

# The SOCIAL CREDITER

For Economic Democracy

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## Editorial

*The Politics of Money* surveys the history of the money economy, brings together the ideas of major thinkers in political economy, analyses the impacts on the social and ecological environments as a result of unbridled economic growth on a global scale and sets alternative experiments in context. Published just over a year ago, the book has drawn forth one or two substantial and complimentary reviews from experienced experts in the subject (copies available on request). This is a highly readable (according to the reviews) compendium of the life's work of major economists who have provided alternatives to business-as-usual, 'you can't stop progress'. 'It's the Economy, Stupid!' mentality. Nevertheless, it has raised scarcely a ripple. The reasons are complex, but can be divided into four broad categories:

1. Through the mass media using electronic communications and advertising methods based on psychological studies and market research, the 'manufacture of consent' makes the philosophy of global corporatism seem 'normal' and opposition 'abnormal'.

2. After a decade and more in the formal education system, the vast bulk of people acquire a deep-seated belief that the political economy operates according to principles of fundamental decency. If lessons are

properly learned, laws obeyed and orders followed, progress will continue and evil will justly be eliminated by the 'powers-that-be'.

3. Mistakes can be made – the 'cock-up theory' of history – and the resulting injustices can be campaigned against (or theorised about) and righted. However, it is dangerous to raise fundamental questions about the ordering of the political economy because only cranks and conspiracy theorists raise such questions. People who ask such questions are labelled 'fools', to be exiled from the mainstream debate.

4. The fundamental reason why people will turn away from recognising that all is not well is that the acceptance brings responsibility. It is far more comfortable to deceive oneself that all is indeed well, that minor 'cock-ups' are the only problem, and that no useful purpose is to be served by standing up to be counted in person.

Basically, people no longer know what to think. In the absence of a common framework of reference, there is a tendency to act like 'Asses in Clover', to leave the thinking to the 'experts', whilst enjoying the ill-gotten gains of capitalism, tolerating the exploitation of others and the natural environment until such time as the blight falls on the clover in one's own personal field.

The silence from fellow academics, the studious avoidance of serious engagement with the issues raised in these columns by alternative writers and thinkers, deplorable though it is, remains understandable in terms of the four points made above. However, the failure to accept quality reviews of *The Politics of Money* on the part of editors of alternative publications, coupled with the acceptance of scurrilous nonsense bordering on libel (indeed crossing over the border) on the part of at least one refereed academic journal, is inexcusable. (Copies of an article published in *Capitalism, Nature, Socialism* Vol.14, No. 3, September 2003, pp99-122, entitled "Social Credit: The Ecosocialism of Fools", can be obtained through the inter-library system, or from the Secretariat Office on request).

Over the eight or nine decades since the end of World War I a veritable mass of 'heretical' writings by economists 'exiled' from academia (on grounds as suggested in 3. above) has circulated in the form of books, pamphlets and articles. Among these, as we suggest in these

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columns, the social credit/guild socialist texts of Douglas and Orage form a coherent body of thought which accords with, because it is derived from, the teachings of other leading thinkers who have critiqued the political economy of global capitalism. Additionally, however, there are a large number of variations on the theme of 'monetary reform', some even labelled 'social credit', which are confusing, inaccurate and downright meaningless representations of the views of individual eccentrics. So great is the mass of such publications that it is all too easy for the unscrupulous to trawl through for scurrilous and sensational material, such as that presented in the *CMS* article. At a time when the quest for serious alternatives to global devastation is emerging with some urgency, the writing and publishing of such misleading nonsense must be questioned.

As reviewers of *The Politics of Money* observe, conventional economics is being judged and found wanting on grounds of social justice and ecological sustainability. Anti-globalization meetings and campaigns against the World Trade Organisation policies are occurring on a world-wide scale with increasing frequency. Students at Paris, Cambridge, Harvard and other universities are calling for a new 'post-autistic' economics, while indigenous people struggle against the exploitation of their land and labour for monocultural cash cropping, and the green movement as a whole searches for sustainable alternatives for rebuilding local communities devastated by global capitalism. *The Politics of Money* represents many years of work on the part of the authors and those whose work they have studied. The authors of *The Politics of Money* have researched a mass of texts, orthodox and heterodox, bringing together in one work the best of alternative economic thought for the reader to weigh and

judge. That they have done so successfully is borne out by the reviews. That the reviews are so small in number gives grave cause for concern.

In this issue of *The Social Crediter* we concentrate on the topic of work, exploring how the money system can degrade good work. In the next issue we plan to examine the relationship between farming and finance. We would like to remind readers that back issues of *The Social Crediter* are available on the web site [www.douglassoccredit.com](http://www.douglassoccredit.com) They can also be obtained from the office (see back page).

### Asses in Clover

by Eimar O'Duffy

Commentary on Chapter 5, Book III

*Professor Banger demonstrates the economic impossibility of liberating the birds.*

Alarmed at the demi-god Cuanduine's quest to liberate the song birds and wild flowers (the natural world) from the grip of finance, orthodox economists are called in to explain that, according to sound economics, it is unreasonable to demand something for nothing. People must work for money in order to buy the things they want. If they liberate the birds, there will be no employment in the aviaries. Without wages, people will have no money to buy the necessities of life, and the economy will collapse.

Economists perpetuate their nonsensical theories because in order to become an orthodox economist they must put aside their doubts and assume that their teachers are correct. By the time they are in a position to ask questions, they are teachers themselves, and already committed to orthodox theorising. Throw in an algebraic formula and a few statistics, and the 'person-in-the-street' (which includes academics in different disciplines in the social sciences) is unutterably lost. The

major difficulty in understanding mainstream economic theory is the credibility gap. It is very difficult to believe that the economic theorising upon which politicians rely for their policy decisions actually has no substance.

Orthodox economic theory assumes that wealth is necessary before 'work' can be created, *i.e.* that wealth is the cause of work. This circuitous line of reasoning does not bear close examination. If work is the cause of wealth, and money is wealth, the only way to make money is by working for it. Wealth will not spring into existence while labour and machines stand idle. Neither will one type of wealth, in the form of a house, become available because we 'save' another type of wealth, *i.e.* by not consuming food and clothes.

If, moreover, money is not wealth but merely a token of exchange, orthodox theory becomes totally incredible. It is possible to have the machines, the materials, the skills, the labour and the need for the products, but these forms of real resources cannot be converted into wealth because of the want of exchange tokens. Hence, as Professor Banger explains, a party of people stranded on a fertile island would refuse to collect food, till the soil or build shelters *because they had no money.*

It follows that capitalists are supplying a public service by providing employment so that food, clothing, shelter and other necessities can be provided for all. In order to keep the economy sound, it may be necessary for people to work longer hours for lower pay so that in the long run all will be better off. Redistributing the wealth to the people, by liberating the birds (natural resources), would be disastrous. It is all very sad, the economists explain, wiping away their tears, but the economic facts of life have to be faced.

Extracts from  
Useful Work Versus Useless Toil

William Morris

This is one of Morris's most popular and often repeated lectures. It is notable for its clear explanation of capitalist exploitation and for the detailed statement of his position about the role of machinery—much more positive than he is often credited with.

....Let us grant, first, that the race of man must either labour or perish. Nature does not give us our livelihood gratis; we must win it by toil of some sort or degree. Let us see, then, if she does not give us some compensation for this compulsion to labour, since certainly in other matters she takes care to make the acts necessary to the continuance of life in the individual and the race not only endurable, but even pleasurable.

You may be sure that she does so, that it is of the nature of man, when he is not diseased, to take pleasure in his work under certain conditions. And yet, we must say in the teeth of the hypocritical praise of all labour, whatsoever it may be, of which I have made mention, that there is some labour which is so far from being a blessing that it is a curse; that it would be better for the community and for the worker if the latter were to fold his hands and refuse to work, and either die or let us pack him off to the workhouse or prison—which you will.....

....The hope of pleasure in the work itself: how strange that hope must seem to some of my readers – to most of them! Yet I think that to all living things there is a pleasure in the exercise of their energies, and that even beasts rejoice in being lithe and swift and strong. But a man at work, making something which he feels will exist because he is working at it and wills it, is exercising the energies of his mind and soul as well as of his body. Memory and imagination help him as he works. Not only his own thoughts, but the thoughts of the men of past ages guide his hands; and, as a part of the human race, he creates. If we work thus we shall be men, and

our days will be happy and eventful.

Thus worthy work carries with it the hope of pleasure in rest, the hope of the pleasure in our using what it makes, and the hope of pleasure in our daily creative skill.

All other work but this is worthless; it is slaves' work—merely toiling to live, that we may live to toil.....

....Next there is the mass of people employed in making all those articles of folly and luxury, the demand for which is the outcome of the existence of the rich non-producing classes; things which people leading a manly and uncorrupted life would not ask for or dream of. These things, whoever may gainsay me, I will for ever refuse to call wealth: they are not wealth, but waste. Wealth is what Nature gives us and what a reasonable man can make out of the gifts of nature for his reasonable use. The sunlight, the fresh air, the unspoiled face of the earth, food, raiment and housing necessary and decent; the storing up of knowledge of all kinds, and the power of disseminating it; means of free communication between man and man; works of art, the beauty which man creates when he is most a man, most aspiring and thoughtful—all things which serve the pleasure of people, free, manly and uncorrupted. This is wealth. Nor can I think of anything worth having which does not come under one or other of these heads. But think, I beseech you, of the product of England, the workshop of the world, and will you not be bewildered, as I am, at the thought of the mass of things which no sane man could desire, but which our useless toil makes—and sells?

Now, further, there is even a sadder industry yet, which is forced on many, very many of our workers—the making of wares which are necessary to them and their brethren, because they are an inferior class. For if many men live without producing, nay, must live lives so empty and foolish that they force a great part of the workers to produce wares which no one needs, not even the rich, it follows that most men must be poor; and, living as they do on wages from those whom they support, cannot get for their use the goods which men naturally desire, but must put up with miserable makeshifts for them, with coarse food that does not nourish, with rotten raiment which does not shelter, with wretched houses which may well make a town-dweller in civilization look back with regret to the tent of the nomad tribe, or the cave of the pre-historic savage. Nay, the workers must even lend a hand to the greatest industrial invention of the age—adulteration, and by its help produce for their own use shams and mockeries of the luxury of the rich; for the wage-earners must always live as the wage-payers bid them, and their very habits of life are forced on them by their masters.

But it is waste of time to try to express in words due contempt of the productions of the much-praised cheapness of our epoch. It must be enough to say that this cheapness is necessary to the system of exploiting on which modern manufacture rests. In other words, our society includes a great mass of slaves, who must be fed, clothed, housed and amused as slaves, and that their daily necessity compels them to make the slave-wares whose use is the perpetuation

of their slavery.

To sum up, then, concerning the manner of work in civilized States, these States are composed of three classes—a class which does not even pretend to work, a class which pretends to work but which produces nothing, and a class which works, but is compelled by the other two classes to do work which is often unproductive.

Civilization therefore wastes its own resources, and will do so as long as the present system lasts. These are cold words with which to describe the tyranny under which we suffer; try then to consider what they mean.....

.....Meantime, in any case, the refinement, thoughtfulness, and deliberation of labour must indeed be paid for, but not by compulsion to labour long hours. Our epoch has invented machines which would have appeared wild dreams to the men of past ages, and of those machines we have as yet made no use.

They are called “labour-saving” machines—a commonly used phrase which implies what we expect of them; but we do not get what we expect. What they really do is to reduce the skilled labourer to the ranks of the unskilled, to increase the number of the “reserve army of labour”—that is, to increase the precariousness of life among the workers and to intensify the labour of those who serve the machines (as slaves their masters). All this they do by the way, while they pile up the profits of the employers of labour, or force them to expend those profits in bitter commercial war with each other. In a true society these miracles of ingenuity would be for the first time used for minimizing the amount of time spent in unattractive labour, which by their means might be so reduced as to be but a very light

burden on each individual. All the more as these machines would most certainly be very much improved when it was no longer a question as to whether their improvement would “pay” the individual, but rather whether it would benefit the community.

So much for the ordinary use of machinery, which would probably, after a time, be somewhat restricted when men found out that there was no need for anxiety as to mere subsistence, and learned to take an interest and pleasure in handiwork which, done deliberately and thoughtfully, could be made more attractive than machine work.

Again, as people freed from the daily terror of starvation find out what they really wanted, being no longer compelled by anything but their own needs, they would refuse to produce the mere inanities which are now called luxuries, or the poison and trash now called cheap wares. No one would make plush breeches when there were no flunkies to wear them, nor would anybody waste his time over making oleomargarine when no one was compelled to abstain from real butter. Adulteration laws are only needed in a society of thieves—and in such a society they are a dead letter.

Socialists are often asked how work of the rougher and more repulsive kind could be carried out in the new condition of things. To attempt to answer such questions thoroughly or authoritatively would be attempting the impossibility of constructing a scheme of a new society out of the materials of the old, before we knew which of those materials would disappear and which endure through the evolution which is leading us to the great change. Yet it is not difficult to conceive of some arrangement whereby those who did the roughest work should work for the shortest spells. And again, what is said above

of the variety of work applies specially here. Once more I say, that for a man to be the whole of his life hopelessly engaged in performing one repulsive and never-ending task, is an arrangement fit enough for the hell imagined by theologians, but scarcely fit for any other form of society. Lastly, if this rougher work were of any special kind, we may suppose that special volunteers would be called on to perform it, who would surely be forthcoming, unless men in a state of freedom should lose the sparks of manliness which they possessed as slaves.

And yet if there be any work which cannot be made other than repulsive, either by the shortness of its duration or the intermittency of its recurrence, or by the sense of special and peculiar usefulness (and therefore honour) in the mind of the man who performs it freely—if there be any work which cannot be but a torment to the worker, what then? Well, then, let us see if the heavens will fall on us if we leave it undone, for it would be better that they should. The produce of such work cannot be worth the price of it.

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### The necessities of life

– the things men need and therefore love, the things upon which, during the countless centuries of human history, men and women have expended all their care, skill and pride – the arts of agriculture and the farm, the arts of the kitchen, clothes, furniture, pottery and metal, the whole business of building – from cottages to cathedrals – all these things will be made and done by machines, and we shall be released for “higher things”. But for the majority of men and women – for us – there are no higher things. It is true art to make well what needs making, for love of God and for the service of our fellow men and women.

*Eric Gill*

Extracts from  
**Religion and the Rise of Capitalism**

R.H. Tawney

**A Heritage on Which to Build?**

The significance of (the contribution of characteristic elements of medieval thought)...is to be found in the insistence of medieval thinkers that society is a spiritual organism, not an economic machine, and that economic activity, which is one subordinate element within a vast and complex unity, requires to be controlled and repressed by reference to the moral ends for which it supplies the material means.

...The most fundamental difference between medieval and modern economic thought consists...in the fact that, whereas the latter normally refers to economic expediency, however it may be interpreted, for the justification of any particular action, policy, or system of organization, the former starts from the position that there is a moral authority to which considerations of economic expediency must be subordinated...The bugbear is the man who uses, or even creates, a temporary shortage, the man who makes money out of the turn of the market, the man who, as Wyclif says, must be wicked, or he could not have been poor yesterday and rich today.

.... the rules of morality are binding. Material riches are necessary; they have a secondary importance, since without them men cannot support themselves and help one another...There is no place in medieval theory for economic activity which is not related to a moral end....'Riches' as St Antonino says, 'exist for man, not man for riches'.

The Church sees buying and selling, lending and borrowing, as a simple case of neighbourly or unneighbourly conduct...grocers and victuallers 'who conspire

wickedly together that none shall sell better cheap than another' (sic), and speculators 'who buy up corn, meat, and wine...to amass money at the cost of others' are, 'according to the laws of the Church, no better than common criminals'.

Trade

Trade is legitimate: the different resources of different countries show that it was intended by Providence. But it is a dangerous business. A man must be sure that he carries it on for the public benefit, and that the profits which he takes are no more than the wages of his labour.

The Just Price

The essence of the argument was that payment may properly be demanded by the craftsmen who make the goods, or by the merchants who transport them, for both labour in their vocation and serve the common need. The unpardonable sin is that of the speculator or the middleman, who snatches private gain by the exploitation of public necessities. The true descendant of the doctrines of Aquinas is the labour theory of value.

The most desirable course is that (prices) should be fixed by public officials, after making an enquiry into the supplies available and framing an estimate of the requirements of different classes. Failing that, the individual must fix prices for himself, guided by a consideration of 'what he must charge in order to maintain his position, and nourish himself suitably in it, and by a reasonable estimate of his expenditure and labour'. If the latter recommendation was a counsel of perfection, the former was almost a platitude. It was no more than an energetic mayor would carry out

before breakfast.

So, when the price of bread rises, or when the London fruiterers, persuaded by one bold spirit that they are 'all poor and caitiffs on account of their own simplicity, and if they would act on his advice they would be rich and powerful', form a combine, to the great loss and hardship of the people, burgesses and peasants who do not console themselves with the larger hope that the laws of supply and demand may bring prices down again. Strong in the approval of all good Christians, they stand the miller in the pillory, and reason with the fruiterers in the court of the mayor. And the parish priest delivers a sermon on the sixth commandment, choosing as his text the words of the Book of Proverbs, 'Give me neither riches nor poverty, but enough for my sustenance'.

Usury

No man...may charge money for a loan. He may of course, take the profits of partnership, provided that he takes the partner's risks. He may buy a rent-charge; for the fruits of the earth are produced by nature, not wrung from man. He may demand compensation – interesse – if he is not repaid the principal at the time stipulated. He may ask payment corresponding to any loss he incurs or gain he forgoes. He may purchase an annuity, for the payment is contingent and speculative, not certain. It is no usury when John Deveneys, who has borrowed £19 6s, binds himself to pay a penalty of £40 in the event of failure to restore the principal, for this is compensation for damages incurred....

What remained to the end unlawful



was that which appears in modern economic textbooks as 'pure interest' – interest as a fixed payment stipulated in advance for a loan of money or wares without risk to the lender....the essence of usury was that it was certain, and that, whether the borrower gained or lost, the usurer took his pound of flesh.

These doctrines (the just price and the prohibition of usury) sprang as much from the popular consciousness of the plain facts of the economic situation as from the theorists who expounded them.

When all is said, the fact remains that, on the small scale involved, the problem of moralizing economic life was faced and not abandoned.

*The editor is most grateful to Barbara Panvel for bringing this piece to our attention.*

Extract from

### **The Politics of Money**

Frances Hutchinson, Mary Mellor and Wendy Olsen

For Veblen the 'instinct of workmanship' was in contrast to the 'predatory instinct'. Although he labelled these traits 'instincts', they are more accurately described as learned patterns of behaviour. The instinct of workmanship included all socially useful, cooperative activities associated with provisioning, craft, art, caring, nurturing and educating (the 'parental' instinct), and invention (the 'instinct of idle curiosity', 'idle' in the sense that knowledge is not sought for gain). These traits are responsible for growth and progress in the human economy. They also fulfil the basic human need for affection, sharing and social concern, and are expressed through the more creative and cooperative activities normally undertaken by women and the 'common man'. In his essay on 'The Instinct of Workmanship and the Irksomeness of Labour' published in the American Journal of Sociology in 1898, Veblen drew attention to the distinction between working as a wage labourer, performing irksome labour for a money reward, and undertaking wholesome work to meet human needs.

## **Description of the meaning of craftsmanship from the Islamic world.**

Similarly this wisdom and baraka (spiritual blessing) is recognised and permeates many aspects of the conscientious Muslim's life even in the domain of craftsmanship. This is best encapsulated by the following account found in Titus Burckhardt's book "Fez: City of Islam"

"I knew a comb-maker who worked in the street of his guild, called Abd al-Aziz (slave of the Almighty). He obtained the horn for his combs from ox skulls, which he bought from butchers. He dried the horn skulls at a rented place, removed the horns, opened them lengthwise, and straightened them over a fire, a procedure that had to be done with greatest care, lest they should break. From this raw material he cut combs and turned boxes for antimony (used as an eye decoration) on a simple lathe; this he did by manipulating with his left hand a bow which, wrapped around a spindle, caused the apparatus to rotate. In his right hand he held the knife, and with his foot he pushed against the counter-weight. As he worked he would sing the Koranic suras in a humming tone.

I learned that as a result of an eye disease which is common in Africa, he was already half blind and that, in view of long practice, he was able to 'feel' his work rather than see it. One day he complained to me that the importation of plastic combs was diminishing his business: 'It is not

only a pity that today, solely on account of price, poor quality combs from a factory are being preferred to much more durable horn combs,' he said; 'it is also senseless that people should stand by a machine and mindlessly repeat the same movement, while an old craft like mine falls into oblivion. My work may seem crude to you; but it harbours a subtle meaning which cannot be explained in words. I myself acquired it only after many long years, and even if I wanted to, I could not automatically pass it on to my son, if he himself did not wish to acquire it - and I think he would rather take up another occupation. This craft can be traced back from apprentice to master until one reaches our Lord Seth, the son of Adam. It was he who first taught it to man, and what a Prophet brings - for Seth was a Prophet - must clearly have a special purpose both outwardly and inwardly. I gradually came to understand that there is nothing fortuitous about this craft, that each movement and each procedure is a bearer of an element of wisdom. But not everyone can understand this. But even if one does not know this, it is still stupid and reprehensible to rob men of the inheritance of Prophets, and to put them in front of a machine where, day in and day out, they must perform a meaningless task."

*The editor is grateful to Rachael Babar for bringing this piece to our attention*

Quotation taken from the Winter 2003/2004 Newsletter of the **E F Schumacher Society** (Maryland USA)

(A) better world is not only possible, a better world is here, in the food we eat, in the community we share. I would argue that the ultimate transformation is saying that I am no longer a mere consumer in this technological market system, but I am going to view everything I do as a creator.... With the food I buy I'll create a different kind of

earth, a different kind of farming system, a different body for me, my children, and my community. Instead of consuming music, I'll make music. Instead of consuming poetry, I'll write poetry. Instead of consuming food, I'll grow food. Every time you say no to being a consumer and yes to being a creator you create a new world. *Andrew Kimbrell*

## The Abominable Religion of the Ratheans

Eimar O'Duffy

This extract is taken from **The Spacious Adventures of the Man in the Street (1929)**, the second volume of the **Cuinduine** trilogy

As to their religion, the Ratheans are, I regret to say, Devil Worshipers. They believe in one Devil, whom they call Darkness who alone exists of himself, who is infinite and eternal, and who will put an end to all things; for which reason he is also called the Destroyer. He is the enemy of Life, and particularly hates mankind, whom he would willingly annihilate, but spares on account of the evil they do. The Ratheans believe that it is the highest duty of man to honour and worship this Devil, to propitiate him with evil deeds, to make life as short and barren as possible by hatred and distrust of one another, and to subdue the cravings of the spirit by the pursuit of material ends.....

Now after many generations Darkness saw that Man walked not in his ways in anything, but was altogether turned to the service of Light. And he resolved to go himself among men and teach them the way of Darkness.

And the spirit of Darkness descended

upon one Procrustes; and Procrustes went forth preaching the word of Darkness by precept and example.

Procrustes used to preach a good deal in the form of parables; and of these I will give one sample.

### THE PARABLE OF THE LABOURERS

'A certain man went out early in the morning to hire labourers for his factory: and having agreed with some for a noitar a day he sent them into his factory.

And going out about midday he saw others standing about the market place, and sent them also into his factory, saying that he would give them what should be just.

But towards the end of the day he found others still unemployed, and hired them in like manner.

And in the evening he called the

labourers together to pay them their hire: and to those that had come in first he gave each man one noitar.

But when those that had been hired at midday came he gave them only half a noitar; and to those that had worked for the last hour he gave one-fifth of a noitar.

And receiving it they murmured, saying that their needs were as great as the needs of the others.

But the master said: You are worth less to me.

And they replied: We cannot live on less than a noitar.

But the master said: That has nothing to do with me: neither would it be fair to those others to reward you equally with them for less work. I am a just man and a practical: therefore must the first be first, and the middle midmost and the last last; and so it ever shall be'.

## Capital and Capitalism

"It seems to me that the problem of ESOP (employee share ownership plans) is not so much the technical aspects of implementation, but its basic assumption that a reallocation of ownership of capital as it is manifested in the corporate structure will solve capitalism's inherent self-contradiction. To begin with, it may shed some light to call attention to the fact that capital is merely a notion of capitalism. It is a name given to the "excess" value of labor extracted from labor itself. Marx's limitation was that by acknowledging capital as the counterpart of labor, he set up a shadow boxing match that had little reality, and a match in which labor

cannot possible win. It is like a war on the devil, the mere recognition of the devil's existence is itself total defeat.

*Let's start with who owns the universe. No self-respecting entity can make that claim. Capital as a notion was invented to allow some to claim the unclaimable, and money was invented as its expression.*

Capital in finance capitalism is merely a notional value of structured finance. No matter who owns it, capital as a notion in human civilization has spent its usefulness and transformed into a destructive

idea, like racism, piety, etc. There is no inherent need for capital to exist, and much less for the debate about the morality of its ownership. Let's start with who owns the universe. No self-respecting entity can make that claim. Capital as a notion was invented to allow some to claim the unclaimable, and money was invented as its expression. If no one owns air and water, why should anyone own factories? Of course, under capitalism, both air and water are no longer free."

Henry C.K. Liu

*Henry Liu writes for The Asia Times*

## Work, Leisure and the Problem of 'Unemployment'

This extract is taken from *The Political Economy of Social Credit and Guild Socialism* by Frances Hutchinson and Brian Burkitt (1997), pp 165-167. Unless otherwise stated all quotes are from CH Douglas, from works published in 1919 and 1920.

The Douglas/New Age texts noted the commonly held assumption that if people were starving the answer to their problem was to find employment. Hence the provision of employment would end poverty and starvation. However this 'axiom is now receding into a proposition to be proved'. What people really want when they seek employment is an income, not 'work'. Demands for a minimum wage and recognition of the 'right to work' merely highlight the problems caused by the failure of a distribution system dependent upon the notion of labour as a commodity, subject to the laws of supply and demand.

Although it is desirable to reduce enforced and monotonous work to a minimum, work of some kind is essential to well-being. The texts draw a distinction between necessary work – the exercise of hand, eye and brain for productive ends – on the one hand, and the enforced monotony of the work of the wage slave, on the other. It is a vital distinction. The knitting of a jumper or the digging or ploughing of a field can be intrinsically satisfying. The creation of a jumper or a wheatfield can be a fulfilling and healthy activity. However, knitting jumpers or digging and ploughing ten hours a day, six days a week, fifty-two weeks a year in order to obtain the necessities of life is neither healthy nor satisfying.

*There is absolutely no concrete difference between work and play.... No one would contend that it is inherently more interesting or more pleasurable to endeavour to place a small ball in an inadequate hole with inappropriate instruments, than to assist in*

*the construction of a Quebec Bridge, or the harnessing of Niagara. But for one object men will travel long distances at their own expense, while for the other they require payment and considerable incentive to remain at work.*

Monotonous work is degrading, best undertaken by machines and robots. Scientific progress ought therefore to benefit society as a whole. However, under the present system of finance, wages and salaries must be accounted for as costs of production which reappear in prices. Since these same wages and salaries form the major portion of society's purchasing power, 'modern scientific progress is the deadly enemy of Society'. It merely results in the 'replacing of persons who now obtain their living in this way, by machines and processes'. In the Marxist view, the distribution of goods is entirely dependent upon the performance of labour in their production. In the capitalist view, distribution is largely dependent upon the performance of labour. Either way, the introduction of labour-saving techniques has three implications. First, it may take all the available labour to provide the requisite amount of goods. Second, an increasing number of persons may not obtain the goods. Or, third, materials or labour must be 'misapplied or wasted, purely for the purpose of distributing purchasing power'.

The average standard of living rose during the 1914-18 war because wage payments were increased, prices and the production of luxuries were partially controlled and the sabotage of war 'disposed of useless product

and so kept up wage distribution'. The production of armaments is the supreme example of wasteful production being deliberately fostered because of its financial profitability. Hence the production of armaments is a determining factor in world politics today, because 'millions of men and women get their living, as the phrase goes, by working in armaments factories'. In a passage which anticipated the 'peace dividend' debate of the 1990s, the texts note that the armaments business would cease to function if 'millions of human beings' did not depend on that form of production as a means of access to the necessities of life. In that event, 'the resources currently wasted in armaments production could be diverted to useful ends'.

*In another class comes the stupendous waste of effort involved in the intricacies of finance and book-keeping; much of which, although necessary to the competitive system, is quite useless in increasing the amenities of life... All these and many other forms of avoidable waste take their rise in the obsession of wealth defined in terms of money.... [This obsession] obscures the whole object and meaning of scientific progress and places the worker and the honest man in a permanently disadvantageous position in comparison with the financier and the rogue.*

Under the stress of competition for markets it became desirable to reduce the selling price of



commodities by standardisation and mass-production techniques. Machinery is substituted for skilled workmanship, and the worker, tempted by piecework schemes, is transformed into a 'machine-like system of which every part is expected to function as systematically as a detail of the machine which he may operate'. As early as 1919 it was evident that 'scientific management systems...based on the researches of efficiency engineers such as Mr F.W. Taylor and Mr Frank Gilbreth have resulted in a rate of production per unit of labour, hundreds or even thousands per cent higher than existed before their introduction'. 'It is a 'stupendous waste of effort' because it fails to benefit even the workers retained in employment, as wages fail to keep pace with rising costs of living.

Labourism is no more acceptable than capitalism. In 1920 the New Age forewarned of Workfare and other uncongenial forms of forced labour which inevitably follow from the binding link between work and income.

*If work is the only just title to food, then it follows that 'work' as arbitrarily defined, must be compulsory and universal....Work must be 'made' if it does not exist.....Authoritarianism and materialism....are the necessary social consequences of the doctrine that only 'work' entitles the individual to life; and they may be seen under rapid development in Russia today. (The New Age 1920)*

Recently, British workers have become obsessed with a sense of the power of organised Labour. However that power can be exaggerated and is certainly waning rapidly by misuse. It plays straight into the hands of the enemy in exactly the same way as the Russian workers have been led from the 'tyranny of Czarist Russia into the

scientific conscription of Labour now incorporated into the Workers' Republic'. The American Henry Ford 'is credibly reported to have been converted to Bolshevism' by the efficiency of the workers' republic.

*If work is the only just title to food, then it follows that 'work' must be compulsory and universal....Work must be 'made' if it does not exist.....Authoritarianism and materialism....are the necessary social consequences*

Extract from

## The Tree of Life

H J Massingham

"The machine divorces spirit from the organic body," wrote Berdyayev in *The End of Our Time*. The technician is necessarily the servant of the machine and the master of mankind in a mechanical civilization, so much so that an advance in technics is universally considered as an advance in civilization. This high priesthood of the combustion engine could never have arisen but from a depopulation of the countryside like a river in spate flowing through the centuries, itself due to the destruction of the sense of home which is endemic in the peasant and the craftsman. An industrialism that displaces industry and becomes a value in itself would have been impossible without a contingent urbanism with a materialist philosophy to drive it headlong into further and further excesses of mass-making and expansion. The technician and the corporation, again, are at one in dehumanizing man as worker into the one an automatic operator who mindlessly executes the technical calculations of the expert and keeps the machine in motion, the other into a fluid labour force turned off and on the machine according to the manipulations of finance and the fluctuations of the market.<sup>1</sup> The quintessence of the peasant's and the craftsman's work is its variety, the one by the multiple demands made upon it through the diversities of soil, climate, vegetation, growth and their interactions upon one another, the other by the personal supervision of every process from the raw material to the finished product. This direct contact with nature on the one hand and with substance, colour and form

on the other has always been and is a mainspring of religious feeling, whereas the total dominance of the machine cuts man off from the world of life, binds him to the inorganic and reduces his personal self to a decimal.....

The appalling mirage and atomism of the present Work State and the potential Leisure State are alone sufficient to account for the insanity of the world. In the societies of peasant and craftsman, work and leisure were different phases of a single activity and a single pattern of life, the one organically intertwined with the other, but leisure never an escapist device for forgetting work with its consequence that a split between work and play means split personality and a neurotic or neuropathic tendency in the people. Each little cosmos of local self-government provided for its play out of its work and carried into its work the traditions, the incentives, the very subjects of its play. Work, that is to say, was a kind of play, because it was craftsmanly, and play was a kind of work, because it was self-made. And this integration passes through the whole of the animal kingdom, even among the modern man-like bees and ants, so much so that it seems the very law of God. The aesthetic faculty, that innermost expression of man's being, filled both work and leisure, the colour in the flower. The peasant's song was but a variation of the way he built his stack or mowed his meadow; the pageant of the Guild but a new turn of the wheel of creation. Nor, whether he worked or played, did any man, do the job or act the sport but himself,

himself in conjunction with his fellows. Such is the antithesis between the self-acting vocational group and the mass controlled either by the self-deified State or the vested interest whether in work or play.

<sup>1</sup> "When we call the new mass-production system 'automatic' or 'mechanised,' we do not mean that the machines have become automatic or mechanized. What has become automatic and mechanical is the worker." (Dr. Drucker: *The Future of Industrial Man*).

Extracts from the writings of  
**Joan Robinson, economist**  
(1903-1983)

"The purpose of studying economics is not to acquire a set of ready-made answers to economic questions, but to avoid being deceived by economists".

"The task of deciding how resources should be allocated is not fulfilled by the market but by the great corporations who are in charge of the finance for development. These questions involve the whole political and social system of the capitalist world; they can not be decided by economic theory, but it would be decent, at least, if the economists admitted that they do not have an answer to them".

"Private enterprise is wonderfully flexible in jumping from one profitable market to another, but is very rigid in resistance to social control....There is no point in thinking of what we really want, such as abolishing poverty and restoring peace. All we can ask for is what they choose to give us. We must keep the show going or else they won't give us anything at all".

"The student of economic theory is taught to write  $O=f(L,C)$  where L is a quantity of labour, C a quantity of capital and O a rate of output of commodities. He is instructed to assume all workers alike, and to measure L in man-hours of labour; he is told something about the index-number problem involved in choosing a unit of output; and then he is hurried up to the next question, in the hope that he will forget to ask in what units C is measured. Before he ever does ask, he has become a professor, and so sloppy habits of thought are handed on from one generation to another".

*A Citizens' Income*

**Clive Lord**

Jon Carpenter 2003 pp153. £8.99  
ISBN 1-897766-87-4

Clive Lord is to be heartily congratulated for reviving interest in Richard Wilkinson's seminal work of the 1970's, *Poverty and Progress*. According to Wilkinson, technological progress and economic growth become increasingly urgent as attempts to combat the growing poverty i.e. scarcity of resources, resulting from change (social and environmental) and progress itself. Except in times of transition, starvation is rare in 'pre-industrial' societies. Basic necessities are shared equally, so that all have enough. Where surpluses exist, they may be used for ostentatious display by 'chiefs' and 'kings', Where this happens, it is not, however, the *personal wealth* of the *individual* which is on display, but the success of the whole society. The processes whereby the demands of a society on its natural support systems are held in balance make Wilkinson's book a fascinating read and a classic of its type.

Lord contrasts traditional sharing with the 'Tragedy of the Commons', an attempt in the early 1970's to explain environmental degradation as the lack of regulation of personal greed. Unfortunately, neither the original nor the present authors make meaningful connections between the two scenarios. As Daniel Bromley and others have explained in detail, the regime described in the Tragedy of the Commons scenario is not a commons regime at all. Commons regimes are strictly, regulated, as are private and state controlled regimes when they operate effectively. Individuals can only overgraze for personal advantage in a totally unregulated regime, such as that described in the 'Tragedy' scenario.

Furthermore, Lord fails to detect the

common cause of poverty as detailed in *Poverty and Progress*, and the over-exploitation of the land as described in the 'Tragedy of the Commons'. The true tragedy occurs when fields, commons and woodlands are enclosed, rights of access are denied to the villagers, and the land is exploited for private gain, often by an absentee landlord whose sole interest in the land is financial profit, i.e. money. No longer in command of their own circumstances, the villagers are turned into landless labourers, forced to migrate to urban centres where the only chance of keeping body and soul together is to become the saleable commodity 'labour', employed for a wage or salary. Financial profitability to the employer determines what goods and services the employee creates, and under what conditions. As decision making is taken away from the worker within the local setting, and taken to remote offices, social and ecological sustainability is forgotten. Finance becomes the sole rule of thumb.

When this happens, pre-industrial society is destroyed. Skills are lost. Traditional ways of working together and sharing responsibilities are superseded by a hedonistic philosophy in which *all* exploit the 'commons' for their own advantage. Employer and employee alike consider first and foremost 'what's in it for *me*?' as they negotiate agreements about the sale of their life and work for *money*.

In this context it is perfectly safe to argue the case for a basic income, *because it will never happen under the existing money system*. If all had a guaranteed basic income sufficient to live on unconditionally, they might at first continue in their employment from force of habit. However, before long the wheels of commerce and industry would grind to a halt. People would not work on assembly lines making designer clothes and fighter aircraft for distant markets, nor would

they tolerate increasing bureaucracy in hospitals, shops, agribusiness and educational institutions. With security of income, choice would re-emerge and global corporatism would collapse. Hence the only form of basic income that could be tolerated *under the present financial system* would be one based on workfare. Lord's demotion of the issue of monetary reform to footnote status in an Appendix – 'if it ain't broke, don't fix it' - demolishes his entire case. People will not for long continue to work for an employer *and* pay their taxes, so that greens, elderly hippies and single mothers can stay in bed in the mornings. Lord's contention that because ecologically sustainable societies held income security for all paramount, basic income would cause western civilization to revert to ecological sustainability without changing the money system, is untenable.

The book is like the curate's egg – good in parts. If nothing else, the insomniac, idle curiosity sufferer or traveller by public transport can spend many a happy hour pondering Edward Goldsmith's endorsement "This book is a good antidote against sceptical environmentalists."

Frances Hutchinson

**Don't Worry (It's Safe to Eat)**

Andrew Rowell

Earthscan Publications Ltd., London  
2003 £16.99

ISBN: 1 853839 32 9

This book has a consistent and worrying theme – that of the Establishment or Political 'Elite' controlling our lives with apparent impunity with a 'We know best and because we are in power, ... you are wrong' attitude; a familiar tale to some perhaps...

It describes in bewildering detail – and in turn - the progress of the BSE crisis, the Foot and Mouth crisis and the 'crisis' of Genetically Modified food.

In each case, it examines the Government's response – namely, denial, inadequacy and an ill-judged response. In other words, a consistent pattern governed by political expediency and an old-boys scientific network.

The consistent pattern highlights the political hijacking of Science and scientists in order to justify and pursue policies that have been 'cobbled' together, sometimes based on very uncertain Science. Within such an environment, any scientist who fails to toe the agreed line is brutally treated – that is to say, his or her reputation is undermined as if he had broken social taboos leading to being ostracised from his or her scientific community.

Indeed, time and again, the author cites evidence of political manoeuvrings behind the scenes to push a particular policy or action. In particular, when a highly reputable scientist suggested GM science was uncertain and/or incomplete on a World in Action programme, telephone calls from Washington (Clinton) were made to London (Blair) and then to the Director of the scientific study concerned. Within hours of questioning the veracity of GM science, the scientist concerned was 'on leave' – code for excommunication. Given the religious status within the modern world accorded science and discovery, what the author highlights is the misuse of the scientific community.

To this end, it is a pity that all the evidence in the book is circumstantial but, given the nature of the subject, all the evidence must be such. For example, just because all of the scientists that are on a Government panel belong to the same Oxford – Cambridge axis, does not in itself constitute 'proof' that the appointment of a new panel member from the axis is a fix or nepotistic. Similarly, just because the GM lobby is very powerful in America and funds political parties does not 'prove' that there was direct

involvement or a Smoking Gun. It just smells rather – something that the author is clearly aware of.

The book is also very detailed in parts and having read it, I have begun to believe that I am something approaching an expert on the science of these subjects. Whilst so doing, I have begun to realise the paucity of modern science in relation to the workings of nature. It is clear for example that Science (that is, perhaps all Science and scientific models) relies on hypotheses and that if you ask the right questions and do the right experiments, you get the right answer. It is of course equally true therefore, if the word wrong is substituted.

Although a good, informative and exasperating read, I am curious to know who the target audience is. There is a danger – even likelihood – that this book having been published, will be left on the shelves to rot, unnoticed by anyone. I suspect that future historians will glance at the book as a matter of curiosity and conclude something along the lines of 'Well, that was what politics was like back then' and dismiss it as a seriously informative piece of History. This will be a pity, because the issues raised are pertinent to today, but I feel the book will become a victim of the wrongs within the system it purports to highlight. In other words, it will change nothing.

As an academic book, it fails in that no university will place it on its reading list because, once again, the criteria used for such things require proof. As an Activists or Conspiracy theorists book, I am sure that it tells them nothing new about the system, but if used as evidence, well, once again there is no proof.

Tim Roake December 2003

Tim Roake has had a lifelong interest in Economics and Politics. He is a teacher of Economics and History 'A' Level to the Sixth Form at Berwick-upon-Tweed Community High School.

## The Monetarist Samaritan

Roger Woddis

*'No one would have remembered the Good Samaritan if he had only good intentions. He had money as well.'*

*Mrs Thatcher, interviewed on Weekend World.*

And a man going down to Jericho  
Fell among thieves one day.  
Who laughingly did him over,  
And laughingly rode away.

And a holy priest and a Levite  
Passed by on the other side,  
Until there came a Samaritan,  
Hard-headed and narrow-eyed.

Who said, 'I shall only assist thee,  
And pour on the oil and the wine,  
If thou suffered these wounds while  
working,  
And not on the picket-line.'

And he told the man in his mercy  
To stand on his own two feet,  
And he counted out two denarii,  
And asked for a stamped receipt.

And the poor man told the Samaritan,  
'Put thy money back in thy purse:  
Being robbed is a bad enough  
fortune,  
Being preached at is even worse.'

11 January 1980

Taken from: *God's Worried Satirical verse* by Roger Woddis from *The New Statesman*. Permission to reprint has been sought.

Visit the **Princess Grace Irish Library** on [PGIL-EIRData.org](http://PGIL-EIRData.org) for a review of *Asses in Clover* (click on *Book Stack* or *Newsflash*)

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## Recommended Reading

**Frances Hutchinson, Mary Mellor & Wendy Olsen**  
*The Politics of Money: Towards Sustainability & Economic Democracy*

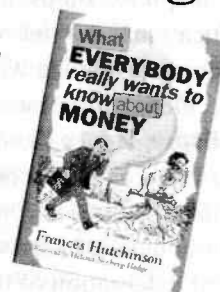


**Eimar O'Duffy**  
*Asses in Clover*

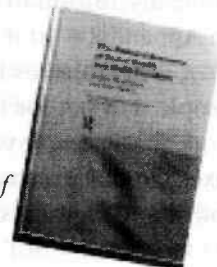


**H J Massingham**  
*The Tree of Life*

**Frances Hutchinson**  
*What Everybody really wants to know about Money*



**Frances Hutchinson & Brian Burkitt**  
*The Political Economy of Social Credit And Guild Socialism*



**Alan D Armstrong**  
*To Restrain the Red Horse*

**Frances Hutchinson**  
*Social Credit? Some Questions Answered*

**Books by Major C H Douglas**  
*Economic Democracy*  
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*Credit Power and Democracy*  
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