

Understanding Finance Through *Asses in Clover* A Commentary

Introduction

At the Autumn 2009 conferences of the main political parties in the U.K., heated words were, as ever, exchanged on the subject of the economy. No politically acceptable solutions were apparently at hand to solve the problems of personal, business and government debt, accompanied by business failures and mounting unemployment. It was said that: “The country has run out of money. We have to make some hard choices.” And “There is no popular way to bring public expenditure under control.” Proposals to bring in later retirement for women and men, raising the age for both to 66 years, were hailed as ways for the government to ‘save’ money. In the meantime, young people are being made ‘redundant’ because their employers can no longer afford to employ them. Whichever party was making the statements matters not at all. The failure of logic and common sense is apparently endemic.

Very similar nonsensical issues were being discussed when the Irish poet and novelist Eimar O’Duffy (1893-1935) published *Asses in Clover* during the ‘credit crunch of the 1930s. The book provides a humorous fictional representation of the relationship between, corporate heads, bankers, politicians, the press, the academics, the military and the man in the street, in their attempts to come to an accommodation with the economy-as-we-know-it. Despite the passage of time, the characters of *Asses in Clover* find themselves in circumstances which are to all intents and purposes identical with those of the present day. As a fictional easy-read, the novel may leave much to be desired. However, as an alternative to starting with the works of Adam Smith, Marx, Keynes, Douglas or even a standard textbook on economics, *Asses in Clover* provides an excellent introduction to the ‘dismal science’ in the twentieth century.

Money and Value

If you have a sweet and I have a biscuit, we can barter, or exchange, one for one. If money enters in, I can sell you the biscuit for £2, buy the sweet for £1, and end up £1 the richer. Money changes the nature of the exchange of goods and services in ways which have nothing to do with the inherent or ‘real’ values of commodities available on the market. The question is, where did the money come from? How was it that you had £2 with which to buy the biscuit in the first place? What is the relationship between the real value of sweets and biscuits to you and I, and the money values we place upon them in the money economy?

If you were to grow a potato in your garden, dig it up and roast it on a bonfire, you could enjoy eating the potato without any money changing hands. Alternatively, if you had some money, you could go into a supermarket and buy a ready-to-eat potato in the form of a packet of crisps. The potato in the supermarket has a money value. It has been taken from the ground, processed, packaged, advertised, wholesaled, retailed, accounted and

transported throughout the stages of ‘production’ from soil to point of consumption. Money has changed hands over and over again as the potato passed through the various processes of production over time. The packet of crisps has a price put upon it, whereas the home-roasted potato has no money value. Both of the potatoes have ‘real’ value, but only the supermarket packet of crisps has a money value.

Social Credit is an exploration of the relationship between ‘real’ values and money values as they work through society as a whole. The creation of market values, reckoned in price, occurs through the processes of production. There are two types of production – the production of real value and the production of price. Manufacturers produce goods and services which are in market demand. Merchants manipulate prices to their own advantage by adding money values to the product as it passes along the way. A certain amount of ‘real’ value must be produced in order for the manipulation of prices to take place. However, in a developed economy, the majority of people live by manipulating the prices of the real values created by the natural world and human labour in combination. Any form of ‘work’ in the money economy adds money value to goods and services without necessarily adding ‘real’ value to human society as a whole.

Sensible people like you and I would regard economics as the science of the employment of human abilities to produce the maximum output of really useful goods and services with the minimum expenditure of human time and labour. But commercial economics of the market economy bears no relationship to this common sense approach. Instead, the object of the exercise is to produce the maximum number of goods and services which can be sold on the market at the minimum cost to the ‘profiteer’, the person or corporation bringing them to market. It is the science of commercial production *for profit*, rather than production for use.

Eimar O’Duffy and the 1920s

The story-line of *Asses in Clover* is the quest of two contrasting characters to make sense of the corporate world economy which can produce war and poverty in the midst of plenty. Cuanduine, or Cú an Duine, the Hound of Man, is a mythical demigod charged with the task of ridding the world of the corporate capitalists who control access to natural and human resources, including all the world’s wildlife. Cuanduine’s battle with materialism is intertwined with the quest of Mac ui Rudai, the man-in-the-street, to find a modest level of economic security. Throughout most of the book Cuanduine travels in the company of Mr. Robinson, a journalist of the mainstream press who finds good copy in Cuanduine’s activities.

In the first two books of his Goshawk trilogy, O’Duffy asks some fundamental questions about modern society. In *King Goshawk and the Birds* (1925) the author contrasts the philosophy of corporate materialism with the values of Celtic traditions. In *The Spacious Adventures of the Man in the Street* (1928)¹, he pursues his perception that it is the man-in-the-street, and he or she alone, who makes or breaks corporate power by their acceptance or rejection of the domination of money over all other values in their lives.

¹ Both books published in London by Macmillan.

The books reflect the mood of intense questioning about the institutions of industrial society during the 1920s. Virtually every individual had lost close friends and family in a War (1914-18) which nobody could explain or understand. The majority of young men had answered the call to fight for King and Country for a cause which defied common sense. Women had engaged in the war effort, being employed for money wages to produce munitions for their men-folk at the front, many of whom never returned. No fall-guy of a Hitler-figure left some little justification for the mutual killing and maiming of individuals who could share Christmas songs across the battle-lines in 1915. The big question during the 1920s was not so much how to avoid a future war – that was taken as evident - as to how to build the ‘good society’ in times of peace. The ‘land fit for heroes’ built on the ruins of war was the cherished dream common to all classes of society.

The 1920s was a time of great public debate on the burning issues of the times, led by thoughtful writers and their readers. It was a great time of self-education and shared study, as working men who had come to know their better educated brothers in the trenches of the battlefields came to recognise their own capabilities. Literary figures like G.K. Chesterton, Hilaire Belloc, H.G. Wells, George Bernard Shaw and many others were household names. Trade unionists studied the works of thinkers like William Morris, John Ruskin and Karl Marx as they sought to enter politics at a time when socialism was first emerging as part of the power structure of corporate society. The American institutionalist economist Thorstein Veblen described the rise of corporate power based upon the absentee ownership of corporations and the emulative consumerism of the people. From as early as 1918, esoteric thinkers like A.R. Orage, the Guild Socialist editor of the influential weekly *The New Age*, and Rudolf Steiner observed the wider trends towards further war. Such philosophers recognised the oppressive nature of the Communist Revolution in Russia from the very outset. Following from his analysis of the financing of the First World War, Clifford Hugh Douglas (1879-1952) started to illuminate the role of financial institutions within the social order through his writings on what became known as ‘Social Credit’.

Eimar O’Duffy and the 1930s

After completion of the second book of the trilogy, *The Spacious Adventures of the Man in the Street*, O’Duffy came across Social Credit literature and set about studying economics, from both heterodox and mainstream perspectives. His researches led to the writing of *Life and Money: 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*², which was widely reviewed and ran into reprints. By the time he wrote *Asses in Clover*, which is more of a polemic than a novel, he was already a sick man. Eimar O’Duffy died in 1935.

During the 1930s the issues raised in Social Credit literature were hotly debated throughout the U.K. and the rest of the world. Academics, economists and politicians of all persuasions produced volumes of literature to counter the debate conducted in books, periodicals, public meetings and broadcasts by Social Credit spokesmen and women. At

² 1932. Putnam. London and New York. Second Edition (revised and enlarged) May 1933.

one point three national weeklies were devoted primarily to providing a Social Credit perspective on current affairs, with countless local news-sheets circulating in towns and cities across the globe. In Alberta, Canada, the election of a Social Credit government in 1935 raised the issue of the relationship between the democratically elected legislative body and the financial authorities operating within their boundaries.³

By the late 1930s the career politician, academic and administrator had come to accept the necessity to distance himself from the amateur Philosopher. Crank, populist notions about a sane society founded on peace and justice were considered impractical: as guides to practical policy formation, they would do more harm than good. And so the world was plunged, in 1939, into another even more terrible world war. From 1945 onwards, pacifists and Social Crediters were labelled anti-social individuals prepared to condone anti-Semitism. Nothing further was heard of Eimar O'Duffy.

Summary of the story line of *Asses in Clover*

The Goshawk Trilogy as a whole portrays the power of the corporate world over all aspects of society, religious, academic, legal and economic. Thus the 'man-in-the street' finds him/herself utterly dependent for access to the necessities of life upon an economic system which remains totally beyond his comprehension. The recurring theme throughout the trilogy is the powerlessness of the spiritual Philosopher to convince the populace at large that, in practical reality, they hold the power to end the evils of corporate materialism. Of the three, the first book, *King Goshawk and the Birds*, is the most successful as a satirical science fiction novel.

The trilogy starts with the Dublin Philosopher who contrasts the banality and ugliness of materialistic 'progress' with the beauty of God's creation. The Philosopher is outraged to read the following newspaper report:

'GOSHAWK BUYS BIRDS WHEAT KING'S LATEST ENTERPRISE

'A New York message just received states that King Goshawk has completed negotiations for the purchase of all the blackbirds, robins, larks, and nightingales in the world. The vast bulk of these will be removed at an early date to the great park of Goshawk Palace, but a few will be kept in aviaries near the principal cities for the delectation of their inhabitants.

'On King Goshawk's well-known principle that "Anything free is not valued", it is understood that there will be a small charge for admission to these aviaries.

King Goshawk deserves the gratitude of the public for having thus taken one more step in harnessing Nature to the service of mankind.'

To right this wrong, the Philosopher seeks supernatural aid in the form of Cuchulain, the hero of Celtic mythology. He brings Cuchulain back to earth in the body of a grocer's assistant. Cuchulain soon despairs of the follies of the materialistic world in which he finds himself, and returns to Tir na nOg with a maiden rescued from an unwanted

³ For detailed a detailed history of these events see *The Political Economy of Social Credit and Guild Socialism* by Frances Hutchinson and Brian Burkitt, Jon Carpenter (2005 edition) and *Understanding Finance: The Silencing of Social Credit*, Jon Carpenter (Forthcoming).

arranged marriage. Cuanduine, the result of the union of the mythical hero and the maiden, is destined to return to earth to continue his father's mission. The trials and tribulations of Cuanduine are related in *King Goshawk and the Birds*, and are continued in *Asses in Clover*.

Asses in Clover picks up Cuanduine's story from *King Goshawk and the Birds*, which ends with the hero's successful intervention to end the Wolfo-Lambian war. The initial three chapters of *Asses in Clover* serve the purpose of linking it with the first book in the trilogy. O'Duffy portrays the corporate world busy making profits from marketing the produce of nature and human labour. The inventions of the machine age have resulted in the problem of over-production. The over-abundance of the goods flowing onto the markets spells disaster to the profiteers, who thrive on scarcity. Sensible ways out of the mess are vetoed through the behind-the-scenes advice of Goshawk's chief financial advisor, Mr Slawmy Cander, director of all the banks in the world. The ending of the Wolfo-Lambian war is greeted with great consternation all round by the corporate heads, as it will throw munitions workers out of work, leading to economic depression.

Meanwhile, having, through the use of his super-plane, rescued the Lambians from certain annihilation at the hands of the Wolfians, Cuanduine makes the mistake of requesting enough cash to re-fuel his plane as he leaves the country. In doing so he commits the unforgivable sin of asking for money without earning it from the sale to the economic system of land, labour or capital. Cuanduine is forced to journey on foot, accompanied by the reporter, Mr. Robinson. In the rest of Book I, the two men wander through the world witnessing the lunacy of a sophisticated productive system driven to growth and over-production on the dictates of 'sound finance'. In their travels, Cuanduine and Mr. Robinson come across Mac ui Rudai, and learn his tale of woe. The spectacle of dire poverty amidst plenty is portrayed through the eyes of the three characters. Eventually, Mac ui Rudai marries a product of the times, a brainless dolly-bird, totally bereft of home-making or child care skills. The marriage ends in disaster. In the Golden Valley Cuanduine courts and wins his bride, in tune with the ways of nature and the spirit, and retires from the modern world.

The escape of a single songbird from the Goshawk aviaries triggers war between the 'international community' and the Irish people, who harbour the bird and refuse to give it up when commanded to do so. In Book II Cuanduine is summoned from his home in the Golden Valley to defend Ireland from the onslaught of the deadly weapons of modern warfare. He is given supernatural aid to build his great airplane, Poliorketes, on the condition of three *geasa* or promises which are laid upon him. The meaning of the *geasa* remains obscure until just after he has broken them. Having made a spectacular end of the International Air Force, Cuanduine takes Castle Goshawk. King Goshawk dies of fright. At this point Cuanduine breaks his first *geis*, "not to kill a lion and spare a jackal", by allowing Mr Slawmy Cander to live.

At first, the defeat of the International Air Force is kept from the general public through the corporate control of the press. Book III forms a masterly description of how the powers-that-be and the common people can work together to perpetuate an insane political economy even if offered sound ways out of the mess. In arguing with the

economists and Slawmy Cander, the financier, Cuanduine breaks his final two *geasa*, “not to argue with the Headless Men of the Woods” (the economists), and “not to answer the questions of White upon the lips of Black; for wisdom appears as folly to darkened understandings.” His powers fade. He fights off his attackers in his air plane Poliorketes, and returns to his wife, only to find that his four children have chosen to become thoroughly modern salaried employees of big business. He departs with his wife to Tir na nOg.

The final chapters provide an amusing glimpse of a Utopian society on the Moon. In an attempt to revive the failing growth economy on Earth, the corporations seek to exploit a new lunar market, but the ‘Selenites’ prove unreceptive to market forces. They have a simple political system: a committee of twenty-five is selected annually by lot. If anything goes wrong with their administration, they are all put to death. Hence nothing ever goes wrong. They have an equally sound financial system which enables them to buy any goods made available through improved technologies or increased imports without causing inflation or unemployment. Following the futile attempt to bring the Moon under the authority of orthodox economics and Sound Finance through military force, ‘civilization’ on Earth is brought to an end. Humanity ceases to exist.

The 20th century has left a legacy of two world wars, and an on-going war against the natural environment and the social fabric of humanity itself. The root cause of the trouble can be traced to an economic system which operates according to laws seemingly beyond human comprehension or control. Since standard economics textbooks provide little illumination, there is a remote possibility that the study of *Asses in Clover* could prove a fruitful means of coming to some understanding of the economy in the 21st century. At least the story is peppered with passages of sparkling humour. Thus the interactions of three groups are portrayed: the heads of institutions of the corporate world, the philosophic idealists and the ‘man-in-the-street’. The latter is the crucial element in modern society. If s/he remains mesmerised by the notion that s/he has no choice but to go to work or to war as commanded by the corporate elite, it seems very unlikely that humanity will survive to the end of the twenty-first century.

Work and income

The entire story of *Asses in Clover* revolves around the quest of the ordinary individual to secure a modest sufficiency of income. Mac ui Rudai’s brothers seek fame, fortune, power and self-indulgence. They are more likely to be successful in their quest than Mac, the man-in-the-street, who merely wants to contribute to society whatever might be asked, in return for a modest but secure lifestyle. In different ways throughout the book, Mac ui Rudai is told by employers and economists that there is not enough money to employ him because modern technology can produce vast amounts of goods without his aid. If the goods were selling on the market, his services could be afforded so that he could purchase goods as a consumer. But the inexorable laws of sound finance cannot be disobeyed. In the course of the book Mac, and the other characters, find temporary forms of employment churning out anything from fashion items to mis-information. Eventually, Mac finds secure and well-paid employment as a scientist researching nerve gasses for

war. The 2009 equivalent would perhaps be employment in the pharmaceutical industry devising GM crops.

The real and financial economies

Financial pressures to the production of useless, wasteful and disposable production, sold through advertising, were the means to maintain economic activity and keep people in employment during the 1930s, and remain so to the present day. Thus a make-believe financial accounting system creates a false inducement to produce, counting as ‘wealth’ what is more accurately accounted as waste. In 1922 Clifford Hugh Douglas observed:

“You seize any unconsidered trifle of matter which may be lying about and you make it into something else. You assert by a process of arithmetic legerdemain known as cost accounting that the value of the original matter which we may call ‘a’ is now $a+(b+c)+(d+e)$, ‘b’ being labour, ‘c’ being overhead charges, ‘d’ being selling charges and ‘e’ being profit, and that the wealth of the country is increased by this operation in respect of a sum equal to $(b+c+d+e)$. With the aid of your banking system you now create credits ... to show that the financial wealth of the country has increased.”⁴

Thus, arbitrarily, an increase in *financial* value is accounted positively, regardless of the real value to workers, consumers or society as a whole, and equally regardless of the destruction of energy and other natural resources. The degradation of the earth’s resources and humanity through the production of wasteful and polluting consumer items for exchange on national and international markets on grounds of purely financial profitability is the theme running throughout *Asses in Clover*. It is no less farcical in the second decade of the twenty-first century to hear politicians and economists defending the economics of *financial* growth regardless of environmental degradation and poverty in a world capable of producing plenty for all. *Asses in Clover* presages the rapid early 21st century pollution of China, India, other third ‘world’ countries and eastern Europe, as clothing, plastic toys, white goods, computers and cash farming crops are churned out in the name of free trade and world economic growth.

King Goshawk’s financial advisor creates financial ‘credits’ out of nothing. On this point, in *Life and Money* O’Duffy refers the reader to Douglas’ *The Monopoly of Credit* for a “scientific” explanation of how the financial system works. When first published in 1931, *The Monopoly of Credit* carried the following statement on its dust jacket:

“How is it possible for a world which is suffering from overproduction to be in economic distress? Where does money come from? Why should we economise when we are making too many goods? How can an unemployment problem, together with a manufacturing and agricultural organisation which cannot obtain orders, exist side by side with a poverty problem? Must we balance our budget? Why *should* we be asked to have confidence in our money system, if it works properly?”

At the time those words were written the financial system was causing economic depression, unemployment, and poverty amidst plenty. In the ‘credit crunch’ of 1931, the Labour Government adopted the policy of cutting unemployment benefits on the advice of the financial institutions. With less money available to be spent on the goods of the

⁴ (Quoted in *The Political Economy of Social Credit and Guild Socialism*, Hutchinson and Burkitt, p49).

machine age, markets declined, factories closed and more people were thrown out of work.

Douglas draws attention to the ephemeral nature of finance. Suppose Great Britain was regarded as a commercial undertaking. It might produce a balance sheet. Normally, in any undertaking, its potentialities are its assets, while the calls upon those potentialities are its liabilities. Hence one could envisage:

GREAT BRITAIN Ltd

Assets	Liabilities
(Population, Education, Morale)- Human Potential	National Debt
Policy	Bankers (Potential creators of effective demand)
Organisation	Insurance Companies
Natural Resources	(Mortgage and Bond Holders)
Developed Power	Cash at call
Plant (Railways, Buildings, Tools, etc.)	Taxation for Public Services
Goodwill (Tradition, Reputation, etc.)	
Work in Progress	
Consumable Goods	

The assets arise from the individual and collective creative efforts made by the population as a whole. The liabilities impose limits upon the capacity of the population in general to determine productive and distributive outcomes – what should be made and who has a right to the incomes necessary to buy the goods and services produced. Note that the above chart is unlike **the?** familiar purely *financial* accounting systems. The liabilities are not defined. The fixed assets appear on the opposite side to the money assets. The two sides do not balance, and cannot be made to balance, because the financial system is, at present, in opposition to all other interests. It has a life of its own.

“Man cannot control the laws of economics. They control him.”

Throughout *Asses in Clover*, O’Duffy’s economists are repeating actual quotations from contemporary speeches and newspaper articles by leading politicians and economists, as referenced in O’Duffy’s *Life and Money*. ‘Economists’ are people schooled in orthodoxy within the universities. Those who do not toe the mainstream line are not employed to teach economics, nor are they accepted by the mainstream political parties of right or left. Although there is disagreement about the relative impact of different causes, all orthodox economists agree that any solution will fail if it does not follow the rules of sound finance.

Some of the most entertaining passages in *Asses in Clover* depict O’Duffy’s study of the leading economists of the day. The economics experts have many different ways of explaining why the practical problems of the real world economy are inherently insoluble. Economists are the only people who can explain precisely why the obvious

solutions to clearly identified problems cannot be entertained. In their varying styles and language, economists present the same conclusions: there is no alternative but to obey the rules of sound finance. If there is too much material wealth produced, there will be no work to do, so prices will fall and taxes will rise. Re-distribution of the existing 'cake' would only give crumbs to everybody, whilst taking away incentives, so all must work harder to increase the size of the existing cake. Over-production and over-population are the causes of unemployment and poverty. Or another way to see the problem is to identify a disequilibrium between savings and investment. In the 1920s and 1930s, as now, all these points of view were being canvassed quite seriously by professional economists in the press and mass media.

The learned economists in *Asses in Clover* are in agreement that distribution of sufficient money for the poor and needy to buy food and clothing would cause untold havoc in the finely balanced economic system. Hence the poor should be eliminated by fair means or foul. O'Duffy here anticipates the work of Susan George, author of *How the Other Half Dies*, most particularly *The Lugano Report: On Preserving Capitalism in the Twenty-first Century* (Pluto Press, 1999). Mac is warned to stay clear of "currency cranks and unorthodox economists", against whose views "the Bank" has wisely closed the press. Very little has changed since O'Duffy wrote, all those decades ago. O'Duffy does not, however, merely voice empty criticisms of economic orthodoxy: he presents the Social Credit alternative analysis.

National Dividend and the Price Factor

As O'Duffy wrote, the economist John Maynard Keynes was advocating the creation of work through public finance of infrastructure building schemes as a seemingly novel means to stimulate national purchasing power. For O'Duffy, the creation of *work* as a means to an *income* is one of the craziest notions of the modern political economy. In his *Asses in Clover* story, O'Duffy describes how the "song birds and wild flowers", representing the natural world and all its resources, are 'privatised' by King Goshawk, using money created out of nothing by his financial advisor, Mr. Slawmy Cander, director of all the world's banks. People have now to seek employment in the formal money economy in order to obtain an income to buy the basic necessities of life. However, if production is plentiful and prices fall, there is not enough money around to offer employment to all.

Towards the end of the book O'Duffy observes that "The Selenites were too backward and ignorant to produce any economists; and as to entrusting the management of their affairs to some functionary analogous to Mr Slawmy Cander, such an idea never interested the Lunatic intelligence." In a few short pages (311-317) O'Duffy deftly presents a Social Credit alternative to economics-as-we-know-it, one which is capable of coping with the economics of plenty resulting from technological progress. In his fictional scenario, the Selenites moderate the relationship between production and distribution through the dual mechanisms of the 'Price Factor' and the 'Nid' or 'National Dividend'.

The notion of the 'Price Factor' is unfamiliar, not only to the general reader, but more particularly to the career economist. O'Duffy's introduction to the concept of a non-inflationary method for injecting new money into the economy is neat (see pages 311-312). However, the serious student needs to study Douglas' original writings on the subject, alongside other literature on the subject (see Further Reading). The 'Nid' or 'National Dividend' (page 312) is, as a concept, slightly more familiar. It combines the ideas of a state pension, unemployment benefits, child benefits and family income supplements into one universal payment as of right, regardless of work status. The difference is that the 'Nid' is not a transfer payment out of taxation, but a 'dividend' to be calculated alongside the 'Price Factor'. In the 1930s the concept of a National Dividend as a right was particularly popular with women who questioned the logic of child carers and home makers being dependent upon a man, whether as husband or employer, to supply the basic finance necessary to run the family home. A recurring theme throughout O'Duffy's writings is the role of women within an economic and social system designed by and for self-interested Rational Economic Man.

The 'Disneyfication' of literature

The 1930s was the decade of early American cultural colonisation, commencing with the rise of Disney. His first full length animated film, *Snow White and the Seven Dwarfs* (1937) provides a classic example of giving the masses what they want to consume in their leisure hours, while setting the pattern for Disney heroines. Snow White is pretty, young, sweet-tempered, innocent and obedient. She is content with the routine tasks of housekeeping because she knows that her rich, capitalist prince will come to her rescue. In face of danger she totters away on high-heeled shoes in floods of tears. Finding a tumble-down cottage in the woods, the home of male wage-slaves (the dwarfs) who obviously have nobody to mother them, she feels impelled to clean up for them. The 'baddie' in the film is the power-seeking step-mother, who gives the beautiful young girl a poisonous apple, sending her into a deep sleep. The dwarves guard Snow White until her prince wakes her from the state of suspended animation that is the fate of all women without a man. Snow White rides off with the stranger, with never a thought for her worker companions. The crone, representing older women who seek to influence affairs, is destroyed.

Writing in the decade when the first Disney film appeared, O'Duffy perceives the degradation of male/female relations into short-term self-gratification, as young women become mere sex objects dressing themselves for sale to the highest bidder. As the 20th century progressed, 'liberation' increasingly meant being sexually accessible at all times. Women were also expected to be good consumers, prepared to buy the clothes, house and consumer items capable of creating the illusion of being the princess/heroine, while spending on holidays in theme parks and leisure resorts to maintain the dream.

A recurring theme throughout *Asses* is the domination of finance over all aspects of social relations, including the home, family life, education and culture generally. By the twenty-first century the ambiguities in the relationships between the sexes has become increasingly pronounced. Women seek to maintain a youthful appearance through slimming diets, while shouldering the bulk of the responsibility not only for home, child

care and the care of the chronically sick but increasingly acting as the main or sole 'breadwinner'. Meanwhile low-status males are increasingly confused, as they strive to emulate successful male role models. Boys learn to play games on computers and football pitches, but grow up to find they can be accepted or rejected as workers or fathers for reasons beyond their control or comprehension. By way of contrast, O'Duffy introduces characters drawn from Celtic folk mythology. These include respected female characters such as Badb the War Goddess, who corrects the hero when appropriate.

O'Duffy's crude critique of 20th century feminism (pages 154-5) may appear dated to modern feminists. However, the poet Wendell Berry has challenged the notion that it is intrinsically 'liberating' for a woman (or a man) to take paid employment that puts them under the authority of a boss whose own authority is no more than that of a paid employee.

"Corporate power is composed only of lower underlings and higher underlings. This is invariably revealed when the time comes for accepting responsibility for something unpleasant, such as the Exxon fiasco in Prince William Sound, for which certain lower underlings are blamed but no higher underling is responsible. The underlings at the top, like telephone operators, have authority and power, but no responsibility."⁵

Berry's essay, entitled "Feminism, the Body and the Machine", echoes O'Duffy's much earlier questioning of the notion that all sense of personal responsibility for one's actions was 'old fashioned', necessarily to be rejected in the name of 'progress'. Berry continues:

"And the oppressiveness of some of this office work defies belief. Edward Mendelson (in the *New Republic*, February 22, 1988) speaks of "the office worker whose computer keystrokes are monitored by the central computer in the personnel office, and who will be fired if the key-strokes-per-minute figure doesn't match the quota." And what are we to say of the diversely skilled country housewife who now bores the same six holes day after day on an assembly line? What higher form of womanhood is she evolving toward?

"How, I am asking, can women improve themselves by submitting to the same specialization, degradation, trivialization, and tyrannization of work that men have submitted to? And that question is made legitimate by another: how have men improved themselves by submitting to it? The answer is that men have not, and women cannot, improve themselves by submitting to it"⁶

The problem, concludes Berry, echoing O'Duffy over half a century earlier, is that women and men alike are submitting to an economy that exploits and degrades people and their environment. Unthinking supporters of the *status quo* generally cannot cope with the idea that people might wish to work for motives other than financial. They assume that the only help worth giving to others must not be given, but sold. "Love, friendship, neighborliness, compassion, duty – what are they? We are realists. We will be most happy to receive your check."⁷

The causes of war

⁵ Wendell Berry (1990) *What Are People For?*, San Francisco. North Point Press. pp183-4.

⁶ Berry, *op.cit.*

⁷ Berry, *op.cit.* p185.

Chapter 19 of Book I is a classic description of the justification of warfare in the twentieth century. In Book II, the attack on the Irish by the ‘international community’ is condoned by the nations of the world because “the Irish had put themselves outside the pale of civilisation by their disobedience to the laws of sound finance”. The refusal of the Irish to give up the bird (which had already been returned to captivity) was an offence against ‘sound’ economics because to expect something for nothing was a grave sin. If economic measures fail, war is justifiable. The weapons described by O’Duffy are no figment of his imagination. The descriptions are accurate, taken from the scientific documentation of the ‘advances’ in technology at the time. In the Introduction to his book *The Pity of War* (1998, re World War I), Naill Ferguson quotes lines from Wilfred Owen’s “Dulce et Decorum est” on the horror of gas warfare. O’Duffy’s indictment of the warfare of ‘civilised’ nations is also documented by Martin Gilbert in his three volume *History of the Twentieth Century*, the second volume of which is aptly subtitled *Descent into Barbarism 1933-51*.

The story progresses rapidly through its horrendously prophetic course, predicting Dresden, Hiroshima, Nagasaki, Vietnam, East Timor and the many other attacks on civilian populations which can only be justified on the grounds detailed by O’Duffy (see pages 203-4). Equally, O’Duffy accurately predicts the increasing corruption of the news media under the ultimate control of finance. Thus right thinking, which must precede right action, was, throughout the 20th century, eliminated. It was simply in nobody’s interests – in business, academia or politics – for individuals to challenge the sources of their power, prestige, and income. In the 21st century lone voices like Noam Chomsky, John Pilger, Michael Moore and many others remain just that – lone voices amid a sea of ‘yes-men’ prepared to work for the system, whilst saving to enjoy their personal benefits in retirement.

In true story-teller style, apparent victory is undone by the hero’s innocence. The power behind the throne is allowed to live, so that the masses can continue to be swayed by weasel arguments which allow them to remain enslaved to finance in a thought-free existence. The Philosopher dies at the end of Book II, under the illusion that his task is completed.

Economics in theory and practice

The fictional events depicted in the final Book of *Asses in Clover* can be read against the backdrop of the socio-economic climate of the first decade of the twenty-first century. In September 2009 a petition was signed by 2000 career economists. All 2000-plus signatories endorsed the following words by Paul Krugman:

"Few economists saw our current crisis coming, but this predictive failure was the least of the field’s problems. More important was the profession’s blindness to the very possibility of catastrophic failures in a market economy ... the economics profession went astray because economists, as a group, mistook beauty, clad in impressive-looking mathematics, for truth ... economists fell back in love with the old, idealized vision of an economy in which rational individuals interact in perfect markets, this time gussied up with fancy equations ... Unfortunately, this romanticized and sanitized vision of the economy led most economists to ignore all the things that can go wrong. They turned a blind eye to the limitations of human rationality that often lead to bubbles and busts; to the problems of institutions that run amok; to the

imperfections of markets, especially financial markets, that can cause the economy's operating system to undergo sudden, unpredictable crashes; and to the dangers created when regulators don't believe in regulation. ... When it comes to the all-too-human problem of recessions and depressions, economists need to abandon the neat but wrong solution of assuming that everyone is rational and markets work perfectly." (*New York Times*, September 2nd, 2009.)

In an email circulated in October 2009, economist Geoffrey Hodgson commented:

"Krugman joins a line of Nobel Laureates, including Ronald Coase, Wassily Leontief and Milton Friedman, who have argued that economics has become largely transformed into a branch of applied mathematics, with inadequate contact with the real world. On the online website, Krugman's words are supported by Nobel Laureate Douglass North.

"The narrow training of economists – which concentrates on mathematical techniques and the building of empirically uncontrolled formal models – has been a major reason for the failure of the economics profession to appreciate market vulnerability and warn of the serious risks in the financial system. In their pursuit of tractable models, economists have made over-simplified and misguided assumptions concerning of human agents, markets and other institutions, rather than engaging adequately with the complexities of the real world.

"Mathematics is very important and useful, but it should be a servant to economics, and not its master. Real-world substance should prevail over mathematical technique. To help avoid further failings, governments in the USA, Europe and elsewhere should look into the state of economics and the way economics is taught."

Thus, in the topsy-turvy world of the twenty-first century economists are reduced to signing petitions as a means to bringing about change in their profession. Nothing has changed since O'Duffy penned his fictional and non-fictional observations on professional economists over seven decades ago. Economic theory-as-we-know-it is delightfully lampooned in the first ten chapters of the final book of *Asses in Clover*, in language which has not dated with the passage of time. In his descriptions, O'Duffy anticipates the power of the mass media, in particular television (which was yet to become a household phenomenon). His depiction of the use of the 'expert' to control perceptions of reality has proved to be uncannily accurate.

In the final Book of *Asses in Clover* O'Duffy provides a thumb-nail sketch of economic theory and practice in the twentieth century. The attempts by the worldly powers to create an export market on the Moon fail because the 'Selenites' already operate a version of economic democracy as explored in Social Credit texts of the 1930s. Douglas' analysis of the relationship between the real economy and the financial economy, and his suggestions for a sane alternative are portrayed accurately and comprehensively.

Where there is a will there is a way?

With all its literary weaknesses, *Asses in Clover* provides a light-hearted introduction to the Social Credit analysis of the role of finance in the lives of individuals and the institutions of society as a whole. O'Duffy presents a picture of 'asses in clover' who do not trouble to think for themselves. As long as they are provided with 'clover' by their masters they will not trouble themselves to think about tomorrow, still less about the part they themselves play in the wider scheme of things as they follow the orders of their

masters. In the twenty-first century people continue to merely grumble from the sidelines, waving banners of protest, sending letters to press and idly scoffing at the antics of their politicians. Economists continue to declaim that if Disney culture and junk food are ‘what the people want’, who is to deny it to them? Protestors have ‘their say’ on television, while the corporate world wheels out its ‘experts’ to explain why the protests are misguided. Some dissenting voices are tolerated from time to time, creating an illusion of a reasoned debate in the policy formation processes. However, the salaries and positions of the ‘experts’ depend upon them defending the *status quo* in the face of genuine challenge. “It is difficult to get a man to understand something when his salary depends upon his not understanding” (Upton Sinclair, quoted in the trailer to Al Gore’s film *Inconvenient Truth*, about climate change).

In Chapter 3 of Book I, O’Duffy’s description of the psychology of corporate power remains classic to the present day. Corporate heads operate on the principle that every moral protester has his price, *i.e.*, can be won over to the service of the powers-that-be. If necessary, the powers can offer the illusion that the particular protest is being taken on board. As an employee, he can be sacked if he steps out of line. Powerful individuals who might bring about real change can be eliminated. If, in spite of misrepresentation by the corporate press, the ‘hero-protestor’ remains dangerous to corporate interests, he can be murdered by corporate employees. As Andrew Rowell’s 1990s research for *Green Backlash* demonstrates, this is by no means a fanciful flight of the imagination, but a truthful statement of the reality of corporate power.⁸

The powers-that-be operate on the basis of paying an income to all who serve the corporate will. However, as the economist Douglas demonstrated, in a sophisticated post-industrial technological economy, there is no *necessary* relationship between work done and the size of the money income reward for doing it. The allocation of incomes is purely a matter of accounting based upon outdated traditions. Many essential tasks do not yield a money reward, whilst many socially and environmentally damaging tasks are highly rewarded. If the saying, “If a job’s worth doing, it is worth being paid to do it,” was the sole rule of thumb, and everybody had to be paid for their contribution to the real-life economy, mothers would demand payment for going into labour. The twenty-four hour care of each child would have to be paid for. In her role as carer, a mother could not do the housework, or chauffeur children to school. So other workers would have to be paid – and vetted – to do the work of child rearing. This would be very expensive so ‘they’ would argue that babies should be taken from their mothers as they emerged from the womb, and reared in nurseries, in order to save money. Indeed, mothers should be selected out as breeders, a not-so-fanciful notion, as Pat Spallone demonstrated as long ago as 1989.⁹

Over the decades since O’Duffy wrote *Asses in Clover*, the proposal to pay every individual a Basic or Citizen’s Income as an unconditional right, regardless of work

⁸ See *Green Backlash: Global subversion of the environment movement*, London and New York. Routledge. (1996)

⁹ *Beyond Conception: The new politics of reproduction*, Pat Spallone. London. Macmillan Education.(1989)

contribution, has been consistently opposed *by the man-in-the-street*. So successful has been the corporate conditioning that, whenever the possibility is raised, it is greeted with shock, horror and universal condemnation. No sneaking ray of optimism appears at the end of O'Duffy's novel. And yet, he would not then have written, and I would not now be drawing attention to his work, were it not for that annoying glimmer of hope. My conclusion is that the role of finance in everyday life will only be understood when men and women from all walks of life take it upon themselves to study and debate this central issue of our times. As people cease to rely on the 'experts' for guidance, then, and only then, will finance be converted from tyrannical master to the useful tool it has the potential to become.

Frances Hutchinson
November 2009

Further Reading

Hutchinson, Frances and Brian Burkitt (1997) *The Political Economy of Social Credit and Guild Socialism*, Charlbury. Jon Carpenter (2005 reprint).

Hutchinson, Frances (Forthcoming) *Understanding Finance: The Silencing of Social Credit*. Charlbury. Jon Carpenter.

Rowbotham, Michael (1998) *The Grip of Death: A Study of Modern Money, Debt Slavery and Destructive Economics*, Concord, MA and Charlbury. Jon Carpenter Press.

See also the writings of C H Douglas.