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FOR POLITICAL AND ECONOMIC REALISM

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"Wheresoever the Carcase Is—"

By C. H. DOUGLAS

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Now that Mr. John Winant, millionaire, assisted by Mr. Benjamin Cohen, has come from the International Labour Office at Geneva, as Ambassador and instructor to Mr. Ernest Bevin on the Labour Policy of Great Britain, Mr. Averill Harriman, multi-millionaire, has come to take charge of our Finance, Mr. Wendell Wilkie has taken our temperature, and Mr. Harry Hopkins, late of the Federal Loan and Mortgage Board, remains as bailiff's man, and all of these are enthusiastically welcomed by the Socialist Party, it is perhaps of some interest to find an answer to the riddle—"When is a rich man not a rich man?" (for the purposes of Socialism).

The first answer can be obtained by inspection, as our Maths. Master used to say. It is when his riches are the result of monetary manipulation, and particularly, the result of bond flotation and sale. Each and every one of our, probably long-term, guests is in the orbit of the Kuhn, (i.e. Cohen), Loeb Finance Group. Not one of them is a manufacturer, or an agriculturalist, but all of them are here primarily to fix the conditions under which both manufacturing and agriculture are, they hope, to be carried on for the next five hundred years. And all of them are in enthusiastic agreement with the Socialists in the main tenets of Socialism. These are:

- (1) A preamble that sets out the many glaring defects of the present Economic and Social Systems. (No mention or criticism of Finance permitted.) Obviously this gets a majority vote at once.
- (2) "Labour creates all wealth." Wealth is the object of life, especially if not used but exported. Therefore *Present* labour has a right to all wealth so long as it exports it. Anyone who has the enjoyment of wealth without labour, is a parasite. (From this postulate is derived the curious inversion that anyone paid by the State is *ipso facto* not a parasite.)
- (3) The holding of property, particularly land or buildings, by an individual, is robbery of the Public and is likely to lead to the use of property for pleasure. The holding of property by *any* organisation is better, and the larger the organisation and the more secure it is from criticism by individuals, the better it is. The State, which is immune from Prosecution by Legal Process, is better still, at the moment, but a World State, which would be Omnipotent, would be best of all.

(4) Everything can be reduced to a Book of Regulations. For this reason, a Civil Servant in Whitehall, or Washington, or Geneva, can farm land in Ross and Cromarty, or Cheshire, or Alberta much better than the farmer who lives on the land. Or if he can't, it doesn't matter much, does it? Nobody knows the Civil Servant's name, he'll never see the farmer or the farm, and anyway, both the farmer and the Civil Servant will be dead soon.

(5) The main objective, therefore, is to take everything from the individual, vest it in an untouchable organisation, the larger the better, and thus change the choice of minor tyrannies, which are vulnerable into an overriding single tyranny, which is invulnerable. Taxation is the primary tool by which to attain this desirable end, but restrictive Law, and in particular Licence Law, is a valuable auxiliary. But Law is the Agency both of taxation and Licensing.

When you have done this, you can put everyone on the wage and salary list, and invent a job for them, even if it's only filling in Forms to show how many people are filling in Forms. Then you will have solved the unemployment problem, which is the curse of Capitalism—if you don't know enough to recognise it as the coming of the Age of Leisure. And if people don't like filling in Forms, well, "He that will not work, neither shall he eat."

Now, there is every justification for the acceptance of Socialism of this character by a very large majority of the population at this time, for reasons which a little later, I propose to recapitulate briefly. It is a remarkable tribute to the sound instincts of the Anglo-Saxon public that the majority is not larger, and that it is far from solidly convinced.

But before dealing with the grounds for the views somewhat reluctantly held by this majority, let us for a few moments consider their millionaire friends, for instance, Mr. Winant, Mr. Averill Harriman, or even President Roosevelt, not forgetting Mr. Benjamin Cohen, *et al.*, in the background. Why are they so anxious to vest all property in the State, at any rate in England, and to tax the private property owner out of existence?

Why, for instance, was it freely stated in Washington in 1920 that a certain notorious witness was given £10,000 from New York to advocate the nationalisation of the coal

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industry; that the Railways, although ostensibly Company owned, are since 1920 entirely divorced from the control of their Shareholders; that Mr. Montagu Norman "welcomes" nationalisation; that the London School of Economics, founded by the Fabian Society but mainly endowed by Sir Ernest Cassel, is practically a manufactory for Bureaucratic Socialists with international financial doctrines; and much other evidence to the same effect?

However reluctantly, I feel that we must abandon any explanation of these phenomena which assumes, for instance, that Messrs. Winant, Harriman, and Hopkins (assisted by Mr. Benjamin Cohen) have come over here to commit financial suicide, or to sell all they have, and give to the poor. I feel almost certain that the "New Order" in Europe, and Great Britain in particular, like the Socialist Paradise in Russia, while it may impoverish and enslave millions, and destroy the culture and achievements of many centuries, will still leave Messrs. Harriman, Kuhn, Loeb, *et al.*, assisted by Mr. Benjamin Cohen, in a situation which they regard with complacency. That is, of course, if nothing goes wrong.

We have therefore to approach Socialism, in order to appreciate it as a policy, from a somewhat unfamiliar angle. What is it that is concealed in a doctrine whose first postulate is a protest against economic inequality, which makes it so attractive to a special group of international millionaires who are the outstanding beneficiaries and primary cause of the inequalities attacked?

Obviously, the answer to this most important question will be found, not in what Socialists have said, but in what Socialism has done. And the first step to understanding what Socialism has done, is to be clear in regard to what Socialism has *not* done, such as invent and develop railways, roads and bridges, motor cars, dynamos and aeroplanes. The activities of Socialists have been almost exclusively in the field of Law (assisted by Mr. Benjamin Cohen *et al.*), and the situation in which we find ourselves is only to be understood by considering the Socialist legal trend against a background of scientific advance for which Socialism can take no credit whatever, but for the use of which it is responsible to the extent that its legislation has affected such use.

It is, I think, important to keep in mind this fact that Socialism is simply a system of Legalism, because it is not a British product, and all Legal Systems must be based on some particular conception of Society and must aim at realising or perpetuating that conception. Socialism is "German," in the same sense that the Rothschilds (*Red-shields*) are "German," or that the Reformation was "German," or that Kuhn, Loeb, or the Warburgs are "American." It is, and has been always, primarily a theory for export, and in the country of its nativity, has been, and is, kept severely in its place, which is to crush independence. The hey-day of "German" Socialism was in the day of Bismarck, who said of it "We march separately, but we fight together."

The downfall of Russia in 1917 was consummated by the introduction, in a special train from Germany, of Lenin and Trotsky. Freemasonry, financial and moral corruption, and Socialism, accompanied by a horde of petty bureaucrats, have brought about the downfall of France; and the strong tendency of the better elements of French society, in all classes, to Anglophobia, is the result of the widespread conviction that the British Government is now merely the tool of the same Dark Forces.

The situation we have to consider, therefore, is simply this. Two quite distinct influences have been at work for at least two hundred years. On the one hand, we have had the material progress of the industrial arts, which, as most people know, has been easily sufficient, considered by itself, to raise every member of the British public, by the use of power, to a position of economic independence, while at the same time reducing the necessity for economic labour to a small fraction of that available. Almost contemporaneously with this, we have witnessed a systematic expansion of Legalism, of which Socialism is an increasing part, which ignores and in fact systematically attacks and distorts this situation. And the net result is insecurity, more labour-hours, poverty, and war.

While it is probable that a majority of those who are interested understand how this situation has been brought about, it may be desirable to recall that the *physical* causes have been: Export of production, either unpaid for, inadequately paid for, or paid for in raw material only useful in the production of further material for export. The objective of this has been exchange manipulation. Grossly unbalanced production—too many machines, too few comforts. Sabotage: Artificial trade booms and slumps, with the breakup of plant and organisation.

Large-scale "Rackets" such as the Grid Electricity Scheme, which was an imitation of, and inspired from the same source as the Utilities racket in the U.S. Hundreds of millions of pounds worth of magnificent machinery and plant was consciously and unnecessarily broken up in connection with this scheme alone. All of these were rendered possible by subtle propaganda which treated money as wealth, and only employment paid for by money as being the production of wealth.

The *political* cause was the determination to maintain the monopoly of credit and to buttress that monopoly by Law. The most vital result of this was that purchasing-power was, and is, inadequate to buy the goods produced at the prices at which the price system requires that they should be sold,

so that a majority of production has to be given away to an enemy, while the purchasing power involved in its production is used to make up the deficit in respect of the remainder. At the same time, the controlled Press hypnotises the public to demand universal employment. Of course, nothing could be more favourable to the temporary re-establishment of this system than the present holocaust of sabotage and free gifts to the enemy if the world is still foolish enough to agree.

We are now perhaps in a somewhat better position to proceed with our examination of the apparently contradictory attractions of Socialism, *if we realise that it is simply more Law, an extension of exactly the process which has stultified the progress of the industrial arts. There is no more prospect of producing a tolerable state of Society by passing more Laws, and imposing more sanctions, than there is of repairing a motor car suffering from a choked carburettor by devising a fresh tax upon it.* The world is suffering from a fantastic and unnecessary book of Regulations, every additional one of which, while apparently beneficial at the moment, exacerbates the disease.

There are thus two aspects of Socialism, attracting very different supporters. There is the aspect which attracts Messrs. Winant, Harriman, and their like, with Mr. Benjamin Cohen, the Incarnation of Law, joyously assisting. These people see in Socialism, quite correctly, a line of thought which can only lead to the concentration of power in their hands, power they are determined to maintain and extend, just as Stalin and Hitler have power which the Czar and the Kaiser never had. The aspect which attracts the rank and file of Socialists is in the main something much more subtle, I think.

Passing over the fairly obvious influence of the revenge complex on the part of the under-privileged (who have for the most part been kept in that position by the millionaire "Socialists" in order to be used as a disintegrating force) and the attraction offered by petty bureaucracy to lovers of power without responsibility, I believe that one definite delusion accounts for more Socialists than any other single cause. It is the delusion of the supremacy of the intellect, with the derivative that an order is the same thing as its execution.

Now, anyone with reasonably wide experience of life and affairs knows that the intellect has very definite limits. "The Professor" is recognised as a legitimate butt for mild humour, not so much on account of his knowledge, as for the lack of any ability to use it in his daily life.

We recognise that what is lacking, is something we call judgment, or (very misdescriptively) "common" sense, and that this faculty, so rare that when it is combined with intellect it can almost command its own price, is an ability to check constantly and almost automatically, theory and ideas, against experience. It is exactly the lack of this faculty which is conspicuous in Socialist circles, which by common consent draw their support largely from the influence of well-meaning elementary school-teachers. The modern State-controlled school is the perfect model of bureaucracy, designed primarily for control by the Government rather than for any genuinely educational objective. There is no standard of output, except *Si monumentum requiris circumspice*. Once again, it is evidence of the magnificent material of the British people that a large and increasing

proportion of these teachers are revolting against this tendency. But a good deal of harm has been done.

Now to this type of mind, the fact that you can multiply x by itself five times, for instance, and the result is called x^5 is not merely proof of a fifth dimension, it is ground for a political world of five dimensions. Or to put the matter another way, "the Government" can order golf-club secretaries to grow asparagus in bunkers. Therefore asparagus will grow in bunkers. This confusion between Aristotelian and Baconian thinking is one of the most valuable tools of arch intrigue.

At this point, it may be desirable to dispel the idea, if it exists, that international financiers spend their time hatching out, e.g. Socialism.

To paraphrase a well known example from the theory of Chance and Probability, if ten monkeys tapped ten typewriters long enough, they would be bound, eventually, to write Karl Marx's *Das Kapital*, as well as everything else, even if they didn't understand it. But that would not mean that it would be broadcast weekly with variations by the B.B.C., commented upon by the "Woof," sponsored by the "Daily Poursuivant," modified for use in schools and Churches by the London School of Economics, and hailed on the outbreak of war as the Blue Print of the New Order. It is control of *distribution* upon which international financiers rely to stultify *production*, either of goods or of ideas.

What happens is that a comprehensive watch is kept on proposals of every kind and from every source, which have the smallest bearing on major issues. As an instance of the rapidity and efficiency with which this intelligence service acts, I might perhaps cite the fact that in less than three weeks from the publication of what might be called the first article on the relation between Finance, Centralisation and World Hegemony, which appeared in the *English Review* in 1918, an important member of the Rothschild family had sounded an alarm in appropriate quarters about it. If a proposal is dangerous to financial and high political interests, the press is closed to it. On the other hand if it is an attack on any interest *other* than these, and particularly if it is buttressed by "moral" argument, it is subterraneously assisted, since the destruction of these interests does not mean that they cease to exist—it merely means that they are transferred to international Finance. It is hardly too much to say, at this time, that if a policy of social reform is not attacked in the Press, or refused reasonable publicity it is certain to contain, hidden in it, a conspiracy against the plain man. The torrent of abuse, misrepresentation, downright lying and calumny, which has been directed against Social Credit, more particularly in Canada and Australia, is probably the highest compliment to its potential effectiveness which could be offered by the world's mischief makers.

It is clear, I think, that it is exactly in the realm to which Socialism has contributed nothing, the realm of individual initiative, invention, and scientific discovery, that we have made our progress towards a leisure civilisation, security and culture. And exactly in the realm in which Socialism operates exclusively, that of Law and the infringement upon the liberty of the individual, that the major and increasing frictions of Society occur, and the stultification of Science is accomplished. It is not the concern of Science to deal with Distribution. And with regard to Finance, which is the

mechanism of Distribution, Socialists and the Financier have always been of like mind.

In this, we approach the answer to our original question—why does Socialism receive support from International Finance and specifically German-American-Jew Finance? That answer is that Law places the sanctions of the State behind the collection of taxes. Socialism with its slavish adulation of the State, aims continually at the transfer of Property to the State. This property then becomes available as security for State Loans created by the Financiers out of paper credits—i.e., the monetisation of the collective credit of the community concerned. The Bond-holders are exactly what their title would imply—they are the slaveholders of the “New Order.”* Just enough of the Bonds are distributed to the Public to obscure the real nature of the transaction and to create a vested interest in the protection of the Financier.

Now, up to this point, it should be clear that there is really no room for discussion. There is not a single Socialist measure which has not involved increased taxation—taxation which is unnecessary but which increases the power of the Financier. At the date at which these words are written, the expenditure of the British Government has reached the colossal figure of £14,000,000 *per day*. No one in his senses believes that this sum is being raised, either by taxation or “saving.” It is, as to its major part, a book-keeping device to transfer Public Credit to Financiers. When the war has gone on long enough to ensure that the necessary arrangements have been made under the plea of military necessity (“Only in time of war, or under threat of war, will the British Government engage in long range Planning,” as Mr. Israel Sieff’s P.E.P. journal remarked) the maximum amount of taxes, although not all that are “due” as interest on these paper loans, can be extracted from the individual, so that he can never become his own master. Since inability to pay all will be admitted, the interest will be scaled down. The genuine subscriber, as distinct from the creators of large credits, will thus in effect lose his money. And it should be remembered that these colossal credits are based on destruction not construction.

Such a situation requires the elimination of autonomous States. One centralised Police Force (“As easy as A.B.C.”) will provide the Sanction for the Tax Collector. Herr Hitler is eliminating the British Empire, Japan proclaims a “New Order” in Asia, and, through National Socialism, the New Deal, Communism, or funeral Reithism, Utopia arrives with the day on which Hitler (if you live in England) Churchill (if you live in Germany) or Mussolini, are “beaten.” Stalin, Roosevelt, Taxes and Banks will accompany Mr. Benjamin Cohen, *et al.*, into the Dawn of the New Day.

Perhaps.

I have already suggested that an illusion has been systematically and consciously fostered both by the corrupt Press, and by political propaganda covertly paid for by international financiers, that the world’s populations must maintain themselves by persistent and increasing “work” and competition for export markets; that this illusion can only be

* “Slavery will be abolished by the War. This we and our European friends are in favour of. For slavery is but the owning of Labour, and involves the care of the slave. The same result can be obtained by controlling the money.” Circular issued to Bankers in the United States at the end of the American Civil War.

maintained by every kind of waste, and that the periodical wars which are a necessary agency of this waste are used to rivet fresh bonds, in every sense of the word, on the deluded public. But there are certain other aspects of the matter which are both significant and curious. One of these is the success with which Old Testament “religion” is used to recommend Socialist doctrines, in much the same way that Cromwell’s illiterate and half-crazy bible-thumpers prepared the way for the victory of the City of London Whigs, and their shadowy Continental backers, the re-admission of the Jews to England, the foundation of the Bank of England,” the loss of the American Colonies by taxation, and the black era of child-labour and unbridled industrialism which characterised the eighteenth and nineteenth centuries. No one who has any familiarity with the subject can fail to recognise the revival of the same technique, modernised, in the Dispatches from Our Own Correspondent on Mount Sinai which are broadcast by the “British” Broadcasting Corporation before the more secular news which follows at 8 o’clock. The frenetic adjurations to “sacrifice,” i.e. to pay more taxation (“which with proper psychological preparation can be greatly increased”) which were a feature of Lord Stamp (of the Bank “of England”)’s pre-war speeches, also bore the same suggestion that we hearken unto the Chosen Messenger of the Lord—invariably bringing bad news.

I am quite willing to accept any alternative explanation which fits the facts. But I find it difficult to understand the traitorous mismanagement of the affairs of this country for the last twenty years, in the face of the warning of 1914-1918, to go no further back, and the rewards and honour which have fallen to those who have been responsible, on any other assumption than that the situation in which we find ourselves to-day was consciously designed by much cleverer men than any of the well-known political shop-window ornaments who did their bidding, and further, that the arrangements to sell the British Empire required an organisation much older than twenty years, and included the sale, at one and the same time, of exactly those conceptions of individual liberty which, with some justice, we consider flourish best in these islands.

While, therefore, I have no doubt that Pan-Germanism, at the moment represented by Hitler, is the immediate enemy, and, as the result of the skilful planning of the real Enemy can only be crushed, and must be crushed, as the outcome of a long and devastating war, I am equally confident that victory over Germany is only valuable if it is accompanied by victory over those who at one and the same time helped Germany to re-arm, and prevented Great Britain from re-arming until re-arming inevitably meant a long war. I mean that mysterious international Power which at one end of the scale crosses all frontiers, dictates every Budget, and imposes the policy which maintains its own strength, and at the other, uses its Socialist dupes to fortify those sanctions of the State which render revolt impossible.

The solution of the problem is not a light matter, and is more difficult with every day’s delay. For my own part I am convinced that, having in view the devastation which these men have let loose for their own ends, no action is too drastic which renders them and their Organisations incapable of further harm.

Once they are out of the way, with their powers of Bribery and Blackmail, there is plenty of goodwill and ability in the world to guide “the forces of nature to the service and well-being of Man.” (All rights reserved)