

LETTER TO THE PRESIDENT OF CROATIA

on the anthropology of economics

"Industry without art is brutality." - Ananda K. Coomaraswamy

Dear President Grabar-Kitarović:

This essay is a response to your appeal to the Pope during your May 28, 2015 visit, as reported by Dalje.com (May 28) and Zenit (May 29):

"We particularly agreed that the social situation in Croatia is a big crisis... when it comes to young people leaving, the demographic problem, aging population, Croatia dying away, the crisis of the family because young people are leaving... because of the economic situation they cannot start a family," [you] said, adding that [you] asked Pope Francis "to pray for the Croatian state and for all of us, for the Croatian people and for our future."

That is such a precise and succinct description of the harm worldwide, even in California, that it is clear you have given deep thought to it. This inspires me to write a detailed analysis, which I hope will help your country and others.

I am a scientist, with a PhD in mathematics from Princeton University, and a long career mostly in computing. I have several publications including two books, *The Book of Honor* (1998) and *Crawl-Space Computing* (2014). My mother's ancestors came from Zábiedovo, a village in Tvrdošín District (formerly Orava County) in Slovakia. This has inspired me to take an interest in ethics, economics, and international affairs. I am a lifelong papal (not Americanist) Catholic.

Lawrence J. Dickson
2757 Chaffee Street, National City, CA 91950, USA
tjoccam@tjoccam.com
11 June 2015

A. THE SCIENCE

In the Indiana religious freedom dispute (March 26 - April 2, 2015), sixteen major corporations made a nakedly Stalinist intervention to overthrow the decision of the constitutional government of a state of the USA. This corroborates the long-standing

contention by people from Southern countries that these giant corporations are enemies of humanity. In fact, the role of “greed psychopath,” taking as much and giving as little as possible, is almost always *required* by their DNA, their articles of incorporation. Activist investors are now busily enforcing this: the May 2015 DuPont proxy fight is the exception (caused by human “retail investors”) that proves this rule.

The science of economics is in essence sponsored by these giant corporations. It has become a pseudo-science serving greed, just as Marxism serves envy and Freudianism serves lust. This is clear because it is based on “homo economicus,” an insane construct who must logically eat or cut up for organs his own children! (Living children have negative economic value.) Uncritical use of the methodology of standard economics is therefore a trap, necessarily leading in a circle back to its starting point, which is penury for the powerless. Therefore, in this essay, I will follow the References and reach back past “homo economicus” to first principles of anthropology.

B. THE SYMPTOMS

The symptoms of economic wrongness are found in certain ironies or counter-intuitive facts that sadden families everywhere.

The helplessness of parents. Parents will do all they can to give their children strength and hope. In old times they often had not the means, but now worldwide science and technology are much better. If a path can be found, the elders will apply themselves to clearing it for their children. And yet, the step from childhood to adulthood has become a big step down. Why?

The trapped young. The family home with chickens and trees is, even as provided by the poorest parents, a place of delight for small children. After they are full-grown and capable, the wide world seems pinched and rejecting. A big world of possibilities for their children appears impossible for the parental community to provide. Even though emigration makes the young less capable (due to missing language skills), it seems the best option. Why?

The paradox of wealth. Unlike in grandparents’ times, there is as a rule more than enough of what is needed (e.g. food, shelter) for all the people. Yet hopelessness reigns because each young person cannot feel any assurance that he can make what he needs. Unemployment rules despite the fact that lands and tools exist as they always have. Why?

C. THE DIAGNOSIS

The paradox that “better tools produce worse outcomes” is clear from the above symptoms. Not so well-known is the fact that the opposite has also held, and rather

recently. In the last year of the Soviet Union, they tried to crush an independent Lithuania by cutting off their fuel. But the Lithuanians, who used horses to plow their fields, went on unfazed. If they had had modern powered equipment, they would have been beaten.

Shortage of art. Every strong adult wants to make his way by his own active art. Here “art” is in the sense of Plato or Coomaraswamy [1], perhaps better termed “skill,” “artisanship,” or “pride of workmanship.” However, everything beyond the family home is now organized by money. Moneyed decision-makers who assign the constructive tasks never provide enough for all the strong adults, though they do try, if rather feebly. Self-tasking (i.e. going into business) is usually depressingly uncertain.

Value inversion. The opening of foreign trade leads to “value inversion,” e.g. iPhone valued more than food, or apps of iPhone valued more than phone of iPhone. The quotient (income)/(needs+wants) goes *down* due to frantic activity, a phenomenon I have called “the accelerating slave.” Thus, increase in options leads to an increase in debt, which takes precedence over real needs, and over the formation of families.

The failure of money. More money is paid to the young person where he is less capable (e.g. emigration or “day job”), and his art (skill) lies unused. The money, well-adapted to buying an iPhone, is inconsistent with a wedding or a child, because the lovers are separated, or income is delayed or too uncertain.

D. THE CURES

The purely economic cures are detailed in [2], but I also highly recommend [1], even though the prose of this Tamil Boston Platonist is dense and his terminology challenging. The reason is that [1] completely deconstructs “homo economicus.” This is necessary, because there is a kind of “Brezhnev doctrine” or one-way inevitability claimed by Western money. As for [2], once the possibility of another path is established, there is no better guide to a whole basket of paths. For a short summary of [2], see www.zenit.org/en/articles/distributism-and-the-economic-crisis

What must be solved. There is a lack of medium-scale human cooperation, between the small family home, which functions well for little children, and the supra-national hard currency power centers, which supply all needs but finance or employ an insufficient subset of the people, and in a servile fashion. There is a lack of humanity, with the pressure of money driving the powerless toward the state of “homo economicus,” who must lighten ship by sacrificing children or love. Corporate “greed psychopath” lobbying and supra-national law keep converging, meaning that Ricardo’s “law of rents” comes to apply to everything, not just land, and everyone who is not a giant multinational becomes marginal and helpless. The lock-in occurs when the mischances of life lead to debt.

Cooperatives. Vigorous cooperatives on a wide scale solve all of the above problems, as detailed in [2], where John Medaille shows two different solutions on a full regional scale: Mondragón Corporation is a worker cooperative federation in Basque Spain, and Emilia-Romagna is a prosperous Italian region with 57% co-op participation. Co-ops must be equity-oriented and avoid excessive debt, or it can take them down, as it did to a large member company of Mondragón in 2013, without affecting the rest. Co-ops must not maximize short-term profit, and if made to do so will self-destruct (demutualization or “buyout”). Even “standard” corporations can take on some of the constructive characteristics of co-ops if their articles of incorporation demand it (Google) or if they have strong ethics defended against activist investors (Costco, DuPont). These *non-psychopathic* businesses tend to do surprisingly well, because people prefer them. One almost-dead business even deliberately returned to the non-psychopathic state, to the great scorn of investment counselors, and astonished them by recovering (J.C. Penney).

Pride of workmanship. Art, in the sense of [1], must be a part of everyone’s working life, to negate the assumption of standard economics that work is hated. Any “education” that is really job training should be replaced by apprenticeships. Crowd-funders like Kickstarter and Indiegogo show that small (“eco-local”) subsidiarity can be organized many ways, not just in a village. The customer appeal of “pride of workmanship” products is very high, as crowd-funding proves. Appeal honestly for this both locally and in external trade.

Tribalism. Extended family or neighborhood or tribal solidarity is very efficient, and is the most common way people surmount economic trouble. Family, tribal, and regional coherence also surmounts, and tenaciously resists, bad “winner-take-all” law (examples: Afghans vs Soviet Union, and Kurds vs ISIS). Tribes are rooted in families, which tends to humanize their customs, while centralized law or leadership breeds tyranny. Contrary to common opinion, different tribes tend to sympathize with each other (because of common humanity) *if not forced into a “winner-take-all” contest by centralization*. This could be called the “Bree effect” after the village in J.R.R. Tolkien’s *Lord of the Rings*. I myself have seen Mexican family parties (Tijuana) and American political rallies (El Cajon, CA) that closely resemble each other in music and cowboy hats, despite language and a contentious border. Kurds rescue Christians and Yazidi, and Afghan hospitality saved internal refugees of tribes different from the host’s.

E. VICTORY

The cures described above are sufficient, due to the net surplus over needs that any modern state including Croatia is capable of producing. (Roughly, anything beyond twice the agricultural sector is surplus to *needs*.) However, the advocates of money absolutism

have a smug assurance of victory, thinking they will outlast any co-op movement and pull down any traditional culture. As Coomaraswamy bitterly admits ([1] p 15-16):

We ourselves have lost this vocational way of living [and] we have destroyed the cultures of all other peoples whom the withering touch of our civilization has reached.

An answer to Coomaraswamy's defeatism has to be found in the pre-economic or supra-economic human being, and in most human beings. The motivation certainly is there: everyone hates the domination of the multinationals, and everyone loves beauty.

Moral fiber. "Selling out" has a morally negative connotation for good reason. The medium-scale human cooperation (small businesses, co-op units) *must not* be abandoned to a money-center buyout, not even after generations. This means the "exit strategy" so beloved of American investors must not exist. Shops will be passed on, of course, but their complexity needs to continue. A goat and a saw and a song are many active things, while a money balance is just one thing; a buyout is reduction of many dimensions to a point; where you lived and acted before, now you are a spectator on retiree cruises, and your successor is a protean creature of finance.

Non-marginal pricing. It is necessary to pay significantly more than the minimum permitted by the market. The wage side of this practice, pioneered by Henry Ford and praised by Heinrich Pesch, is used by Costco and has most recently been applied in the Seattle minimum wage. It is of value to the firm because of the worker's morale and creative friendship with the firm, and it is of value to the greater economy because the difference goes to delayed purchases. The customer side of this practice leads to "pride of workmanship" goods becoming economically viable, which leads to greater wealth for all. It even leads to more leisure, because the lovingly produced goods break down less.

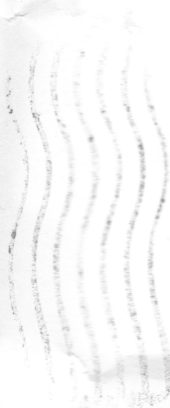
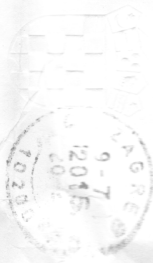
Pride of locality. Once the thinking of the above paragraphs catches on, people recover their pride in the personal and local origin of their possessions (including ones from far away). These take the place of much sweatshop junk, destined (as Medaille sarcastically comments) for the landfill. That reverses value inversion and helps non-economic cooperation, which is a great joy, because people like to be generous. All these factors are clear to see in successful crowd-funding projects.

Reward. The final result of prying open just a small gap in violation of "homo economicus" is to destroy standard economics, just as marital fidelity destroys Freudianism and tribal cohesion destroys Marxism. The reward for destroying Marxism is freedom, the reward for destroying Freudianism is love, and the reward for destroying standard economics is prosperity.

REFERENCES

1. Ananda K. Coomaraswamy: *Christian and Oriental Philosophy of Art*. Dover, New York, 1956. (Originally *Why Exhibit Works of Art?* Luzac & Co., Ltd., 1943.)
2. John C. Medaille: *Toward a Truly Free Market*. ISI Books, 2010.

REPUBLIKA HRVATSKA
URED PREDSEDNICE



*gospodin Lawrence J. Dickson
2757 Chaffee Street,
National City CA 91950
USA*





REPUBLIKA HRVATSKA
URED PREDSEDNICE

KLASA:052-02/15-10/208

URBROJ:71-02-04-15-02

Zagreb, 07. srpnja 2015.

gospodin Lawrence J. Dickson
2757 Chaffee Street, National City
CA 91950 Sjedinjene Američke Države

Poštovani gospodine Dickson,

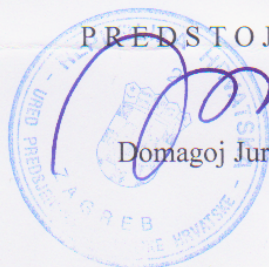
Ured Predsjednice Republike Hrvatske zaprimio je Vaše pismo potpore Predsjednici Republike Hrvatske i osvrt na izjavu u prigodi posjete Papi Franji.

U ime Predsjednice, zahvaljujemo Vam na lijepim riječima i zanimljivim informacijama iz područja etike, ekonomije i međunarodnih odnosa.

Želimo Vam puno uspjeha u daljnjem radu.

S poštovanjem,

PREDSTOJNIK

Domagoj Juričić


REPUBLIC OF CROATIA
OFFICE OF THE PRESIDENT

Doc Class: 052-02/15-10/208
Ref No: 71-02-04-15-02
Zagreb, 7 July 2015

Mr Lawrence J. Dickson
2757 Chaffee Street, National City
CA 91950
United States of America

Dear Mr Dickson,

The Office of the President of the Republic of Croatia acknowledges receipt of your letter of support addressed to the President of the Republic of Croatia and takes note of your comments on the statement made by the President with regard to her audience with Pope Francis.

On behalf of the President, we would like to thank you for your kind words and interesting information from the fields of ethics, economics and international relations.

Wishing you every success in your further work we remain

Yours sincerely,

Domagoj Juričić

CHIEF OF STAFF