Poetry

My sense of privilege in being invited to deliver this lecture and my pleasure in being with you tonight are the greater for being wholly unexpected. It would not have occurred to me until very recently that any ideas of mine about Chesterton would interest even a lay audience. Still less would I have hoped to interest as dauntingly informed and discerning an audience as is here tonight. What I knew and loved about Chesterton until very recently was limited to what countless millions of his admirers have known and loved: his poetry. What the name Chesterton meant to me was simply - and at the same time greatly and gloriously - poems of the majesty of "The Ballad of the White Horse" and "Lepanto".

Poetry is among the pleasures I have valued most highly. It was among my greater strokes of luck to have had a father who loved poetry. As a very small child, I was walked up and down in his arms while he recited to me. One frequent choice was "Horatius" from Macaulay's *Lays of Ancient Rome*. Another was Tennyson's "Ulysses".

In time, the recitations became participative. My father might for example recite from "Horatius":

But when the face of Sextus was seen among the foe
A yell that rent the firmament from all the town arose.
On the housetops were no woman but spat toward him and hissed,
No child but screamed out curses ...

At that point there would be a pause for my contribution. I would follow-on with the missing words "and shook his little fist".

At other times my father might recite from "Ulysses":

That which we are, we are -
One equal temper of heroic hearts
Made weak by time and fate
But strong in will to strive, to seek., to find ...

It was up to me when he paused to supply the missing words "and not to yield" - with, as he later reported it, the lisping approximation "oo mustn't 'ield".
The relevance of all this is that my father's recitations readied me to discover for myself at a later stage Shakespeare - and Chesterton. Not the least of my many debts to him is having been made receptive when the time came to that most prescient and haunting of all texts for our times, from "The Ballad of the White Horse":

I tell you naught for your comfort,
Yea, naught for your desire,
Save that the sky grows darker yet,
And the sea rises higher.

But for my father I might not have been open, when the opportunity arose, to the lines from the same poem which Chesterton gives to the expatriate Roman, Mark, dying as he does in battle, in defence of Britain and King Alfred:

Lift not my head from the bloody ground,
Bear not my body home,
For all the earth is Roman earth,
And I shall die in Rome.

Among the changes in our schools in recent years which I regret most profoundly is the relative eclipse of the opportunity to hear great poetry read aloud, and of the requirement that passages from it should be memorised. Restoring an understanding and appreciation of poetry to our schools is a need second only to the restoration of a love and understanding of history.

Defining Distributism

Be all this as it may, what you have asked me to talk about tonight is not Chesterton's poetry. It is the political philosophy which Chesterton and his close friend, Hilaire Belloc, called distributism. The basis of distributism is the belief that a just social order can only be achieved through a much more widespread distribution of property. Distributism favours a "society of owners" where property belongs to the many rather than the few. It correspondingly opposes the concentration of property in the hands either of the rich as under capitalism, or of the state as advocated by some socialists. In particular, ownership of the means of production, distribution and exchange must be widespread.

In as much as references to distributism have been made at all over the last half century, they have usually been disparaging. A case in point is the 1990 biography of Chesterton by Michael Coren. Coren writes in regard to distributism: "The nasty flavour of economic fascism, with its rejection of both capitalism and socialism, is strong indeed, and Distributism died as a
creed as soon as the fascist parties built themselves a solid platform". He continues: "Distributism was naive rather than unpleasant, relying on wishful thinking and ignorance of world affairs and trends"\(^1\).

In much the way Chesterton and the leading Fabian socialist of the day, Bernard Shaw, disagreed in the course of the great debates between them which continued throughout the first quarter of our century, I am in disagreement with Mr Coren. As the book which prompted your invitation to me to speak tonight I hope demonstrates, distributism never died\(^2\). Nor is it in any sense dead today. In Chesterton's day, distributism may well have been an idea for which the world was not yet ready. The world has since been given good reason to know better.

What we have in distributism is just such an idea as Victor Hugo had in mind when he wrote "Nothing is so powerful as an idea whose time has come". What distributism re-affirmed was the ideals of the French Revolution: liberty, sociability, equality and democracy. In its unambiguous and unflinching affirmation of these ideals, distributism demonstrates that, far from being linked with fascism as Coren would have us believe, it is the antithesis of fascism.

**Challenges**

What then is the relevance of distributism for Australia today? I start from the premise that Australia stands today at an historic watershed in our national affairs. It is plain now as never before in our postwar experience that neither the welfare state as we know it today nor the unfettered market economy are capable of meeting the expectations which many have invested in them. The lessons and consequences of the “greed is good” 'eighties are far too recent and painful to require significant or extensive reiteration.

Unemployment levels are higher than ever before in our postwar experience. So too are levels of longterm unemployment. The capacity of even an otherwise healthy economy to provide work for all who seek it is - at the least - in serious doubt.

The gap between the rich and the poor has at the same time become greater than at any earlier postwar stage. As Australia's pre-eminent social researcher, Hugh Mackay, reminds us:

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In just sixteen years (1976-92), the proportion of Australian households with an income of more than $72,000 (based on constant 1991-92 values) rose from 15 percent to 30 per cent. At the same time, the proportion of households with an income of less than $22,000 rose from 20 per cent to 30 per cent. ... If we define the economic middle class as being households with incomes between $22,000 and $72,000 (in 1991-92 terms), then the middle class has shrunk from 65 per cent of households in 1976 to 40 per cent of households in 19923

We have moved within the space of two decades from being one of the most egalitarian nations on earth to one which is characterised instead by profoundly anti-egalitarian attitudes and practices.

The rebound from welfare at the same time threatens to become a wholesale retreat, as governments everywhere scramble to rebalance their budgets and extricate themselves from financial commitments which are seen to be unsustainable. The safety-net on which many have relied for support in times of adversity is seen increasingly to be ungenerous and inadequate.

The upshot has been the emergence for the first time of an Australian underclass, similar in most respects to those which have also emerged in the United States of Ronald Reagan and George Bush and the Britain of Margaret Thatcher. Failing a new approach, hundreds of thousands - perhaps millions - of Australians will in future experience lifelong unemployment. Far from either the public or private sectors responding adequately to these great structural problems, both are seen widely as compounding them. Where jobs should be created they are instead being destroyed.

The New Poverty and the New Inequality cry out for remedies and solutions which so far have not figured on the agendas of either government or opposition parties. What these unwelcome developments demonstrate most forcibly is just how rapidly in the wake of the ending of the Cold War the worst features of capitalism are re-appearing. As the distinguished British scholar and former prominent Labour MP, David Marquand, writes: "Capitalism is off the leash. Not surprisingly, it is behaving much as it did before its tamers put it on the leash during the extraordinary burst of institutional creativity which followed the Second World War". 4

What we are experiencing increasingly is the re-emergence of inequality and social exclusion on a scale which is reminiscent of nothing so much as the Australia of a century and more ago. The differences between the 1890s and the 1990s in these respects are less striking than their similarities.

Origins

Faced as our forebears a century and more ago found themselves with similar challenges - gripped as so many then found themselves by an intense revulsion and agony of conscience over the persistence of poverty, deprivation and inequality in the presence of wealth and abundance - they were not afraid to question the shibboleths, the sacred cows, of free market ideology and the unfettered play of competitive forces.

Nor were they afraid to think radically about the remedies. The nineteenth century and the early decades of our present century were rich in perceived new possibilities for overcoming entrenched inequities and injustices. What key schools of reformist thought had in common was - in words which the great expatriate Polish philosopher Leszak Kolakowski has used to define modern social democracy - "... an obstinate will to erode by inches the conditions which produce avoidable suffering, oppression, wars, racial and national greed and vindictive envy".  

The issue which divided the reformers most fundamentally was whether, as many on honourable grounds concluded, the suffering of the poor could be relieved more rapidly and with greatest certainty through state socialism - through socialism on the model of the command economy and the statutory corporation - or whether on the contrary change could be effective only if it was from the bottom up. If the state socialist model has proved to be flawed - if its performance has fallen tragically short of its promise - that in no way makes less admirable the selfless dedication to the advancement of the dispossessed which so largely motivated its advocates.

It as much honours the motives of the state socialists as it acknowledges their failure to now address ourselves to the new question as to whether as Francis Fukuyama so famously suggests we at the end of history, and neoliberalist capitalism is the only option available to us.  


which state socialism in its day overshadowed? Should not this rich reformist inheritance now be re-visited and re-assessed?

It is to just such reformist traditions that distributism squarely belongs and - in its modern, evolved form - can now be seen to give triumphant expression. In arriving at their vision of distributism, Chesterton and Belloc reached back to notable reformers before them. "It is my experience", wrote Chesterton, "that the sort of man who does really become a Distributist is exactly the sort of man who has been a Socialist ... Mr Belloc himself had been a Socialist; my brother had been a Socialist; I had been a Socialist".7 Distributism was in a very real sense one of several breakaways from the state socialist orthodoxy of the day, comparable to the guild socialist and syndicalist movements which it also in many other key respects closely resembles.

In addition, there are clear echoes in distributism of the mutualism of Robert Owen, Rochdale consumer co-operation, Raiffeisen credit unionism and the great mutual life assurance society and building society movements. There are echoes also of the worker co-operativism which Christian socialists such as John Ludlow and Frederick Maurice championed through their Society for Promoting Working Men's Associations in the eighteen-forties. As the American scholar Dermot Quinn points out: "Co-operatives were essential to the Distributist ideal. They combined ownership, labour for profit, reward for initiative, a degree of self-sufficiency, elimination of waste (as in the duplication of equipment or use of unnecessary middlemen) and a strong commitment to reciprocal self-help".8

What distributism echoed most plainly of all was the Catholic social teachings which Pope Leo XIII - acting in part at the instigation of the great British cardinal, Henry Manning - set out in 1891 in his social doctrine encyclical letter De Rerum Novarum. One useful way of thinking about distributism as Chesterton and Belloc originally envisaged it is as their attempt to think through how to give operational effect to the teachings of De Rerum Novarum.

**British Distributism**

Chesterton and Belloc were in no doubt as to the urgent need for reform. "To say that I do not like the present state of wealth and poverty",  

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Chesterton affirmed, "is merely to say that I am not the devil in human form. No one but Satan or Beelzebub could like the present state of wealth and poverty".\(^9\)

Nor were they in any doubt that the change would necessarily be far-reaching. To quote Chesterton again:

The thing to be done is nothing more or less than the distribution of the great fortunes and the great estates. We can now only avoid Socialism by a change as vast as Socialism. If we are to save property, we must distribute property, almost as sternly and sweepingly as did the French Revolution.\(^10\)

However, their vision of distributism was at the same time pluralist. Chesterton wrote: "Even my Utopia would contain different things of different types on different tenures ... There would be some things nationalised, some machines owned corporately, some guilds sharing common profits, and so on, as well as many absolute individual owners, where such owners are most possible ... Even while we remain industrial, we can work towards industrial distribution and away from industrial monopoly ... we can try to own our own tools ... In so far as the machine cannot be shared, I would have the ownership of it shared; that is, the direction of it shared, and the profits of it shared".\(^11\)

In addition, distributism was to be gradualist. "If we leave things as they are", Chesterton argued, "there will almost certainly be a crash of confiscations. If we hesitate, we will soon have to hurry. But if we start doing it quickly we shall have time to do it slowly".\(^12\) Belloc was of a similar mind. "The restoration of Property", he wrote, "must essentially be the product of a new mood, not a new scheme. It must grow from seed planted in the breast. It is too late to reinfuse it by design, and our efforts must everywhere be particular, local, and, in its origins at least, small".\(^13\)

\(^12\) Chesterton 1910, p. 224.
What is audible here finally is a clear resonance with the view the personalist French Catholic philosopher Emmanuel Mounier expresses so eloquently in his *A Personalist Manifesto*. Mounier writes:

The central move of any personalist revolution is not, then, to unite incoherent forces for an attack upon the coherent and powerful front of bourgeois and capitalist society. *It is rather to implant in the vital organs, at present diseased, of our decadent civilisation the seeds and the ferment of a new civilisation.*

**Antigonish**

In the event, the British distributism movement to which Chesterton and Belloc gave rise withered on the vine with the death of Chesterton in 1936 and the coming of the Second World War. Its demise occurred because its adherents were interested far more in talking about it than in giving it effect. However, the distributist idea did not die with Chesterton as many supposed, but rather had emigrated earlier on to Canada. It was alive and well in Nova Scotia, and being carried forward by the Antigonish Movement which two remarkable Catholic priests, Father Jimmy Tompkins and Father Moses Coady established there in the 1920s and 1930s.

Coady and Tompkins created a new distributism on the basis of adult education and Rochdale co-operation and Raiffeisen credit unionism. Their aim was to enable local communities to become "masters of their own destiny" and enjoy "the good and abundant life", by mobilising local and regional resources for economic development. Coady wrote:

> We start with the simple things that are vital to human living and move on up the scale to the more cultural and refining activities that make life whole and complete. Through credit unions, co-operative stores, lobster factories and sawmills, we are laying the foundations for an appreciation of Shakespeare and grand opera.

If the Antigonish Movement ultimately asked more of consumer co-operation and credit unionism than they were able to deliver, that in no way detracts from the energy its adherents devoted to their cause, nor from the short-to-medium term alleviation of suffering, the enhancement of human dignity and the restoration of hope which they accomplished.

**Mondragon**

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It remained for a further notable priest, Don José Maria Arizmendiarrrieta, to make distributism work, through the great complex of industrial, retail, financial, service and support co-operatives - now the Mondragon Co-operative Corporation - which he established at Mondragon in the Basque region of Spain in 1956.

The essentials of the Mondragon story are simple. From a standing start in 1956, the Mondragon co-operatives - now the Mondragon Co-operative Corporation (MCC) - have grown to the point where they are now the largest business group in the Basque region of Spain, the ninth largest business group in Spain and a major competitor in European and global marketplaces. What began forty years ago as a handful of workers in a disused factory, using hand tools and sheet to make oil-fired heaters and cookers, has now become a massive conglomerate of some 160 manufacturing, retail, financial, agricultural and support co-operatives. Annual sales are now approaching - and will shortly exceed - $US6 billion.

The MCC report for 1996 shows that sales of manufactured goods were up on 1995 by 15.9%, assets by 20.5% and profits by 33.1%. All told, the MCC provides jobs for roughly 3% of the Basque region's 1,000,000 workers. While the region has lost 150,000 jobs since 1975, and the level of unemployment is currently around 25%, employment in the co-operatives increased in 1996 by a further 2,684, from 27,950 to 30,364. Fewer than 10% of the co-operatives have failed to become going concerns, as opposed to the 92% of all new businesses which currently last under ten years.

Export sales of MCC products in 1996 were up on 1995 by 18.4%, from 39% to 44%\textsuperscript{16}. The MCC is Spain's largest exporter of machine tools and the largest manufacturer of white goods such as refrigerators, stoves, washing machines and dishwashers. It is also the third largest supplier of automotive components in Europe - designed by General Motors in 1992 as "European Component Supplier of the Year" - and a leading supplier of components for domestic appliances.

Whole factories are designed to fabricated to order in Mondragon, for buyers overseas. Subsidiaries operated by the MCC in conjunction with overseas partners manufacture semi-conductors in Thailand, white goods components in Mexico, refrigerators in Morocco and luxury motor coach bodies in China.

MCC construction co-operatives carry out major civil engineering and building projects at home and abroad, the building of key facilities for events such as the Barcelona Olympic Games. The steel structure for the new Guggenheim Museum in Bilbao - a building comparable in stature to the Sydney Opera House - was fabricated by a Mondragon co-operative.

The MCC also includes Spain's fastest-growing retail chain - Eroski - which currently operates 37 Eroski and Maxi hypermarkets, 211 Consum supermarkets, 419 self-service and franchise stores and 333 travel agency branches. The MCC financial co-operatives - the Caja Laboral credit union and the Lagun-Aro social insurance co-operative - are among Spain's largest financial intermediaries.

To what causes are these great achievements attributable? The answer can be summed up as the convergence of mutualism with distributism. The success of the MCC stems in the first instance from the fact that every worker is an equal co-owner of the co-operative where he is employed with an equal say on a one-member-one-vote basis in the governance of the co-operative and an equal share - proportionate to salary - in its profits or, on occasion, losses.

Secondly the manufacturing or primary co-operatives are serviced on a mutualist basis by a unique system of secondary support co-operatives. The aim of the secondary support co-operatives is to make the MCC self-sufficient in regard to key requirements such as capital, education and training and research and development. Pursuant to mutualist principles, the secondary support co-operatives are owned and governed jointly by their workers and the primary co-operatives which source services from them. Profits distributed to workers in the secondary support co-operatives are linked to those of the manufacturing co-operatives.

Thirdly, Mondragon, in a key sense, is about credit union driven regional economic development. The Mondragon credit co-operative was largely responsible for mobilising the local and regional capital for the development of the co-operatives, and through its Entrepreneurial Division provided them with financial services and management support.

The key distributist objective of a well-judged distribution of property has been achieved in Mondragon. Members of the co-operatives have property of four kinds: in the first instance, ownership of their jobs; secondly, direct personal ownership of the balances held for them in individual capital accounts, which earn additional income for them through interest to which they have regular access; thirdly, a shared ownership of the assets of their
co–operatives, such as buildings, equipment and reserves, for whose governance and management they are directly responsible; and, finally, a further shared ownership — albeit less direct — of the unique system secondary support co–operatives in which the primary co–operatives are major stakeholders. Nowhere else in the world has ownership of property been established on so well–distributed, diverse and entrenched a basis.

"We Can Try to Own Our Own Tools"

How then can distributism - on however modest an initial scale - be used to address Australia's current problems? In what form can Belloc's "particular, local and, in its origins small" distributist project now be given effect? How can we in Australia realistically set out as Mounier suggests "to implant in the vital organs, at present diseased, of our decadent civilisation the seeds and the ferment of a new civilisation"? In what way can a beginning - albeit small - be made at the task which Chesterton defines for us as "nothing more or less than the distribution of the great fortunes and the great estates"? In what way can we begin to apply the lessons of modern, evolved distributism as exemplified by Mondragon?

A distributist program for Australia would include at least three key components. In the first instance there would be measures to ensure that small businesses - those where in Chesterton's words "we can try to own our own tools" - are not crushed by larger ones. The Senate has made a useful beginning in this respect with its inquiries into unfair retail leases in large shopping complexes. A further inquiry is currently being conducted into predatory pricing and other anti–competitive practices by the major supermarket chains, but much remains to be done. It would be encouraging if government was seen to be taking the recommendations more seriously.

Secondly, there would be acknowledgment by government that agribusiness and smallholder farming - the authentic family farm - differ radically from one another and accordingly have different requirements in terms of public policy. Urgent action is required if the option of farming as a lifestyle choice rather than a capital intensive investment decision is not to be lost to future generations of Australians.

Landcare programs point the way to a possible re-invention of the family farm as a protector of the environment and custodian of the national estate. There have been refreshing acknowledgements in recent statements by the National Farmers' Federation that owning land as much entails responsibilities as it does rights. Other important potential synergies are waiting to be explored between the family farm and expressions of renewed feeling for the
land such as are represented in Britain by the Sacred Land Project and social movements such as The Land is Ours.

As the Melbourne scholar Kate Rigby points out in a recent paper: "Here land is not a commodity, to be bought and sold, opened up or concreted over, for the economic profit of the few. It is rather more like a sacred trust to be held and cared for in the (more than economic interests) of all; it is at once the source of life and the ground of the community". If, as such prominent early distributists as the great Dominican Father Vincent McNabb hoped, rural self-sufficiency is to once again be widespread, it likely to result from an enlightened convergence of self-interest with the requirement for sustainable development.

Thirdly, vital as are small business and the land to the distributist vision, the form in which property matters most to Australians is the ownership of a job. As has been seen, Chesterton and Belloc were unambiguously of the view that workers should be the owners - either wholly or in part - of their workplaces and receive the proceeds of their labour. The platform their Distributist League adopted in 1927 states bluntly: "Every worker should own a share in the assets and control of the business in which he works".

**Employee Share Ownership Plans**

How then can a much more widespread ownership of property in the form of jobs now be achieved? The keys here are, in the first instance, a much more widespread use of employee share ownership plans and, secondly, a resurgence of mutualism. Businesses which begin as ESOP's may well evolve — over time, and in the light of experience and heightened consciousness — to the point where more democratic and participative structures in the Mondragon mould are adopted. The potential gain from more effectively fostering ESOPs is apparent from the US experience, where more than a thousand majority employee–owned companies are now pioneering changed work and management practices.

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Unhappily, neither side of politics in Australia has to date taken sufficient interest in - much less actively facilitated - the adoption of ESOPs on the widespread basis to which their merits so plainly entitle them. It is accordingly the more welcome that the government has recently commissioned an inquiry into employee share ownership from the House of Representatives Standing Committee on Employment, Education and Workplace Relations. The fullest possible use should now be made of the Committee's hearings and deliberations to establish employee share ownership where it properly belongs, as a key item for the public policy agenda.

It is vital that the committee should arrive at a clear bi-partisan consensus for promoting employee share ownership as a matter of national priority. What should be looked for from the committee's report is, in the first instance, clear recommendations as to what amendments to current taxation and regulatory arrangements are needed in order to more effectively promote and facilitate the availability of ESOPs for all Australian employees, with special reference to employees of unlisted or overseas firms. Secondly, the report should include recommendations as to whether and, if so, by what means, loans can be made available on favourable terms for the establishment of ESOPs.

Thirdly, there should be recommendations from the committee for the establishment of ESOPs where government functions are out-sourced or privatised. Finally - and not least - there should be recommendations as to whether, and if so in what form, new measures are required to guard against the abuse of ESOPs either for tax avoidance or in order to disproportionately advantage Chief Executive Officers and other senior managers.

**Mutualism**

What is needed no less urgently than a more vigorous facilitation of ESOPs is that Australian mutualism should now be reinvigorated. That mutualism has recently had a poor press - that most financial commentators have to their eternal discredit been uncritical supporters of the demutualisation of great mutualist entities such as the National Mutual Life Assurance Society and the Australian Mutual Provident Society - should not obscure the role of mutuals as a major source of social and economic well-being.

Successful mutualist movements are almost always a response to genuine and specific needs. The Rochdale Pioneers, for example, established their co-operative store in Toad Lane in response to a pressing social need for
affordable access to such household requisites as food, fuel, light and clothing.

Credit co-operatives were a response to the need for affordable carry-on loans for smallholder farmers and later for affordable consumer finance. Friendly societies were initially a response to the need for burial benefits, and, later, unemployment benefits, sickness benefits and medical care. Access to affordable life assurance was offered by mutual societies, as was access to affordable home loans by building societies.

Processing and marketing co-operatives met a pressing social need on the part of farmers to capture value added to their produce beyond the farm gate. Worker co-operatives were a response to the need for labour to hire capital rather than capital labour and so for workers to be the owners of their jobs. Trade unions were originally mutualist bodies or co-operatives formed by employees in response to the pressing social need to obtain a just price for their labour.

The usefulness of all these institutions, and the validity of their mutualist principles, is evidenced by their survival. They have endured - and skilfully adapted themselves to new needs and challenges - in the face often of hostility on the part of the professions, the indifference and incomprehension of governments and the short memories of many who in the past figured among their most notable beneficiaries. Their success is further evidenced by the magnitude of their assets. Australia's credit unions alone have assets in excess of $18 billion, and their holdings are small by comparison with those of our friendly societies, building societies and assurance societies.

What is apparent, however, is that the needs which brought into being these mutualist entities are now being met on as favourable terms from other sources, or else are for other reasons being experienced less acutely. The challenge accordingly for the mutuals is to re-invent themselves so as to respond as effectively to the new needs of the present and the future as to those of the past. It is to recognise that affordable personal loans, affordable home loans and affordable health insurance and life assurance are now far less a pressing priority for their present and future members than a secure job and just remuneration. Not least, the challenge is to reject the easy option of demutualisation and instead undertake the hard work which a fundamental re-defining and re-positioning of their activities must necessarily entail.

What is required in summary is an acceptance by mutualist bodies that they are not forever chained to the provision of services for which the original
justification no longer exists or is now less pressing, but rather should see themselves as pools of community capital which can be re-tasked in the face of new needs on the part of those for whose interests they are trustees. A compelling demonstration of capacity of mutualist bodies to re-invent themselves is evident in a co-operative in the United States - Co-operative Services Inc - which was formed in the nineteen-thirties in response to a pressing social need for affordable, hygienic household milk delivery services.

When the corporate dairies moved in with comparable services at a comparable price, the co-operative re-invented and re-positioned itself so that the community capital it had accumulated was applied to meeting the new - or perhaps hitherto suppressed or unrecognised - need for affordable optometrical testing and the supply of spectacles. When this function in turn was taken up by the optometrical services corporations, a further reinvention of the co-operative took place.

The co-operative at this point re-tasked itself to meet a pressing need for affordable accommodation and support services for older people. It now operates condominiums - large apartment blocks - for older people across America. Each condominium is now a free-standing, self-governing co-operative in its own right, within the over-arching structure of the parent body.

A second compelling case in point is the great Desjardins credit union federation in Canada. The Desjardins credit unions were originally established around the turn of the century in response to a pressing social need for affordable loans to tide over working-class households in the face of emergencies from one pay-day to another, and so provide protection against the loan-sharks who were lending them money at usurious rates.

In the 1950s and 1960s, the credit unions re-invented themselves as a source of affordable personal loans for major consumer durables such as cars, furniture and household appliances. They are now undergoing a second re-invention, so as to be able to respond to the current most pressing need on the part of their members: namely, for the local and regional economic development which will provide them and their children with jobs.

It takes no great leap of the imagination to envisage a still further step forward, whereby the Desjardins credit unions would give preference in their allocation of development capital to worker-owned enterprises. Nor is it difficult to envisage credit unions more generally and other mutualist financial bodies establishing structures and acquiring skills with which to
support recipients of commercial loans through services such as of the *Empresarial* Division of the Mondragon credit union. There should not be any insuperable barrier to a re-positioning along these lines by mutualist financial bodies such as in Asia, Europe, North America and, most of all, here in Australia.

It is up to Australia's financial mutuals - to our credit unions, building societies and mutual assurance societies - to now ask themselves squarely whether there are not lessons for them in the Mondragon experience. Is it not possible for Australian mutuals to re-invent themselves as comprehensively and with as triumphant success as have Co-operative Services Inc and the Desjardins credit unions? Is it not possible on the basis of lessons learned from Mondragon for our mutuals to respond as effectively to the acute needs being experienced currently by their members as to the needs of members in the past?

Is there not in Australia a place for mutuals which adapt the model of Mondragon in the light of our distinctive history and culture so as to have it work the more effectively on our behalf? Are those mutuals such as the NRMA which are currently flirting with demutualisation so bereft of imagination as to incapable of seeing in Mondragon the promise of a better way - a way which enables them to prosper while remaining true to their core mutualist values and principles?

What may well follow from all this is that it is from regional rather than from metropilitan Australia that a lead must now be sought. Community banks and credit unions currently being established by regional communities following the withdrawal of the major conventional banks are a clear indication that regional Australia in no way lacks the initiative which gave rise in regional Canada to the Antigonish Movement or in regional Spain to Mondragon. What is required is for mutuals to now reach out in reponse to the need for

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20 The Bendigo Bank - a former building society - has established community banks in conjunction with local communities at Rupanyup and Minyip in the Victorian Wimmera, Lang Lang and Toora in South Gippsland, Upwey in outer suburban Melbourne, and Henty in the NSW Riverina. Participating communities are required to raise establishment costs totalling around $250,000 and meet the branch running costs, and revenue is divided between the bank and the community on an agreed basis. Credit Care - a program auspiced jointly by Credit Union Services Australia Limited together with the Commonwealth and NSW governments - helps communities to partner credit unions in the establishment of local credit union member service centres or establish new credit unions. For example, a credit union member service centre at Kalbar in the Boonah Shire in Queensland was established following an approach to Credit Care by the Shire and the Kalbar Regional Organisation for Promotion, and operates as a partnership between the local community and the Electricity Credit Union.
regional communities to both provide themselves with essential services and fund and nurture for themselves regional economic development and the creation of jobs.

One useful way of thinking about credit union driven local and regional economic development is as an alternative to Hansonism. Support for Pauline Hanson and her One Nation party in regional Australia is above all an expression of pent-up despair and frustration - but also of pent-up energies and creativity for which there appears currently to be no constructive outlet. Australia will not have heard the last of Hanson and Hansonism unless and until regional areas acquire a means of self-help such as through mutualism and distributism.

**Conclusion**

Standing by the grave of the father of the co-operative movement, Robert Owen, as I did in the northern hemisphere summer of 1989, standing in 1996 by the graves of Jimmy Tompkins and Moses Coady on the hillside above the university at Antigonish, and standing in 1997 by the statue of Arizmendiarieta in the courtyard at the university in Mondragon, it seemed to me that no good idea is ever wholly lost. Buried as distributism has been sought to be by many, it has re-emerged at Mondragon as a beacon of hope for a world where hope has become a rarity. Were the original distributists alive today, the shape of modern, evolved distributism as at Mondragon - the synthesis between distributism and mutualism which is Arizmendiarieta's legacy to us - might well surprise them. It is unlikely that they would be disappointed.

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