Kakistocracy

A friend tells me that, in ancient Athens, representatives to assemblies were chosen not by election from among those "standing for office", but by lot from the population at large, and suggests that this might be a suitable method of selecting 'legislators' today. His reasoning goes like this: since the drawing of lots involves an element of chance, there is a chance, a statistical possibility, that some worthy and competent persons will be chosen; on the other hand, in the existing system, our choice is limited to the worst sort of men — politicians. Thus, we know that our assemblies cannot be truly representative (as if any assembly could represent "the detailed desires" of individual persons anyway) since they will consist all of men of like mind and motivation; moreover, these men will likely be moved by the least creditable sentiments — self-conceit and the craving for power over other people.

Paradoxically, of course, this desire for what is called "political power" is indicative of deficiencies in the personalities of its possessors. An integrated or truly "powerful" personality does not require reinforcement from mob adulation or the so-called "perquisites of office" or symbols of status. Moreover — and again paradoxically — the person who achieves status in the power structure in fact abandons the attributes of an autonomous personality, as Francis Bacon remarked long ago: "Men in great place are thrice servants: servants of the sovereign, servants of fame, and servants of business. So as they have no freedom, neither in their persons, nor in their actions, nor in their times. It is a strange desire to seek power and to lose liberty, or to seek power over others and to lose power over a man's self". The process of seeking power or 'position' is in fact a confirmation of the personal deficiencies of the seekers: their being is controlled and defined by external forces — the whims of the more powerful, public reputation, and "busyness".

Yet it is to persons of this type that people are most willing to entrust their own "freedom". The very publicists who denounce as a megalomaniac a businessman who has accepted (at least in some degree) personal responsibility for an enterprise and asks for voluntary subscriptions from the public are the first to advise us to surrender as much of our personal autonomy (generally measured by our possession of economic sanctions) to politicians who take no personal risks in the "investments" they manage and who have apparently unlimited powers of confiscation of private property. One of the anomalies of current mysticism is that persons should be willing to trust politicians whom they do not know with powers they would not grant their own neighbours or best friends. In fact, the more remote the politician, apparently the more trustworthy he is; thus, while we might know a local alderman and be aware of his shortcomings, a provincial premier (whom we probably do not know personally) must be a man of high calibre (how else would he have got into office?)

Even then, however, a provincial premier is likely to be concerned with "sectional interests"; therefore, he will be inferior to the Prime Minister, who must be a great man, and consequently should be allowed as much power as possible over our lives, which he (because of his understanding and magnanimity) can no doubt manage better than we ourselves.

This logic is, of course, absurd. But the answer to the anomaly is not to select our 'governors' by lot. It is to recognize that (if they are necessary) they are servants and that we must (as individual persons, and not as a mindless collectivity) retain those real sanctions that will guarantee that, no matter how good or bad politicians are, we control them, and not they us.
Forever Tomorrow

That the fiction that an antithesis exists between big business and socialism still elicits credence bears witness to the hypnotic potency of a theme constantly reiterated. In reality, the two are natural allies in the struggle to dominate the individual and can be discovered cooperating to this end every day.

Socialist theory has always considered big business as a step in the right direction—i.e., towards central planning. The instructed socialist does not criticize monopoly capitalism per se: he criticizes its slowness to coalesce with the legal powers of the state in what he views as the ultimate, consummating advance in economic evolution. To him, big business is less an alien invader than a guest who has overstayed his welcome.

On the other hand, the astute businessman has long recognized the utility of the state as an insulator against the vagaries and constraints of a market controlled by consumers. From his perspective, it is so much the better if funds for capital development are furnished by the government: he is spared the task of convincing large numbers of small investors of the merits of his plans. For him, also, so much the better if tax legislation and social welfare programs are so contrived that consumers must accept products assigned by the state: he has captive clients.

As a general rule, therefore, it is wiser to perceive socialists and monopoly capitalists as Confederates rather than as antagonists; and, as stated above, the axis of their cooperation is the limitation of the independence of the individual. In the economic domain, this policy consists of restricting his access to the capacity of modern economic processes to satisfy consumer demands. He is continually advised that the comforts of current prosperity must be foregone in preparation for some unpleasant eventuality.

Thus, for sixty years communist commissars have been insisting that strengthening the industrial base of their countries must have priority to safeguard against the external threat posed by capitalism. We are fed a similar line, occasionally, about preparing for war—when we are not sacrificing personal economic satisfaction actually to wage war or to carry out post-war reconstruction. However, more often we are told that we

(continued p. 6)
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.

IV: “The Faith of Society”

Despair, the sin against the Holy Spirit, is the precise opposite of faith, and the loss of touch with reality issues in despair. Thus, Goodman’s statement of “faith” —namely, “God is doing this thing”—is in fact (though Galt would disagree) an expression of despair. In effect it is an abdication of personal moral responsibility for “evil” (or error) and a foisting of that responsibility onto an uncontrollable abstraction. Frustration is the logical consequence—a frustration complemented by the dubious consolation of something “wholly other” that can be blamed. As Tudor Jones remarks, “we are realists in our pleasures, but not in our pains”. Despair, in a significant sense, is the inability to accept our relationship to God.

Credit

Faith, on the other hand, complements grace, which becomes real when it is realized; faith is the human disposition which corresponds to the divine gift. Faith, in other words, is the human disposition which regards reality, and which is firm in its cooperation with reality. It will accept nothing less than what is real. At the social level (we are considering “household management in society”), faith is the confidence of people, working in association, that they can get what they want. This confidence would clearly be absurd if the reality did not complement the faith. The reality is, of course, that (economically speaking) the world is originally endowed with wealth, and that the application of the correct principles of association results in fecundity. The creative principle can be either frustrated or fostered: in this set of alternatives is comprised the choice offered to men of despair or faith. Men (in society) may agree to frustrate productivity or to encourage it; their decision (limited by their real capabilities) to do either will determine the extent to which faith may realize grace. In other words, social faith, or social credit, is “the efficiency, measured in terms of human satisfaction, of human beings in association”.

As we have seen, then, “religion” has to do with “faith” or “credit” —with “reliance, confidence, trust”. “Credit” is reinforced by results: the correctness of our religion is confirmed in the results which arise from our policy based upon that conception of reality. The antithesis of this condition of credit is “doubt”.

In 1542 (according to the Oxford English Dictionary), the word “credit” in the economic sense was used for the first time in English. It meant: “Confidence in a buyer’s ability to pay at some future time for goods, etc., entrusted to him without present payment”. This special use of the word is an exact reflection of its more comprehensive meaning; its perversion is similarly an index of the perversion of “faith” in the larger sense. As Douglas pointed out, the financial system does not “credit” society with its social credit: it debits us instead. Since “credit” is not generated quickly enough by the employment system (even, it must be remarked, the “full employment system”), we are forced—as the “public” or as individuals—to borrow; hence, “the National Debt”, and “consumer credit”. Of course, just as the national debt of, say, England has been growing since the seventeenth century, so there is no reason to “credit” the
consumer's ability to pay—he never can. The financial picture is drawn away; it does not reflect reality: it denies the social credit (which, in a sense, is the precise opposite of the national debt). From looking at the false picture, society begins to believe that it is real: at the level of faith, the social credit is seen as illusory; it is discredited. In fact, of course, it is the financial picture that is illusory, but the credulous populace is taken in by the deception. Faith in the unreal is not faith at all—it is doubt, the psychological equivalent of the social debt perpetrated by faulty finance.

Inflation and Doubt

One of the most vicious consequences of this false financial picture— which disintegrates the faith of society—is that other Leviathan of the money cult, inflation. What inflation implies is that our efficiency—reflected in price—will diminish with time. If price, the financial index, indicates the state of our "social credit", inflation leads to the startling conclusion that, in spite of technology and organization supposedly having increased in efficiency, it is harder for us to get what we want. The "social credit" is undermined by inflation; the interposition of "money" between economics and the human sufferer results in a disintegration of the social credit.

The consequences of this disintegration, based again upon the dissociation of the abstraction (price) from the thing itself (wealth) are invariably frustrating, and ultimately disastrous. Money constitutes a means of effective demand; it is an economic vote. A diminution of the power of that vote constitutes an assault on the power of choice, on personal sovereignty. Douglas has indicated the results of this kind of disenfranchisement. In the U.S.S.R., Lenin destroyed money as an effective order system by means of a policy of inflation; the "credit" (faithfulness to reality) of money was obliterated: "A new basis of credit was required, and M. Trotsky obligingly stepped in with an excellent machine-gun corps." The policy, like that of full employment, is the imposition of external sovereignty, the antithesis of the free expansion of personality advocated by, for example, Christ, Aquinas, and Hooker. Finance is used to destroy faith; then, another kind of "faith" is imposed from without. The Incarnation is the Christian answer to this process: It opposes reality to abstrac-

Pecuniolatry

The problem, ultimately, with idolatry—taking the sign for the thing itself, and worshipping it—is that it involves the attribution of the qualities of reality to a metaphor. If the metaphor is not bound back to reality, it will of course exhibit not the characteristics of reality, but of falsehood, which is of Satan, "the Father of Lies". Thus we come to the opinion of John Selden: "'Tis a vain thing to say, Money begets not Money, for that no doubt it does" 34, or of the "eminent American divine", Orville Dewey: "The same principle which applies to every other commodity applies to that commodity called money." 35 At the risk of appearing old-fashioned, I must oppose to these views the observation of Thomas Adams: "Money is an unfruitful thing by nature, made only for commutation: it is a prosternaturall thing, it should engender money: this is monstruosus partus, a prodigious birth." 36 The adulation of money has "begotten" a perversion of the creative principle.

Money—in spite of the metaphors applied to it—is relevant and meaningful as a counting system only so far as there is something to be counted. "How much" means nothing until it becomes: "How much calico, permunigorate, or asparagus?" The quantitative abstraction has reality only when it is incarnated. Money cannot "beget" money: to accept that it does denies the interposition of reality between two quantities of "money". Men can 'make' money—as much or as little as they like. Money can be transferred in order to facilitate the re-association of wealth in the creation of new wealth, for which a money equivalent may or may not be created. If more money is made with no corresponding increase in real wealth, then all you have is more pieces of paper with numbers on them relative to real wealth. Money is not

(continued p. 7)

34. Table-Talk (Temple edition), 146. Quoted in Knights, 110.
36. The White Devil, or the Hypocrite Unmasked (London, 1613), 51.
Legislative Lip-sing

In the previous installment of this article an attempt was made to trace the historical development of the principle of control over government funds by the House of Commons—and show ways in which current practice has departed from it. This month the author deals with some of the deeper philosophical implications of the change.

Economic Democracy

Too much attention has been focused in recent years on the political aspects of democracy, which are meaningful only so long as they are underpinned by a substantial measure of democracy in its economic aspects. The significance of distributing the "power of the purse" to the citizenry is vastly greater than giving them the right to vote at infrequent intervals for a broad and flexible political program.

It is this approach to democracy through fiscal and financial reform which has been abandoned and lost. Some persons may deny the gravity of this change, pointing out that mechanisms still exist to allow the government to consult with the taxpayers. However, the old principles went considerably further than modern day "consultation"; and their advocates would have discerned the hollowness of, say, Mr. Trudeau's concept of "participatory democracy" (the right to make as much noise as you feel like before the government tells you what to do) in five minutes.

Normal Evolution

As far as the power relationship between the people and the government is concerned, the assumption was that the shoe should be on the other foot; and progress was made towards transferring it to the other foot. But it is not too much to say that the shoe has now been placed back firmly where it was to begin with—and the last laces are being done up. Government policy should have consisted increasingly of responses to instructions flowing upwards from the population base; but, instead, power over decisions on government priorities has shifted back to irresponsible, behind-the-scenes brokers. The extent of the retrogression could probably be measured in terms of centuries of previous progress. Nowadays we hardly know what government policies are, much less who is setting them and for what reasons. Our allotted role is dumbly to foot the bill.

The retreat from the principles that our ancestors regarded as a sort of treasure, to be preserved at any cost, has assumed the characteristics of a rout. Were they suffering from a lunatic obsession? Or is it we who have lost contact with reality?

What has altered, then, is the direction of reform; and it is essential that this idea of "direction" be understood. Human affairs are not, never have been, and never will be in a condition of static perfection. They are changeable, constantly in motion—either moving well or moving badly, regenerating or degenerating. Thus, movement in the direction opposite to that in which we are presently embarking with regard to the procurement and administration of government revenues was at no time complete. One could not contend that control over these revenues by the House of Commons was the flawless embodiment of the principle that a man has a right to say how his money is to be spent. The attribution of this power to the House was but a stage in a process that could have been carried further—indeed, undoubtedly would have been, had not its philosophical base changed.

Undoing the Harm

After all, when the uniqueness of every individual was cherished and his ability to make decisions for himself (that he might save or lose his soul) was regarded as a matter transcending even the cosmic in importance, shifting political and economic power closer to him was a natural policy. The House of Commons was accorded the right to control expenditures in order to allow the individual effectively to participate in decisions touching his life; and the logical step from the situation in which the people's representatives controlled the purse was to a situation in which the people themselves would progressively control it. As they adapted themselves to the power associated with its use, opportunities would have opened to them to develop latent interests and talents and differentiate themselves from their fellows. It should, therefore, come as no surprise that reversion to the concept of man as a functional unit, rather than an organically unfolding personality, has accompanied the reversion to centralization of economic policy. It is mere fan-
must expand our potential to export. The pretext is varied to suit the circumstances, but the basic message never changes: the productive system is to be diverted from its proper end—consumption, the economic satisfaction of individuals—to the endless proliferation and recycling of plant.

A policy statement released by the British North-American Committee, whose members exert considerable influence upon economic policy, demonstrates the technique perfectly, while indicating what specific 'higher task' we will be required to structure our lives around during the next few years (until another can be found). In order that the position be clear from the outset, allow us to record that the signatories of the document include chairmen, presidents, and directors of Exxon, Shell Oil, British Petroleum, British-American Tobacco Co. Ltd., the Royal Bank of Canada, the Chase Manhattan Bank, Xerox, IBM, Du Pont, General Mills, International Paper, and others.

The Committee's fundamental thesis is contained in the following extract:

OPEC countries are presently investing in financial assets of one form or other close to $50 billion annually in the oil-consuming countries. The accumulation of these "surplus petrodollars," together with unremitting interest and dividends, constitutes massive indebtedness of the importing countries that sooner or later they must repay by exports of goods and services to OPEC countries at far above present levels. ... If this shift in the consuming countries from incurring immense debts to providing goods occurs extensively just when their production facilities were again becoming fully occupied in meeting normal orders, then "demand-pull" inflation would be generated which might reinforce a residual "cost-push" inflation. To accommodate increasing demand without encouraging a further surge of inflation or rapid reduction in real incomes, the oil-consuming countries need to increase their productive capacity.

The committee therefore urges the developed consuming countries to find means to channel recycled petrodollars deposited with them into productive investment and not merely into financing existing or higher levels of consumption by underwriting deficits on current accounts.

Seen in the context of the ongoing struggle to prevent the consumer from gaining power to initiate economic policy (as opposed to merely deriving his means of subsistence from policy initiated elsewhere), this statement coming at this time from this source suggests possible political motives behind the energy crisis. It is very likely the calculated successor of the American space program and the foreign aid mania—the excuse to keep everybody's nose to the grindstone for the next decade. The super-producers—those whose ominous answer to all economic imbalances is "produce more"—are once more attempting to demonstrate that the logic of the situation requires an increased emphasis on their end of the economy. If their efforts succeed (as they have, with tragic results, so regularly in the past) the opportunity afforded by recent economic upheavals, both national and international, to re-examine policy at a fundamental level will be lost; and we shall face many more crises before having another sound chance to improve our prospects.

R.E.K.

"Laid out in New York City, the Committee's declared purpose is "to study and comment upon the developing relationships between Britain, the United States, and Canada." It is sponsored by three research associations: the British North-American Research Association in London, the National Planning Association in Washington, and the C.D. Howe Research Institute in Montreal.

[The Socialists] believe that a social system that has come out of some mathematical brain is going to organise all humanity at once and make it just and sinless in an instant, quicker than any living process! That's why they instinctively dislike history, 'nothing but ugliness and stupidity in it,' and they explain it all as stupidity. That's why they so dislike the living process of life; they don't want a living soul! The living soul demands life, the soul won't obey the rules of mechanics, the soul is an object of suspicion, the soul is retrograde! But what they want, though it smells of death and can be made of india-rubber, at least is not alive, has no will, is servile and won't revolt! And it comes in the end to their reducing everything to the building of walls and the planning of roads and passages in a phalanstery! The phalanstery is ready, indeed, but your human nature is not ready for the phalanstery—it wants life, it hasn't completed its vital process, it's too soon for the graveyard. You can't skip over nature by logic. Logic presupposes three possibilities, but there are millions!

—Razumihin in Crime and Punishment, p. 260

... there exists in the modern world, perhaps for the first time in history, a class of people [journalists] whose interest is not that things should happen well or happen badly, should happen successfully or happen unsuccessfully, should happen to the advantage of this party or the advantage of that party, but whose interest is simply that things should happen.

G.K. Chesterton, The Ball and the Cross, 68
begotten; it is created. How much money there is is determined not by natural forces, but by human convention or human policy. If that policy is to pervert reality, then we are confronted with idolatry and will be asked to credit absurd propositions such as "money begets money", which is tantamount to saying "7 begets 11", and just as comprehensible.

Again: a quantitative abstraction, a measuring device, is given life through the metaphors applied to it. Failure to understand these as metaphors leads to the supposition that the abstraction is more real than reality itself: it is as if we were more concerned with inches (centimetres) than with the thing being measured.

If our abstractions are busy engendering, it is small wonder that our "religious" confusion will result in the frustration of the real creativity inherent in nature. John Ruskin divides labour into "positive" and "negative": "positive, that which produces life; negative, that which produces death; the most directly negative labour being murder, and the most directly positive, the bearing and rearing of children". This is a useful distinction, for it epitomizes the choice before us: life versus death. It is also a telling indictment of an article of "faith" (imposed by the financial system, at least partially) such as the belief that, because it is economically (read "financially") inconvenient to have children, abortion is a creditable practice. The inability to distinguish reality from illusion leads to conclusions like that of the Toronto Globe and Mail, commenting on the decision some years ago of the Canadian government to pay farmers not to grow wheat: "There is an inescapable immorality in paying farmers not to grow food when half the world is hungry and some of it is starving. But, it's a crazy world."

Here we have again the reaction of Godfrey Goodwin—except, in this case, the newspaper's hypothetical deity is the irrationality of the world. The expression of despair is profound.

There is religion, and there is religion. The religion of "Economics", referred to earlier and also known (continued p. 8)

---


38. Quoted in *Time* magazine (Canadian edition), March 9, 1970, 8.
("Faith", continued from p. 7)

as "Finance", is one sort. The object of its worship is "money", which as we have seen, is merely quantitative, merely an abstraction. The abstraction determines the premises of this religion; the premises, because they are idolatrous (not bound back to economic reality), are vicious. This "religion"—in fact, a kind of black magic, or superstition, because it worships illusions—is what we are asked to place our faith in; we are asked to credit a palpable falsehood which is neither scientific nor genuinely religious. No wonder our faith is imperilled.

The superstition of scarcity, engendered in a false relationship between ideas and things, and fostered by a continuing assumption "credit", enervates in a sense of hopelessness, of spiritual despair, of anti-life. In denying natural fecundity, it denies grace—the something for nothing without which the dynamics of creation and salvation (not to mention economics) cannot proceed. Our "religion" of scarcity, manifested in the financial system, can be accurately characterized as "anti-sacramental". If a sacrament is "an outward and visible sign of an inward, invisible grace", then the financial system, as a false sign or abstraction from reality, is a denial of the grace in which our faith must rest.

The Choice

At the same time, it vitiates our potential to become conscious and self-creative—to participate in our own salvation. This false religion issues in coercion, denying faith and obviating responsibility. Morality, founded upon choice, is forced out of the question; without morality, there is no personality. We are not allowed to do good because it is good. But Richard Hooker suggests that precisely this is the problem before us, spiritually:

"Behold, (saith Moses) I have set before you this day good and evil, life and death. Concerning Will, he addeth immediately, "Choose life"; that is to say, the things that tend unto life, then choose. Good is equated with life; evil is equated with death. And the essence of the opposition of the two religions is epitomized in the perversion of the word "election" from its meaning of "choosing" to "being chosen". When choice is gone, life is gone.

Douglas claims to have glimpsed a small part of economic reality; as time went on, he became convinced that the Christian insight constituted an approach to reality. Christ himself claimed: "I am come that they might have life, and that they might have it more abundantly". He did not say, "Of course, I am referring only to things transcendent, and therefore temporal existence should be as wretched and deprived as possible". The point is, it seems to me, that, if there is such a thing as abundance, it must reside (at least potentially) in the whole created world—material as well as spiritual. In fact, of course, the very idea of the Incarnation gives significance to the "world". Moreover, it implies the conditions of real faith, namely, the dethronement of abstractionism and the internalizing of sovereignty. To deny the Incarnation, to withhold faith, carries with it at the economic level the consequences of idolatry at all levels of reality. If religion is real, then infidelity has real consequences.

D.R.K.

30 Hooker, 169.

"...whenever we speak or write, our underlying motive is to represent reality as having some sort of order."

John E. Williams, Style and Grammar, 1