

# The SOCIAL CREDITER

For Economic Democracy

Quarterly Volume 81 No. 3 December 2002

## Editorial

FEUDALISM: You have two cows.

Your Lord takes some of the milk.

CAPITALISM: You have two cows.

They are mortgaged to the debt-money system. You buy back the milk through wage/salary slavery.

For most people, most of the time, the connection between work and the acquisition of daily necessities was crystal clear. Combined with the labour of yourself and family, your immediate surroundings produced all that was necessary for everyday life, with the occasional luxury coming from far away. If your local Lord of the Manor took some of the produce (the milk), at least you knew who was to blame. Furthermore, by your tacit agreement you cemented a 'social contract' of sorts, one which gave you the right to be here.

Under free market capitalism your right to exist, i.e. your citizen's right to a livelihood (to the milk from your two cows) is a great deal less clear. Industrialisation, with all its wonderful inventions, new technologies and communications, obscures the basic issues. Citizens have been reduced to wage/salary enslavement as workers for global corporations. Workers slave also for the public services, supplying the infrastructure for global corporatism, while some small business and

voluntary sectors are still tolerated by the global system. If you do not work for money you have no right to exist, but why this should be so is not at all clear.

In this issue we once again draw upon the wealth of writing available, from historical and contemporary sources, to clarify the citizen's inalienable right to a share of society's credit. Alastair McIntosh draws from his *Soil and Soul: People versus Corporate Power* (previously reviewed in these columns and highly recommended) to describe the three enduring pillars of community economics. In the 1937 edition of *The Monopoly of Credit* C.H. Douglas explored the equally enduring link between economic competitive power and military warfare. The pressure to wreck society and the natural environment continues unabated as individuals are constrained to set aside all value judgements save that of 'making' money.

This summer members of the Secretariat have attended conferences and given talks at a wide range of events organised, in the main, by full-time academics. Our travels have included Plater College, Oxford (see report in this issue), Kansas City, Sheffield UK, Liechtenstein, Dublin, Bromsgrove, Swanwick, Derbyshire, Aix-en-Provence and Lindisfarne. At

*The pressure to wreck society and the natural environment continues unabated as individuals are constrained to set aside all value judgements save that of 'making' money.*

*.....we once again draw upon the wealth of writing available..... to clarify the citizen's inalienable right to a share of society's credit.*

each conference the need to obtain and maintain tenure in university posts has emerged as the greatest obstacle to the development of just alternatives to the present system of exploitation and alienation.

And finally, we highly recommend the Corporate Watch booklet "What's wrong with the Supermarkets?" for any TSC readers with friends and colleagues unable to answer the question off the cuff. The highly readable booklet is full of facts and obtainable from Eco-Logic Books for £1 (see advert below). Their catalogue too is well worth obtaining.

**Eco-logic Books 10-12 Picton St  
Bristol BS6 5QA  
Tel: 0117 942 0165  
Fax: 0117 942 0164  
[books@eco-logic.demon.co.uk](mailto:books@eco-logic.demon.co.uk)**

### Inside this issue

Page 26

**The Causes of War**

Page 28

**The Three Pillars of Community.....**

Page 29

**An Interfaith Perspective...**

Page 30

**The Tree of Life; Reclaiming...**

Page 34

**Book Reviews**

## The Causes of War

Extract from **THE MONOPOLY OF CREDIT** by **C H Douglas**  
(1937 edition)

Perhaps the first necessity, if we wish to arrive at the truth of this matter, is to be clear on what we mean by "war". The technical definition of war is "any action taken to impose your will upon an enemy, or to prevent him from imposing his will upon you". It will be recognised at once that this definition of war makes the motive rather than the method the important matter to consider. More energy is devoted at the present time to the endeavour to modify the methods of war than to removing the motive for war. If we recognise this, we shall be in a better position to realise that we are never at peace - that only the form of war changes.

Military wars are waged by nations, a statement which is the basis for the somewhat naïve and, I think, certainly erroneous idea that you would abolish war if you abolished nations. This is much like saying that you would abolish rate-paying if you abolished Urban District Councils. You do not dispose of a problem by enlarging its boundaries, and, if I am not mistaken, the seeds of war are in every village. We can get a glimpse of the main causes of war if we consider the problems of statesmen, who are expected to guide the destinies of nations. I suppose most statesmen at the present time would agree that their primary problem is to increase employment, and to induce trade prosperity for their own nationals, and there are few of them who would not add that the shortest way to achieve this would be to capture foreign markets. Once this, the common theory of international trade, is assumed, we have set our feet upon a road whose only end is war. The use of the word "capture" indicates the desire to take away from some other country, something with which it being unable, also, to be prosperous without general employment, does

not desire to part. That is endeavouring to impose your will upon an adversary, and is economic war, and economic war has always resulted in military war, and probably always will.

The so-called psychological causes of war are the response of human nature to irritations which can be traced to this cause either directly or indirectly. To say that all men will fight if sufficiently irritated seems to me to be an argument against irritating them rather than against human nature. It is not the irritation which causes the economic war, it is the economic war which causes the irritation. Military war is an intensification of economic war, and differs only in method and not in principle. The armaments industry, for instance, provides employment and high wages to at least the same extent that it provides profits to employers, and I cannot see any difference between the culpability of the employee and that of the employer. I have no interest, direct or indirect, in the armaments industry, but I am fairly familiar with Big Business, and I do not believe that the bribery and corruption, of which we have heard so much in connection with armaments, is any worse in that trade than in any other.

So long, then, as we are prepared to agree, firstly, that the removal of industrial unemployment is the primary object of statesmanship, and, secondly, that the capture of foreign markets is the shortest path to the attainment of this objective, we have the primary economic irritant to military war always with us, and, moreover, we have it in an accelerating rate of growth, because production is expanding through the use of power machinery, and undeveloped markets are contracting. Any village which has two grocery

shops, each competing for an insufficient, and decreasing, amount of business, while continually enlarging its premises, is a working demonstration of the economic causes of war - is, in fact, itself at war by economic methods.

I do not believe that it is sensible to lecture the public of any or all of the nations on either the wickedness or the horrors of war, or to ask for goodwill to abolish military war or the trade in armaments, so long as it remains true that, if one of the village grocers captures the whole of the other grocer's business, the second grocer and his employees will suffer. Or if it remains true that if one nation captures the whole of another nation's trade the population of the second nation will be unemployed, and, being unemployed, they will suffer also. It is poverty and economic insecurity which submits human nature to the greatest strain, a statement which is easily provable by comparing suicide statistics with bankruptcy statistics and business depression. Suicides are less in numbers during wars, not because people like wars, but because there is more money about. Suicides are less in number during trade booms for the same reason. To know, therefore, whether war is inevitable, we have to know whether, firstly, there is enough real wealth available to keep the whole population in comfort without the whole of the population being employed, and, secondly, if this is so, what is it that prevents this wealth from being distributed. In regard to the first question, I believe there can be no doubt as to the answer. We are all beginning to be familiar with the phrase "poverty amidst plenty", and it is generally admitted that the crisis of the past decade has been a crisis of glut and not a crisis of scarcity. Yet during that crisis, poverty has been

widely extended, because unemployment has been widely extended. So that we have experimental evidence that full employment is not necessary to produce the wealth that we require - it is only necessary to the end that we may be able to distribute wages - quite a different matter. In regard to the second question, therefore, we know it is lack of money in the hands of individuals to enable them to buy the wealth which is available, and not the lack of available goods, which makes men poor. As our arrangements are at the present time, money is primarily distributed in respect of employment, which, as the glut has shown, is in many cases not necessary, or even desirable. So that it is not too much to say that the causes of war and the causes of poverty amidst plenty are the same, and they may be found in the monetary and wage system, and that broadly speaking, the cure for poverty and the beginnings of the cure for war can be found in a simple rectification of the money system. This rectification must, I think, take the form of a National Dividend, either in a simple or more complex form, so that while there is real wealth to be distributed, nobody shall lack for want of money with which to buy. It has already been shown that money is actually made by the banking system, and not by agriculture or industry. The "Encyclopaedia Britannica" states the matter clearly in its article on banking in the words: "Banks lend money by creating the means of payment out of nothing."

It seems difficult to make it clear that the proposal for a National Dividend, which would enable the products of our industrial system to be bought by our own population, has nothing to do with Socialism, as that is commonly understood. The main idea of Socialism appears to be the nationalisation of productive undertakings and their administration by Government departments.

Whatever merits such a proposal may have, it does not touch the difficulty we have been considering.

The provision of a National Dividend is merely to place in the hand of each one of the population, in the form of dividend-paying shares, a share of what is now known as the National Debt, without, however, confiscating that which is already in private hands, since the National Credit, is, in fact immensely greater than the portion of the National Debt which now provides incomes to individuals.

The practical effect of a National Dividend would be, firstly, to provide a secure source of income to individuals which, though it might be desirable to augment it by work, when obtainable, would, nevertheless, provide all the necessary purchasing power to maintain self-respect and health. By providing a steady demand upon our producing system, it would go a long way towards stabilising business conditions, and would assure producers of a constant home market for their goods. We already have the beginnings of such a system in our various pension schemes and unemployment insurance, but the defect for the moment of these is that they are put forward in conjunction with schemes of taxation which go a long way towards neutralising their beneficial effect. While this is inevitable under our present monetary system, it is far from being inevitable when the essentially public nature of the monetary system receives the recognition which is its due, but is not yet admitted by our bankers.

It may be asked, with reason, why the provision of a National Dividend, even if effective in removing the prime motive for aggressive war on the part of Great Britain, would so affect the motives of other nations as to prevent them from making war upon us. I think the answer to this is twofold. In the first place, I believe it

to be, while the present financial system persists, merely sentimental to suppose that a weak nation, particularly if it be also a rich nation, is a factor making for peace. Quite the contrary. It is as sensible to say that a bank would never be robbed if it had paper walls. International bankers are, almost to a man, strong advocates of national disarmament, but their bank clerks, alone among civilian employees in this country, are armed with revolvers, and the strength of bank premises compares with that of modern fortresses. Strength, unaccompanied by a motive for aggression, is a factor making for peace. A radical modification of the existing financial system will make it possible to build up a strong and united nation free from economic dissension, which would, by its strength, offer a powerful deterrent to aggressive war. And, secondly the spectacle of a contented and prosperous Britain, willing to trade but not forced by unemployment to fight for trade, would provide an irresistible object-lesson in genuine progress and would be imitated everywhere.

Why should these modifications not be made? For an answer to that question I must refer you to the Bank of England, which is all-powerful in these matters. Mr Montagu Norman, the Governor of the Bank of England, which is a private company, described the relations of the Bank of England and the Treasury as those of Tweedledum and Tweedledee.

It is not suggested that bankers have a wish to precipitate war. Far from it. Bankers dislike war only less than they dislike any change in a financial system with which, almost alone amongst other sections of the community, they appear to be completely satisfied.

This piece is available in leaflet format. Copies can be obtained from the Social Credit Secretariat (50p per copy, p&p inclusive)

## The Three Pillars of Community Economics

Alastair McIntosh

---

Throughout the 1960s many delicious species of fish such as haddock, whiting, and cod could be caught on handlines baited with shellfish in our sheltered sea lochs on the Isle of Lewis. As I grew into my early teens I was allowed to put to sea alone. At first my mother would be anxious, especially on windy days when white horses rose up on wave crests, indicating a gusty Force 5 wind. 'Don't worry,' my father would tell her. 'There'll be at least three telescopes trained on him, and if there's any problem, the boys'll be right out.'

And that was the way of it. The simple activity of a youth going fishing connected in with the human ecology of the whole village. The mussels used for bait might have been gathered by Norah on the low tide a couple of days earlier. The old men were unpaid coastguards. Everybody had a useful role.

Whenever I came back with a good catch, I'd share it out as I cycled home through Leurbost. Few people then had fridges; still fewer freezers. There was just no demand for them. Neither was there money to buy such hardware. If you had a supply of something perishable, you shared. When your neighbours had a surplus, you received. People's 'deep freezes' were, in effect, the village itself – with the advantage that what you got was always fresh and there was no need for nuclear power stations or defrost disaster insurance policies.

I now understand that the society I was privileged to be a part of was based upon an economy of mutuality, reciprocity and exchange. These qualities mattered to us at least as much as cash transactions did. The social thinker Ivan Illich has called such a system 'the vernacular economy'. This is, he says, like our

vernacular, or mother tongue. It is a way of doing and being that is learned, effortlessly, through the culture. Often we do not realise that we have it until it goes. However, it would seem to me that if such principles can be communicated afresh, they could be of value to community groups everywhere that are trying to develop what E. F. Schumacher called 'economics as if people mattered'. Allow me, therefore, to explore the economic workings of what I have just described.

In the Hebridean vernacular economy, people understood themselves to be responsible for one another. Everyone was their brother's and sister's keeper. At the deepest level of care is mutuality. As the owner of a fishing boat, let's say, I will give you fish simply because I have plenty and you have need. It would be nice if you could give me some eggs in return, but only if you're able so to do. If you can't, because you are too sick, too old, or just a bit feckless, somebody else will see that I have eggs. The fact that I have a need will get around, because gossip is the oil of oral culture. It lubricates relationships and we slander its character when we, the children of written truth, unthinkingly predicate it with the adjective 'malicious'.

Now, my giving you fish comes from a sense of obligation, because we are mutually part of the community. Likewise your giving me eggs. And nobody keeps a formal score of things because the village economy is centred around seeing that everybody has sufficient. In this system sufficiency is the measure of prosperity. Surplus is for sharing before trading, and the joy is in the giving, not the accumulating. Our 'poverty', if it is that, is a dignified

frugality, not the degrading destitution of economies where an elite harbours all the resources to profit from artificially maintained scarcities.

Let's move on now to the second pillar of the vernacular economy: reciprocity. Here I catch the fish and you, let's say, still produce eggs. I agree to give you fish if you keep me in eggs. However, in this conditionality we measure only the function and not the degree of our sharing. If the fishing is bad, you still give me eggs. If the hens are moulting and therefore not laying well, I still give you fish. What we see here is a communal division of labour system. It differs from mutuality only insofar as it makes explicit that there are no free lunches and everybody must play their part. Usually, in a vernacular society, relationships will be reciprocal when people are fit and of an economically active age, but mutuality comes into play as a safety net when they are unable to care for themselves. In Scotland folklorists have called this the 'Highland Welfare State'. And we might note, in passing, that many of the older British co-operative insurance companies called themselves 'mutual societies' – at least, they did before privatisation became all the rage.

The third vernacular pillar – and we're seeing a spectrum of economic understanding emerge here – is exchange or barter. Here the principles of measurement that lie behind cash economies drop into place. In a barter system, I give you, say, one fish in exchange for three eggs. In other words, goods and services have a price fixed in terms of other goods and services. Goodwill is no longer the primary driving mechanism, but we are still sufficiently connected to each other for the economy to be personalised. The immediacy of exchange means

that, most of the time, we can see where our produce is coming from and we know who makes it. This helps to maintain norms of social and ecological justice.

The problem with barter is its rigidity. If I have fish to trade but you don't want eggs, we cannot do business. That is where, fourthly, cash enters the equation. It lubricates between supply and demand for goods and services. Money is, at its most primitive, just an accounting system. It records our obligations to one another using banknotes and other bills of exchange as IOUs. These are given legitimacy, normally, by a government bank in which people have confidence. That confidence demands faith. The focus of such faith, however, has moved away from an immediate relationship with a home community and a local place. Mainstream modern economics is, in consequence, based on financial realities. These, at their core, are social and psychological expressions of power rather than being faithful reflections of ecological reality. That's how financial and ecological economics differ.

During the twentieth century the Isle of Lewis underwent an economic transition such as more 'developed' parts of the world had experienced much earlier in history. The island shifted along the spectrum of mutuality, reciprocity and exchange, headlong into the cash economy. Once surpluses were shared and this yielded goodwill. Mutual dependency was the glue that facilitated social cohesion. Now, because money (unlike fish and eggs) does not rot, it can be invested, yielding interest, a dividend or capital gains. Money thereby takes on second-order characteristics over and above its primary accounting role: it makes money out of itself. This has the effect of shifting benefit away from the community and towards individuals. It assists the

*Whenever I came back with a good catch, I'd share it out as I cycled home through Leurbost. Few people then had fridges; still fewer freezers. There was just no demand for them. Neither was there money to buy such hardware. If you had a supply of something perishable, you shared. When your neighbours had a surplus, you received. People's 'deep freezes' were, in effect, the village itself – with the advantage that what you got was always fresh and there was no need for nuclear power stations or defrost disaster insurance policies.*

concentration of wealth, and that leads to an increasing rigidity in access to resources for the majority.

Whereas the vernacular economy is necessarily mindful of the human and biological processes by which goods and services come into being, the new way – capitalism – reduces human labour and nature's providence to figures on the London or Tokyo stock exchanges. It hammers whole ways of life into speculative chips, drip-feeding a casino economy. Such is the essence of neo-liberal globalisation: competition subsumes the co-operative relationship. Government is forced out of the economy, but money then takes its place as king and it cares little for community or environment. Plutocracy – government by the rich – yields inevitably to oligarchy – government by the few. Reverence falls by the wayside, having become an irrelevance. People know that something is wrong. But it's hard to see what's wrong, and the world goes on, after a fashion.

Alistair Macintosh

This is an extract from *Soil and Soul: People versus Corporate Power* (Aurum Press, £12.99), details at [www.AlistairMcIntosh.com/soilandsoul.htm](http://www.AlistairMcIntosh.com/soilandsoul.htm).

## An Inter-faith Perspective on Globalisation

Plater College, Oxford  
27 July-3rd August, 2002

For one week, over 60 national and international speakers, as well as many more participants, together formed a community, committed to exploring and debating visions and ideas for celebrating diversity, appreciating uniqueness, enabling us to transform disagreements into understanding and mutual respect.

We came together, as we believe, in these global and too often troubled times, that we need new perspectives and models so that we can find humane answers to the challenges of globalisation, based on a profound respect for the differences of cultures and religions in our world community.

We had many debates, analysis and discussions. We engaged with one another on different aspects of globalisation from different traditions, cultures and religions. To aid us in this endeavour, there were 22 plenary sessions as follows:

Building Global Inter-faith Consensus for Peace; Islam and the West; Science and Spirituality; Faith, Hope and Property Rights; Religious Co-operation or Confrontation?; Sacred Earth and Social Development; Psychology of Religion, Media and Globalisation; Ethics and Globalisation; Religion and Capitalism; Monetary Justice, Fair Trade and Globalisation; Globalisation and Militarisation; Inter-faith and Globalisation; Religious Traditions and Globalisation; Global Dialogue and Global Co-existence; Africa and Globalisation; Values and Religious Responsibility; Cultures and Globalisation; Social Inclusion, E-Democracy in the Global Age; What Globalisation has done to and

for us: Why are We Here? (a view from 3 refugees to Britain); Conflict and Globalisation.

The conference began with the opening ceremonies on Sunday morning July 28th which included a plenary presentation by Sir Sigmund Sternberg, Patron, International Council of Christians and Jews and co-founder, Three Faiths Forum. It concluded with an Open Forum on Friday afternoon on Religion, Spirituality, Ethics and Globalisation: The Way Forward.

Throughout the conference, we observed and debated that, there are two forces at work in society, the material and the spiritual. When either of these two halves are ignored or neglected, so that they appear to be at odds with one another, society tends inevitably to rundown and become fragmented, divisions and rifts manifest with greater force and frequency.

We noted that this is exactly what has happened today; leading to a situation of disequilibrium and disharmony. Only the reawakening of the human spirit, love and compassion will save us from our own worst extreme. Physical wealth must once again go hand in hand with spiritual, moral and ethical wealth.

In short, it was noted that, the greed-motivated world is spinning out of control. Maybe it is time for us to redefine our values. We observed that by far the best critique of this 'greed' is provided by the traditional religions of Buddhism, Hinduism, Judaism, Christianity, Islam as well as others, such as Sikhism, Sufism, Zoroastrians, Baha'is and the 'primitive' animist religions of the Mayas of Central America, Aborigines from Australia, Maoris from New Zealand and native peoples from Africa, Canada and the US. They all offer a wealth of teachings and recommendations as to how we should ethically and morally

lead our lives, and how we can achieve happiness away from greed and delusion.

Finally, we noted that, as it appears, the limited benefits of globalisation has been mainly based on the principle of economism (regarding human society primarily as economic systems in which economic considerations alone govern our choice and decisions) while other equally important aspects of life have remained, by and large, much neglected: values such as faith, spirituality, justice, love, compassion, sympathy, empathy and co-operation.

We decided that, we should not reject economics, politics and business but we should work hard to achieve globalisation for the common good, where everybody benefits from trade, business and commerce. This, we believe, will coincide with God's vision of His kingdom, in which the leading perspective is not the profit of the fittest, but a level playing field for all.

We also decided that the conference should become an annual event, and to take place every year in a different country so that we can embrace many more people with our message and vision. To this effect in 2003 we will gather again in St. Petersburg, Russia and in 2004 in Barcelona. Other venues are currently being planned.

Dr. Kamran Mofid  
Convenor, International Annual Conference, *An Inter-faith Perspective on Globalisation*.  
Email: k.mofid@plater.ac.uk  
Website: <http://commongood.info>

*We respectfully invite our readers to renew their subscriptions. Unfortunately, due to increased costs, we have had to increase the annual charge. (Details on back page)*

## The Tree of Life:

### RECLAIMING A RICH HISTORY

Frances Hutchinson

"It's the economy, stupid!" The sign, allegedly displayed in the Clinton campaign headquarters during the 1992 election, reminded campaign workers of the central issue in contemporary politics. During the twentieth century a new politics of unbridled economic 'mal-development' (Shiva 1988) has swept aside value systems based upon faith and respect for the land and its peoples, leaving unprecedented climate change, pollution and mass warfare in its wake.

#### The Good Ship TINA: There Is No Alternative

Orthodox economic theory visualises the economy as a circular flow. It is concerned purely with the central money economy: demand means effective demand, i.e. demand backed by money. Need does not enter into the equations of economic theorising. Within economic theory, economic agents own factors of production which they sell to businesses. Firms use the factors to create wealth, paying out money incomes to households. The households use the money to 'consume' the products placed on the market by the productive firms. The money then returns to the firms and the whole process starts again. The maintenance of equilibrium within the circular flow of the money economy has remained the focus of mainstream economic theorising throughout the twentieth century. However, although the formal money economy measures wealth in money terms, it does not create wealth: that is done with resources provided by God's creation through human society and its natural

environment. While the formal economy can put a money value on 'wealth', creating such measures as GNP, it fails to measure degradation and depreciation of social and natural capital, except in so far as a money value is placed upon it. Furthermore, an oil spill at sea appears as a plus in terms of the formal economy, as resources are spent on the clean up operation. My colleagues and I have likened the formal economy to an old-fashioned galley ship (cf: *The Social Crediter*, Vol.80, No.7, page 74), built long ago to meet past circumstances. Now, in the 21<sup>st</sup> century, attempts to maintain the old ship are placing unsustainable strains upon its life support systems. It is heading with un-nerving speed towards a series of icebergs in the form of natural disasters waiting to happen. Suggestions that the ship be slowed down at least until a safe route forward is discovered, are met with blank incomprehension by the crew (policy-makers, leading politicians, academics and financiers) and passengers (top business management), while wage-slaves and non-ship (unpaid social reproduction and self-provisioning) labour lack the knowledge to gain control of the ship.

Until very recently, most people spent most of their lives off the 'ship', supplying almost all their needs and pleasures from their own land, within local communities. As traditional resources, knowledge and skills have been plundered by ship culture, the natural resources of the earth have been despoiled. The main problem is that passengers and crew have no conception of the true extent of their dependence upon, and desecration of, 'non-ship' labour and the fertility of the land. It is difficult to visualise the conditions of virtual slave labour which produced the chips for our computers, and the distant chemical factory which manufactured the ink you are now reading. As the ship grew in proportion to the social and material resources available to

communities on the land, questions were raised from different quarters about the advisability and desirability of its growth. However, since most unease was expressed on land, i.e. by non-ship labour, it had no effect whatsoever on the crew of the ship. They had their own agenda: what they needed to enable the ship to grow and continue moving forwards, they simply took. There was no other agenda on the agenda. Of course the ship must grow, and it needed resources to do so.

Note that this analogy is, like all analogies, only useful up to a point. All agents on the 'ship', i.e. in the formal economy, relate to each other through the money system. They are paid to do things, or pay for things, in money. One problem is that many tasks are undertaken from mixed motives: a nurse is paid to care, but does not only care because s/he is paid. Furthermore, people cannot be classed as either passengers or crew or slaves or non-ship labour. Individuals play more than one role at a time. Passengers, wealthy business people, often work very hard within the system in managerial roles (they are certainly not the 'idle rich'). The crew, leading politicians, academics, and bankers work with the 'passengers' to devise ways to keep the ship moving forward. The slaves, waged workers below senior management level, follow orders for money rewards. Most of the essential work necessary to keep the ship afloat is done by non-ship labour. All on board the ship are at some time in their lives, often for much of their lives, part of the pool of non-ship labour (working in their homes and in voluntary work in the community). The amount of non-ship labour necessary to keep the ship going is vast. Without it the ship would sink without a trace.

However, if the ship does crash into an iceberg, the survivors (crew, passengers or slaves) will not survive

for long because there is nowhere else for them to go. The ship has grown so large that it has drained the land and its peoples of the ability to survive outside the ship. Although the Good Ship TINA, the money economy of western capitalism, is an artificial construction, made entirely from non-ship materials and non-ship labour, it has been around so long that it seems to be a natural phenomenon. Nobody, whether crew, passengers, slaves or non-ship labour, absolutely nobody can imagine life without the ship. Hence the possibility of TINA running into an iceberg is unthinkable. Note that debt-fuelled economic growth is the problem. As the ship sails, its cancerous growth devours the resources upon which it depends (Hutchinson, Mellor and Olsen 2002).

### **There is a whole series of alternatives**

Throughout the twentieth century critiques of the ship-economy from a Christian perspective have continued to circulate and were, until the final decades of that century, widely read among lay people and non-specialists. However, suggestions for bringing the ship/economy under the control of the whole community (not just the formal policy makers, the 'crew' and 'passengers') so that all can take common responsibility, have survived only in the heretical 'underworld' of economic thought. From an academic point of view, ethical, environmental and spiritual concerns can be grafted onto the margins of economic thought, so long as they do not impede in any way the growth of the formal 'ship' economy: they cannot, however, replace or even challenge the ethics of the formal economy based upon the twin cycles of production and consumption. My special study has focused on the work of a so-called 'heretical' economist, Clifford Hugh

Douglas (1879-1952). Douglas was popularly read throughout the westernised world and addressed mass audiences. This short paper does not offer space to detail the economics of social credit, with its radical proposals to divert redundant 'ship' economics into ecologically sane, theoretically sound and socially just economics by ending a production system based on waged and salaried labour. Douglas' work formed a part of the mass movement against economism, mass warfare and globalisation in the first half of the twentieth century.

### **The Tree of Life**

Writing during World War II, Massingham opens *The Tree of Life* with the following quote from a letter from a friend:

I feel that the loss of the love of the land for its own sake and the loss of the Christian religion are the greatest tragedies this country has ever suffered

Noting the extraordinarily rapid development of a purely secular society in the 20<sup>th</sup> century, Massingham observes that few Christians see any necessary connection between "Christianity and Nature", nor that rural values "should be 'spiritual' no less than practical and cultural". Throughout this scholarly work he cites G.K. Chesterton, R.H. Tawney, T.S. Eliot, William Morris, William Cobbett, the saints and many other writers still widely respected. He makes a powerful plea to the Church to take a positive role in re-creating co-operative social structures capable of respecting the land, the locality and the people. In Massingham's opinion:

Everything that offends against the Doctrine of Creation is Church business; everything that affirms it, the love of nature, the craftsman's job, the artist's vision, the yeoman's husbandry, responsible or

creative work of any and every kind, all true zeal in interpreting that Doctrine whether by witness in art, by service in honourable labour or by devotion, by resistance to anarchy or automatism, those modern enemies of godliness, should receive the holy blessing.

The mass-production of "superfluities", degradation of agriculture and wasteful industrialism have been supported by a largely silent clergy. For Massingham, frugality is a Christian virtue, "while the choice for man has definitely become his mastery of money and the machine, or their mastery of him"

Theology surrendered to ethics, ethics to economics, and man followed suit from a spiritual being to an economic animal. The terms of surrender are indeed explicitly set out by the Tonnage Act of 1694, by which the king handed over his prerogative in the issue of money to a private interest in the newly created Bank of England. Thus the Bank of England took precedence of the Church of England by relieving economics of Christian supervision and giving it into the charge of itself.

Enclosures and the highland clearances brought 'privatisation' of the land and a body of landless labour dependent upon employment for survival. As western society has become increasingly secular, the inhumane struggle for domination over the earth has replaced knowledge of God in creation with nihilism, a denial of all established authority and institutions, permitting a godforsaken desecration of nature (Moltmann 1985). It has, however, often been individuals outside the Church who have been most forthright in critiquing the structures of secular power, notably Karl Marx and Thorstein Veblen.

### **The Theory of the Leisure Class**

Economist and sociologist Thorstein Veblen has been described as the "terror of received truth in economics as Luther had once been the terror of received truth in religion" (Lerner 1948: 19). For Veblen, neoclassical economics was a system of apologetics for the system of economic power. The growth of consumer society was based from the outset on emulative consumption, the conspicuous waste of time and resources, on food, clothes, house, luxuries and leisure pursuits designed not to meet basic needs but to keep up with the latest fashion and appear to be a member of the "leisure class".

### **Faith and Land**

The evil flowing from the separation of God's people from their land runs as a common thread through the writings of many global dissidents. According to Karl Marx:

In the sphere of agriculture, modern industry has a more revolutionary effect than elsewhere, for this reason, that it annihilates the peasant, that bulwark of old society, and replaces him by the wage-labourer.

For the early Marx, capitalist production lays waste the "original sources of all wealth – the soil and the labourer". By concentrating production in urban centres capitalism "disturbs the circulation of matter between man and the soil, i.e., prevents the return to the soil of its elements consumed by man in the form of food and clothing; it therefore violates the conditions necessary to lasting fertility of the soil". Marx raged at the dispossession of "free peasant proprietors", who worked as agricultural labourers on the large estates but had independent rights to

subsistence and were “co-possessors” of the common land. Marxism has presented a poor shadow of Marx to subsequent generations. The original has much in common with the thunderings of Massingham who, like Marx but from a Christian perspective, attacks the established church for colluding in the destruction of peasant farming.

For Massingham, peasants are the true guardians of the land, handing on knowledge and skills from generation to generation. Sophisticated mass production can survive for a time, but such methods are not sustainable. In England, it was peasant culture which returned the fertility to the soil. Massingham rails at the Church for colluding in the secularisation of society. Although the Founder of Christianity was executed by the earthly powers as the enemy of law and order, the Christian Churches have abdicated their responsibility, affecting not only “the response to Christianity of the external world but the quality and inspiration of the Faith itself. Quoting R.H. Tawney, he notes that the Churches of the 19<sup>th</sup> century “acquiesced in the popular assumption that the acquisition of riches was the main end of man, and confined themselves to preaching such personal virtues as did not conflict with its achievement”. Hence they merely softened “the materialism of principalities and powers with mild doses of piety administered in an apologetic whisper”. Writing during World War II, Massingham notes the twin evils of Nazism and Communism, looking to England’s past heritage as providing guidance for a sane and sustainable future society.

As WWII ended, Massingham published *The Wisdom of the Fields*.

A new war lies before us, the greatest of all wars, the war of values, and it may be that our soldiers who have so valiantly borne themselves through the hell

of modern war will have a part to play in this other war  
Massingham was to be disappointed. As the 20<sup>th</sup> century continued to rage on its destructive course, the Church ignored his writings and Massingham’s books merely went out of print. Search the institutions of higher learning for his works (and they were considerable) and you search in vain.

However, it is my belief that the people, the soldiers and civilians of the on-going global war, retain the ancient faith despite the capitulation of established religious institutions to triumphant materialism. Massingham makes a distinction between Christian and pagan faith on the one hand and secularism, which rejects religion and its place in civil affairs on the other. A global society which reduces the notion of evil to a figure of speech is capable of great evil, as the events of the 20<sup>th</sup> century have amply demonstrated. However, as J.R.R. Tolkien demonstrated in *The Lord of the Rings*, small individuals have the capacity to stand against great evil. According to Patrick Curry (1998), Tolkien did not simply lecture. Rather, he wove his anti-materialism into a rich and intricate narrative that presents an alternative world. Furthermore, although he omitted specific references to religious practices, Tolkien perceived *The Lord of the Rings* as a religious and Catholic work. It rejects the inevitability of ‘progress’ in favour of a belief in individuals as free agents capable of determining events for good or ill.

Despite being studiously ignored by the literary establishment, this book, published nearly fifty years ago has been voted the most important book of the 20<sup>th</sup> century, selling 50 million copies at the last count in 1997. Annual lending totals have exceeded 300,000, well ahead of Austen, Dickens and Shakespeare. Its

popularity lies in its relevance to the contemporary struggle of community, nature and spirit against the pathological union of state-power, finance capital and globalised technology, where a rootless science exists beyond history and locality, inseparable from power and profit.

### Conclusion

When I reviewed Curry (1998) *Defending Middle-Earth*. Tolkien: Myth and Modernity and more recently Alastair McIntosh (2001) *Soil and Soul: People versus Corporate Power*, I was heartened to see evidence of the continuation of the great universal tradition of local story-telling. Across the world, in very different cultures, religions and lands, the story, the history, the folk myth and its re-interpretation live on, inviting ordinary people to escape from the prison of forced modernity, currently barred by its intellectual and cultural wardens, the realists and rationalists, who would have us believe that ‘progress’ is not only good for us but is here to stay, regardless of the trail of devastation left in its wake. Alongside other authors quoted in this paper, and the many others in the same vein which they represent, these works contain hope for the re-sacralization (or re-enchantment) of experienced and living nature, in the local cultural idiom. For hope to become reality it will be necessary for the institutions of organised religions to take a lead in bringing the ancient stories back to the people in their everyday lives as producers and consumers of western capitalism.

This article is a resume of a paper presented at the International Conference, Plater College, Oxford 27 July – 3 August 2002

**An Inter-faith Perspective on Globalisation:  
Common Goals, Common Crises,  
Common Call and Common Hope**

## Book reviews

### *The Best Democracy Money Can*

*Buy*

*Greg Palast*

*Pluto Press (2002) £18.99*

Concern at the progressive centralisation of power and decision making dates back to the 1920s and 1930s. When Douglas was writing his original works, a broad band of informed public opinion remained thoroughly conversant with the implications of emerging global financial power and its effects on the everyday lives of ordinary people. Hence the events revealed by Greg Palast's incisive investigative journalism were being predicted by leading thinkers in the inter-war period. Few eyebrows will have been raised in the afterworld at Palast's discovery that during the second half of the 20<sup>th</sup> century the IMF, World Bank and World Trade Organisation have emerged as "the interchangeable masks of a single governance system".

This is not to detract from Palast's tour de force. Joe Canason, in his forward, notes that the term 'globalization' is really a new 'brand name' for "very old forms of international investment and exploitation". Drawing on Joseph Stiglitz's description of his experiences at the World Bank, Palast summarises the four stages through which the World Bank and IMF 'restructure' the economies of poor nations. First, 'privatize' by selling off state industries to national leaders. Second, 'liberalize' the capital market, allowing investment to flow in – and out – of the country. Third, remedy the inevitable outflow of funds and assets through 'market-based pricing, raising prices on foods and essential services – and clamp down with a heavy hand on the riots which result. Fourth, introduce

'poverty reduction' through 'Free Trade', i.e. wiping out barriers to sales in Asia, Latin America and Africa while protecting European and American markets against Southern agriculture and other primary products.

Perceptively, Palast attributes the rise of exploitation on a global scale to the existence of faceless corporations. Early in the 19<sup>th</sup> century Andrew Jackson, running for president of the USA, sought to ban corporations that have "neither bodies to kick nor souls to damn". Before the advent of limited liability companies and stockholder corporations, owners of business corporations had names and faces. Hence they could "be personally held accountable for their evils before courts and mobs or the Lord in His heaven or at society dinners". By the end of the 20<sup>th</sup> century, 'democracy', as Palast vividly demonstrates, has become an empty sham, demolishing the lives of all who stand in the path of the juggernaut of global corporatism.

The news stories included in the book are not new, but we can all too easily be lulled into forgetting the significance of yesterday's news. Palast presents a trumpeting blast of a reminder of how the vote in Florida was fixed in the last US presidential elections, of 'Cash-for Access – "Lobbygate"', of what goes on 'Inside Corporate America', of the "well-designed disaster" of the Exxon Valdez, TRIPs (Trade related Property Rights) and of the process whereby human rights are removed and protest stifled. Meanwhile "American Journalism Hears No Evil, Sees No Evil, Reports No Evil". Written from conviction, this painstakingly thorough exercise in investigative journalism is set to alert citizens across the world of the ongoing demolition of civilization-as-we know-it. *The Best Democracy Money Can Buy* is essential reading for all who seek to act from an informed

standpoint. Global warming will put LA and Blackpool underwater. Although we need journalists like Palast to bring home the truths of the world situation, they are, sadly, little in evidence – and even less – read?

Frances Hutchinson

### *The Procrastinator's Guide to Simple Living*

*Jim McKnight*

*Melbourne University Press*

**£9.95 Available from Eco-logic Books**

It has taken some time to get around to writing this review. Well what do you expect, given the title of the book? Congratulations should go to the publishers for so much as entertaining such a title. It is a marketing department's nightmare. Imagine a book-reading market of procrastinators. We might pull the book off the shelves, read the flyleaf, show some interest, then put it back and ponder. Later, if we do buy the book, it will lie around for weeks on the coffee table before, one torrentially rainy day, it just might find its way onto our laps.

My own approach to the book went something like that. Two seasons passed. I picked it up once or twice, read bits, then put it down. On more than one occasion I put pen to paper, but something would happen. The ink would run out, the phone would ring, or it would be time for lunch. There were always at least 101 things standing between the start of this exercise and its completion.

What a shame because the great thing about Jim McKnight's book is that, once you get down to reading it, you find it is really very good, with some sound ideas beyond its base-line of preparing people for a simpler, alternative lifestyle.

It should be said that there are places when the author can sound like something of a cross between Job's

comforter and Marvin the paranoid android in a Hitch Hiker's Guide to the Galaxy. Take his point that "This book is predicated on the assumption that if you don't know where you're going, you'll end up somewhere else and probably feel quite miserable about it." Even more like a Hitch Hiker's Guide.

But his caveat is understandable. Prof McKnight, a veteran of communal living, is writing from experience and he appears to have had his belly full of the sort of idealistic communities where everyone has decided to live the good life but where no one has any sense of organisation, technical skill or willingness to work. He seems less than enamoured by "utopian back-to-the-land fantasies".

So this is not a book for the aimless or the feckless. Prof McKnight, an environmental and social psychologist, has a very structured sense of where we are and where we need to be. Armed with all the statistics about population growth and the need for better environmental management and with the shadow of Armageddon resting never very far from each page, he sees great potential in sustainable communal living as a way of improving the way we relate to our planet.

The key to achieving this, he believes, is not to be found in a combination of earth worship, eastern mysticism and liberal applications of stress-relieving balm, but in an effective marriage of high technology and sound social organisation.

The way forward, he says, starts with the individual developing "a new sense of self". He insists that "becoming a conserver is less about what you do than about changing your mindset." I can buy some of this, but what about the procrastination? Well there are a few crumbs of comfort here, but not many. Prof McKnight tells us it's OK to

procrastinate a little. "It's natural to avoid change and go with the status quo," he writes.

The bad news is that procrastination has become endemic, driving many people into the hands of counsellors and shrinks. A big problem is that so many people are earning money but have become dissatisfied with their lives. They avoid the real issues they need to confront and therefore become ever more frustrated and unsettled. This is the work-money-consumerist bit. Anyone who has ever worked in a commercial organisation must have been in its grip and many continue to tolerate their entrapment in what seems a never-ending circle of supply-feeding-demand-feeding-supply.

I'm out of it so I can be relatively skippity about this stuff... for now. I pocketed a tidy redundancy cheque that will keep me in clover for a year or two. By that time I might be reading this book "for real" rather than from the vantage point of the financially secure. In fact I'm reading it that way right now because stepping off the corporate merry-go-round was a conscious act and I recognise that living among the tremendous amount of "stuff" one accumulates in half a lifetime is part of the problem.

So what do I do? Unfortunately I procrastinate and apparently I'm not alone. According to Prof McKnight researchers have found that procrastination is one of the most central and enduring human traits. It gets in the way of our doing things so much that few of us perform beyond a quarter of our productive capacity and, even when we're motoring we rarely get beyond 40 per cent of what we are capable of achieving. Maybe the answer is to learn how to enjoy the rests, but that's not the theme of this book.

Folk wisdom, it says, tells us we can

"go with the flow". But we can take this too far and if we do, our guide reminds us, we end up feeling like failures. So we need to get our act together and take some advice from a book like this which instructs us how to formulate a "successful major change strategy". The advice looks sound enough but, having read through the checklist, I must shamefacedly confess, I just can't be bothered to take it. That doesn't matter. Procrastinators are not going to be converted into human dynamos overnight. Just give us time.

Richard Donkin is an international author, speaker and commentator on work and management. He has won awards for financial investigative journalism. Richard can be contacted at richard.donkin@ft.com.

Extract from **JUSTICE FOR ALL** by Cormac Cullinan

It is no accident that so much harm has been done to the planet through the medium of corporations. The laws that we have put in place not only constitute corporations in a manner that requires them to act rapaciously to maximise shareholder value: they also shield people from full responsibility for their actions. Indeed, one of the main functions of the modern corporation seems to be to provide a vehicle that enables a small group of people to direct many others, often a great distance, to do things that would be regarded as deeply antisocial if done in their personal capacities.

Cormac Cullinan is chief executive of Enact International, an environmental law and policy consultancy in South Africa. The full text of this article first appeared in Resurgence (Sep/Oct 2002)

**Social Credit? Some Questions Answered**  
*written for the readers of the 21<sup>st</sup> century. Currently on offer, FREE, to TSC subscribers on request. Purchase price is £5.00 (p & p incl)*  
*'Phone, email or write to*  
*The Social Credit Secretariat*  
*(all details on back page).*

*The Social Crediter* is the official journal of the Social Credit Secretariat. It promotes analysis of the current financial and economic system as developed by C.H.Douglas in the 1920s and discussed within the social credit movement throughout the 20th century. At the centre of our concern is the need for radical reform of the international fractional reserve, debt-money system. Only then might other major socio-economic changes, including the introduction of a national dividend, follow and help to ensure that all of the world's people have the potential to enjoy economic sufficiency, while simultaneously living a full and satisfying life in harmony with each other and the natural environment. It is our conviction that whatever is physically possible and socially desirable can be made financially possible.

The purpose of the Secretariat is to promote Douglas's original work and to guard against the misuse of his ideas. Sadly there are individuals and groups in the UK and beyond who seek to promote their own ideas under the guise of social credit

**SUBSCRIPTIONS**

Annual rates:  
UK inland £7.50  
Airmail £11.00

In Australia, subscriptions and business enquiries should be addressed to 209 Palm Lake Resort, Webster Rd., Deception Bay, Queensland 4508

Published by KRP Ltd  
PO Box 322, Silsden,  
Keighley, West Yorkshire  
BD20 0YE  
Tel: (01535) 661510

**THE SOCIAL CREDITER**

Please send me *The Social Crediter* for one year. (Make cheques/money orders payable to KRP Ltd and send to The Social Credit Secretariat, PO Box 322, Silsden, Keighley BD20 0YE)

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

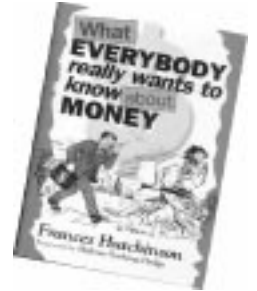
Postcode \_\_\_\_\_

Enclosed £ \_\_\_\_\_

**Recommended Reading**

**Frances Hutchinson**

*What Everybody really wants to know about Money*



**Alan D Armstrong**

*To Restrain the Red Horse*



**Frances Hutchinson & Brian Burkitt**

*The Political Economy of Social Credit And Guild Socialism*



**Books by Major C H Douglas**

- Economic Democracy*
- Social Credit*
- The Monopoly of Credit*
- Warning Democracy*
- Credit Power and Democracy*
- The Control and Distribution of Production*

**WEBSITE:** <http://www.douglassocialcredit.com>

**E-Mail ADDRESS:** [socialcredit@FSBDial.co.uk](mailto:socialcredit@FSBDial.co.uk)

SECRETARIAT	
Frances Hutchinson	Chairperson
J A Murray McGrath	Deputy Chairman
Bryony Partridge	Treasurer
Anne Goss	Secretary
Audrey Fitzgibbon	Web-site Editor
Alan Armstrong	Wendy Olsen
Vic Bridger (Australia)	Wallace M Klinck (Canada)

Copyright 1998. Permission granted for reproduction with appropriate credit.

If you wish to comment on an article in this, or the previous issues, or discuss submission of an essay for a future issue of *The Social Crediter*, please contact the Editor, Frances Hutchinson, at the address below. (It would be very helpful if material were submitted either by e-mail or on disk if at all possible).

**THE SOCIAL CREDITER BUSINESS ADDRESS**

Subscribers are requested to note the address for all business related to KRP Limited and The Social Credit Secretariat is: PO Box 322, Silsden, Keighley, West Yorkshire BD20 0YE. Telephone: (01535) 661510  
e-mail: [socialcredit@FSBDial.co.uk](mailto:socialcredit@FSBDial.co.uk)