

Small and Deadly: The Empire's Green Guru

by Marjorie Mazel Hecht

Alias Papa: A Life of Fritz Schumacher,
Author of Small Is Beautiful
by Barbara Wood
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Fritz Schumacher was a crucial force in shaping the post-war ideology that has almost destroyed the United States and has chained the Third World to poverty. He developed the post-World War II monetary system, attributed to John M. Keynes, which was a subversion of the ideas fought for by Franklin Delano Roosevelt and Harry Dexter White. He introduced a corporatist, actually fascist, conception of "worker control" for Britain's coal industry, and championed the zero-growth, small-is-beautiful ideology, with which the oligarchy has continued its world dominance by denial of science and technology and by population reduction.

How did Schumacher (1911-1977) come up with these ideas? What forces shaped him into such a destructive figure for the Third World?

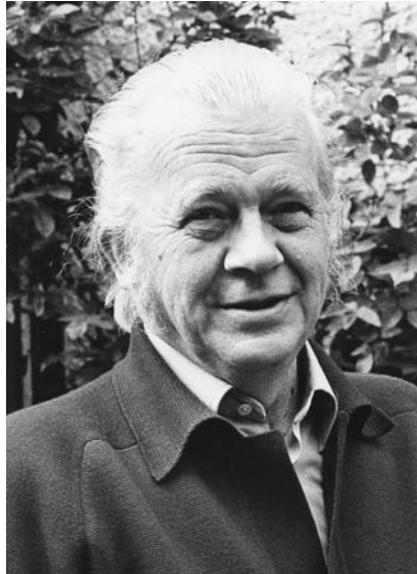
This biography, written by his eldest daughter in 1984 and newly reissued for the centenary of her father's birth, answers these questions. The author, Barbara Schumacher Wood, tells the story of her father's life, using his own words and those of family, friends, and political associates, in an engaging manner, so that the reader can follow his bizarre philosophical twists and turns and get a sense of the man's descent into smallness.

Elements of Schumacher's philosophical journey were familiar to me, having observed such transformations during the countercultural shift of the 1960s. Schumacher successively embraces atheism, Marxism, socialism, organic farming, Buddhism, mysticism, psychical research, astrology, meditation, and, finally, Roman Catholicism.

Early Years

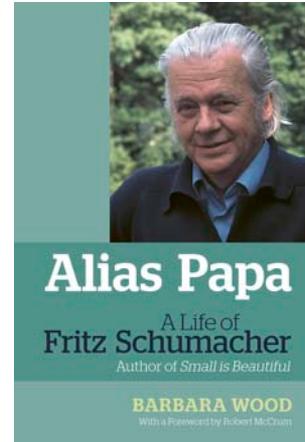
Ernst Friedrich Schumacher, known as Fritz, was born in Bonn, Germany, into a cultured and well-known family. His father taught economics, and was an advisor to the Crown Prince. The Schumacher's moved to Berlin in 1917, where his father became Professor of Economics at Berlin University. Times were hard in Germany in the aftermath of the Versailles Treaty and even the relatively well-to-do Schumachers went hungry.

In school, Fritz was bored at the slow pace, and played tricks on teachers he



Fritz Schumacher: The man whose mind composted, as it descended into smallness.

looked down upon. After a year at Bonn University, he went to England for a semester and met the economist J.M. Keynes, whom he admired greatly. He returned to England in 1930 on a Rhodes scholarship to study at Oxford University, and there met many of the influential people who were to help him in later years. He made many English friends, al-



though he didn't much like student life, and was criticized, quite rightly, as a supercilious know-it-all.

His thesis topic was on the London gold market, and after two years at Oxford, he decided to go to Columbia University to study the New York banking system. He loved New York, and the "intellectual freedom from Europe." In addition to Columbia academics, he worked at Chase bank as a "rotator," spending time in every department to learn every aspect of the business. (He had spent a summer at M.M. Warburg in Berlin, doing the same rotator job.) His outlook was that practical field experience was more important than the academic side.

In both England and New York, the self-confident Fritz was often called upon to speak about Germany's political situation. At first, he defended German nationalism, explaining that the hardships of the Versailles Treaty had led to support for National Socialism, and rationalizing why Germans resented Jews. But by March 1933, he wrote to a family member, "We no longer have right on our side."

The news from Germany was deeply troubling to him, but he decided to return home in 1934. There he had a well-paying job with friends in a trading syndicate, but he found life with Hitler's National Socialism to be more and more intolerable, as he saw his Jewish friends forced to flee for their lives, and police state measures restricting thought in general. Against the wishes of his father, he chose to return to England with his new

wife, and was fortunate to have a job offer, managing the investments of the Unilever CEO in London. His daughter writes that the main reason he left was his opposition to the Nazis' "abandonment of truth."

A Smallness of Mind

When did Schumacher come to think that small was beautiful? It was early in his career as an economist, in 1934, when he proposed to solve the devastating unemployment in Germany, by having the state subsidize employers to get rid of machinery and technology and thus employ more workers, at a state-supported salary, to produce manually. This was dubbed "Fritz's World Improvement Plan," and it met little support. However, it shows his way of thinking about people, technology, and progress. Progress, in the form of technology, was seen as the enemy. Science—so well developed in his homeland—was not part of his education or his mindset.

Fritz settled in London with his new bride, Muschi (Anna Maria Petersen), who was reluctant to leave her extended family, but deferred to the wishes of her new husband.

As an enemy alien in Britain, Fritz had to move out of the London area. His publishing friend David Astor¹ installed the Schumachers in a country cottage on a family estate as a farm laborer, but in 1940, Fritz was interned with 1,400 other enemy aliens at Prees Heath in Wales, under difficult conditions. At first he was sick and depressed, but he and his Marxist tent-mate, journalist Kurt Naumann, soon organized the camp into a more hygienic, ordered place.

His first real "education," his daughter says, came from Naumann, and Fritz came out of the camp (through the lobbying of his friends in high places, like Lord and Lady Astor) "invigorated" and a Marxist.

He was released back to his farm, and

¹ David Astor's infamous, super-wealthy parents, Lord and Lady Astor, were members of the Hitler-supporting "Cliveden set" in Britain during the War. (Cliveden was the name of the Astor estate.) His mother, Nancy Astor, was a American from the South and a racist. David, well known as a liberal champion of the underdog, however, claimed that his parents had protested to Hitler about his treatment of the Jews.

its hard manual labor. Meantime, the new Marxist continued his intense study of Marxism and worked out a peace plan, centered on an international balance of trade. He advocated a multilateral, as opposed to bilateral, world trade organization, with a central bank and clearing house. Fritz sent his proposal to Keynes, whom he idolized.



The Rhodes Trust

Schumacher as a Rhodes Scholar, 1930. His reputation at Oxford was as a supercilious know-it-all.

The centenary logo of Practical Action, the group Fritz founded. It still pursues appropriate technology, as do the myriad United Nations and non-governmental organizations who copied the poverty-sustaining Schumacher philosophy.



The Schumacher Society

The author, Barbara Schumacher Wood, Fritz's eldest daughter. Schumacher had eight children, four with each wife.



Keynes told him that he was thinking along the same lines. But when Fritz wanted to publish his proposal, Keynes urged him to hold off, writing: "I must leave the matter to you. But what would help me most is that you should simply let me see your ideas on this matter and have a talk next time you are in London, but put off actual publication for the time being."

When the Oxford Institute of Statistics, where some of his former internment friends now worked, had an opening, Fritz applied, and got the job, moving to Oxford in March 1942, and leaving his wife and children behind on the farm. At Oxford, his elite connections expanded. He had met the head of the Chatham House Royal Institute of International Affairs at Keynes's house, and he entered into these high-level circles, putting forward his trade proposal.

Fritz's plan was widely discussed. The Chancellor of the Exchequer liked it, so Fritz thought it was time to publish in the May edition of an economic magazine—but it was too late. Keynes published his proposal in April as "Proposals for an International Clearing Union." Noting that his proposals "lay no claim to originality" was the closest Keynes came to acknowledging Schumacher's ideas. The Keynes plan could have been called the Schumacher plan.

In this period, Fritz joined a Marxist book club and became a socialist, supporting state-run enterprise. He completely rejected religion, in particular Western Christianity, identifying with the views of Nietzsche. He moved into social-fascist Fabian circles, and into journalism (His old Oxford friend, David Astor, was the editor of *The Observer*).

He wrote easily on a variety of subjects to supplement his meager income, and became well known and sought after as an author, speaker, and advisor, including to the government and Parliament. The self-confident Fritz could compellingly discuss his current view, no matter how contradictory it was with his previous views, or how bizarre.

'Invisible Hand' Morality

At this point, Fritz argued that morality didn't exist—everyone has his own view. His daughter describes the emotional change in Fritz, as he grappled with the problem of unemployment, working with Lord Beveridge on a plan for Britain after the war. For Fritz, his daughter writes, it was necessary to resort to Adam Smith's "invisible hand," but this time as a way to make the workers think that they had a role in running the industries that they were toiling in, by participating in committees and councils. State-run industries would require that workers believe that there was some equity in income distribution.

As Fritz wrote about this concept: "the worker's loyal support can be obtained only if he can feel that a more moral principle governs distribution than the principle of ownership. I have the feeling that the necessary measures will be adopted only if justified by reference to more than temporary expedience: if justified by reference to a moral principle."

Fritz became a British citizen in 1946,



www.guardian.co.uk/world/video/2011/dec/02

Videograb of David Astor (left), editor of The Observer, and one of the many elite friends who aided Fritz in his journey inward to smallness.

and then became a member of the team of the American Bombing Survey of Germany, returning to his homeland in the uniform of an American Army colonel, with the task of figuring out why the bombing of industries had not damaged Germany's military strength.

After a few months, his wife and family joined him, and he worked full-time on economic recovery plans. His socialist plan for Germany involved the nationalization of major industries. He put coal at the center of his plan, for he correctly saw that energy was key to recovery, and that Germany had plentiful coal. His plan was not adopted, and in later years, his daughter writes, he became disgusted with Germany's "fat cat" industrialists.

His other economic plans (for European cooperation and a payments system) were also rejected, and when he was offered a job with the British National Coal Board as economic advisor, he happily returned to England in 1950, where he and his family settled down in a Surrey house with a four-acre garden.

Compost

Here, Fritz became immersed (literally) in compost, and an active member of the Soil Association, led by Lady Eve Balfour, a pioneer of organic farming. He passionately gardened, milled flour, and baked his own bread.

At the same time, Fritz threw himself into the problems of the nationalized coal system, and into deeper questions of

the spiritual nature of man. As he delved into Indian and Chinese philosophy and religion, he underwent a fundamental change in thinking, viewing intellectual strength and expert learning as an impediment to the primitive inner life. He was transformed.

He joined the Society for Psychical Research, and, as his daughter describes it, "From saying that no intelligent man should believe anything that could not be proved, he now took the opposite view that nothing should be dismissed because it could not be proved."

The transformed Fritz joined a G.I. Gurdjieff mystic spiritual group, studied flying saucerology, began yoga, and very seriously investigated his and his family's horoscopes. He threw off his "intellectual baggage," as he put it. His daughter attributes some of this abrupt change in Fritz to the emotional shocks of the post-war years spent in Germany, and to his immersion in the soil. In truth, his mind composted.

Fritz's transformation continued. His coal work led him to avow that energy was key, and that man was depleting non-renewable energy resources, "nature's larder," at "breathtaking speed." Instead of looking outward and upward to new breakthroughs based on man's creativity, Fritz continued his journey inward, to the small, studying the smallness in Gandhi and Buddhism, at the expense of the broader views.

The Burma Road Inward

His journey inward picked up speed, when in 1955, Fritz was given a three-month unpaid leave from the Coal Board to go to Burma as an economic advisor, financed by the United Nations. There he was enthralled by the "happy," colorful, and simple life of the poor in Burma, and he saw Western civilization as a destructive force. He described his economic team mates as "American Materialists" who have done "a lot of damage," which he strove to counter with his own form of Buddhist economics, a "middle way."

Fritz's economic plan for Burma recommended that the government ditch its development plans and its Western advisors, and stick with the renewable resources of forest and agriculture—no industry, chemicals, or metals. "It is already certain beyond the possibility of doubt," he wrote, "that the 'oil, coal, metal economies' cannot be anything else but a short abnormality in the history of mankind—because they are based on non-renewable resources and because, being purely materialistic, they recognise no limits. The new economics would be a veritable 'Statute of Limitation'—and that means a Statute of 'Liberation.'"

Fortunately, the Burmese government ignored Fritz's economic reports. Meanwhile, Fritz immersed himself in Buddhist meditation, spending weekends at



Lady Eve Balfour, founder of the Soil Association, whom Fritz greatly admired. Through the Soil Association, Fritz immersed himself in compost.

a monastery. He returned to England as a Buddhist, and began an intensive study of Buddhist history for four years. His newfound insights were promoted in a series of lectures on “what is man,” (perhaps a more accurate title would be “Fritz as man”) which included many of the ideas made infamous in his later book, *Small Is Beautiful*.

Coal, Statistics, and Serpents

By 1960, as oil from the Mideast became available, the continued existence of the coal industry was under threat. Fritz argued that it was wrong to become dependent on oil from such an unstable region of the world, that coal was of continued importance for Britain’s economy, and that once shrunk down, the industry would not be able to gear up again.² But he lost this fight with the Coal Board.

He thought about leaving the job, but his wife’s illness and subsequent death from cancer postponed any decision. And then, within a few months, Fritz remarried, this time to the young Swiss “mother’s helper,” Verena Rosenberger, Vreni, who had been taking care of the children and later nursing Fritz, who was injured in an auto accident.

The appointment of a new Coal Board chairman, Alf Robens, who agreed with Fritz and was willing to fight for a coal policy, was also decisive in keeping him on the job. Both he and Robens expected that the newly elected Labour government of Harold Wilson in 1964 would follow its pledge to keep the coal industry at its 200 million ton/year target. That didn’t happen. Wilson continued to expand oil imports, shut down coal mines, and, a worse crime in Fritz’s view, Wilson pursued a vigorous nuclear program.

Nuclear was anathema to Fritz, not just because it threatened the coal industry, but because it exemplified to him what was wrong with modern society. Already in his 1955 work on Buddhist economics, he had written of the “violence against nature” of nuclear: “Atomic energy for ‘peaceful purposes’ on a scale calculated to replace coal and oil, is a prospect even more appalling than the Atomic or Hydrogen bomb. For here un-



Fritz was enamored of Burma (now Myanmar) in 1955, idolizing its poverty as true happiness. Here a 2007 street scene in Yangon, from flickr.com.

regenerate man is entering a territory which, to all those who have eyes to see, bears the warning sign ‘Keep Out.’”

In 1965, Fritz came under government attack when he expanded on this view in a public lecture before the Clean Air Society, calling nuclear the ultimate and dangerous pollution. Like most of today’s anti-nukes, he had no understanding of atomic science, and a hatred of the technological advances that make human progress possible.

At the Coal Board, Fritz was given charge of the Statistics Department, and from that position he used statistics to back up his policy proposals. To his credit, he figured out that the pits with the most accidents, above and below ground, were not those with geologic faults, as commonly assumed, but those where safety standards were lax.

(One personal application of this knowledge, as described by his daughter, was selfish. In Japan, where he and other Coal Board members were visiting, he sat in a Japanese garden, while the rest of the group went underground. When later asked why he didn’t go with them, he replied that he had looked at the safety statistics and concluded that it was “not a risk I ought to take.” Why not tell his friends of this before they descended? One of the men came up with a bandaged head—and two weeks later an explosion at that mine killed 450 miners.)

Fritz also proposed a reorganization of the mining industry, giving local decision-making power to lower levels of the bureaucracy, with the rationale that this would increase performance. This was not a bad idea, but behind it was Fritz’s idea of “the Middle Axiom.” Boiled down to its essential, this Buddhist bowdlerization involved telling people what to do without appearing to command them to do it—an updated version of the invisible hand.

To his family, his daughter writes, he put it this way, “You must be as cunning as a serpent and as innocent as a dove.”

Small Talk Goes Big

In the last chapters of her biography, Barbara Schumacher Wood briefly reviews her father’s fascination with the smallness “solution” to poverty in the developing sector. He worked with India’s Bhoodan movement and J. Narayan, advising them to eschew the Western concept of economic growth and to develop local crafts and agriculture. Factories were to be avoided, he said, because they would ultimately drive the population into more poverty by mass-producing goods and putting local craftsmen out of work.

His was Marx’s view of English capitalism. How different from the successful American System of Political Economy, of the 19th Century, which promoted a “Harmony of Interests,” where labor

2. The irony of Fritz’s ardent support of full coal power, while attacking the use of non-renewable resources is not discussed by his daughter.

and capital would dramatically raise general living standards in the United States (and also in Germany, Japan, and elsewhere, where it was adopted).

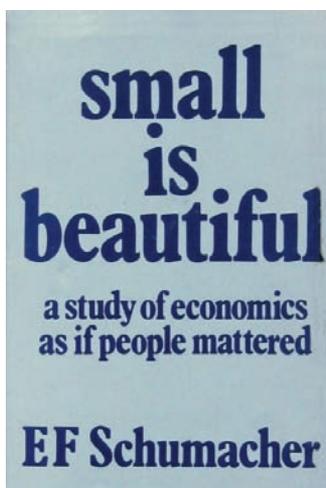
It was on a 1962 extended visit to India that Fritz came up with the idea of “intermediate technology,” what later was institutionalized as “appropriate technology.” This meant a simpler, non-capital-intensive technology that would slightly improve on the primitive technology being used. In Britain, he teamed up with the willing African Development Trust, to spread his “appropriate technology” throughout Africa as well.

But officialdom had not yet recognized his intermediate technology as a solution, as Fritz found out when he presented a paper on his plans to an economic conference at Cambridge University in 1964 to much criticism. The Minister of Overseas Development also received his idea coolly.

The break came in August 1965, when David Astor’s *Observer* featured Fritz’s article on intermediate technology, titled “How to Help Them Help Themselves.” This was the spark that fired up support for Fritz, and his new organization, the Intermediate Technology Development Group, which later changed its name to “Practical Action.” All sorts of subgroups were set up to devise “modern” but simple technologies, suitable for developing countries, which were to be denied access to advanced technologies because of the ideology of Fritz et al. that held Western materialism to be bad.

As his daughter notes, this was the “first world improvement plan” of Fritz to spread like wildfire internationally.

Fritz, now a very public intellectual, was deluged with speaking requests and began travelling extensively, having been given the freedom of a three-day work week at the Coal Board. At this point, his wife, Vreni, realized that she



“As if people mattered?” The 1973 edition of the book whose prescriptions are still killing people.

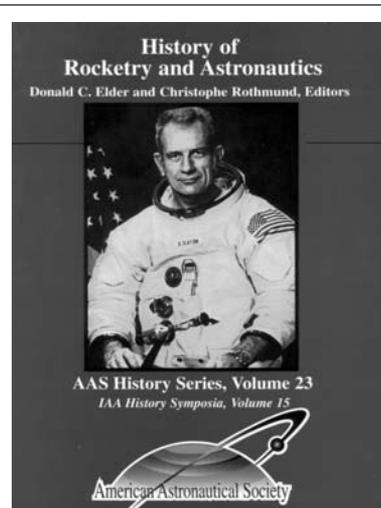
needed to fill the hole left in her life when Fritz was travelling, and she began attending Mass and taking instruction at the local Catholic Church, subsequently becoming a Catholic. Around the same time, the author says, she (Barbara) also investigated Catholicism and joined the Catholic Church. Fritz supported both of them, but was not yet ready for this move, he said, because it would shock his mother.

At the invitation of their respective Presidents, Fritz visited Tanzania and Zambia to give development advice—intermediate technology and limited cultural “uplifting” of the rural population. Then he was invited to South Africa, where his advice was to give the black homelands separate development. He did not like Apartheid, but he thought that any other system of development would have the whites in charge and the blacks oppressed.

Fritz was unprepared for the blowback of his “separate development” remarks, both in Africa and in London. His daughter writes that he wasn’t thinking of the political implications, but only of how to help the most people.

In 1970, Fritz formally retired from the Coal Board, staying on as a paid consultant, and he began to write and to tend his neglected garden. For his 60th birthday, he refused a gift from the family of a small tractor, calling it too high a technology for his garden, and instead he bought a battery-operated wheelbarrow. He also became president of the influential Soil Association, and, in the middle of writing *Small Is Beautiful*, he joined the Catholic Church. He wrote of this:

“[I]t has taken me a long time to discover why religion has split up into so many different religions: it’s so you can choose the one that is most practical for you. The most practical to me was the Roman Catholic version of Christianity, and now I am relieved of such totally off-



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beat questions as: How could something incredible, like the human being, have come about by an accidental combination of atoms?"

By 1973, *Small Is Beautiful: A Study of Economics as If People Mattered* was at the publisher. Fritz's comment when the book was finished, his daughter writes, was "Brilliant" and "It comes as a complete surprise to me that I have written this marvellous stuff." His audience agreed—book sales took off exponentially, as did speaking invitations. The next year, the Queen awarded him the CBE, Commander of the Most Excellent Order of the British Empire, and honored him with a private dinner with Prince Philip and a luncheon with her.

Gurudom

Amid the many further honors and accolades, his daughter says, her father was transformed into a "guru figure." This was especially true in the United States, where California Gov. Jerry Brown used Fritz's philosophy in his election campaign, and where the youth, battered by the counterculture assault and disillusioned with the Vietnam War, found solace in Fritz's "back to nature" anti-technology ideas. On a later tour of the United States in 1977, crowds of thousands attended his lectures, and President Jimmy Carter, a co-small-thinker, invited him to the White House.

Later that year, Fritz Schumacher died of a heart attack on a train in Switzerland. His legacy lives on in the treadle pumps, clay pot "refrigerators," and other so-called appropriate technologies still being peddled in the developing sector, and in the destructive mindset that believes it is helping humanity by stopping science and technology. His life journey, as presented by his daughter, who works to continue her father's mission, is essentially one devoid of the beauty of science, as well as of classical art and music.

A gifted man, profoundly self-absorbed, takes a wrong philosophical turn early in life, ignoring the creative ability that is mankind's birthright, and instead choosing the small and practical. Rather than moving society to new



Rex Miller/Full Belly



From solar cookers and compost privies to double-pot "refrigerators": These are the limits of technology that Fritz and friends allow in the Third World. Shown are the hand-cranked nut sheller, the solar cooker, and Practical Action's "zeer pot fridge" (two clay pots with sand in between and a damp cloth on top).

and higher platforms of development and extending man's potential, Fritz devises new ways to make poverty in the Third World more acceptable to the West. His international economic plans involve centralized international bodies to manage trade and finances; but he proposes decentralization for everything else. He advocates divesting the West of advanced technology for sustainability; and he wants to divvy up the inevitable austerity, by reducing wages (equitably, of course), and redefining happiness as the simple life.

And so, this successful motivational speaker does the practical work for the Malthusian Prince Philip, Lord Bertrand Russell, and the rest of the oligarchy, promoting limits to growth and anti-technology policies that are proven to spread starvation, disease, and death—all the while claiming to help the people whose deaths will be caused by his policies.

It is therefore no surprise that Britain's present Cameron government is avidly

pursuing Schumacher's ideas, which are so well suited to a decentralized, deindustrialized, despondent population and top-down dictatorship—fascism with a human face.³ One senior policy advisor to Prime Minister Cameron, Rohan Silva, told a reporter for *The Observer* in March 2011, that the government was seeking to "break-up large-scale institutions into smaller elements. Smaller elements will enable people to choose a human scale—with an emphasis on the environment and well-being. There is more to progress than narrow economics, and more to life than GDP. We will be the first government to implement a measurement of well-being."⁴

3. "Fascism with a human face" and fascism with a democratic face" were the terms used by David Rockefeller's Trilateral Commission in the 1970s to describe its corporatist policies for the United States. Trilateral members made up most of President Carter's cabinet in 1976.

4. "E.F. Schumacher: Cameron's Choice," by Robert McCrum, *The Observer*, March 27, 2011.