

## POSTMODERN PROVOCATEURS

### pp. 222-end

#### 9. Albert Einstein (1879 - 1955)

“A man's ethical behaviour should be based effectually on sympathy, education, and social ties; no religious basis is necessary. Man would indeed be in a poor way if he had to be restrained by fear of punishment and hope of reward after death.”

Key works: *The Special Theory Of Relativity* (1905), *The General Theory Of Relativity* (1916).

Summary: German physicist and mathematician who proposed the Special and General Theories of Relativity. He also made major contributions to the development of quantum mechanics, statistical mechanics and cosmology, and is generally regarded as the most important physicist of the 20th century.

#### THE SPECIAL THEORY OF RELATIVITY

Before Einstein, the world's understanding of space, time and the universe came from 17th century British physicist Isaac Newton (1642 - 1727).

Newton had developed three laws of motion and a theory of gravity:

- \* A body remains at rest, or moves in a straight line (at a constant velocity), unless acted upon by an outside force.
- \* The acceleration of an object is proportional to the force acting upon it (the more force on an object, the greater its acceleration will be).
- \* For every action, there is an equal and opposite reaction (if you strike an object with a force of x, then the object also strikes you with the same force).

The key concept was that masses experience attractive force between them (which acts at a distance, instantaneously) resulting in their acceleration toward each other. The strength of the force depends on the size of the masses and is inversely proportional to square of the distance between them.

In Newton's universe, space existed independent of the matter in it. Both space and time were absolute, regardless of the motion of the observer and the matter contained within space. No substance controlled the motions of the moon, earth and planets; only the force of gravity. But Newton's theory was a 'descriptive' one. It didn't explain *how* the force of gravity was exerted.

Newton's laws satisfactorily explained most phenomena studied for the next 200 years. Toward the end of the 19th century, however, as measuring devices grew more precise, a list of inconsistencies was growing.

One problem concerned the speed of light. To an observer at rest in Newton's absolute space, light travels at a constant speed. But logic dictates that when the observer is moving through space, the observed speed of light should vary, depending on whether the observer is moving toward the source of light or away from it.

By the end of the 19th century, more sensitive instrumentation allowed this notion to be put to the test. In 1881, using a sensitive apparatus, Albert Michelson (1852 - 1931) found no difference between the speeds of light measured for opposite directions of travel. Working with chemist Edward Morley (1838 - 1923) in 1887, he repeated the experiment using still more accurate instruments; they obtained the same results.

The implications were undeniable and scientists began to explain the results by theorising that distance through which light travelled might appear to stretch or shrink, depending on the direction of travel.

Einstein tackled such inconsistencies in his Special Theory of Relativity:

- \* Its first postulate was that the speed of light is the same for all observers, regardless of their motion relative to the source of the light.
- \* The second postulate was that all observers moving at constant speed should observe the same physical laws.

Putting these two ideas together, Einstein showed that the only way this can happen is if time intervals and / or lengths *change* according to the speed of the system relative to the observer's frame of reference.<sup>43</sup> This flies against our everyday experience but has since been demonstrated to be true in a number of experiments. For example, scientists have shown that an atomic clock travelling at high speed in a jet plane ticks more slowly than its stationary counterpart.

## THE GENERAL THEORY OF RELATIVITY

Einstein's 1905 theory is referred to as the 'special' theory because it is limited to bodies moving in the absence of a gravitational field. It took Einstein eleven more years to formulate a set of general laws that took account of gravity. The result: Einstein's landmark paper on General Relativity.

The '*Science for the Millennium*' website [archive.ncsa.uiuc.edu/Cyberia/NumRel/GenRelativity.html](http://archive.ncsa.uiuc.edu/Cyberia/NumRel/GenRelativity.html)] discusses General Relativity:

Picture a bowling ball on a stretched rubber sheet.

The large ball will cause a deformation in the sheet's surface. A baseball dropped onto the sheet will roll toward the bowling ball. Einstein theorised that smaller masses travel toward larger masses not because they are 'attracted' by a mysterious force, but because the smaller objects travel through space that is warped by the larger object...

...Another way of thinking of the curvature of spacetime was elegantly described by Hans von Baeyer. In a prize-winning essay he conceives of spacetime as an invisible stream flowing ever onward, bending in response to objects in its path, carrying everything in the universe along its twists and turns.

This is a basic postulate of the Theory of General Relativity. It states that a uniform gravitational field (like that near the earth) is equivalent to a uniform acceleration.

What this means, in effect, is that a person cannot tell the difference between (a) standing on the earth, feeling the effects of gravity as a downward pull and (b) standing in a very smooth elevator that is accelerating upwards at just the right rate of exactly 32 feet per second squared.

In both cases, a person would feel the same downward pull of gravity. Einstein asserted that these effects were actually the same. A far cry from Newton's view of gravity as a force acting at a distance!...

...Einstein's Special Theory of Relativity predicted that time does not flow at a fixed rate: moving clocks appear to tick more slowly relative to their stationary counterparts. But this effect only becomes really significant at very high velocities that approach the speed of light.

When 'generalised' to include gravitation, the equations of relativity predict that gravity, or the curvature of spacetime by matter, not only stretches or shrinks distances (depending on their direction with respect to the gravitational field) but...will [also] appear to slow down or 'dilate' the flow of time.

In most circumstances in the universe, such time dilation is miniscule, but it can become very significant when spacetime is curved by a massive object such as a black hole. For example, an observer far from a black hole would observe time passing extremely slowly for an astronaut falling through the hole's boundary. In fact, the distant observer would never see the hapless victim actually fall in. His or her time, as measured by the observer, would appear to stand still. The slowing of time near a very simple black hole has been simulated on supercomputers...

In the decade after its publication in 1916, Einstein's Theory of General Relativity led to a burst of experimental activity in which many of its predictions were vindicated. These predictions were encapsulated in a series of field equations that laid the foundation for all subsequent research into relativity and partly for modern cosmology as well.

## RELATIVITY AND RELATIVISM

Einstein remained largely unknown to the general public until 1919, when the British astronomer Arthur Eddington (1882 - 1944) set out to test the General Theory of Relativity. During a solar eclipse, he watched to see if a ray of light passing the sun would bend according to Einstein's formulations. When it did, the news spread far and wide through scientific circles and, via the media, to the wider community. The Times of London wrote that Einstein's theories would "overthrow the certainty of the ages" and "require a new philosophy, a philosophy that will sweep away nearly all that has hitherto been accepted as the axiomatic basis of physical thought." Very quickly, Einstein became a famous world figure whose ideas were widely discussed by the intellectual and social elites. And, just as Darwin's theories were distorted by others, the same happened with Einstein's.

In the 1920s, the chattering classes of high society began to engage in dinner table dialogues about all things being relative in a social sense (as well as scientific); all things including, that is, morality. It was the vogue to talk of moral standards as being relative and not absolute, emerging from social customs and other sources.

An outworking of this view is cultural relativism: wherein one cannot judge a society as a whole; one can only judge an individual according to the morés of their own society. Judging someone from the morality of another society is akin to the concept of simultaneity and time in different inertial frames of reference: a pointless exercise. Hence, for example, the Indian practice of Suttee, wherein wives throw themselves on the funeral pyres of dead husbands, is not morally wrong in a universal sense because it is an acceptable practice within the Indian subculture in which it has been practiced. Similarly, the practice of female genital circumcision/mutilation, widespread in Africa and the Middle East, could be seen in the same light.

It is true that such ideas had been discussed by the ancients. For instance, Protagoras (c. 481 BC - 420 BC), the pre-Socratic Greek philosopher, said: "Man is the measure of all things." (E.g. water may feel warm to one person and cold to another.)

Other ancient philosophers even argued in favour of cultural relativism, contending supposedly sacred rites such as marriage were merely social conventions that varied among cultures.

However, it could be argued the relativism fad of the 1920s marked the first widespread dissemination of the concept through society at large. (The fad faded in the fog of the Great Depression focused but relativism reappeared with a vengeance after World War II; with the discovery of the works of Søren Kierkegaard by the English-speaking world, thanks to the translation of his works as well as the rise of the mass consumer culture - *see chapter on Søren Kierkegaard.*)

## THE ATOMIC AGE

Einstein's discovery of the relativity of space and time led to an equally revolutionary insight: matter and energy are interrelated (even equivalent).

The equivalence of matter and energy is summed up in the famous equation:  $E = mc^2$ .

The implications of this equation were huge. Einstein proposed that the amount of energy contained in matter is equal to the mass of that matter multiplied by the speed of light (186,000 miles per second) squared. So, even in a small object, the amount of latent energy within is enormous.<sup>44</sup>

In 1932 the neutron particle was discovered by James Chadwick (1891 - 1974).

The neutron is a subatomic particle with no net electric charge and a mass slightly more than a proton (another subatomic particle albeit one with a positive fundamental electric charge). The nucleus of all atoms (except the most common isotope of Hydrogen, which consists of a single proton only) consists of protons and neutrons.

In 1938 German chemists Otto Hahn (1879 - 1968) and Fritz Strassmann (1902 - 1980) split a uranium atom into two roughly equal parts by bombarding it with neutrons. As a result of this experiment, Austrian physicist Lise Meitner (1878 - 1968), with her nephew (physicist) Otto Frisch (1904 - 1979), were able to explain the process of nuclear fission (the process in which a heavier unstable nucleus divides or splits into two or more lighter nuclei, with the release of substantial amounts of energy), placing the release of atomic energy within reach.

Thus, the potential of nuclear reactions to be used for weapons of vast destructive power was known by the time World War II broke out. The leaders of the Allied nations were concerned about Germany producing such weapons (Einstein himself personally wrote to President Franklin Delano Roosevelt (1882 - 1945) advising him to start an atomic weapons program to ensure the Allies had such weapons before the Nazis). And so began the Manhattan Project, which brought the top minds in nuclear physics together (under US military direction and led by physicist Robert Oppenheimer (1904 - 1967) with the goal of producing fission-based explosive devices. The Project was unable to produce fission-based weapons prior to the unconditional surrender of Germany in May 1945, but was able to produce a test device and two deliverable devices, one using uranium 235 as fissionable material (known as Little Boy) and another using plutonium as fissionable material (known as Fat Man).

The 1945 Potsdam Declaration called for unconditional surrender by Japan; the Japanese, however, wanting a guarantee that their emperor would remain on the throne before they would surrender, continued fighting. Facing the prospects of a long, bloody 'island hopping' campaign to conquer Japan (and also wishing to intimidate the USSR), President Harry Truman (1884 - 1972) chose to force a Japanese surrender by using the newly developed nuclear weapons. Little Boy was thus delivered to the Japanese city of Hiroshima by the bomber Enola Gay, and Fat Man by Bocks Car to Nagasaki (total death toll from both bombings: 140,000).

The Atomic Age had begun.

## EINSTEIN'S GOD

Although Einstein once said that God didn't play dice with the universe, he didn't have any specific religious allegiance. He was akin to the Deists in that when he spoke of 'God' it was not a personal divine being (which he did not believe in) but, rather, a cosmic unifying law of the universe, of life. He described

the motivation for his search for truth as ‘a cosmic religious feeling’ and once wrote that, of the mainstream religions, Buddhism contained a stronger element of this feeling than all others.

## EINSTEIN’S LEGACY

Einstein’s legacy is one wherein the entire cosmology of the human race has been permanently altered so that we now inhabit a strange and uncertain world that is not as it seems; where space and time are both absolute and relative; where a fourth dimension of spacetime exists (that can be warped by tremendous forces beyond comprehension); where the human race is now capable of destroying itself tens of thousands of times over.

Late in his life, Einstein said: “The release of atom power has changed everything except our way of thinking...the solution to this problem lies in the heart of mankind.

“If only I had known, I should have become a watchmaker.”

43

To understand this point, one has to understand that time is linked to physical space. As Vincent Sauvé (c.1958 - ) says in his essay “Why Time Is Absolute, And Relative, But Never Universal” (2000):

Time is reckoned by noting the intervals that occur by the motion of material things. Historically, this has meant how many times the sun is at its highest point in the sky (days), the moon at the same phase (month), and the passing of the seasons (year). Recognition of the passage of time is always in relation to something material. The more uniform the material motion the more accurate we can be in our measurements and divisions of time.

But Einstein said this notion of time only has meaning in a specific system or frame of reference in which Newton’s laws of motion (or inertia) apply (such as the law that states all things that are at rest in that system will stay that way and things that are set in motion will continue in that motion in a straight line with a constant speed unless acted upon by external forces such as gravity, which *accelerates* objects towards its source). Einstein called this system an ‘inertial’ frame of reference.

Sauvé continues:

An inertial frame is a frame of reference in which bodies are not accelerated from the perspective of within the system. Yet, the whole inertial frame of reference will be accelerated relative to something else. The important point here is that gravity accelerates all material things (including light) equally together, so that an inertial observer will notice that all things move equally and together within his system (or rather, stay in place relative to him), even though his entire system will be accelerating relative to something else...Any experiment, for example, whether he measures the space (extension, distance), and the time of impact of a bullet fired from a gun, or a beam of light from one [side of the room to another], will have constant results regardless of direction. For him, (when considering only that which is part of his inertial system) his sense of motion or rest is an absolute one, and therefore, also his definition of time. I also agree with this view of the measurement of time, by Einstein:

The measurement of time is effected by means of clocks. A clock is a thing which automatically passes in succession through a (practically) equal series of events (period). The number of periods (clock-time) elapsed serves as a measure of time. The meaning of this definition is at once clear if the event occurs in the immediate vicinity of the clock in space; for all observers then observe the same clock-time simultaneously with the event (by means of the eye) independently of their position. Until the theory of relativity was

propounded it was assumed that the conception of simultaneity had an absolute objective meaning also for events separated in space.

This assumption was demolished by the discovery of the law of propagation of light [i.e. the speed of light is the same for all observers within an inertial system, regardless of their motion relative to the source of the light]. For if the velocity of light in empty space is to be a quantity that is independent of the choice (or, respectively, of the state of motion) of the inertial system to which it is referred, no absolute meaning can be assigned to the conception of the simultaneity of events that occur at points separated by a distance in space. Rather, a special time must be allocated to every inertial system. If no co-ordinate system (inertial system) is used as a basis of reference there is no sense in asserting that events at different points in space occur simultaneously. It is in consequence of this that space and time are welded together into a uniform four-dimensional continuum.

Einstein referred to this continuum as “space-time,” and these concepts may be illustrated by the following example (from a vague memory of a school science lesson):

Light takes eight minutes to reach earth from the sun. Say a giant hand extinguished the sun at 8:00am New York time. We would still see the sun burning away for eight more minutes. The event (the extinguishing of the sun) would not take place until 8:08am by reckoning of our clocks (even though it has actually occurred at 8:00am). So, in this sense, the event has not taken place simultaneously at both physical locations because of the distance separating it from our observational standpoint. (Only in the four-dimensional continuum of space-time has the event occurred at an absolute fixed simultaneous moment.) Hence, we could say that the event takes place *relative* to the observer (as an astronaut who could somehow stand on the surface of the sun without being burnt to a crisp would experience the event at 8:00am New York time if he had his watch set to that time zone). And, if Newton was correct about gravity acting instantaneously, earth would drift out of orbit before the sun disappeared. Einstein stated this is impossible as nothing can travel faster than light (including gravity), so earth would also remain in orbit until the gravity wave arrived releasing the planet from its solar orbit (the wave would arrive *after* the minimum eight minute period it would take for the sun’s light to be exhausted, so in this sense too the event would not have occurred simultaneously outside of space-time). (Of course, the Bell Effect - *see chapter on Helena Blavatsky* - has thrown a spanner in the works.)

44

The story of nuclear weapons predates Einstein’s equation in 1905.

In 1897, British physicist J.J. Thomson (1856 - 1940) discovered the electron. Thomson had been studying the effects of cathode rays, whose effects German physicist Johann Hittorf (1824 - 1914) had first observed when he saw that negative electrodes within a vacuum tube produced a fluorescence when they hit the glass walls of the tube. Physicist G. Johnstone Stoney (1826 - 1911) had already proposed that electrons existed in electrochemistry but Thomson concluded they existed as subatomic particles as well (which he called ‘corpuscles’).

A contemporary of Thomson’s (the two had met at Cambridge University) was Ernest Rutherford (1871 - 1937). In the late 1890s he discovered that all known radioactive elements emitted two kinds of radiation: positively and negatively charged, or ‘alpha’ and ‘beta,’ as he called them respectively. He also demonstrated that the level of radioactivity in radioactive elements diminishes over time (a period he dubbed a ‘half-life’) and they ultimately become unstable. In 1901, he proposed that atoms of one radioactive element could *spontaneously* turn into another through a decay process (which continued, until a stable atom was formed of the new element) but other scientists were dismissive of the work (likening it to magic or alchemy - c.f. turning lead into gold). The orthodoxy in science at the time was that atoms were indivisible and unchangeable.

It was after Rutherford set up a research centre to focus on the study of radiation in 1907 (with Hans Geiger [1882 - 1945], who would go on to develop the Geiger counter to measure ionising radiation - that which is converting into ions, i.e. positive/negative particles), that his research led him to devise the orbital theory of atomic structure (a structure he had sought to explain so as to understand exactly what was occurring during the spontaneous decay process of radioactive elements). Rutherford saw the structure of the atom as being similar to that of the solar system, wherein electrons, like planets, orbited a small positively charged atomic nucleus.

(After World War I, Rutherford also discovered the proton, a positively charged particle within the atom's nucleus.)

Several men who would go on to become giants in the realm of 20th century physics studied under Rutherford at one time or another including Niels Bohr (*see chapter on Helena Blavatsky*), Robert Oppenheimer and James Chadwick (*see above for both*).

Chadwick's experiments (and those of others) showed the likely existence of a third type of subatomic particle (e.g. helium atoms had an atomic mass - number of protons in the nucleus and equivalent to the positive charge of the atom - of 4 but an atomic number - or positive charge - of 2; electrons have almost no mass so it appeared that something other than protons was adding to the mass). In 1932, he wrote a paper proposing the existence of a neutral particle: a 'neutron.'

This discovery proved far-reaching because scientists discovered the neutron made an ideal 'bullet' for bombarding other nuclei (not being a charged particle it would not be repelled but could smash into a nucleus). It was only a matter of time before neutron bombardment was applied to the uranium atom, splitting its nucleus and releasing the vast amounts of energy predicted by Einstein's equation.

## **10. John Maynard Keynes (1883 - 1946)**

"The difficulty lies not in the new ideas but in escaping the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds."

Key work: *The General Theory Of Employment, Interest And Money* (1936).

Summary: British economist whose revolutionary ideas about the mechanics of an economy and the need for government intervention in its operation had a major impact on economic and political thinking.

The key tenets of Keynesian economics are that there is no automatic tendency for the level of output and employment in an economy to move towards full employment, and that *consumption* not production drives an economy (both of which conflict with neoclassical economics - see below).

Keynes said that general trends could overwhelm economies irrespective of the activities of individuals. He believed a fall in the overall level of *consumption* (i.e. total demand for all goods and services) caused downturns. He also believed statistical measures of economic activity could be used by governments to balance supply and demand at a whole economy (or 'macro') level. (Hence, his theories are called 'macroeconomics'.)

In the late 1920s, Germany experienced hyper-inflation and global production fell (which led to the Great Depression). Keynes said the Depression was caused by a speculative boom in production and investment. There was simply more production and the infrastructure of production (factories, etc) than could be justified by the current level of consumption (which was too low to adequately fund this huge expansion of the means of production).

For Neoclassicists, the forces of supply and demand allow the prices of goods to settle at an equilibrium, ultimately producing full employment (i.e. the economy automatically moves along an 'optimal level of production'). Consequently, they saw the Depression as an economic downturn that removed incentives to produce (they viewed a drop in demand as a symptom and not cause of downturns). Their panacea was to cut labour (and, hence, production) costs, causing prices to fall and, in theory, buying to pick up (as would employment to produce the extra volume of goods demanded). Funds freed up could be used to invest (possibly in other sectors). They also believed in the importance of balancing national budgets (through tax rises or spending cuts) to maintain economic stability.

But Keynes said their approach would reduce money in circulation and lower demand (workers earning less - and / or less workers earning income - couldn't spend as much). In turn, business would reduce output to maintain profits (less supply = more demand = prices rise to reflect greater demand). Lowering wages would also adversely affect investment since less profits would be expected as consumption declined. New investment would become far riskier (and less likely). Once expectation of low prices took hold in the marketplace, the economy would sink further.

Keynes' solution was *active* government intervention in managing the economy. He advocated deficit spending (borrowing funds to increase expenditure) during periods of slow growth and increasing tax / cutting expenditure to suppress inflation during boom times. In this way, the economy could be kept on an 'even keel,' at an artificial yet theoretically more stable equilibrium.

#### “IN THE LONG RUN, WE ARE ALL DEAD ANYWAY”

When Keynes was a young man he was involved in a literary and cultural clique called the Bloomsbury Group. Among the other members were art critics, painters and journalists. The two most prominent members were the playwright Virginia Woolf and the author E.M. Forster. The group was an avant-garde aesthetic collective and proved highly influential in British cultural life. It is arguable that Keynes absorbed the philosophical aesthetic of Bloomsbury (which stood in direct opposition to Victorian ideals of patience, virtue and the like derived from Christianity) such that it found expression in his economic theories (particularly with regard to the emphasis on immediate solutions to economic downturns through deficit spending with little regard for debt accumulation - because, “in the long run, we are all dead anyway,” and also the idea that economic systems are governed, above all, by consumption).

Gertrude Himmelfarb (1922 - ) in her essay “From Clapham To Bloomsbury: A Genealogy Of Morals” (2001) describes the cultural impetus for the Bloomsbury Group's founding and subsequent development:

“For the Englishman,” Nietzsche wrote in 1889, “morality is not yet a problem.” The English thought that religion was no longer needed as a “guarantee of morality,” that morality could be known ‘intuitively.’ But that illusion was itself a reflection of the persistent strength and depth among them of the Christian ‘ascendancy.’ Forgetting the religious origin of their morality, they also forgot the “highly conditional nature of its right to exist.” If Christianity should ever lose that ascendancy, Nietzsche implied, morality would be deprived of even that tenuous hold on reality and would then truly become a ‘problem.’

A generation later morality was very much a problem, and for precisely the reasons Nietzsche foresaw. It was not a problem, to be sure, for the mass of Englishmen. But then Nietzsche was not thinking of the mass, the “slave class,” who mindlessly observed the moral rules and conventions sanctified by time. He was thinking of the “priestly aristocracy,” or its modern equivalent, the “ruling caste” of philosophers, scholars, and aesthetes - what Coleridge and Mill had called the national “clerisy” and what more recently has gone under the name of the “intellectual aristocracy.”

If “Victorianism,” in the familiar sense of that word, antedated the reign of Queen Victoria [1819 - 1901] (a good case can be made for locating its origins in the Evangelicalism of the early decades

of the century), it did not long survive the death of the queen. It was a nice accident of history that Edward VII [1841 - 1910], that very un-Victorian Prince of Wales, should have ascended the throne in January 1901, thus inaugurating a new century as well as a new era. Three years later [Sir] Leslie Stephen [(1832 - 1904) a distinguished Victorian man of letters - he founded the Dictionary of National Biography - and father of Virginia Woolf, and who was referred to as a "godless Victorian" in Noel Annan's (1916 - 2000) eponymous biography (1984)] died, and shortly afterward his children moved from the family house in Kensington to the then unfashionable Bloomsbury. It was to be, Virginia was determined, the beginning of a new life. "Everything was going to be new; everything was going to be different. Everything was on trial."

By the end of the decade (and of Edward's reign), Bloomsbury had become the home, or home away from home, for Leslie Stephen's children, [painter] Vanessa [later Bell (1879 - 1961)], Virginia [later Woolf], and [psychoanalyst] Adrian [1883 - 1948] (the older brother Thoby [1880 - 1906] having died a few years earlier), [critic] Clive Bell [1881 - 1964] (married to Vanessa), [John] Maynard Keynes, [writer] Lytton Strachey [1880 - 1932], [painter] Duncan Grant [1885 - 1978], [critic] Desmond MacCarthy [1878 - 1952], [artist] Roger Fry [1866 - 1934], and [civil servant] Saxon Sydney-Turner [1880 - 1962]; [political theorist] Leonard Woolf [1880 - 1969] joined his old Cambridge friends when he returned from India in 1911 (and married Virginia the following year). This was the hard core of Bloomsbury. As with all such groups there was a circle of "fellow-travellers" or "sympathisers," which included E. M. Forster (among others)...

...The late Victorians were as philanthropic-minded as the early Evangelicals, but lacking the religious imperative for philanthropy, they made of it a science and a profession. Instead of founding Sunday Schools, they instituted a system of compulsory day schools; instead of improving the morals and manners of the poor, they improved their housing and working conditions; instead of engaging in family prayers, they observed the moral proprieties that had become a surrogate for religious pieties.

When Virginia Woolf made her famous pronouncement, "In or about December, 1910, human character changed," she may have chosen that date because of the Postimpressionist exhibit of that time which had so altered the artistic sensibilities of the generation. But her more immediate frame of reference was literary - the passage from the 'social realism,' as we would now say, of the Edwardian writers (H.G. Wells, Arnold Bennett, John Galsworthy [1867 - 1933]) to the 'impressionism' of the Georgians (E.M. Forster, D.H. Lawrence, Lytton Strachey, James Joyce [1882 - 1941], and, of course, herself). For the former, the novel was inseparable from the external reality; it was incomplete without an account of the social and physical milieu. For the latter, it was self-sufficient, a thing-in-itself; its world was what the author chose to make of it.

If the modern novel was, in this sense, free, unconstrained by reality, so was the modern author. The 'human character' that changed in December 1910 was the character of the artist, not of the common man. Ordinary people were bound, as they had always been, by the habits and customs devised for "timid natures who dare not allow their souls free play." But writers and artists could no longer be so circumscribed; they had to be free to follow the "vast variety and turmoil of human impulses." Their own characters were as autonomous as the characters they created. To look upon them as ordinary people, to place them "under an obligation to others," to put them in the position of "living for others, not for ourselves, was to violate their nature and endanger their calling."

The philosophical rationale of Bloomsbury derived from (philosopher) G.E. Moore [1873 - 1958]. For Virginia the move to Bloomsbury in 1904 was the beginning of a new life. For most of the men in the group...her future husband Leonard Woolf...(John) Maynard Keynes...the beginning came in Cambridge several months earlier with the publication of Moore's *Principia Ethica* [1903]. "I date from October 1903," Strachey wrote Moore at the time, "the beginning of the Age of Reason." Keynes, in retrospect, was even more rhapsodic. "It was exciting, exhilarating, the beginning of a renaissance, the opening of a new heaven on a new earth, we were the forerunners of a new dispensation, we were not afraid of anything."

...(T)he *Principia* was a manifesto of liberation, a release from the old morality and, they suspected, from all morality. The heart of the book, as they read it, was the last chapter, "The Ideal," where Moore argued that the fundamental truth of moral philosophy involved "states of consciousness" (not, as traditional moral philosophy had it, of conscience), and that the highest states of consciousness were "the pleasures of human intercourse and the enjoyment of beautiful objects." These were the only "goods in themselves," desirable "purely for their own sakes." They included "all the greatest, and by far the greatest, goods we can imagine."... (Consequently, if) Bloomsbury had any philosophy, it was this: a total commitment to 'personal affections' and 'aesthetic enjoyments..'

...In a memoir read to the surviving members of Bloomsbury many years later, Keynes spoke movingly of Moore's effect upon them. They accepted, he explained, Moore's 'religion' while discarding his 'morals': "Indeed, in our opinion, one of the greatest advantages of his religion, was that it made morals unnecessary - meaning by 'religion' one's attitude towards oneself and the ultimate and by 'morals' one's attitude towards the outside world and the intermediate." What they did not accept was the feeble concession to conventional morality in the penultimate chapter of the *Principia*, where Moore suggested that in those cases where one was unable to foresee the long-term consequences of any particular mode of conduct, one should observe the existing rules of morality. This, Keynes insisted, violated the most important principle of Bloomsbury.

We repudiated entirely customary morals, conventions and traditional wisdom. We were, that is to say, in the strict sense of the term, immoralists...we recognised no moral obligation on us, no inner sanction, to conform or to obey. Before heaven we claimed to be our own judge in our own case.

What Bloomsbury took from Moore was a philosophy that sanctioned, if not immorality, as Keynes said, then at the very least amorality. For the "states of consciousness" that were at the heart of this philosophy had nothing to do with conduct or consequences. "Being good" was the objective, not "doing good." And being good meant being in those heightened states of consciousness, those "timeless, passionate states of contemplation and communion," which were conducive to "love, beauty and truth" - not virtue. And even love, beauty, and truth were carefully delineated so as to remove any taint of utility or morality. Useless knowledge was deemed preferable to useful, corporeal beauty to mental qualities, present and immediately realizable goods to remote or indirect ones. Thus, Keynes recalled, Bloomsbury "lived entirely in present experience," repudiating not only the idea of "duty" but any kind of "social action," and not only social action but the "life of action generally," a life that might entail such disagreeable pursuits as "power, politics, success, wealth, ambition."

Writing thirty-five years after the delivery of the "new dispensation,"...Keynes was able to be wry and even critical about some aspects of the Bloomsbury creed. It was based, he came to realize, upon too rational and utopian a view of human nature; it did not appreciate how thin and precarious the crust of civilization was, how dependent men were upon "customary morals, conventions and traditional wisdom." That judgment, made in the fall of 1938, on the eve of the Second World War, did not require great insight or boldness. More remarkable is the fact that even at that time and in his mature age, Keynes should have taken the occasion to reaffirm the essential tenets of the creed. Whatever its faults, he found it still "nearer the truth than any other that I know, with less irrelevant extraneous matter and nothing to be ashamed of." In retrospect he was confident that "this religion of ours was a very good one to grow up under." And not only to grow up under but to live with, for it was still, he went on to say, "my religion under the surface." Nor did he shrink from the implication of that "religion": "I remain, and always will remain, an immoralist."

Certainly for Keynes, a homosexual (prior to opting for heterosexuality and enjoying a happy marriage to a Russian ballerina in his later years), the moral relativism and neo-romantic aesthetic of the group would

have been particularly attractive (which, as he admitted in the above passage, he retained for life, along with an interest in all things cultural - for instance, his antique book collecting or, after his elevation to the peerage during the war, his elevation to chairman of a body that subsequently became the British Arts Council). And he positively thrived in an atmosphere of zealous and wholehearted (in, ironically, a very Victorian manner) expression of the group's hedonistic brand of immediate gratification and living as if there was no tomorrow; as Himmelfarb relates:

Bloomsbury itself marvelled at the "permutations and combinations" of which it was capable. In 1907, for example, Strachey discovered that his lover (and cousin) Duncan Grant was also having an affair with [English peer] Arthur Hobhouse [1886 - 1965], who, in turn, was having an affair with Keynes. The following year Strachey was even more distressed to learn that Grant was now having an affair with Keynes as well.

(Strachey) apprised Leonard Woolf, then in Ceylon, of this latest development: "Dieu! It's a mad mixture; are you shocked? We do rather permeate and combine. I've never been in love with Maynard and I've never copulated with Hobbes (Hobhouse), but at the moment I can't think of any more exceptions." Thirty years later Keynes recalled that period as "a succession of permutations of short sharp superficial 'intrigues.'"

The wit who described Bloomsbury as a place where "all the couples were triangles and lived in squares" did not do justice to them; some more polygonal figure would be required to describe those "couples." Vanessa Stephen, for example, was regarded by the others as the most solid and stable of them all - "monolithic," they called her, a "solid feminine integrity," one historian has described her. In 1907 Vanessa married Clive Bell, in part, as she recognised, to console her for the loss of her beloved brother Thoby who had been Clive's friend. (She had earlier rejected Clive and agreed to marry him two days after Thoby's death.) Four years later, with the tacit acquiescence of her husband, who had been having a series of affairs, including one with Molly MacCarthy [c. 1880 - 1954], Desmond's wife, Vanessa started an affair with Roger Fry. The menage a trois had lasted two years when Roger complained to Clive that Vanessa was transferring her affections to Duncan Grant, who had suddenly (and, unhappily for Vanessa, only temporarily) acquired a taste for heterosexuality. (Duncan had earlier been her brother Adrian's lover as well as Strachey's and Keynes'.)

Of course, Moore's *Principia Ethica* with its message of living for the here and now, flew in the face of social norms - the Victorians' religion-inspired worldview wherein abstinence, thrift, deferral of instant gratification and taking the long-term view were championed. Himmelfarb unearths this aesthetic in Keynes' economics:

...There is a discernible affinity between the Bloomsbury ethos, which put a premium on immediate and present satisfactions, and Keynesian economics, which is based entirely on the short run and precludes any long-term judgments...The same ethos is reflected in the Keynesian doctrine that consumption rather than saving is the source of economic growth - indeed, that thrift is economically and socially harmful. In *The Economic Consequences Of The Peace* [1919], written long before *The General Theory Of Employment, Interest And Money*, Keynes ridiculed the 'virtue' of saving. The capitalists, he said, deluded the working classes into thinking that their interests were best served by saving rather than consuming. This delusion was part of the age-old Puritan fallacy.

The duty of 'saving' became nine-tenths of virtue and the growth of the cake the object of true religion. There grew round the non-consumption of the cake all those instincts of puritanism which in other ages has withdrawn itself from the world and has neglected the arts of production as well as those of enjoyment. And so the cake increased; but to what end was not clearly contemplated. Individuals would be exhorted not so much to abstain as to defer, and to cultivate the pleasures of security and anticipation. Saving was for old

age or for your children; but this was only in theory - the virtue of the cake was that it was never to be consumed, neither by you nor by your children after you.

(On a side note, it is interesting that Keynes was fascinated by Freud's analysis of the anal-sadistic qualities of money accumulators.) We certainly see the Keynesian advocacy of deficit spending in this notion of 'living for today because life is short' in this passage, which is a neo-Romantic / Nietzschean view, even though, as Himmelfarb says, the Bloomsbury aesthetic was collectivist rather than individualist. However, there is a sense that Keynes abandoned this collectivist principle, that he 'sold out':

In one sense Keynes is the most interesting of the group, because he defied at least one of its precepts. He not only lived a 'life of action'; he did so in the most bourgeois and materialistic of professions. If it was partly accident that originally drew him to economics, it was talent and ambition that kept him there. Yet even while pursuing that sordid occupation, at Cambridge and at the Treasury [and as editor of the *Economic Journal* [1890 - ] - Britain's foremost economics publication], he made it clear that he regarded economics as a separate and altogether inferior sphere of life and that he personally deplored any emphasis on economic motives or criteria. Bertrand Russell recalled that while Keynes "escaped into the great world," he did so with the air of a "bishop in partibus"; when he ventured forth into the mundane world of economics or politics, "he left his soul at home."

After leaving his "soul at home," Keynes became a celebrity before his revolutionary ideas were floated. In 1919, he represented the British Treasury at the Versailles Peace Conference (called to manage the political aftermath of World War I). But he objected to the punitive reparations payments imposed on Germany by the Allied countries which he saw as something that would keep Germany poor (as it would never be able to repay them) and so politically unstable (which had the potential to threaten all of Europe). On his return to Britain, he was moved to write his feelings down and published *The Economic Consequences Of The Peace*. It gained him some notoriety because of its particular harsh treatment of the most prominent politicians of the day (e.g. British Prime Minister David Lloyd George [1863 - 1945], US President Woodrow Wilson [1856 - 1924], etc) who had presided over the Conference. History bore him out as the political mess that was the Weimar Republic proved a fruitful terrain for the rise of Nazism.

Nevertheless the stubbornly high rate of unemployment in Britain during the 1920s saw him refocus his efforts on the economic sphere as he began to develop his theories. He also played the money markets and emerged a wealthy man.

(As an aside, he visited Russia twice in this period to meet his wife's relatives and, elitist aesthete that he was, savaged communism in a letter to friends:

How can I accept a doctrine which sets up as its bible, above and beyond criticism, an obsolete economic textbook which I know to be not only scientifically erroneous but without interest or application for the modern world? How can I adopt a creed which, preferring the mud to the fish, exalts the boorish proletariat above the bourgeois and intelligentsia who, with whatever faults, are the quality of life and surely carry the seeds of all human advancement?)

In (former US Labour Secretary under President Bill Clinton) Robert B. Reich's (1946 - ) essay on "John Maynard Keynes" (part of TIME's profile of the "100 Most Influential People of the 20th century" [1999]), he describes how Keynes' idea of deficit funding to pump-prime an economy went from the eccentric idea of an man widely seen as a maverick to the orthodoxy of Western economics:

Most economists of the era rejected his idea and favored balanced budgets. Most politicians didn't understand his idea to begin with. "Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist," Keynes wrote. In the 1932 presidential election, Franklin D. Roosevelt had blasted Herbert Hoover [1874 - 1964] for running a deficit, and dutifully promised he would balance the budget if elected [Indeed, prior to Herbert Hoover, whose hand was forced by the Depression, no President had ever actively

intervened in the economy, as a political consensus to let business cycles run their course - *laissez-faire* - had reigned supreme. And, unsurprisingly,] Keynes' visit to the White House two years later to urge FDR to do more deficit spending wasn't exactly a blazing success. "He left a whole rigmarole of figures," a bewildered FDR complained to Labor Secretary Frances Perkins [1882 - 1965]. "He must be a mathematician rather than a political economist." Keynes was equally underwhelmed, telling Perkins that he had "supposed the President was more literate, economically speaking."

As the Depression wore on, Roosevelt tried public works, farm subsidies and other devices to restart the economy, but he never completely gave up trying to balance the budget. In 1938 the Depression deepened. Reluctantly, FDR embraced the only new idea he hadn't yet tried, that of the bewildering British "mathematician." As the President explained in a fireside chat, "We suffer primarily from a failure of consumer demand because of a lack of buying power." It was therefore up to the government to "create an economic upturn" by making "additions to the purchasing power of the nation."

Yet not until the US entered World War II did FDR try Keynes' idea on a scale necessary to pull the nation out of the doldrums - and Roosevelt, of course, had little choice. The big surprise was just how productive America could be when given the chance. Between 1939 and 1944 (the peak of wartime production), the nation's output almost doubled, and unemployment plummeted - from more than 17% to just over 1%.

Never before had an economic theory been so dramatically tested. Even granted the special circumstances of war mobilisation, it seemed to work exactly as Keynes predicted. The grand experiment even won over many Republicans. America's *Employment Act* of 1946 - the year Keynes died - codified the new wisdom, making it "the continuing policy and responsibility of the Federal Government ...to promote maximum employment, production, and purchasing power."

In Britain, Conservative Prime Minister Winston Churchill (1874 - 1965) had led a Unity administration that had similarly overseen the expansion of the public sector so as to mobilize the nation for the war effort. This had had the effect of legitimising the concept of Big Government. As such, when the Clement Attlee-led Labour Opposition won office in 1945 and subsequently went about creating the institutions that comprised the welfare state (e.g. universal healthcare, social security, etc), the Conservatives could hardly oppose the statist advances (which they left intact upon their return to office in 1951).

## THE BOOM & BUST OF KEYNESIAN ECONOMICS

Following World War II, with Keynes' ideas widely accepted (so pervasive were they that it could be said he inadvertently moulded an entire generation of economists in his own graven image, to utilise a neo-romantic picture worthy of Bloomsbury), Western governments, for the first time, prepared economic statistics on an ongoing basis and attempted to use fiscal and monetary policy to manage the economy. Most Western countries enjoyed low unemployment and modest inflation.

Keynesian analysis was combined with classical economics to produce a 'neoclassical synthesis' that dominated mainstream economic thinking. A widely held view was if government policy was used to ensure full employment then the economy would behave as classical theory predicted.

Reich continues:

And so the Federal Government did ["promote maximum employment, production, and purchasing power"], for the next quarter-century. As the US economy boomed, the government became the nation's economic manager and the President its Manager in Chief. It became accepted wisdom that government could 'fine-tune' the economy, pushing the twin accelerators of fiscal and monetary policy in order to avoid slowdowns, and applying the brakes when necessary to avoid

overheating. In 1964 Lyndon Johnson cut taxes to expand purchasing power and boost employment. "We are all Keynesians now," Richard Nixon famously proclaimed.

But Keynes' ideas began to lose favour in the 1970s when several Western economies underwent high unemployment *and* high inflation simultaneously (stagflation). Keynes had suggested government should stimulate demand in response to unemployment but reduce it in response to inflation, but such simultaneity of events was not possible according to his model.

Attempts to resolve the problem saw new ideas based upon neoclassical analysis gain the ascendancy, including monetarism (focusing on the supply of money in an economy) and supply-side economics (focusing on cutting tax to free up money to individuals who, in theory, will spend more and stimulate the economy).

Out of these attempts to address stagflation, the policies of British Prime Minister Margaret Thatcher (elected 1979), influenced by free market economist Friedrich von Hayek (1899 - 1992), and US President Ronald Reagan (elected 1980), influenced by monetarist economist Milton Friedman (1912 - 1976), emerged to transform their respective economies, shifting the centre of power to the market (rather than the state), wherein government intervention became a last resort (and only then to return the marketplace to economic health so laissez-faire principles could resume).

Underpinning this 'economic rationalism,' as it was later called, was the concept that individuals had a right to do with their money as they so pleased (free of statist interference). It could be argued that Thatcherism and Reaganomics were economic adjustments which bespoke the growing influence of existentialism in the postwar era (adding to the social liberalisation of the West in the 1960s and 1970s).

Indeed, in their essay "Reaganism" (2004), John Micklethwait and Adrian Wooldridge make the point that Reagan's ascendancy marked the coming of age of neo-conservatism (entailing the Right reaching an accommodation with the Gnostic vision of world transformation and universal emancipation of the human body and soul), which, although resembling traditional conservatism, was markedly different in some fundamental aspects:

Reagan may not have been an intellectual but his sort of conservatism, just like the religious upheaval started by Martin Luther (another anti-intellectual populist) 500 years ago, combined renewal with heresy [as the Catholic hierarchy of the day saw it]. The established faith that Reagan's generation of American conservatives reinterpreted was classical conservatism (the conservatism whose most eloquent prophet remains Edmund Burke [1729 - 1797]), and the heresy they introduced was classical liberalism (the creed of the Enlightenment and John Stuart Mill).

Traditional conservatism was based on six principles: a suspicion of the power of the state; a preference for liberty over equality; unshamed patriotism; a belief in established institutions and hierarchies; a pessimistic, backward-looking pragmatism; and elitism. This was the creed that Burke shaped into a philosophy in the 18th century - and that most famous conservatives, from Prince [Klemens Wenzel von] Metternich [1773 - 1858] to Winston Churchill, understood in their bones. Mr. Reagan's conservatism exaggerated the first three of Burke's principles and contradicted the last three.

The exaggerations are the easiest to spot. Ronald Reagan did not merely dislike taxation in the manner of the East Coast Rockefeller Republicans who ran his party in the 1950s; he saw government as the enemy [because of its regulatory restrictions and punitive taxation on the individual]. An early patron of Freedom Forum bookshops in California (where they sold books with titles like [the proto-conspiracist] *The Naked Communist* [1958]), he also took a Western approach to individual freedom, whether it was allowing people to carry guns or tolerating a high level of inequality. As for patriotism, conservatives are a nationalistic bunch, but Mr. Reagan celebrated his country in religious terms - as "the city on the hill" that God had chosen as the special agent of His purpose on earth.

If Reaganism had been merely a more vigorous form of old-style conservatism, then it would have been more predictable. In fact, Mr. Reagan - who began his political life as a New Deal Democrat - took a resolutely liberal approach to Burke's last three principles: hierarchy, pessimism and elitism.

The heroes of Burke's conservatism were paternalist squires, who knew their place in society and made sure everybody else did as well. Mr. Reagan's heroes were rugged individualists, defined by the fact that they do not know their place. He packed his kitchen cabinet with entrepreneurs who built up businesses out of nothing and he worshipped the cowboy. He kept a bronze saddle in the Oval Office and - rather magnificently - rushed to appoint [Howard] Malcolm Baldrige [1922 - 1987] as commerce secretary when he discovered that he liked going to rodeos.

Mr. Reagan took an equally heretical attitude to the fifth attribute, pessimism. Churchill famously "preferred the past to the present and the present to the future." By contrast, Mr. Reagan was fond of [deist Thomas] Paine's adage that "we have it in our power to begin the world over again." When [his Democrat challenger, in the 1984 race for re-election, former Vice-President] Walter Mondale [1928 - ] questioned the cost of America's space program, Mr. Reagan proclaimed that "the American people would rather reach for the stars than reach for excuses why we shouldn't."

As for the sixth characteristic, elitism...[he instead] was a populist who argued that "*Bedtime for Bonzo* [(1951), in which then actor Reagan had starred with a chimpanzee] made more sense than what they were doing in Washington." His was the conservatism not of country clubs and boardrooms, but of talk radio, precinct meetings and tax revolts...

...The only European who spoke the same language as Ronald Reagan was Margaret Thatcher; and, as time slips by, she seems an ever more heretical figure - an American conservative who happened to be born in Grantham, not Houston.

So here then was a neo-Gnostic conservatism (which even had a quasi-religious undergirding, just as Comte had earlier bequeathed a humanist religion to socialist agents of societal change on the Left) and, wilfully or otherwise, Reagan and Thatcher were its philosopher sun king and queen.<sup>45</sup>

In turn, the success of Thatcher and Reagan inspired other nations to adopt their policies. The US also began to pursue special free trade agreements with individual countries (e.g. Canada) to promote trade in international markets (which centralised bodies as the General Agreement on Tariffs and Trade were deemed too slow in delivering). The North American Free Trade Agreement (between the US, Canada and Mexico) was also an outworking of this ethos.

In fact, so all-encompassing has economic rationalism become in post-modern society that, in a similar manner to Richard Nixon (in his declaration of the dominance of Keynes), British Labour Party MP (and close associate of Tony Blair) Peter Mandelson (1953 - ) claimed in 2001 that "we are all Thatcherites now," (which is all the more revelatory given the socialist foundations of the party and the fact the previous Labour administration to enjoy a comparable majority to the Blair government was that of Clement Attlee, which had gone about *nationalising* public utilities).

## IN THE SHADOW OF KEYNES

Yet it would be erroneous to say Keynes had had his day. Nicholas Fraser in his essay "A Completed Life Of John Maynard Keynes" (2001) discusses the economist's relationship with Friedrich von Hayek, whose theories of markets free of state intervention eventually won out over Keynesian economics (when they found expression in the economic rationalism of the 1980s) and posits that Keynes' influence was so complete that it still dominates the economies of the world today:

Perhaps the most penetrating criticism of Keynes came from Friedrich von Hayek, [an] Austrian who was...lecturing at the London School of Economics. Hayek had witnessed the catastrophe of state intervention during the hyperinflation of the 1920s. He had his own, purely economic reasons for disagreeing with Keynes; but he also suggested that the Keynes style of liberalism, by increasing the scope of state power, would end by extinguishing the bourgeois freedoms it purported to save. Keynes and Hayek liked each other (they were both collectors of antique books, putting new finds each other's way); but the depth of their disagreement is apparent in Keynes' response to [Hayek's] *The Road To Serfdom*, published in 1944. In response to Hayek, Keynes argued that an 'unplanned' (i.e. laissez-faire) economy was no longer acceptable because too much unemployment would destroy democracy. The answer, he suggested, in his most English way, was to make sure the Right People stayed in charge:

Moderate planning will be safe if those carrying it out are rightly orientated in their own minds and hearts to your own moral position...Dangerous acts can be done safely in a community which thinks and feels rightly which would be the way to hell if they were executed by those who think and feel wrongly.

...(T)he continuation of government intervention in peacetime tended to produce mediocrity, as the British discovered in the course of the 'Keynesian' postwar period. With the worldwide dismantling of government powers initiated by Hayek's follower Margaret Thatcher, the argument would seem to have gone Hayek's way. But modern economies are planned, in a way that would partly have satisfied Keynes. We are not, as Richard Nixon once inaptly suggested, all Keynesians now; but it is hard to imagine [US Federal Reserve Bank chairman] Alan Greenspan [1926 - ] outside the shadow of Keynes. The same sort of moral considerations about power apply today, in relation to the giant companies that have partly replaced governments. Not even Mrs. Thatcher believed that politics could be wholly abolished in favor of 'pure' market forces. And no one since Keynes has been able to say quite how, nor indeed to what end, 'planning' should be directed...

Indeed, Reagan's supply-side economics was only possible by building up budget deficits (justified by the Keynesian notion that the problem of debt accumulation could be addressed at a later date). Although economic rationalism put a premium on borrowing to finance budgets in favour of cutting expenditure, balanced budgets (or surpluses) are rare events (the US budget, after running into surplus in the late 1990s, has resumed its deficit trajectory as overall debt skyrockets). And despite the success of the 'Reagan revolution,' as Reich says in his *TIME* essay: "Americans still take for granted that Washington has responsibility for steering the economy clear of the shoals, although it's now Federal Reserve Chairman Alan Greenspan rather than the President who carries most of the responsibility."

So pervasive was Keynes' influence, that his emphasis on government intervention was a major factor in the outsized growth of bureaucracy so that it now reaches into every facet of an individual's life (and, of course, has 'justified' the need to borrow more so as to fund the growth of government). Although Roosevelt's New Deal started the process of increases in expenditure which led to the vast expansion of red tape and officialdom (to tackle the Depression through, for instance, the establishment of social security),<sup>46</sup> it was, as stated, implementation of Keynesian economics during World War II which ended the economic woes of the US. Thus, it was Keynes' theories which lent credence to massive expenditure and bureaucratic growth (e.g. the numerous new departments needed to collect detailed statistics from which government economic policy was drawn) to continue in peacetime. Latter day attempts at cutting bureaucratic excess in the drive toward economic rationalism have not shaken public belief in the government's role as a macroeconomic guardian nor reduced government to a purely 'hands-off' laissez-faire approach (as in the 1920s and earlier).

Keynes' influence continues at a global level as well, having been a central figure at the Bretton Woods conference in 1944 where important organisations were established (e.g. International Monetary Fund) whose aim was management of the global economy (allowing for intervention where required to arrest economic disturbances in particular nations or regions to preserve the status quo and stability of the overall world economic system). Keynes was also one of the architects of the postwar system of exchange rates

which presided over the global economic system until the gold standard broke down in the 1970s. Fraser continues:

In the wartime creation of the postwar world institutions at Bretton Woods - many of which had been Keynes' idea - he...appeared to his contemporaries as a near-magical figure equal in totemic significance to Churchill. For the first time, Keynes was "able to shape policy according to his ideas."

More recently, there has even been a minor revival of Keynesian ideas, with emphasis on attempting to synthesise his macroeconomic model with microeconomics (economics at the level of individual consumers) - proponents have argued Keynes' theories need to be tied to studies of the motivations of consumers at the 'micro' level in order for the 'macro' approach to work.

## THE CONSUMER SOCIETY

Once again we come to a synchronicity of events that has proved so influential for our time. In the mid-1930s, a group of New York businessmen met together to discuss an idea that had been floated in corporate circles: a plan to stage a World's Fair in the city in what would be another Depression-era attempt to lift the economy out of the doldrums. (World's fairs were city-based events that had been held since the mid-19th century to showcase a host city and exhibit a range of corporate, scientific and cultural displays from agencies and nations throughout the world.) The businessmen decided to enact the plan and formed a corporate body to make the necessary budgeting and planning decisions.

As we have seen, President Roosevelt reluctantly adopted Keynesian ideas in 1938 when he opted to change economic course and give up on balancing the budget. "We suffer primarily from a failure of consumer demand because of a lack of buying power," he had said in an address to the nation that April. This shift to focusing on consumption as a way to bring the Depression to an end occurred exactly a year to the month before the New York World's Fair opened.

But this fair was to prove a turning point not just in the economic life of the nation but socially and culturally (and such changes were to flow on to all of Western society and beyond).

The New York Fair was the largest ever and was the biggest international event since the First World War (with 45 million visitors passing through its gates). The fair's theme was "Building the World of Tomorrow," and its (what we now think of as very American) vision of the future was one of economic prosperity marked by a revolution in product consumption.

Several new technologies were displayed to the masses for the first time: television, FM radio, fluorescent lighting, robotics (Westinghouse's Elektro), etc. John C. Barans (c. 1971 - ), in his essay on the Fair entitled "Tomorrow's Legacy," argues that the concept of modernism (that of casting off the old, the traditional, and throwing in one's lot with the new, the now, the modern and up-to-date) first entered the family home through the sheer array of industrial designers' streamlined products available for the kitchen, bathroom, lounge.

The emphasis on consumerism, though rather tame and orthodox from our perspective, was radical at the time and, as Warren Susman (1927 - ) says, in his *Culture As History: The Transformation Of American Society In The Twentieth Century* (1984), helped develop the "psychological conditioning to foster artificial demand" now typical in advertising (where previous mass marketing campaigns focused on merely moving product, the focus was now also on generating future sales through propagation of the idea of a consumerist lifestyle as appealing in itself, wedded to the concept of being modern). Barans continues:

Americans want items which they truly do not need thanks to the revolution in large-scale product endorsement developed by the fair. The fair's industrial designers also helped to develop the production theory of the annual model, the yearly re-development of an existing product, which

still causes the rush of consumption of automobiles, clothing, television programs, and other products each autumn (and every other season, for that matter).

Even though the fair was a commercial failure (it generated US\$48 million but had cost the organising corporation US\$67 million), its success did not lay in the bottom line. The culture of consumerism tied to the idea of progress that it evoked sparked hope and a conviction to look forward to the future and the better times ahead in the masses suffering the Depression (and then war). Coupled with the adoption of Keynesian economics by the government over the course of the war, the mass consumer culture, spinning on its axes of credit<sup>47</sup> and greed, that is with us today began in earnest in the early postwar period.

The Cold War that emerged in the late 1940s was as much a cultural one as a global game of political thrust and parry. And, from our perspective, we can see that American capitalism won out. In the end, what is more appealing (seductive even) to human nature: drab and 'unsexy' collectivism (that was widely known to be a shibboleth anyway - c.f. the wealth of corrupt Soviet apparatchiks) or the promise of wealth and material acquisition in sensual surroundings where any appetite can be almost instantly satiated (whether legal or otherwise) for the right price?

John Maynard Keynes reached his promised land of state activism and economies built on consumption but he didn't cross over into it, dying, as said, in 1946. His legacy is a world of managerial organisations that oversee the running of the global economy according to the dictates of 'equilibrium' rather than human need, national economies whose (in the end, self-focused, self-justifying) bureaucracies dwarf all else (with the possible exception of the giant multinational corporations) and where consumerism has reached the level of an art form - or perhaps that should that be a pandemic disease, given the future is being mortgaged to pay for it all and the planet's resources are being used up at an unsustainable rate.

But then, "in the long run, we are all dead anyway."

45

This is not to say that Reagan was wholly in the mould of the neo-Gnostic socialists (albeit a neo-conservative country cousin). Certainly, his old-school grounding in a muscular Mid-West American small-town fundamentalist Christianity (by way of his devout mother) saw his humanistic ideas about recasting the world immersed in a quasi-Christian current wherein America, as said, had a special destiny that was *God-given* (by the Judeo-Christian Jehovah Jireh at that, not some defanged politically-correct everyman deity) and he himself had been born for a uniquely divine mission (to improve the lot of Americans and individuals everywhere by battling collectivist evils that stifled [political] freedom - embodied overtly by Communist regimes - and especially the Soviet Union - abroad and, less spectacularly, by the creeping statist bureaucracy at home).

The secular cynic would undoubtedly cringe at such beliefs: Woodrow Wilson, a man whose surname Reagan shares - as his middle name - was the son and grandson of Christian ministers and another overtly religious Chief Executive whose conviction that God had ordained his Presidency saw none other than Freud - *see chapter on Sigmund Freud* - wonder whether Wilson had a 'Messiah complex.' Freud determined that such a neurosis saw an individual possess an inner compulsion to not just work for the betterment of society but also experience a felt need to be the agent of such change or, in the language of religion, the redeemer of the world. Of course, the Christian apologist G.K. Chesterton, in his novel *The Ball And The Cross* [1910] laid bare the subjectivism at the centre of such psychological mumbo jumbo and, indeed, the heart of such darkness, in not just its potential to be (mis)used in the manipulation of others (all manner of diagnosed mania can stop dead even a crusading bullock of a man and cause him to mentally combust in a fiery self-referential akimbo of Hindenburg proportions, questioning everything he has ever done) but also the reductionist way it colours a person's world view so they and all their fellow citizens are merely flesh-wrapped egos - nexus points of subconscious eruptions bubbling under the skin, devoid of a truly free will.

Reagan, of course, had much to say on the subject of freedom and the projection of willpower, individual and national, in its pursuit. Like his disciple George W. Bush, he didn't "do nuance." He saw things in black and white and called it as he saw it so evil was 'evil,' as determined by the biblical rendering of right and wrong. Indeed, although a man who rarely attended church (and who had earlier signed the most liberal abortion laws in the country - as California Governor in 1969 - which he later said he regretted but, nevertheless, raises the spectre of political opportunism over his later lip-service advocacy of pro-life politics for more incredulous observers, his arch-conservative Supreme Court appointees notwithstanding), Reagan, a couple of years prior to becoming President, penned a letter to a liberal Methodist minister who had publically expressed doubts about Christ's divinity. The man had also accused the future President of a "limited Sunday school level theology," and Reagan, as passionately as a C.S. Lewis (if not as eloquently) had championed the idea of Jesus Christ as the literal Son of God:

Perhaps it is true that Jesus never used the word 'Messiah' with regard to himself (although I'm not sure that he didn't), but in John 1, 10 and 14 he identifies himself pretty definitely and more than once. Is there really any ambiguity in his words: 'I am the way, the truth and the life: no man cometh unto the Father but by me?'... In John 10 he says, 'I am in the Father and the Father in me.' And he makes reference to being with God, 'before the world was,' and sitting on the 'right hand of God'...

These and other statements he made about himself, foreclose in my opinion, any question as to his divinity. It doesn't seem to me that he gave us any choice; either he was what he said he was or he was the world's greatest liar. It is impossible for me to believe a liar or charlatan could have had the effect on mankind that he has had for 2,000 years. We could ask, would even the greatest of liars carry his lie through the crucifixion, when a simple confession would have saved him?...Did he allow us the choice you say that you and others have made, to believe in his teachings but reject his statements about his own identity?

Many commentators have addressed Reagan's contradictory nature: outwardly a right-wing dogmatist in his virulent anticommunism, he proved flexible enough to genuinely reach out to the Soviets and their "evil empire" to try and convince the Kremlin leadership of the moral superiority of capitalism and democracy in terms of affording individuals the greatest freedom; a charmer on the world stage, he never allowed anyone get close to him - including his own family, save for his wife - such that he lacked close friends; a strong proponent of fiscal rectitude, he presided over the tripling of national debt in running up a string of large budget deficits in a single-minded pursuit of spending the Soviets to death in an arms race they could not win - as well as eliminate spare tax revenues for the liberal Great Society-esque programs of his Democrat opponents; a Chief Executive whose arms build-up took place despite his own dislike of nuclear weapons - such that he was willing to offer practically wholesale disarmament and only didn't sign on the dotted line because the Soviet leadership balked at the proposal; and, above all, a conservative who was simultaneously an *activist* (and more). "We were all *revolutionaries*, and the revolution has been a success," he said upon departing from office (emphasis added). To this list we might add the, as stated, oft-verbalised general conservative Judeo-Christian context for his actions in life colliding with some politically-correct religious theatrical tokenism in death, wherein his funeral service, which he had meticulously planned with his wife some time before, was an interfaith ceremony involving Catholics, Jews and Muslims as well as Protestants. (Arguably, though, this reflected the influence of his wife, whose distinctly non-fundamentalist spirituality had once guided her into an obsession with astrology in the aftermath of the failed assassination attempt on her husband in 1981, an obsession which had provided grist for the mill of a minor scandal during his Presidency. The affair had seen Reagan indulge his wife's consultations with a medium - "If it makes you feel better, go ahead and do it," he had said - to the point of Nancy taking charge of his schedule and seeing it operate ostensibly according to the dictates of the stars. Although the President, somewhat presciently, had warned her to "...be careful (as it) might look a little odd if it ever came out.")

Whether or not Reagan's 'Christian faith' was genuine or just an element of his cultural upbringing (during the twilight years of Christendom - whose dying flame flickered longer in America than Europe) which he sought to use in his politics (i.e. the iconography of biblical imagery if nothing else) may be debatable to some. Apologists claim he found the notion of overtly utilising one's religious beliefs in the pursuit of, and

governance in, public office, (in the manner of his predecessor, the 'born again' Jimmy Carter) most distasteful. He was also reportedly loathe to attend church in office due to the security fuss his attendance would cause (taking the focus off God as well as putting others in potential danger, which he was almost obsessive about following the assassination attempt). And there are the numerous accounts from throughout his life from parties privy to private conversations and letters (such as the one cited) where he was most explicit about his faith.

Certainly, the neo-conservative ideology of this believer in biblical Armageddon (who simultaneously proclaimed an arguably mutually exclusive "eternal faith in America" - but then emotive mythmaking always suited this anti-intellectual more than dogmatic cerebral consistency) is his legacy in the marketplace of ideas (just as ending the Cold War "without a shot being fired," as his old friend and ally Margaret Thatcher rendered it, is his political legacy). And it is this Gnostic-tinged ideology to remake the world in the manner of the Idea of the American Republic (witness his Vice-President and political heir George Bush [1924 - ], although not overtly a Reaganite, expounding the virtues of a "new world order" of universal freedom and human rights in the aftermath of the collapse of the Soviet Union in 1992) which is championed by his followers (who deify him to the extent that in each American election since he left office every Republican contender has tried to grasp the mantle of the "Reagan candidate"). The more extreme of their number almost put the most robust socialists (and even Spanish inquisitors of yore) to shame, such as neo-conservative American newspaper columnist Ann Coulter (1961 - ), who, in her article "This Is War" (2001) which addressed the question of the US response to the September 11th terrorist outrages of that year, wrote:

We should invade their countries, kill their leaders and convert them to Christianity.

(Although some slack should, perhaps, be given to Coulter given a close friend had died in the terrorist attack and these emotionally-charged words were penned a mere two days after the fact.)

Given the universal acknowledgement of a distinct lack of mean-spiritedness in the man (both his political opponents as well as allies are as one on this), Reagan would clearly be repulsed by such extremism. He would note, possibly, that a faithful and determined Servant of Jehovah God and Disciple of Christ may only fight the good fight and oppose the evil(s) of his generation, pointing out that it is the Master to which those interested in ultimate freedom should look rather than any Servant of the Master (who, by definition, can only be a flawed). Perhaps the roots of such extremism on the part of his own disciples can be traced to this idolatry as well as the lack of true faith in the God of the Bible by so many of the countless millions the world over who have benefited from the fruits of freedom that have flowed from the life and work of Ronald Wilson Reagan. As Malcolm Muggeridge says in *Christ And The Media* (1977):

We are told to make our light shine before men. That is our Christian duty; the results are God's concern, not ours.

46

Although Sweden and New Zealand also developed early models of what became the Welfare State (where the government provides for its citizens via a system of social welfare) in the 1930s - and the German statesman Otto von Bismarck (1815 - 1898) had initially developed the concept of *soziale Sicherheit* in the 1880s - in many respects the ur-statist order that kickstarted the modern era was the US social security framework set up by the Roosevelt administration in 1935 (and greatly expanded during and after the war). Following on from this, a report by British economist William Beveridge (1879 - 1963) in 1942 examined existing social security arrangements (considered inadequate due to their piecemeal and chaotic evolution) and recommended reforms that would enable a superior system to be developed that would establish a definable minimum living standard "below which no one should be allowed to fall." Beveridge identified the prime targets of this superior system: the five Great Evils of Want, Disease, Ignorance, Squalor and Idleness.

Beveridge's recommendations were subsequently implemented by the postwar Labour government (led by Fabian Socialist Clement Attlee - the Welfare State was one of the main aims of the Fabian Society - *see chapter on Karl Marx*) and comprised the institution of the modern British Welfare State with a universal health care component (the National Health Service - something the conservative ranks have, thus far, successfully stymied in the US; Bill Clinton's failed attempt at establishing such a system in 1994 being the most recent failure). Similar arrangements were also set up or else developed through refinement of prewar systems throughout the West after World War II.

Undergoing major reform in the US and Great Britain with the advent of economic rationalism in the 1980s and beyond, the Welfare State was significantly wound back although many of its central components remain.

In spite of the fact Roosevelt, Attlee, et al intended social welfare to be a panacea for the economically- and war-induced societal ills of their time (and much suffering was alleviated such that the endgame - advancing the cause of social cohesion - was largely achieved), the rise of the Welfare State has had some unfortunate outcomes.

Firstly, it bred a mentality of welfare dependency in the general public. Sold as a system that would provide for everyone from 'the womb to the tomb' (and combined with the 'rights theology'), a culture developed in which people expected the state, in lieu of a deity (the de-divinised liberal God of optimistic humanism having fallen from favour), to provide all their needs: *Jehovah* jireh became *Misrah* jireh, as Mark Steyn spells out in his essay for *The Spectator* (1828 - ) entitled "One Nation Under God" (2004). Steyn begins by quoting G.K. Chesterton's famous line about the end result of scepticism being a willingness to put one's faith in anything and everything (*see footnote 25*):

'When men cease to believe in God' said Chesterton, 'they do not believe in nothing; they believe in anything!' The anything most of the Western world's non-believers believe in is government: instead of a state church, Europe believes in the state as church - the purveyor of cradle-to-grave welfare will provide daycare for your babies and take your aged parents off of your hands. The people are happy to have cast off the supposed stultifying oppressiveness of religion for a world in which the state regulates every aspect of life.

Secondly, the implementation of the Welfare State gave centre-left political parties the world over an unquenchable thirst for permanent reform (as, practically, an end in itself); their ongoing mission: to legislate societal change and create a better world. The reform culture of these parties, which had its earliest roots in the Gnostic impulse to establish a heavenly utopia on earth (*see footnote 27*), ploughed even greater depths when a generation of Western liberal politicians (and members of the judiciary) rose to prominence in the 1960s and 1970s (such as Earl Warren [1891 - 1974], Pierre Trudeau, Harold Wilson [1916 - 1995], Gough Whitlam [1916 - ], and so on) determined to move beyond mere economics to legislate people's hearts. As (Fabian socialist) Bertrand Russell once said about human nature, "It is in our hearts that evil lies, and it is from our hearts that it must be plucked out." This generation sought, once again, to do the work of the deity who was, once again culturally interred (c.f. the short-lived 'God is dead' theology of the time), by liberating humanity from a new set of Great Evils: Racism, Sexism, Homophobia, Censorship and (the pernicious influence of what might be termed) 'Moralism' (whereby, for example, people were denied their 'right' to a private morality of their own choosing - encompassing fornication, adultery, sado-masochism, etc, as long as it was consensual - by a sociopolitical ethos imbued with the kind of creeping religious anachronisms, as they saw it, which Bob Dylan summed up in his song 'It's Alright Ma (I'm Only Bleeding)': Old lady judges watch people in pairs / Limited in sex, they dare / To push fake morals, insult and stare..."; and, in the civic sphere, ensuring the separation of church and state such that overtly religious phenomena such as school prayer, et al, was banished from the public domain in the name of 'metaphysical egalitarianism').

The irony of it all, as Mark Steyn points out, is that the end result of such social liberalisation is to undermine the Welfare State in such a comprehensive way surpassing the efforts of even crusading uber anti-statists like Ronald Reagan and Margaret Thatcher:

[T]he basic arithmetic of the...welfare state [is this]: without population growth [to provide the ever growing army of workers who pay the growing volume of tax revenues which fund the ever expanding system] it's insolvent...[T]he paradox of welfarist society is that it weans people away from the familial impulse necessary to sustain it.

This is because welfarism creates a social dynamic which removes *responsibility* (the yin to the yang of *storge* [affection] and *philia* [brotherly] love) from the familial equation. Bereft of responsibility, relationships are stranded in the topography of the sensual (emotions and the physical), shifting the emphasis off of others and onto the self (wherein a relationship exists to serve *you*, to make *you* feel good, to make *you* feel better about yourself, to give *you* pleasure). There are also few consequences in a culture where the government is there to 'pick up the tab' (e.g. publically-funded abortions) and so less obstacles to reckless (self-centred) behaviour (which disregards the needs and feelings of others).

Contrasting Steyn's 'God' of Government with the God of the Bible, the mysteries of Yahweh, biblically speaking, often confound His followers (read the *Book Of Job*) and yet the deity of *agape* (wholehearted and selfless) love places a premium on development of character such that, again and again, He takes a hands-off (minimalist / non-interventionist) approach to develop it (risking relationship itself with His spiritual children so as to bring about what they need: this best possible outcome of a more Christ-like - selfless, other-directed - disposition). I also think of the approach to parenting advocated by Benjamin Spock, whereby mothers and fathers indulge children to keep them happy rather than focus on equipping them with the skills to negotiate life (*see chapter on Sigmund Freud*). Postwar, this parenting approach has been replicated on a micro level in millions of households throughout the West. In a sense, welfarism sees the Government take such an approach at the macro level (Our Father, Who Art In Washington, Whitehall, et al) . And post-1960s welfarism has added political correctness to the mix (fuelled by the 'rights theology' which the early welfarism of Roosevelt helped birth and which, in turn, has given welfarism added impetus), such that critics have labelled this form of government (that, like father, knows best), the 'Nanny State.' Its citizens are akin to naughty children for whom the bureaucracy will make decisions and, in short, think. Orwell's Big Brother becomes a kind of Super Colossal Spinsterish Schoolmarm, an omnipresent Nurse Ratchett (of *One Flew Over The Cuckoo Nest* 'fame') lobotomising our polity of its 'bad' traditions (such as the Judeo-Christian) for our own good (and, like Skinner - *see chapter on Charles Darwin* - rewarding us with all kinds of treats in the manner of welfare goodies that help maintain a Western standard of living, a cornerstone of this liberal, existential paradise on earth).

One has to seriously question, however, whether there can be true love (by definition, more than mere transient feelings and a rush of adrenalin), in its fullest, other-centred expression, without responsibility (and, to a lesser extent, consequence). The Bible contains prophecies about the end of the world where culture has reached such a dehumanised low point that "the love of many will wax cold," which, on the surface, seems an ideal description of the kind of self-directed 'love' (that has lost the anchor of responsibility) which passes for the real thing in today's relationally-challenged Western world (*see chapter on Søren Kierkegaard*).

The bitter fruit from such bad seed are relationships that are hollow, all form and little content.

\* Divorce becomes more likely - why stay with a spouse who doesn't emotionally, psychologically and physically fulfil all of *your* needs and wants?

\* Marriage becomes less likely - devoid of its sacred otherness, it simply loses its real meaning (agitation for the legalisation of 'gay marriage,' by a section of Western society whose subculture lauds promiscuity to a degree that, arguably, makes hedonistic straights resemble a monastic clique, is but one symptom of this loss of the sacred - as is the case of an Australian radio station running a competition whereby men and women agree to marry someone the day they meet them, a quickie divorce ensuring no lasting consequences enables them to 'have a laugh' with matrimony for a week).

\* Children grow to despair of (and then despise) 'distant' (self-absorbed) parents (long since jaded with their newborn babies who may have provided the equivalent thrill of a new puppy before they grew up - welfarism has yet to provide a service that takes 'burdensome' children off your hands and the kids can't be so easily discarded in drains or taken back to the shop like pups; this 'lack' of state service, combined with the growing cost of child-rearing and the increasing demands for self-actualisation through career by women, combining to ensure population decay).

\* Crossing generations, like a disease that jumps species, children, cynical about marriage and child-bearing from the relational poverty of their own experience, grow up with a self-centred view of relationship and family. De facto and common-law arrangements enable emotional and physical needs to be gratified with a built-in failsafe of just being able to walk away without falling into a legal quagmire (and so flourish like weeds). (Such pragmatism has also seen the exponential growth in older widowed or divorced couples 'living in sin,' as they would have seen it long ago, so as to safeguard the family fortune from a potential subsequent divorce.) Of course, governments have moved to close tax and welfare loopholes of non-married couples living in 'marriage-like' situations and enjoying the benefits of singles, a development that has given de facto relationships equality with marriage and, in turn, further eroded any special status for matrimony.

47

The rise of consumer society is wedded to the concept of credit. The concept is an ancient one, as the *Did You Know?* website ([www.didyounow.cd](http://www.didyounow.cd)) relates:

Credit was first used in Assyria, Babylon and Egypt 3000 years ago. The bill of exchange - the forerunner of banknotes - was established in the 14th century. Debts were settled by one-third cash and two-thirds bill of exchange. Paper money followed only in the 17th century.

The first advertisement for credit was placed in 1730 by Christopher Thornton, who offered furniture that could be paid off weekly. From the 18th century until the early part of the 20th, tallymen sold clothes in return for small weekly payments. They were called "tallymen" because they kept a record or tally of what people had bought on a wooden stick. One side of the stick was marked with notches to represent the amount of debt and the other side was a record of payments. In the 1920s, a shopper's plate - a "buy now, pay later" system - was introduced in the USA. It could only be used in the shops which issued it. [In the 1930s, oil companies and hotel chains began issuing credit cards to customers for purchases made at their own gas stations and hotels.]

The Roosevelt administration had also introduced the modern concept of home mortgages as one of its many schemes to bring an end to the Great Depression, as the money section of the *How Stuff Works* website ([money.howstuffworks.com](http://money.howstuffworks.com)) relates:

In [1934, in] order to help pull the country out of its economic depression, the [Federal Housing Administration (FHA)] initiated a new type of mortgage aimed at the folks who couldn't get mortgages under the existing programs. At that time, only four in 10 households owned homes. Mortgage loan terms were limited to fifty percent of the property's market value, and the repayment schedule was spread over three to five years and ended with a balloon payment. An 80 percent loan at that time meant your down payment was 80 percent - not the amount you financed! With loan terms like that, it's no wonder that most Americans were renters.

FHA started a program that lowered the down payment requirements. They set up programs that offered 80 percent loan-to-value (LTV), ninety percent LTV, and higher. This forced commercial banks and lenders to do the same, creating many more opportunities for average Americans to own homes. The FHA also started the trend of qualifying people for a loan based on their actual ability to pay back the loan, rather than the traditional way of simply "knowing someone." [And t]he FHA lengthened the loan terms. Rather than the traditional five- to seven-year loans, the FHA offered 15-year loans and eventually stretched that out to the thirty-year loans we have today.

After World War II, the world of the emerging consumer society, attached to the postwar economic boom, was ready for a universal system of credit to facilitate the increasingly rampant consumerism (for the sake of pragmatism, if nothing else, in this age of convenience). Jennifer Rosenberg, in her essay "Just Charge It! The Invention Of The Credit Card," relates the events that led to the creation of the first universal credit card: Diners Club:

In 1949, Frank X. McNamara [1917 - 1957], head of the Hamilton Credit Corporation, went out to eat with Alfred Bloomingdale [1916 - 1982], McNamara's long-time friend and grandson of the founder of the [famous] Bloomingdale's [department] store, and Ralph Schneider [1919 - 1964], McNamara's attorney.

The three men were eating at Major's Cabin Grill, a famous New York restaurant located next to the Empire State Building, to discuss a problem customer of the Hamilton Credit Corporation. The problem was that one of McNamara's customers had borrowed some money but was unable to pay it back. This particular customer had gotten into trouble, when he had lent a number of his charge cards (available from individual department stores and gas stations) to his poor neighbours who needed items in an emergency. For this service, the man required his neighbours to pay him back the cost of the original purchase plus some extra money.

Unfortunately for the man, many of his neighbours were unable to pay him back within a short period of time and he was then forced to borrow money from the Hamilton Credit Corporation.

At the end of the meal with his two friends, McNamara reached into his pocket for his wallet so that he could pay for the meal (in cash). He was shocked to discover that he had forgotten his wallet. To his embarrassment, he then had to call his wife and have her bring him some money.

McNamara vowed never to let this happen again.

Merging the two concepts from that dinner, the lending of credit cards and not having cash on hand to pay for the meal, McNamara came up with a new idea - a credit card that could be used at multiple locations. What was particularly novel about this concept was that there would be a middleman between companies and their customers.

Though the concept of credit has existed longer even than money, charge accounts became popular in the early twentieth century. With the invention and growing popularity of automobiles and airplanes, people now had the option to travel to a variety of stores for their shopping needs. In an effort to capture customer loyalty, various department stores and gas stations began to offer charge accounts for their customers which could be accessed by a card.

Unfortunately, people needed to bring dozens of these cards with them if they were to do a day of shopping. McNamara had the idea of needing only one credit card.

McNamara discussed the idea with Bloomingdale and Schneider and the three pooled some money and started a new company in 1950 which they called the Diners Club. The Diners Club was going to be a middleman. Instead of individual companies offering credit to their own customers (whom they would bill later), the Diners Club was going to offer credit to individuals for many companies (then bill the customers and pay the companies).

Previously, stores would make money with their credit cards by keeping customers loyal to their particular store, thus maintaining a high level of sales. However, the Diners Club needed a different way to make money since they weren't actually selling anything. To make a profit without charging interest (interest bearing credit cards came much later), the companies who accepted the Diners Club credit card were charged 7 percent for each transaction while the subscribers to the credit card were charged a [US]\$3 annual fee (began in 1951).

McNamara's new credit company focused on salesmen. Since salesmen often need to dine (hence the new company's name) at multiple restaurants to entertain their clients, the Diners Club needed both to convince a large number of restaurants to accept the new card and to get salesmen to subscribe.

The first Diners Club credit cards were given out in 1950 to 200 people (most were friends and acquaintances of McNamara) and accepted by 14 restaurants in New York...In the beginning, progress was difficult. Merchants didn't want to pay the Diners Club's fee and didn't want competition for their own store cards; while customers didn't want to sign up unless there were a large number of merchants that accepted the card. However, the concept of the card grew and by the end of 1950, 20,000 people were using the Diners Club credit card.

Though the Diners Club continued to grow and by the second year was making a profit (\$60,000), McNamara thought the concept was just a fad. In 1952, he sold his shares in the company for more than \$200,000 to his two partners.

[Nevertheless, the] card continued to grow more popular [such that in] 1958 [it faced competition in the form of] American Express and the Bank Americard (later called VISA).

The concept of a universal credit card had taken root and quickly spread across the world.

As the concept of deficit financing at the macroeconomic level has become something of the norm (such that the regularity of budget deficits over the decades has seen US national debt reach US\$7 trillion in 2003 and UK£434 billion in Britain in 2002), so too credit has come to define the modus operandi of an increasingly large pool of consumers either for goods and services or capital investments such as housing and cars. (More competition between lending institutions in an increasingly deregulated market has reached the stage where banks and credit agencies are bending over backwards, with all the vigour of a circus contortionist and altruism of a loan shark, to lend people money. Americans had accumulated US\$700 billion in plastic card debt by 2002.)

Keynes didn't seem to be too overly concerned by the possibility of such a (somewhat ironically, 'cashless' yet) debt-ridden society: "We only owe it to ourselves," he had said.

## **11. Concluding Religious Postscript**

What conclusions may we draw vis-à-vis the implications (if any) from this examination of the historical record?

Certainly, the period from the 18th century to our time has seen an accretion of self-centredness, hedonism and self-directed Eastern mysticism in Western society (and spreading elsewhere through the means of the ever more dominant Western mass media).

It is true that previous periods in history have produced similar fruit. Equally, it is true that the spread of Judeo-Christian mores has, time and again, pulled society back from the brink (e.g. the Methodist and subsequent Christian 'revivals' in England in the 1700s). Or, where this has been absent, civilisations have collapsed (Greek, Roman, Mayan, etc). And, arguably, the last time we faced such conditions globally was "in the Days of Noah," as Jesus, discussing what the time of the end would resemble, prophesied two millennia ago.

The Parousia Network ([www.parousianetwork.com](http://www.parousianetwork.com)) beautifully summarises the transition from Christendom to Postmodernism in its essay "How Should We Then Live?: The Church In A Post-Christian Age" (2001):

In the year 1904 a revival broke out in the tiny nation of Wales on the southwest coast of Great Britain. Within six months of its outbreak some 100,000 persons had professed Christ as Saviour and joined the Church for the first time. By the time the revival had run its course roughly 5% of the population of Wales had done the same.

When the revival spread to America the effect was profound and widespread. In Denver, the Mayor declared Friday, January 20, 1905 a day of prayer. At 11:30 nearly every business and every school in Denver was closed, and the Colorado Legislature voted to postpone business in order to attend city-wide prayer meetings. Similar scenes were repeated in Atlanta where, on November 2nd factories, stores and offices closed at mid-day for prayer and the Supreme Court of Georgia adjourned in order to attend prayer meetings. In Portland, Oregon some 241 businesses signed an agreement to close for three hours between 11 and 2 p.m. in order to allow their customers and employees to attend prayer meetings.

Can anyone imagine similar scenes today? Can anyone seriously imagine [Disney CEO] Michael Eisner [1942 - ] closing down Disneyland so patrons and employees could go to Church? Not likely. Businesses would be afraid to close for such “religious reasons” for fear of offending non-believing customers and employees. And cries of “separation of Church and State” would ring in the media if Legislatures and Courts were to close or postpone business because of a revival.

How did a century that began with such spiritual life and promise end with such spiritual and moral darkness [such] that Christian thinkers now refer to our present day as a “post-Christian” era and “the New Dark Ages.” In many ways the Church today is awakening Rip van Winkle-like to find itself in a world it scarcely recognises. How did we get here? How did this happen?

It happened because the Church has never really understood or appreciated the long-term impact of ideas. Ideas are like raindrops. Taken individually they appear insignificant and easy to ignore. But over time these raindrops collect and combine to form streams of thought which in turn combine to form rivers of life and culture. For the past 250 years (although we could go back further to the time of the Italian Renaissance of the 1600s) Christianity and Western culture have been subjected to a constant rainfall of anti-Christian ideas. From the ridicule of a Voltaire and the scepticism of a David Hume, to the denial of absolute knowledge by an Immanuel Kant, the evolution of a Charles Darwin, the dialectical materialism of a Karl Marx and the undermining influence of biblical [higher] criticism, Christianity has been ceaselessly pummelled by a constant rain of anti-biblical ideas that have combined to form a river of doubt and scepticism.

By the opening of the 20th century this river of doubt, scepticism and rebellion filled the wells from which Western Civilisation drew its drinking water. According to Dr. Carl F. H. Henry [1913 - 2003] (the founding editor of *Christianity Today* magazine [1956 - ]) the 20th century witnessed the most radical reversal of ideas and ideals in human history. Dr. Henry observed that at the beginning of the 20th century textbooks referred to the God of the Bible, and the Ten Commandments. There was an emphasis upon revealed values, upon the need for an internal change within man in order to achieve “Utopia.” But by World War II something had happened. References suddenly changed from the God of the Bible to “Nature’s God” or “God” in general. Rather than revealed values, the new emphasis was upon shared values. And rather than a change needed in man, the emphasis was placed upon change through education. Finally, in the last half of the 20th century all theistic aspects and references to God had been eliminated. God now counted for nothing in education or in public life. Instead of shared values, the emphasis of the late 20th century was upon the tolerance of diverse values. Instead of change by education and legislation, the emphasis was upon change through revolution and violence.

The shift from a Judeo-Christian understanding of the world to an essentially pagan one was relatively swift. But it did not arrive unannounced. In 1960 Gabriel Vahanian [1927 - ] published his book, *The Death Of God: The Culture of Our Post-Christian Era*. It represented an intellectual and theological thunderstorm which served to swell a growing torrent of unbelief. In his

“Introduction” to Vahanian’s work, Professor Paul Ramsey [1924 - ] of Princeton boldly announced, “Ours is the first attempt in recorded history to build a culture upon the premise that God is dead.” Confirming Dr. Henry’s observation regarding the watershed years between World Wars, Dr. Ramsey wrote, “The period *post mortem Dei* divides into two distinct eras, roughly at some point between the World Wars. Until that time, the cultural death of God meant something anti-Christian; after it and until now, the death of God means something entirely post-Christian.”

Or, to put it another way, in an email that circulated after the September 11th 2001 terrorist attacks:

[Renowned evangelist] Billy Graham’s [1918 - ] daughter was interviewed on the *Early Show* [1999 - ] and [host] Jane Clayson [1967 - ] asked her “How could God let something like this happen?”

Anne Graham [1948 - ] gave an extremely profound and insightful response. She said “I believe God is deeply saddened by this, just as we are, but for years we’ve been telling God to get out of our schools, to get out of our government and to get out of our lives. And, being the gentleman He is, I believe He has calmly backed out. How can we expect God to give us His blessing and His protection if we demand He leave us alone?”

[With regard to] recent events...[terrorist] attack, school shootings, etc. I think it started when [founder of American Atheists Inc. and tireless campaigner for the separation of church and state] Madalyn Murray O’Hair [1919 - 1975]...complained she didn’t want prayer in our schools, and we said OK [a lawsuit she brought on behalf of her son William J. Murray (1946 - ) - who later converted to Christianity (see the Religious Freedom Coalition - [www.rfcnet.org](http://www.rfcnet.org)) - led to the US Supreme Court’s 1963 decision to ban prayer from public schools...O’Hair and a son - not William - and daughter were murdered in 1995 by a man who kidnapped them and forced them to withdraw and hand over US\$50,000 from their organisation].

Then someone said you better not read the Bible in school...[the book which] says ‘Thou shalt not kill,’ ‘Thou shalt not steal,’ and ‘Love your neighbor as yourself.’ And we said okay.

Then Dr. Benjamin Spock said we shouldn’t spank our children when they misbehave because their little personalities would be warped and we might damage their self-esteem (Dr. Spock’s son committed suicide). We said an expert should know what he’s talking about. And we said okay.

Then someone said teachers and principals better not discipline our children when they misbehave. The school administrators said no faculty member in this school better touch a student when they misbehave because we don’t want any bad publicity, and we surely don’t want to be sued (there’s a big difference between disciplining, touching, beating, smacking, humiliating, kicking, etc.). And we said okay.

Then someone said, let’s let our daughters have abortions if they want, and they won’t even have to tell their parents. And we said okay.

Then some wise school board member said, since boys will be boys and they’re going to do it anyway, let’s give our sons all the condoms they want so they can have all the fun they desire, and we won’t have to tell their parents they got them at school. And we said okay.

Then some of our top elected officials said it doesn’t matter what we do in private as long as we do our jobs. Agreeing with them, we said it doesn’t matter to me what anyone, including the President, does in private as long as I have a job and the economy is good.

Then someone said let’s print magazines with pictures of nude women and call it wholesome, down-to-earth appreciation for the beauty of the female body. And we said okay.

And then someone else took that appreciation a step further and published pictures of nude children and then further again by making them available on the internet. And we said okay, they're entitled to free speech.

Then the entertainment industry said, let's make TV shows and movies that promote profanity, violence, and illicit sex. Let's record music that encourages rape, drugs, murder, suicide, and satanic themes. And we said it's just entertainment, it has no adverse effect, nobody takes it seriously anyway, so go right ahead.

Now we're asking ourselves why our children have no conscience, why they don't know right from wrong, and why it doesn't bother them to kill strangers, their classmates, and themselves.

#### ON THE MATTER OF THE ONLY TRANSCENDENT REALITY & TRUTH I HAVE DISCOVERED IN MY THIRTY-THREE YEARS ON THIS PLANET...

You may have encountered Christians before or else formed your opinion of them from depictions in the media. Equally, Christians may have tried to convert you to their faith before and left a sour taste lapping at your tastebuds like the waves of a bittersweet sea.

I know how patronising this all can be and hope to convey what I believe in as non-confrontational a manner as possible by way of publishing a letter I sent to my Grandmother in England as she lay dying from cancer. At the time, she was not a believer:

Gran,

I hope you are feeling better. We're all praying for you to overcome the situation you're in but I felt compelled to write and say that you do have another option.

I know that you [are aware that] Mum and Dad and myself are all Christians. I recall a couple of meaty conversations about God and the Bible we had ten years ago when I was staying with you and Granddad. The bottom line is that God has healed me (and instantaneously on one occasion). Admittedly, I did not have cancer but, nevertheless, God did take my pain away when I called out to Him. A Christian friend of mine did have cancer and God also healed Him. I cannot promise God will physically heal you. I do not know why some are miraculously healed and others are not when they pray in Jesus' name. I guess that question will only be answered when we are all standing before God on that day when we will have to give an account of our lives.

Perhaps, more importantly than physical healing is a healing of the soul, of the spirit. I know you are familiar with the basics of the gospel. In essence, God created us to share in abundant life with Him but because of the Fall and sin we are separated from Him. But he sent Christ to be judged and sacrificed for the atonement of our sins and, should we turn to Christ and accept Him as Lord and Saviour, then our sins are forgiven and we can commune with God and enter in to that abundant life.

I realise that these ideas have been mere religious doctrines to you, as they are to so many millions of people on earth today. I know you have seen countless so-called Christians engage in highly hypocritical behaviour that belies their so-called faith. It is unfortunate that we Christians can so often have a tendency to come across all religious and self-righteous, two things Jesus actually speaks out against in the Bible. The bottom line is that each individual needs to have their own personal revelation of who God is and what He is. This can only come from the respective individual asking God to reveal Himself to them.

I suppose this is the option I spoke of above. Basically, why not ask God to reveal Himself to you? God is a perfect gentleman who respects us all and will not force Himself on anyone. If, however,

you *invite* Him in, if you ask Him in then you shall receive, the Bible says, and my own experience as well as [that of] countless millions of others throughout history bears this out.

I hope I have not come across as patronising, Gran. I have only been motivated in writing this out of love and concern for you. The fact is, I do want to see the best outcome for you and I know that if you were to experience God in a real and spiritual way then you would have the best.

In the words of one of my favourite songs, "Jesus is waiting..."

Your loving grandson,  
Mark.

My Grandmother died in 2002. She was 83. I do not know whether she invited God into her life. I do know something my Uncle (also a non-believer) conveyed to my Mother.

Before Gran passed away, she decided to leave the hospital and move into a hospice. My Uncle helped her to pack and throw away any items she would not be needing in her time at the hospice (which she understood would be brief).

There were several odds and ends that she told him to bin but when it came to the matter of the letter I had sent (the one, my Uncle said, 'about Jesus') she made a point of saying that she needed it and promptly packed it with her other belongings.

Only two people know what happened next: my Grandmother and Jesus Christ.

I do know that we will all, as I said in the letter, have to give an account of our life to God one day. You may have been told many things about Jesus Christ but the Bible is clear on one thing: we do not enter heaven (which is, in essence, an eternal life in the presence of God, the Father of Jesus and a being of pure love) by what we have done. Good works are like dirty rags, Jesus said. None of us is good enough. No, we enter heaven (or are denied) by virtue of our orientation to Christ. If we have a relationship with Him then we may enter. If not, then there is only the outer darkness where there is wailing and gnashing of teeth and then the lake of fire - the Second Death, as the Bible describes it. Jesus talked far more about Hell than Heaven in all but begging us to avoid it.

Even if you think I am some poor fool who has been brainwashed by religious fanatics, can I make the same appeal to you that I made to my Grandmother: Is there, in the final analysis, any harm in just asking God to reveal Himself to you? If not, then can I invite you to try? You may be surprised when He answers. Just don't assume you know *how* He will answer.

I think it important to also say a word about death. As the Flaming Lips sing:

"Do you realise that everyone you know someday will die?"

During World War II, the Christian philosopher C.S. Lewis pointed out that war does not increase death - it is total in every generation.

One day, you and I will face death. It may come suddenly through an accident, it may come through illness (as with my Grandmother) or you may be one of those people blessed with a long life who slips away peacefully in their sleep. Regardless of the means, that we will die is a complete certainty. Beyond the veil of mortality, eternal destiny awaits...

In conclusion, I think of a scene from the movie *On The Beach* (1959), based on the novel by Nevil Shute (1899 - 1960), about survivors of a nuclear war who eke out a grim existence in Australia. They are all awaiting death as radiation slowly spreads from the northern hemisphere (which has been devastated in a

nuclear exchange between East and West). As the radiation arrives and floats over the land, snuffing out the last pathetic remnants of the human race, a banner flaps slowly in the breeze. It reads:

THERE IS STILL TIME, BROTHER!