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# THE DILEMMA THAT IS UNEMPLOYMENT

## National Dividends: A Sensible Solution

### BACKGROUND

As 1999 began, the Bank of England suggested that at least a mild recession would be in prospect. Other less sanguine economic commentators, signalled that actually a big "economic freeze" is probably on the way. The prospect was that unemployment in Europe would fail to fall, possibly increase, and in Britain would certainly start to rise again.

By February these forecasts were beginning to be fulfilled on a worrying scale. Manufacturing plant after plant in Scotland began to "downsize", close or threaten to close. BMW announced that, without substantial government financial assistance, they might be forced to abandon production of Rover cars in the West Midlands and a further 60,000 direct and related jobs might be lost. The British government duly responded in March with an initial offer of £118million subsidy, which BMW agreed to consider!

**inside this issue**



In Europe, levels of unemployment remain stubbornly high despite strenuous efforts by governments to bring them down. In Japan one commentator noted that the economy has gone "ex growth" while only America seems to have an economy that is "booming". Yet even in America high levels of employment are sustained, for the moment, by the world's largest prison population, huge taxpayer subsidies to industry and massive changes in the pattern of work which, on a grand scale, involve working on short term contracts in low wage, insecure jobs. The longer an economic trend lasts however the more certain it is that it will be reversed, and at least one economics guru is sure that in the US economy too, matters *"may get better before they get decidedly worse"*.

This spectre of massive unemployment is just one manifestation of an international monetary system that is once again in crisis.

On the world's markets, there is a shortage of purchasing power, and a related glut of unsaleable goods and services. Firms are finding it increasingly difficult to sell their production, realise the level of profits needed to meet interest payments due on borrowed capital, and simultaneously keep their shareholders happy. They are driven by this imperative to reduce costs, especially labour costs, by increasing resort to technology, merger or take-over, relocation to low wage economies, or by all of these. While the problem of "profits realisation" might be temporarily mitigated in this way, the problem of gathering international surpluses cannot be so simply solved.

### THE HISTORICAL EXPERIENCE

In past crises the solution to this part of the problem has been found, eventually, in war on a grand scale. For as Keynes observed,"***... war production is sheer economic waste, there is never a danger of producing too much... (and)... In the world of 1941-5, what occurred was full employment, bustling factories and an increase in the production of useful as well as useless things. In real life these were the consequences of waste... (and)... in World War II... the equivalent of the Egyptian pyramids, the medieval cathedrals, and the buried bottles full of money were the tanks, bombers and the aircraft carriers***". (1)

So again, in 1939-45, people were put back to work in the manufacture of armaments which were destroyed on battlefields without ever coming to market. Industry, despite huge numbers being re-directed from industrial activity to the fighting forces, boomed as governments added massively to their national debt to buy the products of the armaments industry. Purchasing power now became available to help clear non-military surpluses too and huge profits accrued again to financiers and entrepreneurs.

Following the cessation of hostilities the waste of war was repaired, economies boomed again and system profitability was handsomely restored. But by the early 1970s, Europe's economies were in trouble again, suffering now from a new phenomenon, "stagflation". Contrary to the tenets of orthodox theory the experience now was of simultaneous high unemployment and rampant inflation, and the Keynesian solution to historical economic instability was seen to have failed. The ground was quickly laid for the comeback of neo-classical economics, the dominance of "Free Markets" ideology and a re-run of the old globalisation dream.

This time it was to be pursued through the highly secretive Bilderberg group, established in 1954, and reflecting the growing importance of Japan, the Trilateral Commission which followed in July 1973. Just forty years earlier, before the outbreak of World War II A.R.Orage, commenting on an earlier attempt at establishing world government suggested that... "***the difference between a world of nations in intelligent and voluntary co-operation and a world of functional groupings subservient to a Super-State composed of self-selected, all powerful neurotics, is exactly the difference between a harmonious society of free individuals and a society based on slavery and sanctioned by force***". (2)

But history is being made to repeat itself. We may also be certain that, despite "free markets" and globalisation, the boom and bust of economic cycles will also be repeated, with increasing ferocity, until either the current monetary system is reformed or it finally collapses completely with devastating consequences for humankind and our environment. (3)

Meanwhile, the international monetary system is once again in the throes of a great debt-repudiation crisis and the world's people face the prospect of another global economic depression. We must hope that this time, and never again, will our politicians be persuaded, as so often before, to try to solve the problem by resort to war. But we should also recognise that, while massive new subsidies to industry from the public purse (such as President Clinton's £18billion to resurrect Reagan's Star Wars dream) may be better than resorting to war, they can give only temporary relief to the system.

Nevertheless governments increasingly ***are*** asked to find ways of spending money, ***by adding massively to their national debts***, on industrial subsidies and national projects - notably armaments - to create or maintain employment, help clear current market surpluses and support industry to realise corporate profits.

*So, because employment is currently the only way by which the vast majority of people are allowed access to some share of the nation's wealth, governments are driven to try to increase employment by public subsidy of industry. And simultaneously, industry, which must operate profitably so that it can pay interest on its loans and provide shareholder dividends, is driven to reduce the level of labour input to the production process!* **In this matter of employment therefore, the interests of Governments and corporations are clearly in opposition and one or other must expect failure.**

## THE LEISURE STATE

Yet there is another, sounder way in which the unemployment "problem" might be solved. We should acknowledge that the major objective of humankind has always been to reduce the amount of time devoted to working for survival, and to extend as far as possible the resulting increase in time available for the pursuit of pleasure and spiritual development.

Today, and for some long time past, technology has made real the prospect that we might produce, on a sustainable basis, a satisfactory sufficiency for all the world's people. Only a relatively small number need, for quite short periods of their lives, be engaged in the production process. If we are to exploit this potential however, we must first reform the financial system. Only then might we, at last, be truly able to choose how to use our increasing "technological" leisure in ways which give most individual and community satisfaction, and spiritual reward.

Such an arrangement was envisaged by C.H.Douglas (4) in the 1920s and his argument, more relevant than ever today, is best set out in his own words from ***The Monopoly of Credit***:

## DIVIDENDS FOR ALL

While the financial control of industry when inaugurated seems definitely undesirable, certain reservations will occur to the student. Industry has run riot over the countryside. A population which has been educated in the fixed idea that the chief, if not only, objective of life is well named "business", whose politicians and preachers exhort their audiences to fresh efforts for the capture of markets and the provision of still more business, cannot be blamed if, as opportunity occurs, it still sacrifices the amenities of the countryside to the building of more blast-furnaces and chemical works. Since the control of credit is the most perfect mechanism for the control of industrial activity, its use in the hands of a representative organisation would appear to be the best possible way of reducing the chaos which exists, to something like order. The banking organisation at present existing, even if we are prepared to concede to it an altruism not particularly noticeable, is by its expressed philosophy seriously handicapped in dealing with the situation. This philosophy exalts industrial work to an end in itself, and deplores, as one of the major evils of the time, the leisure which it labels "the unemployment problem". While it possesses the power to inaugurate and modernise the plant of industry, and in the process to locate it geographically in accordance with the best interests of the community, the carrying out of such a policy must of necessity be entrusted to technically capable individuals. Unfortunately for the banking system, these individuals cannot be restrained from making each successive plan more efficient than the last, with the result that a given output requires less and less labour, and the unemployment problem, as labelled, is thereby increasingly complicated.

Only by a frenzied acceleration of capital sabotage, which is now openly advocated in many quarters, can the population (which would, so far as the physical aspect of the situation is concerned, be free to enjoy the product of the plants already existing) be kept at work on the production of capital goods.

It would appear, therefore, that even this desirable aspect of financial control is rendered ineffective under its present operation. Before an intelligent system of regional planning can be inaugurated with any hope of success, some agreement is necessary as to whether unemployment is, in its alternative description of leisure, a misfortune or whether it is a release. If it is a release, then obviously it must not be accompanied by economic, or rather financial, penalisation. If it is a misfortune then clearly every effort should be directed to restraining the abilities of those engineers and organisers who are prepared to make not two, but two hundred blades of grass grow where one grew before.

An appreciation of this position is perhaps the shortest way to arrive at a conception of the modifications which are required. **If we assume that the constant efforts to reduce the amount of labour per unit of production are justified, and we recognise the unquestionable fact that the genuine consumptive capacity of the individual is limited, we must recognise that the world, whether consciously or not, is**

**working towards the Leisure State.** The production system under this conception would be required to produce those goods and services which the consumer desires of it with a minimum and probably decreasing amount of human labour.

Production, and still more activities which are commonly referred to as "business" would of necessity cease to be the major interest of life and would, as has happened to so many biological activities, be relegated to a position of minor importance, to be replaced, no doubt, by some form of activity of which we are not yet fully cognisant. In a physical sense then we should be living in a world in which economic processes were carried out by two agencies, one, as heretofore, **the agency of individual effort, and from an economic point of view of decreasing importance; and the other, the result of the plant, organisation and knowledge which are the cumulative result of not only the present generation, but of the pioneers and inventors of the past. This second agency can, of course, be collectively described as the real (as distinct from financial) capital.** Now it is quite easy to make out a perfectly simple ethical justification for the proposition that the share of the product due to the individual under such a state of affairs would be (1) a small and decreasing share due to his individual efforts, and (2) a large and increasing amount due to his rights as a shareholder or an inheritor, or if it may be preferred, a tenant for life of communal capital. But in fact such an argument is far less satisfactory than the equally valid argument that the communal capital is useless to exactly the extent that any proportion of the public is prevented from drawing upon it, which is, of course, the general explanation of the vast amounts of idle real wealth at the present day.

Up to this point the facts must be clear enough to anyone who is content to consider the matter dispassionately. Proceeding from this stage, and remembering that a satisfactory financial system is simply a reflection in figures of a state of affairs alleged to exist in fact, or is, in other words, simply an accounting system, it is not difficult to understand that wages and salaries in relation to dividends ought to become increasingly unimportant. Production is far more dependent upon real capital than it is upon labour, although without labour there is no production. More and more the position of labour, using, of course, this word in its widest possible sense, tends to become the catalyst in an operation impossible without its presence, but carried on with a decreasing direct contribution from labour itself.

**Let us at this point for the sake of clarity identify the community with the nation and in so doing be careful not to confuse administration with ownership. It ought not to be difficult to see that a situation which may truly be described as revolutionary is disclosed. In place of the relation of the individual to the nation being that of a taxpayer it is easily seen to be that of a shareholder. Instead of paying for the doubtful privilege of being entitled to a particular brand of passport, its possession entitles him to draw a dividend, certain, and probably increasing, from the past and present efforts of the community of which he is a member. The National Debt, which he did not create, becomes a national credit which he did create. His budget is not required to balance because his wealth is always increasing. He does not require to fight for foreign markets, since obtaining foreign markets merely means a longer working day. Having more leisure he is less likely to suffer from either individual or national nerve-strain, and having more time to meet his neighbours can reasonably be expected to understand them more fully. Not being dependent upon wage or salary for subsistence, he is under no necessity to suppress his individuality, with the result that his capacities are likely to take new forms of which we have so far little conception.**

Notes
(1) Robert Lekachman, The Age of Keynes, p130, 1966, Penquin Books Ltd. Harmondsworth
(2) A.R.Orage, The New English Weekly, 1933
(3) The Social Crediter,Vol.77 No.5 p.36
(4) C.H.Douglas, Monopoly of Credit, p.107/113, 1979 edt. Bloomfield Books, Sudbury England (emphasis added) (1st.ed.1931)

# CO-OPERATION AND CAMPAIGNING: THE IMPORTANCE OF THE VOLUNTARY SECTOR

In the July-August edition of *The Social Crediter* (Vol.77 No.4), Alex Falconer MEP in his article *The Shape of Things to Come* rehearsed the daunting range of socio-economic problems which, increasingly, are adversely affecting the world's peoples - an unstable international monetary system, poverty and debt, climate change and the threat of environmental collapse etc. He noted that the nations of the world are in fact not tackling these problems effectively, and highlighted the role of the global economic system and the power of Transnational Corporations, greater than that of many nations, which "*can take on and win battles even against supranational institutions such as the European Union.*"

The current "Banana War" suggests that he was also absolutely right to assert that, "*The supposed regulators of international trade and finance, such as the WTO, are in practice captives of the Transnationals' agenda*".

Finally, in referring to a series of meetings with the Secretariat and others to discuss the situation and what can be done about it, he recounts how "*we decided to concentrate, in the first instance, on building support for the idea of a Global Economic Reform Campaign among Scottish organisations and activists*", while also reaching out to campaigners elsewhere in the hope that we might encourage the building of a global network committed to radical financial and socio-economic change.

Since that article, there have been a number of further meetings, involving other groups and individuals in Scotland and south of the Border. Liz Ferguson's essay, ***A Common Agenda***, seems to be very much in tune with this concept of co-operative campaigning for Global Economic Reform, by the widest possible range of organisations, and especially by those already making a commitment in the potentially very influential voluntary sector. It is also consonant with the theme running through the Schumacher Lectures - recognition of the central role which the world's debt-money system plays in the creation and persistence of most of the world's major problems.

# 1998 SCHUMACHER LECTURES THE ECOLOGY OF MONEY

*The 1998 Shumacher Lectures were delivered in the Victoria Rooms, Bristol on 27th October. Speakers addressed a capacity audience of some 750 people from around the UK, and a number of visitors from abroad, who are deeply concerned about the socio-economic and environmental effects of the international commitment to the current global economic/political agenda.*

*The lectures and related seminar/workshop and plenary discussions were very successful. It was clear that everyone felt greatly encouraged by the quality of the analysis and most of the proposals for radical change advanced by the speakers.*

*As a result many, especially those already active in the voluntary sector, will have had their commitment to action greatly re-enforced.*

*The following excerpts from the three main speeches are designed to give the flavour of the arguments which were so well received by those attending and which, it is hoped, will act as a further call to action.*

## THE ECOLOGY OF MONEY

**D.C. Korten**

The crisis of modern society can be traced in large measure to our potentially fatal ignorance of two subjects. One is the nature of money. The other is the nature of life. This ignorance has led us to create an economy that trades away life for money. It's a bad bargain. Indeed, the vocabulary of finance and economics is itself a world of doublespeak that obscures the real nature and ways of money. For example, we politely use the term investors, when speaking of the speculators whose gambling destabilises global financial markets. We use the terms money, capital, assets and wealth interchangeably, leaving us with no simple means to express the difference between money - a mere number - and real wealth - which is comprised of things of real value - such as food, our labour, fertile land, buildings, machinery and technology - things that sustain our lives and increase our productive output. Thus we accept the speculators' claim that they are creating wealth, when they are actually expropriating it, and honour them with special tax breaks and protections. Such confusion has led us to establish a capitalist system of world rule by money that is literally killing us.

In the 1980s we witnessed capitalism's heralded triumph over communism. In the 1990s we have experienced with growing unease its triumph over democracy and the market economy. Now we face the question of whether during the first decade of the third millennium we may witness capitalism's triumph over life and our own ultimate destruction as a civilised species.

For those of us who grew up believing that capitalism is the foundation of democracy, market freedom and the good life, it has been a rude awakening to realise that under capitalism, democracy is for sale to the highest bidder, the market is centrally planned by global mega - corporations larger than most states, the destruction of jobs and livelihoods is rewarded as a virtuous act, and the destruction of life to make money for the already rich is treated as progress.

We now live in a world ruled by a global financial casino. It is staffed by faceless bankers, money managers and hedge fund speculators who operate with a herd mentality and send exchange rates and stock prices into wild gyrations unrelated to any underlying economic reality. Each day they move more than two trillion dollars around the world in search of quick profits and safe havens. With reckless abandon they make and break national economies, buy and sell corporations and hire and fire Chief Executive Officers (CEOs) - holding the most powerful politicians and corporate managers hostage to their interests. When their bets pay off they claim the winnings as their own. When they lose they run to governments and public institutions to protect them against loss with pious pronouncements about how the poor must tighten their belts and become more fiscally prudent.

In my own country, the United States, the corporate-controlled media keep the public preoccupied with details of our President's sex life and calls for his impeachment for lying about a meaningless affair. In the meantime, our Congress and our President work together in an unholy alliance to push through funding increases for the IMF to bail out the banks who put the entire global financial system at risk with reckless lending. They are advancing financial deregulation that will encourage even more reckless financial speculation by recreating the conditions of the 1930s.

As a medium of exchange money is one of the most important and useful of human inventions. However, as we become ever more dependent on money to acquire the basic means of our subsistence, we give over to the institutions and people who control its creation and allocation, the power to decide who among us shall live in prosperity and who shall live in destitution - even quite literally who shall live and who shall die.

With the increasing breakdown of community and public safety nets, our modern money system has become possibly the most efficient instrument of social control and extraction ever devised by human kind. The fact that very few of us think of the money system in such terms makes it all the more effective as an instrument of elite rule.

But what of capitalism's claim to be the champion of democracy, market freedom, peace and prosperity?

Capitalism is the term coined in the mid-1800s to refer to an economic and social regime in which the ownership and benefits of capital are appropriated by the few to the exclusion of the many who through their labour make capital productive. While modern capitalism involves an unconscionable concentration of wealth by the few to the exclusion of the many, it is more than a system of rule by human elites. It has evolved into a system of autonomous rule by money, and for money, that functions on auto-pilot beyond the control of any human actor and is largely unresponsive to human needs and sensibilities.

Contrary to its claims, capitalism is the mortal enemy of democracy and the market. Its relationship to democracy and the market economy is much the same as the relationship of a cancer to the body whose life energies it expropriates. Cancer is a pathology that occurs when an otherwise healthy cell forgets that it is a part of the body and begins to pursue its own unlimited growth without regard to the consequences for the whole. The growth of the cancerous cells deprives the healthy cells of nourishment and ultimately kills both the body and itself. Capitalism does much the same to the societies it infests.

There is an essential difference between a market economy of the type Adam Smith had in mind when he wrote *The Wealth of Nations* and the global capitalist economy, which he would have abhorred. As financial power becomes more concentrated, power shifts from people to money and the institutions of the market become displaced by the institutions of global capitalism.

In a healthy Market economy enterprises are human scale and predominantly locally owned. Economic exchanges are shaped and controlled by people through the expression of their cultural values, their purchasing decisions, their democratic participation in setting the rules by which the market will function, and their ownership of local enterprises. It is a dynamic and interactive system in which people participate in many roles and bring their human sensibilities to bear on every aspect of economic life.

Political democracy and the market economy work well together as means of organising the political and economic life of a society to allocate resources fairly and efficiently while securing the freedom and sovereignty of the individual. When they function properly they result in self-organising societies that maximise human freedom and minimise the need for coercive central control. The special magic of the market is its ability to reward those who do productive work responsive to the self-defined needs of others as they add to the total wealth and wellbeing of society.

Capitalism, by contrast, is about using money to make money for people who already have more of it than they need. Its institutions, by their very nature, breed inequality, exclusion, environmental destruction, social irresponsibility and economic instability while homogenising cultures, weakening the institutions of democracy and eroding the moral and social fabric of society. Though capitalism cloaks itself in the rhetoric of democracy and the market, it is dedicated to the elitist principle that sovereignty properly resides not in the person, but in money and property.

The distinction between the market economy and the capitalist economy has a very practical significance. It means there is a simple and familiar answer to those who claim there is no viable alternative to global capitalism and its pathological consequences. The obvious alternative is to eliminate the capitalist cancer from the body of society to create the necessary conditions for democracy and a global system of self managed market economies and compassionate cultures that honour the needs of life and living beings.

When a defender of global capitalism disdainfully asks, "What is your alternative? We've all seen that central planning does not work", just respond "I think Adam Smith had a good idea. I favour a real market economy that is not centrally planned by either governments or corporations." We are often told that deregulation and economic globalisation are necessary to the free market. In fact efficient market function depends on both regulation and borders. What deregulation and economic globalisation actually free are the forces of capitalism's attack on democracy and the market. Without regulation and borders, financial markets merge into a single unregulated electronic trading system prone to speculative excesses; and global corporations consolidate and concentrate their power through mergers, acquisitions, and strategic alliances beyond the reach of any state. Savings become aggregated into professionally managed retirement trusts and mutual funds that have a legal fiduciary responsibility to maximise financial returns to their clients.

The financial institutions that act as proxy owners expect those responsible for the corporations over which they exert ownership control to take a similar narrow view of their responsibilities. They send a powerful message to corporate management. A solid profit is not enough. Annual profits must be constantly increased at a rate sufficient to produce the twenty to forty percent annual increase in share price the markets have come to expect. Corporate CEOs are handsomely paid to give this goal their single-minded attention. The average annual compensation of the CEO of a US corporation, much of it in stock options, is now $7.5million a year. The CEO who fails loses credibility with the financial community and may invite a take-over bid or ejection by large shareholders. How the corporation increases its profits isn't the market's concern. As they say at the Nike Corporation, "Just do it".

The global corporation responds by using its great power to reshape cultures, limit consumer Choices, pass costs on to the public, and press governments to provide subsidies and rewrite the rules of commerce in their favour. Commonly the corporation responds in ways that destroy the most precious of all wealth, the living capital of the planet and the society on which all life and the fabric of civilisation depend.

- It depletes **natural capital** by strip mining forests, fisheries, and mineral deposits, and aggressively marketing toxic chemicals and dumping hazardous wastes that turn once productive lands and waters into zones of death.
- It depletes **human capital** by maintaining substandard working conditions in places like the Mexican maquiladoras where they employ once vital and productive young women for three to four years until failed eyesight, allergies, kidney problems and repetitive stress injuries leave them permanently handicapped.
- It depletes **social capital** by breaking up unions, bidding down wages, treating workers as expendable commodities and uprooting key plants on which community economies are dependent to move to lower cost locations - leaving it to society to absorb the family and community breakdown and violence that are inevitable consequences of the resulting stress.
- It depletes **institutional capital** by undermining the necessary function and

credibility of governments and democratic governance as they pay out millions in campaign contributions to win public subsidies, bailouts and tax exemptions, and fight to weaken environmental health and labour standards essential to the long-term health of society.

Living capital, which has the special capacity continuously to regenerate itself, is ultimately the source of all real wealth.

To destroy it for money, a simple number with no intrinsic value, is an act of collective insanity. Another insanity of global capitalism is the instability inherent in a financial system that sends trillions of dollars around the world at the speed of light in a speculative frenzy that has nothing to do with productive investment. Here again we are blinded by our myths and illusions, including the myth that when we buy a share of stock we are investing in the creation of new productive capacity.

Have any of you ever stopped to think that when you buy a share of stock, unless it is a new issue, not a single penny goes to anything that might actually increase productive output? After the brokers take their commission the rest goes to the person from whom you bought the stock. If it is a new issue some of the money goes to productive purpose, though even here much of it is likely to go to commission, management bonuses and buying out the shares of those who financed the start-up.

In the United States, the big corporations are actually buying back their stock faster than they are launching new issues. This means that the new flow of money from the share markets into productive activity is negative. Overall the stock-market is not a source of investment capital. It is simply a kind of gambling casino where we place our bets on which stock prices are going to rise and which are going to fall.

Unfortunately the rise and fall of stock prices often do have significant real world consequences, because banks find it highly profitable to loan large amounts of money to individuals and institutions that are leveraging their bets in the market.

The 1997 Asian financial crisis that turned Asia's much touted financial miracle into the Asian financial meltdown provides a useful illustration of the role of reckless bank lending in creating the financial instability that now plays itself out so visibly around the world. The Asian meltdown began in Thailand and rapidly spread through Malaysia, Indonesia, South Korea and Hong Kong as economies collapsed one after another like falling dominoes. The contagion then moved on to Brazil, Russia and the United States. While specifics differed, the experience of Thailand is revealing of the underlying pattern repeated in country after country. During the phase in which Thailand was being touted as an economic miracle and a model of progressive economic policy by institutions such as the International Monetary Fund (IMF) large inflows of foreign money fuelled rapidly-growing financial bubbles in stock and real estate prices. The inflated bubbles attracted still more money, much of it created by international banks eager to profit from loans to the speculators who secured the loans with the inflated assets. As the foreign currency reserves poured in, imports of consumer goods skyrocketed - creating the illusion of prosperity and a booming economy.

Yet since speculation in stocks and real estate was producing much higher returns than were productive investments in industry and agriculture, the faster foreign investment flowed into a country, the faster money actually flowed out of Thailand's productive sectors to participate in the speculative frenzy. Actual production stagnated or even declined in both agriculture and industrial sectors. As a result foreign financial obligations were skyrocketing while the capacity to repay those obligations was declining. Obviously such a pattern of increasing consumption and declining production was not sustainable. Once the speculators realised this, the meltdown phases began. The speculators rushed to pull their money out in anticipation of a crash; stock and real estate prices plummeted, banks and other lending institutions were left with large portfolios of un-collectable loans, which impaired their ability to lend and created liquidity shortage as the financial collapse unfolded. The Wall Street bankers and investment houses that had helped to create the crisis through their speculative excesses and reckless lending - inveterate champions of the free market when the profits were rolling in - responded in typical capitalist fashion. They ran to governments and the IMF for public bailouts. We see in the Asian experience an all too common reality of capitalism's ability to create an illusion of prosperity by creating a speculative frenzy, while actually undermining real productive activity and setting the stage for collapse.

A study by McKinsey and Company found that since 1980, the financial assets of the OECD countries have been growing at two or three times the rate of growth in gross domestic product (GDP) - a result of inflating assets values through pumping up financial bubbles. This means that potential claims on economic output are growing from two to three times faster than the growth in output of the things that money might be used to buy. The distortions go far deeper, however, because an important portion of the output that GDP currently measures represents a decrease, rather than an increase, in our wellbeing.

When children buy guns and cigarettes, the purchases count as an addition to GDP - though no sane person would argue that this is an increase in our wellbeing. An oil spill is good, because it generates expensive clean-up activities. When a married couple gets divorced, that too is good for GDP. It generates lawyers' fees and requires at least one of the parties to buy or rent and furnish a new home. Other portions of GDP represent defensive expenditures that attempt to offset the consequences of the social and environmental breakdown caused by harmful growth. Examples include expenditures for security devices and environmental clean - up. GDP further distorts our reality by the fact that it is a measure of gross, rather than net, domestic product. The depreciation or depletion of natural, social, human, institutional and even human-made capital is not deducted. So when we cut down our forests or allow our physical infrastructure to deteriorate, there is no accounting for the loss of productive function. We count only the gain.

Economists in the United States, the UK, Germany, the Netherlands and Australia have adjusted reported GDP for their countries to arrive at figures for net beneficial economic output. In each instance they have concluded that in spite of substantial economic growth, the economy's net contribution to wellbeing has actually been declining or stagnant over the past fifteen to twenty years. Yet even the indices of net beneficial output are misleading as they do not reveal the extent to which we are depleting the underlying base of living capital on which all future productivity depends. I

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know of no systematic effort to create a unified index giving us an overall measure of the state of our living capital. Obviously, this would involve significant technical difficulties.

However, what measures we do have relating to the depletion of our forests, soils, fresh water, fisheries, the disruption of our climatic systems, the unravelling of our social fabric, the decline of our educational standards, the loss of legitimacy of our major institutions, and the breakdown of family structures give us reason to believe that the rate of depletion of our living capital is even greater than the rate of decline in net beneficial output.

The indicators of stock-market performance and GDP that our leaders rely on to assess the state of the economy create the illusion that their policies are making us rich - when in fact they are impoverishing us. Governments do not compile the indicators that reveal the truth of what is happening to our wealth and wellbeing. And the power holders, whose financial assets are growing, experience no problem. In a global economy their money gives them ready access to the best of whatever real wealth remains. Those whom capitalism excludes have neither power nor voice.

It is time to acknowledge the obvious fact that capitalism is a disastrous failure for reasons inherent in its values and its institutions. To create a world in which life can flourish and prosper we must replace the values and institutions of capitalism with values and institutions that honour life, serve life's needs and restore money to its proper role as servant. It will involve a great deal more than eliminating a pathology from our economic systems. Capitalism has brought us to a defining moment in our own history and in the evolution of life on this planet. The time has come when we must accept conscious collective responsibility for the consequences of our presence on the planet. It implies taking steps to a new level of species consciousness and function. We have both the knowledge and the technology to take this step. The question is whether we will awaken to the nature of our current folly in time to make the necessary collective choice to recreate ourselves and our institutions before we have proceeded so far down the path of social and environmental disintegration that the task becomes impossible.

It is a matter of choice. Those of us who recognise our collective folly for what it is cannot limit ourselves to taking stands against harmful policies and practices. We must advance awareness of the viable and attractive alternatives it is within our means to choose. As to economic alternatives, the answer is quite familiar to all of us - indeed it is the answer in which most of us already believe: democracy, market economies and ethical culture. The self-organising market is structured to respond in a highly democratic manner to human needs and values. We must concentrate on creating the conditions necessary to healthy market function. Since capitalism is the mortal enemy of democracy, markets and ethical culture, it should not be surprising that in most instances this means embracing policies exactly the opposite of those favoured by capitalism.

Whereas capitalism prefers giant corporate monopolies with the power to extract massive public subsidies and avoid public accountability, the efficient function of markets depends on rules that keep firms human-scale and require producers to internalise their costs.

Whereas capitalism institutionalises a system of absentee ownership that keeps owners far from the consequences of their choices, a proper market economy favours stakeholders - workers, owners, suppliers, customers, and communities - to bring human sensibilities to economic decision making.

*Those of us who recognise our collective folly for what it is cannot limit ourselves to taking stands against harmful policies and practices. We must advance awareness of the viable and attractive alternatives it is within our means to choose.*

*Whereas capitalism prefers the economic man or woman to the ethical man or woman, a proper market economy assumes an ethical culture that nurtures in its participants a mindfulness of the social and environmental consequences of their behaviour.*

Whereas capitalism prefers the economic man or woman to the ethical man or woman, a proper market economy assumes an ethical culture that nurtures in its participants a mindfulness of the social and environmental consequences of their behaviour.

Whereas capitalism encourages and rewards the speculator, a proper market encourages and rewards those who contribute through their labour and productive investment.

Whereas capitalism places the rights of money above the rights of people and seeks to free it from restriction by national borders, a proper market seeks to guarantee the rights of people over the rights of money, and honours borders as essential to the maintenance of economic health.

The time has come to speak the obvious truth that global capitalism is an anti-democratic, anti-market cancer that feeds on our forgetfulness of our nature and place as living beings within the larger web of planetary life. We have the right and the means to eliminate the cancer as we work together to build the culture and the institutions of the just, sustainable and compassionate world of which we all dream.

David Korten is one of the world's clearest critics of the economic philosophies and practices that drive our system. He formerly worked in Asia for the United Nations Agency for International Development (AID) and the Ford Foundation development programmes. He holds a Ph.D. from Stanford University's Business School and served on the faculty of Harvard university's Business school. He is president of the People - Centred Development Forum and author of *When Corporations Rule the World* (1995) and *The Post Corporate World* (1999)

# ETHICAL INVESTMENT

**Tessa Tennant**

This is an opportunity to talk about social investment in a wider sense. First and most importantly, I do want to offer some comments on the macro-economic context and what needs to change, because social investment is operating within a larger theme and unless we get the macro bit right, it'll never really come to much. As Pat Conaty said, this is all about making sure that *money is the servant and not the master of the human race.*

Our greatest challenge - and it is certainly a challenge for everyone in this room - is to connect, to reach out to the wider public to communicate that simple objective of how we should relate to money. We should connect to communicate green economics, to get people inspired about it. We should connect with determination to overcome the barriers of ignorance, vested interests and the clamouring, competing interests in the media and politician's minds. We should connect in terms that people don't find off-putting - not like city financiers or the traditional economic community. G7 leaders, the Central Bank governors and their economic gurus have been meeting - they met in New York, they also met in Washington - and they are going to keep meeting because there is one hell of a problem, and they don't know what to do about it. The news networks are following those meetings. I suggest that this Washington Consensus (as it's known) that has driven the World Bank, the IMF, the whole of the global capital markets is essentially the ***Emperor with no clothes*** and no one's recognising the fact. Now the real opportunity for us - going back to connecting and communicating - is to mobilise some sort of TOES (The Other Economic Summit), Task Force or Posse, that is at every one of those meetings, ready to talk to the media. To say look, these are some of the things our leaders of economic policy should be talking about.

Let us call our message the Bristol Consensus. Its immediate focus should be about re-invigorating the locality and local enterprise. It should be about stopping the worst excesses of the global market and redirecting the behaviour of global institutions and organisations, so that they foster what we in this hall want.

It should lead us to taxation of speculative capital - the Tobin tax; to new regulation of hedge fund activities relating to disclosure and reserves, and to a social tariff or other penalty aimed at repressive regimes and the maintenance of labour rights and environmental standards between trading parties.

Moving on from tax ideas, the Bristol Consensus should be about reform of the terms of trade to ensure fair ground rules apply to corporate subsidies. In the Scottish Borders an electronics company employing a thousand people is closing down - because a few miles down the road in Newcastle the government is giving grants for the setting up of electronics facilities and the international company in the Borders is relocating , benefiting from taxpayer's money while creating excess capacity and waste.

The Bristol Consensus should also be about ensuring a greater balance between exporting nations. It should support the drive for debt forgiveness for developing countries; the repeal of the Multilateral Agreement on Investment; action to deal with global over supply of goods and services; insist on arrangements to ensure access to credit and wider ownership of capital.; take action to ensure a base under acceptable labour standards and develop a link between social investment and the notion of a social dividend.

Tessa Tennant is Director of NPI Global Care Investments and has pioneered ethical investment in the UK. She is on the government's advisory board on business and the environment, and is a former chairman of the Social Investment Forum. In 1994 she received one of the first Schumacher Awards. She is always looking for new approaches to making money work for sustainable development.

# PROBLEMS AND SOLUTIONS

**Richard Douthwaite**

I am excited about the opportunities that current problems in the world system are presenting us with, but in my stomach, I am also very much afraid. We are going through one of the turning points of history over the next few years, and a lot of people are going to get hurt.

So I am looking forward to the future with mixed feelings, but this turning point does give us a chance to break the logjam. Something exciting is happening at present - people are beginning at last to talk about money, about where it comes from, who issues it, what basis it has and whether it represents anything real. When we think about money we have to ask questions about it - questions that a journalist might ask - for example, Who? What? When? Where? Why? and How?

We should ask about the present currency system: who is issuing it? 97% of all the money that gets into circulation is created by the banking system - it doesn't come from government at all. And Why? Of course, to make a profit. And How?

Well, its done on the basis of debt. In other words 97% of money in circulation has been *created by debt.* Supposing just confidence is lost - what happens then? The whole system begins to unwind, because as the system is based on debt and the payment of interest, the only way businesses can make a profit with which to pay interest on the loans they have taken out, is if the stock of money in circulation in the economy goes up during the course of a year. So unless we steadily get further and further into debt, people who have borrowed are not going to be able to generate profits in their business to be able to service their bank loans. So we get a credit implosion and the amount of money in circulation falls. So what's wrong?

Well one of the things is that our international monetary system is based on nothing at all.

Money is a great invention, and this is

why it is almost impossible to manage without it. So we need to ask, "Where is the money coming from?" If it is coming from outside, if it is imposed by somebody else, then we have to do things for whoever is generating the money that we use for exchanges amongst ourselves. So an essential part of building sustainable communities is that they must have their own money systems. LETS does take a step towards this, but we have got to develop an effective currency system that enable us to interact with each other on the basis of a group that is rather larger than is workable with a LETS system.

The way I see the future developing, is that we conceive of a sustainable world, not being produced by a One World International Agreement, and having a One World currency - a monoculture in which all live in the same way and consume the same things and consequently compete for the same natural resources. I don't think that international free trade can ever be made sustainable. I envisage a future in which there will be a myriad of micro - economies which have adjusted to live within the limits of their own place. Each will have its own currency, yet there will also be multinational currencies and probably a world currency too.

I see money moving from first of all being created by the rulers as a method of taxation and exploitation, to being created by the banking system for its own benefit, to moving to a state in which the users of the money create the money. Created on the basis of mutual credit it can be issued interest free. The importance of this is that it doesn't impel economies to grow year after year, because if you are lending money at interest, as I said earlier, there has to be an expansion of the economy.

Richard Douthwaite has raised the discussion on sustainable local economies to a new level. His books The Growth Illusion and Short Circuit, have become essential reading for those concerned with developing a new economics and creating local economic stability. Richard was government economist for the island of Montserrat in the West Indies; he is now a writer and journalist, living in County Mayo.

*The shorter excerpts are by the editor from the speeches of Tessa Tennant and Richard Douthwaite. The extended piece from David Korten's speech is reproduced, with permission, from the March/April 1998 edition of Resurgence, the magazine / journal of the Schumacher Society. All of the speeches were delivered at the Schumacher Lecture held in Bristol in October 1998. Full transcripts of these speeches and details of Resurgence may be requested from the Schumacher Society, Foxhole, Dartington, Devon TQ9 6EB*
*Tel. & Fax 01803 865051*
*E-mail, schumacher@gn.apc.org*

# RECURRING CRISES AND SOME CANADIAN EXPERIENCE

**Alan D. Armstrong**

What should make these "Schumacher" speeches even more interesting, is the recognition that those current anxieties and problems - poverty, debt, social and environmental breakdown - on which they focus are by no means new. They are clearly the product of a monetary system which absolutely ensures that they will recur, period by period, until that system has been radically reformed.

## RECURRING CRISES

European economies have frequently been in crisis. In the crisis of 1816/1817 some "*90 issuing banks went bankrupt between 1816 and 1817*" and in the crisis of 1825/26, "*70 private issuing banks had to suspend payments when holders of bank notes tried to covert their notes into gold.*" (1) In 1866, had the British government not temporarily suspended the Bank of England's cover regulations (the ratio of gold cover to notes), the bank would again have "*had to deny the British economy credit when it was most needed.*" (2) However, the financial system's need for growth in order to survive, ensured continued economic expansion, despite these periodic crises. Related total debt and interest on debt therefore also had grow, and recurring crises became ever more serious. Eventually the world's financial system was rocked to its foundations by the Wall Street Crash and its continuing impact throughout the 1930s.

During this time, many experiments were made with the intention of providing alternative and more stable currencies. "*Local currency was introduced in Scwanenkirchen in Bavaria... By 1931 the "Freiwirtschaft" (free economy) movement had successfully spread throughout Germany until it was finally blocked by the Central Bank in November 1931. In Austria, the mayor of the town of Worgl decided to copy Swanenkirchen's example and subsequently... No less than 200 cities decided to imitate Worgl!* That is, until the Central Bank of Austria also "***felt threatened in its monopoly of currency emission and blocked the extension of the system.***"(3)

In America the idea of "stamp scrip" was advocated by a number of prominent economists. Dean Acheson, Assistant Secretary of the Treasury "*decided to have the whole concept verified by... the highly respected Professor Russell Sprague, of Harvard university. The answer was that indeed stamp scrip would work perfectly economically. By then the stamp scrip movement had spread to 450 cities around the United States*". (4) In March 1933, Roosevelt announced the New Deal and "emergency currencies" were prohibited.

Then in 1947, Thomas Robertson, (5) referred to "*a remarkable piece of evidence*" which had been published in 1939 by the Canadian government. It was in the form of *Minutes of proceedings and Evidence of the Standing Committee on Banking and Commerce*, which had taken evidence from, amongst many others, the Governor of the Bank of Canada under cross examination by Mr.G.McGreer K.C. **Because it remains such a powerful and still relevant indictment of our current monetary arrangements, based on the central role of private banks in the process of money creation, it is appropriate to rehearse a few of the key parts of the evidence quoted by Robertson.** (emphasis added)

## BOOK-KEEPING ENTRIES

**Q.** Ninety-five per cent of all our volume of business is being done with what we call exchange of bank deposits - that is, simply book - keeping entries in banks against which people write cheques?
**Mr.Towers:** I think that is a fair statement.

## ISSUE OF CURRENCY

**Q.** Twelve per cent of the money in use in Canada is issued by the Government through the Mint and the Bank of Canada, and 88 per cent is issued by the merchant banks of Canada on reserves issued by the Bank of Canada?
**Mr. Towers:** Yes.
**Q. But if the issue of currency and money is a high prerogative of government, then the high prerogative has been transferred to the extent of 88 per cent, from the government to the merchant banking system?**
**Mr.Towers: Yes.**

## CREATING NEW MONEY

**Q.** When $1,000,000 worth of bonds is presented (by the government) to the bank a million dollars of new money or the equivalent has been created?
**Mr.Towers:** Again assuming that there has been no decrease in its other investments or loans.
**Q.** I mean at the time, at the moment?
**Mr.Towers:** Yes.
**Q.** Is it a fact that a million dollars of new money has been created?
**Mr.Towers:** That is Right.
**Q.** Now, the same thing holds true when the municipality or the province goes to the bank?
**Mr.Towers:** Or an individual borrower.
**Q. Or a private person goes to a bank?**
**Mr.Towers: Yes.**
**Q.When I borrow $100 from the bank as a private citizen the bank makes a bookkeeping entry and there is $100 increase in the deposits of that bank, in the total deposits of that bank?**
**Mr.Towers: Yes.**

## BANK ISSUE OF SUBSTITUTE MONEY

**Q.** When you allow the merchant banking system to issue deposits... with the practice of using cheques... **you virtually allow the banks to issue an effective substitute for money, do you not?**
**Mr. Towers:** The bank deposits are actually money in that sense.
**Q.** As a matter of fact they are not actually money but credit, book - keeping accounts, which are used as a substitute for money?
**Mr.Towers:** Yes.
**Q. Then we authorise the banks to issue a substitute for money?**
**Mr.Towers: Yes.**

## POWER TO CHANGE THE BANKING SYSTEM

**Q. Will you tell me why a government with power to create money should give that power away to a private monopoly and then borrow that which Parliament can create for itself, back at interest, to the point of national bankruptcy?**
**Mr.Towers:** We realise, of course, that the amount, which is paid, provides part of the operating costs of the banks and some interest on their deposits. **Now if Parliament wants to change the form of operating the banking system, then certainly that is within the power of Parliament.**

## INCREASE OF DEPOSITS AND INFLATION

**Q.** So that with the increase of $500 million of bank deposit money (from 1934 to 1938) we have not had any inflationary result?
**Mr.Towers:** We have not. The circumstances of the times have not encouraged it.

## FINANCE IN WAR AND PEACE

**Q.** So far as war is concerned, to defend the integrity of the nation there will be no difficulty in raising the means of financing whatever those requirements may be?
**Mr.Towers: The limit of the possibilities depends on men and materials.**
**Q. And where you have an abundance of men and materials you have no difficulty, under our present banking system, of putting forth the medium of exchange that is necessary to put men and materials to work in defence of the realm?**
**Mr.Towers: That is right.**
**Q. Well then, why is it, where we have a problem of internal deterioration, that we cannot use the same technique... in any event you will agree with me on this, that so long as investment of public funds is confined to something that improves the economic life of the nation, that will not of itself produce an inflationary result.**
**Mr.Towers:** Yes, I agree with that, but I shall make one further qualification, that the investment thus made shall at least be as productive as some alternative uses to which the money would otherwise be put.

## PHYSICALLY POSSIBLE AND FINANCIALLY POSSIBLE

**Q.Would you admit that anything physically possible and desirable can be made financially possible?**
**Mr.Towers: Certainly.**

Throughout so much of that evidence it is possible to see the tremendous influence of C.H.Douglas. The last question and answer is an especially powerful reflection of the essence of his position and of the potential at the heart of the Social Credit analysis and prescription for radical socio-economic change.

**Once that is acknowledged, the call for a broadly based Global Economic Reform Campaign, referred to on page 23, should increasingly make sense and attract support, especially from those in the voluntary sector who are struggling to ensure some resolution of the great range of problems which clearly flow from the operation of the current monetary system.**

Notes

(1) K.E.Born International Banking in19th.& 20th.Centuries,1976, Berg Publishers Ltd., Warwickshire p.7
(2) Ibid. p.9
(3) J.M.Griesgraber & B. Gunter, The World's Monetary System, 1996, Pluto Press, Lon. & Chicago p106
(4) Ibid. p.107
(5) Thomas Robertson, Human Ecology - the Science of Social adjustment, 1975 Reprint, Christian Bookclub Cal.USA.

# A COMMON AGENDA

**Liz Ferguson**

Globalisation is usually a negative term - suggesting faceless corporate monsters devouring the diversity and dignity of cultures world-wide and transforming us all from citizens into consumers, connected and controlled by an international market, which makes the rich wealthier and the poor even poorer. Yet globalisation could be something positive.

The shrinking of the world through increasing interdependence, overwhelming common problems and modern communication systems presents us with unprecedented opportunities, which could be of advantage to us all.

Sead (Scottish Education and Action for Development) is about to celebrate 21years of highlighting what people in Scotland and worldwide have in common. Sead has long believed that people throughout the world need to come together to tackle the systems which increase poverty and destroy the environment. By learning from each other and taking action we have the ability to become citizens again.

The power of "ordinary people" should never be underestimated. Iniquitous, intimidating and (to most people) incomprehensible they may be, but the international monetary system, and transnational corporations are shaped by people. They did no descend from a superior planet. *People* create these institutions that control so many lives, and people can dismantle them with the power and the will.

Residents of Easterhouse, Glasgow, initiate an anti-dampness campaign to build sustainable housing in one of Europe's most deprived areas; an illegal community radio station is started under a hospital bed in a South African township; the crofters of Assynt reclaim their own land; people on Nicaragua's Atlantic coast decide through consultation to reject an unsustainable deforestation project which would have created jobs in an area of high unemployment. These are just a few of the many examples Sead's work has discovered of people taking control and making change.

Sead's concept of "Mutual Solidarity" is a valuable process of people world-wide learning from each other, sharing information, expertise and ideas. Not only does this offer scope for direct action and practical outcomes but also mutual confidence building, encouragement and inspiration. Mutual is the important word here: long gone are the days of the impoverished "Third World" learning from the "developed" world. Mutual solidarity is a two-way involvement: a process of learning and exchange. We're all in this together and we can benefit greatly from other's experience.

For several years Sead has organised a visitors programme of community activists from countries such as South Africa, the Philippines, Tanzania, India, Hungary, Brazil, to meet with their counterparts in Scotland. In 1997 a group of Scots went to South Africa to discover how South Africans were tackling social problems at the dawn of their democracy.

This year a community filmmaker from the Dominican Republic visited Scottish communities using film and video to enhance the voice of the community. Next year Scots from urban and rural Scotland will travel to the Dominican Republic to visit community groups there.

So, where do we start to shift the balance of power in favour of the unheard majority?

Firstly, we need to start thinking in a global context, realising that our actions can affect people on the other side of the world, and vice versa. We need to find out more about like-minded people in other countries (and within our own) to share information and ideas. The next step is to utilise every means at our disposal, including modern communication systems, to link with individuals and groups throughout the world.

Traditional structures are beginning to be broken down: Scotland's Parliament will hopefully lead the way to a more accessible and accountable system of governance here in Scotland. The Scottish Civic Forum launched on 20th. March; will offer the opportunity for people from every sector of Scottish life to have their say in governance.

Sead's work over the past two decades has shown that people are given strength and inspiration by recognising the worth of their own experience and expertise. This is further enhanced by meeting individuals and groups from throughout the world who share similar experiences. With more input from people at all levels of society, hopefully the national and international agenda can be diverted towards improvements in housing, health, education, employment, all the elements which improve quality of life, and diminish the rush for unsustainable economic development which benefits only the few. The world has a wealth of skills, talents and experience, which must be utilised for the benefit of all.

***"It's this kind of mutual support that people across the world must build so that we can build a nation, in an international world that cares about its people."***

(Lynn Brown – Member of the Western Cape Provincial Parliament, and a recent Sead visitor)

As an organisation, Sead is small: the more people we can involve in our work the better. We currently have a strong and diverse membership which includes community activists, adult educators, religious groups, academics, aid agencies, environmental groups, and anti-poverty groups. Scotland and the world share a common agenda. Together we can make globalisation something positive.

Liz Ferguson is Information and Membership Development Officer, Sead (Scottish Education and Action for Development)



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 directly:
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*The Social Crediter* is the official journal of the Social Credit Secretariat. It promulgates the analysis and prescription for radical change to the current financial/economic system developed by C. H. Douglas in the 1920s. 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 to help 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 financial possible. This should be everyone's concern and radical reform, so that this potential might be realised, is urgent.

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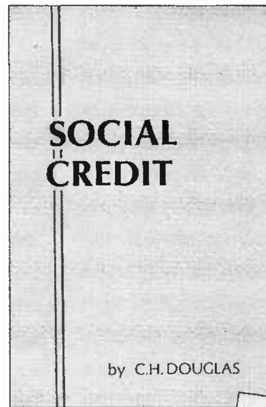
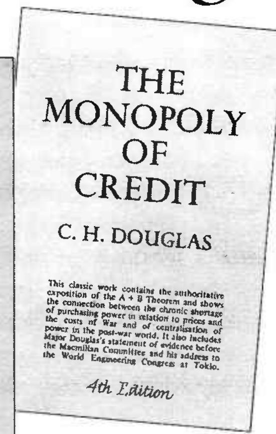
# Recommended Reading

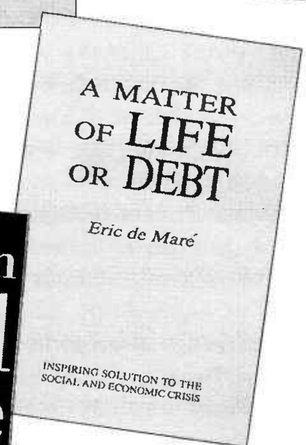
**Books by Major C.H. Douglas**

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

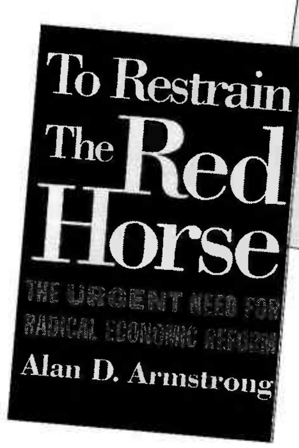



Eric de Maré
*A Matter of Life or Debt*




Alan D. Armstrong
*To Restrain the Red Horse**
*The Urgent Need for Radical Economic Reform* (1996)




Books and booklets on the subject of Social Credit are available from Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, England CO10 6TD.
* Also available from Towerhouse Publishing, 32 Kilbride Avenue, Dunoon, Argyll, Scotland PA23 7LH.

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