condition of the economy—would have had to be correct. If high prices do not indeed argue a great scarcity, then his "conception of reality" will be distorted to the extent that his premise is false. That it may have been false is suggested by the (again, almost modern) proliferation of other possible explanations of the inflation: the "profit inflation" associated with the beginnings of modern capitalism, the rise of the international money market, the discovery of American silver and gold, the vast expenditures upon wars of religion. One contemporary of Goodman, E. Miggelen, argued that the cause of high prices was in fact too many goods: "The general remote cause of our want of money is the great excess of this kingdom, in consuming the commodities of foreign countries, which prove to be discarnations, hindering us of so much treasure which otherwise would be brought in, in lieu of these toys. There seems, indeed, to have been considerable confusion about the exact function of price (money) as an economic indicator. The point is that Goodman was basis his faith upon what may very well have been an abstraction from reality.

Although Jevons has suggested a causal relationship between sunspots and economic depressions, no modern "economist of repute" has followed Goodman in attributing the inflation in Tudor England to the wrath of God—not in so many words. That Goodman resorts to his

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![](image)

INDEX OF PRICES OF 'BASKET OF CONSUMABLES' 1400—1700

(adapted from Outhwaite)

12. Outhwaite discusses in detail both contemporary and modern "explanations" of the inflation phenomenon.
13. Free Trade, or the Means to Make Trade Flourish (1622), 11-2.
War by Another Name

(Continued from last month)

If any single source may be located for the unsatisfactory aspects of contemporary trading among nations, it is the philosophy behind the trade. The concept of mutual benefit is not, of course, excluded completely; but it is subordinated to the ambition of beating out the competition for external markets. The governing attitude is not "give and take", but "outdo"; and the over-riding objective is to achieve over others a purely monetary advantage termed a "favourable balance of trade". The trouble with this concept is that, in so far as commercial exchanges are concerned, the nations of the world constitute a closed system. Thus, so long as financial position remains the principal criterion of success, what spells prosperity for one inescapably implies hardship for others. The "unfavourable" balance which must exist as a counterpart to that which is "favourable" leads to resentment and hostility.

Furthermore, given current assumptions, there is no way both to preserve what is "favourable" and to work to eliminate the grievances of those whose positions are not. No rest or relief is possible in such a competitive context, since each achievement merely becomes a revised standard for future endeavours.

To summarize, then, the present system ensures that dissatisfaction with economic conditions is a continuing aspect of trade (albeit that the dissatisfaction may be 'rotated' among different groups). This dissatisfaction is the condition which allows public to be persuaded intellectually and coerced physically to assume that foreign trade is a sine qua non of national economic survival. And once the attempt is made to translate this assumption into action, national policy falls into the hands of the persons whose assistance is necessary for pursuing the fabled "favourable balance"—namely, the international financiers.

The actual basis of current international commercial theory (which is often falsely represented as a guarantee of sympathetic relations among nations) is suggested by the language its practitioners utilize to express their goals and describe their successes. Although the exchanges allegedly promote peace, their means of execution correspond inherently to the language of war. Communist countries have always been candid about the matter, averring that trade is merely an instrument in the arsenal of the 'proletarian faction' in the class struggle. However, a similarly belligerent tone is frequently associated with statements about international trade in our society, as well. For example, a recent issue of a commercial magazine promoting trade between Canada and Japan draws an explicit military analogy in discussing plans for future development of foreign markets: "Two military axioms come to mind in this context—maintain the objective and reinforce success." Then there is the boast made by Alastair Gillespie, Canadian Minister of Trade, to the Avenue of the Americas Association in New York last October 22nd: "I launched and lead the greatest trade onslaught on the Latin American market that Canada has ever undertaken." It is enough to conjure up visions of our armed forces disembarking on the shores of southern nations—their backs laden with goods stamped "made in Canada!"

Resorting to this kind of expression is not fortuitous. Rather, it is the logical extension of the dialectical perception of economics, which sees conflict and competition as its motivating principles. All conventional ethical values are overturned, and "doing" your neighbour becomes the pinnacle of achievement. To concede that the spin-offs of this approach to economics have been generally more advantageous, materially, than those of the monolithic philosophy which would abolish competition by transferring power to the State does not affect the major contention that the approach is defective.

In effect, whereas aggressive capitalism maintains a condition of perpetual war, undergoing economic and military transformations at variable intervals, Statist socialism converts the economic domain involved into a kind of occupied territory. Although there is not a great deal to choose between the two, the fluidity of the former is perhaps better suited to improvement than the rigidity of the latter. If so, we are losing ground.

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transcendental judgment (which, ironically, is "accurate" in the sense that false "household management" is a "perversion of the right ways of the Lord", and thus entails the consequences of perversion) brings us to another aspect of "faith". A faulty perception of economic reality leads Goodman to make a statement about his conception of ultimate reality, "God", which tends, by means of grandiose metaphor, to divert the mind from real and proximate causes. "God" becomes an excuse for the inability to approach reality; "God" is dissociated from reality. Goodman's faith is now in a "God" divorced from natural law.

Responsibility

As this type of faith denies truth, it also denies human or personal responsibility. Tudor Jones remarks upon this phenomenon of the displacement of proximate causes by uncontrollable "alibis". The result— a postulation of crude determinism, and the vitiation of human will and responsibility—obviates another aspect of incarnation, namely, imminent sovereignty. 14 The basis of faith, the confidence in the possibility of approaching "God", is thus undermined, and Goodman's "faith" becomes rather a sense of helplessness. As R.H. Tawney observes, matters of money tended to evoke the response in "all plain men" that "there is some mystery in the matter", and that "God" must look after economics. 15

Perhaps Goodman (and other "plain men") ought to have attended more closely to the words of Sir Thomas Gresham, founder (in 1568) of the Royal Exchange. Gresham, explaining fluctuations in exchange rates, attributes them to his own "art" and "God's providence". What is suggested here is that the proximate cause of many financial phenomena lies in the will of men. In other words, the policy of those who controlled the abstraction (in this case, money) may have been the real reason for "high prices". One man's "art" is another man's "mystery", and one certain way to guarantee the success of a policy is to ensure that those who might object do not understand it.

Presumably, as has been remarked, "faith" is realized in policy. The financier's conception of reality (if it is only self-aggrandizement, like that of old Jacob Fugger, whose "religion" was comprised in the accumulation of financial capital even when he was too old to know what to do with it) will determine his policy. And the theologian's conception of reality will determine his policy. Goodman, believing that "God" was laying His heavy judgements on the land, adopted the technique of writing a fairly pessimistic treatise to support his policy of retreat into a kind of abstract (certainly disincarnate) theology that in fact destroys the relationship between "faith" and reality.

The value of this foray into the mists of time is, at this stage, intended to be mainly analogical: it presents, in undisguised theological language, an example of the effect of economics upon faith. To those who argue that there is a continuity between the rise of capitalism in the Reformation period and contemporary financial "religion", the example will have greater significance. The process that is illustrated is crucial: the dissociation of the sign (money) from the thing signified (wealth) erodes the basis of "faith", which in turn allows further disruptions of the approach to reality. Douglas argues that "the fundamental falsity of the present financial system is that it distorts and perverts reality". If he is correct, the consequences for faith will be enormous: the whole mechanism of our economic relationships will have frustrated our attempts to realize our "crediti". It is to a consideration of Douglas's test of any financial scheme—that is, that it reflects reality—that I shall now turn, considering particularly those tenets which underlie our present financial arrangements.

D.R.K.

(to be continued)

14 Elements of Social Credit (Liverpool: K.R.P. Publications Limited, 1946), 68. Among the "alibis" which we are inclined to resort to in ignoring proximate causes ("the first alterable element" in causation), he enumerates as "God, Divine Will, Prophecy, Allah, Ideas, Pain, Pleasure, Der Zeitgeist, Die Gestalt, The Mode of Production and Distribution, Sin, Inexorable Economic Law, Evolution, Historical Determinism...".

15 Religion and the Rise of Capitalism, 85.

16 Quoted by Knights, 46.


Men imagine that their minds have command of language: but it often happens that language bears rule over their minds.

Sir Francis Bacon
when I earned it. Moreover, of course, the state regularly appropriates approximately 25% of my economic sanctions through income tax alone—part of this being used to pay for the anti-inflation board, whose policy is to make me even more dependent. In my consequent financial insecurity, I am tempted to seek "protection" from some powerful, centralized organization— "Big Brother"? State propaganda identifies a number of scapegoats (business, labour, the standard of living, traditional values, the "free market" system) and tells me (in my economically debilitated condition) that only the "government" is strong enough to challenge these pariahs.

Thus, it tells me I have to go to work for the state—if not as a paid official, then as an unofficial informer subject (if I do not conform) to even further sanctions (the threat of economic disaster). There was a time when the consumer was able to exercise his monetary sanctions directly: dissatisfied with the price or the quality of an article, he could simply withhold his "monev vote" (his power of individual choice) by refusing to buy, or by going to the shop across the street. Faced with this situation, the seller had either to increase his efficiency, thus reducing his real costs, or improve the quality of his product—with a view to satisfying the buyer. Now, of course, human satisfaction has been rendered increasingly irrelevant as a criterion for association: it has been supplanted by the need to meet abstract or theoretical standards established by boards which have no real direct interest in the transaction. The consequences of this situation are many. For one thing, as I have mentioned, the basis of economic associations becomes fear, suspicion, and mistrust. Thus, "cooperation"—the entering into voluntary associations for the sake of the mutual advantage of the parties involved—is undermined. This is socially disintegrative: individuals and groups are set against each other, and the belief is inculcated that the only body that can be trusted is the state.

This, in turn, leads to the third aspect of the process of turning us all into spies: the growing conviction that all our power derives from the state, and our increasing dependence on the state for "protection" and general psychological "soothing." The person who, at one time, regarded certain economic powers as inalienable,

(continued p. 8)
for more and more our country resembles a conquered land in which a bureaucracy is dictating how men shall be fed, housed, worked, educated—and even recreates. However, tyranny is no more genuine peace than is compulsive economic frenzy; and, rather than disappearing, the condition of war that has been the outstanding feature of the economy until now will probably just be driven underground by the transition to State monopoly.

On the other hand, the worst may yet be avoided if people can be brought to see that an economic system which, in order to maintain a condition of acute competitiveness, deliberately deprives men of the bulk of the fruits of the work they have accomplished is a one-way street to disaster—and that the socialist alternative is no street at all, but a frozen hell. In the event of such an awakening (which would probably be in the category of the miraculous at this stage), opting for a distributionist approach which would entitle all to participate in the benefits of modern productive apparatus could undo the evil spell under which we are falling.

The psychological imperative of economic activity—which has been envy, and which Statist schemers want to convert to fear—could be brought over to the desire to make the best possible use of what one has in the way of personal and material assets as a responsibility to God. The effect would be the encouragement of excellence not only in the field of economics, but also in that of human personality.

R.E.K.

("Spies", continued from p. 7) and exercised his personal financial sanctions with independence and security, is now told that, before he can act, he must consult an anonymous bureaucrat two thousand miles away. The consumer who, formerly, by his power to enter or refrain from entering into financial contracts by withholding his economic subscription from an enterprise, could vote to atrophy that function, is now (more and more) required to demonstrate to the state that the function is "anti-social" (in terms established by the policy of the government), and the state, which now holds a monopoly of sanctions, will take action. The individual is now held to be incompetent to make choices or to take action on his own behalf and on his own initiative.

Perhaps this complex of conditions is what Mr. Trudeau had in mind when he spoke several years ago of "participatory democracy": before we can do anything, we must go through the government; we have to participate. This means, of course, that the state is participating in everything we do: before we can enter an association, we will have to obtain a "licence" from the state; and before we can terminate, or contract out of an association, we will have to "get the goods" on our associates so that we can justify to some board or other our dissatisfaction. All this will have the effect of reducing us to the condition of spies: deluded, frightened, impotent, dependent creatures, trying to do our neighbours before they do us, trying to ingratiate ourselves to the source of all power, the monolithic state.

D.R.K.

For a long time the reduction of quality to quantity—of colour, sound, radiation to vibrational frequencies was so eminently successful that it seemed to answer all questions. But when physics approached the ultimate constituents of matter, quality took its revenge: the method of reduction to quantity still worked, but we no longer know just what it is that is being thus reduced.

Arthur Koestler, The Sleepwalkers, 544