THE JOURNAL OF THE SOCIAL CREDIT SECRETARIAT ISSN:0037-7694 £1.50

The SOCIAL CREDITER

For Economic Democracy Quarterly Volume 82 No. 9 Summer 2006

Editorial

Economics as taught in schools and universities is based on the assumption that pure self-interest motivates Rational Economic Man (REM). If everybody concentrates on seeking their own advantage by taking the highest paid job available, while spending their money on whatever suits them, the Invisible Hand will ensure that the produce of the economy is distributed to best overall advantage. Care for the land, or for the young, the old, the sick or the weak can be ignored. Mushroom Man springs up fully formed ready to work to earn the money to spend on the produce of society. Mother Market rewards REM with the goodies he demands, while Mother Nature mops up the mess he makes. Like an infant, REM has no responsibility for others or for his environment.

Global corporatism thrives on the notion that "if a job is worth doing, it is worth being paid to do it." However, if nobody ever did anything except out of pure self-interest, the global economy would collapse overnight for lack of the natural and human resources which cannot be created by finance. Social credit analysis distinguishes between finance, on the one hand, and natural and human resources on the other. Hence it provides a valuable tool for illuminating the common ground of the many strands of alternative economic theories.

Many studies show that people find employment to earn the money for the cars they need to get to work, to buy the appropriate clothes for work, the processed, packaged and transported food, meals out, and leisure activities they need to recover from the stress of work. However, the over-all level of health and satisfaction derived from such heavily polluting lifestyles has been calculated as *less* than a lower consumption, more leisured lifestyle. Beyond a certain level of basic necessity, consumption of material goods becomes merely a case of conspicuous consumption. On the other hand, the acquisition of skills such as mathematics, a foreign language, a musical instrument, cooking, gardening/allotment holding and other skills associated with self sufficiency, can be enriching at a minimum of consumption of natural resources.

The common sense solution is to break the link between income and 'work' by providing a Basic (Citizen's) Income or National Dividend for all. However, according to mainstream economic theory, that simply cannot be done: if people were not paid to work, nobody would work, so that there would be nothing to buy. The absurdity of this claim in a developed industrial society is hilariously illustrated in Eimar O'Duffy's aptly named *Asses in Clover*. In this issue of TSC we introduce the new Commentary on O'Duffy's book, linking it with current problems, most notably farming and the care of the land.

Asses in Clover is a humorous introduction to the economics of corporate capitalism. Written in the early decades of the 20th century, it predicts the domination of corporate finance over the lives of ordinary people. There is certainly enough for everyone's needs to be met, as Gandhi pointed out, but so long as personal greed dominates the everyday decisions of the person in the street, war, poverty and ecological degradation will continue unabated.

Inside this issue:

Thoughts of a Farmer

Extracts from his article in the *Land Heritage Newsletter* Winter 2004

Garstang, a small rural town in Lancashire with a population of around 5000, became the world's first Fairtrade town in 2001, thanks to the efforts of Bruce Crowther, a local vet. The campaign to make Garstang a Fairtrade Town developed during a Fairtrade Fortnight in the year 2000. At that time there were five traders in Garstang selling Fairtrade goods including the Mustard Seed, the first Fairtrade shop and coffee bar in Garstang. There are now sixteen Garstang Traders selling Fairtrade products and many more using Fairtrade goods on their premises. Garstang has also developed links with Ghana and these links culminated in a twin town relationship with the cocoa farming community of New Koforidua.

The biggest challenge though is to ensure that the concept of a Fairtrade system can extend to farmers in the developed countries. Indeed, the Fairtrade campaign in Garstang brought together the problems faced by farmers in Ghana with those faced by local farmers also struggling to get a fair price for their produce.

It may be said that it is unethical for western farmers with their subsidies to be usurping the ideology which belongs to the third world farmers facing a level of daunting poverty. On the other hand, subsidies[1] should only end if farmers can make a decent living without them. Ideally, the product should not be subjected to any tariff or subsidy.

An alternative name for a UK Fair Trade might be Just Price[2] – a system practised in England in the Middle Ages. It is worthy of more than merely a passing consideration; after all, we have a minimum wage statute, where workers are guaranteed minimum return for their labour. Is their work any less important than producing the nation's food? It is unjust and illogical that farmers should not have this threshold. A Just Price should cover the cost of production in terms of labour, materials and equipment, plus a percentage to allow for living costs and a small margin for reinvestment .

There have been many campaigns to highlight how little the UK farmer, as the primary producer, receives from the retail price for food illustrating the power of the processors and retailers. Recently, the independent pressure group FARM launched the 'Just Milk' campaign, aimed at supermarket giant Tesco, to raise public awareness of the growing fair trade crisis in the dairy farming industry. Protesters replicated the 'Tesco value' brand logo and added the words Tesco value farmer £2.90[3] per hour as they challenged the supermarket to take the lead in addressing poverty milk prices; to use their market power to ensure their dairy farmers receive a fair share of retail price; and to publicly acknowledge that a sustainable dairy industry depends on a high number and diversity of farmers.

But as well as public awareness campaigns, we also need assurance. The introduction of the Little Red Tractor logo was designed to provide just such consumer assurance but has suffered controversy raising questions about whether the produce carrying the logo is British (and not just packed in Britain) and whether the farmer receives a fair price . . .

It is now a reality, that the problems faced by farmers in the developing world are the same as those faced by small farmers in this country. The power to influence this lies in the *hands of the same people - the consumer. To buy Fairtrade marked* 'local produce' would be to make a real difference in an unfair world.

1.Hilary Wilson, a Cumbrian sheep farmer agrees, but sees a role for subsidies 'to even out nature's boom and bust'.
2.Recorded at length in *Religion and the Rise of Capitalism* by R.H.Tawney
3.The figure of £2.90 an hour comes from the EFRA (Environment, Food and Rural Affairs) government committee report on milk prices. They stated that this is the average wage that has been earned by UK dairy farmers over the last 7 years.

Robert Brighton is a Devon farmer who was, some years ago, principal of Pershore Agricultural College, Worcestershire.

Sir, - Economics is a subject I have never been able to understand, but I suspect that one reason why I cannot understand it is that orthodox economics rests upon moral assumptions which I could not possibly accept, if they were laid bare. The moral foundations of Communism and Fascism seem to me equally unacceptable, and their economic and monetary theories, if any, do not seem to me to differ very interestingly from the old theories. Furthermore, though I do not pretend that I understand Major Douglas's theory yet, I cannot see that his opponents are in a strong position, so long as they continue to support a system which simply does not work.
Yours sincerely,
T.S.Eliot
(Letter to the Editor, *Social Credit,* September 7th 1934)

Economics is extremely useful as a form of employment for economists.

Under capitalism man exploits man. Under communism it's just the opposite.
J K Galbraith

The Road from *Silent Spring*

Lawrence D Hills, Extract from his Autobiography *Fighting Like the Flowers*

I rank *Silent Spring* with *Das Kapital* and *The Origin of Species* among the books that have changed the world. It is still in print in almost every language except Russian and Chinese. Just as Rudolph Steiner and Sir Albert Howard began the compost and fertility aspects of the organic movement, Sir Robert McCarrison, Weston Price and Dr Franklin Bicknell added the nutritional and food additives angle that altered the way we think about food, and Lady Eve Balfour, Newman Turner and Friend Sykes pioneered organic farming books, Rachel Carson (1907-1964) awoke the world to the dangers of pollution by pesticides, fungicides and all the chemicals that add up to danger in our bodies and through the food chains of the world.

She had a far greater impact than any of the great men and women of the past because she had genius as well as knowledge and she knew that she was dying of cancer. She also had a first-class publisher who arranged for an abridged version to be serialized taking up the entire serious-article space in three June 1962 issues of *The New Yorker*. These exerpts were reviewed and comments began to appear in the British press even before Houghton Mifflin published the first edition in October 1962, with pre-publication sales running into five figures. The Washington Correspondent of *The Observer* (2/9/62) reported that: 'A top American Government scientific committee is looking into fears first raised in a series of *New Yorker* articles, that modern chemical pesticides are poisoning man's environment. The President himself has said that the committee had been formed since the article first appeared'. When the Committee reported in 1965, its findings confirmed Rachel Carson's facts and vindicated her claims. In 1980 she was posthumously awarded the Presidential Medal for Freedom, the US equivalent of our Order of Merit and in its obituary *The New York Times* called her 'one of the most influential women of all time'.

The British edition published on February 14th 1963 by Hamish Hamilton, with a preface by Julian Huxley and a foreword by Lord Shackleton, ran to reprint at the hardcover price of 25 shillings. The British Association of Agricultural Chemical Manufacturers prepared an expensively printed brochure including a section which could be used as a review by the lazy, praising Rachel Carson as a poetic popular writer and implying that she was merely an emotional, wild-life loving spinster of 55, rather than a qualified biologist with years of experience of what chemicals could do to wild and human life. The book, to quote the Association of Agricultural Chemical Manufacturers, was 'highly controversial', it 'gave an unbalanced picture', it was 'one-sided' and its 'conclusions needed confirmation by laboratory research'.

Printed 1989 by Green Books. Lawrence D Hills was the founder of the Henry Doubleday Research Association, which itself had roots in *The New English Weekly* the social credit periodical founded by Orage in 1932.

Asses in Clover

Abridged excerpt from Chapter 1

King Goshawk sat at the head of the table; and in a humble position behind the throne, close to the mouthpiece of the Great King's ear-trumpet, sat his secretary, Mr Slawmy Cander, whose black coat and grey trousers rendered him almost invisible. Nevertheless he was the greatest personage in the room. Goshawk ruled the world; but Mr Slawmy Cander ruled Goshawk. He was director of all the banks in the world; he made credit out of nothing; and he issued that which all men worship. Nobody, however, knew that he was anything but Goshawk's secretary.

Now the matter under discussion at the meeting was a disastrous plenitude of certain crops, notably milk and rice, due to a most unfortunate succession of fine seasons, whereby the profits of many princes had been seriously diminished, and large numbers of their subjects thrown out of employment, with world-wide repercussions in trade depression, bankruptcies and distress. King Pulpenbaum denounced the selfishness, or rather inefficiency of King Butterworth and King Ah-Sin who were the cause of it all. By flooding the world with cheap dairy produce and rice they had caused universal misery and starvation, and undone all the good achieved during the past ten years by King Goshawk's policy of wheat restriction. 'What was the use of dangling vast supplies of cheap food under the noses of millions of unemployed who couldn't afford to buy it? What was the good of producing tons of butter when people had no bread to spread it on?' It was enough to cause a revolution.

King Butterworth and King Ah-Sin pleaded that it was not their fault. They had done their best to discourage production, but the forces of nature had been against them.

King Goshawk scathingly reprimanded their inefficiency, and declared that he had no alternative but to order the destruction of their surplus stocks, and a reduction of thirty per cent in their output for next year.

King Ah-Sin objected that if the starving multitudes heard that vast stores of rice were being destroyed there would be trouble.

'Don't let them hear about it' said King Goshawk.

'With the deepest respect to your serene imperiousness' said Ah-Sin, 'such doings cannot be kept dark. I would sooner distribute my stocks free to those that need them.'

At these words a violent agitation of the tube of Goshawk's ear-trumpet might have been observed. After a moment of abstraction, he said: 'There can be no tampering with the inexorable laws of economics.'

'Wal' said Butterworth, 'I don't know much about them, but I'm durned if I'm going to reduce my output thirty per cent for anybody. Why, there might be a shortage next year, and then where'd we be?'

A breath came along Goshawk's ear-trumpet.

'The alternative' said he 'is a drastic restriction of credit by the banks. They

(continued on page 104)

Commentary on *Asses in Clover*

In *Asses in Clover* Eimar O'Duffy, the Irish playwright and novelist, continues his satirical saga of a world dominated by money. King Goshawk has bought up all the song birds and wild flowers in the world, housing them in theme parks. The mythical figure Cuanduine is sent to restore to the ordinary citizen their ancient birthright. However, swayed by a money-dominated mass media, economic experts and a general intellectual inertia, the people are content to continue working for money. If they earn enough, they can pay to visit wildlife theme parks in their leisure hours. If not, they are too stressed out with the worry of trying to earn a money income to care about the beautiful things in life.

One of the birds imprisoned in a theme park aviary has escaped. It flies to Ireland, where the locals are so delighted to hear bird song once more that they refuse to obey the demand for it to be returned. Goshawk and his corporate world mount a massive attack upon Ireland, intending to devastate the country with ghastly weapons of mass destruction. Cuanduine goes to Ireland and, with the aid of supernatural powers, constructs a great airplane. In a brilliant battle scene he destroys Goshawk's entire air force, after which he crosses the ocean to attack Goshawk's castle. Although Goshawk is destroyed, his financial advisor is spared. Mr. Slawmy Cander, being the real power in the world, continues to obscure the issues, making it impossible for Cuanduine to liberate the birds. Cuanduine returns to his wife, only to discover that in his absence his children have become creatures of materialism. In disgust, Cuanduine and his wife fly away, leaving the world to its own devices. In the final six chapters the logical fallacies of finance-centred growth economics are explored to their logical conclusions.

(continued from page 103)
will have no choice' he added.
Butterworth went pale.
'O say!' he protested. 'Give us a chance.'
'Give us time' pleaded Ah-Sin. 'One bad season is all we need to save us, and the astrologers prophesy that it's coming along next year.'
Goshawk brightened at this good news, and his eye fell on his chaplain the Reverend Doc. Bargold.....
'Say, Bish' said the King, 'do you hear that? You better go right away an' order prayers for a bad harvest.'

When Eimar O'Duffy was writing *Asses in Clover*, the last book in his *Cuanduine* trilogy, personal memories of the horrors of World War I still loomed large. The dead alone numbered at least nine million soldiers, sailors and airmen, plus five million civilians who perished as a result of occupation, bombardment, hunger and disease. Throughout Europe most people counted at least one person among their friends and relations who had suffered death or injury as a result of the war. Although few could say exactly what the war was all about, the money had been found to produce weapons to destroy buildings, kill and maim, while military personnel were fed, clothed and transported to the scenes of battle. After the war, however, no money could be found to provide ordinary civilians with basic economic security. For O'Duffy and his target readership, an economic system which produced poverty, unemployment, waste and war needed to be critically examined. After writing the first two books of the trilogy, O'Duffy came across Douglas social credit. *Life and Money*, O'Duffy's non-fiction work based upon social credit principles, is subtitled as *Being a Critical Examination of the Principles and Practice of Orthodox Economics with A Practical Scheme to End the Muddle it has made of our Civilisation. Asses in Clover* is a fictional interpretation of the themes explored in *Life and Money*.

Unfortunately, as a literary work, *Asses in Clover* falls far short of the first two books in O'Duffy's trilogy. *King Goshawk and the Birds* and *The Spacious Adventures of the Man in the Street* continue to be read by students of Irish literature and Utopian studies. Already a sick man when he came to write *Asses in Clover*, the author allowed the preacher to overcome the artist. The book is poorly constructed. Although the main theme is a continuation of the story of King Goshawk, Chapters 2 to 25 of Book 1 divert into a rant about the options open to the 'man in the street' under an economic system dominated by finance and materialism. Nevertheless, even these chapters explore economic life in language which is more readily comprehensible than a textbook on economics.

The 20th century has left a legacy of the history of two world wars and an on-going war against the natural environment and humanity itself. The root cause of the trouble can be traced to an economic system seemingly beyond human control. It is suggested here that a study of *Asses in Clover* may prove a more fruitful means of coming to an understanding of the economy in the 21st century than would resort to the study of standard economics textbooks. At least the story is peppered by passages of sparkling humour.

Although *Life and Money* ran to several editions, it has long been out of print. The main themes of social

credit economics, together with the history of the world-wide social credit movement, are presented in *The Political Economy of Social Credit and Guild Socialism.* Throughout this commentary, therefore, the reader is referred to the *Political Economy (PE)* for supporting factual documentation.

Chapter 1

O'Duffy places *Asses in Clover* in the context of the first two books of his trilogy and introduces his core theme – the centrality of finance under corporate capitalism. However, even in this first chapter the absurd names can deflect attention from the story line and deter the reader from pursuing the book further. This is unfortunate, since the theme of the chapter, like that of the book as a whole, has not dated with the passage of over seven decades.

O'Duffy follows C.H. Douglas in identifying an outdated financial system as the root of many of the problems encountered by ordinary people in their everyday lives as producers and consumers, i.e. economic agents. By working on the land with modern machinery, farmers can produce an abundance of food. This should be good for everybody. However, it is not good for the economic system, which trades on scarcity.

The financial system of industrial capitalism under which we labour today was inherited from the pre-industrial era. It is now outmoded. Before industrialisation *most* people provided for *most* of their everyday needs for themselves. It was then possible to trade any surplus for money to buy luxuries. Under industrial capitalism, most people most of the time obtain their basic everyday needs through the money system. The common understanding is that people go to work to produce the goods and services needed by society. They receive money as a reward for their contribution to the economy. They thereby have the right to spend their money on their chosen shopping basket of goods and services. The choices of the consumers decide what is produced in the next round of production. In short, all production is for exchange on the market.

Under this system labour becomes a commodity to be bought and sold on the market, while the market becomes virtually the sole means of access to the produce of the land and its people. Labour, skills, land, raw materials, transport, administration, machinery and know-how are combined in a series of complex arrangements over space and time. In the process of these developments finance becomes the dominant factor in the economy. The availability or non-availability of money determines how the resources of the economy will be combined and to what ends. Nearly every action which takes place in the developed world is inspired by money or is related to money in some way. However, as Douglas explained in the immediate aftermath of World War I:

Although most of the business world lives for money, works for money, dreams of money, and will die and condemn millions of others to death for money, not one person in ten thousand, at a very conservative estimate, has any grasp of the real relation of money to goods and services. Few have any conception of the method by which modifications in the money system can and do divert the current of productive energy supplied by skill, science, and labour into alternative channels of enterprise. (CH Douglas 1919, quoted in PE).

As Douglas further explained, the drive for economic growth is inherently finance driven, but finance itself is a commodity which is bought and sold. The whole system of money broking and credit issue is conducted for motives which have very little to do with raising general living standards, increasing opportunities for self-development or creating good work and ecological sustainability. Bankers and financiers are not to blame, however. They at least are consistent in their motivations. In the 1920s and 1930s the target audience of Douglas and O'Duffy is the person in the street who, as producer, consumer and citizen can choose whether or not to continue to endorse the actions of the powerful players.

Two interconnected themes which run throughout the book are introduced in the first chapter, the centralisation of control over production in the form of global corporations, and the ubiquitous rules of sound finance. Four decades later E.K. Hunt and Howard J. Sherman observed, in the summary of their chapter on "Government and Inequality", that economic inequality produces political inequality:

The economic power of a comparatively few corporations and individuals, which was examined in previous chapters [of their economics textbook], was shown here to result in a disproportionate degree of political power for this same group. This is not an accident, but a perfectly natural result of their control over the press, television and radio, advertising, financing for political campaigns and for lobbying, of foundations, and many other avenues of control open to those with wealth.

Because of this natural influence (and not any conspiracy), government policies do not decrease inequality in the American economy. In fact, after considering only those policies that are supposed to reduce inequality (such as taxation, farm

(contd. on page 110)

Basic Income

Eimar O'Duffy

Extract taken from *Life and Money* (1932)

In 1932 Eimar O'Duffy, author of *Asses in Clover*, explained the case for a secure income for all on the following grounds:

"The Socialist says: 'Nobody should have an unearned income.' Social Credit says: Everybody should have an unearned income: and it is there waiting for him."

That unearned income will be an equal share [regardless of wages and salaries] in that potential surplus of goods due to the productivity and economy of modern machinery as compared with hand labour. It is our share in the bounty of nature, and our heritage in the work of our ancestors. Nobody ever produces anything entirely by his own efforts. He is always assisted by natural forces, accumulated knowledge, and the organisation of society. Take the case of a man growing cabbages in his own back garden. He gets the sunlight, the wind and the rain free. He owes his spade to the remote ancestors who first smelted iron and thought out and improved the implement (he cannot claim to have paid for all that with seven-and-sixpence [£20 in present terms]. Then the qualities of the cabbage itself, latent in the seed for which he has paid three pence a packet [70p], are the result of countless experiments of which he knows nothing. Finally, the whole organisation of society is behind him to secure him in the possession of his crop. If this is true of such a simple thing as a cabbage plot, how much more does it apply to the complicated processes of modern industry. There is no such thing, in short, as a self-made man. We all help to make one another, and none of us does more than to contribute some small addition to the accumulated wealth of society. No need to inquire into merits and demerits. You cannot deny the inheritance to anybody without injuring everybody.

Remember, too, that we are lifting from the vast body of the nation that burden of anxiety under which every worker in every sphere of life is now compelled to labour – the haunting dread of what will become of them if, for one reason or another, their work shall cease to be needed. For what with rationalisations, amalgamations, efficiency campaigns and economy drives, scarcely a single job can be considered really safe. And, of course, the old enemies, sickness and death, remain with us ever.

Remember above all that we are saving hundreds and thousands of husbands and wives from the dread of parenthood, and making it seem no longer a burden and a disaster, but the joy and privilege that it really is. We are saving the race from the necessity of committing suicide.

Remember, finally, that we are not primarily concerned with the benevolent purpose of relieving suffering. We have arrived at this conclusion as a result of scientific reasoning with the object of making the economic machine function properly. This free gift is not charity: it is oil in the wheels of the machine. In bestowing it we are showing no more benevolence than a motorist does when he oils his engine."

[Earlier, O'Duffy points out that by producing plenty, farmers and manufacturers have brought down prices, which has thrown people out of work, so that they could not buy the plentiful supply of goods or enjoy increasing leisure, all because of flawed economic theories.]

Utopian Thinking?

Sean O'Grady wrote recently in the ad-filled motoring supplement of *The Independent:* "in answer to the many letters we get criticising some of our coverage, we don't make cars. We just write about them. [...] We try to concentrate on telling our readers about the many many ways you can enjoy motoring without costing the earth (in any sense)."
(O'Grady, *Sport Utility Vehicles: Don't shoot the messenger. The people who buy SUVs are the problem, not the industry that makes them, or even the motoring press* 7 March 2006)

O'Grady went on:
"Why so defensive? Because so much of the criticism so dangerously [sic] misses the point. Almost every one of us wants to help to save the planet and almost every one of us wants personal transport."
So who, according to*The Independent* motoring journalist, is to blame?

"The enemies of the planet, the hypocrites if you will, are not the oil companies that refine the petrol or the car companies that make the vehicles, or the journalists who write about them or the advertising industry that markets them or the bankers who lend us money to buy them. The people to blame are the people who buy cars in the first place, without whom none of the vast industry would exist. Now you know who to write letters to."

Taken from www.medialens.org
"Medialens" exists to promote understanding of the way truth is filtered from, rather than consciously obstructed by, the modern media system. The above passage is quoted as an instance of a facile argument. "Medialens" are perfectly correct in observing that the corporate world spends billions on advertising, thereby distorting perceptions. However, the ultimate decisions *do* rest with the people who work for, and buy the products of, the corporate world, as Douglas noted in *The Causes of War.*

Community Supported Agriculture (CSA)

Edited extract from series of articles published in *The New Farm*.
www.newfarm.org

Editorial Comment

If one brings people together without their having a (spiritual) world-conception ... then all that is good in such institutions will, sooner or later, inevitably turn bad. With people who have no world-conception centred in the spirit, it is inevitable that just those institutions which promote material well-being will have the effect of also enhancing egoism, and therewith, little by little, will engender want, poverty and suffering. Rudolph Steiner – *The Social Question*

It is a great tragedy that social credit has been portrayed – by opponents and proponents alike – as merely a (mistaken) system of monetary reform. Any such scheme, as Douglas never tired of pointing out, could be used on the platforms of power-seekers of all colours and persuasions, be it left or right, fascist or communist, labourist or capitalist. Long before the depression years leading towards World War II, Douglas was urging people to think about what they wanted to produce and consume, as economic agents, and then to set about achieving a sane economy. In a chapter headed "The Strategy of Reform", Douglas stated:

In considering the design, either of a mechanism or of an undertaking, it is first of all necessary to have a specific and well-defined objective, and, after that, a knowledge not only of the methods by which that objective can be obtained, but also of the nature and treatment of the forces which will be involved, the materials available, and their reaction to those forces.

The decision of objectives is the domain of policy. The decision of methods is technics, and the carrying out of those methods is technique. With the latter two the general public can have nothing to do, and therefore the submission of detailed schemes to the consideration of the public is a mistake where it is possible to avoid that course. It is a sound proceeding to submit a proposal to make a railway between A and B to the public as such; but to submit the engineering details of construction to the same general criticism would be absurd (Douglas, *Social Credit* 1924 p168).

The chapter continues with a prediction that if people failed to think about the mechanisms of banking and finance they would become increasingly beholden to a system beyond their control. The financial system of a modern industrial system is complex, best understood by the experts in banking and finance. However, as Douglas pointed out, the public, as producers, consumers and citizens should determine agricultural and industrial outcomes – not the banks. The story of Community Supported Agriculture (CSA) provides an excellent illustration of Douglas' good sense. The commercial, i.e. financial viability of these schemes should not be the determining factor in their survival. Steiner, Douglas and guild socialists like John Ruskin shared a common view that the money motive should not dominate the social order.

The ideas that informed the first two American Community Supported Agriculture ventures (CSAs) were articulated in the 1920s by Austrian philosopher Rudolf Steiner (1861-1925), and then actively cultivated in Europe in the 1950s, 1960s and 1970s. The ideas crossed the Atlantic and came to life in a new form, CSA, simultaneously but independently in 1986 at both Indian Line Farm in Massachusetts and Temple-Wilton Community Farm in New Hampshire. These two original CSA farms were still thriving in 2004. Both have established enduring legacies, confronting many challenges over the years while offering practical ways forward for both producers and consumers.

One of the major concepts is the producer-consumer association [a key feature of Douglas' *Draft Mining Scheme*, see *The Political Economy of Social Credit and Guild Socialism*], where the two are linked by their mutual interests, giving scope to develop an economy where what is produced locally can be consumed locally. The projects are based on biodynamic agriculture, anthroposophy and the "Small is beautiful" philosophy of E.F. Schumacher.

Anthony Graham was among the founders of the Temple-Wilton (TW) Community Farm, along with Trauger Groh and dairyman Lincoln Geiger. Trauger had moved to New Hampshire from Germany in 1985. A lot of the inspiration for the Temple-Wilton farm came out of Trauger's experience in Germany, and from the Camphill Village in Copake, New York, in 1961. Through the 1970s and early 1980s, Trauger, Carl-August Loss, and other farmers at Buschberghof in Northern Germany had been experimenting with ideas from the work of Rudolf Steiner. Each year a budget is presented showing the true costs of the farm over the coming year. Members of the farm make pledges to meet the budget, rather than paying a fixed price for the harvested produce. The overall philosophy of the TW Farm evolved from some of Steiner's ideas spelled out in his anthroposophical

writings. Some of the farm's key ideas are:

New forms of property ownership: The land is held in a common by a community through a legal trust. The trust then leases its property long-term to farmers who use the land to grow food for the community.

New forms of cooperation: A network of human relations replaces old systems of employers and employees as well as replacing the practice of pledging material security (land, buildings, etc.) to banks.

New forms of economy (associative economy): The guiding question is not "how do we increase profits?" but rather "what are the actual needs of the land and of the people involved in this enterprise?"

Trauger Groh is retired from active farming but stays close to the TW Farm. As he looks back over the years, he said he feels satisfaction. The farm has found a permanent home on good land and has also secured an orchard. In 2003, he said, the farm had a record harvest, and it received funding support from state, federal and local sources.

"The farm will easily raise the rest of the money," Trauger said. "There is enormous public interest. Wilton has voted at town meeting two years in a row to spend $40,000 of taxpayer money to support the farm and its programs. Now remember, this is in skinflint New Hampshire, where a request for money for a new light bulb can cause a knockdown, drag-out debate. Not one person has ever stood to speak against the funding request for the farm.
"Now is when all our work is paying off," Trauger observed. "We have a track record of 18 years. People know us and trust us. They can see what we are doing for the land and for the community." Reflecting on the start of CSA in America 18 years ago, Trauger said "As with all great ideas, the idea of CSA had arrived. It just needed to emerge. The time was ripe. Who started at what hour is totally unimportant. What is important is that the CSA initiative has emerged and developed, and there is now a base for people to carry forward."

In 1990, when Steven McFadden coauthored *Farms of Tomorrow* with Trauger Groh, there were about 60 CSAs in the United States. The years from 1986 to 1990 mark the first wave of CSA (Community Supported Agriculture) development. Since then CSA has diversified into a range of social and legal forms, with philosophically oriented CSAs at one end and commercially oriented subscription farms at the other. Books were written, organizations such as the *Biodynamic Farming and Gardening Association.* and Robyn Van En's *CSA North America* took an active interest, and the movement enjoyed a steady stream of favorable publicity. The CSA archetypes and infrastructure had been established. By the late 1990s, at least 1,000 CSAs had taken root in the United States, and growth continued quietly.

Susan Witt of the *Schumacher Society* said another motivating factor behind the growth of CSA has been awareness of the problems of the global economy. "By now the dominance of the mega-corporations has become so obvious that many people recognize the danger, and the need to create something safe, local, and sustainable. CSA does that. It isn't easy, but it works."

Meanwhile, food safety and security issues appear to be growing in scale and scope. The arrival of mad cow disease to the USA is heightening concerns. When coupled with awareness of global climate changes and the onslaught of dubious fertilizers, pesticides, and genetic engineering into the food chain, many people are beginning to regard CSA as homeland security of the most fundamental kind. These linked concerns bid strong to propel another surge of CSA growth. Whether safety concerns act as a motivating engine or not, the basic common sense of CSA will continue to earn community farms a welcome place in a growing number of US cities, suburbs, and towns.

It seems as if there is another level of CSA development taking place, not just in the US but also internationally. Australia is starting up a network of CSAs, we understand, and also Hungary, India, Hong Kong, Holland, and especially England, where the Soil Association is strongly promoting it.

CSAs are also developing in Brazil, Argentina, Venezuela, France, Denmark and Germany. In Japan, it is well developed - *teikei* [partnerships with local farmers through annual subscriptions] is a mature movement, reportedly with millions of members.
Thanks to the existing CSA models, all these potent motivating forces have a roadmap to some safe, economical and creative pathways.

While still minuscule in the overall scheme of all things agricultural, CSA does occupy an interesting niche. It represents at least a partial answer and in some cases a complete answer to many of the profound challenges now facing this country and the world.
The United Nations recently released a report on global economics (1). The report stated baldly: "There is overwhelming evidence that 'efficient' (industrial) agriculture is not only mining the natural resource base but also influencing other parts of the environment in ways that are detrimental to the well-being of humankind."

(1) UN Report on Sustainability

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Two Agricultural Fallacies

Wendell Berry

1. That Agriculture may be understood and dealt with as an industry.

This assumption is false, first of all, because agriculture deals with living things and biological processes, whereas the materials of industry are not alive and the processes are mechanical. That agriculture can produce only out of the lives of living creatures means that it cannot for very long escape the qualitative standard; that is, in addition to productivity, efficiency, decent earnings, and so on, it must have health. Thus the farmer differs from the industrialist in that the farmer is necessarily a nurturer, a preserver of the health of creatures.
Second, whereas a factory has a limited life expectancy, the life of a healthy farm is unlimited. Buildings and tools wear out, but the topsoil, if properly used and maintained, will not wear out. Some agricultural soils have remained in continuous use for four or five thousand years or more.
Third, the motives of agriculture are fundamentally different from the motives of industry. This is partly accounted for by the differences between farming and industry that I have already mentioned. Another reason lies in the fact that, in our country and in many others, the best farms have always been homes as well as workplaces. Unlike factory hands and company executives, farmers do not go to work; a good farmer is at work even when at rest. Over and over again, experience has shown that the motives of the wage earner are inadequate to farming. American experience has shown this, but it is perhaps nowhere so dramatically demonstrated as in the Soviet Union, where small, privately farmed plots greatly outproduce the communal fields.
Finally, the economy of industry is, typically, an extractive economy: it takes, makes, uses and discards; it progresses, that is, from exhaustion to pollution. Agriculture, on the other hand, rightly belongs to a replenishing economy, which takes, makes, uses and returns. It involves the return to the source, not just of fertility or of so-called wastes, but also of care and affection. Otherwise the topsoil is used exactly as a minable fuel and is destroyed in use. Thus, in agriculture, the methods of the factory give us the life-expectancy of the factory—long enough for us, perhaps, but not long enough for our children and grandchildren.

2. That a sound agricultural economy can be based on an export market.

We should begin, I think, by assuming that a sound economy cannot be based on any market that it does not control.
We should assume, further, that any foreign market for food ought to be temporary and, therefore, by definition, not dependable. The best thing for any nation or people, obviously, is to grow its own food, and therefore charity alone would forbid us to depend on or to wish for a permanent market for our agricultural products in any foreign country. And we must ask too, whether or not charity can ever regard hungry people as a "market."
But the commercial principle itself is unsafe in agriculture if it is not made subject to other principles, such as that of subsistence. Commercial farming must never be separated from subsistence farming; the farm family should live from the farm. Just as the farm should be, as much as possible, the source of its own fertility and operating energy, so it should be, as much as possible, the source of food, shelter, fuel, building materials, and so on for the farm family. In this way, the basic livelihood of the farming population is assured. In times such as these, when costs of purchased supplies are high and earnings from farm produce low, the value of whatever the farm family produces for itself is high and involves substantial savings. What is exported from the farm in whatever quantity, is properly regarded as surplus—what is not needed for subsistence.
At every level of the agricultural system, the subsistence principle should operate. The local consumer population in towns and cities should subsist, as much as possible, from the produce of the locality or region. The primary reason for this, in the region as on the farm, is that it is safe, but there are many other benefits: it would tend to diversify local farming as well as support the local farm economy. It would greatly reduce transportation and other costs, put fresher food on the table, and increase local employment. What would be exported from the region would, again, be regarded as surplus.
The same principle should then apply to the nation as a whole. We should subsist from our own land, and then the surplus would be available for export markets or for charity in emergencies.

The surplus should not be regarded as merely incidental to subsistence but as equally necessary for safety—a sort of "floating" supply usable to compensate for both differences and vagaries of climate. Because of droughts, floods and storms, no farm region, or even nation an be assured forever of a subsistence, and it is only because of this that an exportable surplus has a legitimate place in agricultural planning.

This piece is taken from Wendell Berry's *Home Economics* (North Point Press, New York 1987)

I do not regard it as a sane system that before you can buy a cabbage it is absolutely necessary to make a machine gun (C H Douglas 1933)

(continued from page 108)

http://www.unu.edu/unupress/unupbooks/uu24ee/uu24ee00.htm#Contents

Steven McFadden is the director of *Chiron Communications* in Santa Fe, NM http://www.chiron-communications.com. He co-authored *Farms of Tomorrow Revisited* (1998) with Trauger Groh.

(contd from page 105) subsidies, and education), we can conclude that many of them actually increase the degree of inequality. If we had considered all government policies, the net effect would undoubtedly have been to substantially increase inequality. Given the present sources of political power, it appears very doubtful whether the government will ever take actions that would substantially reduce poverty and inequality. (*Economics: An introduction to traditional and radical views*, Harper and Row, New York and London, 1972. p301).

As O'Duffy and others in the 1930s were well aware, the potential profits made possible by mass production and nationwide markets led to intense industrial warfare in the final decades of the 19th century. Through the crushing of competitors and not infrequently the swindling of the general public, a handful of giant corporations came to dominate the American economy, laying the foundations for global corporatism. The establishment of various government regulatory agencies, ostensibly aimed at controlling these giant corporations, tended to aid these giants in consolidating and stabilising their massive empires.

The collusion of government and big business determined productive and distributive outcomes, i.e. what was produced and who had incomes to access the goods and services produced. While orthodox economists justified the illusory "free play of market forces", heretics pointed to the distinction between industry, which produces needed articles for human well-being, and business, which produces profits for wealthy "absentee owners" or financiers by sabotaging industry. Throughout Asses in Clover O'Duffy draws attention to imperialism, militarism, and the general chronic misery resulting from devotion to the rules of "sound finance" which demand "full employment".

More recently Hywel Williams has demonstrated how the intellectual victory of capitalism has created an all-powerful financial elite. Introducing his latest book, *Britain's Power Elites: The Birth of a Ruling Class* (Constable, 2006), Williams opens his *Financial Times* article with the statement:

The political and cultural consequences of the City hegemony over British life are as important as the financial and commercial ones.

For here is an elite of the elites whose power has grown to a dimension that is truly imperial in the modern world – stretching across countries and continents, able to ignore the previous constraints of national sovereignty. (*Financial Times* 21st March 2006)

Ahead of his time, O'Duffy foresaw with uncanny accuracy the consequences of uncritical acceptance of the inexorable laws of 'sound finance'.

Food Security

Contrary to the position of the American agricultural lobby, there is growing concern that the international trade in food is actually a factor in the spread of hunger. The area in which re-localisation would be most beneficial is that of food security. A major effect of the global market is to undermine the food-producing economies of small farmers. The 'export-led growth' ideology means that vast areas of local food-producing agricultural land throughout the world have been given over to export crops. From pineapples in Indonesia to tobacco and export mange-tout in Zimbabwe, from strawberries and roses in Kenya and bananas in the Caribbean and asparagus in Qwa Qwa to tea and coffee, sugar and rubber elsewhere, food-growing land has been taken over by large, mostly foreign, companies producing for export. Farmers have to *buy* food for themselves.

Margaret Legum *It Doesn't Have to Be Like This* (Wild Goose Publications 2003) ISBN: 1 901557 76 6

A Social Crediter's Diary

September 7th 1934.

When John Ruskin, in *Unto This Last*, sounded the first trumpet call for Old Age Pensions, people mistook it for the nonsense of a madman. Old Age Pensions are now firmly established. When Major Douglas first sounded the reveille for the National Dividend, that is, an income for everybody for life, payable out of the community's inheritance of science and invention, people could not believe that he could both mean what he said and be of sound mind. Yet the world, from New Zealand to the United States, is rapidly becoming convinced that if the problems of "Poverty amid Plenty" and "Unemployment" are to be solved at all, the solution will have to include the National Dividend.

Obituary

John Kenneth Galbraith
1908 – 2006

One of the most popular and well-read economists of the 20th century, an outspoken critic of many of the most ingrained assumptions of fellow economists, his accessible style did much to stimulate a popular interest in economics. He argued that many key economic theories held dear by professional economists were not applicable in real life.

In the 1950s he stated that America's quest for wealth creation was fine at establishing giant companies and encouraging consumer demand for

products the consumer did not need, but was doing so at the expense of the social welfare of many, and thereby a society of haves and have-nots. In that decade also he was one of the first economists to question the way natural resources were being squandered by rampant consumerism.

Book *Review*

An Angel Directs the Storm: Apocalyptic Religion and American Empire

Michael Northcott

I B Tauris 2004 £19.50

The title of this book comes from a letter sent to Thomas Jefferson after the American Declaration of Independence by one John Page from Virginia, who wrote, 'We know the race is not to the swift nor the battle to the strong. Do you not think an angel rides in the whirlwind and directs this storm?' George Bush borrowed the phrase to argue that America will be successful in shaping the balance of world power, and in defending her allies and her own interests and values, since it is 'the angel of God who directs the storm'. Now, it seems, the battle is to the strong. Michael Northcott's purpose is to expose the faulty theology that he detects underlying such politics, and to contrast it with a political theology that is, as he sees it, authentically Christian. In short, he contrasts a theology of empire that gives America a leading role in the apocalyptic battle that will precede the second coming, with an anti-imperial pacifism.

The Puritan settlers of North America saw their task as building the peaceful and righteous kingdom that would usher in the millenial rule of the saints of the book of Revelation. The work of preaching the gospel to every nation would begin in America, and America would use her wealth and liberty to spread the Christian faith across the globe. This optimistic 'postmillenialism' is to be distinguished from 'premillenialism' (or 'dispensationalism'), which locates the present age in a period of lawlessness and warfare before the return of Christ. When the liberal theology of the nineteenth century was inspiring a fundamentalist reaction, the economic depression of the1920s arrived to encourage a pessimist theology of history. The stage was set for a premillenial reading of twentieth century history, in which the return of the Jews to Palestine was a crucial stage in the progress towards the Rapture, in which the saints would be rescued from this earth, and the final Battle of Armageddon. One detailed dispensationalist reading of twentieth century history, Hal Lindsey's The Late Great Planet Earth (1970), has sold over forty million copies.

Northcott argues that religious dispensationalism has heavily influenced the foreign policy of the United States; for example, Ronald Reagan explicitly identified Gaddafi's coup in Libya as a precursor of Armageddon. The evidence for Bush's premillenialism is more circumstantial: his links with dispensationalist preachers, his conviction that he has a divinely chosen role in leading the defeat of America's enemies, and the compatibility of both his support for Israel and lack of interest in the environment with the belief that the apocalypse is at hand. At the least there seems good evidence that Bush sees the US domination of world affairs, in particular in the middle east, in the interests of a neo-conservative interpretation of freedom and democracy as part of a fundamental battle of unmixed good against evil: there is no uncertainty as to which side God is supporting, or indeed directing. This domination, as Northcott argues, effectively takes the form of empire, an empire that demands a quasi-religious reverence, and blood-sacrifice from its own members as much as from its enemies.

Northcott's own reading of New Testament political ethics could hardly be more different. Following the Mennonite theologian John Howard Yoder, he argues that the pre-Constantinian church, following its founder, was not only strongly anti-imperial but also pacifist, and that Christian political theology after Constantine was a corruption of the original. From this perspective, it is unsurprising that Bush's politics and theology alike appear unqualifiedly mistaken; indeed, any state with an army - Slovakia as much as the States - would be in the wrong. A more interesting question, it seems to me, would be whether Bush's wars are unjust by the standards of those who accept that warfare is sometimes, but within strict limits, a necessary evil.

Northcott's sweeping analysis is stimulating, but all too often he fails to provide the detail that would make his case compelling. For example, he suggests that Pentagon officials (and therefore presumably the President) knew enough about the proposed attack on September 11th to save their own skins. There may be strong evidence for so grave and important an allegation, but if so it is neither provided nor weighed. Again, Northcott lumps together Constantine's apologist Eusebius with St Augustine, whose detached scepticism about imperial power he completely fails to grasp. Moreover, it is arguable that his overall thesis succumbs to the very polarisation that he condemns in George Bush: those who are not pacificists are, by implication, imperialists with ambitions for world domination. Historically, Christian theology has found a range of positions between the two, which deserve a more serious hearing than this book provides.

Margaret Atkins is a Senior Research Fellow of Blackfriars, Oxford and a member of the Augustinian community at Boarbank Hall in Cumbria.

The True Cost of Living
***The New Age* 1934**

Our contributor "R.R." once told how, when agents for chemical fertilisers first came round the West Countryside, a certain farmer made a test of them one against another, and all of them together against the old lime and animal dung. He divided up a field chess-board fashion, manuring each square differently, and then sowing the whole with the same grass seed. When the grass came up he turned in a flock of sheep to see which square they grazed first. So marked was their preference for the old-style product that when they had cropped it close to the ground they still tried to crop it closer despite the fact that new-style grass was standing inches high all round them. Their noses detected some distinction in quality; and the farmer rightly hesitated to allow the higher quantity yields and greater labour-saving promised by the agents of the chemical manures to outweigh the consideration that the sheep knew best what was best for them, and that what was best for them was best in the long run for everybody concerned – producer and consumer alike.

In a fundamental sense a person eating meat is eating fertiliser at two removes. The manure is the diet of the grass, the grass that of the animal, and the animal that of the man. The chemical difference between one fertiliser and another will, of course be attenuated to an infinitesimal degree in these sub-dietary processes, but no-one who keep abreast of scientific research will scoff at the theory that that difference may have manifest results.

NOTE: The *New Age* promoted social credit from 1919. Its editor, Arthur Brenton, was most likely the author of the above extract.

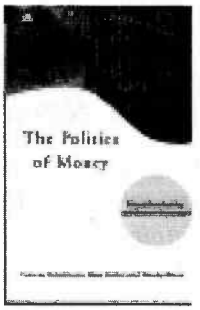
Books by C H Douglas
(available in the Social Credit Library)
Economic Democracy
Social Credit
The Monopoly of Credit
Warning Democracy
Credit Power and Democracy
The Control and Distribution of Production

SUBSCRIPTIONS TO TSC
Annual rates from 2006:
UK inland £8.00 Airmail £12.00
Make cheques/money orders payable to KRP Ltd and send to The Social Credit Secretariat, PO Box 322, Silsden, Keighley BD20 0YE

Recommended Reading

Eimar O'Duffy
Asses in Clover
(Jon Carpenter £11.00)

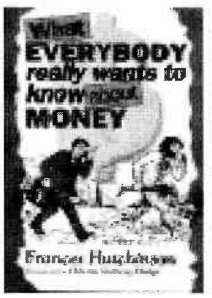
Frances Hutchinson
Social Credit? Some Questions Answered
(KRP £5.00)



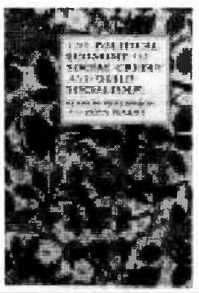
Frances Hutchinson, Mary Mellor & Wendy Olsen
The Politics of Money: Towards Sustainability & Economic Democracy
(Pluto £16.99)

H J Massingham
The Tree of Life
(Jon Carpenter £13.99)

Frances Hutchinson
What Everybody really wants to know about Money
(Jon Carpenter £12.00)



Frances Hutchinson & Brian Burkitt
The Political Economy of Social Credit And Guild Socialism
(Jon Carpenter £12.99)



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

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