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Editorial

There is absolutely no shortage of excellent written works on the problems facing the world today. Information is available in abundance at the turning of a switch or the touch of a keyboard. Specialists of all races, political persuasions, religious faiths and scientific skills articulate their analyses and flag up their proposals with great eloquence and conviction. Faced with so many problems and so many conflicting solutions, the ordinary person tends to float aimlessly from one impossible conundrum to another until thought is brought to a grinding halt, and displacement activities take over. What now needs to evolve, as Thomas Berry has indicated, is new cultural norms, new ways of working together in harmony with the earth itself and all its life forms. This will require the development of an entirely new mind-set, through which people will engage with each other, forming local think-tanks rooted in locality and community. Not that the 'new' solutions are necessarily so very novel. Wholesome patterns of food preparation, farming and family life have for decades been waiting in the wings for the power of the debt-finance-dominated-economy to subside.

At present, the question of acquiring a money income has overtaken all other considerations. Obtaining a position as a waged or salaried employee has become the primary means of access to subsistence necessities for virtually all citizens. In a relatively short space of time, little more than a century, the overwhelming majority of the earth's population has increasingly turned its attention away from the land, which sustains all life forms on the earth, in order to focus upon the means of obtaining a money income. Questions of direct access to the land, and hence to the means of subsistence, have been subordinated to satisfying the requirements of the economy of the machine age for some kind of paid work. Working for *money* has replaced working on *the land* as the normal means to put bread onto the family table. The mind-set, which was explored in the early twentieth century by Weber in *The Protestant Ethic and the Spirit of Capitalism*, has become so firmly entrenched that financial and ecological crises are being met with the same bewilderment and utter disbelief and astonishment as the inhabitants of E.M. Forster's science-fiction world of *The Machine Stops* (1909) experienced when 'The Machine' ground to a halt.

In his prophetic short story¹, Forster envisages a time when humanity would have lost its ability to relate to the natural world through its total dependence upon the artificial products of The Machine. Complete *obedience* to the will of The Machine, upon which each individual is totally dependent, is a major factor in the subjugation of humanity, along with the elevation of self-interest as the sole motivation for thought and action. One hundred years ago, the awareness that food came from the land: that the land had to be farmed and maintained; and that work on the land was seasonal and “unmechanical”, did not have to be taught. It is a measure of the change in the intellectual climate that today, players of *The Landlord’s Game* (see “The Land Question” in this issue) find Phase 3 of the game utterly foreign. One hundred years ago, when the game was originally devised, and *The Machine Stops* was written, the city dweller could still walk into the surrounding countryside, to buy directly from the farms on which fresh produce was grown, and to collect wild foods, herbs and fuel from the woodlands and hedgerows. Complete and utter dependence upon the money system for access to all life’s necessities was reserved for a very small number of the very rich.

¹ *The Machine Stops*. See electronic versions available on the Internet.

² The history of legislation in Alberta is covered in *Understanding the Financial System*, details on back page of TSC.

³ David Korten, *When Corporations Rule the World*, Kamarian Press, 1995.

The Land Question

Frances Hutchinson

The link between work and income stream has been cemented during the twentieth century by a most unholy alliance of paternalistic capitalists, Marxist materialists, and Christians of all denominations. The concept of a ‘fair day’s pay’ for a ‘fair day’s work’ has become enshrined as the fundamental dogma of the corporate world, the tentacles of which reach into every aspect of life, cultural, political and economic, of all countries of the world. Attempts to come to grips with an understanding of precisely how the corporate world relates the resources of land, labour and capital through the market system have been many and varied. This article focuses

upon the relationship between economic agents and land, the source of all wealth.

At that time, too, questions of access to land as a right, and the rights and duties of landlords were matters to be considered by all responsible citizens. By the time of the Second World War, the Premier of Alberta was noting that patterns of land tenure were being determined by the “large money manipulating corporations” (See “Farm Debts and Land Tenure in Alberta”). These unelected bodies had taken the power to overturn Acts passed by democratically elected members of the legislative body². In the present day, people are so thoroughly dispossessed of the land that they will take any form of employment on offer. Whatever work the “large money manipulating corporations” want done, somebody can be found to do it. Thus people are driven from the land, minerals are mined, dams are built and wars are fought, all by employees of the corporations who, as David Korten demonstrated³, now rule the world. Few indeed are the people of independent means who can afford to speak out with clarity about other ways of working together in harmony with the earth. It is all very well speaking of values in common. But in the real world of today, the first consideration is – where is the money to come from?

upon the relationship between economic agents and land, the source of all wealth.

The Story of Monopoly¹

Since its reproduction by Parker Bros. in 1935, the game of *Monopoly* has sold literally millions of copies, and has been available in eighty countries. Five billion little green houses have been built, and a person who has not heard of the game is regarded as a curiosity.

Although the game has been translated to portray the familiar street names of capital cities

of different countries, there the concession to locality of culture ends. Players buy and sell the land and buildings with no respect for the local culture of the region where they live and work. Rather, players compete as 'rational', self-seeking individuals playing for personal gain, free from any restraints of traditional country ways which might balance rights with responsibilities. Geography, ecology, flora, fauna, folkways, indeed everything relating to place and community is eradicated. The game is played in a timeless continuum, where people are neither sick nor old, where there are no young to care for, and questions of food, fodder, fuel and fertility of the land simply do not arise. *Monopoly* is excellent as a teaching aid for the artificial 'virtual-real' world of the corporate economy of the present day. As a blueprint for humanity's relationship with the non-fantasy actual world of the natural economy and the human community it sustains, it is terrifying.

Like a traditional folk tale, *Monopoly* is a role play which encourages 'right' moves, whilst discouraging 'wrong' actions. The question is, how did *Monopoly* originate? Was it the brainchild of a single inventor, or the product of teamwork? Was it snapped up at once, or was it repeatedly rejected? Over the past decade the story of *Monopoly* has gradually come to light. In *Grace and Mortgage*², Peter Selby refers to a 1904 version of *The Landlord's Game*, a precursor of *Monopoly*, which circulated in the US and the UK as a teaching aid for the work of Henry George.

Progress and Poverty

"You make the laws and own the currency, but give me the land and I will absorb your wealth and render your legislation null and void. Give heed to the land question." A powerful speaker, Henry George (1839-97) was moved by the evidence of dire poverty amidst affluence in the New York of the 1860s. His observations caused him to turn his journalistic talents to the relationship between private property in land and the necessity for labourers to subsist on wages offering no more than a 'bare living'. *Poverty*

and *Progress* (1879), his major publication, has been translated into many languages and is available electronically on the internet. His proposals to replace taxation of incomes from labour with taxation of privately held land still attract the attention of reforming legislators in many countries.

In an address delivered in 1889 at Toomebridge, County Derry, Ireland, George drew a distinction between production and creation. People may hew coal from the rocks, catch fish in the seas, bring together timber, stone and iron to shape a house, produce cloth from the wool of sheep or the fibre of plants, and produce crops by tilling the soil. It is true that labour on the land brings forth the necessities of life. But human labour does not *create*. God is the Creator of all, and gives equal use of the land to all. No individual can justly claim the right to own the reservoirs of nature, or seize the property of others created from their own labour upon the land.

Incomes derived from ownership of property in land were, according to George, *unearned* incomes deriving from social change. Such change occurs when a city expands, causing a many-fold rise in the value of nearby land. In these circumstances, speculation for private gain prevents the land from being used to benefit the community as a whole. Yet it is *from* the community as a whole that the rising value of the land occurs. A tax on land at or near its full rental value would, George argued, reduce the price of land and hence the advantage to the monopoly land-owner. The tax would rise as the value of land rose, and fall as it fell, eliminating the motivation to speculate in land. Land would be held for its use-value, not for speculation on its scarcity value.

Under the Georgist system, owners of homes and businesses who make improvements would not have to pay higher taxes because their improvements are benefiting the community. Farmers who improved their land would benefit, while commercial speculation in land would be discouraged, opening up the possibility for interspersing agricultural zones near cities. Under

the present system it pays farmers to sell their farms to developers for huge profits, precisely as is happening in China, India and throughout Asia in the present day.

During the twentieth century George's ideas have been implemented in various countries. Following the Georgist proposals, Pittsburgh and several other American cities have, since the late 1980s, started to raise the taxes on land while lowering those on buildings. In Denmark the Justice Party held the balance in the coalition government of 1957, using their position to tax land values while reducing income tax along Georgist lines. The schemes have the effect of strengthening local economies, and demonstrate the continued popularity of George's work.

Brer Fox an' Brer Rabbit

Georgists argued that a system of land taxation could be introduced gradually, following informed public debate on the issues involved. To that end, during the early decades of the twentieth century they devised a series of hand-made games designed to portray the evils of the selfish system of monopoly land holding, and to introduce socially responsible ideas on land holding based on the Georgist Single Land Tax proposals. The games, which circulated throughout the USA and UK, often under the title *The Landlord's Game*, were played in three phases. Phase 1, based upon the existing laws of land ownership, finance and taxation, demonstrates the effects of unchecked greed and self-interest in patterns of monopoly capitalism. In Phases 2 and 3 the rules are altered to eliminate the ability of powerful players to benefit from their greed. The idea was to move beyond mere protest, and towards practical alternatives.

The creators of the game held a profound faith in the human capacity for action based upon reasoned argument. The games were designed to be played co-operatively, providing a focus for discussion which took place at each of the three phases of the game. *Monopoly* was later developed from Phase 1, where powerful,

self-interested individuals reign supreme.

The later two phases, which each form games in themselves, demonstrate the potential for communities to regain ecologically and socially viable forms of access to land. It is ironic that a game first devised to move away from monopoly land holdings should have come to serve as a highly effective teaching aid for the continuing exploitation and degradation of the land.

Brer Fox an' Brer Rabbit is an UK version of *The Landlord's Game* which circulated in the UK. After some years of research we managed to bring together a copy of the original board with a matching set of rules. Despite the title, this is not a children's game. However, we have found that a major obstacle to the successful use of this original version of the game as a teaching aid, is the almost universal pernicious influence of the selfish, zero-sum game of *Monopoly*. Phase 1 does not run as smoothly as the polished version of the commercial version, and it can be difficult to shift to the different mindset envisaged in Phases 2 and 3.

The Real or the Financial 'Bottom Line'?

The thoughtful playing of Phases 2 and 3 of the *Landlord's Game* raises some very interesting questions, such as the relationship between the 'real' and the 'financial' values of land, traditional patterns of common management of land, and the whole question of landless waged-labour. What emerges most forcefully, however, is the role of the Banker, the mysterious figure whose presence is not explained in the Georgist literature, but who is able to pay out 'wages' to the players to enable them to continue to participate in the game. This brings into focus the whole question of the wage/salary-slavery system that is corporate capitalism in the world economy of the twenty-first century.

The world economy of today continues to operate according to the rules of Phase 1 of *The Landlord's Game*, as it developed into *Monopoly* over the decades of the twentieth century. To stay in the game, it is necessary to meet the requirement of being financially sustainable.

However, in the real world ecological, social and spiritual considerations underpin the ‘game’ that is corporate capitalism. As Henry George demonstrated, and Clifford Hugh Douglas after him, monopoly capitalism is only sustainable in terms of finance. On all other grounds it is unsustainable.

Writing during the Second World War, Douglas observed that land cannot sensibly belong to ‘the people’, or to ‘the government’. It is a resource to be managed sustainably, not one to be exploited for financial gain:

“One of the first considerations of the [traditional] system was to maintain, in the real, not the financial sense, the capital value of the land, and to do this required extraordinarily detailed knowledge of local conditions and custom. The desperate conditions of much English arable land, which has been ‘farmed out’ by tenant farmers not properly supervised, and having little anxiety as to their ability to get another of the hundreds of farms on offer, is a direct result of the sabotage of this administrative system.

“Now, we are hypnotised by the propaganda of the international chemical combines into the belief that soil analysis, chemical fertilisers, and oil-driven farm machinery are far superior and more ‘scientific’ than the intimate farming of the old order. Not only is there not a particle of genuine evidence for this, but there is overwhelming evidence to the contrary. Never has there been so much ‘professional’ farming; and never have agricultural products been so unsatisfactory in quality. Bread which has to be re-inforced with drugs; fruit which looks attractive and is both tasteless and lacking in all its old essential virtues (the Phoebe strawberry, the staple export of Hampshire strawberry beds, looks large and delicious, and tastes like wet cotton wool); fabrics which are showy but neither warm nor durable; chemical beer ... Progress!”³

Since those words were written in 1942, factory farming methods have continued to be developed

at the expense of the health of the land and its peoples. Farmers and food ‘manufacturers’ have accepted the apparent necessity to give primacy to financial considerations. By accounting only finance, the economy currently fails to reflect real world values, and is therefore hurtling towards its human and environmental limits.

Distributism

Ironically, contemporary advocates of Land Value Taxation (LVT), based upon Georgist principles, have appeared to be more concerned to *redistribute finance* arising from financial speculation in land than to (re)distribute *land* itself. The distribution of the means of production to all, in the form of land, tools and machinery, was advocated by Hilaire Belloc and G.K. Chesterton, founders of the Distributist movement of the early twentieth century. Opposed to both corporate capitalism and state collectivism, the Distributists sought to distribute land and property so that all had personal access to the means of production, “on the grounds that small enterprises, smallholdings and small units were the only basis for dignity, independence and liberty”⁴.

The Distributist line of reasoning is based upon the observation that land, like gold, is something real and tangible. If all have a minimum holding of “three acres and a cow”, all can provide for their own basic needs by combining their own labour with their own natural resources. In many ways, it is a very attractive line of thought. However, it completely overlooks the history of the past two centuries, during which the productive capacity of humanity has expanded through the use of new technologies, both in agriculture and industry. For the vast majority of urban dwellers, a return to total dependence upon the extended family farm of the pre-industrial era is neither a desirable nor a practical proposition. Total dependence upon the financial system for the means of subsistence is, however, an equally untenable proposition.

Britain, for example, currently relies heavily on overseas sources of food. It is financially

profitable for Britain to source 90 per cent of its fruit and 60 per cent of its vegetables from overseas. Ecologically, however, this trade has disastrous implications, because water sources are being depleted in drought-stricken countries to supply the cash crops demanded by the water-rich countries (See www.progressio.org.uk). Meanwhile, fertile lands lie idle in the water-rich countries because the financial system renders it impossible to farm them profitably, in the financial sense.

Division of Labour

The global financial system which evolved over the past two centuries lies at the heart of the problem. Although fruit and vegetables grow perfectly well in the UK, it *pays*, in financial terms, to import from water-scarce countries, and to convey foodstuffs over sea, air and land in order to ensure that the supermarket shelves are full over the 365 days of the year. The system *pays people* to lay down miles of tarmac, to fill the supermarket shelves, to travel the world as buyers, to transport and package the produce, all without taking social justice or ecological considerations into account.

The entire process is justified by classical/neoclassical economic theory based upon the division of labour and the ‘invisible hand’. According to that theory, it is in everybody’s best interest to specialise in what they can do best, so that total output, *i.e.*, wealth, increases. If all follow their own self-interest, selling their labour to the highest bidder and taking their wages to buy whatever they want from the market, the ‘invisible hand’ will ensure that total wealth increases and nobody becomes worse off than they were before.

A closer look at Adam Smith’s pin factory example reveals the basic fallacy in this argument. It is true that one worker, working alone, may do well to fashion one pin in a day. It is equally true that ten workers in a factory, each taking only one stage in the production of a pin, using appropriate tools, may turn out forty-eight thousand pins in a day: that is,

each worker therefore “might be considered as making four thousand eight hundred pins in a day”⁵ The question is – where do those extra pins come from? Is it from the labour of the ten workers? Is it from the outlay of the capitalist on the plant and machinery? Or does it arise, as Clifford Hugh Douglas argued, from two factors, the common cultural inheritance and the increment of association? The common cultural inheritance is all the accumulated knowledge and expertise that humanity has acquired over past ages, knowledge of materials, processes and techniques which are common property and not the birthright of a few individuals, still less of corporate bodies. The increment of association acknowledges that wealth, the production of material goods, requires team work. The new technologies arise from the cultural inheritance which is held in common. Equally, economic production is a matter of team work. There is neither solitary entrepreneur nor solitary worker *entitled by right of their personal inputs* to a share of wealth. Hence Douglas put forward the case for a ‘National Dividend’ payable to all as a birthright, removing the *necessity* to work for an employer or an employing body for a wage or salary.

Conclusion

Humanity is currently engrossed in a vast game of Monopoly, living parasitically off the Earth’s resources, like an infant totally oblivious to anything but its own present demands. In real life the pieces traded are not little green houses, but metals and minerals extracted from the mountains and valleys, destroying farmlands, polluting rivers and seas, and consigning entire cultures and ecosystems to oblivion. Over recent decades the tendency has been to name, blame and shame the big players. In reality it is, however, the ordinary person who takes the jobs on offer by the corporate world, who does the work demanded and buys the produce, because working for money is acceptable, and working for love does not pay the bills. For the individual, it seems perfectly acceptable to accept the highest payment on offer by the financial system,

regardless of wider moral, cultural or spiritual implications. "If a job is worth doing, it is worth being paid to do it" is the moral philosophy underlying the global game of corporate monopoly. At the same time, big and small players alike salve their consciences by donating to the many charities devoted to the re-ordering of the deckchairs on the Titanic.

The time has come for ordinary people to make some radical choices. Do we keep our noses to the grindstone, meeting the requirements of the 'Machine' by continuing to follow the rules by working exactly as our employers tell us to? Do we wait for the entire system to collapse like a pack of cards? Do we put our money into gold and other precious metals so that we will be provided for when the banks cease to honour the blips on the computer screens that are registered in our names? Do we stockpile food against the day when the cash tills fail to operate and the supermarket shelves stand empty? (These are all serious suggestions which I have heard repeated over recent weeks). Alternatively, do we employ some lateral thought to the matter of our relationship to the natural world upon which we actually depend?

There is a great deal that can be done by ordinary people taking a little time to think things through. Properly managed, the average domestic garden or allotment could provide a family with roughly 60 per cent of its food requirements. In short, a review of land holdings and usage in the UK, through Transition Towns and other schemes, could go a long way towards creating a just and sustainable world economy. It may be that we have to dust off the works of Henry George, Fritz Schumacher, Clifford High Douglas and the Distributists, along with the *Gaia Atlas of Planet Management*⁶ in order to devise new versions of *The Landlord's Game* for each locality across the world. What is certain is that in future the distinction between real and financial wealth will become crystal clear, and with it the realisation that real value can only lie in the land worked by the people in common, and in harmony with the natural world.

Copies of the *Brer Fox* and *Brer Rabbit* version of *The Landlord's Game* are obtainable from the Social Credit Secretariat (see back page of *TSC* for contact details).

¹ I am indebted to Mike Crowson for his research into *The Landlord's Game*.

² *Grace and Mortgage: The Language of Faith and the Debt of the World*, by Peter Selby and published by Darton, Longman and Todd in 1997, has recently been reprinted.

³ Clifford Hugh Douglas *The Social Crediter*, 5 December 1942, p97.

⁴ David Boyle and Andrew Simms (2010) *The New Economics: A bigger picture*, Earthscan.

⁵ Adam Smith, cited in Frances Hutchinson *Understanding the Financial System*, Jon Carpenter, 2010.

⁶ Norman Myers (ed) *The Gaia Atlas of Planet Management, for today's caretakers of tomorrow's world*, Pan Books (1985).

Food and Farming

Michael Rowbotham

Extracts from *The Grip of Death: A study of modern money, debt slavery and destructive economics*

Jon Carpenter (1998) (pp113 – 121)

Perhaps the best measure of the consumer's total subservience to the economic trends created by debt finance is to be found in food. What the consumer wants should be a priority in any commercial venture, but especially so in the essentials of life. Food one would expect to be paramount: the one aspect of the economy under

true consumer control. In fact, all the evidence is that the consumer has no control over the food industry which has been developing for decades away from supplying what people really want.

The food industry is where mass production, bulk transport, automation and centralisation

have had some of their worst effects and been taken to the most unwarranted lengths. In recent years, people have been horrified to learn the details of what they are eating. In order to mass produce and supply food at the lowest cost possible, the natural ingredients and nutritional value of food have been increasingly destroyed with aggressive treatments; dried at high temperatures, grown and then processed with chemical supplements, and doctored with preservatives and colourants. Animals have been kept under ever more appalling conditions, fed hormones and antibiotics as growth stimulants, whilst many meat products have been degraded by the addition of ground up carcasses and offal.

There is growing concern over the safety as well as the nutritional value of food, expressed not just by consumers, but food scientists. Many products are grown or processed using chemicals whose individual and synergistic effects are poorly understood. These are present at levels that are not measurably toxic, but the assumption that they are therefore safe is quite false. The precautionary principle — that many chemicals which are toxins at high levels should also be regarded as toxins at low levels — is noticeably absent in the food industry. Consumers are reassured by politicians and scientists with a clear vested interest in the industry, and concerned scientists are forever being asked to ‘produce the evidence’ against the increasing use of chemicals in growing and processing food when, in the nature of the case, evidence of contributory and progressive build-up of toxic effects only emerges when it is too late. In addition, there is abundant evidence that crops and meat products produced under high yield, chemical input methods lack many vital nutritional ingredients.

Some consumers have tried to go organic, both for safety and nutritional value, but the cost is prohibitive for most people. In addition, the retail networks and in particular the food processing industry, are founded on the bulk supply of cheap food. Finding food that strikes a sensible balance between price, health and convenience is becoming ever more difficult. Supermarkets

advertise their ‘healthy options’, but these are generally expensive or select a single nutritional factor — such as low fat content — and disguise the fact that the remainder of the product is no different from the standard range. But at the very same time as there is widespread consumer disquiet about the current structure of our food industry, technology is being vigorously applied to pursue the same policy even further. The next range of foodstuffs ‘demanded by the consumer’ are set to be cereals, vegetables and animals genetically engineered for yet greater productivity, and the resultant food products irradiated for as long a shelf life as possible. These goods, produced in huge quantities in one region and bulk transported around the globe, are already starting to appear in supermarkets, being favoured as cheap ingredients by processing companies, and making an increasing impact throughout the food market. Not only is this trend in clear defiance of consumer demand, but vast sums of money are being spent, in an attempt to win over public opinion, by the multinational corporations driving these changes through.

Over the last forty years, farming has been the least profitable, and become the most heavily indebted sector in the entire UK economy. It would be possible to fill this chapter with the truly staggering statistics relating to the financial pressure on farming. The overall picture has been one of a remorseless decline in income from farming, combined with growing indebtedness throughout the industry. According to a MAFF Historical Survey,¹ aggregate income from the whole farming industry was three times higher in real terms in 1948 than in 1990. This is an astonishing statistic. What it actually means is that, overall, farmers were able to make a living three times more easily in 1948 than today. According to the MAFF figures, between 1971 and 1988 alone, taking into account inflation, farm incomes fell by 66%.

This has happened because the prices a farmer receives for his crops or livestock have declined, at the same time as the costs of production, and the amount of debt carried by farmers have

both risen dramatically. . . . There could be no greater demonstration of the severity of the financial conditions under which farming has had to operate than a fall in net income by nearly 50% over 14 years [1978-1992], and a parallel increase in debt interest charges of 44% One wonders how farms have continued to survive, and of course the answer is that many of them haven't. . . .

The gross debt currently outstanding against British farms is estimated to be in the region of 25% of the total value of their assets. In other words, farming suffers total debts equivalent to 25% of the value of all agricultural land, buildings, farmhouses, machinery crops and livestock — a simply astronomical figure. In 1992, over 65% of all farmers had significant debts. Of these 40% were in a worse financial position in 1992 than in 1987. 17% of farms experienced an increase of half or more in their indebtedness over the five years. All these percentages are adjusted to take into account inflation; the actual numerical escalation of debt involved. . . . was colossal. [see A. Harrison, R.B. Tranter. *The Recession and Farming. Crisis or Readjustment?* Centre for Agricultural Strategy, Reading University. 1994] The rate of bankruptcies [0 in 1978, 84 in 1980, 504 in 1992] is an appalling statistic and the financial pressure on farming goes some way to explaining why farmers are the group most at risk from suicide and mental health problems caused by work related stress. . . .

Decline of small, efficient businesses

[Harrison &] Tranter's study underlines what many have known for years, that the chief casualty of farming debt has been the small and medium sized farm. The gradual disappearance of these highly efficient food producers has been one of the most striking features of agriculture over the last 50 years. Harrison and Tranter's work and studies by MAFF reveal a spread of debt, with the small farmers constantly being those most heavily indebted and under 'high financial pressure', whilst the larger the farm, the less likelihood or degree of indebtedness.

When this unequal spread of debt is combined with the remorseless deterioration in overall farming income, the reason for the demise of the small farm and the success of the large scale agri-businesses becomes clear. The fall in farm incomes has not been evenly spread. The relatively large debt suffered by farms of lower acreage, combined with the marked decline in financial return per acre, means that small farms have provided progressively lower incomes, and are now almost hopeless financial propositions. Very large farms remain, however, highly profitable for their owners. The payment of subsidies on a per acre basis has compounded the problem, since the amount received by a smaller farm makes little difference to their viability, whilst the larger farms which need it least, have received massive financial support.

But the fact is that many farms today are not really efficient; they are cost effective, which is a very different matter. In modern farming, efficiency is almost defined in monetary terms, with productivity per man-hour, returns per pound invested and concern over their future viability constantly governing a farmer's decisions. there is a far more significant and subtle inefficiency involved. This is the sense in which modern intensive farming works against nature rather than with it. With growing field sizes, and the tendency for each farmer to concentrate on a limited range of crops, a farmer is less able to be sensitive to the varying soil conditions throughout his farm. With the decline of mixed farming and growth of farm size, the byproducts of arable and livestock farming — such as straw and manure — instead of forming valuable inputs have become waste products. Their place has been taken by chemical fertilizers and protein and vitamin supplements.

The 'natural' inefficiency of modern farming is emphasised by the excessive regional specialisation of farming. In addition to the increased transport of both animal feed and human foodstuffs this involves, there is a huge resultant waste of farming byproducts. Straw is now a major problem for the predominantly arable farming area in the east of England. Much

is ploughed in, or baled up and allowed to rot. Meanwhile the west has to import straw by the lorry load from the east. Large pig-rearing units in the northwest produce far more slurry than their local farmers want. It is not cost effective to transport this across the country to the arable areas where it is needed. So this effluent has to be treated or dumped, which is both costly and polluting. Meanwhile arable farmers in East Anglia use chemical fertilisers to stimulate crop growth.....

The mixed farm, growing a wide range of crops, and keeping one or more types of livestock, is often derided as the unrealistic dream of some bygone rural idyll.....But the whole point about mixed farms is that they are incredibly efficient. In terms of output per acre, maximum use of resources, and taking advantage of what the land has to offer, mixed farms are by far the most efficient system yet devised.

¹ Quoted in 'Agrifacts'. *Handbook of UK and EU Agricultural and Food Statistics*. Harvester/Wheatsheaf. 1990.

Farm Debts and Land Tenure in Alberta

From a broadcast in 1943 by Hon. E.C. Manning, Premier of Alberta

I would like to discuss an aspect of agriculture to which the government has given and continues to give prior consideration because of its dominating importance. I refer to the problem of farm debts and the security of land tenure.

While this is, very naturally, a matter which concerns all farmers very vitally, I wish to make it plain that it also concerns everybody else – professional and businessmen, workers in industry, public servants and all other citizens.

I feel in the past there has been a great deal of misunderstanding on this question of farm debts and security of land tenure. There has been a tendency to treat it as a farmer's problem and not as a Provincial problem concerning everybody. I believe that before we can begin to get down to anything like practical reconstruction of our economy, we must adjust ourselves to a realistic attitude towards agriculture.

In the first place we must recognise clearly that the foundation of any economic structure is agriculture and the system of land holding under which it is developed.

It is impossible to have a just, stable and prosperous country unless justice, stability and prosperity are accorded to agriculture. This is not a theory, it is fact which has been proved by the experience of history all down the ages. But it is truer here in Alberta than in many

other parts of Canada. Here in our own Province the prosperity and well-being of manufacturing industries, merchants, lawyers, doctors, teachers – everybody in fact – is bound up with the condition of the farmers.

Nobody realises better than the farmers of the West what an unjust and unfair deal they have had. Thousands of them came west and put all they had into clearing land and developing it. They knew nothing about business trickery or compound interest. They eagerly accepted the loans they were offered, thinking that with the added income from the machinery and stock they could buy with the money, they could pay off the loans together with the extortionate 8, 9 and 10 per cent. interest which was demanded by the lending institutions. ...

Farming is not an easy occupation. It demands long hours, hard work and knowledge which can be acquired only by experience. It needs a great deal of capital. And always hanging over the farmer is the constant worry of sudden calamity due to weather conditions, destruction by pests and the other hazards beyond his control. If after a hard season which proved successful, if after paying off his obligations, if after making provision for the coming season's requirements, some of our farmers felt the need for a little relaxation and took a vacation, who will blame them? Remember, everything looked stable. Our

economists and financiers in those days were talking of the future in the most optimistic terms.

But those few years of comparatively prosperous conditions were short lived. Drought and depression suddenly plunged agriculture into a desperate plight. Prices for farm products slumped away below production costs. Farm debts doubled and trebled. It took two and three bushels of grain to pay debt obligations where it required but one before. As prices were less than the costs of producing the grain, farmers found it impossible to meet the costs of interest charges.

Added to this, the people found that interest was added to principle and interest was charged on the whole. Year after year this went on. Farm buildings became shabby, Machinery wore out. A terrible blight descended on our rural population. The producers of the nation's food found it difficult to feed and clothe themselves. Land values sank to lower and lower levels. The farmer saw all the capital invested in his land disappear. His debts exceeded the reduced value of all his assets.

The mortgage companies, instead of helping farmers to tide over the crisis ... began a systematic campaign of dispossession.

Every Provincial Government in the West was obliged to introduce legislation to protect farmers against the avaricious actions of the lending institutions.

That was before the present Alberta Government was first elected in 1935 with a definite mandate to afford more effective protection for our farmers. With our knowledge of the fraudulent nature of our debt-creating financial system, this Government was able to carry out its mandate in this sphere – at the same time as doing its best to ensure that such legislation could not be abused by unscrupulous debtors.

Debt Act after Debt Act passed by the Provincial Legislature of Alberta was attacked by the lending institutions. Act after Act was either disallowed by the Federal Government or declared *ultra vires* by the courts. The

reasons for their annulment were analysed by some of the best legal minds and the Government brought forward new legislation to replace the acts rendered inoperative. But these, in turn, were attacked, with equal success, by the mortgage companies.

And may I point out that Alberta alone had been singled out for this offensive action by these concerns. After the outbreak of war the attack was intensified.

Then came the final attempt to remove the last barriers to the right of action to dispossess debtor-farmers. The judgement obtained had the effect of making illegal all similar debt legislation in Saskatchewan and Manitoba.

Immediately the Alberta Government took the lead in bringing together the Government and farmer organisations of Manitoba, Saskatchewan and our own Province. A united and unanimous request was made to Ottawa to pass legislation to give farmers the necessary protection from unjust dispossession by the Mortgage and other lending corporations and to provide for some sort of equitable settlement of farm debts.

Remember the war has been in progress for some time. The importance of agriculture as an essential war industry was recognised. Farmers were being urged to produce more and more. Yet farmers continued to get inadequate and inequitable prices for their products. They were still denied proper credit facilities. They were being systematically divested of their manpower. They could not obtain machinery. Their debt obligations had accumulated to unmanageable proportions. And on top of all this they were living under the constant threat of dispossession by institutions whose existence is not essential to the national war effort.

Naturally prompt action by Ottawa was confidently expected. But for some reason such action has been delayed. Now, if help from Ottawa comes at all, there is an element of doubt as to whether it will be effective.

Now, that is the situation. Surely this constitutes a problem which should concern every one of us vitally.

First, it should concern us because if there is anything we can do provincially to give the farmer security of tenure on his land during the war, we must do it. As a vital war industry the efficiency of agriculture should not be jeopardised because a few financial institutions want to get control of the land. Actually their actions are a detriment to the war effort – because you cannot expect farmers to seed the land and build up their livestock when they do not know from month to month whether they are going to be thrown out on the highway.

Second, it concerns us all on the grounds of equity and justice. Should the property rights, the homes and the happiness of our citizens be subject to the kind of law which operates only in favour of one section of the nation, namely the large money manipulating corporations?

Thirdly, it concerns us vitally because unless we can solve the problems of agriculture, we will not be able to deal effectively with any of the other problems of the post-war period. The reconstruction of the basis of our economy is essential as the foundation for all other post-war reconstruction. ...

Already we have received a representation from one farmers' organisation in the form of the following resolution:

“WHEREAS land is the greatest asset of any community, as it provides practically all the raw products for the satisfaction of their material wants; and

WHEREAS the development of the land to produce the maximum benefit to the largest number of persons can be carried out best under a system of private ownership¹ which makes the individual responsible for the land under his care, combined with a proper system of rewards for those using the land to the best purpose; and

WHEREAS ownership of land involves

acceptance by the owner of all the responsibilities of trusteeship on behalf of the people; and, as such, he should be assured of security of tenure so long as his stewardship is satisfactory; and

WHEREAS the people should be protected from unrestricted exploitation of land, gambling in land values, monopoly control of land, the evils of irresponsible absentee landlordism and other abuses inherent in the present system;

THEREFORE BE IT RESOLVED by the delegates of the Alberta Farmers' Union in regular Convention assembled that the Provincial Government be requested, as an essential and basic measure of post-war reconstruction, to take the necessary steps for changing the Constitution of the Province to provide for a system of land tenure which will:

- (1) Assure security of tenure to all owners and tenants of land.
- (2) Institute a proper control of land titles to prevent gambling in land values, unrestricted exploitation of land by financial manipulation and the control of land by persons and corporations having no intention of using it for the public benefit.
- (3) Protect debtor tenants against dispossession owing to circumstances over which they have no control.
- (4) Ensure that owners will receive the benefits of all the improvements they make and discourage the abuse of land or property by allowing it to deteriorate.

AND BE IT FURTHER RESOLVED that before any legislative enactment to establish such a system of land tenure becomes effective it shall be submitted to a vote of the people by referendum.”

I shall be interested to know to what extent that represents the views of the majority of our farmers and other citizens.

Reprinted from *The Social Crediter*, Saturday 25 September, 1943, pp17-18.

¹ By 'private' ownership is meant ownership by individuals actually working the land, as opposed to the absentee ownership of money manipulating corporations.

Excerpt from

1984

George Orwell (1949)

These three superstates [Oceania (Americas plus England, Australia & the Pacific Islands), Eurasia (Russia & continental Europe) and Eastasia (China, Japan, SE Asia & India)] are permanently at war, and have been so for the past twenty-five years. War, however, is no longer the desperate, annihilating struggle that it was in the early decades of the twentieth century..... This is not to say that either the conduct of the war, or the prevailing attitude toward it, has become less bloodthirsty or more chivalrous. On the contrary, war hysteria is continuous and universal in all countries, and such acts as raping, looting, the slaughter of children, the reduction of whole populations to slavery, and reprisals against prisoners which extend even to boiling and burying alive, are looked upon as normal.....

The primary aim of modern warfare..... is to use up the products of the machine without raising the general standard of living. [The "machine" is society's technical and industrial capacity to produce goods.] ... From the moment when the machine first made its appearance it was clear to all thinking people that the need for human drudgery, and therefore to a great extent for human inequality, had disappeared. If the machine were used deliberately for that end, hunger, overwork, dirt, illiteracy and disease could be eliminated within a few generations.....

But it was also clear that an all-round increase in wealth threatened the destruction—indeed in some cases was the destruction—of a hierarchical society. In a world in which everyone worked short hours, had enough to eat, lived in a house with a bathroom and a refrigerator, and possessed a motorcar or even an airplane, the most obvious and perhaps the most important form of inequality would already have disappeared. If it once became general, wealth would confer no distinction.... Such a society could not long remain stable. For if leisure and security were enjoyed by all alike, the great mass of human

beings who are normally stupefied by poverty would become literate and would learn to think for themselves; and when once they had done this, they would sooner or later realize that the privileged minority had no function, and they would sweep it away. In the long run, a hierarchical society was only possible on a basis of poverty and ignorance.....

The essential act of war is destruction, not necessarily of human lives, but of the products of human labor. War is a way of shattering to pieces, or pouring into the stratosphere, or sinking into the depths of the sea, materials which might otherwise be used to make the masses too comfortable, and hence, in the long run, too intelligent.....

In practice the needs of the population are always underestimated, with the result that there is a chronic shortage of half the necessities of life; but this is looked on as an advantage. It is deliberate policy to keep even the favored groups somewhere near the brink of hardship, because a general state of scarcity increases the importance of small privileges and thus magnifies the distinction between one group and another..... The social atmosphere is that of a besieged city, where the possession of a lump of horseflesh makes the difference between wealth and poverty. And at the same time the consequences of being at war, and therefore in danger, makes the handing over of all power to a small caste seem the natural, unavoidable condition of survival.....

War, it will be seen, not only accomplishes the necessary destruction, but accomplishes it in a psychologically acceptable way. In principle it would be quite simple to waste the surplus labor of the world by building temples and pyramids, by digging holes and filling them up again, or even by producing vast quantities of goods and then setting fire to them. But this would provide only the economic and not the emotional basis for a hierarchical society....

War, it will be seen, is now a purely internal affair....waged by each ruling group against its own subjects, and the object of the war is not to make or prevent conquests of territory, but to keep the structure of society intact.

Apology: In our Autumn 2010 issue we published 'Money' by Murray McGrath. Unfortunately only half of the poem appeared in print. We apologise to Murray and to our readers for this oversight, and we are pleased to offer the entire poem as an insert within this issue.

The Conflict Between Finance and Scientific Industry

Address given by Clifford Hugh Douglas at the Canon Street Hotel, 3rd June 1925

Reprinted in *Warning Democracy*, C.M Grieve, 1931, pp77-89

It is necessary in dealing with the question of money to be quite sure that the assumptions on which the money system is to be founded are both understood and accepted. Some glimmering of this appears to have occurred to Sir Josiah Stamp, in an address which he gave some short time ago, in which he pointed out that the public mind in these matters swung from political interests to industrial interests, which apparently to him were incompatible.

The first definition to which I would draw your attention is that of wealth, and is "the rate at which a nation or any other corporate body of individuals can deliver goods and services esteemed conducive to well-being." The second definition is that "the objective of an industrial system is to deliver goods and services to the individuals included in the nation or other corporate body to which the system is attached, with the minimum amount of trouble to those individuals." The third conception is that of the artificiality of money. The best definition with which I am acquainted, and which is orthodox, is that of Professor Walker, in his book, *Money, Trade and Industry*, which reads that money may be defined as "any medium which has reached such a degree of acceptability that no matter what it is made of, and no matter why people want it, no one will refuse it in exchange for his product."

I would particularly draw your attention to the absence of any consideration affecting what is commonly called morality or ethics in these definitions. Even in these days I suppose that if the booking clerk at the railway station were to address, to the prospective purchaser of a ticket for transportation from London to Edinburgh, an enquiry into his domestic habits and the regularity

with which he paid his Income Tax, it would be felt that he was in advance of his time. Similarly, in times of stress, it is noticeable that we do not enquire very strictly into the antecedents of those who are enlisted in our armies. To put the matter another way, as circumstances force us more closely in contact with the underlying realities of life we jettison a good many artificial considerations which seem to grow up around our conduct in peace time.

One of the most important realities of the condition under which we live on this planet is that we live by work; and energy or power is the rate of doing work. Lest some adherent of that much misused phrase "he that will not work neither shall he eat" should read in what I am saying a justification for his belief, I would hasten to point out that it does not matter in the very least how the work is done nor from whence comes the energy by which it is done. Man requires, primarily, shelter, board, and clothes. It is immaterial whether his shelter is laboriously carved out of the solid rock by hand labour aided by the most primitive tools, or whether by the latest process of poured-concrete construction, machine-made window frames and doors and other refinements of modern building construction, his house arises, like the tent of the Arab, in the night. Similarly, his food may proceed from wild wheat, sown on ground laboriously scratched with a stick, or it may be the product of selected and scientifically crossed wheat grown thirty, forty, or even more bushels to the acre, on ground which has been steam-ploughed and rendered fertile by the latest nitric manures electrically produced from the atmosphere. His clothes may be made of skin, each one of which may represent months of

the time of a trained hunter, or they may be the product of Lancashire and Galashiels, turning out thousands of yards of fabric with the aid of one man watching machines for one day. The fact which underlies these contrasts is that embodied in the law of the conservation of energy, and it may be stated for our purposes in the form that what is commonly called production is simply the transformation of one thing into another ; that production *ex nihilo* is impossible, and that therefore, other things being equal, production is simply proportional to the amount of mechanical energy applied to it and is quite irrespective of the agency through which that mechanical energy is applied, muscular, electrical, or otherwise.

In a somewhat narrow sense, the truth of this statement is becoming recognised by the importance which is being given to the question of the electrical distribution of energy in this and every other country, and, of course, this is all to the good. It would be too much to say that this recognition carries with it any general appreciation of the greater issues that are involved. If you will carry your minds back to what is called the Golden Age in Great Britain, the age of the great Elizabethans, you will find that, although the amount of extra-human energy which was employed for productive purposes was trivial, arising from such sources as small and inefficient water-wheels and windmills, a very tolerable standard of living was common, and it was common in spite of much greater general leisure and a good deal of waste energy in the shape of war. I feel sure that amongst my audience someone is yearning to point out that the population of these islands was much less than it is now—a consideration which, I am afraid, leaves me quite cold for reasons into which I propose to go a little later.

In this year of grace 1925, in spite of the advancement of science, certainly greater in the last hundred years than in any known similar period of history, life appears to be less secure, more strenuous, and, broadly speaking, less satisfactory, than ever.

Of course, a good many explanations are put forward for this. There is the population

explanation in various forms, the adherents of this mostly basing their ideas on the doctrines of Malthus, whose main proposition was that the increase of population tends to out-run the means of subsistence. This interesting contention seems to withstand every possible assault of fact. The fact that families are largest in the most needy sections of the population and decrease, in spite of the most strenuous propaganda, as the standard of living is raised, is one of the facts which seems to rebound without effect from the adherents of this doctrine. As a friend of mine put it, “ If you house people like rats, they will breed like rats “; the converse is equally true.

But a much more important consideration even than this is that this kind of doctrine is powerless to account for, does not, in fact, touch at all, upon the fact that we are constantly witnesses of acts of economic sabotage. When, as the result of the stimulation to agriculture provided by the German submarine campaign, the Argentine and the West of Canada enormously increased their production of foodstuffs, a state of affairs rapidly supervened in which grain was burnt under the boilers of steam engines, and calves were shot and left to rot on the plains of the Argentine, in order that the surplus of foodstuffs should not reach the markets of the world. The late lamented war ceased with such suddenness that it was almost impossible to slow down production for some months after the date of the Armistice, with the result (which involved the financial inflation of the post-war period) that seven years afterwards we can still buy Government surplus production at advantageous prices, in spite of the determined efforts of the orthodox manufacturer and producer to get this material off the market as quickly as possible. During the latter years of the war, when the rate of destruction of material and the waste in the use of it reached a point of which the average individual has no conception, and which certainly exceeds anything the mind of man had previously conceived, it is probably true to say that the standard of living, not only in this but in every other country, reached a higher level than ever previously, and that, with the vast majority of the best producers absent from the country and replaced by persons labelled C3. If

you will look at these generalisations, which it is possible to support by any required amount of exact data, you must have the conviction forced upon you that the modern production system, if unhampered, is capable of producing everything that is required of it, and further, that this production involves or can involve the use of a continuously decreasing amount of human energy or labour. That is the first vital point to grasp. The second point is that the best brains of this and every other country in the industrial and scientific field are working as though they recognised their objective to be the replacement of human labour by that of machines, although it is quite possible that very few of them do. To put the matter still more baldly, these best brains are endeavouring to put the world out of work, to create what is miscalled an unemployment problem, but what should properly be called a condition of leisure. At this point we begin to touch this conflict between a classical morality and modern scientific effort. Oblivious to the fact that practically all advances in the world's history can be traced to a condition of leisure, however that leisure was obtained, we find a large number of people prepared to argue that the object of modern scientific progress is to increase employment, and that only the "employed," in the economic sense, have a "right" to exist.

If this were only a matter of opinion it would not be a matter perhaps of very much importance. But it has to be remembered that our production system and our distribution system are so interwoven as to constitute a government, and the governing factor is not the producing system but the distributing system.

There are three methods by which goods are distributed in a modern community ; wages, salaries, and dividends, and the essence of this distribution system is that the distribution of goods is rigidly connected with the production of goods.

There is a considerable outcry against dividends at the present time; an outcry which I am convinced is powerfully fostered from a source very far removed from what is commonly called Socialism.

A week or two ago a review of one of my books was published in a Left Wing Socialist weekly. If I were not aware of the qualifications of the reviewer, I should have regarded it merely as incompetent, but as that word cannot apply I am obliged to use a harsher word ; it was a dishonest review.

In the course of this review two points are made, (i) that it is both right and expedient for banks to charge interest upon loans, (2) to quote the exact words of the reviewer, "If my money is wanted for social purposes it is ridiculously extravagant that the State should have to bribe me and my heirs with 5 per cent, per annum for ever to get hold of it. A Socialist State would have the right to take my due contribution towards productive outlay for the future without any such bribe. (Probably it would make the necessary deduction before any income came into my hands at all.)"

That is to say, it is perfectly proper for bankers, who coin money at will, to hold up the country to ransom, not for 5 per cent., but 8 per cent, or 9 per cent., but it is iniquitous that the individual should be paid 5 per cent, for lending his money to perform a similar service, although he has obtained it by working for it.

Now the curious point is that about two years ago a semi-private publication, circulated only amongst banking officials, came into my hands, containing a review of one of my books. The reviewer was the same person just referred to as employed by the Socialist weekly. It was a much less crude review, but was not less ingeniously designed to mislead. I think the only reasonable deduction is that there is no diversity of interest between the two publications. I mention the matter to make the point which I think requires making, that Finance is at least as dangerous an enemy of the upper and upper-middle classes as it is of the poor. It should be realised that it is not the war which makes us pay an income tax of 3s. 6d. in the pound, a death duty of 20 per cent., and a general tax of 70 per cent, on everything we buy, in the form of increased prices. The war was paid for as we fought it. It is the Banking and Financial system which taxes us.

Finance has got the poor where it wants them, and can and does keep them there; they are comparatively harmless; they are not merely harmless, they are useful; their revolt against the present state of affairs can be made, and is made, an excuse for such measures as penal death duties and steeply graduated taxation, the only effect of which must be to reduce the whole population to the necessity of wage and salary earning. Under these conditions, any expression of opinion likely to be harmful to the financial system or its administrators can be dealt with by deprivation of employment and consequent starvation. If you will think these matters over, you will see that the theory held in some quite well-informed quarters, that Russian Bolshevism and certain aspects of high finance are closely connected, is not so wild as it appears at first sight.

But, in any case, it should be remembered that probably 94 per cent, of the purchasing power which constitutes the distribution system of this country, is wages and salaries, and, on the whole, this percentage of the total tends to increase, and dividends collectively tend to decrease, for reasons which are plain enough to those who care to study the matter. Now, if you will consider the fact that the general output of goods of all descriptions per unit of mechanical labour employed, is, at least, proportional to the total energy put into the productive system, and that this energy has increased in the last 100 years by at least 3,000 to 4,000 per cent., you will see that one of three things must happen. Either everyone must consume thirty or forty times as much as he did before, and increase the amount as the amount of energy put into production increases, or (2) we must get rid, by exportation or otherwise, of an increasing amount of production (in competition with every other industrialised country) in the remaining markets of the world, which are decreasing in size owing to continued industrialisation, or (3) we must recognise that the so-called unemployment problem is something which arises out of the advancement of science applied to industry, and we must modify profoundly our system of distribution. I hope I have made the dilemma clear. The scientific organisation of industry and the introduction

of increased quantities of solar energy into the productive system means, and can only mean, the displacement of human labour from the economic process. Even now there is very little doubt that the present standard of living can be maintained by the working efforts of 10 per cent, of the population if the productive system were not so largely directed towards money-making rather than goods-making, and the immensely inefficient business system of the country were modified so as to cut down what was termed by Lord Milner "interception." On the other hand, penal taxation, rising prices, and the building up of invisible and visible financial reserves, operate to diminish and even extinguish what are called unearned incomes, thus forcing more persons to compete for employment which science is diminishing in quantity. In order to avoid too much repetition of the matter with which I dealt a fortnight ago, I should like to summarise certain facts in regard to the money system, which those who are interested will find elaborated in the report of that lecture, which has since been published. The first point to recognise is that distribution takes place, in civilised countries, solely by the aid of some sort of money. You do not make money by making goods or by working. It is a fact not disputed, and, indeed, emphasised, by Mr. McKenna, the chairman of the Midland Bank, that "The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan creates a deposit, and every repayment of a bank loan destroys a deposit."

Secondly, the amount of money available as purchasing power is insufficient to buy the goods available for sale at the prices at which they were made. This is also now admitted by various authorities, but even if the system itself did not automatically attain this end, and the proposition that the banks have control of the volume of money be admitted, the banks would be obliged in their own interests to make it true in order to retain control of the situation. The present banking system rests irrevocably on a condition of scarcity in purchasing power. No expansion of productive capacity can permanently affect this state of affairs. Banking credit, which we

have just seen constitutes all but an insignificant fraction of the total purchasing power of the country, is a commodity like anything else, and the way to make a commodity expensive is to keep it scarce.

It is impossible to exaggerate the importance of a world-wide antagonism between a system in which every interest is directed to making the machinery of consumption continuously more difficult of access, on the one hand, and a scientific and productive system, which, in spite of handicaps, is continuously increasing its capacity for production ; and that is exactly the position of the financial system in its relation with

the consumer and the producer. All over the world the signs of a final and deadly conflict, directly traceable to this fundamental antagonism, can be seen. The conflict may not break out for a year or two, or it may break out to-morrow. No one who realises the gravity of the riots at the moment proceeding in Shanghai, in which Americans and Japanese are both involved, would venture to say that serious trouble, from that cause alone, is impossible. But, in spite of the unrelieved gloom of the superficial position, I venture to believe that, even if after some tribulation, we shall break free from the domination of Finance.

From the Introduction to

Understanding the Financial System: Social Credit Rediscovered

Frances Hutchinson (details on back page)

The following chapters introduce the reader to several key issues of the early 21st century in such a way that the inter-relationships between finance and politics, production, gender relations, work, income, farming, education, arts, sciences and all forms of human interaction become a little clearer... I owe a great debt of gratitude to the early readers of the first drafts..for their forthright questioning of many unsubstantiated statements. One...was phrased as follows:

“Why, in fact, did the peasants throughout the nineteenth century have to move into towns for money wages? Was it the pressure of higher money wages than they could earn as farm labourers, or the promise of a better lifestyle?”

The question reveals a great deal about the standpoint of a reader, who has been conditioned by a mainstream education into thinking in terms of ‘progress’ from rural poverty to urban plenty. From this perspective, Rational Economic Man, the hero of economics textbooks, migrates for ‘economic’ reasons, that is, for the higher money wages made available through industrialisation. This is, however, a teleological argument. The emergence of landless labour was a direct result of enclosures, which were undertaken on grounds

of financial profitability, rather than the free choice of the ‘labourer’. Throughout long ages the right to use a piece of land, together with rights to the resources of commons and waste lands to provide for one’s family has been a fundamental human right. The power of moneyed interests to take the land from the people for commercial ‘development’, as when Shell used Ogoni lands in Nigeria, dates back to the dawn of modern times. From the outset, enclosure of land has been a legal process, endorsed by the force of laws passed by the political sphere of society:

“They hang the man and flog the women
That steal the goose from off the common,
but let the greater villain loose
That steals the common from the goose.”

DON'T LET MONEY WRECK THE WORLD

Whitby Gathering

Saturday, 12th February 2011

Details from Social Credit Secretariat

True Politics

Donald Swann

Indeed unless and until *each man* is prepared to beg the skill of others to help him to be complete, he is not a whole man.

This pattern applies in every area of life. Each man of faith has to ask other men of faith what insight they have about God. The man with great scientific skill in laboratories must ask the native of the desert about the skills he has learned in the open wastes. The sophisticated painter of Europe can learn from the Tongan craftswomen about the making of *tapa* cloth from beaten bark (stuck together with semolina, what's more!). Those who are rich lose the art of being poor, and can learn that art from the poor around them. The lessons are endless and this learning should never cease. The reason is that God exists in all men, and therefore to know God fully we should have to know all men: and not only all men but all things and all animals. The extinction of an

animal species diminishes all of us. The death of each man diminished all of us. But we are not diminished but hurt when any man, woman or child ceases to learn and considers himself self-sufficient, be it in skill, in wealth or in power. That person breaks the chain of learning, and interferes with those who are continuing. He is a destroyer.

The true politics of the world start only when each living soul is learning from all the others. Nations exist only as artificial structures created by men primarily to divide themselves from one another, and create an artificial and precarious security, which is regularly shattered by war and disaster. The only true relationship is that of brother to brother, sister to brother and brother to sister. All the rest is vanity, and the world's talk.

Quoted in Elizabeth Goudge, *A Book of Faith*, p144.

The Sacred Universe

The Christian Future and the Fate of the Earth

THOMAS BERRY

Orbis Books, 2009,
ISBN 978-1-57075-8515
£16.99, Hb, 130pp

The Sacred Universe: Earth, Spirituality, and Religion in the Twenty-first Century

THOMAS BERRY

Columbia University Press, 2009
ISBN 978-0-231-14952-5
£15.95, Hb, 178pp

Thomas Berry is best remembered for his landmark work *The Dream of the Earth*, first published in 1988. His other major works include *The Universe Story*, co-authored by Brian Swimme (1992); *The Great Work* (1999); and *Evening Thoughts* (2006).

Now two collections of his essays provide a valuable means of access to the work of a figurehead philosopher of our times. Over the past forty years wiser heads than mine have

studied these works, many in the company of the author himself. I therefore present a selection of their observations as taken from the covers of his books, and one or two quotes from the essays themselves.

On the cover of *The Dream of the Earth*, the book is described as “a foundational volume in the ecological canon”.

“In it, noted cultural historian Thomas Berry provides nothing less than a new intellectual-ethical framework for the human community by positing planetary well-being as the measure of all human activity.

“Drawing on the wisdom of Western Philosophy, Asian thought and Native American traditions, as well as contemporary physics and evolutionary biology, Berry offers a new perspective that recasts our understanding of science, technology, politics, religion, ecology and education. He shows us why it is important to respond to the Earth's need for planetary renewal, and what

we must do to break free of the ‘technological trance’ that drives a misguided dream of progress. Only then, he suggests, can we foster mutually enhancing human-Earth relationships that can heal our traumatized global biosystem.”

In *The Christian Future*, the author traces three stages of humanity’s alienation from the natural world and the planet as a whole. First, Greek and biblical anthropocentrism developed into the belief that humanity was no longer part of the larger community of existence. Second, the period of the Black Death led to a sense of humanity’s detachment from worldly concerns. And third, the movement to a technical and industrial economy gave rise to the belief that the spirituality of the Earth could and should be ignored. As long ago as 1985, Berry observed the necessity for Western Christianity to create a “New Story of the Universe”:

“We are presently quite comfortable religiously, theologically, and even ministerially within the walls of our own seminaries, churches and religious houses. Outside of this setting however, we work with minimal efficiency.

“We are assuredly not providing the exciting leadership needed for these times. That insight is sufficiently evidenced by the fact of our declining priesthood and religious communities. The difficulty is not that the youth are less motivated or less competent, but that the more competent and spiritually motivated cannot find within our establishments any adequate context in which to work effectively on the greater issues presently confronting the human community. They wish to work not simply for redemption out of the world but for the survival and enhancement of life on a planet profoundly threatened in all its basic life systems. What they see in the Church is an establishment taking no serious notice of this situation. Our church authorities, universities, theologians, and Catholic media seem to be showing no significant interest in the Fate of the Earth as it is being devastated by a plundering industrial system.” ((p27))

A quarter of a century later, on the cover of *The Sacred Universe*, the following endorsements

appeared:

“In essays sparkling with thought-provoking insights, *The Sacred Universe* explores the dimensions of a new, creation-centred spirituality for the emerging global community. Thomas Berry challenges modern civilization and the world’s religions to awaken anew to the sacred presence pervading the natural world and to recognise that the primary sacred community is the community of life as a whole in the larger evolving universe.”

Stephen Rockefeller, Middlebury College, and co-chair, Earth Charter International Council.

“Like a flash of lightning on a dark night, Thomas Berry illuminated the darkness of our time like no other. We are all in his debt for helping us to see that what ails us has less to do with better technology or a bigger economy and more to do with finding our spiritual bearings. For the universe story that he tells so powerfully, there is no finer or truer storyteller than Berry.”

David Orr, Oberlin College.

“*The Sacred Universe* is destined to become a classic for its new answers to ancient questions: who are we in relation to the universe? How shall we then live? Current environmental emergencies call for wisdom greater than any the world has ever seen. Berry’s book is thus an essential gift, offering great wisdom that is deeply informed by ancient cultures and contemporary cosmology. It’s unreasonable to think that any one man’s vision can save us, but Berry can set us firmly on our way to saving ourselves.”

Kathleen Dean Moore, author of ‘The Pine Island Paradox: Making Connections in a Disconnected World’.

“By developing a sustained critique of technology-enhanced consumerism, Berry makes a powerful call for a return to core values that include connectivity with nature and a quest for a reimagination of religious meaning.”

Christopher Key Chapple, Loyola Marymount University.

“These essays enable us to follow the broadening and deepening vision of a passionate lover of wisdom. Berry inherited the ancient task of

philosophy: to seek comprehensive understanding of the most important questions as a guide to life. With insight that is unexcelled, he writes graciously but uncompromisingly about the profound changes that must occur individually and collectively.”

John B. Cobb Jr., Claremont School of Theology.

Students of contemporary society will be well aware that those endorsing Berry’s work are substantial authorities in their fields of research and teaching. The time has come for all students of science, arts religion and humanities to use the rich resource of Thomas Berry’s life’s work to create together in community a New Story of the Universe.

Book Review

Out of This Earth: East India Adivasis and the Aluminium Cartel

BY FELIX PADEL AND SAMARENDRA DAS

Orient BlackSwan,

2010

ISBN 978-81-250-3867-2

Hb, 740pp, £25

Available in UK from a good bookshop.

Written from the perspective of the Adivasis (first peoples of India), this compendium of research on the impacts of the global corporate institutions of the ‘developed world’ right across the earth covers the activities of the aluminium cartel not only in India but also in Canada, Australia, Iceland, Jamaica, Hungary, Russia, China, the U.S.A., throughout Africa and elsewhere. Careful reading of this tome goes some way to providing answers to the conundrums posed in the following quotation.

“What is the shape of aluminium’s history? Has modern society become too dependent on aluminium too quickly for us to comprehend the industry’s full impact? ‘Wonder metal’ of the twentieth century ... Conductor of electricity through elements and cables ... Revolutionising transport and packaging ... Duralumin and other alloys used in making aircraft, taking humans to the skies ... Explosive properties of aluminium in the thermite process enable mass bombing of civilians ... Mega-consumer of electricity, prime purpose of the big dams ... Major polluter of water, earth, air and outer space ... Destroying mountain ecosystems through

strip-mining bauxite ... Underminer of countries’ economic independence ... Invading Adivasi territories and evicting them from their land ...”

The authors of *Out of This Earth* set out to document the ecologically and culturally destructive nature of the aluminium industry, especially in its impact upon the Adivasis (First People) of the East Indian state of Odisha in East India. Seven years of thoroughgoing research have produced a well- rounded critique of corporate capitalism, the most disastrous form of social organisation in history.

In place within the mountain eco-systems in which it is found, bauxite plays a vital role in the maintenance of water flows through forests and surrounding countrysides. Its removal in vast quantities for the extraction of aluminium for use in consumer goods, transport and above all the armaments industry, is destroying the earth’s ability to sustain plant, animal and human life. Removed from its natural locations, the bright metal becomes toxic and harmful. Furthermore, the mining and processing of aluminium consumes vast quantities of water and electricity, supplied by dams created by the industry’s complex network of institutions operating behind closed doors. Thus mining companies, investment bankers, governments and metal traders are related through traders in derivatives in the major financial centres of the world, creating the contracts and deals which endorse the right to exploit ‘undeveloped’ lands regardless of the best interests of local peoples.

The institutional structures of the multinational

corporations now encircling the globe have origins which date back as far as the seventeenth and eighteenth centuries. The French, and later the British East India Companies took forceful control over Indian politics through “intrigue, murder and war”. The pattern of divide and rule tactics established by colonialism has been used ever since. Nominally, power is thought to reside with local elected representatives through the judiciary and the police. In reality powerful multinational corporations determine outcomes through their financial control over judicial, political and information systems. Huge corporations constitute the most totalitarian institutions in human history. The authority of the centrally managed institution flows strictly from top to bottom. Those inside the institution take orders from above, on pain of losing their position within the structure. For those outside the institution who may be affected by its activities, what few popular controls remain are fast eroding. The governments of the West are no less in thrall to the corporate world. The life-blood of finance is determined by institutions unaccountable to any superior power, earthly or divine. Masses of people vie with one another to work within the corporate structures, directly as salaried employees and indirectly as suppliers of medical, educational, media, entertainment and subsistence requirements of the system as a whole.

At the core of the situation is the predominance of economic fundamentalism, the flat-earth neoliberal philosophy imposed by the corporate world as individuals are trained to take up their various positions within the hierarchies that are the multinational corporations. The Robber Barons in the US and their counterparts in Europe were often deeply religious churchgoers, whose lavish lifestyle appeared to indicate Divine endorsement, an illusion reinforced by endowment of religious institutions, universities and charitable institutions. The pattern is being repeated by figures like Anil Agarwal, arguably the richest and most powerful man in India, who heads the transnational mining corporation, Vedanta.

Ranged against the corporate world are the Adivasis, who stand alone in their recognition of the physical, social and spiritual implications of the wholesale destruction of their environment

and culture. The local First People, the Adivasis, have lived a sustainable existence since the dawn of history. For them, the mountains are the sacred source of life itself through the water they store and release in perennial streams. The notion that the mountains are nothing more than a resource to be exploited has been imported from distant lands whose people have no conception of the destruction they are causing to the irreplaceable resources of the locality and the earth as a whole. As metal factories are built to process the metals mined from the mountain summits, millions of peoples have already been displaced to create the consumer goods we take for granted as our right to call onto the market. The promise of prosperity, ending poverty and debt, through the mining of apparent riches from the earth has, time and again across the world, plunged indigenous peoples into cycles of exploitation, debt, environmental degradation, starvation and poverty through the inevitable cultural genocide involved in destruction of the fertility of the land. The history of exploitation in India is related to the world patterns, through examples in Russia, China, Africa, Iceland and the West Indies.

As country after country falls for the promises of unlimited prosperity, across the world country after country is plunged into powerlessness, exploitation and debt. Detailed case histories of countries and people affected by ‘development’ occur throughout the book. To take just one example, the dramatic crash of Iceland’s three main banks in October 2008 is well known. Less well known is the process of deception involved in development of secret plans and deals which would allow some of Europe’s last undamaged wilderness to be destroyed by dams, geothermal plants and smelters. Typical of aluminium capitalisation, huge loans were taken by the Icelandic government, banks and companies, to pay for the infrastructure needed by the aluminium companies.

Contained within the earlier chapters of the book are the personal stories of individual resistance to the “resource curse”. When a corporation makes the unilateral decision to move into an area they systematically divide the local people. Resistance invariably turns out to be in vain. Dams ostensibly built for irrigation of agricultural land turn out

to be destined to supply water and power to the aluminium industry. Smooth talking officials offer ‘compensation’ in terms of money, schools, houses, hospital facilities, of which little if anything actually materialises. Those who accept the offered terms have found themselves forcibly removed without warning, their houses flattened. Those who recognise the empty value of money to compensate for the loss of produce from the land, and hold out against the ‘development’ are driven away as mines and factory buildings destroy their forest environment. Those who forcibly resist find the full force of law turned upon them, as trouble-makers standing illogically in the path of progress, and face being murdered by contract killers. Women play a dominant role in the resistance, being the first to recognise the necessity to treat the earth’s resources with respect. Individual stories spring to life in the pages of this book. The sense of the futility and loss in the name of ‘progress’ is depicted with journalistic skill by the authors. These ordinary people offer a powerful message which goes well beyond their individual protest to highlight the plight the whole world faces at this point in time. Ecologically sustainable lifestyles such as those practised by the Adivasis are being destroyed, leaving in their wake unprecedented material, cultural and spiritual poverty.

In this tale of intrigue and corruption, of greed and collusion in high places, the authors turn the spotlight onto the world’s ruling elite who are in process of committing all the sins depicted in Dante’s *Inferno* in the name of progress and development. The question raised in these pages is, how well do we know the earth which sustains us in this life here and now? How well do we understand the workings of the institutions of

the global financial-military-industrial complex through which we work together to draw upon the earth’s resources and our own skills and labour to produce the necessities for human survival? The work has the potential to be a paradigm-shifting milestone in the history of humanity. It is a thoroughly researched and readably written compendium of the world-wide military-industrial cartel currently dominating all aspects of the social order – economic, political and cultural – in every country of the world today. What the book lacks is a severe editing process to make it more reader-friendly. Massive topics, such as the operational roles of NGOs (Non-Governmental Organisations, *i.e.*, charitable aid agencies) and the World Bank are to be found interspersed with descriptions of local circumstances. That is, however, a minor quibble in the overall scheme of things.

A debt of gratitude is owed to the authors of this book for bringing the operations of the institutions of the modern world into sharp focus. Were he alive today, Rudolph Steiner would have already been thoroughly familiar with the mass of seminal works cited in this 700-page tome, as also with the key personalities operating within the global corporate world. The rest of us, lacking the intellectual stature of Steiner, can but give hearty acknowledgement to the authors for this resourceful contribution to knowledge of the operations of worldly powers in the second decade of the twenty-first century.

Frances Hutchinson

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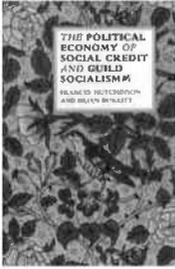
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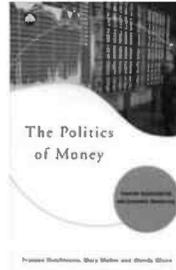
Recommended Reading



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:
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