

The SOCIAL CREDITER

THE JOURNAL OF THE SOCIAL CREDIT SECRETARIAT

For Economic Democracy

Quarterly Volume 87 No. 2 Summer 2011

In this issue:

Transition Mapping for Local Authority Part III	Frances Hutchinson	27
King Goshawk and the Birds	Eimar O'Duffy	31
Outline of Money	Geoffrey Crowther	33
How Came There to be People Called Dissenters	William Cobbett	36
From Vision-building to Action	Martin Large	38
How Cuanduine went home	Eimar O'Duffy	39
The Nation's Credit	C.G.M.	40
Sense of Sacredness	Felix Padel and	41
	Samarendra Das	
Deskilling and Reskilling	Molly Scott Cato	43
Book Reviews		45

Editorial

In the present social world of today, the question, "What is Money?" is greeted with puzzlement. Of course, everybody can recognise money. We all get it and spend it. From the moment the first breath is taken until the very last is expended, no day passes without some vital consideration of where the money is to come from, and where it needs to go. It is like saying "What is air?" to a mammal, or "What is water?" to a fish. In the man-made social context of the money economy, money is something with which we live, and move and have our being. Yet we have very little understanding of what money *is*. Is it a very useful tool? Or is it an all-powerful master?

The prime consideration of the parents of a child born today is to provide him or her with the best possible means of 'earning a living', by which is meant obtaining a money-income stream by working *for money* within the world economy. Until modern times, money was not a relevant factor in the daily existence of the overwhelming majority of individuals. Access to resources was for millennia determined by social forms

allocating rights and obligations according to custom and law. A household's rights to the natural resources of the land enabled members of the household, working as a team, to secure for themselves provisions of food, clothing, shelter and the artefacts necessary for human existence. Industrialization has brought unprecedented changes in the relationship between humanity and the land which sustains all life on earth. It is now possible to find out a great number of facts about the world we live in from computers and the many electronic devices which abound in our homes and schools. But how those facts relate to us personally is, by and large, an unfathomable mystery.

Growing up within an urban or suburban setting, attending the schools and colleges of today, provides the average adult with very little by way of practical skills, cultural knowledge or spiritual experience. Growing up on a farm provided roots which, in the many senses of the word, supplied nourishment for purposeful adult life. Learning the processes of tending plants and animals, collecting wild foods, preparing foods, making furniture, clothes, implements, music, stories and

engaging in social interaction enabled adults to take their place within a comprehensible social framework. On the whole, right ways of doing things led to satisfactions which were not merely materialistic, whilst laziness, violence and pure selfishness led to personal disaster. All was not sweetness and light. But at least responsibility for failure could be laid at the feet of the individual.

At the present time, the social framework has changed beyond the comprehension of even the most erudite scholars. Within the social sciences the whole focus is upon narrow specialisms, so that serious engagement between politics, economics and philosophy is virtually unknown. Thus the activities of international banks and other skullduggery, ever-expanding supermarkets, mining cartels, gene-manipulating pharmaceutical companies, nuclear physicists, and policy-makers in the NHS and educational services can be criticized from the sidelines, as if the critic can be totally absolved from all blame. ‘So long as I work for my money income, and spend it responsibly on my house and family, I have fulfilled my social obligations,’ says Rational Economic Man.

So parents accept the social framework into which they were born, and feed their children into the money system without any need or obligation, seemingly, to understand what they are doing. From the rootless international ‘Davos Class’¹ downwards, families aspire to climb up the ladder of material wealth and status by ‘getting a living’ out of the money economy. It is not possible or desirable to put the clock back. But as things stand, total immersion in the money economy looks set fair to drown humanity socially, spiritually and ecologically. During the 20th century the ‘money power’ has been highly successful in discrediting alternatives, labelling them impractical, unworkable, heretical and – when all else fails to suppress them – ‘anti-semitic’. There are sound reasons for silencing all serious alternatives to the business-as-usual growth economy: if people realized that they were working within a system of laws, culture and ways of working together that was entirely man-made, pre-constructed and easily adaptable,

there would follow a transformation of the social framework which would totally eclipse the industrial revolution.

The greatest heresy of the 20th century was the notion that a basic income in the form of a National Dividend could, quite literally, at a division in the House of Commons, be made available to every man, woman and child in the country. There is no technical reason whatsoever to preclude this from happening. If the Lord of the Manor in pre-industrial times took a tithe or tenth of my produce which I created from working on the land because *he had a legal right to do so*, I might complain, but I knew exactly what was happening. But when I give the whole of my working life to an employer or an employing body in return for an income upon which to subsist, am I quite clear about the legal framework through which I relate to God’s earth and human society which subsists upon it? There is no earthly, common-sense reason why, from the age of five, a child should be taught to leap out of bed every morning from Monday to Friday in order to attend school so that she is prepared to take her place in the modern world as an employee of some organisation so that in due course she can take ‘maternity leave’ in order to supply the system with replacement workers.

For humanity to evolve a sounder, saner social framework, in touch with ecological reality, the true emancipation of women is the prime prerequisite. As things stand, the corridors of power are virtually exclusively occupied by men. The reason for this has absolutely nothing to do with women’s inferior abilities (see Editorial, Spring 2011 TSC). It is simply that men have only been able to advance the skills and thinking power of humanity by leaving essential survival tasks to women and the wage-slave class in general. Hence growing food, cooking, making clothes, cleaning, and above all bringing up the next generation, are tasks to be studiously avoided by males with any aspirations for money and the power it commands. As a result, the individuals who actually hold the commanding heights of power within international institutions, from banking to the church, have never actually

taken full and undivided responsibility for another individual, still less for a farm or an acre of ground from which the necessities of life are supplied. It is my contention that the provision of income security for all would create the radical shift in perceptions necessary for the survival of civilization. Unless and until such provision is made, males in powerful positions will continue in their assumption that women, low-status men and the natural world will continue to supply them with the necessary labour-power and for them continue playing their beggar-my-neighbour game of World Monopoly. And we will have no option but to continue maintaining them in the manner to which they have become accustomed.

Merely to *demand* that the powers-that-be supply all citizens with a basic income would obviously be futile. The necessary first step in the process is to envision exactly how the availability of a guaranteed basic income as an inalienable

right would affect one's own lifestyle choices. The second step is to air one's thoughts in the company of other thoughtful individuals. This could be done on the internet. However, the most effective (and hence the most dangerous to the system) method is for individuals to come together in groups, face-to-face on a regular basis in the localities where we live. We must become 'social artists' capable of sculpturing the social framework in new ways, capable of working both in theory and in practice. It will take time for economists to emerge from their ivory towers, where what works in practice is disallowed because it does not work in theory. For all but the most gullible it is evident that economic orthodoxy has brought humanity to the very brink of social and ecological disaster. It is therefore thrown back on all of us to embark upon a frank, impartial and heretical exploration of our own relationship with money.

¹ Term coined by Susan George in *Whose Crisis, Whose Future?*, Polity Press 2010.

Transition Mapping for Local Authority III

Frances Hutchinson

Humanity is currently engaged in a peculiar game of beggar-my-neighbour monopoly capitalism. In theory all players set off from Go as equals on a level playing field. In practice, individuals can only enter the game according to rules laid down by a complex series of interlocking institutions which are beyond human comprehension or control. Powerful interests dominate huge international cartels directing political and economic policies in every country of the world. The overwhelming majority of individuals have no choice but to seek to stay on the board (*i.e.* to secure a money income in order to stay alive), by working in service to the system. That is, they do the work demanded of them by the companies and the bureaucracies of national states. The companies need workforces to extract mineral wealth, food and other materials from the land, to manufacture machines, transport systems, armaments and consumer goods, and to educate and service the workforce. The overwhelming majority of individuals simply allow themselves to be fed into the system, and to be fed by the

system, without questioning the purpose, morality or logic behind the entire scheme of things. Few feel any sense of responsibility for their own personal role within it: they simply follow the rules of the society into which they are born. This state of affairs will continue until humanity succeeds in destroying its life support systems completely unless the economic thought of heretical thinkers like Clifford Hugh Douglas are dusted off and studied in the light of twenty-first century circumstances.

The game according to economic orthodoxy

According to the tenets of economic orthodoxy, humanity has progressed from barbarism to capitalism. Under capitalism the means of production are privately owned, production is for profitable exchange, and paid employment is the means whereby individual workers secure the wages necessary to make their selection from the goods on offer. Basically, the argument is that each individual worker alone could produce very little of any one item in a day: one pot, one suit,

one spade might be the limit in a day. But through the division of labour, total output of material goods is increased a thousand-fold. If, instead of making a whole pot, from raw material to finished item, workers sell their labour to the highest bidder who is prepared to pay them for making a *part* of a pot, to be one of a series of workers turning out the product, total output will be maximised. If the workers take the money which the employers are prepared to pay, they can spend it as consumers on the market. All benefit from pursuing their own self-interest.

However, for workers to find work it is necessary for capitalists to supply the means of production, i.e. the plant, machinery, and so on. Without the capitalist, the workers would be unemployed, so they could not work to increase wealth. Furthermore, the capitalist has to make a profit. There would be no point in a capitalist setting up a productive enterprise from motives of pure altruism. The object of the exercise is to keep capitalists in profit so that they are motivated to provide employment for the workforce so that they have money to buy the goods produced, keeping the employers in profit and so on. A strong economy means that more can be produced and consumed.

Heterodox theories

The basic tenets of orthodoxy are elegantly logical. So long as the basic assumptions hold, such as a given distribution of property ownership, a given state of technological development and a stable monetary system, the economy works like clockwork. Observing anomalies in real life, certain economic theorists have proposed adjustments to the mainstream scenario. Perhaps all would be well if the role of money, that neutral facilitator of exchange, was studied carefully, so that a sound system would result. Perhaps all would be well if the capitalist employers were got rid of, and all workers (who are after all the source of all wealth) were employed by the State. Perhaps the institutional framework of society should be studied in order to understand the operational structures of companies, banks and bureaucracies generally.

And so on. The shelves of universities across the world are lined with myriads of the most detailed variations on the theme that if only production of material goods can be maintained at higher and higher levels, humanity would create the best of all possible worlds.

Heretical theories

During the 20th century heretical economists questioned the very notion that a greater output of material goods, measured in terms of their money value, was automatically to be considered an unmitigated 'good thing'. These heretics pointed out that there is such a thing as sufficiency. That beyond a certain point, the more material goods consumed and possessed by any individual, class, group or country, the less are available for others, and the more environmental devastation is created; that by far the most economically worthwhile form of production was armaments, i.e. preparation for war; that agriculture, a country's most necessary resource, was neglected under economic orthodoxy; and furthermore, that factories and transport systems generate waste, polluting the earth and blighting lives.

Heretics suggest that the objective of the economic system is not to provide employment, but to provide a sufficiency of material goods. The new technologies of industrialization open up the prospect of increased leisure, rather than increased production. Under industrialisation the term leisure has come to mean time off, time to relax, have a good time, a holiday in the sun, to recompense for the trauma of the working week. Leisure today means time to waste, to relax, to do nothing in particular, so that one can return refreshed to the world of work, producing goods and services required by the international cartels so that one can enjoy the 'bread and circuses' they provide. However, what true heretics mean by 'leisure' is something very different. In the preindustrial era, leisure was something which was available to only a very select few. Freed from the daily toil of farm, field and workshop, the Greek leisured classes could pursue their interests in the arts, sciences thinking and philosophy. The word *scholē*, from which the

word 'scholarship' (in the sense of learning) is derived, meant 'leisure'. It is the contention of heretical economists that the new technologies open up the opportunity for all to stop working for an employer for money and to start working for themselves. And that was the greatest heresy of all.

Work, income and freedom of thought

The suggestion that, for those without personal private property, the means to an income is *not necessarily* through paid employment, challenged the very foundations of political and economic orthodoxy. The works of Douglas, and all who followed his line of reasoning, had to be attacked, suppressed, misrepresented and eliminated from public consciousness because of their revolutionary implications.

It all started in 1918 when Douglas took a long and detailed look at the workings of the money economy of the early twentieth century. If it was possible to finance world war on a massive scale in such a way that after all the destruction there was nevertheless a strong economy, it should be possible to finance the peace, in which a sane efficiency could be achieved. Drawing upon official government documentation, Douglas analysed the financing of the war. He observed the policies being considered in the immediate aftermath of war¹, accurately predicting the depression and unemployment which would inevitably follow if those policies were implemented, as indeed they were. For Douglas a more sensible policy would be to allocate an income to every citizen, a 'pension for life'. That would eliminate the necessity to constantly produce and consume more, *i.e.* for constant economic growth.

Douglas observed that no *individual* ever produces anything for sale on the market. All production arises from the common cultural inheritance of skill, techniques, scientific knowledge and technology built up over untold generations. Furthermore, even the most skilled and talented individual could do nothing alone. Production of material goods comes about

through the 'increment of association', the techniques and ways of working together. Hence money payments to individuals are purely arbitrary in their significance. Payments of wages to individual workers and profits to individual employers, be they people or companies, are merely money payments, signifying value in terms of the money economy. The real economy of natural resources, human skills and ways of working together, creates real material wealth. No matter how valuable the product is deemed to be in money terms, the contribution of any single individual can never ever be of measurable significance. Hence, Douglas argued, rather than paying people to produce armaments and use them for destruction, why not, on the strength of humanity's cultural inheritance, so adjust the financial system as to pay all a National Dividend.

But where is the money to come from?

In those days (the immediate aftermath of World War I) people were not impressed by the political and intellectual 'experts' who had led them into a ghastly world war. They took it upon themselves in large numbers to study politics, economics and philosophy. The practice of adult group study gave rise to a very well informed electorate. However, for good sense to be transformed into practice it was necessary to gain political control. This was the era of the rise of the career academic and politician. Both in the UK and in the US, as Thorstein Veblen observed, the corporate world took over from the leisured class in politics and the universities². In this way, politicians and their academic advisors were taught to toe the line of economic orthodoxy. Hence the orthodox economists took the line that in his enthusiasm, and with his lack of training in economics, Douglas had made a fundamental mistake: creating more money would merely cause inflation, followed by depression. The answer, said the 'experts', was for all to work harder to pay for the war. The line of reasoning was sufficiently plausible to convince young men recently demobilized from the army and anxious to secure a paid professional career. Thus young politicians and their expert advisors steered policy firmly away from such heresies and instead

endorsed the policies which led to Depression, the indignity of the Dole, and finally into World War II³.

Whilst support for Douglas in official circles was non-existent, and editors of the national press studiously avoided making positive comments on the subject, his economic theories gave rise to “a full-fledged ‘movement,’ complete with its papers, its organizations, its uniforms, and its banners”⁴. Throughout the 1920s and 1930s thinking individuals from all walks of life studied Douglas’ writings in towns and cities throughout the UK, and attended his public lectures. In free and honest debate, the Douglas analysis was difficult to refute. As the movement grew from strength to strength, it became necessary for leading authorities in mainstream economics to refute Douglas’ arguments. This could only be done by presenting an inaccurate version of Douglas’ case, and then proceeding to demolish the inaccuracy. Crowther’s Appendix to his seminal text on money is a classic example of this approach⁵.

In the post-World War II period, the Social Credit movement was ruthlessly suppressed on a worldwide scale. It was not in the interests of any politician or economist to study or support Douglas’ writings. The very mention of Social Credit in any but derisory terms was enough to jeopardise career prospects. Reduction of production, consumption and hours of paid labour were rejected as policy options. On the contrary, the powers-that-be followed a policy of *increasing* paid working time, as an article on Wikipedia has recently shown⁶:

“Beginning in 1950, under the Truman Administration, and continuing with all administrations since, the United States became the first known industrialized nation to explicitly (albeit secretly) and permanently forswear a reduction of working time. Given the military-industrial requirements of the Cold War, the authors of the then secret National Security Council Document 68 proposed the US government undertake a massive permanent national economic expansion that would let

it “siphon off” a part of the economic activity produced to support an ongoing military buildup to contain the Soviet Union.”

The article, which covers employment policies in a number of countries, merits detailed study. The authors conclude that over a fifty-seven year period (1950-2007), working time in the USA was extended by 247 percent. The time has now come to seriously question the necessity for the continuation of these policies.

Back to the drawing board

In short, individuals have been faced with the option of working *for money* for longer hours over a longer working life than ever before in history – or being without an income. Although lip-service is paid to democracy, in practice policies are decided in distant venues, behind closed doors, are endorsed by parliaments, and implemented through the vast institutions of twenty-first century bureaucracy. Seemingly, the individual is powerless.

And yet, without the active participation of myriads of individuals, the policy-makers would be powerless to implement their policies. Ultimately, every person working for money from an employer, who uses the money to buy the commodities provided by the system, is responsible for perpetuating an economic system which looks set fair to demolish the earth’s ability to sustain human life. It is time to ‘unpick’ the massive game of global Monopoly in which we are currently engaged.

According to daily news bulletins, all the evidence suggests that the powers-that-be are intent on fomenting war against the natural environment and humanity in general. Through the current carrot-and-stick money system, ordinary people are persuaded to play their part in maintaining the military-industrial complex and servicing its workers. The whole ‘game’ is, however, conducted according to a set of man-made rules. And those rules can be studied and changed. Clifford Hugh Douglas, and William Cobbett before him, researched the state-endorsed man-made rules of property and finance and

explained how and why the legal framework was created as it was. This provides a basis for the study necessary to frame future legislation.

A few basic back-of-the-envelope calculations can demonstrate the feasibility of paying a National Dividend as a right to all citizens. Enshrined in law, the payment to all of a

guaranteed income periodically, i.e., every time we pass Go would revolutionize the life choices open to all players. This option would not work under the rules of economic orthodoxy. It is a truly heretical alternative to present policies of continuing warfare set in a world of dire poverty amidst plenty.

-
- ¹ See Frances Hutchinson and Brian Burkitt, *The Political Economy of Social Credit and Guild Socialism* 1997, (p55-6) for details.
- ² Thorstein Veblen: *The Higher Learning in America, A Memorandum on the Conduct of Universities by Businessmen*. (1918).
- ³ For a humorous fictional rehearsal of the arguments, see Eimar O’Duffy’s *Asses in Clover*.
- ⁴ Geoffrey Crowther *An Outline of Money* (1941)
- ⁵ For further examples, and a detailed history of the Social Credit movement see Hutchinson and Burkitt *The Political Economy of Social Credit and Guild Socialism*.
- ⁶ http://en.wikipedia.org/wiki/Working_time#United_States 26 May 2011
-

King Goshawk and the Birds

Eimar O’Duffy (1926)

Book III Chapter X

Editor’s Note: Readers of *The Social Crediter* will be familiar with Eimar O’Duffy’s *Goshawk Trilogy* (See www.dougllassocialcredit.com). In this episode the demigod hero Cuandine has been advocating the liberation of the birds and wildflowers from private ownership as a means to social justice and environmental sustainability. At that time (1926) the advocacy of a universal basic income would have been met with the same barrage of hostility. Change is very slow in coming.

How Cuandine began to Fall in England’s Estimation

By the esteem in which he was held, and by the feeling roused by his orations, Cuandine judged that the time was now ripe to urge the immediate liberation of the song-birds and wild flowers from Goshawk’s control: to which effect he spoke at his next meeting. To his surprise the suggestion was received with coldness, and the applause when he sat down was of the most perfunctory character, and intermingled with not a few hisses.

The Mammoth Press at once saw its opportunity, and next morning opened the campaign with characteristic headlines:

QUANDINE THROWS OFF THE MASK

UNDILUTED SLOSH
BLACKBIRDS AND BUTTERCUPS FOR
EVERYBODY!!!

The leading paper of the group said:

“Mr Quandine’s latest effusion can only be described as a violent attack upon the rights of property and the freedom of the individual. It is nothing less than a proposal to tax the provident and efficient for the benefit of the thriftless and idle. Briefly, his policy is the forcible expropriation of the birds and wild flowers in private ownership and their transference to communal control, when their enjoyment will of course be permitted only on a dead level of equality. Mr Quandine shows all the ignorance of human nature and indifference to the realities of life characteristic of the agitators’ breed. He apparently forgets, or pretends to forget, that tastes differ: that to listen for an hour to a thrush’s warbling might be torture to one man, and merely whet the appetite of another for more. Even leaving such extremes out of account, a regime under which every man, woman, and child would be compelled to listen to, say, three bird-songs, and smell, say, half-a-dozen wild flowers daily, would be absolutely intolerable in its appalling

monotony.”

Another said:

“This anarchical proposal means the complete disorganisation of our whole social and economic system. What order or discipline is possible if the private is to have as many daisies as the colonel? if the man behind the counter is to enjoy the melody of the robin equally with his employer?”

Another asked:

“What incentive do we offer to industry and enterprise, if the financier or monopolist, at the end of a lifetime of toil, is to be allowed no more of melody and perfume than the tramp lying by the roadside?”

And another cried:

“If this wildcat scheme were put into practice it would drive capital out of this planet to Mars or Venus, or even out of the Solar System.”

The Cumbrous Press was more mildly remonstrative. *The Morning Journal* said:

“Mr Cuandine’s poetic imagery and moving eloquence were never better displayed than last night. He drew a beautiful and touching picture of a world in which every man and woman, whatsoever their condition or income, should enjoy the song of the birds and the perfume of flowers to their heart’s content. It was a delicate and tender fancy: but we must not mistake a poet’s dream for a practical possibility.”

The *Daily Sootherer* said:

“Mr Quandine’s remarkable theories are interesting subjects for intellectual speculation; but they will not stand the test of practical application. How, for instance, is the distribution to be effected? Is every man, woman, and child, regardless of its age, capacities, and tastes, to be given, free, gratis, and for nothing, say three robins, two larks, and a dandelion? And how is this equality to be maintained? The very next day one person may lose one of his larks, another may want to sell his robins, a third will want to buy

them. In a short time we should be back exactly where we are. The fact is that you cannot change human nature by act of Parliament; and few things are so deeply planted in human nature as the acquisitive instinct.”

There were also two wretched little sheets which clung to a precarious independence outside the two great Combines. These, likewise, shot their bolts at Cuandine. Said the *Daily Trumpeter*:

“It is useless for elegant aristocrats like Mr Coondine to talk academically about beauty and freedom. The time is gone by for palliative measures. Until all the birds and flowers are nationalised and managed by Government Departments, abuses like the present must continue.”

And *the Red Bonnet* said:

“The speeches of Mr Quandine, though doubtless well intentioned, and not unfriendly to the toiling millions, only show how impossible it is for these dilettante artistic members of the bourgeoisie to grasp realities. The fundamental fact is that so long as there are birds and flowers at all they must inevitably accumulate in private hands, and the remedy is - Abolish them.”

Cuandine was filled with astonishment at this opposition, and overwhelmed by the arguments on which it was founded. Conceiving himself to be misunderstood, he delivered another speech in the same tenor, but using simpler language to explain his meaning, and replying exhaustively to each several criticism. He was listened to in obstinate silence; the applause was more formal than before, the hisses more distinguishable. The Mammoth papers redoubled the vigour of their attacks; whilst those of Lord Cumbrous, though they maintained stoutly that, judged purely as an artist, Cuandine was one of the greatest men that England had ever produced, found it all the more necessary to outdo them in denunciation of his policy.

He spoke a third time to a half-empty theatre. With commendable patience he tried to answer a hundred silly or tipsy questioners. At the finish

there was no applause at all.

Now amongst the multitude of his changing hearers there was one young woman that came to every meeting, and sat always in the front row, entranced by the beauty of his godlike countenance and by the grace and strength of his manly form. Her name was Ambrosine, a lovely and accomplished girl, that had been brought up on the intellectual novels and plays of the Edwardo-Georgian period - of course, in bootleggers' editions at ten guineas a copy. She sat on now in the darkened auditorium watching the figure of Cuanduine leaning, deject and weary, against the chairman's table on the deserted stage. Presently, rising from her seat, she went forward to the footlights and softly called his name.

Cuanduine looked up and saw her. "What?" said he, "Have I one listener left?" Then he leaped to the ground beside her, lightly as a cat. "Tell me," he said, "why are the people fled? But yesterday my voice was music in their ears; my words carried them to ethereal regions. Now they will not hear me, and they begin to hate me. What have I done?"

"You have become a bore, Cuanduine," replied

the girl. "You have ceased to be an entertainer, and have become a man with a mission."

"But my mission is for their benefit. My one desire is to restore the beauty that has been stolen from their lives."

"A vain desire, Cuanduine. The people who are really robbed of the birds and flowers are too hungry and ill-clad to miss them. The others do not grudge the couple of shillings charged for entry to Goshawk's show places. They do not go very often, you see."

"And you?"

"I am rich, and go as often as I please. I spend most of my days there, feasting on melody and perfume, lost to the world, its sordidness and cruelty."

"That must be very bad for you," said Cuanduine.

"How so?"

"Beauty is no soothing drug. It is the salt of life. Taken otherwise it is a poison: it induces not sleep, but death."

Appendix to An Outline of Money (Extract)

Geoffrey Crowther (1934)

Editor's Note: Geoffrey Crowther became the editor of *The Economist* in August 1938 at the age of 31. Under his editorship, *The Economist's* circulation grew fivefold. It became one of the most influential journals in the world. In May 1934 he published a series of articles in the *News Chronicle* explaining the errors of the Social Credit movement. These articles were edited slightly to form the Appendix to his seminal text, *An Outline of Money*, (Nelson, 1941), appearing in nine reprints until 1947.

Those who take an active interest in either politics or economics have been well aware for some time past of the Social Credit movement. It has grown from a theory professed by a small band of enthusiasts into a full-fledged 'movement,'

complete with its papers, its organizations, its uniforms, and its banners.

Why it should have a particular appeal to the general public I do not know. Social Credit deals with the extremely difficult and technical subject of monetary theory, which one would not expect to have a wide popular appeal. Moreover, the writings of its adherents are marked by obscurity rather than clarity, by ambiguity rather than by precision. The magnitude of its claims would be, one would think, a deterrent to many people; one is naturally suspicious of a theory which promises 'the abolition of poverty, the reduction of the likelihood of war to zero, rapidly diminishing crime, the beginning of economic freedom for the

individual, and the introduction of the ‘Leisure State’—and all by means of simple bookkeeping.

I think it is this natural suspicion which explains how little one hears of the Social Credit movement in the Press. The Social Creditors believe that they suffer from a corrupt conspiracy of silence, but it is far more likely that they suffer from nothing more than the incredulous caution with which the working journalist treats all vendors of gold bricks or discoverers of El Dorado. Whatever the cause for the popularity of Social Credit, there can be no doubt about its present extent or about the fervour of its adherents. Nothing but good can come of the fullest possible discussion of a theory which has such an evident popular appeal.

The prophet of Social Credit is Major Clifford Hugh Douglas, M.I.Mech.E., who is, as the letters after his name imply, an engineer. In essence his doctrine is a series of financial proposals, but the net of Social Credit is thrown far wider than economics and embraces philosophy, politics, history, and a great many other subjects. On all these matters Major Douglas has his own individual views.

With some of these views I find myself in complete disagreement. I do not, for instance, believe that behind the visible government of the country there is an invisible government of bankers who deliberately maintain the poverty of the community to serve their own ends. I find it hard to believe that every movement for reducing the inequality of wealth—including, apparently, Socialism—is financed by ‘Lombard Street, Wall Street, and Frankfurt.’ Nor am I quite so easily convinced as is Major Douglas that every one who disagrees with him—including, be it noted, every economist in every university in the country—is ‘necessarily in the direct or indirect employ of banks or insurance companies.’

But these absurdities, though irritating, are minor matters, and with most of Major Douglas’s views on the wider aims of policy most people, or at least most Liberals, would agree. For example, Major Douglas recognizes the utter absurdity of trying to regain prosperity by restricting

the production of everything—the fashionable doctrine of the moment. He calls this the ‘doctrine of Sabotage,’ and he is as sarcastic at its expense as any Free Trader. Prosperity, he says, can only come by producing more, not less goods. Further, Major Douglas wants to combine increasing wealth with increasing freedom—he has no patience with those who wish to regiment mankind into a pattern of uniformity. The class war and the exaltation of Nationalism are equally repugnant to him. On all these points, then, Major Douglas is quite definitely ‘on the side of the angels.’ He has the vision of a community of free, wealthy individuals; his aim is to emancipate the human race from its bondage to the necessity of earning a living and to set it free to pursue its higher calling.

The Douglas theory starts, as any modern economic theory must, with the tragic paradox of Poverty in the midst of Plenty. Major Douglas, as an engineer, is rather apt to assume that the engineers have solved the problem of poverty, and that only the economists and the politicians stand in the way. In point of fact, the technical problem of producing goods is as small a part of the whole economic problem as engine-driving is of running a railway.

Nevertheless, it is obvious at a time like the present [1934] that much more is wrong with the world than mere faulty organization. Why is it that nearly every factory in the world appears to be running at a loss and at a fraction of its capacity? Major Douglas thinks he knows the secret. He says that, owing to a fundamental defect in the economic system, the public never has enough money to buy the goods that industry produces. Now at first sight this appears to be obviously true. How often have we not heard the remark, ‘There isn’t enough money about these days.’? In what follows I shall be concerned with analysing this theory. . . .

Editor’s Note: Perhaps presuming that his readers could not or would not read Douglas’ works in the original, Crowther presents a fatuous summary of what Douglas never wrote. Two and a half thousand words later, having shown that which Douglas never proposed

would not work, Crowther continues:

But what about the periods when Major Douglas is at least partly right—when there is a deficiency of purchasing power, whether or not it is due to the causes which Major Douglas expounds? Would it not be right in such periods to create fresh money for augmenting consumers' expenditure?

I believe that even in such periods as these Major Douglas's remedy would do more harm than good. I have a number of reasons for this belief, but there is space only for two.

The first reason is that Major Douglas's remedy is far too big. He suggests that consumers' expenditure, in order to be large enough to buy all the goods offered, needs to be not slightly augmented, but doubled, trebled, or even multiplied seven or eight times (he has never been very specific about the exact figure). Now this is far too high. In periods of depression the volume of goods of all kinds sold does not, in this country, fall by more than about a fifth, and the volume of sales of consumers' goods declines by much less than even this fraction. There is no possible justification for increasing consumers' expenditure by more than 20 per cent., even in the worst depression. To adopt his suggestion would mean converting a moderate deficiency of purchasing power into a wild excess—in other words, jumping from the frying-pan into the fire.

My second reason is that the creation of fresh money is not in any case the right sort of remedy. There is no shortage of money in this country today; in fact, there is considerably more than there was in 1929. The deficiency of purchasing power arises, as we have seen, out of the fact that people are not using the money they have, that they are not spending all their incomes—including under 'spending,' of course, such forms of 'concrete saving' as the building of houses, factories, machines, and other forms of capital.

This being so, the obvious remedy is to persuade people to spend their present incomes, not to create more money. There are several ways of doing this. Cheap money is one way. The

best way is to offer the public opportunities of spending their money, by way of investment, on increasing the capital resources of the country. To give the public additional incomes would probably result in their spending both the addition and also the previously unused portion of their incomes. A deficiency of purchasing power would again have been cured only by creating an excess.

I am not arguing that the only thing to do in a depression is to tighten the belt, to economise, to 'cut the coat according to the cloth,' to sit still and wait for better times, or any of the other conservative maxims. Any such philosophy is profoundly repugnant. I believe that there are ways of curing the depression, but they need to be much more flexible and scientific than the over-simple panaceas of Social Credit.

I have not been able in this short survey to penetrate every nook and cranny of the Social Credit doctrine, but I have tried to argue the central thesis fully, clearly, and—I hope—fairly. The final conclusion at which I arrive is not that Major Douglas is wrong. Far from it—I believe there is much that is valuable in his theories.

But I have been unable to find in them any teaching of value which is not to be found in the writings of scores of other economists, including some of those Professors and Lecturers whom Major Douglas gratuitously dubs the paid servants of the banks. The remedy he proposes I believe to be in no case the best available, and in most cases likely to do more harm than good.

In a sense, I am reluctant to come to this conclusion. It is always distasteful to disagree with enthusiastic idealism, especially when the objectives of the movement are so admirable. But the real pity is not that it is necessary to disagree, but that so much disinterested idealism should be enlisted in so unsound a cause.

For details of all these publications and details of how to purchase them, please see our website: www.douglassocredit.com

How Came There to be People Called Dissenters?

William Cobbett (1835)

Editor's note: In this remarkable little book, William Cobbett describes how powerful families and the clergy used the due processes of law to retain the lands and properties distributed to them by Henry VIII on the dissolution of the monasteries by being willing to swear allegiance to Pope or State as circumstances altered. In these changing times, Cobbett's exposure of the processes of law involved in the securing of property rights through Acts of Parliament merits close scrutiny.

LETTER II

Parsons,

Amongst all the qualities for which the Church, as established, is distinguished from every other body of men in the world, the quality of cool impudence stands very conspicuous. A Church parson always argues with you, or talks with you, as if you admitted *in liminé*, that his Church is the only true Church of Christ now in the world, or that there ever was in the world; and that all those who differ from it can pretend to, is a somewhat mitigated degree of error. One would have thought that men who, from being Roman Catholics, had become of TOM CRANMER's religion, and enacted his Prayer Book [the Book of Common Prayer]; who had afterwards enacted that his Prayer Book was schismatical, and had gone upon their knees to receive absolution from the Pope for having made it; and had recorded, in an Act of Parliament, this absolution that they had recently received from the Pope; and had enacted all the circumstances and acts connected with the making of this Prayer Book to have been unlawful and impious; and who had, after that, re-enacted this same Prayer Book: one would have thought that, at any rate, after all this, they would not have had the audacity to set up a title to *infallibility*; and to claim a right to compel all other men to adopt a belief in any thing, be it what it might, which they chose to adopt as their creed; to call those who would not conform to this their will by the disrespectful name of

Dissenters; that is to say, fallers away from the true faith, and not entitled to the ordinary benefit of the law; and when it suited the purpose of the Church-makers, as liable to some sort of punishment. Yet this is what these Church-makers did; and on these principles they have acted to the present day; though now (from causes which we shall by and by have to state) they began to discover some misgivings; and to profess to be willing to yield up a portion of their enormous pretensions.

When the Roman Catholic Church had been broken up, when its clergy had been ousted, when its property had been confiscated and scattered, when the faith, which the people in general had lived in for nine hundred years, had been declared to be erroneous, when the worship, which they had practised for that length of time, had been stigmatised as idolatrous and damnable, what rightful power was there, or could there be on earth, to command the people to adopt any particular *new faith*, or any *new worship*? What rightful power could there be to make a whole nation conform to any rule of faith or of worship prescribed by any person or set of persons? And especially, what rightful power could there be in those who had abrogated the Prayer Book after they made it, and called it schismatical; what rightful power could they ever have had to bend the necks of the whole nation, and to compel them to adopt a religion, to adopt creeds, and a form of worship which they themselves had begged pardon of Almighty GOD for having invented?

This question is monstrous; and so monstrous is the proposition that it embraces, that it is to be answered only by indignant feelings; no words can furnish a suitable answer. The ancient religion of the country having been overturned and put down by law, by law, indeed, aided by the bayonet, every man was left, of course, to choose a religion for himself. Every man had the Bible in his hand; he had a conscience in his breast; and it was for him to consider and

determine what that Bible taught him to believe, and the sort of worship it taught him to practise. Jesus Christ was no longer upon earth; and the apostles were gone; that which the nation had so long believed had been founded by them and their successors in authority, that was now gone too; the distribution of the Church-property; its application to charitable purposes, this was gone. And in such a state of things justice demanded that the people should be left to themselves to choose their mode of worshipping GOD; and that the national property called Church-property should be applied to the uses of the nation in general, and not grasped for the sole use of any particular set of men.

That this was the general way of thinking of the people, at the time, there can be no doubt; for CRANMER's Church was hardly born before there were plenty of people to *protest* against it. To call them *Protestants* would not do; because that was the name given to those who had protested against the Catholic Church; and besides, that was a name designed to be held in honour. There were Baptists; there were Calvinists; there were great numbers of persons of different opinions, as there naturally would be in such a state of things. The Prayer-Book Church-makers having the property in their hands, and resolved to keep it, proscribed all these conscientious sets of persons under the general name of Non-conformists, Sectarians or Dissenters; and they soon found the means of keeping them in a state of the most abject subjection; though they had not a shadow of rightful power for so doing.

The Dissenters, as we now call those Protestants who refused to subscribe the creeds and articles of the Church, objected to those creeds and to the Church worship, some for one reason and some for another; but it is a curious fact that they all agreed most cordially in one objection; namely to the uniting of the spiritual supremacy of the Church with the temporal supremacy of the state; they all persisted, and most perseveringly, on this, which they called an "unscriptural union:" such they call it unto this day; and hence their united demand for a

separation of the Church from the state; and it is truly curious that, though they were Roman Catholics, the two most learned and virtuous men of that age, or of almost any age, Sir THOMAS MORE and Bishop FISHER, died upon the scaffold, rather than acknowledge the lawfulness of the union of Church and State.

Indeed, if one looks at the thing in a religious point of view, it is perfectly monstrous. In the first place that a mere lay-person, not having studied divinity; not having any character of religious teacher about him; being essentially a soldier; being essentially a magistrate bearing the sword; that such a person should be the Head of the Church of Christ; have the supremacy over the Church in spiritual matters; and we having the example of the Apostles before us, as to the government of the Church, and as to the selecting and appointing of bishops and other spiritual guides: this alone, upon the mere face of it, might have been an excuse for conscientious men objecting to this establishment. ...

Here, then, in this one thing, will any man say, that there was not enough to make conscientious men hesitate before they consented to belong to this Church? Will anyone say it was right to stigmatize, and to exclude from the ordinary benefits of the law, men who could not bring themselves to bend to this? Will anyone say that it was just to inflict penalties on men because they, with the Gospels and the Epistles in their hands, refused to conform to an establishment like this? However, stigmatized and punished they were. Cranmer burnt several of them for protesting against his Church; and as to ELIZABETH, her forty-five years reign were forty-five years of the most ferocious punishments inflicted on this conscientious part of her subjects. (pp40-43)

Parsons, you always talk of this Church, as if it had been established by *the common consent of the people*; as if it had arisen out of their will; and had been their work and not the work of the aristocracy; and you always represent the Dissenters as *unreasonable* and *perverse*

in withdrawing from it, or not joining it: you always speak of the makers of this Church as zealous and pious men, acting in conformity to the will of the people. You forget to tell us that, even in its very dawn; that at the very introduction of the Common Prayer Book into the Churches, even at the very first stripping of the altars, and the priests of their vestments; you forget to tell us that the people complained and remonstrated all over the kingdom; that they demanded the return of their ancient religion; that they complained that they had been reduced to the state of pack-horses, while the nobility

and gentry were wallowing in newly-acquired wealth. Those who have read my History of the Protestant Reformation, know all this to be true; they know that the people rose in insurrection in several parts of ENGLAND; and that they were brought into the bosom of the Prayer-Book Church, in the reign of EDWARD, by pious exhortations, no doubt, but with the aid of good well-tempered German bayonets; as you will see in Protestant Reformation, paragraph 212. (p46)

Extract from William Cobbett's *Legacy to Parsons* (1835) Letter II, pages 40-46.

From Vision-building to Action

Martin Large

But individual change and action, whilst important, can only go so far. As Goethe once famously said, one alone can do little, but when several join together with a common purpose, much can be achieved. We can join together with others to take action on an issue in the community, or work on changing a business practice of our employer, or influence government. We can co-create a desired future of what we want to achieve, define our objectives, agree our guiding values, make plans, decide who will do what and implement our plans.

Vision-building and action for a more peaceful, just, human-centred and sustainable life needs facilitation to be most effective. This helps us learn and build capacity as we develop the economy, political processes and cultural forms we want on the local level. The global movement for freedom, democracy and social justice - once known as the anti-globalisation movement - is leading the way with the World Social Forums. These complement practical grassroots regeneration work by providing global space for networking, vision-building for 'another world', organising, learning and dialogue.

But to create 'another world' we need shared vision so we can create desirable futures. It helps to ask, 'What do we want, and how do we get there?' The question, 'is my work leading to a desirable future?' is important for individuals

to ask from time to time. It is also vital for companies, communities and civil society organisations to work on vision, purpose and guiding values as stars to steer by. It is essential to develop a future image of what we want to do about the complex issues we face.

Behavioural science research found that as long as people talked about problems, their energy sank. But when they started planning what they wanted for the future and achievable solutions, people's energy immediately rose¹.

But it is important to see what we can and what we cannot change, to recognise where we have concerns, but no influence, and where we just have influence. And it is very easy to forget if you are comfortably off. The daily reality of poverty, conflict, injustice, environmental degradation and poor social conditions for two-thirds of humanity goes largely unreported. Even so, we know in our hearts what is really going on. The social artist Joseph Beuys wrote on one of his blackboard drawings which was displayed at the Tate Modern in spring 2005:

"He who ... can live carefree and sleep peacefully despite knowing that two-thirds of humanity are hungry or dying of starvation while a large proportion of the well-fed third must take slimming cures in order to stay alive, he should ask himself what kind of a man he is and whether, moreover, he is a man at all."

Alice Walker once said, 'If one person is poor, how can others say they are rich?'

Finally, when I work as a facilitator with people in companies, government and communities to build practical vision and to make strategic plans for their future, the key social questions of our time come up to set the context for change. The following common questions often emerge:

1. How can we build a more efficient, collaborative, fair, sustainable economy that meets people's needs and respects the planet's carrying capacity and the needs of future generations?
2. How are we building a more peaceful, participative, democratic, just and equitable society?
3. How are we enabling all human beings reach their full spiritual, creative, social and

- physical potential?
4. How are we caring for the earth?

The old political and economic structures are falling apart. People are emancipating themselves from these structures, which are bursting at the seams like old suits. However, in order to exercise citizenship, to work as a responsible consumer or producer and live as a free thinking individual it is useful to now ask 'What map of emerging society can help? What power do we have and what kind of power will be most effective? How can we best use the emerging map of the three social powers of business, the state and civil society for public good?'

Extract from: Martin Large (2010) *Common Wealth: For a free, equal, mutual and sustainable society*, Hawthorn Press. pp28-30.

¹ See R. Rehm, N. Cebula, F. Ryan and M. Large (2002) *Futures that Work*, New Society,

How Cuanduine went home

Eimar O'Duffy

Excerpt from *Asses in Clover* Book III CHAPTER XVII

The next day Cuanduine went home to the Golden Valley. As he crossed the rim of the hills he saw of a sudden that the appearance of the place was changed. The guardian Gods had departed: no nymphs played in the river, no dryads in the forest; the pipes of Pan were silent. Alighting from his plane, Cuanduine moved towards the house, and immediately his wife came running forth to greet him with a kiss.

'What has happened while I have been away?' said he. 'Who has disenchanted the valley? And where are my children?'

'Come and see' replied his wife. 'You will find them greatly changed.'

She led him towards the house that the artificers of the Sidhe had built for them, and lo! It was like a suburban villa, very aloof and prosperous. When they entered, they found the four children sprawling in armchairs before a fire. 'That you, dad?' they said without rising or looking round. 'How goes it, old thing?'

Cuanduine's anger kindled. 'Do you dare address your father like that? To your feet, young folk.'

'S'pose we'd better humour the ancient' said one of them, and they all rose languidly and draped themselves about various props.

Cuanduine opened his kingly eyes wide with astonishment, for he could scarce recognise them or tell one from another. 'Which of you are men?' said he scornfully, 'and which girls?'

'Ho-ho-ho!' laughed one of the more painted pair. 'You are out of date, old thing. There are no men and women any longer. Only Moderns.'

'Equal and identical in everything' said another.

'Except that the feminine Modern uses more lipstick and has more right to a good time' said the third.

'Mind if we squat again, old bean?' said the fourth, and they all flopped back into their chairs.

‘Wife’ said Cuanduine, ‘this is the hardest blow that life has dealt me. I came here hoping to find my sons ready to help in making a new world; and I find...this.’

‘The jolly old world is good enough for us’ said one.

‘So long as it gives youth a chance’ said another.

‘And keeps up with the times’ said the third.

‘And provides opportunities to get on’ said the fourth.

‘I think we ought to tell you’ said the first ‘that we’ve all got jobs under the new Lunar Trading Company. I’m a salesman.’

‘So am I’ said the second,

‘I’m an accountant’ said the third.

‘And I’m an insurance agent’ said the fourth.

‘Well, I wish you joy of it’ said Cuanduine. ‘Wife, let us go outside.’

‘What is the meaning of this?’ he asked as they walked down the valley. ‘I cannot believe it is your training.’

‘No more than yours, my love’ replied she. ‘By our own wisdom we left them free, and if we do not like the ways they have chosen, we must even lump them.’

‘But why did they choose these ways?’ asked Cuanduine.

‘Truly, I cannot tell’ replied his wife. ‘But indeed the change began from the first day they left the valley to see what they called Life. When they came back they said they must move with the times, and moved as you have seen.’

Alas!’ said Cuanduine ‘I perceive very clearly that this is no world for you and me. Let us leave it.’

‘Let us leave it indeed’ replied his wife. ‘And the sooner the better.’

‘Then let us go at once’ said Cuanduine.

They were now come to where the great airplane Poliorketes stood waiting. They went on board forthwith, and Cuanduine said: ‘One more brave flight, my steed. We seek a new world among the stars.’ Then he started the engine, and Poliorketes soared swiftly skywards. Some shepherds on the hills near by, watching his flight, saw him rise ever higher and higher till he dwindled to a speck that vanished in the blue. What became of the hero thereafter can never be told, for he was never seen again by mortal eye. Whether he found rest in Tir na nOg, or fresh fields for noble deeds in some corporeal world lit by some better sun, or whether he still rides through space in search of his heart’s desire, nobody knows.

Excerpt from

THE NATION’S CREDIT

A Précis of Major C H Douglas’ Proposals

By C.G.M

15. The banks do not own the nation’s credit, although they act as if they did. They create it and account for it, but it is not their property. The only real basis of credit is the nation’s power of producing goods and services, using all available skill, organization, labour, plant, etc. This belongs to the nation as a whole. At present it is hypothecated by a group of private trading companies (the banking system),* responsible to no one but their own shareholders.

16. As Douglas has observed a bank “loan” is about the only instance of “lending” something you haven’t got and making a profit on the transaction; the loan money not belonging to the bank anyway, and having been obtained free in the first instance.

17. A great deal of rubbish is talked about these bank loans. They are not ‘loans’ at all. If I lend Smith £100 I go without the use of the money till he pays me back. If a bank ‘lends’ Smith

the same sum it creates the £100 at the moment of lending it, and in effect does not go without anything.

18. Much heavy propaganda is used about the 'Taxpayer's Money' as a reason why something cannot be done. This is a dishonest attempt to suggest that all new money originates with the general public. As we have seen this is not so. The only part played by the public under the present system is being compelled to pay via taxation an exorbitant interest for the use of their own credit created by the banks.

* Since this was first written, the Bank of England has been nationalized, and is in effect a Government Department, which makes it all the more fantastic that the Government should 'borrow' the money they require from one of its own departments at a high rate of interest; this interest being paid by the Taxpayer.

First published in January 1932 by the British Social Credit Society, 63a Domestic Street, Leeds 11 for the Credit Study Group

Sense of Sacredness

Felix Padel and Samarendra Das

Two very different kinds of religion: tribal cults viewing mountains as gods, and neoliberalism effectively replacing the idea of God with *'the hidden hand of the market'*.

Mountains as a religion might be looked on by 'civilised people' as the ultimate in superstition. Yet the idea balances the spiritual with the material, and contains an intrinsic intelligence. The land's fertility comes from the mountains, which store rain water and release it gradually, mixed with mineral nutrients. Treating mountains as gods is common sense, a prescription for long-term sustainability. The Dongria preserving primary forest on the Niyamgiri summits in the name of Niyam Raja and Sora Penu is a prime example.

By contrast, the neoliberal doctrine is full of glaring contradiction, as many economists and others have shown clearly. Freeing market forces makes the rich richer and guarantees power to the most unscrupulous, reducing sustainable cultivators of the soil to a desperate impoverishment at the edge of starvation, their food security gone, their culture killed. Sacrificing long-term sustainability for short-term financial gain comes from a belief system full of holes. As a religion, 'money is God' threatens us all with destruction.

Adivasi religion is based on a sense of sacredness in nature. Kond 'deities', such as

Dharni penu, Sora penu, Loha penu (spirits of earth, mountain and iron) could just as well be called 'elements' of life, or 'elementals'.

Dhatu (minerals) represent the hidden forces latent in nature. Tribal people sometimes describe mining a mountain in terms of a bear attacking a human and eating the brain. Most indigenous people hold minerals as sacred. In the native American view, which has a longer history of articulation to the non-tribal world, rocks and mountains are the earth's skeleton, and minerals are her brain cells¹. This tradition sees the earth as our grandmother. Thanking and honouring the earth is at the heart of native American spirituality.

The Kogi in Columbia have a similar view, seeing great danger in the present time, emanating from mainstream cultures' disrespect for the earth². Tribal people often say that many substances buried in the earth need to remain there if the earth is to stay healthy, and that extracting these substances on the massive scale now being done all over the world dessicates and impoverishes the earth in a way that is insane. Many, like the Kogi, understand that the earth is sick from over-exploitation and pollution, and try, when possible, to teach this to their 'younger brothers' in mainstream society.

Tribal knowledge about the soil and plants

comes from a continuum of experience, in distinction to mainstream forms of knowledge, compartmentalised into different specialised disciplines, which tend to lose a sense of the functioning whole. To native Americans, rocks and minerals speak and teach people. Gems embody 'the highest form of aluminium' and its connection with colour. But, in native American understanding, rock goes crazy when it is out of balance—as we see in the destabilised 'heavy metals' in mineral waste such as red mud.

The soil's chemistry becomes deficient in the right balance of aluminium wherever fertilisers pour nitrates and phosphates into the soil, drying it out. Initial yields may be high, but the water consumption is exorbitant. All over India, dam water is channelled to fertiliser-intensive fields. But the water levels are falling, and there is a danger that the fertilisers are causing long-term damage to the soil over huge areas of India, and other countries, as Rachel Carson warned in *Silent Spring* (1962). The PR campaign launched against this book was funded by the fertiliser and pesticide companies.

The science advocated by Rudolf Steiner looks at the relationship between mineral elements in terms of balance between different forces³. Correct balance is essential to the health of the soil, and in our bodies too. Before the aluminium age, the aluminium content of our bodies was miniscule, yet played a role in the overall balance. Processed food is notoriously deficient in this balance—whatever the nutrient information on the package—while foil's leaching of tiny but significant quantities of pure aluminium (i.e., destabilised from the molecular bonding with oxygen and other elements always found in nature) has built a dangerous residue in all our bodies [See Chapter Twelve]. Organic vegetables are increasingly appreciated for their full range of nutrients—for those who can still afford to buy them—just as corporate packaged food and fertiliser-fed vegetables are taking over from organic, living food over much of India.

As we have seen, bauxite is a very special mineral, formed over millions of years at

the top of mountains, where it performs the essential function of conserving monsoon water and releasing it slowly throughout the year. If removing it creates certain kinds imbalance, the splitting of aluminium molecules achieved in smelters creates another, ushering in a whole new age of material benefits, at the cost of unleashing new dimensions of material instability into the world. Aluminium has strong powers for death as well as life.

It is a 'new' metal, discovered just 200 years ago, and a 'hidden metal', in that it never occurs in nature in its pure form, but always in molecular bindings with other elements. This ability to blend with other elements is an essential ingredient of the chemistry of aluminium, from its role in the soil, holding moisture and transmitting it to the roots of plants, to its importance in colouring the world of form, visible in the 'noble rust' hues of gemstones. This blendability finds expression in the ease with which industry applies it to a vast range of alloys.

The age of aluminium has brought us many wonders. From high speed travel in the aluminium birds and other 'magic carpets' of the modern world, to use as a conductor of electricity in cables, mobiles, computers; its thousands of applications in the satellite and arms industries, from nano-particle jet fuel (already seriously polluting outer space) to its applications in the technology of nuclear missiles, where the split of aluminium from oxygen forms part of the technology of bombs. If we blow ourselves up in nuclear explosions, and terminate as a species, aluminium is at the heart of how we shall do this.

As a key 'strategic metal', aluminium production fuels the arms industry and the world's wars. In many ways, modern society is a warrior society gone haywire and in denial. TVs pour out a constant diet of violent fighting as 'entertainment', while out of view, our soldiers at the borders (as well as other security forces inside) commit acts of terror we have no sense of, which are officially denied, and for which

the other side is always blamed ... 'Where have all the young men gone?... Gone for soldiers every one ... When will they ever learn?' US arms companies such as Lockheed Martin and Boeing, for whose output a steady supply of large quantities of aluminium is essential, played a blatant role lobbying for the Iraq war, and have made huge profits from it, as have other construction, military contract and oil companies, such as Halliburton, Carlyle, Bechtel and Fluor⁴.

Increasingly, aluminium wraps our food and

drinks in a cool embrace, leaching in tiny but steady quantities into our bones and brains. What is the ease it has given us? By removing it in huge quantities from its hiding place in the earth, where its proper balance preserves moisture and ensures the nourishment of plants, what have we done? Have we even begun to understand?

Extract from: Felix Padel and Samarendra Das, *Out of This Earth: East India Adivasis and the Aluminium Cartel*, Orient BlackSwan, New Delhi (2010) pp578-581.

¹ This summary follows Kenneth Meadows, *The Medicine Way*, (1990), p119ff.

² Alan Ereira, *The Heart of the World*, (1990).

³ See Pelikan, Wilhelm (1973) *The Secrets of Metals*. Anthroposophic Press, NY (1952).

⁴ Klein, Naomi (2007) *The Shock Doctrine: the Rise of Disaster Capitalism*. Metropolitan. NY (pp316-22).

Deskilling and Reskilling

Molly Scott Cato

As long ago as 1974, Baverman discussed the way in which, in the industrialized economies, an increasing number of jobs were being 'deskilled', that is to say, craft and specialist knowledge was no longer required to perform them¹. His was a Marxist analysis, and hence he couched his thesis in terms of the 'proletarianization' of labour, and its consequent reduced power for negotiating a fair share of the exchange value of the product. Globalization has accelerated this process, as many workers in Western societies have been required to use a limited range of skills and work has become homogenized. In what is called the 'international division of labour', corporations are able to maximize their returns from different national economies by honing an appropriate role for their citizens: workers in lower-paid economies are responsible for manual production, especially in China; Indian workers, with higher levels of computer skills and the advantage of the English language, specialize in call-centre and software roles; while the workers in Western societies are increasingly important in their consumer rather than their producer role.

For a green economist this admittedly simplified picture arouses several concerns. The globalized

economy with its extended supply chains, linking producers in low-wage economies to consumers in high-wage economies, relies on international transport of goods on a huge scale (see the further discussion of the trade system in Chapter 11); this is one of the fastest growing sources of carbon dioxide emissions. These long supply chains also leave us highly dependent for even our most basic necessities, in an era when both financial and climatic instability would suggest the importance of sufficiency rather than vulnerability. The UK now imports the majority of its food: food imports into the UK increased by 24.6 per cent between 1992 and 2002 while the balance of payments deficit in food moved from £4.7 billion to £9.8 billion during the same period. Figures from Eurostat indicate that both imports and exports of food by the EU-25 increased by around 16 per cent during the period 1999 to 2004. A Defra report on food miles identified a large-scale increase in transport of food. It estimated the annual cost of this transport, in social, environmental and economic terms, as more than £9 billion, the largest proportion of that being road congestion. This represents a full 34 per cent of the total value of the UK food and drinks industry.

At a deeper level, the international division of labour leaves us disempowered and useless, what Milani refers to as ‘cog-labour’, subject to decisions made by corporations about what we should consume and how it should be made². Within the globalized economy the process of deskilling has continued, with complex operations now performed by computers and more routine work outsourced or performed by low-paid, part-time staff. The quality of these jobs in the traditional sense of pay rates and terms and conditions of employment has declined radically; but so has their quality in terms of nurture of the human spirit. For reasons of security as well as dignity, green economists call for reskilling and the rediscovery of craft in work: ‘In the era of quality, work must recover its craft dimension.’ In the UK ‘reskilling’ is one of the aims of the Transition Towns movement - a community response to economic life in the era of climate change and peak oil. The Transition Towns offer training in skills such as vegetable growing, darning and mending, preservation of surplus crops, spinning and weaving - the skills that will be needed in a sufficient economy. This approach is in tune with the emphasis on sufficiency and self-provisioning that is an underlying principle of green economics.

“Who is richer? (1) The person who must pay money out to somebody else to fix the lawnmower, or buy another when the

lawnmower has become obsolete? Or (2) the person who is capable of fixing the lawnmower or digging up the lawn to grow safe organic vegetables for their children?”³

The concern for operating as a rounded person in one’s work, and for developing craft and skill, is also addressed by the cooperative form of industrial organization where skills are shared and workers take responsibility for all tasks, rather than using a narrow range of skills within a structure dictated by the division of labour. Empowerment is a key concept. The cooperative enables workers to maintain power over their own work, a central requirement for green economists. A cooperative requires a pooling of skills and that everybody within the cooperative be prepared to involve themselves in all the tasks required. Cooperatives also provide a structure for maintaining all the value of work within the group of workers. As Henderson argues, a sustainable economy requires ‘the rise of worker-owned, self-managed enterprises, and of bartering, self-help, and mutual aid’⁴. Such an economy can provide satisfying work and rewarding lifestyles but ‘simply cannot provide support for the enormous pyramided capital structures and huge overheads’ associated with the late capitalist economy.

Extract from: Molly Scott Cato, *Green Economics: An Introduction to Theory, Policy and Practice*, Earthscan, 2009, pp61-64.

-
- ¹ H. Baverman (1974) *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*. Monthly Review Press. NY.
- ² B. Milani (2000) *Designing the Green Economy*, Rowman & Littlefield.
- ³ F. Hutchinson, (1998) *What Everybody Really Wants to Know About Money*, p168.
- ⁴ H. Henderson (1988) *The Politics of the Solar Age*, Knowledge Systems, p101.

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

When this happens, the banker has the power.

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

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

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

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

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

Peter Maurin (1877-1949), co-founder of the *Catholic Worker*

Quoted in *Far East: Magazine of the Columban Missionaries*, December 2010

Book Reviews

De-coding Mammon: Money in Need of Redemption.

PETER JOHN DOMINY

A thesis for the degree of Doctor of Philosophy in Theology, submitted to the University of Exeter. November 2010

On hearing people say ‘money is the root of all evil’ I have in the past been guilty of mentally correcting them, thinking ‘the love of money is the root of all evil’. Having read Peter Dominy’s thesis however, I have been forced to reconsider.

Christian theology has traditionally regarded money as something that is intrinsically neutral, that can be used for good or ill: it’s what we do with it that matters. But Peter Dominy, a Canon in the Church of England, persuasively argues here that money in itself is a malign power, inevitably corrupting and distorting human relationships, and the way we relate to the rest of Creation.

Showing great depth of scholarship, the author begins by giving a detailed history of money, and how our economic systems evolved, paying particular attention to the issues of debt and interest. He then explains how Christianity’s attitude to money developed in parallel.

Jesus, the author maintains, had a deep suspicion of money. ‘In general terms, it can be said that the whole New Testament affirms the core statement of Jesus that you cannot serve both God and money.’ Jesus certainly had a great deal to say on economic injustice and very little to say on sexuality, though the Church often seems to have become obsessed with the latter and very much neglected the former.

Whilst the early Church shared Jesus’ suspicion of money, the author believes that since the Enlightenment, when money came to be viewed as a neutral commodity, the Church has not had a satisfactory way of engaging with it. Whilst the Church has condemned poverty and injustice, and worked hard to alleviate the human suffering this causes, it has not addressed the root cause of these

problems, money itself.

Many non-religious readers will no doubt have a problem with the Biblical and supernatural aspects of Canon Dominy’s thinking. His conclusion that money, ‘should ultimately be recognized as a cosmic power which works against the good purposes of God and the well-being of society’, that in fact money/Mammon is the great power opposing God, will not resonate with them. I believe very few, however, will disagree with his analysis of the malign influence money increasingly exercises in the world, or of the urgent need to somehow rein it in. Given our recent history, when exotic financial instruments meant that money finally lost all connection with anything real or concrete, but was still able to wreak havoc in the lives of millions, nobody can doubt that this is a power that needs to be controlled.

If we agree that money itself is the problem, what then is the solution? The author accepts that we cannot put the genie back in the bottle, we cannot uninvent money. But he asserts that there is an urgent need for us to ‘turn away from the doctrine of free markets which has ruled for too long, and to accept the necessity of much stronger and more extensive regulation of money in all aspects of the economy.’

I believe the author has performed an immensely valuable service to his fellow Christians, by providing them with the tools to engage with and challenge the all-pervasive power of money in our society. Christians should be warned however: if they read this thesis and are persuaded by its arguments, their comfortable seat on the economic fence will be lost for ever.

Canon Dominy may not have intended to do so, but he seems to me to have thrown down a large and undeniable gauntlet to the Churches. If they accept the author’s arguments, they will inevitably find themselves in staunch opposition to the most powerful institutions in our society. Instead of shying away from economic debate for fear of being seen as inappropriately political, they will

be obliged, and one hopes eager, to challenge the power of money, and reject the prevailing economic orthodoxy. They will, in fact, become more like Jesus.

This thesis is currently available on the University

Finance at the Threshold: Rethinking the real and financial economies

CHRISTOPHER HOUGHTON BUDD

Gower 2011 £65 9780566092114

Finance and tax become interesting when Barclays bankers like Ricci Rich get a £44mn bonus, and when Barclays, whilst making over £11bn profits only paid £113mn in corporation tax this year. And when no less than Mervyn King of the Bank of England says that, 'Never in the fields of financial endeavor has so much money been owed by so few to so many and one might add, so far with so little real reform.' So the analysis by Chris Budd of the 2007 banking crisis, drawing on his understanding of Steiner's economics is welcome.

To summarise his argument, the usual explanation for the global financial crisis is that banks stopped lending to one another in May 2007. They stopped trusting each other. This caused a freezing of credit, which then triggered the failure of some big banks. As a result, the economy went into recession. 'To get the economy going again', governments have provided huge tranches of capita and guarantees to banks, up to a trillion pounds in Britain alone.

The hope is that these measures will return us to business as usual, meaning (a) banks lending to one another again (albeit on less risky grounds) and (b) property values returning to summer 2007 levels, from whence they can continue upward. So the hiatus in inter-bank lending is thought to be but a blip. Enormous in size and global in scope, but a blip nonetheless.

Budd asks the question, 'Why did the banks stop lending to one another? And why now? Is the problem merely a matter of over-loose credit due to the relaxation of traditional prudence? Or did global finance find itself at its limits, both technically and epistemologically? Have

of Exeter's website, (<https://eric.exeter.ac.uk/repository/handle/10036/3065>) but one must hope it will find a wider readership than that suggests.

Bernadette Meaden is a freelance journalist.

government bailouts really worked, therefore, or merely 'kicked the can down the street'?

The global financial crisis could trigger a paradigm change in thinking. Global finance has brought us to the limits of what mechanistic economic explanations can capture. New ideas, and above all new instruments are needed, so that capital can instead support fresh initiative, especially on the part of young people. As there is too much surplus capital floating round, it should be used, 'to write off.. a portion of global capital in favour of nascent enterprise-the undertakings that will result when someone becomes a doctor, farmer, carpenter. If this were done on a conscious, regular and professional basis, it would amount to what we have called a perennial, systemic jubilee.'

There are good ideas in this book, and this is certainly one of them. However, there is no clear explanation of just how this proposal would work, and whether banks and bankers such as Ricci Rich or Diamond are at all interested in giving, investing or loaning money to young people for education and for enterprise. There is no discussion of how this would work as reliably, effectively and equitably as, say, the state funding of young people through higher education, as a public investment. When the financial system and capitalism was once to an extent underpinned by moral values, such as Barclays' founding Quaker values, Budd's idea for a kind of trickledown might have worked. But how realistic is this proposal now when the self interest of unfettered financial capitalism rules? As Keynes once observed, financial capital left to itself will try to dominate.

Budd accurately observes that the last twenty years have seen the ballooning of excess liquidity and the generation of enormous banking profits by selling complex financial 'products.' Encouraging

the using up, the re-circulation, of such excess capital generated by the present financial system through giving to cultural life and supporting education, however is a good idea.

But I am not sure that Budd really analyses the many ways that such excess money is generated in the first place, such as through the financialisation of once common pool resources, through the financial engineering of hedge funds, through debt created money, through extensive qualitative easing (an equivalent of printing money and giving it to the banks), and though the growth of the unregulated, secret, offshore financial system as researched by Nicholas Shaxton in his new book, *Treasure Island*. And I was also left with the question, ‘So why on the one hand is there ‘too much capital’ swishing around, and on the other hand are the banks so unwilling to lend to each other, to ordinary businesses and to households?

Surprisingly, no attention is given in the book to the analysis of the freezing of interbank lending by a range of heterodox economists including social credit thinkers, green economists and Marxists. And, after a literature review of ‘a range of commentaries, selected at random,’ it would have been relevant to conduct original research directly with the bankers themselves why they stopped lending to each other. And why selected at random?

Gillian Tett, the Financial Times journalist

who *did* see the credit crunch coming from her derivatives research, suggested that few politicians were at all financially literate in her book *Fools Gold*. And Chris Budd is keen that young people become financially literate, as well as get their education and initiative funded by a permanent jubilee. But he faces the challenge of how to convince wealthy financial institutions and the Davos class that this is in their self-interest and how to design new, presumably banker friendly ‘financial instruments’ such as the equivalent of student grants and loans to be available on the financial markets. And why not consider a basic citizens income at the same time, as a practical way of giving social credit and effecting a permanent jubilee-not just for the Rich Ricci’s of this world, but for ordinary people?

The more discussion, analysis and insights raised by such books as this, the better. Unless we have a clear analysis, take responsibility, re-establish the boundaries around ‘proud finance’, rebalance society between civil society, government and business, reclaim our financial commons as the servant of society not its feudal master-then the 2007-9 credit crunch will come to be viewed as just the prologue to systemic financial meltdown. As Mervyn King said, there has been little reform. Martin Large, author of *Common Wealth for a free, equal, mutual and sustainable society*.

Martin Large, author of *Common Wealth for a free, equal, mutual and sustainable society*.

DE-CODING MAMMON
MONEY IN NEED OF REDEMPTION

Peter Dominy

Can be found at

<https://eric.exeter.ac.uk/repository/handle/10036/3065>

Secretariat

ISSN:0037-7694

Frances Hutchinson

Chair

secretary@socialcredit.co.uk

J.A. Murray McGrath

Deputy Chair

www.douglassocialcredit.com

Bryony Partridge

Treasurer

Anne Goss

Secretary

Ros Cunningham

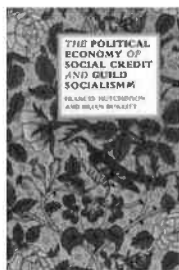
Website Editor

Keith Hutchinson

Gerald Partridge

Wallace Klinck (Canada)

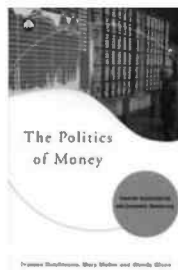
Recommended Reading



Frances Hutchinson & Brian Burkitt

The Political Economy of Social Credit and Guild Socialism

(Jon Carpenter £12.99)



Frances Hutchinson, Mary Mellor & Wendy Olsen

The Politics of Money: Towards Sustainability & Economic Democracy

(Pluto £16.99)



Frances Hutchinson
What Everybody really wants to know about Money

(Jon Carpenter £12.00)



Eimar O'Duffy
Asses in Clover

(Jon Carpenter £11.00)



Frances Hutchinson
Understanding the Financial System: Social Credit Rediscovered

(Jon Carpenter £15.00)

Frances Hutchinson
Social Credit? Some Questions Answered.
KRP £2.00

Books by C H Douglas

(available in the Social Credit Library)

Economic Democracy

Social Credit

The Monopoly of Credit

Warning Democracy

Credit Power and Democracy

The Control and Distribution of Production

For reviews of all these publications and details of how to purchase them, please see our website: www.douglassocialcredit.com

THE SOCIAL CREDITER BUSINESS ADDRESS

Subscribers are requested to note the address for all business related to KRP Limited and The Social Credit Secretariat is: PO Box 322, Silsden, Keighley, West Yorkshire BD20 0YE (UK)
Telephone: (01535) 654230 www.douglassocialcredit.com secretary@socialcredit.co.uk
Annual subscriptions to The Social Crediter £8.00 (UK) £13.00 (airmail)

Copyright 2011. Permission granted for reproduction with appropriate credit.

If you wish to comment on an article in this, or the previous issues, or discuss submission of an essay for a future issue of *The Social Crediter*, please contact the Editor, Frances Hutchinson, at the address above.

(It would be very helpful if material were submitted either by e-mail or on disk if at all possible).